



CITY COUNCIL ITEM SUMMARY

MEETING DATE:	October 5, 2023
SUBCATEGORY:	Bid Award/Purchases
DEPARTMENT NAME:	Administration
AGENDA ITEM TITLE:	Health and Vision Insurance Renewal for 2024
DEPARTMENT SUMMARY RECOMMENDATION:	<p>City staff met with One Digital, our health insurance agent, to review the health insurance proposals for 2024. Currently, City Employees are covered through Anthem (BC/BS) Insurance with the option of Point of Service (POS) or a Health Savings Account (HSA) insurance plan. Anthem first proposed a 16.6% rate increase on our account for 2024, and we had One Digital obtain proposals from other companies.</p> <p>After receiving other proposals and meeting with One Digital, we have successfully negotiated only a 3.43% rate increase from Anthem for 2024. Based upon our claims history, this is a more realistic rate increase.</p> <p>A couple of changes that I would like to make with this renewal is for the City to contribute 90% towards any employee's coverage under the Health Savings Account (HSA) coverage provided by Anthem, as employees are taking on more of the costs by paying a deductible first before having any doctor visits or hospitalization costs covered by Anthem. Currently, we only have four individuals covered under this plan. Decreasing their cost may incentivize other employees to take this coverage.</p> <p>Also, I am recommending that the city begin to pay 80% of the monthly premiums for all our coverage types (employee only; employee/spouse; employee/child(ren); and family) to provide affordable insurance premiums particularly for those who have family insurance which the city is only paying 75% of the insurance premium. By going to this new model, single employees would have to pay 5% more as they are only paying 15% of the monthly premium, and employees with family coverage would be paying less as they are currently paying 25% of the monthly premium. The other two-tier types (employee/spouse and employee/child(ren) are already paying 20% of the monthly premium.</p>

	<p>In addition, One Digital has provided the Vision Insurance renewal from Anthem, which is a voluntary insurance (employee pays 100% of premium) at the same premium. These are budgeted items. I recommend approval of the renewal of health and vision insurance coverage with Anthem Insurance for 2024.</p>
LEGAL:	N/A