



## Town of Lake Park Town Commission

### Agenda Request Form

Meeting Date: September 6, 2023

Agenda Item No.

**Agenda Title:** Resolution Authorizing and Directing the Town Manager to Obtain for Fiscal Year 2024 the Employee Medical Insurance through Florida BlueCare HMO; to Renew Employee Dental Insurance through CIGNA; to Renew Employee Vision Insurance through Humana; and, to Renew Basic Life and Accidental Death and Dismemberment, Supplemental Life, Short Term Disability and Long-Term Disability Insurance through The Hartford

- ☐ SPECIAL PRESENTATION/REPORTS ☐ CONSENT AGENDA  
☐ BOARD APPOINTMENT ☐ OLD BUSINESS  
☐ PUBLIC HEARING ORDINANCE ON \_\_\_\_ READING  
☒ **NEW BUSINESS**  
☐ OTHER: \_\_\_\_\_

Approved by Town Manager *[Signature]* Date: 8-30-23

Name/Title *Bambi McKittrick*  
ASSISTANT TOWN MGR/HUMAN RESOURCES DIRECTOR

<b>Originating Department:</b>  Human Resources	<b>Costs:</b> \$ 1,049,052 <b>Funding Source:</b> Various <b>Acct. #</b> Various as funded in FY 2024 budget. <input checked="" type="checkbox"/> Finance Jeffrey P. Duval	<b>Attachments:</b> Resolution; and, Gehring Group's Town of Lake Park Fiscal Year 2024 Employee Benefits Executive Cost Summary as Exhibit A; and the Gehring Group RFP Analysis as Exhibit B.
<b>Advertised:</b> Date: _____ Paper: _____ <input checked="" type="checkbox"/> Not Required	All parties that have an interest in this agenda item must be notified of the meeting date and time. The following box must be filled out to be on the agenda.	Yes, I have notified everyone <u>BMT</u> OR Not applicable in this case _____ Please initial one.

## **Summary Explanation/Background**

In anticipation of the need to renew employee benefits for Fiscal Year 2024 and at the request of staff, Gehring Group issued requests for proposals (RFP's) to the insurance marketplace for medical insurance coverage, dental insurance coverage, and vision insurance coverage. Attached as Exhibit A is Gehring Group's Town of Lake Park Fiscal Year 2024 Employee Benefits Executive Summary which summarizes the renewal rates that staff is recommending for approval.

Attached as Exhibit B is the Gehring Group RFP Analysis, and on page 1 of Exhibit B is the listing of carriers to which RFP's were submitted and the outcomes.

### **Medical Insurance:**

The current provider of the Town's employee medical insurance is Florida Blue, Blue Options High Deductible Health Plan (HDHP), which is due for renewal on October 1, 2023, for Fiscal Year 2024. To assist employees with the High Deductible Health Plan cost amounts, the Town also established a Town-funded Health Reimbursement Account (HRA) to set aside pre-tax monies for each employee to help cover the cost of the \$1,500 calendar year deductible amount for single coverage and \$3,000 calendar year deductible amount for families, as well as prescription drug expenses. In addition to the HRA, the Town also established a Gap program, administered by a third-party vendor to further assist employees with the deductibles and 20 percent coinsurance for medical services.

Gehring Group obtained an initial renewal rate from Florida Blue for FY 2024 which represented a 24.7 percent increase over the expiring coverage, which could not be sustained due to budgetary constraints. Through the RFP process, Gehring Group negotiated the renewal for the Florida Blue HDHP down to a 14 percent increase. Gehring Group also presented several alternatives including a BlueCare HMO from Florida Blue that offers enhanced benefits in an In-Network only plan. The HMO plan offers copays which allow the members of the plan to receive their benefits without being subject to the high deductibles which are part of the current plan. Because of this feature, the HMO plan can be implemented without the need for the HRA or the Gap program resulting in a potential savings of more than \$100,000 for the Town. The rate increase to implement the HMO plan is 14.2 percent. A detailed analysis of the HMO network showed that 92% of the most utilized providers on the current HDHP network would remain in the network of the HMO plan.

*Based upon the final evaluation provided by Gehring Group, staff recommends that the employee medical insurance be obtained through Florida BlueCare HMO for Fiscal Year 2024 and that the Town-funded Health Reimbursement Account and Gap programs be discontinued.*

### **Dental Insurance:**

The current provider of the Town's employee dental insurance is CIGNA (a PPO), which provided a renewal rate increase of 5 percent, maintaining the current level of benefits. This is the first increase from CIGNA since Fiscal Year 2021.

*In view of this renewal, staff recommends that dental insurance coverage be continued through CIGNA.*

### **Vision Insurance:**

Humana is the current provider for the Town's employee vision insurance, which is renewing at no increase to current rates, maintains the current level of benefits, and provides a two-year rate guarantee which does not expire until September 30, 2025.

*In view of this renewal, staff recommend that vision insurance coverage be continued through Humana.*

**Basic Life and Accidental Death and Dismemberment, Supplemental Life, Short Term Disability and Long-Term Disability Insurance:**

The Hartford is the current provider for the Town's employee Basic Life and Accidental Death and Dismemberment, Supplemental Life, Short Term Disability and Long-Term Disability insurance. The Hartford was implemented for Fiscal Year 2023 and provided a proposal containing the following rates at that time:

- **Basic Life and Accidental Death and Dismemberment** **-15.4 percent**
- **Short Term Disability** **- 48.3 percent**
- **Long Term Disability Insurance** **-31.9 percent**

The rates do not expire until September 30, 2024.

*Based upon the rate guarantee, staff recommends that Basic Life and Accidental Death and Dismemberment, Supplemental Life, Short Term Disability and Long-Term Disability insurance coverage for Town employees remain with The Hartford.*

**Employee Assistance Program (EAP):**

New Directions LLC is the current provider for the Town's Employee Assistance Program, which is renewing at no increase to current rates and maintains the current level of benefits.

*In view of this renewal, and because the annual cost of \$3,000.00 is within the Town Manager's spending authority, the Employee Assistance Program through New Directions LLC is being continued through New Directions.*

**Recommended Motion:** I move to adopt Resolution \_\_\_\_\_.