Town of Lake Park Town Commission

Agenda Request Form

Meeting Date:	September 16, 2026
Originating Department:	Administration/Human Resources
Agenda Title:	Resolution 85-09-26 - Employee Benefits [Medical Insurance - CIGNA, Dental Insurance - CIGNA, COBRA Administration – Upswing, Vision Insurance - Humana, Basic Life and Accidental Death & Dismemberment, Supplemental Life, Short Term Disability & Long-Term Disability - The Hartford] - FY 2027 - $1,076,455

Agenda Category **(i.e., Consent, New Business, etc.):**

Approved by Town Manager: ______________________ **Date:** ____________

Cost of Item:	$1,076,455	**Funding Source:**	Various
Account Number:	Various as funded in FY 2027 budget	**Finance Signature:**	Barbara A. Gould

Advertised:

Date: ____________ **Newspaper:** ____________

Attachments: Resolution 85-09-26; Exhibit A; Town of Lake Park RFP & Renewal Evaluation, Exhibit B; Employee Benefits Renewal and Medical Insurance RFP Recommendation

Please initial one:

____________ Yes I have notified everyone

____________ Not applicable in this case

Summary Explanation/Background:

The Town Manager/HR Division and the Finance Director has identified a need, along with the Town's employee benefits consultant, Gehring Group/Brown & Brown, to review and renew the Town's employee benefits for Fiscal Year (FY) 2027.

Recently, the Town Manager had requested the HR Division, the Finance Department and the Gehring Group to review the cost of benefits provided to the Town's employees and to identify a health plan option that was more functional and cost efficient for our staff.

Medical Insurance:
The Town's current employee medical insurance provider, Florida Municipal Insurance Trust (FMIT) United HealthCare Choice Plus Plan 14, has notified the Town that due to significantly high annual claims from the current year, the Town would be assessed with a 40% increase (or an additional $352,125) for the upcoming 2026-2027 plan year. This agreement expires on September 30, 2026.

As a result, the Town requested the Gehring Group to determine if a more affordable plan (maintaining a consistent level of coverage) would be available. As a result, the Gehring Group issued a Request for Proposal (RFP) for medical insurance and received the following proposals:

- Florida Blue – Did not issue a proposal (expected premium would have exceeded the FMIT's 40% renewal proposal)
- Cigna - 28.7% annual premium increase
- Curative - 10% annual premium increase

Note: The Curative plan, although competitively priced with an attractive plan design, is still new to the Palm Beach County and Florida marketplace. However, at this time, the Gehring Group has some concerns with the services provided and costs that are covered by this carrier and does not believe that there is enough information to move our health benefit to this provider at this time and potentially risk the need for immediate insurance for our staff. We will continue to review this option and communicate with organizations that have made the move to this provider to determine if it is a viable option during our next renewal period.

After analyzing the proposals submitted, the Gehring Group recommends that the Town obtain employee medical insurance through the CIGNA – Plan Q3P1 for Fiscal Year 2027. The Cigna proposed plan is a level funded arrangement whereby, if claims perform better than expected, Cigna would share fifty percent (50%) of the surplus in the form of a credit to the administrative fees in the following plan year. In order to share in the surplus, the Town would need to renew coverage with Cigna.

Dental Insurance:
The Town's current dental program is offered through Cigna and is expiring on September 30, 2026. As a result, the Gehring Group is recommending that the Town utilize Cigna to provide dental insurance.

The proposed agreement would be similar to the Town's current agreement with Cigna (that is expiring) and it would provide the Town with a new two-year rate guarantee agreement that includes a 3% increase (or an additional $1,074) from the current rate.

Note: According to the Gehring Group, based on market trend, the proposed rate increase is below the 4-8% state average.

If approved, employees will continue to be eligible to visit a contracted provider and receive up to an annual benefit maximum of $1,500 to $1,800 per person as well as the flexibility to access non-contracted providers. The Cigna program will continue at the current schedule of benefits as well as provide child orthodontia coverage up to age 19.

The Gehring Group recommends that the Town renew its coverage with Cigna to provide dental insurance benefits.

COBRA Administration:

Currently, FMIT offers COBRA administration to the Town as part of their offering at no additional cost to the Town. However, Cigna does not provide this service and, if a move to Cigna for Medical Insurance is approved, the Town would need to secure a COBRA administrator as the liability to the Town to self-administer is not recommended since the fines exceed the minimal cost.

As a result, the Gehring Group is recommending that the Town utilize Upswing as this vendor also currently administers the Town's flexible spending accounts. Since flexible spending accounts are subject to COBRA, this selection would provide administrative efficiencies for the same administrator to manage COBRA.

The projected annual cost to utilize Upswing for the Town's COBRA administration is $500.

The Gehring Group recommends that the Town implement Upswing to manage COBRA administration.

Vision Insurance:

The Town's current vision program is offered through Humana and there is no proposed change in this provider, plan design and/or the rates/cost to the Town and/or the staff.

Members enrolled in the vision plan are eligible to receive an annual exam and lenses every 12 months and frames every 24 months. The frame allowance at a contracted provider's office or retail outlet is up to $130 with an additional 20% off the remaining balance. Contact lenses will continue to be covered in network up to a $130 allowance with additional discounts up to 20%.

The Gehring Group recommends that the Town renew its coverage with Humana to provide vision insurance benefits.

Life and Disability Insurance:

The Town's current basic life and accidental death & dismemberment benefits are provided through The Hartford and there is no proposed change in this provider, plan design and/or the rates/cost to the Town and/or the staff.

Employees would continue to receive a Basic Group Term Life Insurance benefit (provided by the Town) of one (1) times their annual salary up to a maximum of $50,000.

In addition to the Basic Group Term Life Insurance provided by the Town, employees will have the option to purchase Voluntary Life and Accidental Death and Dismemberment coverage in $10,000 increments up to (3) times their annual salary up to $300,000. Coverage for spousal voluntary life and child life is also available to employees.

Further, eligible employees will be able to purchase short and long term disability coverage through The Hartford.

There are no proposed changes in benefits and/or rates/costs for life or disability coverages for Fiscal Year 2027.

The Gehring Group recommends the Town renew its coverage for Life and Disability insurance with The Hartford.

Employee Assistance Program (EAP):
The Town's current EAP program is offered through The Hartford and there is no proposed change in this provider and/or the cost to the Town and/or the staff.

The Hartford provides three (3) face-to-face visits per year per occurrence.

Each of the above proposed employee benefits have been recommended by the Gehring Group and reviewed by the Town's Risk Manager (Town Clerk) and the Finance Director. Additionally, the Town has notified the Town's representatives with the Federation of Public Employees – National Federation of Public and Private Employees (AFL-CIO) (union) and there is support to move to a health plan that provides consistent coverage at a lower than proposed renewal rate with a new carrier.

If approved, the Town Commission will accept each of the employee benefit insurance pricing including all terms, conditions, and price contained in the existing agreement. The proposed renewal will be for one year. The Town will not expend more than the amount within the approved budget as it may be adopted or amended for these goods and services over the term of the contract.

The proposed purchase follows the Town of Lake Park's Purchasing Code, Sec. 2-244. Exemptions.

This division shall not apply to:

1. The procurement of dues and memberships in trade or professional organizations; registration fees for trade and career fairs, subscriptions for periodicals and newspapers; advertisements; insurance brokerage; postage; legal and mediation services; professional medical services; services associated with the purchase or sale of real property; abstracts of title for real property; title searches and certificates; title insurance for real property; real estate appraisal services; water, sewer, telecommunications and electric utility services; copyrighted materials or patented materials including, but not limited to, technical pamphlets, published books, maps, testing or instructional materials; fees and costs of job-related seminars and training; admission fees for parks and entertainment activities included in Town recreational programs;

Note: Various documents related to this selection process for each of the employee benefits providers is either attached and/or available for review by contacting the Town Clerk's Office, including the Agreements, proposed rates and addendums, as required.

The Town has worked with each of the proposed employee benefit providers and we have received good customer service and a good product.

The proposed Agreements were prepared by each of the proposed insurance providers and reviewed by the Town's employee benefit consultant, Gehring Group, the Town Clerk, the Finance Director and the Town Attorney.

The Town has previously worked with each of the proposed insurance providers and they have provided a quality product and good customer service.

Fiscal Impact:
Funding to support the proposed increase in medical & dental insurance as well as the Town's other employee benefits, is included within the Town's proposed FY 2027 Budget – Various Funds.

As a result, the Gehring Group is requesting the Town Commission approve the following:

1. Approve the award of medical coverage to Cigna Open Access Plus Level-Funded Alternative #1, effective October 1, 2026, in the total estimated amount of $1,018,303 to the Town of Lake Park for FY 2027
2. Approve the renewal of the Town's Cigna Dental Plan effective October 1, 2026, in the total estimated amount of $25,116 to the Town of Lake Park for FY 2027
3. Approve the implementation of Upswing as the Town's COBRA administrator effective October 1, 2026, in the total estimated amount of $500 to the Town of Lake Park for FY 2027
4. Approve the renewal of the Town's Humana Vision Plan effective October 1, 2026, in the total estimated amount of $3,140 to the Town of Lake Park for FY 2027
5. Approve the renewal of The Hartford Life and Disability Programs effective October 1, 2026, in the total estimated amount of $29,396 to the Town of Lake Park for FY 2027

Note: The above total expected or estimated premium amounts for each employee benefit provider will be determined based on the number of employees, family members and types of coverages that may be selected by our employees. Thus, these premium numbers will vary throughout the year and the total costs have been estimated within the proposed FY 2027 Budget – All Funds based on current coverage populations and selected benefits.

Recommended Motion:
I move to approve proposed Resolution 85-09-26 to approve Town employee benefits [Medical Insurance - CIGNA, Dental Insurance - CIGNA, COBRA Administration – Upswing, Vision Insurance - Humana, Basic Life and Accidental Death & Dismemberment, Supplemental Life, Short Term Disability & Long-Term Disability - The Hartford] for FY 2027, in the total estimated amount of $1,076,455; and authorize the Mayor to execute the related employee benefits coverage agreements and/or related documents.