

Group Health Benefits FY 2026

Regular City Council Meeting
August 19, 2025

Purpose

- To review and award the coverage plans for employee group benefits for:
 - Medical
 - Dental
 - Life and AD&D

Medical Renewal

BCBS Base Plan w/same OOP supplement

HEALTH (MEDICAL) INSURANCE	Current Base BCBS MTBCP018	Employee Out of Pocket Cost	Renewal Base BCBS MTBCP518	Employee Out of Pocket Costs	Current -vs- Renewal Cost Difference
Calendar Year Deductible	\$2,000		\$2,250		
Max Out of Pocket Deductible	\$6,000		\$6,750		
Preventative	100%		100%		
Office Copays	\$35 PrevCare/ \$70 Spec		\$40 PrevCare/ \$80 Spec		
Urgent Care	\$75		\$75		
ER (Copay)	40% after \$500		40% after \$500		
Prescription - Preferred	\$0/\$10/\$50/\$100		\$0/\$10/\$50/\$100		
Premium					
EE Only (City's Portion)	\$783.91	\$0.00	\$936.77	\$0.00	\$152.86
EE & Spouse	\$1,392.14	\$573.86	\$1,663.61	\$845.33	\$271.47
EE & Child	\$1,095.83	\$277.55	\$1,309.51	\$491.23	\$213.68
EE & Family	\$2,048.28	\$1,230.00	\$2,447.68	\$1,629.40	\$399.40

* The City covers up to \$818.28 for any medical plan elected with dependent coverage.

- FY2024-25, the City elected a \$34.37 increase to the city's portion to allow up to \$818.28 towards any medical plan to help minimize dependent cost.
- BCBS Renewal base plan rate increases employee-only by 19.5% (\$152.86 per employee).
 - Increased Deductibles
 - Increased Office Visit Co-Pays
 - Significant increase to employee's dependent out-of-pocket cost per month.

Medical Option

United HealthCare Base Plan

w/increased OOP supplement

HEALTH (MEDICAL) INSURANCE	Current Base BCBS MTBCP018	Employee Out of Pocket Cost	New Plan United Healthcare E22 w/Supplement	Employee Out of Pocket Costs	Current -vs- New Plan Cost Difference
Calendar Year Deductible	\$2,000		\$2,000		
Max Out of Pocket Deductible	\$6,000		\$4,000		
Preventative	100%		100%		
Office Copays	\$35 PrevCare / \$70 Spec		\$30 PrevCare / \$60 Spec		
Urgent Care	\$75		\$50		
ER (Copay)	40% after \$500		20% after \$500		
Prescription - Preferred	\$0/\$10/\$50/\$100		\$10/\$50/\$100		
Premium					
EE Only (City's Portion)	\$783.91	\$0.00	\$819.09	\$0.00	\$35.18
EE & Spouse	\$1,392.14	\$573.86	\$1,454.60	\$573.08	-\$0.78
EE & Child	\$1,095.83	\$277.55	\$1,036.14	\$154.62	-\$122.93
EE & Family	\$2,048.28	\$1,230.00	\$2,140.19	\$1,258.67	\$28.67

*** With the City covering up to \$881.52 for any medical plan elected with dependent coverage.**

Estimated Percentage Change:

4.5%

- The United Healthcare Employee-Only rate reflects a 4.5% (\$35.18) increase from last year.
- Proposing to supplement the Employee's out-of-pocket cost up to \$881.52 for dependent medical coverage.

Medical Option

United HealthCare Base Plan

➤ **The new medical base plan option with United Healthcare:**

- UHC Base Plan Rate is \$819.09 versus BCBS Renewal Rate of \$936.77.
 - ✓ a \$117.68 lower premium rate for employee-only than BCBS
- Reduced Max out-of-pocket Deductible.
- Reduced Office Visit Copays.
- Reduced ER deductible from 40% to 20% employee responsibility.

➤ **Supplementing the Employee's out-of-pocket cost up to \$881.52:**

- Approximately 30 of 100 employees are currently enrolled.
- The City's portion for employee-only would remain at \$819.09 for those without dependents.
- Minimizes employee's out-of-pocket costs for dependent medical coverage.
- Offers reduced benefit copays and deductibles than BCBS renewal plan.
- Overall lower rate than Renewal Base Plan with BlueCross BlueShield.

Dental Renewal

Low Plan Options

DENTAL INSURANCE	Current Base BCBS	Renewal Base BCBS	EE OOP Cost	New Plan United Healthcare	EE OOP Cost
CYD	\$50	\$50		\$50	
Preventative	100%	100%		100%	
Basic- ER Exam, Root Canal	80%	80%		80%	
Major-Orthodontics	50%	50%		50%	
Benefit Maximum	\$1,500	\$1,500		\$1,500	
Premium EE Only	\$26.11	\$28.07	\$0.00	\$25.72	\$0.00
EE & Spouse	\$52.24	\$56.16	\$28.09	\$51.46	\$25.74
EE & Child	\$70.70	\$76.00	\$47.93	\$69.64	\$43.92
EE & Family	\$107.07	\$115.10	\$87.03	\$105.47	\$79.75

Estimated Percentage Change:

7.5%

-1.5%

- The United Healthcare Dental Employee-Only rate reflects a -1.5% (-\$0.39) decrease from last year.
- No change to plan design coverages.
 - UHC extends coverage to maximum child age of 26
 - BCBS extends coverage to maximum child age of 19

Basic Life Renewal

Dearborn

LIFE INSURANCE	CURRENT	EE OOP Cost	RENEWAL	EE OOP Cost
\$10,000 Basic / AD&D	\$1.30	\$0.00	\$1.30	\$0.00

- No increase to rate.
- No change to plan design coverages.



Fiscal Impact

Health Insurance –	\$818.28	→	\$881.52
Dental Insurance -	\$26.11	→	\$25.72
Life Insurance -	\$1.30	→	\$1.30
TOTAL -	\$845.69	→	\$908.54

* This is a 7.4% increase and is included in your FY 26 budget



Other Benefits

- Employee Medical Buy-Up plan options:
 - Decreased individual annual deductibles, coinsurance percentage, and copay costs.
 - Employee is responsible for any difference above the elected premium cost for medical plans.

- Employee Dental Buy-Up (High) plan option:
 - City pays up to Base Plan Premium Rate for Employee Only.
 - Employee is responsible for any difference above the base premium costs for dental.

- Other optional Insurances:
 - Vision: Employee-only cost remains unchanged at \$8.99 per month.
 - Critical Illness
 - Accident Plan
 - Voluntary Life

Recommendations

- New Proposed Medical Plan - United Healthcare:
 - Base Plan (EI2Z): Employee Only = \$819.09
 - Supplement employee out-of-pocket cost up to \$881.52 to minimize dependent plan costs
 - Employee is responsible for difference above the supplement cost for elected medical plan
- Renew Dental Plan – BCBS:
 - Low Plan (DTNLM08): Employee Only = \$25.72
- Renew Life/AD&D Insurance Plan with Dearborn \$1.30
- Provide optional buy-up plans for medical and dental insurance:
 - Medical Buy-Up Plan (EI2X): Employee Only = \$822.24
 - Dental High Plan (DTNHR01): Employee Only = \$40.36
 - Employee is responsible for difference above the city's elected responsibility.
- Continue optional and supplemental plans:
 - Vision, Accident Plan, Critical Illness, Voluntary Life
 - Employee is responsible for 100% of costs