

## MAYOR AND COUNCIL COMMUNICATION

**DATE:** August 20, 2024  
**TO:** Mayor and Council  
**FROM:** Lisa Hernandez, Human Resources Director  
**THROUGH:** Crystal Caldera, City Manager  
**SUBJECT:** Presentation, Discussion and Possible Action to Award the Fiscal Year 2025 Group Insurance Bid for Employee Medical, Dental and Life Insurances provided by Gallagher Benefit Services.

### PURPOSE

To identify health plans that would better serve the needs of the city and its employees while minimizing the city's and employee's costs in order to provide quality benefits to employees. The City currently pays 100% of the Employee-Only premium costs for basic health, dental, and life insurances.

Gallagher Benefit Services, Insurance Broker, sought renewal and negotiated health insurance plans and rates for fiscal year beginning October 1, 2024, and ending September 30, 2025. The premium base results for BlueCross BlueShield negotiated renewal for medical insurance represents an increase of 12.4%

- BCBS: 12.4% Increase
- Curative: 32.4% Increase
- EvryHealth: 26.9% Increase
- Aetna: 30.6% Increase
- United HC: 6.2% Increase (Unconventional / Copay Range based)

The city's current renewal plan with Blue Cross Blue Shield is the most competitive plan design and rate without disrupting current employee health coverage and network providers.

Approval of a plan will authorize the City Manager to execute the city's group health, dental & life insurance contract through Gallagher Benefit Services, Inc., our Insurance Brokerage firm, which will serve as the City's liaison with the insurer selected by the Council.

HEALTH (MEDICAL) INSURANCE	Current Base BCBS	Renewal Base BCBS
<b>Premium</b>		
EE Only (City's Portion)	\$697.38	\$783.91
EE & Spouse	\$1,238.53	\$1,392.14
EE & Child	\$974.93	\$1,095.83
EE & Family	\$1,822.24	\$2,048.28

DENTAL INSURANCE	Current Base BCBS	Renewal Base BCBS	
<b>Premium</b>			
EE Only	\$24.87	\$26.11	
EE & Spouse	\$49.75	\$52.24	
EE & Child	\$67.33	\$70.70	
EE & Family	\$101.97	\$107.07	
LIFE INSURANCE	CURRENT	RENEWAL - BCBS	
\$10,000 Basic / AD&D	\$1.30	\$1.30	
Base Employer Cost	CURRENT	RENEWAL - BCBS	RENEWAL - BCBS (Adjusted Cost)
Health	\$697.38	\$783.91	\$818.28
Dental	\$24.87	\$26.11	\$26.11
Life	\$1.30	\$1.30	\$1.30
<b>Total per Month per Emp</b>	<b>\$723.55</b>	<b>\$811.32</b>	<b>\$845.69</b>
\$ Increase/(Decrease) from Last Year		\$87.77	\$122.14
% Increase/(Decrease) from Last Year		12.13%	16.88%

		Current		New			
	Current Plan	Employee	Renewal	Employee	Increase	Proposed	Increase
		Portion	Rate	Portion	Difference	Rate	Difference
<b>EE Only (City's Portion)</b>	\$697.38	\$0.00	\$783.91	\$0.00	\$0.00	<b>\$818.28</b>	\$0.00
<b>EE &amp; Spouse</b>	\$1,238.53	\$541.15	\$1,392.14	\$608.23	\$67.08	\$573.86	\$32.71
<b>EE &amp; Child</b>	\$974.93	\$277.55	\$1,095.83	\$311.92	\$34.37	\$277.55	\$0.00
<b>EE &amp; Family</b>	\$1,822.24	\$1,127.86	\$2,048.28	\$1,264.37	\$136.51	\$1,230.00	\$102.14

**FISCAL IMPACT**

The total premium increase cost for the BCBS renewal plan for medical, dental and life insurance benefits is 12.13%; however, staff is proposing to increase the city's covered costs for employee from \$783.91 to \$818.28 to minimize increases of employee dependent coverages. The renewal plan and rates with BCBS is budgeted in the FY 2025 Budget.

**RECOMMENDATION**

To approve the benefits bid contract with BlueCross BlueShield of Texas for the renewal plan designs: MTBCP018 Blue Choice PPO Medical Plan, DTNLM08 Blue Care Dental Low Plan, and the Dearborn Basic Life / AD&D Insurance Plans, with optional buy-up plan designs for medical and dental.

APPROVED: \_\_\_\_\_

DISAPPROVED: \_\_\_\_\_

APPROVED WITH THE FOLLOWING AMENDMENTS:

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ATTEST:

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**SAUNDRA PASSAILAIGUE, TRMC**  
City Secretary