

Group Benefits FY 2025

Regular City Council Meeting

August 20, 2024

Lisa Hernandez, HR Director



Purpose

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

Medical Renewal

Base Plan

HEALTH (MEDICAL) INSURANCE	Current Base BCBS	EE OOP Cost	Renewal Base BCBS	EE OOP Cost	Employer Increased Cost to Reduce EE OOP for Dependent
CY Deductible	\$2,000		\$2,000		
Max OOP	\$6,000		\$6,000		
Preventative	100%		100%		
Office Copays	\$35PCP/\$70 Spec		\$35PCP/\$70 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)	\$697.38	\$0.00	\$783.91	\$0.00	\$818.28
EE & Spouse	\$1,238.53	\$541.15	\$1,392.14	\$608.23	\$573.86
EE & Child	\$974.93	\$277.55	\$1,095.83	\$311.92	\$277.55
EE & Family	\$1,822.24	\$1,127.86	\$2,048.28	\$1,264.37	\$1,230.00

There is actual renewal base plan increased by 12.4%; however, increasing the city's portion by \$34.37 or 4.9% will help minimize employee dependent cost.



Medical Renewal Impact

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

Dental & Life

DENTAL INSURANCE	Current Base BCBS	EE OOP Cost	Renewal Base BCBS	EE OOP Cost
CYD	\$50		\$50	
Preventative	100%		100%	
Basic- ER Exam, Root Canal	80%		80%	
Major-Crowns Implants	50%		50%	
Benefit Maximum	\$1,500		\$1,500	
Premium				
EE Only	\$24.87	\$0.00	\$26.11	\$0.00
EE & Spouse	\$49.75	\$24.88	\$52.24	\$26.13
EE & Child	\$67.33	\$42.46	\$70.70	\$44.59
EE & Family	\$101.97	\$77.10	\$107.07	\$80.96

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

The renewal base plan for dental increased by 5%;
no increased cost for group life insurance.



Other Benefits

- Employee Medical Buy-Up plan options:
 - Buy-up decreases individual annual deductible from \$2,000 to \$1,000, reduces employee coinsurance percentage and copay costs.
 - City proposes to pay the Base Plan at a Premium Rate of \$818.28 for Employee Only; Employee is responsible for difference above the base premium for either buy-option.

- Employee Dental Buy-Up (High) plan option:
 - City pays up to Base Plan Premium Rate (\$26.11) for Employee Only; Employee is responsible for difference above the base premium for high plan option.

- Vision coverage is optional:
 - Employee only cost is \$9.04 per month.

- Supplemental Critical Illness and Accident plans with Allstate at employee cost.

- Supplemental Term Life options with Dearborn above the Basic Life/AD&D Benefit at employee cost.

Fiscal Impact

The City's group insurance benefit costs with the adjusted rate is budgeted in the FY 2024-25 budget.

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
Total per Month per Emp	\$723.55	\$811.32	\$845.69
\$ Increase/(Decrease) from Last Year		\$87.77	\$122.14
% Increase/(Decrease) from Last Year		12.13%	16.88%



Recommendations

- To renew benefits bid with Blue Cross Blue Shield for Insurance Plans:
 - Medical: MTBCP018 Blue Choice PPO Plan
 - Dental: DTNLM08 Blue Care Dental Low Plan
 - Life: Dearborn Basic / AD&D
- To provide employee optional buy-up plans for medical and dental insurance.
- To provide employee optional vision and supplemental plans.

