



RFP Analysis & Recommendations

City of Manor

July 3, 2024

Presented by:

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RFP Overview



City of Manor

RFP Data

Proposal Number: # COM-2024
 Title: Employee Benefits - Request for Proposal
 Issue Date: April 23, 2024

Proposal Due

Date: Friday, May 24, 2024
 Time: 2:00 p.m. CST

Email to be delivered to:

HUB International
 Attn: Gladys Reichert
 Email: Gladys.reichert@hubinternational.com

On behalf of the City, HUB will receive written and sealed proposals for:

- Fully Insured Medical, Dental and Vision
- Basic Life/AD&D
- Vol Life/AD&D
- Long Term Disability

**VENDOR SELECTION CRITERIA
 (INSURANCE COMPANY – ALL COVERAGES)**

The objective of the evaluation for proposals will be to select the provider whose proposal is most responsive to the City's relating importance, price, and other factors considered:

- I. **Cost (30%)**
 - a) Fixed Costs: includes insurance costs and administrative costs
 - b) Variable Costs: costs stated as a percentage of paid claims, cost management (i.e., shifting of more/less workload to City of Saginaw's staff)
 - c) Ability to reduce claims expense
- II. **Claims Processing (20%)**
 - a) Turnaround time excluding review of claims
 - b) Pended claims procedures
 - c) Statistical accuracy
 - d) General service procedures
 - e) Willingness to contractually establish performance criteria
- III. **Financial Stability (20%)**
 - a) Insurance Company, AM Best Rating
 - b) Financial Platform/Administration
- IV. **Claims Management Reports (10%)**
 Frequency and format of claims reports are the utmost importance.
- V. **Integrated Systems / Technology Initiative (10%)**
 Integrated systems linked to database are integral to the provider selection. The following components make up the whole of an integrated system:
 - a) Eligibility
 - b) Utilization review
 - c) Claims function
 - d) Claims payment
 - e) Electronic claims inquiry
 - f) Internet based enrollment/eligibility/wellness/links to PPO or EPO networks
- VI. **Communication (5%)**
 - a) Educational material for employees
 - b) Summary Plan Description capabilities
 - c) Administrative kits for locations
 - d) Bilingual capability
- VII. **References (5%)**
 - a) Active and terminated references
 - b) Past relationship with the City
 - c) Recognition/reputation of proposer

Basic Life Coverage

BASIC LIFE BENEFITS	The Standard / Texas Health	Renaissance
	CURRENT / RENEWAL	PROPOSED
Class Description	All Active Full time Employees	All Active Full time Employees
Definition of Earnings	Base Annual Earnings	Base Annual Earnings
Basic Life Schedule	\$10,000	\$10,000
Guarantee Issue Amount	\$10,000	\$10,000
Age Reduction Schedule	70-74, 60% 75-79, 40% 80+, 30% Rounded to hnext higher \$1,000	70-74, 60% 75-79, 40% 80+, 30% Rounded to hnext higher \$1,000
Terminates at Retirement	Yes	Yes
Waiver of Premium	Not Included	age 65
Accelerated Death Benefit	75%	75%
Conversion	Included	Included
Portability	Included	Included
BASIC AD&D BENEFITS		
Class Description	All Active Full time Employees	All Active Full time Employees
Definition of Earnings	Base Annual Earnings	Base Annual Earnings
Basic AD&D Schedule	Matches Basic Life	Matches Basic Life
Maximum Benefit	Matches Basic Life	Matches Basic Life
Age Reduction Schedule	Matches Basic Life	Matches Basic Life
Seatbelt	Included	Included
Air Bag	Included	Included
FINANCIALS- Basic + AD&D		
	CURRENT / RENEWAL	PROPOSED
Volume	\$1,010,000	\$1,010,000
EE Rate (per \$1,000) - Life	\$0.194	\$0.168
EE Rate (per \$1,000) - AD&D	\$0.040	\$0.040
Monthly Premium	\$236.34	\$210.08
Annual Premium	\$2,836.08	\$2,520.96
\$ Change from Current		-\$315.12
% Change from Current		-11%
Other		
Rate Guarantee		2 Yrs.
Effective Date	8/1/2023	8/1/2024
Actively at work takeover provision		Employees on leave must be reported

Note: This is a brief summary and not intended to be a contract.

Voluntary Life Coverage

VOLUNTARY LIFE & AD&D	The Standard / Texas Health	Renaissance
	CURRENT	PROPOSED
Class Description	All Active Full time Employees	All Active Full time Employees
Definition of Earnings	Base Annual Earnings	Base Annual Earnings
Employee Life Schedule	Increments of \$10,000	Increments of \$10,000
Employee Maximum Benefit	\$300,000 or 3 times Base Annual Earnings	\$300,000 or 3 times Base Annual Earnings
Employee Guarantee Issue Amount	\$150,000 or 3 times Base Annual Earnings	\$100,000
Spouse Maximum Benefit	\$150,000 in increments of \$5,000. Not to exceed 50% of employee	\$150,000 in increments of \$5,000. Not to exceed 50% of employee
Spouse Guarantee Issue Amount	\$25,000	\$50,000
Child Maximum Benefit	\$10,000	\$10,000
Age Reduction Schedule	70-74, 60% 75-79, 40% 80+, 30% Rounded to the next higher multiple of \$1,000	Age 70 reduces to 50%
Accelerated Death Benefit	75%	75%
Conversion	Included	Included
Portability	Included	Included
FINANCIALS (per \$1,000)	CURRENT	PROPOSED
Age	Rate Applies to Employee	Rate Applies to Employee + Spouse
<20	0.041	0.021
20-24	0.041	0.021
25-29	0.041	0.021
30 – 34	\$0.052	\$0.032
35 – 39	\$0.091	\$0.071
40 – 44	\$0.129	\$0.109
45 – 49	\$0.198	\$0.178
50 – 54	\$0.332	\$0.312
55 – 59	\$0.595	\$0.575
60 – 64	\$0.913	\$0.893
65 – 69	\$1.513	\$1.493
70 or over+	\$2.430	\$2.410
Children	\$0.29	\$0.27
AD&D	Included	\$0.02
Effective Date	8/1/2023	8/1/2024
Rate Guarantee		2 Years
Minimum Participation		20%
Actively At Work		Employees on Leave to be reported
True Open Enrollment		Yes
Grandfather Current Amounts		Yes but will need to run elections by UW since not provided in RFP
Annual Coverage Increase		\$10k each year up to GI for EE's

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Vision Benefits

VISION BENEFITS		Avesis	Avesis	Renaissance Life
Eye Exam	Network	\$10	\$10	\$10
	Non-Network	\$35 Allowance	\$35 Allowance	\$45 Allowance
Frames/ Lenses, and/or Contacts		CURRENT	CURRENT	PROPOSED
Single Vision	Network	\$10	\$10	\$10
	Non-Network	\$25 Allowance	\$25 Allowance	\$30 Allowance
Bifocal Lenses	Network	\$10	\$10	\$10
	Non-Network	\$40 Allowance	\$40 Allowance	\$50 Allowance
Trifocal Lenses	Network	\$10	\$10	\$10
	Non-Network	\$50 Allowance	\$50 Allowance	\$65 Allowance
Frames	Network	\$10 Copay/ \$50 Wholesale + \$150 Retail	\$10 Copay/ \$50 Wholesale + \$150 Retail	\$10 Copay/ \$150 Max + 20%
	Non-Network	\$45 Allowance	\$45 Allowance	\$70 Allowance
Medically Necessary Contacts- 1 year supply	Network	\$0 per set	\$0 per set	\$0 per set
	Non-Network	\$250 Allowance	\$250 Allowance	\$210 Allowance
Elective Contacts-1 year supply	Network	\$130 Max	\$130 Max	\$150 Max
	Non-Network	\$110 Allowance	\$110 Allowance	\$105 Allowance
Exam Frequency		12 Months	12 Months	12 Months
Lens Frequency		12 Months	12 Months	12 Months
Frames Frequency		24 Months	24 Months	12 Months
Network		Avesis	Avesis	VSP Choice
RATES		CURRENT	RENEWAL	PROPOSED
Employee Only	68	\$6.51	\$9.37	\$5.98
Employee + 1	12	\$12.63	\$17.98	\$11.96
Employee + Child	5	\$12.63	\$17.98	\$12.79
Employee & Family	12	\$18.90	\$27.08	\$20.45
FINANCIALS				
Monthly Premium		\$884.19	\$1,267.78	\$859.51
Annual Premium		\$10,610.28	\$15,213.36	\$10,314.12
\$ Change from Current			\$4,603.08	-\$296.16
% Change from Current			43%	-3%
Effective Date		8/1/2023	8/1/2024	8/1/2024
Rate Guarantee			4 Yrs	2 Yrs
Participation Requirements			N/A	2 enrolled

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Dental

DENTAL BENEFITS	Texas Health Dental III CURRENT	Texas Health Dental III RENEWAL	Renaissance PROPOSED
Annual Deductible	\$50 individual / \$150 family	\$50 individual / \$150 family	\$0
Type A – Preventive Care	No Waiting Period	No Waiting Period	No Waiting Period
Deductible	None	None	None
(2) Oral Exams per calendar year	No Cost	No Cost	No Cost
(2) Fluoride treatments-children under 18 per calendar year	No Cost	No Cost	No Cost
(2) Cleanings per calendar year	No Cost	No Cost	No Cost
Sealants for children under 13	No Cost	No Cost	No Cost
Full mouth X-ray 1 series in a (60) consecutive month period	No Cost	No Cost	No Cost
Periapical and Intraoral X-rays	No Cost	No Cost	No Cost
Bitewings X-rays once per calendar year	No Cost	No Cost	No Cost
Type B – Basic Restorative	No Waiting Period	No Waiting Period	No Waiting Period
Coinsurance	20%	20%	20%
Emergency Exams	20%	20%	20%
Anesthesia	20%	20%	20%
Periodontics	20%	20%	20%
Oral Surgery	20%	20%	20%
Type C – Major Restorative	No Waiting Period	No Waiting Period	No Waiting Period
Coinsurance	50%	50%	50%
Dental Implants	50%	50%	50%
Removable / fixed bridge-work	50%	50%	50%
Partial or complete dentures	50%	50%	50%
Orthodontic Lifetime Maxium	\$3,000 Child (up to 19)	\$3,000 Child (up to 19)	\$3,000 Child (up to 19)
Dental Annual Maximum	\$2,000	\$2,000	\$2,000
Usual Reasonable & Customary	90th Percentile	90th Percentile	90th Percentile

FINANCIALS		CURRENT	RENEWAL	PROPOSED
Employee Only	79	\$40.66	\$44.46	\$35.78
Employee & Spouse	9	\$83.46	\$87.46	\$73.44
Employee & Child(ren)	7	\$87.74	\$91.74	\$77.21
Employee & Family	4	\$124.80	\$128.80	\$109.82
Monthly Premium		\$5,076.66	\$5,456.86	\$4,467.33
Annual Premium		\$60,919.92	\$65,482.32	\$53,607.96
\$ Change from Current			\$4,562.40	-\$7,311.96
% Change from Current			7%	-12%
Participation Requirements		100%	100%	75%
Employer Contribution Requirements		100%	100%	100%
Rate Guarantee		1 Year	1 Year	2 Years
Effective Date		8/1/2023	8/1/2024	8/1/2024

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Medical Cost

MEDICAL BENEFITS	PPO	Texas Health PPO	Texas Health PPO	United Healthcare PPO	Baylor Scott & White PPO
FINANCIALS	EE's	CURRENT	RENEWAL	PROPOSED	PROPOSED
Employee Only	69	\$765.30	\$693.62	\$665.76	\$708.82
Employee & Spouse	12	\$1,553.56	\$1,374.06	\$1,351.50	\$1,438.92
Employee & Child(ren)	13	\$1,346.92	\$1,195.68	\$1,171.74	\$1,247.53
Employee & Family	8	\$2,257.56	\$1,981.84	\$1,963.95	\$2,090.98
	102				
Monthly Premium		\$107,019	\$95,747	\$93,100	\$99,121
Annual Pemium		\$1,284,226	\$1,148,965	\$1,117,196	\$1,189,456
\$ Change from Current		n/a	(\$135,261.60)	(\$167,030.40)	(\$94,770.12)
% Change from Current		n/a	-10.5%	-13.0%	-7.4%
Less Premium Tax: .0175%				Excludes Premium Tax: Benefit Trust	Excludes Premium Tax: Benefit Trust

\$8,000 Tech Credit

1st Month Premium Holiday

Gain Share Program

Medical Benefits

MEDICAL BENEFITS		Texas Health PPO Copay 750-5k ER	UHC PPO DQ6U Rx: Z9
Deductible In-Network Non-Network		\$750 Ind./ \$1,500 Fam. \$1,500 Ind./ \$3,000 Fam.	\$750 Ind./ \$1,500 Fam. \$5,000 Ind./ \$10,000 Fam.
Out Of Pocket Max In-Network Non-Network		Includes Ded. / Copays / Coinsurance \$5,000 Ind./ \$10,000 Fam. Unlimited	Includes Ded. / Copays / Coinsurance \$4,000 Ind./ \$8,000 Fam. \$10,000 / \$20,000
Coinsurance In-Network		20%	20%
Telemedicine		\$0	\$0
Physician Office Visit In-Network		\$30	\$25 / \$0 Children <19
Specialist Office Visit In-Network		\$60	\$25/\$50
Outpatient Lab, X-ray In-Network		included in OV	included in OV
Major Imaging In-Network		Ded./ 20%	Ded./ 20%
RehabTherapy PT / OT / ST In-Network		\$60	\$60
Emergency Room In-Network		\$500/ 20%	\$500/ 20%
Urgent Care In-Network		\$75	\$50
Prescriptions Network Retail Pharmacy Network Mail Order Preventive Generic Mac A/ ST /QL / PA		\$10/\$20/\$70/\$120/\$150/\$250 3 \$0 Copay Included	\$15/\$45/\$80 3 \$0 Copay Included
Participation Requirements		100%	70%
Effective date		8/1/2024	8/1/2024

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Recommendations

Basic Life-

Renaissance' s offer is a decrease of **-11% under** current for comparable life benefits and includes a **2-Year** rate guarantee to August 2026.

Voluntary Life –

Renaissance' s offer **matches current costs** for comparable voluntary life benefits and includes a **2-Year** rate guarantee to August 2026

Dental –

Renaissance' s offer is a decrease of **-12% under** current for comparable dental benefits and includes a **2-Year** rate guarantee to August 2026.

Vision –

Renaissance' s offer is a increase of **-3% under** current for **better plan of plan** of benefits and includes a **2-Year** rate guarantee to August 2026.

- Frames available every 12 months vs. 24 months



Recommendations

Medical -

UHC's offer is a decrease of **-13% under** current for improved benefits.

- Out-of-Pocket maximum improves to \$4,000 vs. \$5,000
- \$8,000 Tech Credit



Overall Financial Savings: Current vs. Proposed

	Basic Life	Voluntary Life	Long Term Disability	Vision	Dental	Medical	Annual Savings Total
Current	\$2,836	\$0	\$0	\$2,836	\$60,919	\$1,284,226	
Proposed	\$2,520	\$0	\$0	\$2,521	\$53,608	\$1,117,196	
	\$316	\$0	\$0	\$315	\$7,311	\$167,030	\$174,972.08

Improved Basic Life	STD	LTD	Reserve Fund	Benefit Admin System	Cost for Optional Improvements
-\$3,012	-\$20,000	-\$20,000	-\$75,000	\$0	-\$118,012.00

One time tech Credit

\$8,000

Annual Savings Total	\$56,960
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- ❑ Recommendation is to save \$75,000 in the benefit trust thereby establishing a reserve/rate stabilization fund designated for Employee Benefits.



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