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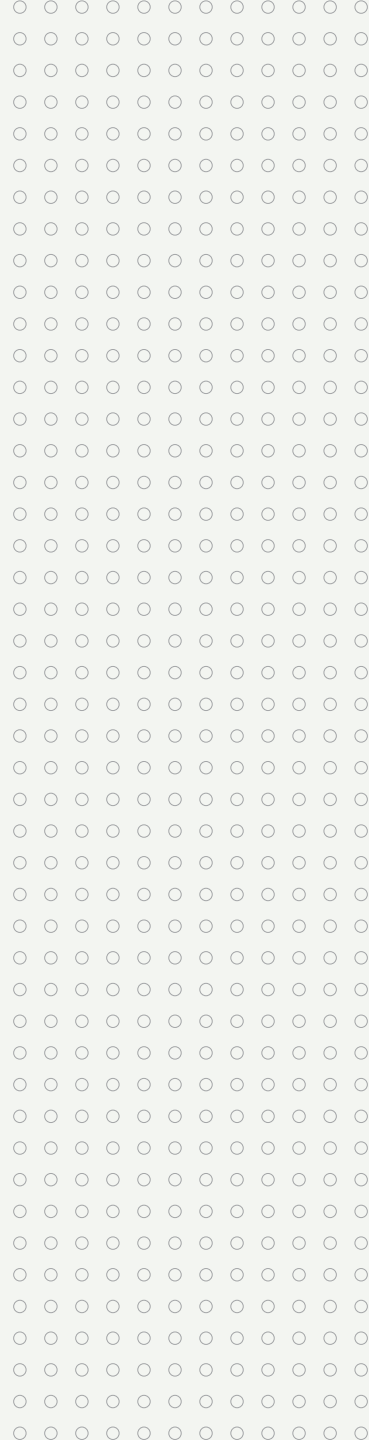
March 3, 2024



City of Manor

2024 Informal Plan Review

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HUB International



HUB International is pleased to provide analysis and recommendations for the City of Manor’s health and welfare benefits plans. The primary purpose of this undertaking is to review current coverages compared to public sector benchmarks with a focus on lowering the City’s cost/risk, reducing employees’ costs, and promoting consumerism and engagement by offering diversity in the coverages offered.

Our approach to employee benefits is different than the insurance purchasing pattern used by most brokers as HUB does not merely operate year to year but rather develops a 2–3-year strategy.

Our knowledge and understanding will help the City of Manor to maximize quality and manage costs effectively and will help drive value as we assist to create the best protection for your city, help to provide the best employee experience when it comes to your benefit plans and support growth into the future.

We serve over 500 public-sector clients across the state, including municipalities, school districts, counties, water authorities, health districts and state government agencies. Our client retention rate is 98%. Regarding employee benefit plans, there are a unique set of rules and culture that apply to public entities. With that in mind, it’s important to partner with a consulting team who has significant experience working with public sector employers and employees, and there are few, if any, consultants nationally who can match the experience of HUB International.



11,000+ Employees



95% Client Retention



1 Million+ Clients



450+ Locations
In North America



TOP 5 Global Broker
Based on Revenue



\$12 Billion+
In Premium

Public Sector Experience



Small Clients < 50			
Client Name	# of Employees	Client Name	# of Employees
City of Heath	47	City of Eldorado	19
City of Van Alstyne	45	Town of Northlake	18
City of White Oak	44	City of Blue Mound	15
City of Haslet	25	City of Big Sandy	11
City of Parker	25	Town of Zwolle	10
City of Glen Rose	25	Town of Ponder	8
City of Sansom Park	21	City of Alvord	7
Village of Columbus	20	Town of Providence Village	6
City of Pelican Bay	20	City of Valley View	5
Denton County Fresh Water Supply District #10	20	Town of Bartonville	4



Medium Clients 50-500			
Client Name	# of Employees	Client Name	# of Employees
Greg County	500	City of Celina	154
City of Laporte	480	City of Sanger	144
City of The Colony	380	City of Belton	141
City of Missouri City	370	City of Saginaw	140
City of Hurst	370	City of West University Place	139
City of Wylie	350	City of Bastrop	135
City of Euless	349	City of Nederland	134
City of Pflugerville	330	Universal City	126
City of Cleburne	325	Upper Trinity Regional Water District	125
City of Burleson	310	City of Lake Worth	123
City of Bedford	300	City of Red Oak	120
City of Lancaster	275	City of Angleton	120
City of Duncanville	260	Northeast Texas Public Health District	103
City of Denison	255	City of Seabrook	102
City of Kyle	255	City of Dickinson	102
Brazos River Authority	219	City of Live Oak	101
City of Harker Heights	200	City of Lago Vista	92
City of Mineral Wells	180	City of Belmond	89
City of Plainview	180	City of Hewitt	84
City of Colleyville	180	Lavaca-Navidad River Authority	78
City of Hutto	178	Town of Trophy Club	70
City of Forney	175	City of Santa Fe	68
City of Corinth	161	City of Fair Oaks Ranch	65
City of Richmond	160	Capital Area Council of Governments	61
City of Stephenville	160	City of Socorro Texas	58
City of Burnet	157	Texoma Council of Governments	51



Large Clients > 500			
Client Name	# of Employees	Client Name	# of Employees
CyFair ISD	12,000	Cameron County	1,000
El Paso ISD	7,500	City of Coral Springs	936
Ysleta ISD	6,200	City of Longview	913
Abilene ISD	3,000	City of Carrollton	800
City of Corpus Christi	2,800	City of Georgetown	775
City of Amarillo	2,300	City of Lewisville	759
City of Gainesville	2,200	City of Galveston	750
City of Garland	2,100	City of Allen	700
Brazoria County	1,400	City of Pearland	680
Webb County	1,300	City of Conroe	632
City of Wichita Falls	1,241	City of Texarkana	570
City of Richardson	1,039	City of League City	538

Medical Plan



MEDICAL BENEFITS		Texas Health PPO Copay 750-4k ER
Deductible In-Network Non-Network		\$750 Ind./ \$1,500 Fam. \$1,500 Ind. /\$3,000 Fam.
Out Of Pocket Max In-Network Non-Network		Includes Ded. / Copays / Coinsurance \$4,000 Ind./ \$8,000 Fam. Unlimited
Coinsurance In-Network		20%
Telemedicine		\$0
Physician Office Visit In-Network		\$35
Specialist Office Visit In-Network		\$60
Outpatient Lab, X-ray In-Network		included in OV
Major Imaging In-Network		Ded./ 20%
RehabTherapy PT / OT / ST In-Network Non-Network		\$60 Ded./ 50%
Emergency Room In-Network		\$500/ 20%
Urgent Care In-Network		\$75
Prescriptions Network Retail Pharmacy Network Mail Order Preventive Generic Mac A/ST/QL/PA		\$10/\$20/\$70/\$120/\$150/\$250 3 \$0 Copay Included

❑ Network: BCBS of Texas



City of Manor Medical Plans compared to Benchmark

	Public Sector Traditional (PPO / EPO)	Public Sector HDHP (HSA or HRA)	City of Manor	
Number of Enrolled Employees	24,201		109	
Carrier			Texas Health	
Average Plans Offered #	2.4		1	
Plan Type	Traditional	HDHP	Traditional	HDHP
Subscriber Enrollment	17,514	6,687	109	0
% of Total Enrollment	72%	28%	100%	0%
HSA or HRA Contribution		\$941 EE \$1,409 Fam		
Individual Deductible	\$1,700	\$3,300	\$750	
Family Deductible	\$3,900	\$6,500	\$1,500	
Individual Out of Pocket	\$4,400	\$5,200	\$4,000	
Family Out of Pocket	\$9,400	\$9,800	\$8,000	
Coinurance	20%	20%	20%	
Office Visits/Dr. Services	\$25 PCP copay	20% after deductible	\$35 PCP Copay	
Specialist Visits/Dr. Services	\$50 specialist copay	20% after deductible	\$60 Copay	
Urgent Care	\$65 Copay	20% after deductible	\$75	
Onsite / Nearsite Clinic	15% of groups have On-Site / Nearsite Health Clinics		N/A	
Emergency Room	\$350 Copay	20% after deductible	\$500 + 20%	
Inpatient Surgery	20% after deductible	20% after deductible	20% after deductible	
Outpatient Surgery	20% after deductible	20% after deductible	20% after deductible	
Advanced Imaging (MRI / CT / CAT)	20% after deductible	20% after deductible	20% after deductible	
Pharmacy - Retail Only	Traditional	HDHP	Traditional	HDHP
Tier 1 - Generic	\$10	\$10	\$10	
Tier 2 - Preferred Brand	\$35	\$30	\$20	
Tier 3 - Non Preferred Brand	\$75	\$80	\$70	
Specialty Medication	\$150	\$150	\$250	

95% of mid-sized cities offer a HDHP

The average participation in the HDHP plan is 28%

Compared to the Public Benchmark, the City's deductible and OOP Max is better.

Recommend the City offer another Medical Plan. A "Buy-down" HDHP plan with a Health Savings Account.

- Employees electing to "buy-down" into the HDHP would receive money into their H.S.A. to help offset out of pocket costs. *An HDHP is typically attractive to healthier people who don't expect to need health care except in the event of an unforeseen health emergency.

City of Manor rates/contributions compared to Benchmark

Employee Contributions Plan	Public Sector Traditional (PPO / EPO)	Public Sector HDHP (HSA or HRA)	City of Manor	
	Traditional	HDHP	Traditional	HDHP
Employee	\$44	\$9	\$0	
EE + Spouse	\$420	\$295	\$796	
EE + Child	\$313	\$220	\$587	
EE + Family	\$671	\$481	\$1,507	
Per Capita Cost				
	*Average of Public Sector		City of Manor	
Total Per Capita Cost	\$13,692		\$10,068	
Employer Per Capita Cost	\$11,605		\$9,275	
Employee Per Capita Cost	\$2,086		\$794	

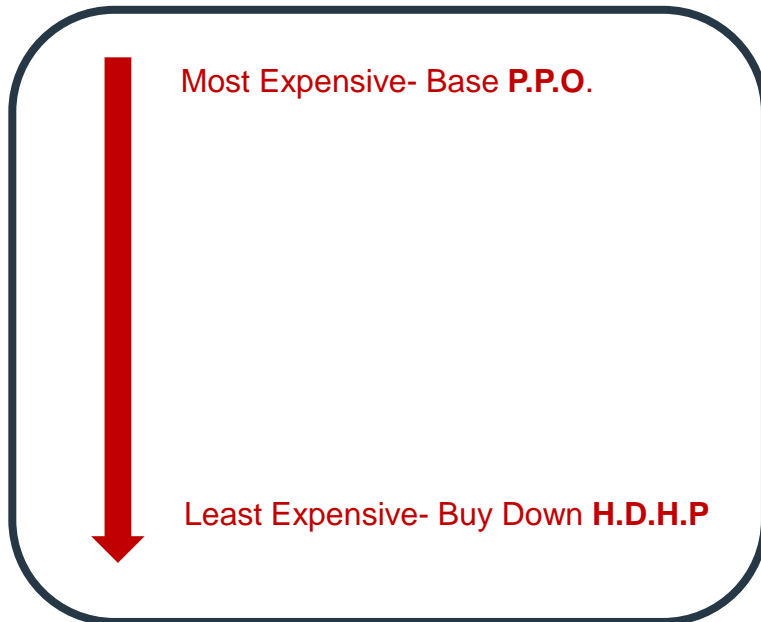
- ❑ The City of Manor’s cost for employees to enroll their dependents is much higher than the Public Sector Benchmark.
- ❑ On average, Texas cities cover 54%of the dependent costs whereas the City of Manor pays 0%.
- ❑ Offering a “buy-down” HDHP plan will help employees reduce the costs of enrolling their dependents. A direct correlation exists between the overall cost of the plans and the cost of enrolling dependents.
- ❑ Typically, the contribution strategy will be set up to incentivize employees into the lowest cost plan which is designed to transform the way health care is delivered and purchased. The goal is to make employees engaged consumers of their health care.
- ❑ Many municipalities offer rate differentials to employees who get their annual physical or are tobacco-free.

Medical Premium – Texas Health



MEDICAL BENEFITS	PPO	Texas Health PPO
FINANCIALS	EE's	CURRENT
Employee Only	99	\$772.92
Employee & Spouse	2	\$1,569.04
Employee & Child(ren)	7	\$1,360.34
Employee & Family	1	\$2,280.06
	109	
Monthly Premium		\$91,459.60
Annual Months		\$1,097,515.20

- ❑ Should the City move forward to issue an RFP for 6/1/24 benefits, HUB recommends the City establish a benefit trust to eliminate the premium tax / reduce rates by 1.75% (in the event another medical carrier is selected).
 - Approximately \$19,000 annual savings



Depending on an employee's financial situation and healthcare needs, they will enroll in the plan that best meets their needs with consideration to **the monthly premiums, the plan's provider network and expected out-of-pocket costs.** These will all factor into determining which plan will best fit an individual's needs and budget.

Dental Plan



DENTAL BENEFITS		Texas Health Dental III CURRENT
Annual Deductible		\$50 individual / \$150 family
Type A – Preventive Care		No Waiting Period
Deductible		None
(2) Oral Exams per calendar year		No Cost
(2) Fluoride treatments-children under 18 per calendar year		No Cost
(2) Cleanings per calendar year		No Cost
Sealants for children under 13 not to exceed \$300 per calendar year		No Cost
Full mouth X-ray 1 series in a (60) consecutive month period		No Cost
Periapical and Intraoral X-rays		No Cost
Bitewings X-rays once per calendar year		No Cost
Type B – Basic Restorative		No Waiting Period
Coinsurance		20%
Emergency Exams		20%
Non-preventive X-rays		20%
Amalgam and resin-based composite fillings		20%
Extractions		20%
Anesthesia		20%
Periodontics		20%
Oral Surgery		20%
Type C – Major Restorative		No Waiting Period
Coinsurance		50%
Stainless Steel Crowns		50%
Replacement of Crowns		50%
Dental Implants		50%
Removable / fixed bridge-work		50%
Partial or complete dentures		50%
Orthodontic Lifetime Maximum		\$3,000 Child (up to 19)
Dental Annual Maximum		\$2,000
Usual Reasonable & Customary		90th Percentile

❑ Recommend adding a 2nd dental plan: a DHMO or a Low Plan that does not cover Orthodontia

Vision Plan



VISION BENEFITS		Avesis
Eye Exam	Network	\$10
	Non-Network	\$45 Allowance
Frames/ Lenses, and/or Contacts		CURRENT
Single Vision	Network	\$25
	Non-Network	\$30 Allowance
Bifocal Lenses	Network	\$25
	Non-Network	\$50 Allowance
Trifocal Lenses	Network	\$25
	Non-Network	\$65 Allowance
Frames	Network	\$130 Max + 20%
	Non-Network	\$70 Allowance
Medically Necessary Contacts- 1 year supply	Network	50 per set
	Non-Network	\$130 Allowance
Elective Contacts-1 year supply	Network	\$130 Max
	Non-Network	\$105 Allowance
Exam Frequency		12 Months
Lens Frequency		12 Months
Frames Frequency		12 Months
Network		VSP: MyRenProviders.com
Participation Requirements		100%

❑ HUB did not have the SBC for the vision plan and needs to get this from the City.

❑ Network is VSP

RATES	EE's	
Employee Only		\$6.51
Employee + 1		\$12.63
Employee & Family		\$18.90
FINANCIALS		

❑ Recommendation is move from a 3-tier rate to a 4-tier rate. Doing so will lower the cost for employees choosing to enroll their children. A bonus is standardized deductions.

Basic Life & AD&D



BASIC LIFE BENEFITS		The Standard / Texas Health
		CURRENT
Class Description	All Active Full time Employees	
Definition of Earnings	Base Annual Earnings	
Basic Life Schedule	\$10,000	
Guarantee Issue Amount	\$10,000	
Age Reduction Schedule	70-74, 60% 75-79, 40% 80+, 30% Rounded to hnext higher \$1,000	
Terminates at Retirement	Yes	
Waiver of Premium	Disabled prior to age 60, 9 month waiting period, to age 65	
Accelerated Death Benefit	75%	
Conversion	Included	
Portability	Included	

- ❑ The Basic Life benefits are below public sector benchmarks.
- ❑ Recommend increasing the basic life amount to \$25,000.
- ❑ Recommend removing age reduction schedule on Basic Life Benefit. Typically, carriers can do this with minimum rate impact.

Voluntary Life & AD&D



VOLUNTARY LIFE & AD&D		The Standard / Texas Health
		CURRENT
Class Description	All Active Full time Employees	
Definition of Earnings	Base Annual Earnings	
Employee Life Schedule	Increments of \$10,000	
Employee Maximum Benefit	\$300,000 or 3 times Base Annual Earnings	
Employee Guarantee Issue Amount	\$150,000 or 3 times Base Annual Earnings	
Spouse Maximum Benefit	\$150,000 in increments of \$5,000. Not to exceed 50% of employee	
Spouse Guarantee Issue Amount	\$25,000	
Child Maximum Benefit	\$10,000	
Age Reduction Schedule	70-74, 60% 75-79, 40% 80+, 30%	
Rounded to the next higher multiple of \$1,000	Rounded to next higher \$1,000	
Waiver of Premium	Included	
Accelerated Death Benefit	75%	
Conversion	Included	
Portability	Included	

❑ HUB did not have the details of the voluntary life benefits for the employees and needs to get this from the City.

Dep. Per Unit	\$2,760
Employer Contribution	0%
Spouse	\$10,000
Children	\$2,000

❑ Recommendation to discontinue the Dependent Life benefit. This is an outdated benefit and the \$10k / \$2k amounts are inadequate.

❑ Recommend offering Voluntary Life coverage for dependents. The voluntary life benefit is ideal for employees; however, additional coverage options should be available for Spouse and Children.

A process-driven, consultative service model



To begin, we formulate a customized multi-year plan to address your specific benefits and financial budgetary requirements. Next, we leverage our integrated platform of best-in-breed products and services, including decision support resources, HR administration and compliance tools, and employee communications. We then repeat the planning process annually to help ensure success.



What you can expect: Knowledgeable specialists, executive-level attention, and proven results.

Benefits Broker	Benefits Consultant
<p>Reach out to you ahead of your plan renewal with the new rates of your carriers and will likely come into the office to provide a one-hour presentation to staff covering the highlights of the plan and allowing for a question-and-answer session.</p>	<p>Meet quarterly to discuss emerging market trends, review utilization, strategize on ways to improve the employee's appreciation, understanding and engagement in the benefit plan.</p> <p>Negotiate new rates with your existing carriers and will proactively shop your plan with alternative plan designs giving you the confidence that you are moving forward with the most cost-effective but impactful plan available to your employees.</p>
<p>Provide limited means to control underlying costs. Advocate cost shifting in the form of increased deductibles and copays to control costs.</p>	<p>Return control over costs to the City. Provide detailed data driven analysis and actionable insight to help control costs.</p>
<p>Believe costs are dependent on the best offer of the insurance carrier.</p>	<p>Understand <i>improving</i> benefits is the only way to lower costs.</p>
<p>Do not consider the needs and wants of the employee population when creating a benefits plan.</p>	<p>Make benefits a real attraction and retention tool. Most importantly, help you show the investment you make in your employees by delivering the value of the plan to your employees.</p>
<p>Give limited information on where the money is going. Do not talk about their compensation and hidden commission. This means more income for them if the rates go up.</p>	<p>Bring transparency to where money is going. Are paid on a fixed fee basis and are willing to tie compensation to performance. No hidden compensation is accepted from the insurance carriers. All coverages are offered net of commission and savings go straight to the bottom line.</p>
<p>Offer basic benefit guides and minimal education and support at open enrollment (and throughout the year).</p>	<p>Help employees recognize that their total compensation is far greater than their annual salary. Offer custom benefit guides, focus on education versus benefits, utilize cell phone technology, promote wellness, facilitate all carrier interaction and handle all service issues on an ongoing basis.</p>

Thank You!

