



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, October 26, 2021
Category:	NEW BUSINESS
Type:	INFO
Subject:	Consider approval of 2022 Health Insurance with BCBS
Background Information:	<p>National Insurance Services (NIS) is our broker for health and dental insurances. Bill Chukuske was present at the Council worksession on October 12, 2021 and provided our PEIP renewal proposal as well as results of an RFP for alternative health insurance carriers for 2022. Bill is unable to attend the meeting on October 26; in his place, our NIS account manager, Mari Wagner, will be present to provide a brief overview of the PEIP renewal and the RFP results for alternative health insurance carriers.</p> <p>For 2022, the PEIP renewal proposal reflected a 9% increase. However, the City's 2-year commitment with PEIP expires on 12/31/2021; therefore, the City is not required to enter into this renewal. Staff are not recommending renewal with PEIP for 2022.</p> <p>NIS completed a Request for Proposals for health insurance options from alternative carriers for 2022. A summary of the lowest cost proposals received was presented at the worksession and is included in the attachments.</p> <p>A history of the City's premium renewal rates is also provided in the attachments.</p> <p>The lowest cost proposal was received by BCBS of Minnesota. The BCBS proposal provides a cost reduction in total premium, includes a 2nd year rate cap, and requires a 2-year commitment from the City. Staff are recommending the Council approve a 2-year commitment with BCBS of Minnesota for health insurance for 2022-2023.</p> <p>Included in the attachments are three cost-share options for 2022.</p> <p>The total savings to the City by fund is shown in the attachment. The projections are based on current plan selection by employees.</p>
Fiscal Impact:	Cost projections are estimated based upon current plan enrollment. The estimated 2022 cost decrease is \$176,992.06. See packet enclosure for a breakout by Fund.
Alternative/Variations:	To approve the alternative cost-share Option B or Option C with BCBS of MN.
Recommendations:	To approve the two-year Health Insurance Plan with BCBS of MN, cost-share Option A.