

City of Mount Vernon, TX Medical/Dental/Life Renewal and Recommendations

2023

Employee Benefits Strategic Direction

Strategic Considerations & Priorities

- People, Money, Hassle, Health Framework and Philosophy
- Inflationary pressures are creating financial hardships for employees
- Remove barriers to care, lower cost, impact lives
- Immediate and long-term cost impact of moving away from copay mindset to consumer mindset
- Give employees freedom and flexibility to choose best providers and pricing

Marketing Results

- TML renewal increase was 20% (\$37, 492.00 annually)
- TML offered 4 alternative plan options (all copay plans) from 4.5% to 13% increase
- HMA requested custom plan alternatives that were -2% reduction to 2.6% increase (PPO & HSA qualified)
- HMA also checked current market competitiveness (BCBS Hassle factor)
- Voluntary product offerings analysis

Recommendations

- Renew with TML but move to HSA qualified plan 3K deductible/100% (annual increase of \$4,942.00)
- Implement Health Reimbursement Arrangement to buy down deductible to \$1,500 for employee
- Implement Health Savings Account administration and front end employee accounts (City decides contribution strategy)
- Implement HMA care card (\$5.00 PEPM)
- Implement HMA concierge medicine (\$25 PEPM)
- Renew with TML for Basic Life 15K (annual increase of \$561)
- Consolidate voluntary offerings with Colonial and allow employees to port what they choose (improve HR efficiencies, save employees money)