City of Needles, California
Request for City Council Action

☒ CITY COUNCIL ☐ NPUA ☐ SARDA ☒ Regular ☐ Special

Meeting Date: August 8, 2023

Title: Accept 2024 Employee Benefits plan.

Background: The City of Needles overall renewal plan for medical and ancillary coverage renewal for 2023 calendar year, has been received from Alliant and Special Districts Risk Management Association. Of the two Blue Shield PPO (SDRMA) plans offered to employees, the Gold PPO plan and the Silver PPO plan are increasing by 15.4%. Renewal rates include Affordable Care Act taxes and fees. The Dental plan is decreasing by 3%. Vision, Life and Disability plans received 0% change. The City and the 2 bargaining units mutually agreed to share equally (50%) of any increase and/or decrease to health insurance premiums commencing on or after July 1, 2013.

Fiscal Impact: Increases for the employees will range from $670 to $2,390 annually depending on the coverage level (employee, employee + 1, or employee + family) The shared City portion of the cost increase was anticipated and fundable within the existing budget.

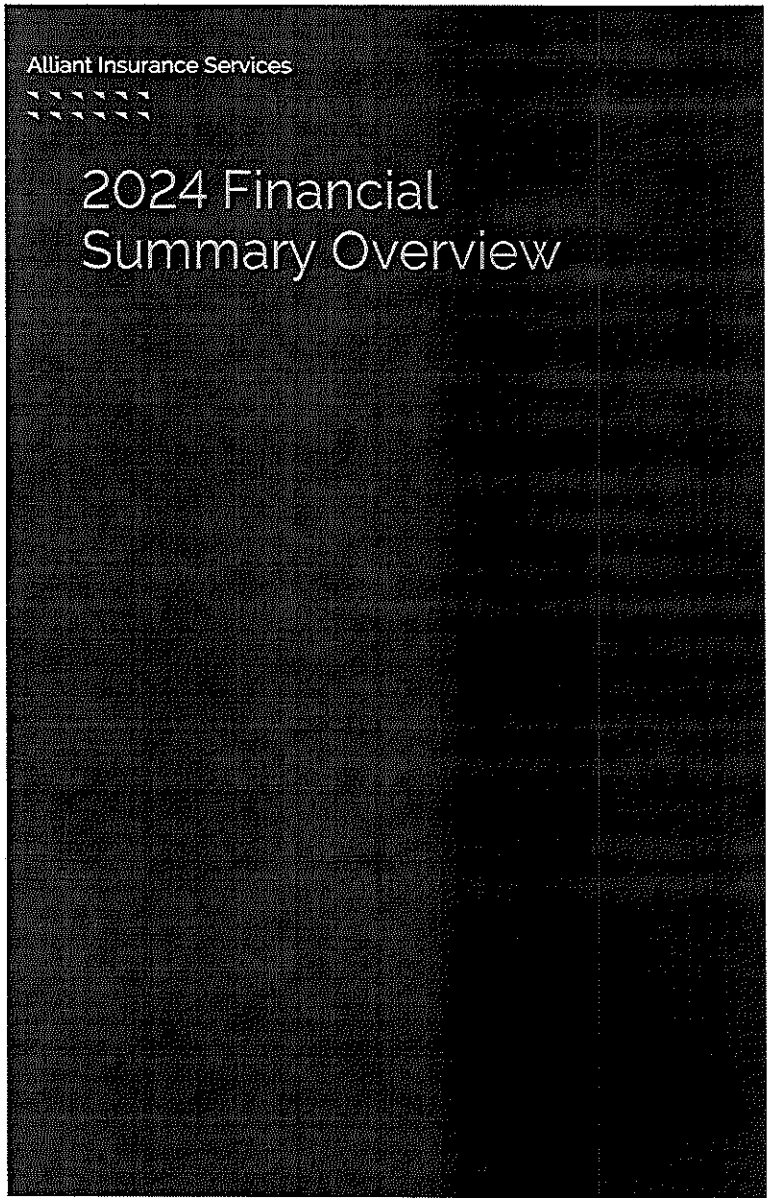
Recommended Action: **Accept**

Submitted By: Tracy Beck, H.R. Specialist

City Management Review: Patsy Munford **Date:** 8-2-2023

Approved:☐ Not Approved:☐ Tabled:☐ Other:☐

Agenda Item: 13



Program Overview

City of Needles– overall renewal came in at an estimated annual increase of 13.8% or $141,818 overall

MEDICAL

- SDRMA Medical PPO renewal came in with a 15.4% increase with a 1 year rate guarantee through 12/31/2024
- Rates are based on 12 month rating/claim period. For 2024 renewal, 12 month rating/claim period was March 2022-February 2023
- During this timeframe, PRISM/SDRMA saw the following factors drive high medical inflation for the 2024 medical renewal:
  - Higher than historical trend
  - Rebound from the COVID-suppressed utilization of care resulting in rising demand for outpatient services over the past year
  - High Catastrophic claims
  - Increase in baseline medical costs and fees paid to providers stemming from higher labor costs, clinical staffing shortages, and over all inflation on supply chain costs
  - Rising costs of prescriptions drugs and specialty medications
  - Approval and expanded use of new medical technology and procedures

Alliant Insurance Services

2024 Financial Summary Overview

Dental DPPO – Delta Dental (PRISM)

Received a rate decrease (-3.0%), rates guaranteed until 12/31/2024

Vision - VSP

In a rate guarantee through 12/31/2026

Life and Disability - Mutual of Omaha

In a rate guarantee through 12/31/2024

Basic Life and AD&D

Short Term Disability

Long Term Disability

Renewal Overview – Medical PPO

Medical Plan Benefits	SDRMA - Blue Shield PPO (GOLD) Current/Renewal		SDRMA - Blue Shield PPO (SILVER) Current/Renewal	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Calendar Year Deductible Individual / Family Embedded / Aggregate	$500 / $1,000 Embedded		$2,000 / $4,000 Embedded	
Annual Out-of-Pocket Maximum Individual / Family	$2,000 / $4,000		$5,000 / $10,000	
Physician Office Visit	$20	50%	$30	50%
Specialist Copay	$20	50%	$30	50%
Preventative Care	No Charge (ded waived)	Not Covered	No Charge (ded waived)	Not Covered
Lab and X-Ray CT, MRI, PET scans	20% ($100 + 20% if at Hospital)	50% (limit $800/day)	20% ($100 + 20% if at Hospital)	50% (limit $800/day)
Other lab and x-ray tests	$0 ($25 + 20% if at Hospital)	50% (up to $350/day in Hospital)	$0 ($25 + 20% if at Hospital)	50% (up to $350/day in Hospital)
Hospitalization Inpatient	20%	50%(limit $600/ day)	20%	50%(limit $600/ day)
Outpatient	ASC: 10% (ded waived) Hospital: 20%	50% (limit $350/day)	ASC: 10% (ded waived) Hospital: 20%	50% (limit $350/day)
Emergency Room	$100 + 20% (Copay waived if admitted)		$100 + 20% (Copay waived if admitted)	
Urgent Care Services	$20	50%	$30	50%
Chiropractic Care	20% (limit $50 / visit) (26 visits/yr combined w/ Acupuncture)	50% (limit $25 / visit)	20% (limit $50 / visit) (26 visits/yr combined w/ Acupuncture)	50% (limit $25 / visit)
Acupuncture Care	* 20% (26 visits/year combined w/Chiro)		20% (26 visits/year combined w/ Chiro)	
PRESCRIPTION DRUGS	Generic / Brand / Non Formulary		Generic / Brand / Non Formulary	
Deductible	None		$200 / $500	
Rx Copay Out-of-Pocket Maximum	$4,600 / $9,200		$1,600 / $3,200	
Retail - 30 day supply	$5 / $30 / $45		$10 / $20 / $45	
Mail Order - 90 day supply	$10 / $75 / $112.50		$20 / $40 / $90	
Specialty Drugs	30% (up to $150)		30% (up to $150)	
Specialty Drugs Mail	30% (up to $300)		30% (up to $300)	
RATE GUARANTEE	**1 Year (1/1/2023 - 12/31/2023)**	**1 Year (1/1/2024 - 12/31/2024)**	**1 Year (1/1/2023 - 12/31/2023)**	**1 Year (1/1/2024 - 12/31/2024)**

MONTHLY RATES	EE's	Current	Renewal	EE'S	Current	Renewal
EE Only	13	$922.88	$1,065.02	2	$666.41	$769.41
EE + 1	15	$1,838.55	$2,121.80	1	$1,320.46	$1,523.37
EE + Family	14	$2,390.63	$2,758.34	1	$1,718.04	$1,982.75
	42			4		
MONTHLY PREMIUM		**$73,045**	**$84,289**		**$4,371**	**$5,045**
ANNUAL PREMIUM		**$876,534**	**$1,011,468**		**$52,456**	**$60,539**
ANNUAL DOLLAR CHANGE			**$134,934**			**$8,083**
ANNUAL PERCENT CHANGE			**15.4%**			**15.4%**

Enrollment is as of March 2023

This summary is for informational purpose only. It does not amend, extend, or alter the current policy in any way. In the