

STAFF REPORT



SUBJECT: Banking Authority

DEPARTMENT: Finance

STAFF CONTACT: Monica Harris

RECOMMENDATION:

Staff recommends that the Personnel and Finance Committees forward the proposed health insurance renewal with Blue Cross Blue Shield to Council for approval on April 5, 2022.

BACKGROUND:

The City of Stephenville health insurance plan starts on May 1st and ends on April 30th annually. The Blue Cross Blue Shield contract for plan year 21-22 had a maximum increase of 9.9%, which was Blue Cross Blue Shield's initial offer for renewal. Staff requested Hub International Insurance Services, the City's benefits consultant, to go to the market for insurance renewals. Quotes were received from Blue Cross Blue Shield, United Healthcare, and Aetna. After reviewing the quotes, staff recommends awarding the insurance renewal to Blue Cross Blue Shield for a 1.33% increase for the current plans. There is no increase in dental, vision, or basic life.

FISCAL IMPACT SUMMARY:

The current amount budgeted for group insurance is \$1,119,000. Setting Health Savings Account employer contributions to \$38,000 would decrease the amount to just under \$1,000,000.

ALTERNATIVES

Choose to renew with either UHC or Aetna.

Choose to set the HSA employer contribution to a different amount.