



FY 2024 PLAN YEAR BENEFITS RENEWAL

RS-23-104

June 20, 2023

Background

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- City's contribution
- Current providers
 - ▣ United Healthcare (UHC) – Healthcare
 - Employee medical plans participation: 944
 - ▣ MetLife – Dental
 - Employee dental plans participation: 1,187
- City requested renewal quotes from UHC
- Benchmark study was completed

Funding

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▣ Self-funded Insurance:

- FY 2023 Health Insurance Cost Emerging: \$6,767,160
- FY 2024 Health Insurance Cost: \$7,219,143
- 6.7% increase for FY 2024

▣ Fully-funded Insurance:

- FY 2024 Dental Insurance Cost: \$630,000
- City's portion is \$305,584 – increase of \$30,000 (5%)

Plan Amendments

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Plan 1: High Deductible Health Plan (HDHP)

- Update deductibles to align with IRS mandates
 - Deductible will increase from \$2,800 to \$3,000 for individual and will increase from \$5,600 to \$6,000 for family
 - Increase the City's contribution by \$10.71/month to the employee's Health Savings Account (HSA)

Plan 2: Exclusive Provider Organization (EPO) (Copay Plan)

- Increase employee premium by \$5.00/month

Dental Plan 1 and Plan 2

- City will contribute the 5% premium increase for employees

Medical Plan

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	FY23 Employee Monthly Premium	FY24 Employee Monthly Premium	Employee Increase	FY23 Employer Monthly HSA Contribution	FY24 Employer Monthly HSA Contribution	Employer Increase
<i>Medical Plan I (HDHP w/HSA)</i>						
Employee Only	\$0.00	\$0.00	\$0.00	\$112.75	\$123.46	\$10.71
Employee/Spouse	\$479.38	\$479.38	\$0.00	\$112.75	\$123.46	\$10.71
Employee/Children	\$157.12	\$157.12	\$0.00	\$112.75	\$123.46	\$10.71
Employee /Family	\$611.14	\$611.14	\$0.00	\$112.75	\$123.46	\$10.71
<i>Medical Plan II (Co-Pay)</i>						
Employee Only	\$30.00	\$35.00	\$5.00	NA	NA	NA
Employee/Spouse	\$620.22	\$625.22	\$5.00	NA	NA	NA
Employee/Children	\$225.04	\$230.04	\$5.00	NA	NA	NA
Employee /Family	\$768.44	\$793.44	\$5.00	NA	NA	NA

Contribution Changes

Plan 1: HDHP – \$0 Increase; City will contribute an additional \$10.71 to HSA

Plan 2: EPO (Copay Plan) – Employee will contribute an additional \$5

Dental Plan

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	FY23 Employee Monthly Premium	FY24 Employee Monthly Premium	Employee Increase	FY23 Employer Monthly Premium	FY24 Employer Monthly Premium	Employer Increase
Dental Plans						
Low Plan (Orthodontia to age 26)						
Employee Only	\$0.00	\$0.00	\$0.00	\$19.38	\$20.36	\$0.97
Employee/Spouse	\$23.72	\$23.72	\$0.00	\$19.38	\$21.54	\$2.16
Employee/Children	\$28.00	\$28.00	\$0.00	\$19.38	\$21.76	\$2.38
Employee /Family	\$57.24	\$57.24	\$0.00	\$19.38	\$23.22	\$3.84
Dental Plans						
High Plan (Orthodontia any age)						
Employee Only	\$4.40	\$4.40	\$0.00	\$19.38	\$20.58	\$1.20
Employee/Spouse	\$24.72	\$24.72	\$0.00	\$19.38	\$21.60	\$2.22
Employee/Children	\$39.00	\$39.00	\$0.00	\$19.38	\$22.30	\$2.92
Employee /Family	\$73.50	\$73.50	\$0.00	\$19.38	\$24.02	\$4.64

Staff Recommendation

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Staff recommends the City Council approve an anticipated increase healthcare cost of \$451,983 for FY 2024, total cost of \$7,219,143; and increase the City's contribution of 5% to the dental plan (at no cost to the employees); and authorize the City Manager or designee to execute an agreement with United Healthcare and MetLife effective October 1, 2023, and that the City Manager or designee is further authorized to execute any necessary change orders in accordance with state and local law.