



2019-2020 PLAN YEAR BENEFITS RENEWAL

RS-19-068

July 16, 2019

Background

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□ Healthcare Provider

- ▣ United Healthcare
- ▣ City contributes \$411.78 monthly towards employee premiums
- ▣ Approximately 906 of 1160 employees elect medical insurance

□ Dental Provider

- ▣ Lincoln
- ▣ City contributes \$22.98 monthly towards employee premiums
- ▣ Approximately 1081 of 1160 employees elect dental insurance

Background

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- Renewal vs RFP
 - ▣ The City was provided renewal options for medical and dental insurances
 - Renewal provides the ability to have more and better data upon which to build a future RFP
 - Lincoln provided a rate pass for dental, making renewal the best option/value for the City and its employees

Renewal Options

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- UHC Choice (Current Plan)
 - ▣ 19% increase to premium
 - ▣ Increase split between City and employee
 - ▣ All current plan coverage/function remains the same
 - May see a specialist without a referral
- UHC Navigate (Proposed Plan)
 - ▣ 4% increase to premium
 - ▣ No increase to the employee contribution to the “employee only” plan
 - ▣ Must have a referral to see a specialist
 - ▣ Out of area dependents must have in area primary care

Proposed Navigate Healthcare Plan

United Health Care

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The City's contribution to employee healthcare is proposed to be \$428.65 per employee per month.

Option 1 (High Deductible Healthcare plan/HSA*)

Premium:	\$342.20
City cost:	<u>\$342.20</u>
Employee cost:	\$0.00

City contributes \$86.45 towards HSA

Wellness participation: \$0; no wellness participation: +\$50

Option 2 Low Deductible Healthcare Plan

Premium:	\$438.65
City cost:	<u>\$428.65</u>
Employee cost:	\$10.00

Wellness participation: \$10; no wellness participation: +\$60

Renewal Options Continued

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- Dental
 - ▣ Lincoln provided a rate pass for dental, making renewal the best option/value for the City and its employees
- All other ancillary products will renew without an increase to premium unless age dictates an increase (e.g. voluntary life insurance premium is based upon age)

Proposed Dental Plan Fully-Insured

The City’s contribution to employee healthcare is proposed to be \$22.98 per employee per month.

Low Plan

Premium:	\$22.98
City cost:	<u>\$22.98</u>
Employee cost:	\$0.00

High Plan

Premium:	\$27.20
City cost:	<u>\$22.98</u>
Employee cost:	\$4.22

Alternatives

- Consider a contract with United Health Care for fully-insured medical healthcare Choice plan and fully-insured with Lincoln for a dental care plan.
- Consider a contract with United Health Care for fully-insured medical healthcare Navigate plan and fully-insured with Lincoln for a dental care plan.

Staff Recommendation

Staff recommends that the City Council recommend to the Employee Benefits Trust the selection of the United Health Care Navigate plan for employee medical and Lincoln for dental insurance benefits effective October 1, 2019.