



STAFF REPORT

DATE: June 20, 2017

TO: Ronald L. Olson, City Manager

FROM: Eva Bark, Executive Director of Human Resources

SUBJECT: Scott and White Health Plan and MetLife Dental Plan

BACKGROUND AND FINDINGS:

The City of Killeen provides medical and dental insurance, Scott and White Health Plan and MetLife, respectively, so that each employee has access to health care. In FY '17, the City continued to pay 100% of the medical and dental care premiums, base plan only, for all eligible employees. Employees may purchase additional medical and dental care coverage for their family members, if they choose.

Medical insurance benefits are reviewed annually; the proposed renewal rate for the SWHP FY '18 and MetLife FY '18 will not increase.

The city will continue to offer employees three healthcare plans: Base Plan - High Deductible Health Plan/Health Savings Account, Mid-Plan and the High-plan. The employee-only premium and cost to the City for each plan is as follows:

Base (HDHP/HSA*)

- Premium \$378.78
- City cost: \$378.78
- Employee cost: \$0.00
- City contributes \$30 for HSA
- Wellness screening: \$0; no wellness screening: +\$50

Mid-Plan

- Premium \$420.86
- City cost: \$410.86
- Employee cost: 10.00
- Wellness screening: \$0; no wellness screening: +\$50

Buy-up Plan

- Premium \$580.74
- City cost: 410.86
- Employee cost: \$169.88
- Wellness screening: \$0; no wellness screening: +\$50

***HDHP/HSA - High Deductible Healthcare Plan/Health Savings Account**

Last year, our consultant negotiated a +3% rate for dental insurance benefits, effective for the next two years. Therefore, the employee-only premium will remain at \$24.24 per month. Core benefits remain the same paid by the City.

In FY '18, we will continue the employee engagement aspect to encourage our participation in wellness measures designed to improve health and well-being by requiring employees to visit their Primary Care Provider for their annual physical and to complete the health assessment. Both means of employee engagement are offered by the Scott and White Health Plan, as part of the no cost preventative care.

THE ALTERNATIVES CONSIDERED:

Alternatives are: (1) do nothing and have no formal contract with Scott and White Health Plan; (2) sign contract with Scott and White Health Plan

Which alternative is recommended? Why?

Staff recommends second alternative. This alternative offers the same terms and rates as the FY 2016-2017 plan.

CONFORMITY TO CITY POLICY:

This action supports City of Killeen Vision 2030 Goal 11: Recruiting and Maintaining a Talented and Committed Workforce for the City of Killeen.

FINANCIAL IMPACT:

The medical insurance plan reflects a rate pass in premiums to the City for the average of 930 full-time employees who are eligible to participate in medical insurance. The rates would be effective October 1, 2017.

Proposed FY 18	Total Increased Cost
\$4,585,197.60	\$0

The dental insurance plan reflects the same rate as FY '17 for the average of 1,077 full-time employees who are eligible to participate in dental insurance. The rates would be effective October 1, 2017.

Proposed FY 18	Total Increased Cost
\$313,277.76	\$0

Costs for both plans will be included in the proposed FY 18 budget.

RECOMMENDATION:

It is recommended that City Council recommend the renewal of Scott and White Health Plan as the provider for employee medical insurance to the Employee Benefit Trust and authorize the City Manager to execute an agreement with Scott and White Health Plan for medical insurance

effective October 1, 2017, and that the City Manager be authorized to execute any necessary change order in accordance with state and local law.

It is recommended that the City Council recommend the renewal of MetLife as the provider for employee dental insurance to the Employee Benefit Trust and authorize the City manager to execute an agreement with MetLife for dental insurance effective October 1, 2017, and that the City Manager be authorized to execute any necessary change order in accordance with state and local law.

DEPARTMENTAL CLEARANCES:

City Attorney
Finance

ATTACHED SUPPORTING DOCUMENTS:

Scott and White Health Plan Quote
Scott and White Health Plan PPO Buy-up Renewal
Scott and White Health Plan Retirees Renewal
Scott and White Health Plan Renewal
MetLife Renewal