Legislation Text

File #: 19-0100, **Version:** 1

ITEM TITLE:
Discussion Item: Review of Health Insurance Renewal Figures
SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: n/a
Unencumbered Balance: n/a
Funding Source: n/a

RECOMMENDATION:

Authorize staff to proceed with annual health plan renewal

SUMMARY STATEMENT:

- Per Council request, staff is providing a first review of renewal figures.
- If authorized, staff will return on 3/19 or 4/2 with contracts for formal Council approval
- Staff, on behalf of ERT, is also requesting authorization to include contraceptives in the prescription benefit plan. The renewal figures do not reflect this additional coverage, which staff estimates will cost $3K-$6K annually.
- The renewal review emphasizes changes in premiums. Staff will provide a follow-up review with Council during the fall operating budget proceedings, emphasizing the plan's fund balance. These two variables provide Council with the best indication of the plan's solvency.

Background:

- Staff obtained competing stop-loss quotes reflecting several stop-loss deductible amounts.
    - Staff recommends renewing the Plan's stop-loss coverage with Sun Life, and continuing with a $150K deductible.
- Staff, School and Broker attempted to select renewal variables that not only yield favorable one-year renewal terms, but also position the plan for stable future renewal terms.
- The City's renewal premium reflects an 11% reduction. The 2019 Budget reflects a 2% increase. The variance results in an estimated 2019 savings of $360,000.
- The School's renewal premium reflects a 10.2% increase, which is driven by their recent claims history.