



Legislation Text

File #: 20-0108, **Version:** 1

ITEM TITLE:

Annual Renewal of City/School Health Insurance Benefit Plan for Period Beginning 4/1/2020

SUBMITTED BY: Rhea E Cragun, Human Resource Director

FISCAL NOTES:

Expenditure Required: \$2.7MM (City, for remainder of calendar 2020)

Unencumbered Balance: \$2.6MM

Funding Source: Cost code 41300, pro-rated among all staffed departments

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

- This agenda item formalizes the annual renewal of the health insurance benefit plan. Overall cost estimates and renewal features were presented to Council on 3/3/2020.
- The School has separately reviewed and approved their plan renewal specifications.
- Finance staff will monitor budget to actual costs for the remainder of 2020, and anticipates that personnel vacancies during the year will offset the estimated \$90K shortfall.
- Renewal Premium Change:
 - City: +8.9%; total monthly \$2138.18 to \$2,327.95; \$189.77 increase
 - Employer monthly: \$2,052.65 to \$2234.83; \$182.18 increase
 - Employee monthly: \$85.53 to \$93.12; \$7.59 increase
 - School: -9.7%
- Plan Changes:
 - No plan changes
- Contracts and Amendments:
 - ASA Amendment Broker Fee. The contract has an automatic escalator of 3% per year and renews on 2/1. This amendment is for the period 2/1/2020-3/31/2020.

- City of Valdez Renewal ASA 4/1/2020-3/31/2021.
- Meritain Plan Document Amendment: Language update: This updates the language for dental work in the event of an emergency. The prior language had restrictions on how long after the accident the work had to be done. Meritain has updated this language in all of their plans to remove the time limitation, to avoid misinterpretation as a pre-existing condition limitation. This does not represents a material change in benefits.
- Legal team has reviewed and approved all attached documents as to form.

*Staff will provide Council with a follow-up plan review in the fall, emphasizing fund balance as a measure of plan solvency, and recommending changes in conjunction with Broker, ERT and Stakeholder.