



Sachse, Texas

Sachse City Hall
3815 Sachse Road
Building B
Sachse, Texas 75048

Meeting Agenda City Council Special Meeting

Monday, March 25, 2013

7:00 PM

Council Chambers

The Mayor and Sachse City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.

The City Council of the City of Sachse will hold a Regular Meeting on Monday, March 25, 2013, at 7:00 p.m. in the Council Chambers at the Sachse City Hall, 3815 Sachse Road, Building B, Sachse, Texas to consider the following items of business:

The public is invited at this time to address the Council. The Mayor will ask you to come to the Microphone and state your name and address for the record. If your remarks pertain to a specific Agenda item, please hold them until that item, at which time the Mayor may solicit your comments.

The City Council is prohibited from discussing any item not on the posted agenda according to the Texas Open Meetings Act.

4. REGULAR AGENDA ITEMS.

13-1448

Consider a resolution authorizing the City Manager to execute a contract with Blue Cross Blue Shield for group health insurance, Lincoln Financial for dental insurance, life insurance, accidental death and dismemberment insurance, long-term disability insurance, and Eyemed for vision insurance.

Executive Summary

Each year the City of Sachse goes out to bid for group health insurance. This year the City also requested a market-check on dental; life insurance; long-term disability; accidental death & dismemberment and vision insurance.

Attachments: [Prop A500 pdf](#)
 [Prop A500B pdf](#)
 [Prop A750 pdf](#)
 [Prop A750B pdf](#)
 [Prop A1000 pdf](#)
 [Prop A1000B pdf](#)
 [Prop B pdf](#)
 [Prop C pdf](#)
 [Original 2013 Benefits Renewal presentation pdf](#)
 [Brinson Council Presentation 3 18 2013](#)
 [Resolution for Health 3 25 2013.pdf](#)
 [Cost Options Proposal](#)

- [13-1453](#) Consider a resolution authorizing the City Manager to execute a contract with Consult A Doc for telemedicine services.

Executive Summary

Each year the City of Sachse goes out to bid for group health insurance. This year the City also requested a market check on dental; life insurance; long-term disability; accidental death & dismemberment and vision insurance. An enhancement was presented to the City regarding instituting a telemedicine option.

Attachments: [Telemedicine Resolution.pdf](#)

5. ADJOURNMENT.

Vision Statement: Sachse is a friendly, vibrant community offering a safe and enjoyable quality of life to all who call Sachse home.

The City of Sachse reserves the right to reconvene, recess or realign the regular session or called Executive Session or order of business at any time prior to adjournment. Note: The Sachse City Council reserves the right to convene into Executive Session pursuant to the Texas Government Code, Title 5, Chapter 551 regarding posted items on the regular meeting agenda.

State law prohibits the introduction or discussion of any item of business not posted at least seventy-two (72) hours prior to the meeting time. Therefore, during Citizen Input for example, the Council is prohibited by state law to deliberate or take action on any issues introduced by the public other than to take them under advisement. Posted: March 22, 2013; 5:00 p.m.
Terry Smith, City Secretary _____.

If you plan to attend this public meeting and you have a disability that requires special arrangements at the meeting, please contact Terry Smith, City Secretary, at (972) 495-1212, 48 business hours prior to the scheduled meeting date. Reasonable accommodations will be made to assist your needs.



Legislation Details (With Text)

File #:	13-1448	Version:	1	Name:	Authorize the City Manager to Execute Contracts for 2013 Employee Benefits Renewal Authorize the City Manager to Execute Contracts for 2013 Employee Benefits Renewal
Type:	Agenda Item	Status:			Agenda Ready
File created:	3/21/2013	In control:			City Council Special Meeting
On agenda:	3/25/2013	Final action:			

Title: Consider a resolution authorizing the City Manager to execute a contract with Blue Cross Blue Shield for group health insurance, Lincoln Financial for dental insurance, life insurance, accidental death and dismemberment insurance, long-term disability insurance, and Eyemed for vision insurance.

Executive Summary

Each year the City of Sachse goes out to bid for group health insurance. This year the City also requested a market-check on dental; life insurance; long-term disability; accidental death & dismemberment and vision insurance.

Sponsors:

Indexes:

Code sections:

Attachments: [Prop A500 pdf](#)
[Prop A500B pdf](#)
[Prop A750 pdf](#)
[Prop A750B pdf](#)
[Prop A1000 pdf](#)
[Prop A1000B pdf](#)
[Prop B pdf](#)
[Prop C pdf](#)
[Original 2013 Benefits Renewal presentation pdf](#)
[Brinson Council Presentation 3 18 2013](#)
[Resolution for Health 3 25 2013.pdf](#)
[Cost Options Proposal](#)

Date	Ver.	Action By	Action	Result
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Title

Consider a resolution authorizing the City Manager to execute a contract with Blue Cross Blue Shield for group health insurance, Lincoln Financial for dental insurance, life insurance, accidental death and dismemberment insurance, long-term disability insurance, and Eyemed for vision insurance.

Executive Summary

Each year the City of Sachse goes out to bid for group health insurance. This year the City also requested a market-check on dental; life insurance; long-term disability; accidental death

& dismemberment and vision insurance.

Background

Options

Select points from each "proposal" and variations are summarized below. Details of the provisions are included in the attached tables.

Proposal A

Core PPO, Buy Up (1) HSA, (2) High PPO (2)

Core PPO:

- Net Employee/Family Deductible: \$500/\$1,500
- Net Max Out of Pocket: \$4,000/\$12,000
- Office Visit Co-Pay: \$40
- Prescriptions: \$20/\$40/\$60 Mandatory Generic
- Premium Savings to Employee From Current Plan (monthly)
 - \$68 EE+ Spouse
 - \$35 EE + Child(ren)
 - \$112 EE + Family

HSA (1)

- Net Employee/Family Deductible: \$4,000/\$8,000
- Net Max OOP: \$4,000/\$6,000 for Individual; \$8,000/\$32,000 family
- Office Visit: 100%/70% After Deductible
- Prescriptions: 100% After Deductible
- HSA Premium Increase from Current Plan (monthly)
 - \$60 EE Only
 - \$63 EE + Spouse
 - \$61 EE + Child(ren)
 - \$65 EE + Family

High PPO (2):

- Net Employee/Family Deductible: \$500/\$1,500
- Net Max OOP: \$4,000/\$12,000
- Office Visit Co-Pay: \$40
- Prescriptions: \$20/\$40/\$60 Mandatory Generic

- High PPO Premium Increase from Current Plan (monthly)
 - \$147 EE Only
 - \$253 EE + Spouse
 - \$202 EE + Child
 - \$322 EE + Family

□ *First two options funded at 100% EE/35% dependent; High PPO funded at 90% EE cost/25% dependent

2013/2014 Proposed Budget for Health: \$598,131

2013/2014 Proposed HSA Funding: \$0.00

2013/2014 Proposed HRA Funding \$200,772

Variations to the Initial Proposal (Proposal A) are as follows:

- A-500-B keeps the plan options the same but changes the City's funding for the high PPO plan from 100%/35% to 80%/15%, which would save the City an additional \$5,600.
- A-750-A increases the deductible to \$750/\$2,250 (employee net cost) and would save the City an additional \$14,500.
- A-750-B increases the deductible to \$750/\$2,250 (employee net cost) and changes the funding percentage of the HSA to 100%/25% and the high PPO to 90%/15%. This option would save the City an additional \$6,800.
- A-1000-A increases the deductible to \$1,000/\$3,000 (employee net cost) and would save the City an additional \$18,500.
- A-1000-b increases the deductible to \$1,000/\$3,000 (employee net cost) and changes the funding percentage to would save the City an additional \$9,800.

Proposal B

HSA, Buy Up (1) Core PPO, (2) High PPO (2)

HSA

- Net Employee/Family Deductible: \$5,000/\$10,000
- Net Max OOP: 100% After Deductible Met (in network)
- Office Visit: 100%/70% After Deductible
- Prescriptions: 100% After Deductible
- HSA Premium Savings From Current Plan (monthly)
 - \$55 EE+ Spouse

- \$28 EE + Child(ren)
- \$90 EE + Family

Core PPO (1)

- Net Employee/Family Deductible: \$1,500/\$4,500
- Net Max OOP: \$5,000/\$15,000
- Office Visit Co-Pay: \$45
- Prescriptions: \$20/\$40/\$60 Mandatory Generic
- PPO Premium Savings from Current Plan (monthly)
 - \$7 EE + Spouse
 - \$4 EE + Child(ren)
 - \$12 EE + Family

High PPO (2)

- Net Employee/Family Deductible: \$500/\$1,500
- Net Max OOP: \$4,000/\$12,000
- Office Visit Co-Pay: \$40
- Prescriptions: \$20/\$40/\$60 Mandatory Generic
- High PPO Premium Increase from Current Plan (monthly)
 - \$40 EE Only
 - \$101 EE + Spouse
 - \$71 EE + Child
 - \$141 EE + Family

□ *First two options funded at 100% employee cost/35% dependent cost;
High PPO funded at 90% employee cost/25% dependent cost

2013/2014 Proposed Budget for Health: \$598,131

2013/2014 Proposed HSA Funding: \$29,899

2013/2014 Proposed HRA Funding \$50,850

Proposal C

HSA, Buy Up (1) Core PPO, (2) High PPO (2)

HSA

- Net Employee/Family Deductible: \$5,000/\$10,000
- Net Max OOP: 100% After Deductible Met (in network)
- Office Visit: 100%/70% After Deductible
- Prescriptions: 100% After Deductible
- HSA Premium Savings From Current Plan (monthly)
 - \$55 EE+ Spouse
 - \$28 EE + Child(ren)
 - \$90 EE + Family

Core PPO (1)

- Net Employee/Family Deductible: \$1,500/\$4,500
- Net Max OOP: \$5,000/\$15,000
- Office Visit Co-Pay: \$40
- Prescriptions: \$20/\$40/\$60 Mandatory Generic
- PPO Premium Savings from Current Plan (monthly)
 - \$11 EE + Spouse
 - \$6 EE + Child(ren)
 - \$19 EE + Family

High PPO (2)

- Net Employee/Family Deductible: \$500/\$1,500
- Net Max OOP: \$4,000/\$12,000
- Office Visit Co-Pay: \$40
- Prescriptions: \$20/\$40/\$60 Mandatory Generic
- High PPO Premium Increase from Current Plan (monthly)
 - \$40 EE Only
 - \$101 EE + Spouse
 - \$71 EE + Child
 - \$141 EE + Family

□ *First two options funded at 100% employee cost/35% dependent cost;
High PPO funded at 90% employee cost/25% dependent cost

2013/2014 Proposed Budget for Health: \$591,731

2013/2014 Proposed HSA Funding: \$29,899

2013/2014 Proposed HRA Funding \$57,206

Other Plan Provisions

The City received four bids for dental insurance. Lincoln Financial is the current carrier for dental insurance, and their renewal came in at a 4.9% increase. The competitors bids ranged from a 7.88% increase to a 48% increase.

Additionally, Lincoln Financial carries life insurance, long term disability and accidental death & dismemberment insurance. Rates on these products will remain flat for the next year.

The City also received information on including a Telemedicine option. This would allow employees and their families (up to six family members) access to a physician through the phone 24/7. This option would save on claims costs, especially with visits to the ER and Urgent Care facilities.

Policy Considerations

Healthcare benefits are included as part of the City of Sachse overall compensation package for employees.

Budgetary Considerations

The City allocated a total of \$743,371 for Health (including the HRA); Dental; Life; LTD and AD&D insurance. As a result of the proposed 18% decrease in health insurance and the 4.9% proposed increase in dental insurance, the estimated actual cost for the 2012-2013 year is \$664,184 plus an additional \$2,480 for Telemedicine. The estimated amount needed for 2013-2014 is \$743,371 plus an additional \$3,332 for Telemedicine.

Staff Recommendations

Staff recommends approval of a resolution authorizing the City Manager to execute a contract with Blue Cross Blue Shield for group health insurance, Lincoln Financial for dental insurance, life insurance, accidental death and dismemberment insurance, long-term disability insurance, and Eyemed for vision insurance.

Proposal A-500 was presented to City Council last week.
Previously referred to as Plan 22b.

TOTAL EMPLOYEES 119

Proposal A Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS PPO RM 34	Plan 2 BCBS H.S.A. RMH 8	Plan 3 BCBS PPO RM 22
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H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	11,000	0	0
*Family	6,000	33,000	0	0

H.S.A. ACCOUNT	NO	NO	YES	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS

ANNUAL H.S.A.

Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ (722.40)	\$ (1,766.04)
Employee + Spouse	\$ -	\$ 819.70	\$ (755.30)	\$ (3,040.82)
Employee + Child(ren)	\$ -	\$ 423.70	\$ (739.46)	\$ (2,427.26)
Employee + Family	\$ -	\$ 1,354.55	\$ (776.77)	\$ (3,869.53)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2x	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$500/\$1,500	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 178,992.00			
Benefit Bank Account / Monthly	\$ 125.34	\$ 125.34	\$ 125.34	\$ 125.34

Employer Pays - EE Only	100%	100%	Same as Plan 1	Same as Plan 1
Employer Pays - Dependent Only	35%	35%	Same as Plan 1	Same as Plan 1
Employee Only	\$ 380.41	\$ 291.36	\$ 291.36	\$ 291.36
Spouse Only	\$ 157.11	\$ 120.33	\$ 120.33	\$ 120.33
Children Only	\$ 81.21	\$ 62.20	\$ 62.20	\$ 62.20
Family Only	\$ 259.63	\$ 198.85	\$ 198.85	\$ 198.85

Employee Pays

Employee Only	\$ -	\$ -	\$ 60.20	\$ 147.17
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Employee + Spouse	\$	291.77	\$	223.46	\$	354.71	\$	545.17
Employee + Child(ren)	\$	150.83	\$	115.52	\$	212.45	\$	353.10
Employee + Family	\$	482.17	\$	369.29	\$	546.90	\$	804.63

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption								
MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption								
MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,045.88	\$	4,045.88
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	48,550.53	\$	48,550.53

Proposal A-500B.

Same as Proposal A-500, but with a change to City Contribution on buy up plans.

TOTAL EMPLOYEES 119

Proposal A Carrier	Current Aetna	Plan 1 BCBS PPO	Plan 2 BCBS H.S.A.	Plan 3 BCBS PPO
H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	11,000	0	0
*Family	6,000	33,000	0	0
H.S.A. ACCOUNT	NO	NO	YES	NO
H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS			ANNUAL H.S.A.	
Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ -	\$ (1,052.47)
Employee + Spouse	\$ -	\$ 819.70	\$ 265.51	\$ (2,838.17)
Employee + Child(ren)	\$ -	\$ 423.70	\$ 137.20	\$ (1,977.49)
Employee + Family	\$ -	\$ 1,354.55	\$ 438.75	\$ (4,000.79)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2X	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$500/\$1,500	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 178,992.00				
Benefit Bank Account / Monthly	\$ 125.34	\$ 125.34	\$ 125.34	\$ 125.34	\$ 125.34

Employer Pays - EE Only	100%	100%	100%	80%
Employer Pays - Dependent Only	35%	35%	35%	15%
Employee Only	\$ 380.41	\$ 291.36	\$ 351.56	\$ 350.82
Spouse Only	\$ 157.11	\$ 120.33	\$ 145.19	\$ 77.75
Children Only	\$ 81.21	\$ 62.20	\$ 75.06	\$ 40.22
Family Only	\$ 259.63	\$ 198.85	\$ 239.94	\$ 128.45
Employee Pays				
Employee Only	\$ -	\$ -	\$ -	\$ 87.71
Employee + Spouse	\$ 291.77	\$ 223.46	\$ 269.65	\$ 528.29

Employee + Child(ren)	\$	150.83	\$	115.52	\$	139.39	\$	315.62
Employee + Family	\$	482.17	\$	369.29	\$	445.61	\$	815.57

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption								
MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption								
MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,881.85	\$	4,548.75
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	58,582.23	\$	54,584.97

Employee's Portion of Premium Based on Enrollment Assumption								
MONTHLY TOTAL	\$	14,032.17	\$	8,597.73	\$	1,296.82	\$	3,162.71
ANNUAL TOTAL	\$	168,386.09	\$	103,172.72	\$	15,561.85	\$	37,952.49

Proposal A-750.

Assumes an increase in the Plan 1 deductible after HRA reimbursement to \$750 per employee.
Out of pocket differential is still included in HRA.

TOTAL EMPLOYEES 119

Proposal A Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS PPO RM 34	Plan 2 BCBS H.S.A. RMH 8	Plan 3 BCBS PPO RM 22
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H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	10,750	0	0
*Family	6,000	32,250	0	0

H.S.A. ACCOUNT	NO	NO	YES	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS

ANNUAL H.S.A.

Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ (722.40)	\$ (1,766.04)
Employee + Spouse	\$ -	\$ 819.70	\$ (755.30)	\$ (3,040.82)
Employee + Child(ren)	\$ -	\$ 423.70	\$ (739.46)	\$ (2,427.26)
Employee + Family	\$ -	\$ 1,354.55	\$ (776.77)	\$ (3,869.53)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2X	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$750/\$2,250	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 165,206.00			
Benefit Bank Account / Monthly	\$ 115.69	\$ 115.69	\$ 115.69	\$ 115.69

Employer Pays - EE Only	100%	100%	Same as Plan 1	Same as Plan 1
Employer Pays - Dependent Only	35%	35%	Same as Plan 1	Same as Plan 1
Employee Only	\$ 380.41	\$ 291.36	\$ 291.36	\$ 291.36
Spouse Only	\$ 157.11	\$ 120.33	\$ 120.33	\$ 120.33
Children Only	\$ 81.21	\$ 62.20	\$ 62.20	\$ 62.20
Family Only	\$ 259.63	\$ 198.85	\$ 198.85	\$ 198.85

Employee Pays

Employee Only	\$	-	\$	-	\$	60.20	\$	147.17
Employee + Spouse	\$	291.77	\$	223.46	\$	354.71	\$	545.17
Employee + Child(ren)	\$	150.83	\$	115.52	\$	212.45	\$	353.10
Employee + Family	\$	482.17	\$	369.29	\$	546.90	\$	804.63

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,045.88	\$	4,045.88
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	48,550.53	\$	48,550.53

Proposal A-750B.

Same as Proposal A-750, but with a change to Employer Contribution on buy up plans.

TOTAL EMPLOYEES

119

Proposal A Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS PPO RM 34	Plan 2 BCBS H.S.A. RMH 8	Plan 3 BCBS PPO RM 22
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H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	10,750	0	0
*Family	6,000	32,250	0	0

H.S.A. ACCOUNT	NO	NO	YES	NO
H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS			ANNUAL H.S.A.	

Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ -	\$ (1,766.04)
Employee + Spouse	\$ -	\$ 819.70	\$ (232.30)	\$ (3,040.82)
Employee + Child(ren)	\$ -	\$ 423.70	\$ (120.14)	\$ (2,427.26)
Employee + Family	\$ -	\$ 1,354.55	\$ (383.91)	\$ (3,869.53)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2X	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$750/\$2,250	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 165,206.00			
Benefit Bank Account / Monthly	\$ 115.69	\$ 115.69	\$ 115.69	\$ 115.69

Employer Pays - EE Only	100%	100%	100%	90%
Employer Pays - Dependent Only	35%	35%	25%	15%
Employee Only	\$ 380.41	\$ 291.36	\$ 351.56	\$ 291.36
Spouse Only	\$ 157.11	\$ 120.33	\$ 103.71	\$ 120.33
Children Only	\$ 81.21	\$ 62.20	\$ 53.61	\$ 62.20
Family Only	\$ 259.63	\$ 198.85	\$ 171.39	\$ 198.85

Employee Pays

Employee Only	\$	-	\$	-	\$	-	\$	147.17
Employee + Spouse	\$	291.77	\$	223.46	\$	311.13	\$	545.17
Employee + Child(ren)	\$	150.83	\$	115.52	\$	160.84	\$	353.10
Employee + Family	\$	482.17	\$	369.29	\$	514.16	\$	804.63

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,682.34	\$	4,045.88
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	56,188.10	\$	48,550.53

Proposal A-1000.

Proposal A-1000 assumes an increase in the Plan 1 deductible after HRA reimbursement to \$1000 per employee. Out of pocket differential is still included in HRA.

TOTAL EMPLOYEES

119

Proposal A Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS PPO RM 34	Plan 2 BCBS H.S.A. RMH 8	Plan 3 BCBS PPO RM 22
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H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	10,500	0	0
*Family	6,000	31,500	0	0

H.S.A. ACCOUNT	NO	NO	YES	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS

ANNUAL H.S.A.

Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ (722.40)	\$ (1,766.04)
Employee + Spouse	\$ -	\$ 819.70	\$ (755.30)	\$ (3,040.82)
Employee + Child(ren)	\$ -	\$ 423.70	\$ (739.46)	\$ (2,427.26)
Employee + Family	\$ -	\$ 1,354.55	\$ (776.77)	\$ (3,869.53)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2X	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$1,000/\$3,000	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

Monthly Premiums

Employee Only	\$ 380.41	\$ 291.36	\$ 351.56	438.53
Employee + Spouse	\$ 829.29	\$ 635.15	\$ 766.40	956.86
Employee + Child(ren)	\$ 612.45	\$ 469.08	\$ 566.01	706.66
Employee + Family	\$ 1,122.21	\$ 859.50	\$ 1,037.11	1294.84

H.R.A. Bank Account Budget	\$ 151,872.00			
Benefit Bank Account / Monthly	\$ 106.35	\$ 106.35	\$ 106.35	\$ 106.35

Employer Pays - EE Only	100%	100%	Same as Plan 1	Same as Plan 1
Employer Pays - Dependent Only	35%	35%	Same as Plan 1	Same as Plan 1

Employee Only	\$	380.41	\$	291.36	\$	291.36	\$	291.36
Employee + Spouse	\$	537.52	\$	411.69	\$	411.69	\$	411.69
Employee + Child(ren)	\$	461.62	\$	353.56	\$	353.56	\$	353.56
Employee + Family	\$	640.04	\$	490.21	\$	490.21	\$	490.21

Employee Pays

Employee Only	\$	-	\$	-	\$	60.20	\$	147.17
Employee + Spouse	\$	291.77	\$	223.46	\$	354.71	\$	545.17
Employee + Child(ren)	\$	150.83	\$	115.52	\$	212.45	\$	353.10
Employee + Family	\$	482.17	\$	369.29	\$	546.90	\$	804.63

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,045.88	\$	4,045.88
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	48,550.53	\$	48,550.53

Employee's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	14,032.17	\$	8,597.73	\$	2,132.80	\$	3,665.58
ANNUAL TOTAL	\$	168,386.09	\$	103,172.72	\$	25,593.55	\$	43,986.93

Proposal A-1000B.

Same as Proposal A-1000, but with a change to City Contribution on buy up plans.

TOTAL EMPLOYEES

119

Proposal A Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS PPO RM 34	Plan 2 BCBS H.S.A. RMH 8	Plan 3 BCBS PPO RM 22
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H.R.A. ACCOUNT	YES	YES	NO	NO
*Individual	2,000	10,500	0	0
*Family	6,000	31,500	0	0

H.S.A. ACCOUNT	NO	NO	YES	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS

ANNUAL H.S.A.

Employee Only	\$ -	\$ -	\$ -	\$ -
Employee + Spouse	\$ -	\$ -	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ -	\$ -	\$ -
Employee + Family	\$ -	\$ -	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ (421.87)	\$ (1,052.47)
Employee + Spouse	\$ -	\$ 819.70	\$ (654.17)	\$ (2,838.17)
Employee + Child(ren)	\$ -	\$ 423.70	\$ (542.01)	\$ (1,977.49)
Employee + Family	\$ -	\$ 1,354.55	\$ (805.78)	\$ (4,000.79)

PLAN DESCRIPTION

Individual Deductible	2,500	10,000	4,000	2,500
Family Deductible	3x	3x	2X	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	\$1,000/\$3,000	N/A	N/A
Ind. Out of Pocket Max	3500	5000	0	3500
Fam Out of Pocket Max	3x	3x	0	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	\$3,500/\$10,500	N/A	N/A
Physician Office Visit	\$35 / \$65	\$40	Deductible	\$25
Coinsurance (In Network)	80%	75%	100%	80%
Pharmacy	\$20 / \$40 / \$70	\$20 / \$40 / \$60	Deductible	\$10 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 151,872.00				
Benefit Bank Account / Monthly	\$ 106.35	\$ 106.35	\$ 106.35	\$ 106.35	

Employer Pays - EE Only	100%	100%	90%	80%
Employer Pays - Dependent Only	35%	35%	25%	15%
Employee Only	\$ 380.41	\$ 291.36	\$ 316.40	\$ 350.82
Spouse Only	\$ 157.11	\$ 120.33	\$ 103.71	\$ 77.75
Children Only	\$ 81.21	\$ 62.20	\$ 53.61	\$ 40.22
Family Only	\$ 259.63	\$ 198.85	\$ 171.39	\$ 128.45

Employee Pays

Employee Only	\$	-	\$	-	\$	35.16	\$	87.71
Employee + Spouse	\$	291.77	\$	223.46	\$	346.29	\$	528.29
Employee + Child(ren)	\$	150.83	\$	115.52	\$	195.99	\$	315.62
Employee + Family	\$	482.17	\$	369.29	\$	549.32	\$	815.57

Enrollment Assumption	Current	80%	10%	10%
	119	95	12	12

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	40,964.74	\$	6,178.67	\$	7,711.46
ANNUAL TOTAL	\$	802,281.00	\$	491,576.93	\$	74,144.08	\$	92,537.46

City's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	52,824.58	\$	32,367.02	\$	4,263.98	\$	4,548.75
ANNUAL TOTAL	\$	633,894.91	\$	388,404.21	\$	51,167.82	\$	54,584.97

Proposal B.

Proposal B offers premium savings to employees choosing the H.S.A. option. Contributions are made to the employees' H.S.A. accounts. Employee out-of-pocket expenses increase if healthcare is used. Plans 2 and 3 continue to offer an H.R.A. arrangement and the City's \$40k H.R.A. budget is protected in case most employees choose options 2 or 3.

TOTAL EMPLOYEES 119

Proposal B Carrier Plan Name	Current Aetna Value 10	Plan 1 BCBS H.S.A. RMH 3	Plan 2 BCBS PPO RM45	Plan 3 BCBS PPO RM24
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H.R.A. ACCOUNT	YES	NO	YES	YES
*Individual	2,000	N/A	1,000	2,000
*Family	6,000	N/A	3,000	6,000

H.S.A. ACCOUNT	NO	YES	NO	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS IN H.S.A. ONLY

Employee Only	\$ -	\$ 861.24	\$ -	\$ -
Employee + Spouse	\$ -	\$ 1,216.94	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ 1,045.12	\$ -	\$ -
Employee + Family	\$ -	\$ 1,449.07	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ -	\$ (478.69)
Employee + Spouse	\$ -	\$ 660.58	\$ 92.74	\$ (1,213.82)
Employee + Child(ren)	\$ -	\$ 341.48	\$ 47.89	\$ (858.75)
Employee + Family	\$ -	\$ 1,091.69	\$ 153.27	\$ (1,693.57)

PLAN DESCRIPTION

Individual Deductible	2,500	5,000	3,000	2,500
Family Deductible	3x	2x	3x	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	N/A	\$1,000/\$3,000	\$500/\$1,500
Ind. Out of Pocket Max	3500	0	5000	4000
Fam Out of Pocket Max	3x	2x	3x	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	N/A	\$5,000/\$15,000	\$4,000/\$12,000
Physician Office Visit	\$35 / \$65	Deductible	\$45	\$30
Coinsurance (In Network)	80%	100%	70%	70%
Pharmacy	\$20 / \$40 / \$70	Deductible	\$20 / \$40 / \$60	\$20 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 50,850.00			
Benefit Bank Account / Monthly	\$ 47.61	\$ 47.61	\$ 47.61	\$ 47.61

Employer Pays - EE Only	100%	100%	100%	90%
Employer Pays - Dependent Only	35%	35%	35%	25%

Employee Pays

Employee Only	\$	-	\$	-	\$	-	\$	39.89
Employee + Spouse	\$	291.77	\$	236.72	\$	284.04	\$	392.92
Employee + Child(ren)	\$	150.83	\$	122.37	\$	146.84	\$	222.39
Employee + Family	\$	482.17	\$	391.20	\$	469.40	\$	623.30

Enrollment Assumption	Current	25%	60%	15%
Employee Only	67	17	40	10
Employee + Spouse	11	3	7	2
Employee + Child(ren)	27	7	16	4
Employee + Family	14	4	8	2
	119	30	71	18

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	13,560.76	\$	39,051.34	\$	10,516.25
ANNUAL TOTAL	\$	802,281.00	\$	162,729.09	\$	468,616.03	\$	126,194.99

City's Portion of Premium Based on Enrollment Assumption

Employee Only	\$	25,487.47	\$	5,169.72	\$	14,887.27	\$	3,608.14
Employee + Spouse	\$	5,912.70	\$	1,199.29	\$	3,453.62	\$	786.55
Employee + Child(ren)	\$	12,463.85	\$	2,528.08	\$	7,280.20	\$	1,700.40
Employee + Family	\$	8,960.56	\$	1,817.49	\$	5,233.89	\$	1,162.33
MONTHLY TOTAL	\$	52,824.58	\$	10,714.59	\$	30,854.98	\$	7,257.42
ANNUAL TOTAL	\$	633,894.91	\$	128,575.09	\$	370,259.79	\$	87,088.99

Proposal C.

Proposal C is identical to Proposal B, except that we have changed Plan 2 to a less rich PPO plan with a \$4,000 deductible. Look at participation assumption and contribution assumptions.

TOTAL EMPLOYEES 119

Proposal C Carrier Plan Name	Current Aetna Value 10	Option 1 BCBS H.S.A. RMH 3	Option 2 BCBS PPO RM 28	Option 3 BCBS PPO RM24
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H.R.A. ACCOUNT	YES	NO	YES	YES
*Individual	2,000	N/A	2,500	2,000
*Family	6,000	N/A	7,500	6,000

H.S.A. ACCOUNT	NO	YES	NO	NO
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H.S.A. FUNDING BY CITY FROM PREMIUM SAVINGS

ANNUAL H.S.A.

Employee Only	\$ -	\$ 861.24	\$ -	\$ -
Employee + Spouse	\$ -	\$ 1,216.94	\$ -	\$ -
Employee + Child(ren)	\$ -	\$ 1,045.12	\$ -	\$ -
Employee + Family	\$ -	\$ 1,449.07	\$ -	\$ -

EMPLOYEE PREMIUM SAVINGS PER YEAR VS. AETNA PLAN

Employee Only	\$ -	\$ -	\$ -	\$ (478.69)
Employee + Spouse	\$ -	\$ 660.58	\$ 137.51	\$ (1,213.82)
Employee + Child(ren)	\$ -	\$ 341.48	\$ 71.06	\$ (858.75)
Employee + Family	\$ -	\$ 1,091.69	\$ 227.14	\$ (1,693.57)

PLAN DESCRIPTION

Individual Deductible	2,500	5,000	4,000	2,500
Family Deductible	3x	2x	3x	3x
NET DEDUCTIBLE AFTER HRA	\$500/\$1,500	N/A	\$1,500/\$3,000	\$500/\$1,500
Ind. Out of Pocket Max	3500	0	5000	4000
Fam Out of Pocket Max	3x	2x	3x	3x
NET OUT OF POCKET AFTER HRA	\$3,500/\$10,500	N/A	\$5,000/\$15,000	\$4,000/\$12,000
Physician Office Visit	\$35 / \$65	Deductible	\$40	\$30
Coinurance (In Network)	80%	100%	70%	70%
Pharmacy	\$20 / \$40 / \$70	Deductible	\$20 / \$40 / \$60	\$20 / \$40 / \$60

H.R.A. Bank Account Budget	\$ 57,206.25			
Benefit Bank Account / Monthly	\$ 40.06	\$ 40.06	\$ 40.06	\$ 40.06

Employer Pays - EE Only	100%	100%	100%	90%
Employer Pays - Dependent Only	35%	35%	35%	25%

Employee Pays

Employee Only	\$	-	\$	-	\$	-	\$	39.89
Employee + Spouse	\$	291.77	\$	236.72	\$	280.31	\$	392.92
Employee + Child(ren)	\$	150.83	\$	122.37	\$	144.90	\$	222.39
Employee + Family	\$	482.17	\$	391.20	\$	463.24	\$	623.30

Enrollment Assumption	Current	25%	60%	15%
	119	30	71	18

Total Monthly Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	66,856.75	\$	13,560.76	\$	38,539.50	\$	10,516.25
ANNUAL TOTAL	\$	802,281.00	\$	162,729.09	\$	462,474.00	\$	126,194.99

City's Portion of Premium Based on Enrollment Assumption

MONTHLY TOTAL	\$	52,824.58	\$	10,714.59	\$	30,450.75	\$	7,257.42
ANNUAL TOTAL	\$	633,894.91	\$	128,575.09	\$	365,409.02	\$	87,088.99

Employer's Amount Funded into H.S.A. from Premium Savings in H.S.A. Plan

ANNUAL TOTAL	\$	-	\$	29,898.63	\$	-	\$	-
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City of Sachse

Employee Benefits Renewal
March 18, 2013

Benefits Evaluated

- Health Insurance
(Fully-Insured, Health Savings Accounts, Partially-Insured & Self-Funded)
- Dental Insurance
- Vision Insurance
- Basic Life Insurance & Accidental Death and Dismemberment
- Long-Term Disability

Health Insurance Bids Received

- Aetna (current carrier)
- Blue Cross Blue Shield
- Texas Municipal League
- Cigna (Rejected by City – Incomplete Bid)

Third Party Administrators (TPA)

- Baker Benefits
- Healthsmart
- Meritain

Stop Loss for Self Insured Plan Bids Received

- American Fidelity
- Fairmont
- GWI
- Sunlife

Current Vendor – Aetna

- ▶ Initial Aetna bid came in at 40.64%
- ▶ Subsequent options offered with significant plan changes with increases ranging from 22.66% – 42.82%

Health Insurance

- ▶ 20 options reviewed including HSA's and PPO's
- ▶ Recommendation achieves:
 - No increase in City's overall healthcare budget
 - Multiple plan alternatives for employees
 - Minimized impacts to employees
 - Ability to participate in an HSA or PPO
 - Shift to increased "self funding"

Health Insurance

Recommendation

- Blue Cross–Blue Shield 18% decrease in total premiums after negotiations and plan design changes
- Budget Impact for 2012–2013
Savings: \$83,803
- Budget Impact for 2013/2014
Anticipated Decrease: \$150,279

Estimated Budget Impact

- Current Amount Budgeted for 2012/2013
\$645,900
- Estimated Actual for 2012/2013
\$562,097

- Estimated Budget for 2013/2014
\$495,621

Plan Design Changes Before HRA Application (Core Plan – Option 1)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$7,500	\$10,000 (combined)
Co-Insurance	80/50	75/50
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$15,000/20,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$45,000/\$60,000
Office Visit Co-Pay	\$35/\$65	\$40/\$40
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Plan Design Changes After HRA Reimbursement (Core – Opt. 1)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$500/\$1,500	\$500/\$1,500
Co-Insurance	80/50	75/50
Individual Out of Pocket Max In Network	\$4,000	\$4,000
Family Out of Pocket Max In Network	\$12,000	\$12,000
Office Visit Co-Pay	\$35/\$65	\$40/\$40
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Option 2: HSA (HRA Does Not Apply)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$4,000/\$8,000
Co-Insurance	80/50	100/70 After deductible
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$4,000/16,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$8,000/\$32,000
Office Visit Co-Pay	\$35/\$65	100%/70% paid after deductible met
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	100%/70% after deductible met

Option 3: Traditional Plan (HRA Does Not Apply)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$2,500/\$7,500
Co-Insurance	80/50	80/60
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$5,500/8,500
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$16,500/\$25,500
Office Visit Co-Pay	\$35/\$65	\$25/\$25
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$10/\$40/\$60

Estimated Impact on Employees

► Premiums (annual)

- \$819 decrease for EE+ Spouse
- \$423 decrease for EE + Children
- \$1,354 decrease for EE + Family

► Co-pays

General (non-preventive) Office Visits

- \$15 increase per family member/\$60 increase per family
- (Assuming three visits per year for a family of 4)

Specialist office visits

- \$25 decrease per family member/ \$100 decrease per family (Assuming one specialist office visit per year, per family member in a family of 4)

Current & Proposed Health Insurance Costs – Core Plan

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$291.36	\$380.41	\$291.36	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$635.15	\$537.52	\$411.69	\$291.77	\$223.46
Employee +Child(ren)	\$612.45	\$469.08	\$461.62	\$353.56	\$150.83	\$115.52
Employee + Family	\$1,122.21	\$859.50	\$640.04	\$490.21	\$482.17	\$369.29

Current & Proposed Health Insurance Costs – HSA

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$351.56	\$380.41	\$291.36	\$0.00	\$60.20
Employee +Spouse	\$829.29	\$766.40	\$537.52	\$411.69	\$291.77	\$354.71
Employee +Child(ren)	\$612.45	\$566.01	\$461.62	\$353.56	\$150.83	\$212.45
Employee + Family	\$1,122.21	\$1037.11	\$640.04	\$490.21	\$482.17	\$546.90

Current & Proposed Health Insurance Costs – Option 3

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$438.93	\$380.41	\$291.36	\$0.00	\$147.57
Employee +Spouse	\$829.29	\$956.86	\$537.52	\$411.69	\$291.77	\$545.17
Employee +Child(ren)	\$612.45	\$706.66	\$461.62	\$353.56	\$150.83	\$353.10
Employee + Family	\$1,122.21	\$1294.84	\$640.04	\$490.21	\$482.17	\$804.63

Health Insurance Premium Comparisons

(Total Monthly Cost for Employee Only)

‣ Wylie	\$755	‣ Mesquite	\$453/\$482
‣ Frisco	\$582/\$678/\$741	‣ Cedar Hill	\$427/\$441
‣ Addison	\$528/\$628	‣ Rowlett	\$439
‣ McKinney	\$503/\$558	‣ Murphy	\$386
‣ Plano	\$498	‣ Sachse	\$291
‣ Greenville	\$515/\$515	‣ Prosper	\$240/\$262
‣ Little Elm	\$568/\$562	‣ Rockwall	\$295/\$808/913
‣ Duncanville	\$487		

Individual Deductibles–In Network Various Plans

‣ Addison	\$500/\$1,000	‣ Little Elm	\$1,500/\$3,000
‣ Greenville	\$500	‣ Rockwall	\$0/\$2,750/\$1,750
‣ Allen	\$500/\$500	‣ Cedar Hill	\$2,500
‣ Mesquite	\$750/\$1,000	‣ Duncanville	\$2,000
‣ Plano	\$1,000	‣ Wylie	\$2,000
‣ Frisco	0/\$250/\$1,500	‣ Rowlett	\$2,000/\$3,000
‣ McKinney	\$500/\$1,200	‣ Murphy	\$2,500
		‣ Sachse*	\$10,000
		‣ Prosper	\$500/\$1,000/\$3,000
‣ *Proposed			

Co-Insurance Comparisons

(In-Network)

‣ Plano	20%*	‣ McKinney	80%
‣ Greenville	80%	‣ Cedar Hill	80%
‣ Allen	80%/90%	‣ Rockwall	80%/90%
‣ Duncanville	70%	‣ Little Elm	80%/100%
‣ Sachse	80%	‣ Rowlett	80%/90%
‣ Murphy	80%	‣ Wylie	Fixed Rates
‣ Frisco	80%/80%/90%	‣ Prosper	100%
‣ Addison	80%		
‣ Mesquite	80%		

‣ *after deductible

Dental Insurance

- Lincoln (current carrier)
- Delta
- MetLife
- Guardian

Dental Insurance

Recommendation

- Lincoln Financial: .09% increase in total premiums
- City Contribution: \$28,990
- Additional Annual Cost to Employee: 0
- Budget Impact for 2012–2013: \$3,922
- Est. Budget Impact for 2013–2014: \$5,285

Life, Accidental Death & Dismemberment (AD&D)/ Long-Term Disability Insurance (LTD)

- Lincoln Financial (current carrier) – NO RATE CHANGE

Life, Accidental Death & Dismemberment (AD&D)/ Long- Term Disability Insurance (LTD)

Recommendation

- Lincoln Financial– Rate Pass
- Est. Budget Impact 5/2013–9/2013: \$694
- Est. Budget Impact for 10/2013–4/2014:
\$694

Voluntary Vision Bids Received

- EyeMed (current carrier)
- Block Vision

Voluntary Vision Insurance

Recommendation

- EyeMed– Rate pass, Block had lower level plan
- No rate increase for employees
- No budget impact

City does not contribute to Voluntary Vision

Total Budget Impact

2012/2013

Budgeted

‣ Health Insurance	\$645,900
‣ Dental Insurance	\$ 23,705
‣ Life/LTD/AD&D	\$ 17,294
‣ HRA Deductible	\$ 56,472
Total	\$743,371

2013/2014

Estimated Actual

‣ Health Insurance	\$495,621
‣ Dental Insurance	\$ 28,990
‣ Life/LTD/AD&D	\$ 17,988
‣ HRA Deductible	\$200,772
Total	\$743,371

2013/2014 Est.Budget Impact

‣ Health Insurance	\$495,621
‣ Dental Insurance	\$ 28,990
‣ Life/LTD/AD&D	\$ 17,988
‣ HRA Deductible	<u>\$200,772</u>
Total	\$743,371
	(No Increase)

City of Sachse
HRA Payouts and Large Claim Statistics
2013

Claimants Over \$15,000 in paid claims per year over the last 5 years

Renewal Year	Reporting Range	Carrier	Large Claimants	Large Claim Amount
2013	5.1.2012-4.30.2013	Aetna	8	\$ 349,449
2012	5.1.2011-4.30.2012	Aetna	7	\$ 176,131
2011	5.1.2010-4.30.2011	UHC	4	\$ 113,579
2010	5.1.2009-4.30.2010	Cigna	2	\$ 34,633
2009	5.1.2008-4.30.2009	Unicare	7	\$ 193,024

Historic HRA Payout per year over the last 5 years

Renewal Year	Reporting Range	HRA Payout	2013 Annualized	AVG # of claimants
2013	5.1.2012-4.30.2013	\$ 27,771	\$ 35,079	17
2012	5.1.2011-4.30.2012	\$ 22,133		11
2011	5.1.2010-4.30.2011	\$ 49,884		25
2010	5.1.2009-4.30.2010	\$ 20,110		10
2009	5.1.2008-4.30.2009	\$ 44,301		22

City of Sachse Budget

	Participants	Current	Proposed 22a	Proposed 22b	Participants
Medical	119	\$ 633,895	\$ 485,505	\$ 485,505	95/12/12
HRA Administration	119	\$ 6,062	\$ 4,920	\$ 4,920	95
HRA Funding @ Expected	119	\$ 39,387	\$ 169,480	\$ 176,616	95
Dental	37/81	\$ 24,769	\$ 25,988	\$ 25,988	37/81
Vision	88	\$ -	\$ -	\$ -	88
Basic Life	120	\$ 5,932	\$ 5,932	\$ 5,932	120
Voluntary Life	77	\$ -	\$ -	\$ -	77
LTD	120	\$ 11,392	\$ 11,392	\$ 11,392	120
Cobra Administration	119	\$ 2,600	\$ 2,600	\$ 2,600	119
Telemedicine	119	\$ -	\$ 5,712	\$ 5,712	119
Total		\$ 724,037	\$ 711,529	\$ 718,665	
Change from Current			\$ (12,508)	\$ (5,372)	
% from Current			-1.73%	-0.74%	

If City absorbs 100% of dental increase add:

\$723 \$723

**amounts do not include what employees contribute

Medical Options 5.1.2013

					1	22a-core H.R.A. \$9,500 of deductible only			22b-core H.R.A.deductible & out of pocket differential		
Carrier					Current	Proposed			Proposed		
Plan Type					Aetna	BCBS			BCBS		
Plan Name					CPOS	PPO	H S A	PPO	PPO	H S A	PPO
					TX CPOS B25	RM34	RMH8	RM22	RM34	RMH8	RM22
					Value - 10						
Network					CPOS	Blue Choice	Blue Choice	Blue Choice	Blue Choice	Blue Choice	Blue Choice
Individual Deductible					\$2,500 / \$6,000	\$10,000	\$4,000 / \$8,000	\$2,500 Combined	\$10,000	\$4,000 / \$8,000	\$2,500 Combined
Family Deductible Limit					3x	3x	2x	3x	3x	2x	3x
Embedded/Non-Embedded					Embedded	Embedded	Embedded	Embedded	Embedded	Embedded	Embedded
Coinsurance					80 / 50	75 / 50	100 / 70	80 / 60	75 / 50	100 / 70	80 / 60
Individual Out of Pocket Max (ded. incl.)					\$6,000 / \$13,000	\$15,000 / \$20,000	\$4,000 / \$16,000	\$5,500 / \$8,500	\$15,000 / \$20,000	\$4,000 / \$16,000	\$5,500 / \$8,500
Family Out of Pocket Max (ded. Incl.)					\$18,000 / \$39,000	\$45,000 / \$60,000	\$8,000 / \$32,000	\$16,500 / \$25,500	\$45,000 / \$60,000	\$8,000 / \$32,000	\$16,500 / \$25,500
Office Visit Copay					\$35 / \$65	\$40 / \$40	100 / 70 AD	\$25 / \$25	\$40 / \$40	100 / 70 AD	\$25 / \$25
Preventive					100%- no cym	100%- no cym	100% - no cym	100%- no cym	100%- no cym	100% - no cym	100%- no cym
Routine Lab & Xray					Included in OV if billed as part of OV	Included in OV if billed as part of OV	Included in OV if billed as part of OV	Included in OV if billed as part of OV	Included in OV if billed as part of OV	Included in OV if billed as part of OV	Included in OV if billed as part of OV
Outpatient Surgery					80 / 50 AD	75 / 50 AD	100 / 70 AD	80 / 60 AD	75 / 50 AD	100 / 70 AD	80 / 60 AD
Hospital Services					80 / 50 AD	75 / 50 AD	100 / 70 AD	80 / 60 AD	75 / 50 AD	100 / 70 AD	80 / 60 AD
Per Confinement Hosp Copay					\$0	\$0	\$0	\$0	\$0	\$0	\$0
ER Copay or Deductible					\$250	\$100	Plan Deductible	\$100	\$100	Plan Deductible	\$100
ER Coinsurance					100 / 100	75 / 75 AD	100 / 100 AD	80 / 80 AD	75 / 75 AD	100 / 100 AD	80 / 80 AD
Urgent Care					\$75	\$65	100 / 70 AD	\$50	\$65	100 / 70 AD	\$50
Lifetime Maximum					Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Prescription Deductible					None	None	Plan Deductible	None	None	Plan Deductible	None
Prescription Card					\$20 / \$40 / \$70 Mandatory Generics/Step Therapy	\$20 / \$40 / \$60 Mandatory generic	100 / 70 AD	\$10 / \$40 / \$60 Mandatory generic	\$20 / \$40 / \$60 Mandatory generic	100 / 70 AD	\$10 / \$40 / \$60 Mandatory generic
Prescription Mail Order Copay					3x	3x	N/A	3x	3x	N/A	3x
Prescription Mail Order Supply					90 days	90 days	90 days	90 days	90 days	90 days	90 days
Prescription Out of Pocket Max					No Limit- Specialty filled at Aetna Pharmacy	No Limit	Plan Max	No Limit	No Limit	Plan Max	No Limit
Employee Only	Core	H.S.A.	Buy-Up	Total	Current	Proposed			Proposed		
Employee + Spouse	54	7	7	67	\$380.41		\$351.56	\$438.93	\$291.36	\$351.56	\$438.93
Employee + Child(ren)	9	1	1	11	\$829.29		\$635.15	\$956.86	\$635.15	\$766.40	\$956.86
Employee + Family	22	3	3	27	\$612.45		\$469.08	\$706.66	\$469.08	\$566.01	\$706.66
	11	1	1	14	\$1,122.21		\$859.50	\$1,294.84	\$859.50	\$1,037.11	\$1,294.84
	95	12	12	119							
Monthly Total					\$66,857		\$54,858		\$54,858		
Annual Total					\$802,281		\$658,291		\$658,291		
Change from Current							(\$143,990)		(\$143,990)		
% Change from Current							-17.95%		-17.95%		
Annual Employer Funding											
EE	100%				\$543,225		\$416,062		\$416,062		
Dependent	35%				\$90,669		\$69,443		\$69,443		
Total					\$633,895		\$485,505		\$485,505		
Change from Current							(\$148,390)		(\$148,390)		
% Change from Current							-23.41%		-23.41%		
Individual HRA Contribution					\$500 DED		\$500 DED		\$500 DED		
Family HRA Contribution	current	alt-a	alt-b		\$2,000		\$9,500		\$11,000		
* HRA Annual Admin Fee (pppm)	\$4.00	\$4.00	\$4.00	\$5,712	\$4,570		\$4,570		\$4,570		
* Renewal	\$250	\$250	\$250	\$250	\$250		\$250		\$250		
* HRA SPD/ Amendment Fee	\$100	\$100	\$100	\$100	\$100		\$100		\$100		
HRA Funding MAXIMUM	100%	100%	100%	\$446,000	\$1,694,800		\$1,694,800		\$1,962,400		
HRA Funding @ Est. Max Claims	25%	20%	18%	\$111,500	\$338,960		\$338,960		\$353,232		
HRA Funding @ Est. Expected Claims	15%	10%	9%	\$66,900	\$169,480		\$169,480		\$176,616		
					Annualized Claims & Admin						
Annual Total Funding, Admin. & Claims @ Est Max Claims					\$41,141		\$829,385		\$843,657		
Change from Current @ Est. Max. Claims							\$154,349		\$168,621		
% Change from Current @ Est. Max. Claims							22.87%		24.98%		
Annual Total Funding, Admin. & Claims @ Expected Claims					ACTUAL		\$659,905		\$667,041		
Change from Current @ Expected Claims							-\$15,131		-\$7,995		
% Change from Current @ Expected Claims							-2.24%		-1.18%		
* Refer to Benefit Bucks Proposal for additional fees											
Employee Monthly Payroll Deduction											
Employee Only					\$0.00	\$0.00	\$60.20	\$147.57	\$0.00	\$60.20	\$147.57
Employee + Spouse					\$291.77	\$223.46	\$354.71	\$545.17	\$223.46	\$354.71	\$545.17
Employee + Child(ren)					\$150.83	\$115.52	\$212.45	\$353.10	\$115.52	\$212.45	\$353.10
Employee + Family					\$482.17	\$369.29	\$546.90	\$804.63	\$369.29	\$546.90	\$804.63

City of Sachse
Dental Options
5.1.2013

Dental

	1			2		3	
Carrier	Current Lincoln Financial			Renewal Lincoln Financial		Renewal-negotiated Lincoln Financial	
Website	www.lincolffinancial.com			www.lincolffinancial.com		www.lincolffinancial.com	
Network	Lincoln Dental Connect			Lincoln Dental Connect		Lincoln Dental Connect	
Type of Plan	DHMO	PPO		DHMO	PPO	DHMO	PPO
Plan Name	None	None		None	None	None	None
Copay	\$5	None		\$5	None	\$5	None
Deductible	None	\$50		None	\$50	None	\$50
Waived for Preventive?	Fee Schedule	Yes		Fee Schedule	Yes	Fee Schedule	Yes
Preventive Care	Fee Schedule	80%		Fee Schedule	80%	Fee Schedule	80%
Basic Care	Fee Schedule	60%		Fee Schedule	60%	Fee Schedule	60%
Basic Waiting Period	None	None		None	None	None	None
Periodontics in Basic / Major?	Fee Schedule	Basic		Fee Schedule	Basic	Fee Schedule	Basic
Endodontics in Basic / Major?	Fee Schedule	Basic		Fee Schedule	Basic	Fee Schedule	Basic
Major Care	Fee Schedule	40%		Fee Schedule	40%	Fee Schedule	40%
Major Waiting Period	None	None		None	None	None	None
Annual Maximums	Unlimited	\$1,000		Unlimited	\$1,000	Unlimited	\$1,000
Maximum Rollover	None	None		None	None	None	None
Orthodontia	Fee Schedule	50%		Fee Schedule	50%	Fee Schedule	50%
Orthodontia Maximum	\$2,500	\$1,000		\$2,500	\$1,000	\$2,500	\$1,000
Orthodontia Waiting Period	None	None		None	None	None	None
Adult Orthodontia?	\$2,700	Not Covered		\$2,700	Not Covered	\$2,700	Not Covered
Implants	Not Covered	Not Covered		Not Covered	Not Covered	Not Covered	Not Covered
Out of Network Reimbursement	Fee schedule	90th		Fee schedule	90th	Fee schedule	90th
UCR Data Source	n/a	FairHealth		n/a	FairHealth	n/a	FairHealth
Rates							
Employee	14	49	63	\$9.66	\$20.77	\$9.66	\$22.02
Employee + Spouse	7	11	18	\$18.07	\$40.67	\$18.07	\$43.11
Employee + Child(ren)	5	12	17	\$16.42	\$47.20	\$16.42	\$50.03
Employee + Family	11	9	20	\$23.56	\$73.70	\$23.56	\$78.12
Total	37	81	118				
Monthly Total				\$3,298	\$3,540	\$3,460	
Annual Total				\$39,573	\$42,484	\$41,515	
Change from Current					\$2,911	\$1,942	
% Change from Current					7.36%	4.91%	
Annual Employer Funding							
EE Contribution	100%	\$24,477		\$26,295		\$25,692	
Dependent Contribution	\$50	\$291		\$297		\$295	
Annual Employer Premium		\$24,769		\$26,593		\$25,988	
Change from Current					\$1,824	\$1,219	
% Change from Current					7.36%	4.92%	
Participation Requirement							
Rate Guarantee				1 year		1 year	
Contingencies / Packaging				Packaged w/ LTD		Packaged w/ LTD	

**City of Sachse
Voluntary Vision Options
5.1.2013**

Vision

	1	2
	Current / Renewal	Proposed
Carrier	EyeMed	Block Vision
Website	www.eyemedvisioncare.com	www.blockvision.com
Network	Eyemed	Block Vision
Plan Name		Gold 125 Plan
Frequencies		
Exam/Lenses/Contacts/Frames	12/12/12/24	12/12/12/24
Eye Exam Benefit (In/Out)	\$10 / Reimb up to \$35	\$10 / Reimb up to \$35 after copay
Lenses -Single (In/Out)	\$10 / Reimb up to \$25	\$10 / Reimb up to \$25 after copay
Lenses - Bifocal (In/Out)	\$10 / Reimb up to \$40	\$10 / Reimb up to \$40 after copay
Lenses - Trifocal (In/Out)	\$10 / Reimb up to \$60	\$10 / Reimb up to \$45 after copay
Lenses - Lenticular (In/Out)	N/A	\$10 / Reimb up to \$80 after copay
Contacts - Medically Nec. (In/Out)	\$0 - Paid in Full / Reimb up to \$200	\$10 / Reimb up to \$150 retail after copay
Contacts - Elective (In/Out)	\$135 allowance+15% off balance / Reimb up to \$95	Reimb up to \$150 / Reimb up to \$80 retail after copay
Frames Benefit (In/Out)	\$0 copay; \$120 Allowance+20% off balance / Reimb up to \$48 retail value	Reimb up to \$125 retail / Reimb up to \$70 retail value
Network Providers	Private Practice, LensCrafters, Pearle Vision, Sears, Target	Private Practice, Walmart, Sam's Club, Eyemasters &
Rates		
Employee	49 \$4.68	\$4.66
Employee + Spouse	16 \$14.60	\$12.87
Employee + Child(ren)	10 \$15.36	\$13.54
Employee + Family	13 \$22.60	\$19.83
Total	88	
Monthly Total	\$910	\$827
Annual Total	\$10,924	\$9,929
Change from Current		(\$994)
% Change from Current		-9.10%
Participation		10 enrolled
Rate Guarantee	2 years	3 years
Contingencies / Packaging	standalone	standalone

**City of Sachse
Basic Life and AD&D
5.1.2013**

Basic Life and AD&D

1

Carrier	Current / Renews 2014 Lincoln Financial
Life and AD&D	1x salary to \$50,000
Guarantee Issue	\$50,000
Benefit Reduction	35% age 70 50% age 75 Terms at Retirement
Conversion/Portability	Yes/No
Accelerated Life Benefit	75% of Benefit

Covered Employees	120
Volume	\$4,943,000
Life Rate	\$0.080
AD&D Rate	\$0.020
Monthly Premium	\$494
Annual Premium	\$5,932
Change from Current	
% Change from Current	

Rate Guarantee	2 years
Contingencies / Packaging	Packaged w/ Dental/Life/DI

**City of Sachse
Voluntary Life and AD&D Options
5.1.2013**

Voluntary Life and AD&D

Carrier	Current / Renews 2014 Lincoln Financial
Employee Increments of	\$10,000
Employee Maximum	5x salary to \$500,000
Employee Guarantee Issue	\$150,000
Spouse	
Spouse Increments of	\$5,000
Spouse Maximum	50% of EE Election to \$100,000
Spouse Guarantee Issue	\$30,000
Child(ren)	
15 Days to 6 Months Maximum	\$250
6 Months to 19 Years Maximum	\$10,000
	35% age 70 50% age 75 Terms at Retirement
Age Reduction	
Conversion/Portability	No/Yes
Living Benefit Maximum	75% of Benefit
AD&D Mandatory/Add-On	Add-On
Dependant AD/D included	Spouse Included/Child Excluded

Age Banded rates / \$1,000	Employee & Spouse
	16-19 \$0.070
	20-24 \$0.090
	25-29 \$0.100
	30-34 \$0.110
	35-39 \$0.140
	40-44 \$0.190
	45-49 \$0.270
	50-54 \$0.460
	55-59 \$0.790
	60-64 \$1.250
	65-69 \$2.070
	70-74 \$3.610
	75-79 \$6.020
	80-84 \$10.370
	85-89 \$44.970
	90-93 \$44.970
	95+ \$44.970
Child Cost per \$1,000	\$0.030
Vol AD/D Rates per \$1,000	\$0.025

Participation Requirement	
Rate Guarantee	
Contingencies / Packaging	Packaged w/ Life/ DI

City of Sachse
Long Term Disability Options
5.1.2013

Long Term Disability

	1	2
	Current / Renewal	Alternate
Carrier	Lincoln Financial	Lincoln Financial
Class 1: Directors/City Manager		
Class 2: All other EE's		
Benefit Percentage	60%	60%
Maximum Monthly Benefit	\$5,000	\$5,000
Minimum Monthly Benefit	\$100	\$100
Benefits taxed or tax free	taxed	taxed
Elimination Period	90 days	90 days
Maximum Benefit Duration	SSNRA / to age 65	SSNRA / to age 65
Definition of Disability (3 parts)		
Loss of: (And/Or)	Duties	Duties
Own Occ/Any Occ/Own Specialty	2 year Own Occ/ Any Occ thereafter	Class 1: Max Benefit Period Class 2: 2 year Own Occ/ Any Occ thereafter
% of Income lost	20%	20%
Definition of Earnings	Salary	Salary
Preexisting Condition limit	3/12	3/12
Mental Illness/Drug & Alcohol limit	24 / 24	24 / 24
Per Lifetime or Per Occurrence	Per Occurrence	Per Occurrence
Combined or separate	Separate	Separate
Self Reported limit	24 Months	24 Months
Rehab Benefit	Mandatory	Mandatory
Return to work offset	Proportionate loss	Proportionate loss
	4 face to face visits	4 face to face visits
	24/7 assistance	24/7 assistance
Employee Assistance Program	1 telephonic consultation	1 telephonic consultation
Covered Employees	120	120
Volume	\$450,890	\$450,890
Rate/\$100	\$0.210	\$0.220
Monthly Premium	\$947	\$992
Annual Premium	\$11,362	\$11,904
Change from Current		\$541
% Change from Current		4.76%
Participation Requirement		
Rate Guarantee		
Contingencies / Packaging	Packaged w/ Life	Packaged w/ Life

RESOLUTION NO. _____

WHEREAS, the City of Sachse provides group health insurance as a benefit for City employees;
and

WHEREAS, the City of Sachse has advertised for bids for group health insurance and requested proposals for dental insurance, life insurance, long-term disability insurance, accidental death and dismemberment insurance and vision insurance; and

WHEREAS, the City of Sachse has received bids and information from various insurance underwriters, and

WHEREAS, staff has reviewed the bids and information provided and is under the opinion that Blue Cross Blue Shield has the best overall bid for Medical, Lincoln Financial has the best overall option dental insurance, life insurance, accidental death and dismemberment and long term disability, and Eyemed for vision.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS:

That the City Council hereby authorizes the City Manager to execute a contract with Blue Cross Blue Shield for group health insurance, Lincoln Financial for dental, life, accidental death and dismemberment and long-term disability insurance, and Eyemed for vision.

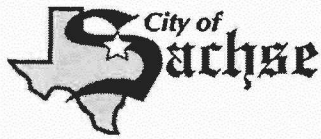
PASSED AND APPROVED this the 25th day of March, 2013.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY



City of Sachse

Employee Benefits Renewal
Cost Options
March 25, 2013

Plan Design Changes After HRA Reimbursement (Core – Opt. 1)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$500/\$1,500	\$500/\$1,500
Co-Insurance	80/50	75/50
Individual Out of Pocket Max In Network	\$4,000	\$4,000
Family Out of Pocket Max In Network	\$12,000	\$12,000
Office Visit Co-Pay	\$35/\$65	\$40/\$40
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Current & Proposed Health Insurance Costs – Core Plan

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$291.36	\$380.41	\$291.36	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$635.15	\$537.52	\$411.69	\$291.77	\$223.46
Employee +Child(ren)	\$612.45	\$469.08	\$461.62	\$353.56	\$150.83	\$115.52
Employee + Family	\$1,122.21	\$859.50	\$640.04	\$490.21	\$482.17	\$369.29

Option 1: HSA (HRA Does Not Apply)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$4,000/\$8,000
Co-Insurance	80/50	100/70 After deductible
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$4,000/16,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$8,000/\$32,000
Office Visit Co-Pay	\$35/\$65	100%/70% paid after deductible met
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	100%/70% after deductible met

Current & Proposed Health Insurance Costs – HSA

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$351.56	\$380.41	\$291.36	\$0.00	\$60.20
Employee +Spouse	\$829.29	\$766.40	\$537.52	\$411.69	\$291.77	\$354.71
Employee +Child(ren)	\$612.45	\$566.01	\$461.62	\$353.56	\$150.83	\$212.45
Employee + Family	\$1,122.21	\$1037.11	\$640.04	\$490.21	\$482.17	\$546.90

Option 1: High PPO Plan (HRA Does Not Apply)

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$2,500/\$7,500
Co-Insurance	80/50	80/60
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$5,500/8,500
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$16,500/\$25,500
Office Visit Co-Pay	\$35/\$65	\$25/\$25
Preventative	100%- no cym	100%- no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$10/\$40/\$60* Mandatory Generic

Current & Proposed Health Insurance Costs – Option 3

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$438.93	\$380.41	\$291.36	\$0.00	\$147.57
Employee +Spouse	\$829.29	\$956.86	\$537.52	\$411.69	\$291.77	\$545.17
Employee +Child(ren)	\$612.45	\$706.66	\$461.62	\$353.56	\$150.83	\$353.10
Employee + Family	\$1,122.21	\$1294.84	\$640.04	\$490.21	\$482.17	\$804.63

Proposal A (Initial Option 1 – 3/18): Estimated Employee Impact

- ▶ PPO Core Plan Premium Savings From Current Plan (monthly)
 - \$68 EE+ Spouse
 - \$35 EE + Child(ren)
 - \$112 EE + Family
- ▶ HSA Premium Increase from Current Plan
 - \$60 EE Only
 - \$63 EE + Spouse
 - \$61 EE + Child(ren)
 - \$65 EE + Family
- ▶ High PPO Premium Increase from Current Plan
 - \$147 EE Only
 - \$253 EE + Spouse
 - \$202 EE + Child
 - \$322 EE + Family

• *First two options funded at 100% employee cost/35% dependent cost; High PPO funded at 90% employee cost/25% dependent cost

2013/2014 Est.Budget Impact for Insurance Lines Only Initial Proposal

- Health Insurance \$495,621
- Dental Insurance \$ 28,990
- Life/LTD/AD&D \$ 17,988
- HRA Deductible \$200,772

Total \$743,371

(No Increase)

2010/2011: \$784,508

2011/2012: \$752,628

2012/2013: \$743,381

Proposal A (Initial Option 1 3/18): EE Impact with Deductible Variations PPO Core Only

- Increase Deductible to \$750 (Proposal A-750)
 - Net Deductible = \$750/\$2,750
 - Max Out of Pocket = \$3,500/\$10,500
- Increase Deductible to \$1,000 (Proposal A-1000)
 - Net Deductible = \$1,000/\$3,000
 - Max Out of Pocket = \$3,500/\$10,500

Proposal B: HSA Plan No HRA

	Current Aetna PPO Plan	Proposed HSA Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$5,000/\$10,000
Co-Insurance	80/50	Deductible
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	Pays 100% After Deductible In Net
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	Pays 100% After Deductible In Net
Office Visit Co-Pay	\$35/\$65	100% After Deductible In Net
Preventative	100%- no cym	N/A
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	100% After Deductible

Current & Proposed Premium Costs –Proposal B: HSA

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$308.64	\$380.41	\$308.64	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$672.83	\$537.52	\$426.11	\$291.77	\$236.72
Employee +Child(ren)	\$612.45	\$496.90	\$461.62	\$374.53	\$150.83	\$122.37
Employee + Family	\$1,122.21	\$910.48	\$640.04	\$519.28	\$482.17	\$391.20

Proposal B: Core PPO After HRA Reimbursement

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$1,500/\$4,500
Co-Insurance	80/50	70/50
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$5,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$15,000
Office Visit Co-Pay	\$35/\$65	\$45
Preventative	100%- no cym	100% - no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60

Current & Proposed Premium Costs – PPO After HRA Reimbursement: Proposal B

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$370.33	\$380.41	\$370.33	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$807.32	\$537.52	\$523.28	\$291.77	\$284.04
Employee +Child(ren)	\$612.45	\$596.23	\$461.62	\$449.40	\$150.83	\$146.84
Employee + Family	\$1,122.21	\$1,092.48	\$640.04	\$623.08	\$482.17	\$469.40

Proposal B: High PPO After HRA Reimbursement

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$500/\$1,500
Co-Insurance	80/50	70/50
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$4,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$12,000
Office Visit Co-Pay	\$35/\$65	\$30
Preventative	100%- no cym	100%-no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Current & Proposed Premium Costs – High PPO After HRA Reimbursement: Proposal B

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$398.91	\$380.41	\$359.02	\$0.00	\$39.89
Employee +Spouse	\$829.29	\$869.62	\$537.52	\$476.70	\$291.77	\$392.92
Employee +Child(ren)	\$612.45	\$642.24	\$461.62	\$419.85	\$150.83	\$222.39
Employee + Family	\$1,122.21	\$1,176.79	\$640.04	\$553.49	\$482.17	\$623.30

Proposal B: Estimated Employee Impact

- ▶ HSA Premium Savings From Current Plan (monthly)
 - \$55 EE+ Spouse
 - \$28 EE + Child(ren)
 - \$90 EE + Family
 - ▶ PPO Premium Savings from Current Plan
 - \$7 EE + Spouse
 - \$4 EE + Child(ren)
 - \$12 EE + Family
 - ▶ High PPO Premium Increase from Current Plan
 - \$40 EE Only
 - \$101 EE + Spouse
 - \$71 EE + Child
 - \$141 EE + Family
- *First two options funded at 100% employee cost/35% dependent cost; High PPO funded at 90% employee cost/25% dependent cost

2013/2014 Est.Budget Impact for Insurance Lines Only Option B

▶ Health Insurance	\$598,131
▶ Dental Insurance	\$ 28,990
▶ Life/LTD/AD&D	\$ 17,988
▶ HRA Deductible	\$ 68,363
▶ HSA	\$ 29,899
Total	\$743,371
	(No Increase)

2010/2011: \$784,508

2011/2012: \$752,628

2012/2013: \$743,381

Proposal C: HSA Plan No HRA

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$5,000/\$10,000
Co-Insurance	80/50	Deductible
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	Pays 100% After Deductible In Net
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	Pays 100% After Deductible In Net
Office Visit Co-Pay	\$35/\$65	Pays 100% After Deductible In Net
Preventative	100%- no cym	N/A
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	Deductible

Current & Proposed Premium Costs – Proposal C: HSA

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$308.64	\$380.41	\$308.64	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$672.83	\$537.52	\$436.11	\$291.77	\$236.72
Employee +Child(ren)	\$612.45	\$496.90	\$461.62	\$374.53	\$150.83	\$122.37
Employee + Family	\$1,122.21	\$910.48	\$640.04	\$519.28	\$482.17	\$391.20

Proposal C: PPO After HRA Reimbursement

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$1,500/\$4,500
Co-Insurance	80/50	70/50
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$5,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$15,000
Office Visit Co-Pay	\$35/\$65	\$40
Preventative	100%- no cym	100%-no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Current & Proposed Premium Costs – Proposal C: PPO After HRA Reimbursement

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
Employee Only	\$380.41	\$365.48	\$380.41	\$365.48	\$0.00	\$0.00
Employee +Spouse	\$829.29	\$796.73	\$537.52	\$516.42	\$291.77	\$280.31
Employee +Child(ren)	\$612.45	\$588.41	\$461.62	\$443.51	\$150.83	\$144.90
Employee + Family	\$1,122.21	\$1,078.16	\$640.04	\$614.92	\$482.17	\$463.24

Proposal C: High PPO After HRA Reimbursement

	Current Plan Design	Proposed Plan Design
Deductible EE/EE+ Deps	\$2,500/\$6,000	\$500/\$1,500
Co-Insurance	80/50	70%
Individual Out of Pocket Max In/Out of Network	\$6,000/\$13,000	\$5,000
Family Out of Pocket Max In/Out of Network	\$18,000/\$39,000	\$15,000
Office Visit Co-Pay	\$35/\$65	\$30
Preventative	100%- no cym	100%-no cym
Prescription Co-pays	\$20/\$40/\$70* *Mandatory Generic	\$20/\$40/\$60* *Mandatory Generic

Current & Proposed Premium Costs – High PPO After HRA Reimbursement: Proposal C

	Current Monthly Premiums	Proposed Monthly Premiums	Current City Contr.	Proposed City Contr.	Current Employee Contr.	Proposed Employee Contr.
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Employee +Child(ren)	\$612.45	\$642.24	\$461.62	\$419.85	\$150.83	\$222.39
Employee + Family	\$1,122.21	\$1,176.79	\$640.04	\$553.49	\$482.17	\$623.30

Proposal C: Estimated Employee Impact

- ▶ HSA Premium Savings From Current Plan (monthly)
 - \$55 EE+ Spouse
 - \$28 EE + Child(ren)
 - \$90 EE + Family
 - ▶ PPO Premium Savings from Current Plan
 - \$11 EE + Spouse
 - \$6 EE + Child(ren)
 - \$19 EE + Family
 - ▶ High PPO Premium Increase from Current Plan
 - \$40 EE Only
 - \$101 EE + Spouse
 - \$71 EE + Child
 - \$141 EE + Family
- *First two options funded at 100% employee cost/35% dependent cost; High PPO funded at 90% employee cost/25% dependent cost



Legislation Details (With Text)

File #: 13-1453 **Version:** 1 **Name:** Telemedicine Option
Type: Agenda Item **Status:** Agenda Ready
File created: 3/22/2013 **In control:** City Council Special Meeting
On agenda: 3/25/2013 **Final action:**
Title: Consider a resolution authorizing the City Manager to execute a contract with Consult A Doc for telemedicine services.

Sponsors:

Indexes:

Code sections:

Attachments: [Telemedicine Resolution.pdf](#)

Date	Ver.	Action By	Action	Result
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Title

Consider a resolution authorizing the City Manager to execute a contract with Consult A Doc for telemedicine services.

Executive Summary

Each year the City of Sachse goes out to bid for group health insurance. This year the City also requested a market check on dental; life insurance; long-term disability; accidental death & dismemberment and vision insurance. An enhancement was presented to the City regarding instituting a telemedicine option.

Background

Telemedicine can help augment the City of Sachse's existing health insurance plan by providing 24/7 physician care by phone. There is no co-pay or charge per call. All contact with physicians are covered by the monthly amount of \$4.00 per employee per month. This will allow employees to receive care after hours and on weekends without having to access an emergency room or urgent care facility.

Policy Considerations

None

Budgetary Considerations

Total annual cost for 2012/2013 = \$2,380.

Total annual cost for 2013/2014 = \$3,332.

Staff Recommendations

Staff recommends approval of the resolution authorizing the City Manager to execute a

contract with Consult A Doc for telemedicine services.

RESOLUTION NO. _____

WHEREAS, the City of Sachse provides benefits for City employees; and

WHEREAS, the City of Sachse had advertised for bids for group health insurance and requested proposals for dental insurance, life insurance, long-term disability insurance, accidental death and dismemberment insurance, vision insurance; and various enhancements; and

WHEREAS, the City of Sachse additionally received a proposal for an optional program to provide telemedicine services to employees for a nominal fee, and

WHEREAS, staff has reviewed the information provided and is under the opinion that Consult A Doc Telemedicine serves as an excellent enhancement for the City's group benefits plan.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS:

That the City Council hereby authorizes the City Manager to execute a contract with Consult A Doc for telemedicine coverage.

PASSED AND APPROVED this the 25th day of March, 2013.

APPROVED:

MAYOR

ATTEST:

CITY SECRETARY