



*CITY
OF
SEABROOK*

AGENDA
BRIEFING

Date of Meeting: June 21, 2016

Submitter/Requestor: Cook, Bice

Date Submitted: June 15, 2016

Presenter: Cook

Description/Subject: Consider approval of Request for Proposal RFP 2016-17.

ISP Advisors, the City's Benefit Consultant, recommends renewal with BCBS (Medical - Option 1) for the FY 2016-17 plan year. The city went out to bid this year for plan start date of August 1, 2016 - July 31, 2017 for both health and dental benefits. Blue Cross Blue Shield (BCBS) and CIGNA were the 2 bidders for health insurance.

BCBS submitted a renegotiated rate which is a competitive renewal (within 5%) against market projections. While CIGNA had one set of plan designs slightly lower than BCBS, it could be a disadvantage to the City of Seabrook to change carriers again. Last year, the city had United Healthcare and switched to BCBS with a -11% decrease in rates. By maintaining our relationship with this carrier, we can preserve and build upon our history not to mention the disruption that is caused to employees when a complete new carrier is introduced during open enrollment.

As a consistent measure to design plans around financial sustainability and employee preferences, the City of Seabrook is proposing (3) options in this bid award:

1. Buy Up Plan PPO \$750 Ind/\$2,250 Fam 80%/20%
2. CORE Plan PPO \$1,500 Ind/\$4,500 Fam 80%/20%
- 3 Health Savings Plan \$3,500 Ind/\$7,000 Fam 0% /100% to Deductible

Wellness:

The City of Seabrook will continue a push for wellness with a required Biometric screening for employees. Those who do not wish to see their PCP and show proof of a wellness screening will be charged an additional \$100/month.

City Contribution

The City of Seabrook contributes 100% to employee only health benefits in the CORE Plan with a 60% supplement to the dependent portion of costs on the CORE Plan. The Buy Up Plan is an option to the employee with the cost differential back to the employees.

Name of Applicant (if applicable) :

Legal Description (if applicable):

Purpose/Need: Policy Issue

Background/Issue (What prompted this need?): Annual renewal of employee insurance

Impacted Parties (Expected/Notified): Full Time - City Employees

Miscellaneous Comments:

Recommended Action: Approve

Attachments: Agenda Briefing
Presentation by IPS - RFP Analysis and Plan Options
Plan Design Spec Sheets

Fiscal Impact: Finance Officer Review Yes No
Budgeted Yes No
Budget Amendment Required Yes No

Budget Dept/Line Item Number: ***-3120

Future/Ongoing Impact: FY 15-16 will be impacted for August and September ; FY16-17 will be impacted through July 31, 2017, and Finance will estimate a slight increase again for the remainder of the new fiscal due to the dates of the current contract

Funding Comments: By selecting the alternate Option 1 negotiated, the City of Seabrook would experience a 20% increase overall in rates

14% City Contribution - Blended Rate among all plans

6% Employee Contribution - Blended Rate among all plans

*With personnel changes, the anticipated overall true impact for Health Insurance will be for FY 16-17 approximately 8-9% increase

As a review of the City's experience:

FY 14-15 11.91 increase

FY 15-16 -11.39 decrease

FY 16-17 14.00 increase (City Contribution).

All requests must be submitted to the City Secretary's Office no later than 12:00 p.m. on the Monday, one week prior to the regular Tuesday Council Meeting. All required attachments are to be submitted with the request. Incomplete items cannot be placed on the agenda.

Where on the agenda should this item be placed? Bid Awards

Suggested Motion: Approve

(All items are to be reviewed and approved by the city manager, except items submitted by the mayor or any council member or routine consent agenda items such as minutes and second & third readings of ordinances.)

Sent to City Attorney for review on

Approved by City Attorney on
(City Attorney should review all ordinances, resolutions, contracts and executive session items.)

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