City of Benson
City Council Communication

Regular Meeting **June 13, 2016**

To: Mayor and Council Agenda Item # 3

From: William Stephens, City Manager
Dustin DeSpain, Finance Director

Subject:

Discussion and possible action regarding a Health Insurance contract with Blue Cross Blue Shield for the Employee Benefits for Fiscal Year 2016-2017, and authorization for the City Manager to sign the health insurance contract

Discussion:

This item is requesting approval of Blue Cross Blue Shield (BSBS) to provide our employee health insurance and to give authorization for the City Manager to sign the health insurance contract. Employee Solutions Group (ESG) worked to get the City the best renewal rate it could with BCBS and in doing so, solicited several offers from competing companies. ESG then brought the proposals before the Finance Director and City Manager for review. After analyzing all the offers, Staff concluded that staying with BCBS was preferable as they were the most reasonable offer. Staff feels confident that through continuing coverage with BCBS, the City can continue to offer the same level of health insurance coverage without substantial increases in premiums. With BCBS the City will offer a PPO and a Health Savings Account (HSA) plan option.

Staff Recommendation:

Approval of the Health Insurance contract with Blue Cross Blue Shield for the Employee Benefits for Fiscal Year 2016-2017, and authorization for the City Manager to sign the health insurance contract

BlueCross BlueShield of Arizona

Intent to Renew Renewal Group Rate Proposal
Renew With Current Plans

Legal Company Name: CITY OF BENSON
Name of Group Health Plan: CITY OF BENSON GROUP HEALTH PLAN

Group Number: 030783
Policy Period: 7/1/2016 - 6/30/2017
Group Rating Area: Cochise

Broker: INSIGHT RISK ADVISORS INC
Group HQ: Arizona
Group Inc: Arizona

CSM: Cynthia Bates - K
CSM Phone #: 520-400-1732
AHP Eligible: 92
Health Enrolling: 69

Current Monthly Premium Rates

Health Plans	Employee Only	Employee +Spouse	Employee +Child	Employee +Child(ren)	Family	Total
PPO $5,000/$25/$40 (100%/50%)	$447.64	$774.42	$653.55	$653.55	$935.57	$38,608.95
HSA Plus $5,000 (100%/50%)	$369.86	$639.86	$540.00	$540.00	$773.01	$4,782.31
					Total Health Premium:	**$43,391.26**

Renewal Elections
Please check the plan(s) below that you elect to offer upon renewal. Groups with less than 10 enrolled employees may offer up to two plans. Companies with at least 10 enrolled employees may offer any three plans to their employees.

Renewal Monthly Premium Rates:

		Employee Only	Employee +Spouse	Employee +Child	Employee +Child(ren)	Family	Total
☒ **Renew plan below**	☐ **Cancel plan below**						
PPO $5,000/$25/$40 (100%/50%)		$488.12	$844.45	$712.66	$712.66	$1,020.17	$42,100.41
☒ **Renew plan below**	☐ **Cancel plan below**						
HSA Plus $5,000 (100%/50%)		$401.84	$695.18	$586.69	$586.69	$839.85	$5,195.80
						Total Health Premium:	**$47,296.21**

Waiting Period Verification: The ACA prohibits waiting periods in excess of 90 days. By signing below you represent that you do not impose a waiting period which is longer than 90 days and that you have made all necessary changes to bring all waiting periods for your plan into compliance with the ACA requirements. You agree to promptly advise BCBSAZ of any change which may impact the accuracy of this representation. You agree to provide BCBSAZ with timely and accurate information regarding enrollee effective dates and shall ensure such effective dates comply with applicable laws.

☐ **Please cancel all coverage with BCBSAZ effective 7/1/2016**

The benefit and rates available must change if you are a small employer for purposes of the Affordable Care Act (ACA) or Arizona law. The rates and benefits in this proposal are not intended for groups considered small under the ACA or Arizona law and do not meet requirements necessary for that market.

Once completed and signed, the Intent to Renew (including Group Size Questions and Caveats) shall become part of Employer's Group Master Contract with BCBSAZ. Employer represents and warrants that all information included in the Intent to Renew is complete and accurate. Rates are based upon the information contained in the Renewal Information Page.

Authorized Signature | Please Print | Date

IMPORTANT NOTICE: BCBSAZ has made benefit modifications effective 1/1/2016. Please see Benefit Change Sheet.

* Groups selecting HealthEquity administration (including integration) services for HSA, HRA and/or FSA products hereby direct BCBSAZ to collect the HealthEquity administration fees and forward those fees to HealthEquity, along with the required personal health information. BCBSAZ is collecting the HealthEquity administration fees as a courtesy and is not responsible for any reconciliation, recoupment or adjustments to payments received and forwarded to HealthEquity on behalf of Employer. If Employer and HealthEquity negotiate alternative fees, Employer shall notify BCBSAZ. For a copy of the rates please contact your Client Service Manager. Employer agrees to pay charges for HealthEquity administration services. For HSAs and HRAs, those charges apply to all employees enrolled in a health plan the group has paired with a HealthEquity account. For FSAs, those charges apply to any employee for whom an FSA election has been sent to BCBSAZ by the employer. Integration may not be available to support the configuration of health plans and HealthEquity accounts chosen by some groups, in which case the HSA, HRA and/or FSA products will be administered on a non-integrated basis and HealthEquity will bill the group directly for administration of those products.