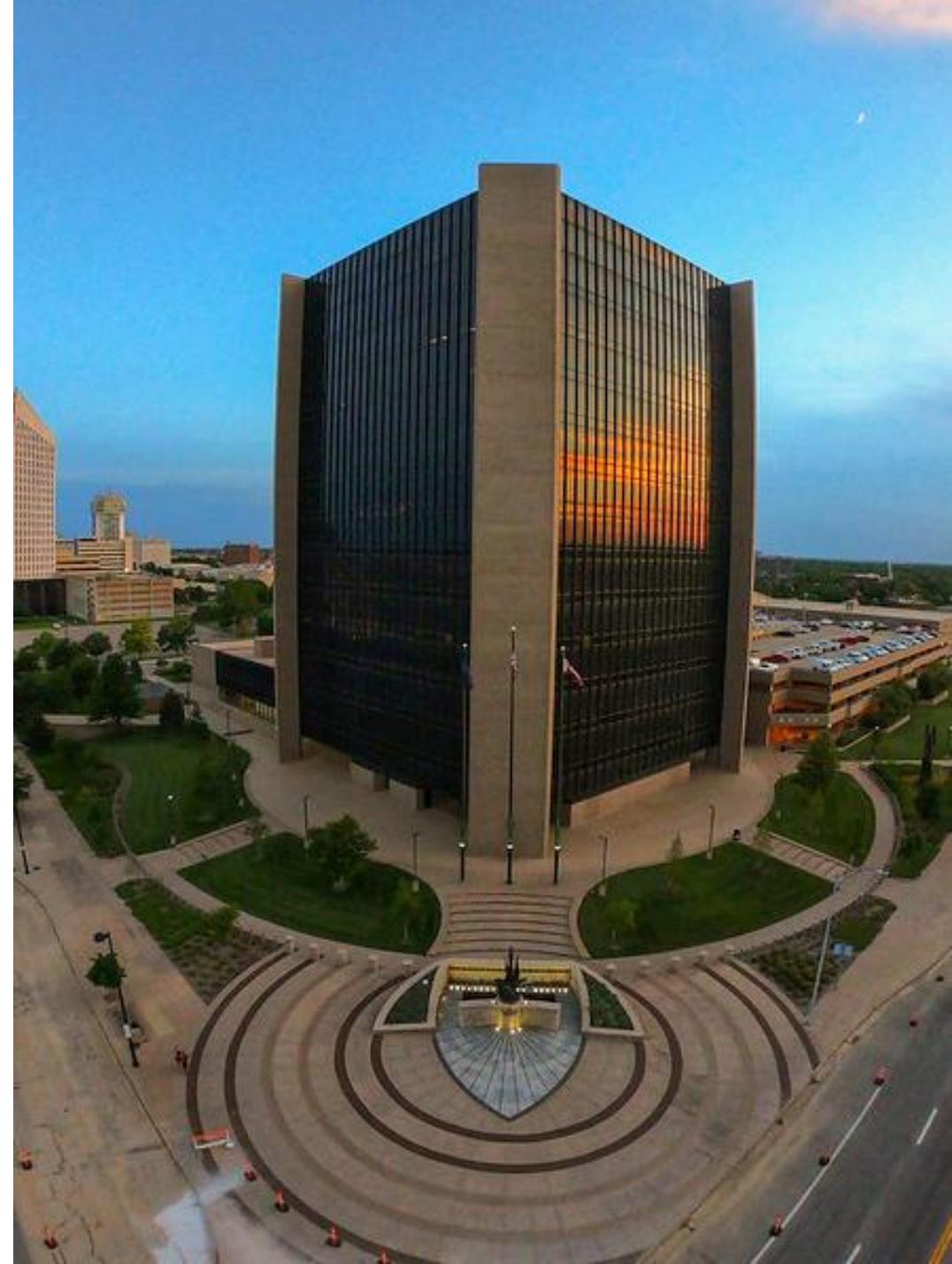


2021 Group Health, Vision and Dental Insurance Premiums



September 15, 2020



Background



- The City self-funds employee group health, vision and dental plans
- Annually, the City Council approves the premium equivalents for these programs
- Group health and vision are funded 80% by the City; 20% by employees
- Dental is 100% employee funded



Background



- City coordinates with a benefit consultant (IMA) to review and recommend premium costs
- Employee representatives on the Health Insurance Advisory Committee (HIAC) review proposed premiums



Review of Group Health Expenditures



- Group health claims represent 94% of total program expenses
- Stop loss insurance premiums total 3%
- Vision claims and administration make up 1%
- Administrative and network fees equal 2%



Group Health Experience



- Through mid-year, 2020 paid claims are trending favorably
- Historically, utilization typically increases towards the end of the year
- COVID-19 makes forecasting plan utilization more difficult



Group Health and Vision Discussion



- Staff recommends a 5.2% premium increase for 2021
- Recommendation based on data analysis by IMA
- HIAC reviewed the recommendation on September 3rd and supports the proposed rates



Group Health & Vision Premium Increases



Impact on employees each paycheck:

- \$3.31 Single Premium Plan
- \$9.91 Family Premium Plan

- \$1.04 Single Select Plan
- \$3.13 Family Select Plan



Dental Plan Discussion



- Favorable 2020 claims experience for first 6 months
- Negotiated a 26% decrease in Delta's administrative fees
- A 0.5% premium increase is recommended, and supported by HIAC



Dental Premium Increases



Impact on employees:

- Depending on which plan is selected, bi-weekly premiums will increase between \$0.06 and \$0.24



Wellness Program



- 2019 participation increased by 4%
- 2020 participation remains strong
- Recommending no change to 2021 wellness incentives



Recommended Action



- Approve 2021 health, vision and dental premiums
- Maintain 2021 wellness awards at 2020 levels

