IM No. 12-10: UPDATE TO COUNCIL REGARDING EMPLOYEE HEALTH BENEFIT ARRANGEMENTS FOR FY2013.

Agenda of: June 11, 2012   **Date**: May 31, 2012

Originator: Troy Tankersley, Finance Director

Route to:	Department	Signature	Date
X	Finance Director	*(signature)*	5/31/12
X	Interim Deputy Administrator	*(signature)*	6/1/12
X	City Clerk	*(signature)*	6/4/12

REVIEWED BY MAYOR VERNE E. RUPRIGHT: _____

FISCAL IMPACT: ☐ yes   or   ☒ no   Funds Available   ☐ Yes   or   ☐ No

Account name/number/amount: N/A

Attachments:

SUMMARY STATEMENT: Beginning July 1, 2011 the City insured its employee's and employee's families through a self-insurance model. The City (with assistance from our insurance broker, Mr. Mike Combs of Combs Insurance Agency, Inc.) contracted with:

- Meritain Health - for administration of the City's medical and vision benefits;
- Symetra Inc. - for medical claims in excess of $50,000;
- ODS Dental - for Dental benefits;
- Lifewise Assurance Company - for Life Insurance benefits; and
- Magellan Health Services - for Employee Assistance Program

The total budget in FY2012 was approximately $1,925,889 for the aforementioned services.

The City plans to continue its relationship with:

- Meritain Health;
- ODS Dental;
- Lifewise Assurance Company; and
- Magellan.

In April and May the City solicited proposals for coverage during the FY2013 period. Symetra, Inc., proposed $187,444 higher than that of HCC Life providing the same coverage. Therefore,

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the City intends to contract with HCC Life for the Stop Loss medical coverage in excess of $50,000.

The FY2013 estimated total cost of the City's employee benefits to provide medical (including administration and stop loss), dental, vision, life, employee assistance, and broker fee is $2,281,766; an increase of $355,877.

In budgeting for FY2013, a seven percent increase was used which developed a budget of $2,016,363. Therefore, an ordinance will be forthcoming to amend the FY2013 budget to compensate for the shortage of $265,403.

Date Presented:	6/11/12	Initials:	RB	Comments:	