

City of Dillingham Action Memorandum

Agenda of: November 4, 2021

Action Memorandum No. 2021-13

Subject:

Authorize the City Manager to enter into a renewal contract with Premera Blue Cross Blue Shield of Alaska and Navia for an HRA

City Manager: Recommend Approval

Signature:  _____

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

City of Dillingham Medical Plan Analysis for January 1, 2022 Renewal HRA Review

Summary Statement:

Authorize the City Manager to enter into a renewal contract with Premera Blue Cross Blue Shield of Alaska with an increase in Health premiums of 4% and a 0% increase in Dental premiums. This also authorizes the City Manager to enter a renewal contract with Navia for an HRA.

Renewing the City's existing insurance plan with Premera BCBS would cost the City an additional \$26,878.08 (estimated) in 2022.

Action Memorandum No. 2021-13

Summary Statement continued:

PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on November 5, 2020.


Mayor

ATTEST:

[SEAL]


City Clerk

Route to	Department Head	Date
X	Finance Director	
X	City Manager	
X	City Clerk	

City of Dillingham
Fiscal Note

Agenda Date: November 4, 2021

Renew health insurance with Premera BCBS for the 2022 Calendar year

ORIGINATOR: Finance Director

FISCAL ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
AMOUNT REQUESTED:	FUNDING SOURCE City of Dillingham
FROM ACCOUNT xxxx 6210 xx xx Health Insurance xxxx 6215 xx xx Dental Insurance xxxx 6211 xx xx Health Reimb Arrangement	Project
TO ACCOUNT:	VERIFIED BY: Anita Fuller Date: 10/30/2020

EXPENDITURES

OPERATING	FY22	FY23	FY23	FY24
Health 4% Inc. from CY2021	\$ 349,415.10	\$ 349,415.10		
Dental 0% Inc. from CY2021	16,990.98	16,990.98		
HRA 0.00 Inc from CY2020	-	-		
TOTAL OPERATING	\$ 366,406.08	\$ 366,406.08	\$ -	\$ -

CAPITAL	\$ -			
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REVENUE	-			
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FUNDING

General & Special Rev. Funds	\$ 366,406.08	\$ 366,406.08		
State/Federal Funds				
Capital Project				
Other				
TOTAL FUNDING	\$ 366,406.08	\$ 366,406.08	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary)

See Action Memorandum 2021-13

FY21 Health increase was 8.5%; Medical was 0%

FY22 Budget was for an 8% Health insurance increase and 5% Dental Increase

PREPARED BY: Anita Fuller

October 28, 2021

DEPARTMENT: Finance

APPROVED BY: _____

City of Dillingham
January 1, 2022 Renewal



Current 2021	Renewal 2022	No Bid 2022
Premera Preferred Choice HS	Premera Preferred Choice HS	Premera Preferred Choice HS
\$3,000/20%/6,000 Essential Rx \$10/\$25/\$45/30%	\$3,000/20%/6,000 Essential Rx \$10/\$25/\$45/30%	\$3,000/20%/6,000 Essential Rx \$10/\$25/\$45/30%

MEDICAL

Monthly Premium	\$55,996.01	\$60,444.25	\$58,235.85
Annual Premium	\$671,952.12	\$725,331.00	\$698,830.20
Difference	\$0.00	\$53,378.88	\$26,878.08

Renewal	Renewal	No Bid 2022
Premera Adult Dental Optima	Premera Adult Dental Optima	Premera Adult Dental Optima
\$1,500/\$50/0%/20%/50%	\$1,500/\$50/0%/20%/50%	\$1,500/\$50/0%/20%/50%

DENTAL

Monthly Premium	\$2,831.83	\$2,916.71	\$2,831.83
Annual Premium	\$33,981.96	\$35,000.52	\$33,981.96
Difference		\$1,018.56	

Combined Medical & Dental Annual Change	\$705,934.08	\$760,331.52	\$732,812.16
		\$54,397.44	\$26,878.08

City of Dillingham

Medical Plan Analysis

January 1, 2022 Renewal

Prepared by: Diana Stewart



	Current 2021		2022 Renewal		2022 Renewal NO BID	
	Premera Blue Cross Blue Shield of Alaska		Premera Blue Cross Blue Shield of Alaska		Premera Blue Cross Blue Shield of Alaska	
	Preferred Choice Heritage Select \$3,000/20%/\$6,000		Preferred Choice Heritage Select \$3,000/20%/\$6,000		Preferred Choice Heritage Select	
Benefits	In-Network / Out-of-Network		In-Network		In-Network	
Network Type						
Deductible - In / Out of Network						
Individual	\$3,000 / \$6,000		\$3,000 / \$6,000		\$3,000 / \$6,000	
Family	\$6,000 / \$12,000		\$6,000 / \$12,000		\$6,000 / \$12,000	
Coinsurance - In / out of network	20%		20%		20%	
Out-of-Pocket Maximum (Includes Deductible) In / Out of Network						
Individual	\$6,000 / \$45,000		\$6,000 / \$45,000		\$6,000 / \$45,000	
Family	\$12,000 / \$90,000		\$12,000 / \$90,000		\$12,000 / \$90,000	
Benefits	In-Network		In-Network		In-Network	
Professional Services						
PCP & Specialist Office Visit	Deductible & Coinsurance		Deductible & Coinsurance		Deductible & Coinsurance	
Urgent Care	Deductible & Coinsurance		Deductible & Coinsurance		Deductible & Coinsurance	
Laboratory & X-Ray (non-complex)	Deductible & Coinsurance		Deductible & Coinsurance		Deductible & Coinsurance	
Therapy	Deductible & Coinsurance		Deductible & Coinsurance		Deductible & Coinsurance	
Emergency Services						
Emergency Care - Copay waived if admitted	Coinsurance		Coinsurance		Coinsurance	
Alternative Care						
Spinal Manipulations & Acupuncture	PCY		each PCY		visits each PCY	
Prescription Drugs	Preferred Choice E4 Essentials		Preferred Choice E4 Essentials		Preferred Choice E4 Essentials	
Deductible	N/A		N/A		N/A	
Preferred Generic	\$10 Copay		\$10 Copay		\$10 Copay	
Preferred Brand	\$25 Copay		\$25 Copay		\$25 Copay	
Preferred Specialty	\$45 Copay		\$45 Copay		\$45 Copay	
Non-Preferred All Drugs	30% Coinsurance		30% Coinsurance		30% Coinsurance	
Mail-Order	90 Days Supply, 2.5x Retail Copay		90 Days Supply, 2.5x Retail Copay		90 Days Supply, 2.5x Retail Copay	
Medical Rates	Counts	2021	2022	2022 No Bid		
Employee Only	21	\$971.47	\$1,073.48	\$1,010.33		
Employee + Spouse	7	\$2,001.26	\$2,111.39	\$2,081.31		
Employee + Child(ren)	1	\$1,797.25	\$2,107.86	\$1,869.14		
Family	7	\$2,827.01	\$3,001.94	\$2,940.09		
Monthly Premium		\$55,996.01	\$60,444.25	\$58,235.85		
Annual Premium		\$671,952.12	\$725,331.00	\$698,830.20		
Percentage Change From Current			7.94%	4.00%		
Annual Dollar Change From Current			\$53,378.88	\$26,878.08		

*This comparison shows only general provisions of each plan's in-network benefits. Contract certificates should be consulted for exact plan language.

City of Dillingham

Dental & Vision Plan Analysis

January 1, 2022 Renewal

Prepared by: Diana Stewart



		Current Premera Dental Optima BER \$50/20%/20%/50%/\$1,500	2022 Renewal Premera Dental Optima BER \$50/20%/20%/50%/\$1,500	2022 NO BID Renewal Premera Dental Optima BER \$50/20%/20%/50%/\$1,500
Dental		In-Network	In-Network	In-Network
Network Type		Any Provider	Any Provider	Any Provider
Dental Benefits				
Deductible		\$50 Individual / \$150 Family	\$50 Individual / \$150 Family	\$50 Individual / \$150 Family
Preventative		0%	0%	0%
Basic		20%	20%	20%
Major		50%	50%	50%
Annual Maximum		\$1,500	\$1,500	\$1,500
Orthodontia		Not Covered	Not Covered	Not Covered
Dental Rates	Counts			
Employee Only	21	\$46.16	\$47.54	\$46.16
Employee + Spouse	7	\$99.24	\$102.22	\$99.24
Employee + Child(ren)	1	\$101.55	\$104.60	\$101.55
Family	7	\$152.32	\$156.89	\$152.32
Monthly Premium		\$2,831.83	\$2,916.71	\$2,831.83
Annual Premium		\$33,981.96	\$35,000.52	\$33,981.96
Percentage Change From Current			3.00%	0.00%
Annual Dollar Change From Current			\$1,018.56	\$0.00

*This comparison shows only general provisions of each plan's in-network benefits. Contract certificates should be consulted for exact plan language.

**All rates listed above are estimates. Actual rates could increase or decrease pending actual enrollment.