

City of Dillingham Action Memorandum

Agenda of: November 3, 2022

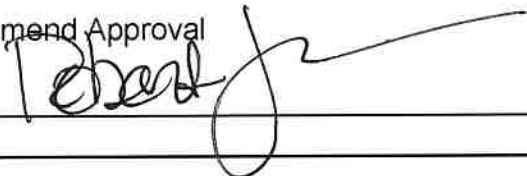
Action Memorandum No. 2022-11

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, 2023 Renewal HRA Review

Summary Statement:

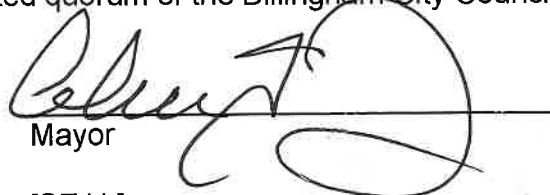
Authorize the City Manager to enter into a renewal contract with Premera Blue Cross Blue Shield of Alaska with an increase in Health premiums of 5% and a 0% increase in Dental premiums, and a 6.06% increase with UNUM Life. This also authorizes the City Manager to enter a renewal contract with Navia for an HRA.

Renewing the City's existing insurance plan with Premera BCBS would cost the City an additional \$36,541 (estimated) in 2023.

Action Memorandum No. 2022-11

Summary Statement continued:


PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on November 3, 2022.



Mayor

[SEAL]

ATTEST:



City Clerk

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

City of Dillingham
January 1, 2023 Renewal



	Current 2022	Renewal 2023	No Bid 2023
	Premera Preferred Choice HS	Premera Preferred Choice HS	Premera Preferred Choice HS
		Initial Renewal Quote 9.5% increase	No Bid 5% Increase in Medical & Rx Rates
	\$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	\$60,903.17	\$66,688.90	\$63,948.26
Annual Premium	\$730,838.04	\$800,266.80	\$767,379.16
Difference	\$0.00	\$69,428.76	\$36,541.12

	Current 2022	Renewal 2023	No Bid 2023
	Premera Adult Dental Optima \$1,500/\$50/0%/20%/50%	Premera Adult Dental Optima \$1,500/\$50/0%/20%/50%	Premera Adult Dental Optima \$1,500/\$50/0%/20%/50%
DENTAL			
Monthly Premium	\$2,981.85	\$2,981.85	\$2,831.83
Annual Premium	\$35,782.20	\$35,782.20	\$33,981.96
Difference		\$0.00	-\$1,800.24
Combined Medical & Dental			
Annual Change	\$766,620.24	\$836,049.00	\$801,361.12
		\$69,428.76	\$34,740.88

	Current 2022	Renewal 2023
	UNUM Life & AD&D	UNUM Life & AD&D
Life & AD&D		
Monthly Premium	\$1,211.73	\$1,285.17
Annual Premium	\$14,540.76	\$15,422.02
Difference		\$881.26

City of Dillingham

Medical Plan Analysis



January 1, 2023 Renewal

Prepared by: Diana Stewart

		Current 2022	2023 Renewal	2023 NO BID
		Premera Blue Cross Blue Shield of Alaska Preferred Choice Heritage Select \$3,000/20%/6,000	Premera Blue Cross Blue Shield of Alaska Preferred Choice Heritage Select \$3,000/20%/6,000	Premera Blue Cross Blue Shield of Alaska Preferred Choice Heritage Select \$3,000/20%/6,000
Benefits		In-Network	In-Network	In-Network
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%/60%	20%/60%	20%/60%
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
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		Deductible & Coinsurance - 12 visits each PCY	Deductible & Coinsurance - 12 visits each PCY	Deductible & Coinsurance - 12 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	2022 Current	2023 Renewal	2023 No Bid
Employee Only	22	\$1,010.33	\$1,106.31	\$1,060.84
Employee + Spouse	6	\$2,081.31	\$2,279.03	\$2,185.38
Employee + Child(ren)	3	\$1,869.14	\$2,046.70	\$1,962.59
Family	7	\$2,940.09	\$3,219.40	\$3,087.10
Monthly Premium		\$60,903.17	\$66,688.90	\$63,948.26
Annual Premium		\$730,838.04	\$800,266.80	\$767,379.16
Percentage Change From Current			9.50%	5.00%
Annual Dollar Change From Current			\$69,428.76	\$36,541.12

*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 Plan Analysis



January 1, 2023 Renewal

Prepared by: Diana Stewart

January 1, 2023 Renewal		Current	2023 Renewal	2023 NO BID Renewal
		Premera Dental Optima BER \$50/20%/20%/50%/\$1,500	Premera Dental Optima BER \$50/20%/20%/50%/\$1,500	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	22	\$46.16	\$46.16	\$46.16
Employee + Spouse	6	\$99.24	\$99.24	\$99.24
Employee + Child(ren)	3	\$101.55	\$101.55	\$101.55
Family	7	\$152.32	\$152.32	\$152.32
Monthly Premium		\$2,981.85	\$2,981.85	\$2,981.85
Annual Premium		\$35,782.20	\$35,782.20	\$35,782.20
Percentage Change From Current			0.00%	0.00%
Annual Dollar Change From Current			\$0.00	\$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.

City of Dillingham



Life & AD&D Anlysis
January 1, 2023 Renewal
 Prepared by: Diana Stewart

		Current UNUM Life & AD&D	2023 Renewal UNUM Life & AD&D
Life Insurance			
	Deductible	\$50 Individual / \$150 Family	\$50 Individual / \$150 Family
AD&D Insurance		50%	50%
	Annual Maximum	\$1,500	\$1,500
Dental Rates			
	Volume		
Life Premium / \$1,000	\$3,671,909	\$0.28	\$0.30
AD&D Premium / \$1,000	\$3,671,909	\$0.05	\$0.05
Monthly Premium		\$1,211.73	\$1,285.17
Annual Premium		\$14,540.76	\$15,422.02
Percentage Change From Current			6.06%
Annual Dollar Change From Current			\$881.26

*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.

City of Dillingham
Fiscal Note

Agenda Date: November 3, 2021

Renew health insurance with Premera BCBS for the 2023 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 xxxx 6220 xx xx Life Insurance	Project
TO ACCOUNT:	VERIFIED BY: Anita Fuller Date: 10/30/2020

EXPENDITURES

OPERATING	FY23	FY24	FY23	FY24
Health 5% Inc. from CY2022	\$ 383,689.58	\$ 383,689.58		
Dental 0% Inc. from CY2022	17,891.10	17,891.10		
HRA 0.00 Inc from CY2022	5,000.00	5,000.00		
Life 6.06% Inc from CY2022	\$7,711	\$7,711		
TOTAL OPERATING	\$ 414,291.69	\$ 414,291.69	\$ -	\$ -

CAPITAL	\$	-			
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REVENUE		-			
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FUNDING

General & Special Rev. Funds	\$ 414,291.69	\$ 414,291.69		
State/Federal Funds				
Capital Project				
Other				
TOTAL FUNDING	\$ 414,291.69	\$ 414,291.69	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary) See Action Memorandum 2022-11
 FY22 Health increase was 4%; Dental was 0%, Life was 0%; Current industry standard is 15% Increase
 FY23 Budget was for an 20% Health insurance increase, 15% Dental Increase and 5% Life Increase

PREPARED BY: Anita Fuller *AF*

November 2, 2022

DEPARTMENT: Finance

APPROVED BY: *[Signature]*

11/2/22