

2020-09

Action Memorandum No. _____

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, 2021 Renewal HRA Review

Summary Statement:

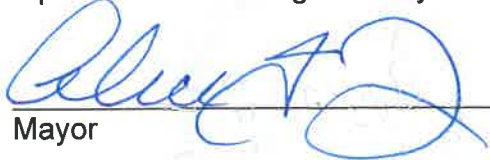
Authorize the City Manager to enter into a renewal contract with Premera Blue Cross Blue Shield of Alaska with an increase in Health premiums of 8.5% and a 0% increase in Dental premiums. This also authorizes the City Manager to enter a renewal contract with Navia for an HRA.

Renewing the City's existing insurance plan with Premera BCBS would cost the City an additional \$65,571.12 (estimated) in 2021. This plan would have no change in the deductible or copay for the employee.

Action Memorandum No. 2020-09

Summary Statement continued:

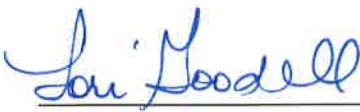
PASSED and APPROVED by a duly constituted quorum of the Dillingham City Council
on November 5, 2020.



Mayor

[SEAL]

ATTEST:



City Clerk

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

City of Dillingham
Fiscal Note

Agenda Date: November 5, 2020

Renew health insurance with Premera BCBS for the 2021 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	
FROM ACCOUNT		City of Dillingham	
xxxx 6210 xx xx	Health Insurance	Project	
xxxx 6215 xx xx	Dental Insurance		
xxxx 6211 xx xx	Health Reimb Arrangement		
TO ACCOUNT:	VERIFIED BY: Anita Fuller	Date:	10/30/2020

EXPENDITURES

OPERATING	FY21	FY22	FY23	FY24
Health 8.5% Inc. from CY2020	\$ 418,513.08	\$ 418,513.08		
Dental 0% Inc. from CY2020	21,491.46	21,491.46		
HRA 0.00 Inc from CY2020	-	-		
TOTAL OPERATING	\$ 440,004.54	\$ 440,004.54	\$ -	\$ -

CAPITAL	\$ -			
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REVENUE	-			
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FUNDING

General & Special Rev. Funds	\$ 440,004.54	\$ 440,004.54		
State/Federal Funds				
Capital Project				
Other				
TOTAL FUNDING	\$ 440,004.54	\$ 440,004.54	\$ -	\$ -

POSITIONS

Full-Time				
Part-Time				

Analysis: (Attach a separate page if necessary)

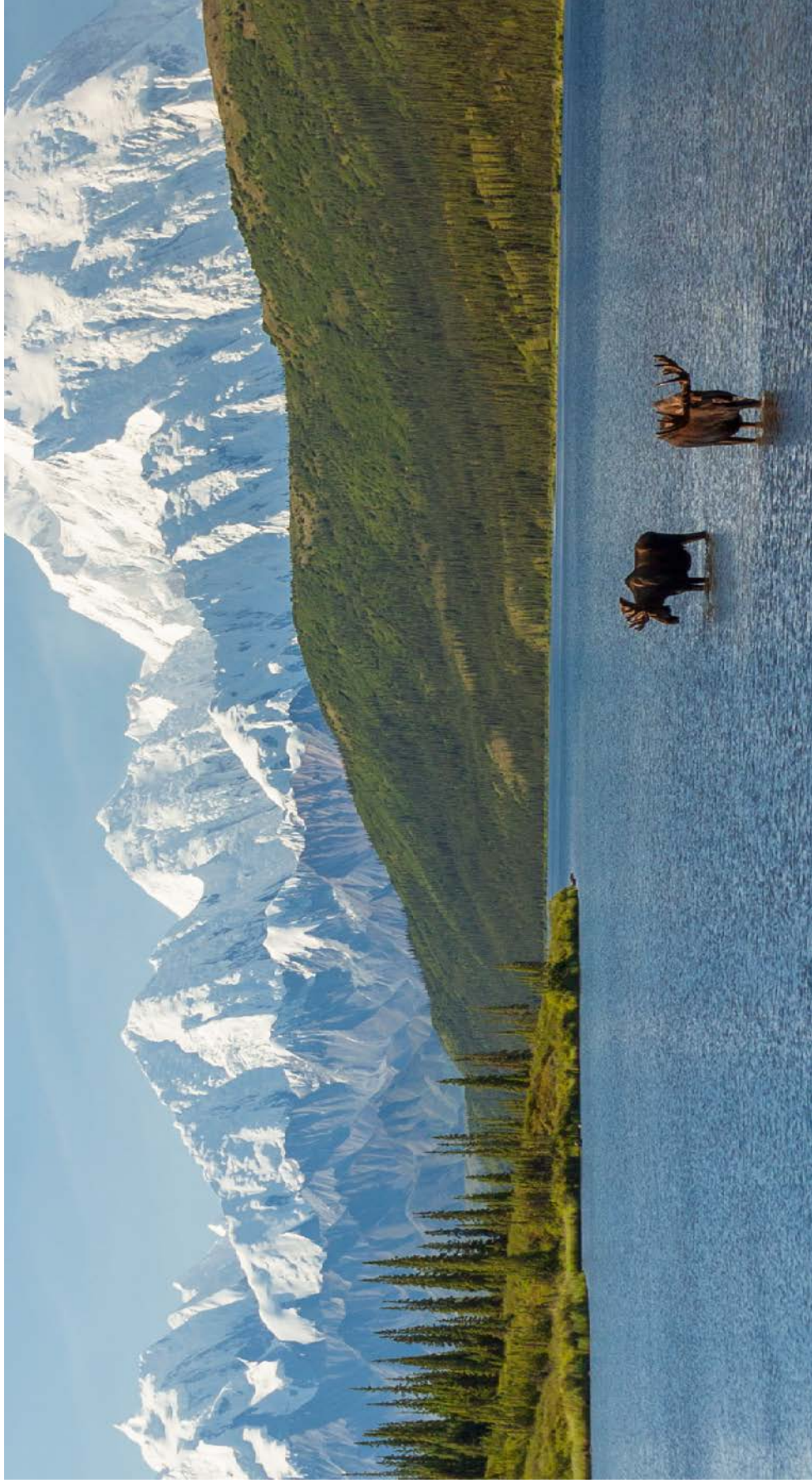
See Action Memorandum 2020-09

PREPARED BY: Anita Fuller

October 30, 2020

DEPARTMENT: Finance

APPROVED BY: _____



City of Dillingham

Presented by: Craig Kestran

We guide Alaskan employers, employees, and their families through **life's risks** creating clarity, security, and stability. We alleviate the noise and make it simple.

CLIENT EXPERIENCE

- **Platinum Rule** - Treat our clients the way they want to be treated
- **Creative** - New ideas, way of looking at situations, we're unique
- **Confident** - Know what we're talking about, tone, self-confidence, know where to get answers
- **Comprehensive** - Resourceful, we'll get the answers, responsive, accurate, efficient

BELIEFS & BEHAVIORS

- Love your work family
- Continuous learning
- **LEAN** culture
- Share **OUR** story
- Ask why
- Evolving & changing
- Servant leadership philosophy

I want to work with people who...

TEAM EXPERIENCE

- Have integrity
- Openly communicate
- Acknowledge their efforts are meaningful
- Seek mastery and become subject matter experts
- Value my ideas / listen
- Inspire me
- Focus on solutions

EMPLOYEE PROFILE

- Balance between work and home life
- Engaged
- Self-starter
- Demonstrate emotional intelligence
- Clear & actionable communications
- A sense of humor
- Own "IT"

IDEAL CLIENT PROFILE

- Treat us like a trusted advisor
- Long-term thinkers
- Challenge us – in a good way
- Vested interest in **THEIR** employees
- Engaged
- Tech-friendly, efficient, effective

WANTS

- Consultative selling
- Easy to do business with
- Clarity – who, what, why, how
- Independence
- Local leadership/branding
- High performing teams
- Be in "The Zone"
- Predictive growth
- Ongoing development



**City of Dillingham
January 1, 2021 Renewal**



Current	Renewal	Option 1
Premera Preferred Choice HS	Premera Preferred Choice HS	Premera Preferred Choice Heritage Plus
\$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/\$35/\$65 Essentials Rx \$15/\$30/\$50/30%

MEDICAL

Monthly Premium
Annual Premium
Difference

\$64,287.92
\$771,455.04
\$0.00

\$69,752.18
\$837,026.16
\$65,571.12

\$67,237.41
\$806,848.92
\$35,393.88

Renewal	Renewal
Premera Adult Dental Optima \$1,500/\$50/0%/20%/50%	Premera Adult Dental Optima \$1,500/\$50/0%/20%/50%

DENTAL

Monthly Premium
Annual Premium
Difference

\$3,581.91
\$42,982.92
\$0.00

\$3,581.91
\$42,982.92
\$0.00

The Heritage Plus network does require the use on a Network Provider	
In Network	Out of Network
Preferred Provider	80% after Deductible
Participating Provider	60% after Deductible
Non Participating Provider	40% After Deductible

City of Dillingham

Medical Plan Analysis

January 1, 2021 Renewal

Prepared by: Diana Stewart



	Current / Renewal	Alternative 1
	Premiera Blue Cross Blue Shield of Alaska	Premiera Blue Cross Blue Shield of Alaska
	Preferred Choice Heritage Select \$3,000/20%/ \$6,000	Preferred Choice Heritage Plus \$3,000/20%/ \$6,000 / \$30 / \$65
Benefits	In-Network / Out-of-Network	In-Network
Network Type		
Deductible - In / Out of Network		
Individual	\$3,000 / \$6,000	\$6,000 / \$12,000
Family	\$6,000 / \$12,000	\$12,000 / \$24,000
Coinsurance - In / out of network	20%	30%
Out-of-Pocket Maximum (Includes Deductible) In / Out of Network		
Individual	\$6,000 / \$45,000	\$7,350 / \$45,000
Family	\$12,000 / \$90,000	\$14,700 / \$90,000
Benefits	In-Network	In-Network
Professional Services		
PCP & Specialist Office Visit	Deductible & Coinsurance	\$30 PCP / \$65 Specialist
Urgent Care	Deductible & Coinsurance	\$40 Copay
Laboratory & X-Ray (non-complex)	Deductible & Coinsurance	Deductible & Coinsurance
Therapy	Deductible & Coinsurance	\$65 Specialist
Emergency Services		
Emergency Care - Copay waived if admitted	\$100 Copay, then Deductible & Coinsurance	\$100 Copay, then Deductible & Coinsurance
Alternative Care		
Spinal Manipulations & Acupuncture	Deductible & Coinsurance - 12 visits each PCY	\$30 Copay - 12 visits each PCY
Prescription Drugs	Preferred Choice E4 Essentials	Preferred Choice E4 Essentials
Deductible	N/A	N/A
Preferred Generic	\$10 Copay	\$15 Copay
Preferred Brand	\$25 Copay	\$30 Copay
Preferred Specialty	\$45 Copay	\$50 Copay
Non-Preferred All Drugs	30% Coinsurance	30% Coinsurance
Mail-Order	90 Days Supply, 2.5x Retail Copay	90 Days Supply, 2.5x Retail Copay
Medical Rates	Counts	
Employee Only	24	\$895.37
Employee + Spouse	6	\$971.47
Employee + Child(ren)	5	\$1,844.48
Family	9	\$2,001.26
Monthly Premium		\$1,797.25
Annual Premium		\$2,827.01
Percentage Change From Current		\$69,752.18
Annual Dollar Change From Current		\$837,026.16
		8.50%
		\$65,571.12
		4.73%
		\$36,473.88

*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, 2021 Renewal

Prepared by: Diana Stewart



		Current	Renewal
		Premera Dental Optima BER \$50/20%/20%/50%/50%/ \$1,500	Premera Dental Optima BER \$50/20%/20%/50%/50%/ \$1,500
Dental		In-Network	In-Network
Network Type		Any Provider	Any Provider
Dental Benefits			
Deductible		\$50 Individual / \$150 Family	\$50 Individual / \$150 Family
Preventative		0%	0%
Basic		20%	20%
Major		50%	50%
Annual Maximum		\$1,500	\$1,500
Orthodontia		Not Covered	Not Covered
Dental Rates	Counts		
Employee Only	24	\$46.16	\$46.16
Employee + Spouse	6	\$99.24	\$99.24
Employee + Child(ren)	5	\$101.55	\$101.55
Family	9	\$152.32	\$152.32
Monthly Premium		\$3,581.91	\$3,581.91
Annual Premium		\$42,982.92	\$42,982.92
Percentage Change From Current			0.00%
Annual Dollar Change From Current			\$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.