



City of Tarpon Springs, Florida

HUMAN RESOURCES DEPARTMENT
 324 E. PINE STREET
 TARPON SPRINGS, FLORIDA 34689
 TELEPHONE (727) 938-3711

MEMORANDUM

DATE: AUGUST 9, 2022
TO: HONORABLE MAYOR AND BOARD OF COMMISSIONERS
FROM: JANE KNIFFEN, HUMAN RESOURCES DIRECTOR *JK*
THROUGH: MARK G. LECOURIS, CITY MANAGER
SUBJECT: MEDICAL, DENTAL, LIFE/AD&D, LONG-TERM DISABILITY INSURANCE RENEWALS

RECOMMENDATION

Request approval of renewals for medical, dental, life/AD&D, long-term disability insurance, FSA administration and voluntary vision as outlined below:

BENEFIT*	RECOMMENDED CARRIER/PLAN	EFFECTIVE DATES- RATE GUARANTEE	COST INCREASE/DECREASE	COMMENTS
Medical	FMIT/UHC Choice Plus Plan 15	10/1/2022 – 9/30/2023	+5.0%	Includes wellness clinic and EAP
Dental	MetLife PDP Plus	10/1/2022 – 9/30/2023	0%	Network includes local dentists
Basic Life, AD&D, LTD	The Hartford	10/1/2022 – 9/30/2024	0%	Excellent claims paying record
Voluntary Vision (EE paid)	EyeMed	10/1/2022 – 9/30/2025	0%	Provides a supplement to medical benefits
FSA Administration	Benefits Workshop	10/1/2022 – 9/30/2027	\$1,944 per year	Based on a per participant per month fee of \$4.50

*No changes in coverages

It is also recommended that:

- a) The City continues to pay 100% of the Employee Only medical premiums at the new rate;
- b) The City absorbs the 5% increase in Dependent medical premiums; the employee share of Dependent medical premiums remains unchanged.

BACKGROUND

In an effort to secure the most complete employee benefit coverages at reasonable cost, i.e. the best program for both the City and its employees, considering a combination of service, level of benefits and premium cost, the City elected to contract the services of the Gehring Group as consultant, in 2019.

Gehring Group (GG) has reviewed benefit coverages, network access of care, carrier administrative process and overall cost as part of the renewal; GG was able to negotiate very reasonable premium rates for City-provided benefits.

Gehring Group presented its findings to the City's evaluation committee composed of Craig Misener, Deputy Fire Chief; Paul Smith, Public Services Director; Judy Staley, Research and Information Officer; Jeff Young, Police Chief and Jane Kniffen, Human Resources Director.

The above table summarizes the deliberations and recommendations of the evaluation committee with respect to City-provided core benefits. Voluntary employee-paid ancillary benefits (other than Vision) will change carriers providing enhanced benefits at lower cost to employees.

FUNDING

Sufficient funds have been budgeted for these benefits. Funding will come from multiple funds and departments in their .23 benefits accounts.

Attachments: Gehring Group presentation of August 9, 2022
Gehring Group Executive Summary
Medical Insurance Premium Cost Summary

City of Tarpon Springs
Executive Summary
Effective Date: October 1, 2022



COVERAGE	2021-2022						2022-2023			2022-2023		
	CURRENT						RENEWAL			RENEWAL		
	FMIT/UnitedHealthCare Plan 15						FMIT/UnitedHealthCare Plan 15			Per Pay (48) ¹		
MEDICAL		Total	Employer	Employee	Total	Employer	Employee	Employer	Employee	EE Chg.		
Employee	179	\$797.55	\$797.55	\$0.00	\$837.43	\$837.43	\$0.00	\$209.36	\$0.00	\$0.00		
Employee + Spouse	47	\$1,527.80	\$1,174.35	\$353.45	\$1,604.19	\$1,250.74	\$353.45	\$312.69	\$88.36	\$0.00		
Employee + Child(ren)	41	\$1,433.20	\$1,125.54	\$307.66	\$1,504.86	\$1,197.20	\$307.66	\$299.30	\$76.91	\$0.00		
Employee + Family	46	\$2,163.48	\$1,518.40	\$645.08	\$2,271.65	\$1,626.57	\$645.08	\$406.64	\$161.27	\$0.00		
Monthly Premium	313	\$372,849	\$313,949	\$58,900	\$391,492	\$332,592	\$58,900					
Annual Premium		\$4,474,192	\$3,767,393	\$706,799	\$4,697,905	\$3,991,106	\$706,799					
\$ Increase / (\$ Decrease)		-	-	-	\$223,713	\$223,713	\$0					
% Increase / (% Decrease)		-	-	-	5.0%	5.9%	0.0%					
DENTAL		MetLife/PDP Plus			MetLife/PDP Plus			Per Pay (48) ¹				
		Total	Employer	Employee	Total	Employer	Employee	Employer	Employee	EE Chg.		
Employee	170	\$26.78	\$26.78	\$0.00	\$26.78	\$26.78	\$0.00	\$6.70	\$0.00	\$0.00		
Employee + Spouse	66	\$53.66	\$36.78	\$16.88	\$53.66	\$36.78	\$16.88	\$9.20	\$4.22	\$0.00		
Employee + Child(ren)	35	\$56.88	\$36.78	\$20.10	\$56.88	\$36.78	\$20.10	\$9.20	\$5.02	\$0.00		
Employee + Family	49	\$87.73	\$36.78	\$50.95	\$87.73	\$36.78	\$50.95	\$9.20	\$12.73	\$0.00		
Monthly Premium	320	\$14,384	\$10,070	\$4,314	\$14,384	\$10,070	\$4,314					
Annual Premium		\$172,605	\$120,835	\$51,770	\$172,605	\$120,835	\$51,770					
\$ Increase / (\$ Decrease)		-	-	-	\$0	\$0	\$0					
% Increase / (% Decrease)		-	-	-	0.0%	0.0%	0.0%					
Rate Guarantee		Expires 9/30/2022			Expires 9/30/2023							
VISION		EyeMed			EyeMed			Per Pay (48) ¹				
		Total	Employer	Employee	Total	Employer	Employee	Employer	Employee	EE Chg.		
Employee Only	100	\$6.31	\$0.00	\$6.31	\$6.31	\$0.00	\$6.31	\$0.00	\$1.58	\$0.00		
Employee + Spouse	41	\$11.99	\$0.00	\$11.99	\$11.99	\$0.00	\$11.99	\$0.00	\$3.00	\$0.00		
Employee + Child(ren)	11	\$12.62	\$0.00	\$12.62	\$12.62	\$0.00	\$12.62	\$0.00	\$3.16	\$0.00		
Employee + Family	28	\$18.56	\$0.00	\$18.56	\$18.56	\$0.00	\$18.56	\$0.00	\$4.64	\$0.00		
Monthly Premium	180	\$1,781	\$0	\$1,781	\$1,781	\$0	\$1,781					
Annual Premium		\$21,373	\$0	\$21,373	\$21,373	\$0	\$21,373					
\$ Increase / (\$ Decrease)		-	-	-	\$0	\$0	\$0					
% Increase / (% Decrease)		-	-	-	0.0%	0.0%	0.0%					
Rate Guarantee		Expires 9/30/2025			Expires 9/30/2025							
LIFE/AD&D		The Hartford			The Hartford							
		Total	Employer	Employee	Total	Employer	Employee					
Life Volume		\$16,000,000	\$14,675,000	\$1,325,000	\$16,000,000	\$14,675,000	\$1,325,000					
Life Rate / \$1,000		\$0.210	\$0.210	Age Banded	\$0.210	\$0.210	Age Banded					
AD&D Volume		\$30,675,000	\$29,350,000	\$1,325,000	\$30,675,000	\$29,350,000	\$1,325,000					
AD&D Rate / \$1,000		\$0.053	\$0.023	\$0.030	\$0.053	\$0.023	\$0.030					
Retiree Volume	7	\$82,500	\$0	\$82,500	\$82,500	\$0	\$82,500					
Retiree Rate / \$1,000		\$4.672	\$0.000	\$4.672	\$4.672	\$0.000	\$4.672					
Dependent Life Unit	57	\$1.250	\$0.000	\$1.250	\$1.250	\$0.000	\$1.250					
Retiree Dep. Life Unit	2	\$5.000	\$0.000	\$5.000	\$5.000	\$0.000	\$5.000					
Monthly Premium		\$4,874	\$3,757	\$1,117	\$4,874	\$3,757	\$1,117					
Annual Premium		\$58,488	\$45,082	\$13,406	\$58,488	\$45,082	\$13,406					
\$ Increase / (\$ Decrease)		-	-	-	\$0	\$0	\$0					
% Increase / (% Decrease)		-	-	-	0.0%	0.0%	0.0%					
Rate Guarantee		Expires 9/30/2022			Expires 9/30/2024							
LTD		The Hartford			The Hartford							
		Total	Employer	Employee	Total	Employer	Employee					
Benefits Volume		\$1,090,904	\$1,090,904	\$0	\$1,090,904	\$1,090,904	\$0					
LTD / \$100		\$0.335	\$0.335	\$0.000	\$0.335	\$0.335	\$0.000					
Monthly Premium		\$3,655	\$3,655	\$0	\$3,655	\$3,655	\$0					
Annual Premium		\$43,854	\$43,854	\$0	\$43,854	\$43,854	\$0					
\$ Increase / (\$ Decrease)		-	-	-	\$0	\$0	\$0					
% Increase / (% Decrease)		-	-	-	0.0%	0.0%	0.0%					
Rate Guarantee		Expires 9/30/2022			Expires 9/30/2024							
SUMMARY		Total	Employer	Employee	Total	Employer	Employee					
Total Monthly Premium		\$397,543	\$331,430	\$66,112	\$416,185	\$350,073	\$66,112					
Total Annual Premium		\$4,770,512	\$3,977,164	\$793,348	\$4,994,225	\$4,200,877	\$793,348					
\$ Increase / (\$ Decrease)		-	-	-	\$223,713	\$223,713	\$0					
% Increase / (% Decrease)		-	-	-	4.7%	5.6%	0.0%					

¹ Any premium rounding will occur in the final pay period of the month

Attachment 3

**MEDICAL INSURANCE PREMIUM COST SUMMARY
OCTOBER 1, 2022**

MONTHLY MEDICAL PREMIUMS

COVERAGE	CURRENT RATES	RENEWAL RATES	DIFFERENCE
Employee Only (EE)	\$ 797.55	\$ 837.43	\$ 39.88
Spouse Only (SP)	\$ 730.25	\$ 766.76	\$ 36.51
Child(ren) Only (CH)	\$ 635.65	\$ 667.43	\$ 31.78
Family Only (FM)	\$1,365.93	\$1,434.22	\$ 68.29

CURRENT COST SHARING

COVERAGE	CITY PAID PORTION	EMPLOYEE PAID PORTION	DIFFERENCE
Employee Only (EE)	\$ 797.55	\$ 0.00	n/a
Spouse Only (SP)	\$ 376.80	\$ 353.45	n/a
Child(ren) Only (CH)	\$ 327.99	\$ 307.66	n/a
Family Only (FM)	\$ 720.85	\$ 645.08	n/a

PROPOSED COST SHARING – INCREASE PAID BY CITY

COVERAGE	TOTAL MONTHLY PREMIUM	CITY PAID PORTION	EMPLOYEE PAID PORTION	INCREASE TO CITY	INCREASE TO EMPLOYEE	ENROLLMENT*	FY 23 COST INCREASE TO CITY	FY 23 COST INCREASE TO EMPLOYEE
EE only	\$ 837.43	\$ 837.43	\$ 0.00	\$ 39.88	\$ 0.00	313	\$ 149,789.28	\$ 0.00
SP only	\$ 766.76	\$ 413.31	\$353.45	\$ 36.51	\$ 0.00	47	\$ 20,591.64	\$ 0.00
CH only	\$ 667.43	\$ 359.77	\$307.66	\$ 31.78	\$ 0.00	41	\$ 15,635.76	\$ 0.00
FM only	\$1,434.22	\$ 789.14	\$645.08	\$ 68.29	\$ 0.00	46	\$ 37,696.08	\$ 0.00
						TOTAL	\$ 223,712.76	\$ 0.00

*BASED ON JULY 2022 ENROLLMENT



GEHRING GROUP
A RISK STRATEGIES COMPANY

Tarpon Springs Employee Benefits Review

Presented by:
Shawn Fleming, CSFS®
Senior Benefits Consultant
August 2022



Agenda

- Background
- Claims Experience
- Renewal Recommendations



(Handout)

Background

- The City is Fully Insured for all lines of coverage

Coverage	Current Carrier
Medical	Florida Municipal Insurance Trust / UnitedHealthcare
Onsite Medical Clinic	Florida Municipal Insurance Trust / CareATC
Dental	MetLife
Vision	EyeMed
Life Basic and Voluntary	The Hartford
Long-Term Disability	The Hartford
Flexible Spending Accounts	American Fidelity
EAP	Florida Municipal Insurance Trust / UnitedHealthcare
COBRA	UnitedHealthcare



Background - Schedule of Benefits

Benefit	UnitedHealthcare In-Network	UnitedHealthcare Out-of-Network
Deductible (EE/FM)	\$250 / \$500	\$500 / \$1,000
Out of Pocket Max (EE/FM)	\$2,500 / \$5,000	\$5,000 / \$10,000
Primary Care Visit	\$20	30% after CYD
Specialist Visit	\$40	30% after CYD
Virtual Visit/Telemedicine	\$5	Not Covered
Urgent Care	\$50	30% after CYD
Emergency Room	\$150	\$150
Advanced Imaging	\$100	30% after CYD
Inpatient Hospital	10% after CYD	30% after CYD
Outpatient Hospital	10% after CYD	30% after CYD
Pharmacy	\$10 / \$35 / \$60	Tier Copay + Difference to Network Cost



Background

- In 2020, an RFP was conducted for all lines of coverage
 - 25 proposals were received - **5 Medical Proposals**
 - Alternate medicals designs provided enhancements if clinic was discontinued
 - Renewed Medical with FMIT with Clinic with a reduction of 2%
- In 2021, all lines of coverage renewed with no rate increases
- In 2022, an RFP for life, disability and supplemental plans was conducted
 - 12 carriers submitted proposals



Claims Experience Update



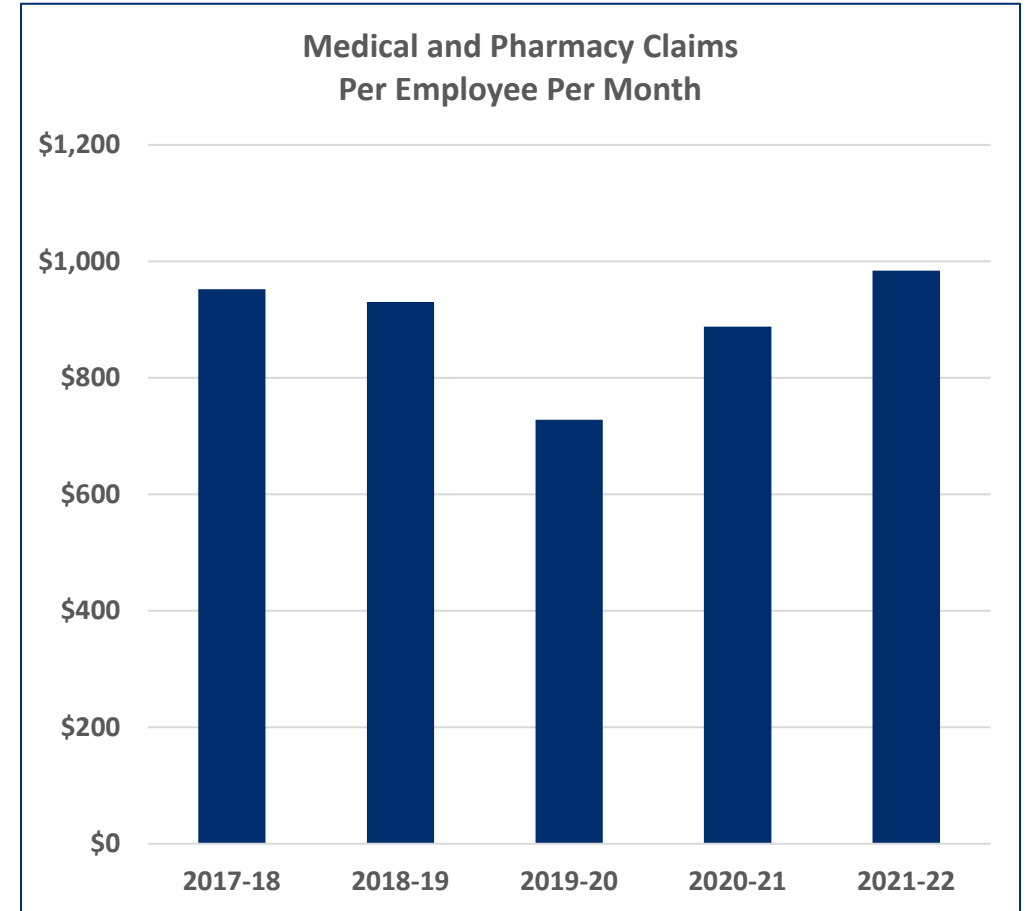
2021-22 claims have increased 11%, but are in line with pre-Covid 19 levels



Average increases for Florida are 9% - 13%. Claims PEPM have increase 11% year over year.



82% loss ratio, excluding clinic costs



Renewal Recommendations

- Gehring Group negotiated with FLC to obtain a renewal which included:
 - 5% increase rates
 - No change to schedule of benefits
 - No change to Health Center
- Recommendation that the City renew with Florida League of Cities



Renewal Recommendations

Coverage	Recommended Carrier	Rate Change
Medical	Florida Municipal Insurance Trust / UnitedHealthcare	5% / \$223,713
Onsite Medical Clinic	Florida Municipal Insurance Trust / CareATC	0% / \$0
Dental	MetLife	0% / \$0
Vision	EyeMed	0% / \$0
Life Basic and Voluntary	The Hartford	0% / \$0
Short-Term Disability	The Hartford	New Voluntary Coverage
Long-Term Disability	The Hartford	0% / \$0
Flexible Spending Accounts	Benefits Workshop	\$1,944
EAP	Florida Municipal Insurance Trust / UnitedHealthcare	Included in Medical Premiums
COBRA	UnitedHealthcare	0% / \$0



DISCUSSION

