



# Village of Biscayne Park Commission Agenda Report

**Village Commission Meeting Date:** May 3, 2016

**Subject:** Resolution 2016-21 Employee Health Benefits

**Prepared By:** Maria C. Camara, Interim Village Manager

**Sponsored By:** Staff

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## Background

The Village's current employee health benefit plan with Aetna Healthcare, Solstice Dental, and Unum Life Insurance will expire on May 31, 2016. Renewal is due effective June 1, 2016. This past year was the first year that Aetna Healthcare was the selected medical insurance provider with these two plan options:

- \$2,000 deductible with 100% coverage (low plan)
- \$1,000 deductible with 80% coverage (high plan)

The low plan is the basic plan provided by the Village. Employees have an option to upgrade to the high plan by paying the difference in the premiums.

Also implemented last year were:

- Employee contribution of \$10 per pay period (employees that are not part of a collective bargaining unit)
- Option to "opt out" if they are eligible for and provide proof of health insurance through an alternate source, with a \$1,500 annual incentive paid to the employee

The Village administration reviewed the renewal rates with the current Aetna plan along with four potential plans with Employee Health Benefits (EBS), our Benefits Consultants. Upon narrowing the selection down to two plans, Aetna and AvMed, feedback was gathered from employees regarding the current plan. Frequent feedback from employees regarding the Village's benefits continues to be the quality of our healthcare program.

**May 3, 2016**

**Commission Agenda Report**

**Resolution 2016-21**

Based on a side by side review of both plans, employee feedback of overall satisfaction with the current plan, and the negative impact to the employees in changing providers, the Administration recommends renewing the current Aetna policy, and still maintaining the employee contribution and option to “opt-out”.

Aetna’s renewal rates (monthly for each employee) for 2016-17 have increased from \$586.93 to \$649.33 (+10.63%). Note that during the Fiscal Year 2015-16 budget preparations, a 15% increase was already included for the months of June – September 2016.

The current \$15,000 life insurance policy is with Unum Life Insurance. The monthly rate for employees is \$5.85. There is no increase in this rate.

A “buy up” plan for dental and vision is also available through Solstice and the employee is responsible for the entire cost of those plans if they choose to select them. There are no increases in these rates.

### **Fiscal/Budget Impact**

Based on the current census of 24 employees with the employee contribution and current employees who have opted out:

Current fiscal year 2015-16 annual health benefits total: \$151,106.20

Next fiscal year 2016-17 annual health benefits total: \$164,233.64

An increase of \$13,127.44 (+8.69%)

### **Recommendation:**

Approval of Resolution 2016-21

### **Attachments:**

- Resolution 2016-21
- Aetna renewal rates
- Aetna / AvMed comparison

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2  
3 **RESOLUTION NO. 2016-21**  
4

5 **A RESOLUTION OF THE VILLAGE**  
6 **COMMISSION OF THE VILLAGE OF**  
7 **BISCAYNE PARK, FLORIDA,**  
8 **AUTHORIZING THE VILLAGE TO**  
9 **PROVIDE EMPLOYEE HEALTH**  
10 **BENEFITS FOR THE PERIOD OF JUNE 1,**  
11 **2016, THROUGH MAY 31, 2017;**  
12 **PROVIDING FOR AN EFFECTIVE DATE**  
13  
14

15 WHEREAS, the Village utilizes the professional services of Employee Benefits  
16 Solutions (“EBS”) to obtain quotes for the renewal of the employee health benefits; and  
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18 WHEREAS, in March and April 2015, Village administration and EBS evaluated  
19 quotes from multiple carriers for the renewal of the coverage period of June 1, 2016, through  
20 May 31, 2017, and carefully reviewed all options quoted to obtain the best possible plan that  
21 would benefit both the Village and the employees; and  
22

23 WHEREAS, the policy selected will be a renewal through Aetna Health Insurance  
24 which will allow employees the option to select from two plans; and  
25

26 WHEREAS, the Village will continue to utilize an employee contribution towards the  
27 cost of the premium in the amount of \$10 per pay period for all employees that are not a part of  
28 collective bargaining unit; and  
29

30 WHEREAS, the Village will continue to allow all employees to “opt-out” of the  
31 Village insurance program if they are eligible for and provide proof of health insurance  
32 through an alternate source, with a \$1,500 annual incentive, further reducing the Village’s  
33 annual cost for employee health benefit insurance.  
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35 NOW THEREFORE, BE IT RESOLVED BY THE VILLAGE COMMISSION OF THE  
36 VILLAGE OF BISCAYNE PARK, FLORIDA:  
37  
38

39 **Section 1.** The foregoing "Whereas" clauses are hereby ratified and confirmed as  
40 being true and correct and hereby made a specific part of this Resolution upon adoption hereof.  
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42 **Section 2.** The Interim Village Manager is authorized to engage the services of the  
43 selected insurance provider for the amount indicated, and to obtain enrollment in said health  
44 insurance plan prior to June 1, 2016. The health insurance proposal, in substantial form, is  
45 attached and incorporated by reference into this resolution as exhibit 1.  
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47 **Section 3.** The Insurance provider and policy selected is Aetna Health Insurance,  
48 FL Aetna Silver HNOOnly 2000-100 Plan and FL Aetna Gold HNOOnly 1000 80 Plan.

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**Section 4.** This Resolution shall become effective upon adoption.

PASSED AND ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2016.

**The foregoing resolution upon being put to a vote, the vote was as follows:**

\_\_\_\_\_  
David Coviello, Mayor

Mayor Coviello: \_\_\_\_  
Vice Mayor Watts: \_\_\_\_  
Commissioner Anderson: \_\_\_\_  
Commissioner Jonas: \_\_\_\_  
Commissioner Ross: \_\_\_\_

Attest:

\_\_\_\_\_  
Maria C. Camara, Village Clerk

Approved as to form:

\_\_\_\_\_  
John J. Hearn, Village Attorney



Village of Biscayne Park - Health Plan Bids  
 Effective June 1, 2016 - May 31, 2017

		Current		Renewal									
		Aetna HN 1000 80		Aetna HN 1000 80		AvMed HMO LG 200		NHP HMO ADGV PV		Humana HMO OPT 10 Gold		BCBS 14302	
		\$25/50, IH \$1k-80/20% RX \$3,10/50/75 OOP: IN \$3.5k/7k		\$25/50, IH \$1k-80/20% RX \$3,10/50/75 OOP: IN \$4k/8k		\$25/50, IH \$1.5k, \$750d x 3 RX \$10/40/80/50% OOP: \$3.5k/7k		\$25/25, IH \$1.25k- 100% RX \$10/35/60 OOP \$4k/5k		\$25/40, IH \$1k-80/20 RX \$10/30/50/25% OOP: \$4k/8k		\$30/60, IH \$2k-80/20% RX \$0/4/10, \$15/30/50/150 OOP \$3.5k/7k	
E only	3	\$	622.58	\$	692.51	\$	546.01	\$	637.95	\$	675.01	\$	660.94
E & Spouse	1	\$	1,245.17	\$	1,385.02	\$	1,092.02	\$	1,275.90	\$	1,350.03	\$	1,321.88
E & Child(ren)	0	\$	1,151.78	\$	1,281.14			\$	1,180.20	\$	1,248.77	\$	1,222.74
Family	0	\$	1,774.37	\$	1,973.65			\$	1,818.15	\$	1,923.79	\$	1,883.68
4		*\$546.01 per covered person											

		Aetna 2000 100		Aetna 2000 100		AvMed HMO LS 300		NHP HMO 80P PV		Humana HMO OPT 12 Silver		BCBS 16253	
		\$25/50, IH 2k-100% RX \$3,15/60/85 OOP: \$5k/10k		\$25/50, IH 2k-100% RX \$3,15/60/85 OOP: \$5.5k/11k		\$35/70, IH \$2.5k-\$750d x 3 RX \$15/45/85/50% OOP: \$6.5k/13k		\$25/25, IH \$2k-100% RX \$10/35/60 OOP \$4k/8k		\$40/75, IH \$2k-80/20 RX \$10/45/75/25% OOP: \$6.5k/13k		\$35/80, IH \$3k, \$1k RX \$0/4/10, \$30/60/100/150 OOP \$6.7k/13.4k	
E only	18	\$	586.93	\$	649.33	\$	479.19	\$	612.15	\$	589.06	\$	596.68
E & Spouse	0	\$	1,173.87	\$	1,298.66			\$	1,224.30	\$	1,178.12	\$	1,193.36
E & Child(ren)	0	\$	1,085.83	\$	1,201.66			\$	1,132.47	\$	1,089.77	\$	1,103.86
Family	0	\$	1,672.76	\$	1,850.59			\$	1,744.62	\$	1,678.83	\$	1,700.54
18		*\$479.19 per covered person											

22													
Monthly Premium	\$	13,677.65	\$	15,150.49	\$	11,355.47	\$	14,208.45	\$	13,978.14	\$	14,044.94	
Annual Premium	\$	164,131.80	\$	181,805.88	\$	136,265.64	\$	170,501.40	\$	167,737.68	\$	168,539.28	

Annual Difference	\$		\$	17,674.08	\$	(27,866.16)	\$	6,369.60	\$	3,605.88	\$	4,407.48
Annual Difference	%			10.77%		-16.98%		3.88%		2.20%		2.69%

Aetna vs Avmed 2016	Aetna		AvMed	
	HN Only 2000-100% (Low)		LS 300 Alt Low	
	Network	Non-Network	Network	Non-Network
Calendar Year Deductible	\$2,000/\$4,000	N/A	\$2,500/\$5,000	N/A
Coinsurance	100%		100%	
Per Admission Inpatient Copay	N/A		N/A	
Max. Out of Pocket	\$5,500/\$11,000		\$6,500/\$13,000	
Individual Life Time Max.	Unlimited		Unlimited	

**Outpatient Care:**

PCP Office Visits	\$30 copay		35 copay	
Specialist Services	\$60 copay		\$75 copay	
Advanced Radiology: (MRI,PET,CT, MRA scans) Hospital / Free Standing	100% after Deductible / \$300 copay		\$500 copay after Deductible/ \$300 copay	
Outpatient Surgery-Hospital	\$200 copay after Deductible		\$1,000 copay after Deductible	
Outpatient Surgery-Ambulatory Facility	\$100 copay		\$500 copay	
Physical/Speech/Occupational/ Therapy, 60 visits/Calendar	\$60 copay		\$75 copay, 35 visits	
Chiropractic Care, 20 visits/ Calendar	\$60 copay		\$35 copay 26 visits	
Durable Medical Equipment,	0% after Deductible		\$100 copay	

**Wellness:**

Well Child Care	\$0 copay		\$0 copay	
Physical Exams	\$0 copay		\$0 copay	
Well Woman Care	\$0 copay		\$0 copay	
Urgent Care	\$75 copay		\$75 copay	
Mammogram	\$0 copay		\$0 copay	
Ob prenatal /post natal	\$0/100% after Deductible		\$75 copay	
Infertility Services	Not Covered		Not Covered	
Vision for Children	\$0 copay Refractive eye exam		\$35 copay Refractive eye exam	

**Hospital:**

Inpatient Hospital	\$300 copay after Deductible		\$750 copay x 3d after Deductible	
Transplant Benefits	\$300 copay after Deductible		\$750 copay x 3d after Deductible	
Emergency Room	\$400 copay		\$500 copay	
Ambulance Services	100% after Deductible		\$150 copay after Deductible	

**Alternative Care:**

Skilled Nursing, 30 visit per Calendar	\$300 copay after Deductible		\$250 copay x 5d after Deductible	
Hospice, 210 days per Calendar	\$300 copay after Deductible		\$250 copay	
Home Health Care, 60 visits/Calendar	\$60 copay		\$60 copay after Deductible	

**RX:**

Prescription Drugs, 30 day supply	\$3,\$15/\$60/\$85		\$15/45/85	
Specialty Drugs	30% to \$300, 50% to \$500		50% after Deductible	
Mail Order Prescription, 90 day supply	\$6,\$30/\$120/\$170		\$37.50/112.50/212.50	

**Mental Health/Substance Abuse**

Mental Health Outpatient	\$60 copay		\$35 copay	
Mental Health Inpatient	\$300 copay after Deductible		\$750 x 3d copay after Deductible	
Substance Abuse Outpatient	\$60 copay		\$35 copay	
Substance Abuse Inpatient	\$300 copay after Deductible		\$750 x 3d copay after Deductible	

**Please Note:** This summary is not intended to supersede insurance contract or any other agreement. Where discrepancies may exist, your official contract controls -