



Village of Biscayne Park Commission Agenda Report

Village Commission Meeting Date: May 5, 2015

Subject: Resolution 2015-25

Prepared By: Heidi Siegel, Village Manager

Sponsored By: Staff

Background

The Village's current employee health benefit plan with Coventry Health Care of Florida, American Fidelity Assurance Group, and Unum Life Insurance will expire on May 31, 2015. Renewal is due effective June 1, 2015.

The current policy with Coventry Health Care of Florida provides medical benefits along with a basic dental and vision plan all combined under one plan. The cost of the monthly premium for employees of both the health and "gap" plan are paid 100% by the Village. Any spousal, domestic partner or dependent coverage is paid 100% by the employee. Twenty-four employees are currently provided medical insurance by the Village. The current monthly premium for employees is \$457.24. This plan has a deductible of \$5,000. Due to the high deductible under the Coventry Plan, the Village also provides a "gap" plan with American Fidelity Assurance Group which would reimburse out of pocket expenses such as in the case of the deductible. The monthly rate for employees is \$34.32, \$54.90 or \$93.14 based on the employee's age.

Frequent feedback from employees regarding the Village's benefits is the quality of our healthcare program. The high deductible, limited network, complicated "gap" plan program and plan limitations discourages employees from using the plan.

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The Village Manager began the process of reviewing quotes with Employee Health Benefits (EBS), our Benefits Consultants, by setting the following parameters: a better plan, cost efficiencies for the Village and lower deductible. These parameters were set with the goal of a proactive healthy workforce and to address the frustration that many employees do not use this expensive budgeted benefit due to its limitations.

The Village administration reviewed nine potential plans with EBS, including a quote from the Florida League of Cities Florida Municipal Insurance Trust (FMIT). Upon narrowing the selection down to four plans, a roundtable was held with a sampling of employees from all areas of Village employment. After a review of the plans, the two Aetna plans were selected.

Under this proposal, two plans will be offered to employees: \$1,000 deductible with 80% (high plan) coverage and \$2,000 deductible with 100% coverage (low plan). The low plan will be the basic plan provided by the Village. Employees will have an option to upgrade to the high plan by paying the difference in the plans.

In the recent past the Village has paid 100% of the premium of the basic plan for all Village employees. Due to the fact that there was no employee contribution to the basic plan, Village employees were not allowed to opt out of the insurance program; hence, the paid for the employee's premium even if they had insurance through spouse or domestic partner, through a previous employer, etc.

The following program changes are proposed by the Village Manager for the upcoming renewal:

- Selection of Aetna as the Village's insurance provider.
- Designate the low plan as the basic plan.
- Require an employee contribution of \$10 per pay period by all general employees for the basic plan. Currently, employees under collective bargaining (police and public works) will have the basic plan provided at no cost to the employee per their collective bargaining agreements. Including the employee

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contribution will allow the employees to opt-out of coverage and reduce the Village's premium.

- Employees who wish to upgrade to the high plan will contribute regardless whether they are a general employee or collective bargaining unit employee.
- The “gap” plan will be eliminated. Village employees can still participate at their own cost in Aflac.
- Allow all employees to “opt-out” of the Village insurance program.
 - Provide employees who opt-out a \$1,500 coverage year incentive that can be applied towards their non-Village health coverage.

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.

Based on the program outlined about this will be a 10.18% increase to the Village for annual premium with a better plan offering for employees, as opposed to a 16.25% increase last year with no plan design changes. During the Fiscal Year 2014-2015 budget preparations a 15% increase was included for the months of June - September. Additionally, the cost of the gap plan to the Village will be eliminated.

Fiscal/Budget Impact

Based on the current census of 24 employees, and continuing to pay for 100% of the premium cost with no employee contribution, the projected annual cost increase to the Village is \$1,215 per month, or \$14,582 for the year.

Recommendation: Approval.

Attachments: Resolution 2015-25 and quotes for Aetna and Solstice Dental

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3 **RESOLUTION NO. 2015-25**
4

5 **A RESOLUTION OF THE VILLAGE**
6 **COMMISSION OF THE VILLAGE OF BISCAYNE**
7 **PARK, FLORIDA, AUTHORIZING THE**
8 **VILLAGE TO PROVIDE EMPLOYEE HEALTH**
9 **BENEFITS FOR THE PERIOD OF JUNE 1, 2015,**
10 **THROUGH MAY 31, 2016; PROVIDING FOR AN**
11 **EFFECTIVE DATE.**
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14 WHEREAS, the Village utilizes the professional services of Employee Benefits
15 Solutions (“EBS”) to obtain quotes for the renewal of the employee health benefits; and
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17 WHEREAS, in March and April 2015, Village administration and EBS evaluated
18 quotes from multiple carriers for the renewal of the coverage period of June 1, 2015, through
19 May 31, 2016, and carefully reviewed all options quoted to obtain the best possible plan that
20 would benefit both the Village and the employees; and
21

22 WHEREAS, the policy selected will be through Aetna Health Insurance which will
23 allow employees the option to select from two plan options that provide lower deductibles and
24 cost efficiencies for the Village; and
25

26 WHEREAS, the Village will implement an employee contribution towards the cost of
27 the premium in the amount of \$10 per pay period for all employees that are not a part of
28 collective bargaining unit; and
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30 WHEREAS, the Village will implement a policy to allow all employees to “opt-out” of
31 the 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:
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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 Village Manager is authorized to engage the services of the selected
43 insurance provider for the amount indicated, and to obtain enrollment in said health insurance
44 plan prior to June 1, 2015. The health insurance proposal, in substantial form, is attached and
45 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 HNOnly 2000-100 Plan and FL Aetna Gold HNOnly 1000 80 Plan.

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Section 4. This Resolution shall become effective upon adoption.

PASSED AND ADOPTED this _____ day of _____, 2015.

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

David Coviello, Mayor

Mayor Coviello: ____
Vice Mayor Jonas: ____
Commissioner Anderson: ____
Commissioner Ross: ____
Commissioner Watts: ____

Attest:

Maria C. Camara, Village Clerk

Approved as to form:

John J. Hearn, Village Attorney



	Staff		Police	
	1k-80%	\$2k-100%	1k-80%	\$2k-100%
E	90.59%	96.09%	94.27%	0.00%
E/SP	45.29%	45.49%	47.14%	51.18%
E/CH	49.00%	49.18%	50.99%	51.18%
Family	31.79%	-31.92%	33.08%	33.22%

Village of Biscayne Park
June 1, 2015-May 31, 2016-

2015 Aetna Rates										EMPLOYER/EMPLOYEE ANNUAL COST			
Type	Coverage	Monthly Premium	Employer Contribution	Employee Monthly Contribution	2015 Employee Bi Weekly Contribution	2014 Employee Bi Weekly Contribution	Life Insurance	GAP Insurance	TOTAL Employer Subsidy	Current Emp Count	Employer Health, Life Cost	Employee Health, Life Cost	Total Health, Life
\$1k-80%													
POS	E	\$ 587.58	\$ 532.26	\$ 55.32	\$ 25.53	\$ 9.12	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
POS	ES	\$ 1,175.16	\$ 532.26	\$ 642.90	\$ 296.72	\$ 220.38	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
POS	ECH	\$ 1,086.26	\$ 532.26	\$ 554.00	\$ 255.69	\$ 259.44	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
POS	F	\$ 1,674.44	\$ 532.26	\$ 1,142.18	\$ 527.16	\$ 492.72	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
\$2k-100%													
POS	E	\$ 553.93	\$ 532.26	\$ 21.67	\$ 10.00	\$ -	\$ 5.85		\$ 538.11	13	\$ 83,945.68	\$ 3,380.00	\$ 87,325.68
POS	ES	\$ 1,170.00	\$ 532.26	\$ 637.74	\$ 294.34	\$ 203.05	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
POS	ECH	\$ 1,082.25	\$ 532.26	\$ 549.99	\$ 253.84	\$ 240.28	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -
POS	F	\$ 1,667.25	\$ 532.26	\$ 1,134.99	\$ 523.84	\$ 464.44	\$ 5.85		\$ 538.11	0	\$ -	\$ -	\$ -

Union Members													
Type	Coverage	Monthly Premium	Employer Contribution	Employee Monthly Contribution	2015 Employee Bi Weekly Contribution	2014 Employee Bi Weekly Contribution	Life Insurance	GAP Insurance	TOTAL Employer Subsidy	Current Emp Count	Employer Health, Life Cost	Employee Health, Life Cost	Total Health, Life
\$1k-80%													
POS	E	\$ 587.58	\$ 553.93	\$ 33.65	\$ 15.53	\$ 9.12	\$ 5.85		\$ 559.78	4	\$ 26,869.44	\$ 1,615.20	\$ 28,484.64
POS	ES	\$ 1,175.16	\$ 553.93	\$ 621.23	\$ 286.72	\$ 220.38	\$ 5.85		\$ 559.78	0	\$ -	\$ -	\$ -
POS	ECH	\$ 1,086.26	\$ 553.93	\$ 532.33	\$ 245.69	\$ 259.44	\$ 5.85		\$ 559.78	0	\$ -	\$ -	\$ -
POS	F	\$ 1,674.44	\$ 553.93	\$ 1,120.51	\$ 517.16	\$ 492.72	\$ 5.85		\$ 559.78	1	\$ 6,717.36	\$ 13,446.12	\$ 20,163.48
\$2k-100%													
POS	E	\$ 553.93	\$ 553.93	\$ -	\$ -	\$ -	\$ 5.85		\$ 559.78	6	\$ 40,304.16	\$ -	\$ 40,304.16
POS	ES	\$ 1,170.00	\$ 553.93	\$ 616.07	\$ 284.34	\$ 203.05	\$ 5.85		\$ 559.78	0	\$ -	\$ -	\$ -
POS	ECH	\$ 1,082.25	\$ 553.93	\$ 528.32	\$ 243.84	\$ 240.28	\$ 5.85		\$ 559.78	0	\$ -	\$ -	\$ -
POS	F	\$ 1,667.25	\$ 553.93	\$ 1,113.32	\$ 513.84	\$ 464.44	\$ 5.85		\$ 559.78	0	\$ -	\$ -	\$ -

- (1) Total Health Insurance Premium, Life
- (2) Health Insurance excludes Life Insurance Premium

	Employer Portion	Employee Portion	(1) Total
2015	157,836.64	18,441.32	176,277.96
2014	143,254.08	13,759.80	157,013.88
\$	14,582.56	4,681.52	19,264.08
%	10.18%	34.02%	12.27%
(2) Total Health			
2015	(2) Health Insurance Premium		\$ 174,593.16
2014	(2) Health Insurance Premium		\$ 144,891.96
			\$ 29,701.20
			20.50%

Plan Year 2015/16	Coventry		Aetna	
	POS Premier Choice 800/5000 (Low)		HN Only 2000-100% (Low)	
	Network	Non-Network	Network	Non-Network
Calendar Year Deductible	\$5,000/\$10,000	\$7,500/\$15,000	\$2,000/\$4,000	N/A
Coinsurance	80/20%	60/40%	100%	
Per Admission Inpatient Copay	N/A	N/A	N/A	
Max. Out of Pocket	\$7,000/\$14,000	\$10,000/\$20,000	\$5,000/\$10,000	
Individual Life Time Max.	Unlimited	Unlimited	Unlimited	

Outpatient Care:

PCP Office Visits	\$25 copay	40% after Deductible	\$30 copay	
Specialist Services	\$50 copay	40% after Deductible	\$60 copay	
Advanced Radiology: (MRI,PET,CT, MRA scans) Hospital	20% after Deductible	40% after Deductible	\$300 copay	
Outpatient Surgery-Hospital	20% after Deductible	40% after Deductible	\$200 copay after Deductible	
Outpatient Surgery-Ambulatory Facility	\$250 copay	40% after Deductible	\$100 copay	
Physical/Speech/Occupational/ Therapy, 60 visits/Calendar	20% after Deductible	40% after Deductible	\$60 copay	
Chiropractic Care, 20 visits/ Calendar	\$50 copay	40% after Deductible	\$60 copay	
Durable Medical Equipment,	20% after Deductible	40% after Deductible	0% after Deductible	

Wellness:

Well Child Care	\$0 copay	Not Covered	\$0 copay	
Physical Exams	\$0 copay	Not Covered	\$0 copay	
Well Woman Care	\$0 copay	Not Covered	\$0 copay	
Urgent Care	\$50 copay	40% after Deductible	\$75 copay	
Mammogram	\$0 copay	40% after Deductible	\$0 copay	
Ob prenatal /post natal	\$50 copay, 1st visit	40% after Deductible	\$0/100% Deductible	
Infertility Services	Not Covered	Not Covered	Not Covered	
Vision for Children	\$0 copay Refractive eye exam	Not Covered	\$0 copay Refractive eye exam	

Hospital:

Inpatient Hospital	20% after Deductible	40% after Deductible	\$300 copay after Deductible	
Transplant Benefits	20% after Deductible	40% after Deductible	\$300 copay after Deductible	
Emergency Room	\$250 copay		\$400 copay	
Ambulance Services	20% after Deductible		100% after Deductible	

Alternative Care:

Skilled Nursing, 30 visit per Calendar	20% after Deductible	40% after Deductible	\$300 copay after Deductible	
Hospice, 210 days per Calendar	20% after Deductible	40% after Deductible	\$300 copay after Deductible	
Home Health Care, 60 visits/Calendar	20% after Deductible	40% after Deductible	\$60 copay	

RX:

Prescription Drugs, 30 day supply	\$3/\$20/\$45/\$70	Not Covered	\$3,\$15/\$60/\$85	
Specialty Drugs	20%	Not Covered	30% to \$300, 50% to \$500	
Mail Order Prescription, 90 day supply	\$3/\$20/\$90/\$210	Not Covered	\$6,\$30/\$120/\$170	

Mental Health/Substance Abuse

Mental Health Outpatient	\$50 copay	40% after Deductible	\$60 copay	
Mental Health Inpatient	20% after Deductible	40% after Deductible	\$300 copay after Deductible	
Substance Abuse Outpatient	\$50 copay	40% after Deductible	\$60 copay	
Substance Abuse Inpatient	20% after Deductible	40% after Deductible	\$300 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 -

Plan Year 2015/16	Coventry		Aetna	
	POS Premier Choice 100/5000 (High)		HN Only 1000-80% (High)	
	Network	Non-Network	Network	Non-Network
Calendar Year Deductible	\$5,000/\$10,000	\$7,500/\$15,000	\$1,000/\$2,000	N/A
Coinsurance	100%	60/40%	80%	
Per Admission Inpatient Copay	N/A	N/A	N/A	
Max. Out of Pocket	\$6,000/\$12,000	\$10,000/\$20,000	\$3,500/\$7,000	
Individual Life Time Max.	Unlimited	Unlimited	Unlimited	

Outpatient Care:

PCP Office Visits	\$25 copay	40% after Deductible	\$25 copay	
Specialist Services	\$50 copay	40% after Deductible	\$50 copay	
Advanced Radiology: (MRI,PET,CT, MRA scans) Hospital	0% after Deductible	40% after Deductible	\$300 copay	
Outpatient Surgery-Hospital	0% after Deductible	40% after Deductible	\$500 copay after Deductible	
Outpatient Surgery-Ambulatory Facility	\$250 copay	40% after Deductible	\$300 copay	
Physical/Speech/Occupational/ Therapy, 60 visits/Calendar	0% after Deductible, 60 visits per CY	40% after Deductible	20% after Deductible	
Chiropractic Care, 20 visits/ Calendar	\$50 copay, 20 visits CY	40% after Deductible	20% after Deductible	
Durable Medical Equipment,	0% after Deductible	40% after Deductible	20% coinsurance	

Wellness:

Well Child Care	\$0 copay	Not Covered	\$0 copay	
Physical Exams	\$0 copay	Not Covered	\$0 copay	
Well Woman Care	\$0 copay	Not Covered	\$0 copay	
Urgent Care	\$50 copay	40% after Deductible	\$75 copay	
Mammogram	\$0 copay	40% after Deductible	\$0 copay	
Ob prenatal /post natal	\$50 copay, 1st visit	40% after Deductible	\$0 copay/20% after Deductible	
Infertility Services	Not Covered	Not Covered	Not Covered	
Vision for Children	\$0 copay Refractive eye exam	Not Covered	\$0 copay Refractive eye exam	

Hospital:

Inpatient Hospital	0% after Deductible	40% after Deductible	20% after Deductible	
Transplant Benefits	0% after Deductible	40% after Deductible	20% after Deductible	
Emergency Room	\$250 copay		\$300 copay	
Ambulance Services	Deductible + 0%		20% after Deductible	

Alternative Care:

Skilled Nursing, 30 visit per Calendar	0% after Deductible, 30 visits per CY	40% after Deductible	20% after Deductible	
Hospice, 210 days per Calendar	0% after Deductible, 210 days per CY	40% after Deductible	20% coinsurance	
Home Health Care, 60 visits/Calendar	0% after Deductible, 60 visits per CY	40% after Deductible	\$50 copay	

RX:

Prescription Drugs, 30 day supply	\$3/20/45/70	Not Covered	\$3,\$10/\$50/\$75	
Specialty Drugs	20%		30% to \$300, 50% to \$500	
Mail Order Prescription, 90 day supply	\$3/20/90/210	Not Covered	\$6,\$20/\$100/\$150	

Mental Health/Substance Abuse

Mental Health Outpatient	\$50 copay	40% after Deductible	\$50 copay	
Mental Health Inpatient	0% after Deductible	40% after Deductible	20% after Deductible	
Substance Abuse Outpatient	\$50 copay	40% after Deductible	\$50 copay	
Substance Abuse Inpatient	0% after Deductible	40% after Deductible	20% 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 -