



MEMORANDUM

To: City of Menasha Administration Committee

From: Peggy Steeno, Director of Administrative Services

Date: September 30, 2015

RE: 2017 – 2018 Health Insurance

BACKGROUND

In November of 2014, the City of Menasha contracted with Wisconsin Counties Association/Group Health Trust (WCA/GHT) to be the City's medical insurance carrier for the calendar years 2015 and 2016. By selecting this plan, the City saved approximately \$138,000 in comparison to the renewal offered by the City's previous provider Wisconsin Education Association Insurance Trust (WEA), for the same benefits.

WCA/GHT has delivered on all of the commitments made to the City as part of this agreement. While there are always things that can be improved upon, the overall experience with WCA/GHT has been positive. In regard to the issues that have arisen, in the areas of coverage and customer service, I am pleased to report that all issues have been resolved. In addition, according recent survey completed by employees with regard to City benefits, the results showed that employees are satisfied with the WCA/GHT.

There were a few small plan design changes approved by the Council and implemented for the 2016 plan year that enabled the City to hold the increase, for the 2016 plan year, to 2.5% over the 2015 rates.

In regard to 2017 and 2018, the City has received a proposal, for the same plan benefits, with rates as follows:

2016 Rates

<i>Single Plan -</i>	<i>\$502.25 per month</i>
<i>Employee/Child Plan -</i>	<i>\$932.75 per month</i>
<i>Employee Spouse Plan -</i>	<i>\$1,060.88 per month</i>
<i>Family Plan -</i>	<i>\$1,633.85 per month</i>

2017 Rates

Single Plan -	\$517.32 per month
Employee/Child Plan -	\$960.73 per month
Employee Spouse Plan -	\$1,092.70 per month
Family Plan -	\$1,682.86 per month

2018 (Not-to-Exceed) Rates

Single Plan -	\$558.71 per month
Employee/Child Plan -	\$1,037.59 per month
Employee Spouse Plan -	\$1,180.12 per month
Family Plan -	\$1,817.49 per month

The above rates are proposed to increase 3% in 2017, and guaranteed to increase not more than 8% in 2018, both without any plan design changes.

There is a caveat to this proposal. The proposal is predicated on the City of Menasha agreeing to renew with WCA/GHT without going to the market to ‘shop’ for other insurance carriers. The reason for this request is that WCA/GHT has invested significant funds in the Blue Jay Clinic on behalf of the City of Menasha, and it is important for them to get a longer term benefit from their investment.

ANALYSIS

While the request to enter into the agreement without comparison shopping is not typical, in this case, it makes sense, for the following reasons:

- WCA/GHT was the lowest cost provider, by a large margin when shopping for insurance for the 2015 plan year,
- Industry increases in the market currently are much higher than the 3% and 8% proposed by WCA/GHT,
- The provider network provide under this plan is extremely broad, known to be one of the most inclusive networks in the state,
- There are a number of additional benefits that come with the existing company; they are as follows:
 - The company provides the availability of the Blue Jay Clinic, when covered members can go for various medical needs, at no cost to members,
 - The company provides a \$50 gift card, annually, to all employees/spouses that complete an annual physical and notify WCA/GHT of the same,
 - The company provides HRA/Biometrics Testing, annually, to city employees/spouse at no additional cost,

- The company provides funding for flu shots, annually, for covered members at no cost,
- The company provides a physical fitness incentive, in the form of cash reimbursement, \$120 Single Plan / \$240 Family Plan, annually, for membership at a health club,
- The company pays all required ACA fees on the city's behalf,
- The company provides an incentive to covered members that select Smart Choice MRI, for their imaging needs, and
- The company provides a wellness grant to the City each year for wellness related activities.

For all of the reasons listed above, remaining with WCA/GHT for the years 2017 and 2018, under the above noted terms, is the right good choice.

FISCAL IMPACT

The fiscal impact of this item is approximately \$3,660 per month. However, employees are currently contributing 2.5% to the premiums, and staff will be proposing an increase in the contribution percentage for 2017 and beyond, so the City will not bear the entire cost of the increase.

RECOMMENDATION

Staff is requesting approval of a two year agreement, with WCA/GHT, to provide health insurance, at the rates and terms listed above.



MEMORANDUM

To: City of Menasha Administration Committee
From: Peggy Steeno, Director of Administrative Services
Date: September 29, 2016
RE: 2017-2018 Dental Insurance

BACKGROUND

The City is self-insured for dental coverage, and the plan is administered through Delta Dental. As the administrator, Delta Dental has provided experience information for claims and administrative fees for the most recent twelve (12) month period. *Staff has reviewed this information, and no increase in premiums is required for 2017.*

The City's current rates, which have not changed since 2011, as well as the projected rates for 2017, are as follows:

<u>2016 Rates</u>	<u>2017 Rates</u>
Single Plan - \$43.05 per month	Single Plan – No Change
Family Plan - \$114.67 per month	Family Plan – No Change

In regard to responsibility for the payment of premiums, the City pays 90% and the employees pay 10%. In addition, the City charges COBRA rates at the same level as employee rates. The City does have the ability to add an additional 2% on COBRA policies, however it has not done so in the past and staff is not recommending it for 2017.

In addition to keeping the administration fee at the current rate, Delta Dental has also committed to maintain the same rate for 2018.

ANALYSIS

The City has been able to hold the same dental insurance rates in place for the past six years, and is fortunate to be able to do this for 2017 as well. Since the City is self-funded, staff also monitors claims on a monthly basis, and will continue to do so in the future.

In regard to the administration fee paid to the plan administrator, the \$5.50 per employee, per month is a very favorable rate, as all of the comparable administrators charge a higher rate. In addition, with regard to the network available to the City through Delta

Dental, this also is very favorable with the current plan administrator in comparison to other plan administrators.

In addition, in a recent survey completed by employees with regard to City benefits, the results showed that employees are satisfied with the customer service provided by Delta Dental.

FISCAL IMPACT

There is no specific fiscal impact with this request, as the rates are remaining stable. However, please note the actual amount paid for dental insurance each year depends on the selections employees make with regard to choosing or not choosing to take the insurance, and the level of insurance that is selected.

RECOMMENDATION

Staff recommends approval of the following:

- A two year agreement, from January 1, 2017 through December 31, 2018, with Delta Dental to provide plan administration services for dental insurance, and
- The above noted dental insurance rates for 2017.



MEMORANDUM

To: City of Menasha Administration Committee
From: Peggy Steeno, Director of Administrative Services
Date: September 29, 2016
RE: 2017 - 2020 Vision Insurance

BACKGROUND

The City currently contracts with Superior Vision to provide a materials only vision insurance plan. The City has been under a fixed, three-year contract since 2014, with that contract ending on December 31, 2016.

The City’s current rates, which have not changed since 2014, along with the proposed rates for January 1, 2017 through December 31, 2020, are as follows:

<u>2014 - 2016 Rates</u>		<u>2017 – 2020 Rates</u>	
Single Plan -	\$4.84 per month	Single Plan –	\$5.03 per month
Ltd. Family Plan -	\$9.68 per month	Ltd. Family Plan -	\$10.07 per month
Family Plan -	\$12.77 per month	Family Plan –	\$13.28 per month

In regard to responsibility for the payment of premiums, the City pays 90% and the employees pay 10%. In addition, the City charges COBRA rates at the same level as employee rates. The City does have the ability to add an additional 2% on COBRA policies, however it has not done so in the past and staff is not recommending it for 2017.

ANALYSIS

The City has been able to hold the same vision rates in place for the past three years, and the increase that is being proposed to hold the rates at the proposed 2017 level for the next 4 years is a favorable proposal.

In regard to comparisons, staff has worked with the City’s insurance consultant on comparable plans and pricing, and has not been able to find better rates for equivalent coverage.

In addition, in a recent survey completed by employees with regard to City benefits, the results showed that employees are satisfied with the customer service provided by Superior Vision.

FISCAL IMPACT

The fiscal impact attached to this request, based on the 2016 selections that employees have made for vision insurance, is additional \$434 annually, in premiums paid by the City. However, please note the actual amount paid for vision insurance each year depends on the selections employees make with regard to choosing or not choosing to take the insurance, and the level of insurance that is selected.

RECOMMENDATION

Staff recommends approval of a four year agreement, with Superior Vision, to provide vision insurance, at the rates listed above.