



City of Benbrook

CITY COUNCIL COMMUNICATION

DATE: 10/03/19	REFERENCE NUMBER: C-326	SUBJECT: Award Contract for Employee Health Insurance	PAGE: 1 of 2
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CURRENT PLAN

United Health Care (UHC) provides group health insurance coverage for full-time City employees and their eligible dependents through an Exclusive Provider Organization (EPO) plan. The City pays the employee premium for full-time employees. Optional coverage is available for eligible dependents. Employees are responsible for payment of dependent premiums; the City subsidizes a portion of the dependent premium.

The City's group plan is available to City retirees (at their cost), Benbrook Library District (BLD) employees, and eligible dependents for these groups.

The current monthly rates for the employee and employer combined are: \$706.27 for an employee, an additional \$847.53 for a spouse, an additional \$600.33 for children, and an additional \$1,553.81 for family coverage.

DEPENDENT CARE SUBSIDY

The City has subsidized dependent coverage for over thirty years. The current monthly dependent subsidy amounts are: \$559.46 for spouse-only coverage, \$391.21 for children-only coverage, and \$1,075.64 for family coverage.

CITY REIMBURSEMENT PROGRAM

The current reimbursement rate for out-patient procedures and surgery is a maximum of \$1,000 per occurrence. The reimbursement rate for hospitalization is a maximum of \$2,000 per admission. Employees and covered dependents are eligible for the reimbursements. The City will reimburse the employee \$200 of the \$500 co-pay for Emergency Room treatments.

The City contributes up to \$500 to the Section 125 plan account for full-time employees who do not have dependent health insurance coverage through the City of Benbrook.

PROPOSED RENEWAL

In August 2019, UHC proposed a renewal rate increase of 8.8 percent. Thereafter, the City's Agent of Record negotiated with UHC to secure a lower rate. As a result of the negotiations with UHC, there is no rate increase (0%) and no changes in services, benefits, co-payments, and deductibles. This is the first time in many years that there has not been a rate increase for health insurance.

SUBMITTED BY:	DISPOSITION BY COUNCIL: <input type="checkbox"/> APPROVED <input type="checkbox"/> OTHER (DESCRIBE)	PROCESSED BY: CITY SECRETARY
CITY MANAGER		DATE:

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PROPOSED RATES

The employee and employer combined costs will remain the same as last year.

ESTIMATED COST OF RENEWAL

The total City cost is estimated at \$1,852,096; this amount is below the 2019-20 Budget allocation by \$374,493.

RECOMMENDATION

Staff recommends that the City Council approve a one-year contract, effective November 1, 2019, with United Health Care for provision of the City of Benbrook's group health insurance.