RESOLUTION R17-830

A RESOLUTION AUTHORIZING THE RENEWAL OF CERTAIN MEDICAL, VISION, DENTAL AND LIFE & DISABILITY INSURANCE POLICIES; AUTHORIZING THE CITY CLERK TO ATTEST SIGNATURES AND AFFIX THE OFFICIAL SEAL OF THE CITY, AS NECESSARY; REPEALING INCONSISTENT RESOLUTIONS; PROVIDING FOR AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the City of Stockbridge ("City") is a municipal corporation located within Henry County, Georgia duly organized and existing under the laws of the State of Georgia and is charged with providing public services to residents located within the corporate limits of the City; and

WHEREAS, the City finds it necessary and desirable to renew certain medical, dental, vision and life & disability insurance policies;

THEREFORE, IT IS NOW RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKBRIDGE, GEORGIA, AS FOLLOWS:

1. **Approval of Execution.** The City Council hereby approves the renewal of certain insurance policies for the employees of the City as follows:

Medical Coverage:	CIGNA
Dental:	Humana
Vision:	EyeMed
Life and Disability Insurance:	Mutual of Omaha

The Mayor or Mayor Pro Tem is hereby authorized to execute said policies with such changes as are recommended by the City Attorney.

2. **Documents.** The City Clerk is authorized to execute, attest to, and seal any documents which may be necessary to effectuate the amendment, subject to approval as to form by the City Attorney.

3. **Severability.** To the extent any portion of this Resolution is declared to be invalid, unenforceable or non-binding, that shall not affect the remaining portions of this Resolution.

4. **Repeal of Conflicting Provisions.** All City resolutions are hereby repealed to the extent they are inconsistent with this Resolution.

5. **Effective Date.** This Resolution shall be effective on the date of its approval by the City Council and Mayor as provided in the City Charter.

SO BE IT RESOLVED this 12th day of June, 2017.

JUDY NEAL, Mayor

ATTEST:

VANESSA HOLIDAY, City Clerk (SEAL)

APPROVED AS TO FORM:

MICHAEL WILLIAMS, City Attorney

City of Stockbridge

Employee Benefits Renewal - Executive Summary

5-23-2017

The intent of this document is to provide an Executive Summary to City of Stockbridge on their 2017 – 2018 Employee Benefit Plan Options.

Strongside Solutions LLC is a Georgia based healthcare consulting firm. We have over 20 years of experience in helping employers identify and reach their benefit goals. We are experts in working fully-insured plans and crafting self-funded group insurance offerings. We deliver a comprehensive suite of Broker Services that ensure our clients receive the best possible value for their benefit spend while reducing administration and staying compliant.

We have been working with the City of Stockbridge on many strategies to reduce their overall annual benefit costs, provide richer benefits and improve the health of its employees. These strategies include implementing annual marketing of the benefits program and evaluating the financial viability and impact of split deductibles, level funded, shared pooling programs and wellness programs.

Medical:

Cigna performed well as a medical plan provider for the 2016-2017 plan year. The City of Stockbridge medical plan had a high claims utilization year. The claims to premium ratio is 158%. This means that for every $1.00 you paid in premiums, Cigna paid out $1.58 in claims. Because of the high claims utilization, Cigna proposed a 2017 – 2018 renewal of 30% which equates to an increase of $218,868. The 158% loss ratio was a combination of shock claims (one time unavoidable claims) and increase in the Perscription Drug spend.

Strongside Solutions has marketed your medical plan to all appropiate medical providers and received proposals or declinations from the marketplace. We also explored alternative funding plans which included partially self-funded options as well as shared pooling captive options.

These marketing efforts included:

- All Fully Insured Carriers including multiple plan options
- All Level Funded Carriers including multiple plan options

- Captive markets
- 18 Stop Loss markets
- 6 Third Party Administrators

These marketing efforts ensure the City of Stockbridge is receiving the best possible insurance program and the lowest costs to the City, its employees and shows that the City is being a good Fiduciary to its citizens.

We evaluated all of the carrier proposals and only United Healthcare provided plans most similar to current with competitive rates. The UHC plan did have a lower In and Out of Network coinsurance % effectively raising the costs to the employee.

We were able to negotiate a final Cigna renewal of 12% keeping the same medical plan. The lower renewal of 12% equated to an $81,950 annual increase which is lower than the forecasted 18% for the 2017-2018 plan year. The reduced renewal represents a negotiated cost reduction of $124,440 over the original renewal.

Medical - Health Riembursment Arrangement:

A Health Reimbursement Arrangement (HRA) is a tax-advantaged benefit that allows both employees and employers to save on the cost of healthcare. The City of Stockbridge has utilized a Health Riembursment Arrangement to lower the cost of healthcare to their employees for several years. An HRA is where the employee pays a portion of the in-network deductible, and the employer pays the remaining portion of the deductible.

Strongside Solutions is making a recommendation to renew with Cigna on the current medical plan for the 2017 – 2018 plan year, maintain the current level Health Riembursment Arrangement and implementing a Persdcription Drug cost savings programs to lower the overall RX spend.

Wellness Program:

The City of Stockbridge Wellness program provides evaluation, testing, group challenges and educational programs. The Wellness program has identified many medical conditions and helped employees receive earlier treatment for these conditions resulting in lower severity than if not detected. The Wellness program provides an educational and culture of wellness that encourages and supports healthier lifestyles.

Dental:

Humana preformed well as a dental plan provider for the 2016-2017 plan year. Humana proposed a 6% increase for the 2017 – 2018 plan year which represents a $3,014 annual increase.

Strongside Solutions has negotiated the Humana dental renewal to a 0% change in pricing for a rate continuation for the 2017-2018 plan year with the existing dental benefit plan.

Strongside Solutions is recomending to renew with Humana for dental on the existing plan.

Vision:

EyeMed preformed well as a Vision plan provider for the 2016-2017 plan year. Strongside Solutions has negotiated a 48 month rate guarantee from EyeMed for last year's renewal.

EyeMed vision is under a rate guarantee until 2018 with no increase and will automatically renew.

Basic Life, Voluntary Life, Short Term Disability and Long Term Disability:

Mutual of Omaha performed well as the Life and Disability carrier for the 2016 – 2017 plan year.

Strongside Solutions has negotiated a rate continuation with no increase in cost on all lines of coverage with Mutual of Omaha. All lines of coverage with Mutual of Omaha will automatically renew with no increase in costs.

Recomendation:

Medical:

The Cigna health plan will offer the City of Stockbridge the best Medical plan for the associated costs while providing stability to the employees. Strongside Solutions is making a recommendation to renew with Cigna on the current medical plan for the 2017 – 2018 plan year, maintain the current level Health Reimbursement Arrangement, maintaining the current level of the Wellness program and implementing a Persdcription Drug cost savings programs to lower the overal RX spend.

Dental:

The Humana Dental program will offer the City of Stockbridge best Dental plan for the associated costs while providing stability to the employees. Strongside Solutions is recomending to renew with Humana for dental on the existing plan

Vision:

The EyeMed Vision program will offer the City of Stockbridge best Vision plan for the associated costs while providing stability to the employees. EyeMed vision is under a rate guarantee until 2018 with no increase and will automatically renew.

Basic Life, Voluntary Life, STD, LTD:

All lines of coverage with Mutual of Omaha will automatically renew with no increase in costs.

We hope that this executive summary and recomendation provided strategy and clarity of how we approach delivering our services to City of Stockbridge. We look forward to many years of successful service to you, your team and your employees

If you need further clarification, additional information or options, please do not hesitate to give me a call.

Thank You,

Wendell Strickland
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Consultant

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STRONGSIDE

City of Stockbridge
Health Plan Renewal
July 1, 2017

Benefits	Cigna Level Funded POS	Cigna Level Funded POS	United Healthcare AR-WN (BALANCED) RX PLAN 2V	United Healthcare AR-YT (BALANCED) RC PLAN 2V
			Fully Insured	Fully Insured
Physician and Hospital Network	Open Access Plus	Open Access Plus	Choice Plus HMO	Choice HMO (Gate Keeper)
Individual/Family Deductible				
In-Network	$2,500/$5,000	$2,500/$5,000	$2,000/$4,000	$3,000/$6,000
Out-of-Network	$4,000/$8,000	$4,000/$8,000	$4,000/$8,000	$0/$0
Coinsurance Percentage				
In-Network	100%	100%	90%	100%
Out-of-Network	80%	80%	60%	0%
In Network Copays				
Primary Care Physician Office Visit	$30	$30	$25	$25
Specialist Office Visit	$60	$60	$50	$50
Urgent Care	$100	$100	$100	$75
Emergency	$250	$250	$350/per visit, deductible does not apply	$350/per visit, deductible does not apply
In-Patient Hospital	Deductible & Coinsurance	Deductible & Coinsurance	Deductible & Coinsurance	Deductible & Coinsurance
Individual/Family Out-of-Pocket				
In Network	$5,000/$10,000	$5,000/$10,000	$6,000/$12,000	$5,000/$10,000
Out of Network	$8,000/$16,000	$8,000/$16,000	$12,000/$24,000	$0/$0
** includes deductible*				
Preventive Care				
In-Network	100%	100%	100%	100%
Out-of-Network	80%	80%	60%	70%
Prescription Drug Card				
Rx Calendar Year Deductible	None	None	None	None
Tier 1/1A	$10/NA	$10/NA	$10/NA	$10/NA
Tier 2/2A	$35/NA	$35/NA	$35/NA	$35/NA
Tier 3/3A	$60/NA	$60/NA	$60/NA	$60/NA
Tier 4/4A	NA - covered in their 3	NA - Covered in tier 3	Covered in Tier 3	Covered in Tier 3
Mail Order Maintenance Drugs	3X Copay 90 Day Supply	3X Copay 90 Day Supply	2.5X Copay 90 Day Supply	2.5X Copay 90 Day Supply
Lifetime Maximum				
In-Network	Unlimited	Unlimited	Unlimited	Unlimited
Out-of-Network	Unlimited	Unlimited	Unlimited	Unlimited

	Census	Current	Renewal			
Employee Only	26	$488.32	$ 593.77	$511.07	$516.95	$501.16
Employee and Spouse	6	$941.46	$ 1,246.91	$1,073.26	$1,240.49	$1,202.60
Employee and Children	22	$851.81	$ 1,128.15	$971.03	$827.77	$846.11
Family	15	$1,344.94	$ 1,781.29	$1,533.21	$1,678.76	$1,627.48
Monthly Premium by Plan		**$ 57,259**	**$ 74,458**	**$64,088**	**$64,276**	**$63,272**
Annual Premium by Plan		**$ 687,108**	**$ 893,498**	**$769,058**	**$771,312**	**$759,268.56**
Percentage Change from Current			**30.04%**	**Final Negotiated 12%**	**12%**	**11%**

Rates reflect final underwritten proposals