

RESOLUTION RR-943

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:

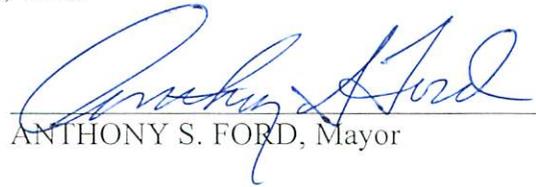
Medical Coverage:	CIGNA
Dental:	Humana
Vision:	EyeMed
Life and Disability Insurance:	Mutual of Omaha
Health & Wellness Program:	Atlanta Health Solutions

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 **Repeal of Conflicting Provisions.** All City resolutions are hereby repealed to the extent they are inconsistent with this Resolution.

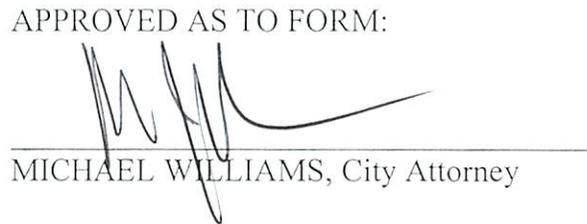
5. **Effective Date.** This Resolution shall be effective on the date of its approval by the City Council and Mayor as provided in the City Charter.

SO BE IT RESOLVED this 11th day of June, 2018.


ANTHONY S. FORD, Mayor

ATTEST:

VANESSA HOLIDAY, City Clerk (SEAL)

APPROVED AS TO FORM:

MICHAEL WILLIAMS, City Attorney



City of Stockbridge

Employee Benefits Renewal - Executive Summary

5-28-2018

The intent of this document is to provide an Executive Summary to City of Stockbridge on their 2018 – 2019 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 2017-2018 plan year. The City of Stockbridge medical plan had a high claims utilization year. The claims to premium ratio is 123%. This means that for every \$1.00 you paid in premiums, Cigna paid out \$1.23 in claims totaling over \$173,308, more than premiums. Because of the high claims utilization, Cigna proposed a 2018 – 2019 initial renewal of 30.04% which equates to an increase of \$232,740. The 123% loss ratio was a combination of shock claims (one-time unavoidable claims), ongoing medical conditions and an increase in the Prescription Drug spend.

Strongside Solutions has marketed your medical plan to all appropriate 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 relevant Fully Insured Carriers including multiple plan options

- All relevant Level Funded Carriers including multiple plan options
- Captive markets
- 4 Stop Loss markets
- 2 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 the carrier proposals received and only Aetna provided plans most similar to current with competitive rates. The Aetna plan has a higher out of pocket maximum and has a higher cost pharmacy copay plan. These changes reduce the viability of implementing the Aetna plan.

We were able to negotiate a final Cigna renewal of 13.1% keeping the same medical plan. The lower renewal of 13.1% equated to an \$101,770 annual increase which is lower than the forecasted 18% for the 2018-2019 plan year. The reduced renewal represents a negotiated cost reduction of \$130,930 over the original renewal.

Medical - Health Reimbursement 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 Reimbursement 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 2018 – 2019 plan year, maintain the current level Health Reimbursement Arrangement.

Wellness Program:

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

Strongside Solutions is making a recommendation to maintain the wellness plan for the 2018 – 2019 plan year.

Dental:

Humana performed well as a dental plan provider for the 2017-2018 plan year. Humana proposed a 6% increase for the 2018 – 2019 plan year which represents a \$4,014 annual increase.

Strongside Solutions has negotiated the Humana dental renewal to a 2% change in pricing for a rate continuation for the 2018-2019 plan year with the existing dental benefit plan. The 2% increase represents an annual increase of \$1,040.

Strongside Solutions is recommending to renew with Humana on the existing Dental plan for the 2018-2019 plan year.

Vision:

EyeMed performed well as a Vision plan provider for the 2017-2018 plan year. Strongside Solutions has negotiated a 48-month rate guarantee from EyeMed for the 2019 renewal.

EyeMed vision is under a rate guarantee until 2019 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 2017 – 2018 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 for the 5th year in a row.

Recommendation:

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 2018 – 2019 plan year, maintain the current level Health Reimbursement Arrangement, maintaining the current level of the Wellness program.

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 recommending 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 2019 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 recommendation provided strategy and clarity of how Strongside Solutions approaches 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
Strongside Solutions
CEO / Consultant

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