



MEMORANDUM

To: Mayor England
Vice Mayor Kostka
Commissioner George
Commissioner Rumrell
Commissioner Samora

From: Beverly Raddatz, City Clerk / HR Director / Risk Manager / Purchasing *BR*

Date: July 6, 2020

Subject: Request for Proposal 20-04 Health, Dental, Vision, EAP, Life

BACKGROUND

At the May 4, 2020 Regular Commission meeting, the Commission confirmed to submit a Request for Proposal (RFP) for health, dental, vision, employee assistance program and life insurance. I created the Request for Proposal (RFP) 20-04 and placed it on Demand Star and the City's webpage on May 28, 2020. Demand Star sent the RFP 20-04 to over 1,000 Florida licensed carriers. As questions arose from interested parties, I posted and emailed more amendments to answer their questions. The bid opening was on July 1, 2020 at 3:00 p.m., which Deputy City Clerk Fitzgerald read out loud and City Clerk Raddatz, Finance Director Douylliez, and Records Clerk Cadwallader were in attendance.

RESPONSES

The following responded to the RFP 20-04:

- | | |
|--------------------------------------|---------------------------------------|
| 1. The Bailey Group | Health, Dental, Vision, EAP, and Life |
| 2. Florida Municipal Insurance Trust | Health, Dental, Vision, EAP, and Life |
| 3. Owen and Associates | Health, Dental, Vision, and Life |
| 4. McGriff Insurance Services | Health, Dental, Vision, and Life |
| 5. Bright Benefits | Dental and Vision |

**** Owen and Associates and McGriff Insurance Services only gave estimated quotes, so they were disqualified.**

BUDGET ANALYSIS

Please see Exhibit A for the budget analysis on each category of insurance. The Evaluation Committee consisted of City Manager Royle and Department Heads. The scoring was based on price, current coverage, employee co-payments, employee out-of-pocket payments, prescription costs, in-network and out-of-network coverage, insurance company rating, and exceptions in the policies. Florida Municipal Insurance Trust (FMIT) was approximately \$60,000 a year less than The Bailey Group for health insurance and the deductibles for hospital visits and urgent care costs were much lower for the employees. The Bailey Group out-of-pocket costs for the individual and family deductibles were lower for the employees on the Buy Up Plan.

IMPACT ANALYSIS

Due to COVID-19 there has been a shortfall in revenues. According to Society for Human Resource Management's (SHRM's) 2019 Employee Benefits survey, 86% of employers that responded to the survey believe health-related benefits were very important or extremely important to their workforce because health care costs continues to outpace general inflation. Employees are impacted with health related out-of-pocket and deductible increases, but their salary does not increase to keep up with the costs of benefits. The City of St. Augustine Beach has always treated their employees well regarding their insurance benefits and the employees are grateful. Especially now with COVID-19 continuing, employees need health insurance more than ever and they need to go to the doctor if there is a concern. The insurance industry is starting to exclude communicable diseases in their health insurance policies; however, FMIT is not excluding the coverage.

RECOMMENDATION

Staff recommends Florida Municipal Insurance Trust for health, dental, vision, employee assistance program, and life insurance and asks the Commission to award the bid to FMIT, which will reduce the costs of insurances by approximately \$60,000, and will also reduce employee costs.

MEDICAL PLANS		
	Current Plans	
	Base	Buy Up
DEDUCTIBLE	\$500/\$1,000	\$250/\$500
DED. Applies OOP MAX	Yes	Yes
CARRIER /MEMBER	80/20	90/10
PHY SERV/SPECIAL	\$25/\$50	\$10/\$20
INPATIENT HOSP	Ded + 20%	Ded + 10%
PROVIDER SVC IN HOSP / ER PHY	Ded + 20%	Ded + 10%
LAB/XRAY/MRI/CT	\$0/\$0/Ded + 20%	\$0/\$0/Ded + 10%
OP FACILITY/HOSP	Ded + 20%	Ded + 10%
EMERGENCY ROOM	\$350	\$350
URGENT CARE	\$100	\$100
PRESCRIP. - GENERIC	\$10	\$10
PRESCRIP.- BRAND	\$35	\$35
PRESCRIP. - SPECIALTY	\$60	\$60
PRESCRIP.- MAIL ORDER 90 days	2.5x Retail	2.5x Retail
MENTAL HEALTH (In Patient/Out)	Ded + 20% / \$50	Ded + 10% / \$20
OUT OF POCKET IND.	\$3,000.00	\$1,250.00
OUT OF POCKET FAMILY	\$6,000.00	\$2,500.00
Out of Network Coverage / %	No	No
Mayo is in Network	Yes	Yes

The Bailey Group	
Base	Buy Up
\$500/\$1,000	\$250/\$500
Yes	Yes
80/20	90/10
\$25/\$50	\$10/\$20
Ded + 20%	Ded + 10%
Ded + 20%	Ded + 10%
\$0/\$0/Ded + 20%	\$0/\$0/Ded + 10%
Ded + 20%	Ded + 10%
\$350	\$350
\$50	\$50
\$10	\$10
\$35	\$35
\$70	\$70
2.5x Retail	2.5x Retail
Ded + 20% / \$50	Ded + 10% / \$20
\$3,000.00	\$1,250.00
\$6,000.00	\$2,500.00
No	No
Yes	Yes

FMIT	
Base	Buy Up
\$500/\$1,000	\$250/\$500
Yes	Yes
80/20	90/10
\$25/\$50	\$15/\$30
Ded + 20%	Ded + 10%
Ded + 20%	Ded + 10%
\$0/\$0/Ded + 20%	\$0/\$0/\$100 copay
Ded + 20%	\$100 co-pay/visit
\$150	\$125
\$50	\$50
\$10	\$10
\$35	\$35
\$60	\$60
\$25/\$87.5/\$150	\$25/\$87.5/\$150
Ded + 20% / \$25	Ded + 10% / \$15
\$3,000.00	\$2,500.00
\$6,000.00	\$5,000.00
Yes/70%	Yes/70%
Yes	Yes

Bright Benefits	
Base	Buy Up
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

McGriff	
Base	Buy Up
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

Owen & Assoc	
Base	Buy Up
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A

# Enrolled			Premiums	
Base	Buy Up			
22	15	Employee	\$683.83	\$773.87
2	4	Employee + Spouse	\$1,463.39	\$1,656.08
4	0	Employee + Children	\$1,395.02	\$1,578.70
8	0	Family	\$2,092.51	\$2,368.04
		<u>Employee Monthly Share</u>		
		Employee	\$0.00	\$90.04
		Employee + Spouse	\$233.87	\$426.56
		Employee + Children	\$213.36	\$397.04
		Family	\$422.60	\$698.13
		<u>City's Monthly Share</u>		
		Employee	\$15,044.26	\$10,257.45
		Employee + Spouse	\$2,459.04	\$4,918.08
		Employee + Children	\$4,726.64	\$0.00
		Family	\$13,359.28	\$0.00
		Total Monthly Cost	\$35,589.22	\$15,175.53
		City's Annual Cost	\$427,070.64	\$182,106.36
		City's Total Annual Cost	\$609,177.00	

Premiums	
\$711.48	\$804.08
\$1,522.56	\$1,720.73
\$1,451.43	\$1,640.33
\$2,177.12	\$2,460.48
\$0.00	\$92.60
\$243.32	\$441.49
\$221.99	\$410.89
\$439.69	\$723.05
\$15,652.56	\$10,672.20
\$2,558.47	\$5,116.94
\$4,917.78	\$0.00
\$13,899.42	\$0.00
\$37,028.24	\$15,789.14
\$444,338.83	\$189,469.73
\$633,808.56	

Premiums	
\$632.77	\$681.69
\$1,360.45	\$1,465.62
\$1,170.62	\$1,261.12
\$1,898.31	\$2,045.06
\$0.00	\$48.92
\$218.30	\$323.47
\$161.36	\$251.86
\$379.66	\$526.41
\$13,920.94	\$9,491.55
\$2,284.29	\$4,568.58
\$4,037.06	\$0.00
\$12,149.18	\$0.00
\$32,391.48	\$14,060.13
\$388,697.71	\$168,721.61
\$557,419.32	

DENTAL PLANS							
	Current Plans	The Bailey Group	FMIT	Bright Benefits	McGriff		Owen & Assoc
UCR	85%	90%			90%	90%	N/A
DEDUCTIBLE	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	\$50/\$150	N/A
IN NETWORK							
PREVENTIVE (TYPE I)	100%	100%	100%	100%	100%	100%	N/A
BASIC (TYPE II)	90%	90%	80%	90%	90%	90%	N/A
MAJOR (TYPE III)	60%	60%	50%	60%	60%	60%	N/A
ORTHODONTIA (TYPE IV)	NONE	NONE	50%	NONE	None	50%	N/A
OUT OF NETWORK							
PREVENTIVE (TYPE I)	100%	100%	100%	100%	100%	100%	N/A
BASIC (TYPE II)	80%	80%	80%	80%	80%	80%	N/A
MAJOR (TYPE III)	50%	50%	50%	50%	50%	50%	N/A
ORTHODONTIA (TYPE IV)	NONE	NONE	50%	NONE	NONE	50%	N/A
ANNUAL MAX BENEFIT(IN/OUT NETWORK)		\$1,000	\$1,000	\$1,000	\$1,000	\$2,500	N/A
PERIO- AND ENDODONTICS	MAJOR	MAJOR	BASIC	MAJOR	MAJOR	MAJOR	N/A
WAITING PERIOD AFTER INITIAL ELIGIBILITY	NONE	NONE	NONE		NONE	NONE	N/A
Carrier?	UHC	FL Blue	Delta Dental	National Guardian	MetLife	MetLife	N/A

*Also offering
option of same as
last year

# Enrolled							
Base		Premiums	Premiums	Premiums	Premiums	Premiums	
37	Employee	\$38.58	\$36.07	\$30.42	\$33.75	\$25.94	\$33.08
4	Employee + Spouse	\$77.16	\$72.14	\$60.96	\$67.43	\$52.99	\$67.34
1	Employee + Children	\$77.88	\$72.81	\$64.79	\$68.47	\$56.38	\$72.31
5	Family	\$120.02	\$112.22	\$99.81	\$104.97	\$89.05	\$113.82
Employee Monthly Share							
	Employee	\$19.29	\$18.04	\$15.21	\$16.88	\$12.97	\$16.54
	Employee + Spouse	\$57.87	\$54.11	\$45.75	\$50.55	\$40.02	\$50.80
	Employee + Children	\$58.59	\$54.78	\$49.58	\$51.59	\$43.41	\$55.77
	Family	\$100.73	\$94.19	\$84.60	\$88.09	\$76.08	\$97.28
City's Monthly Share							
	Employee	\$713.73	\$667.11	\$562.77	\$624.19	\$479.89	\$611.98
	Employee + Spouse	\$77.16	\$72.12	\$60.84	\$67.52	\$51.88	\$66.16
	Employee + Children	\$19.29	\$18.03	\$15.21	\$16.88	\$12.97	\$16.54
	Family	\$96.45	\$90.15	\$76.05	\$84.40	\$64.85	\$82.70
	Total Monthly Cost	\$906.63	\$847.41	\$714.87	\$792.99	\$609.59	\$777.38
	City's Annual Cost	\$10,879.56	\$10,168.92	\$8,578.44	\$9,515.88	\$7,315.08	\$9,328.56

VISION PLANS						
	Current Plans	The Bailey Group	FMIT	Bright Benefits	McGriff	Owen & Assoc
IN NETWORK						
EXAMS	\$10	\$10	\$10	\$10	\$10	N/A
FRAME	\$130 after \$25 copay	\$130 after \$25 copay	\$130 after \$25 copay	Tier Pricing	\$130	N/A
COSMETIC CONTACT LENSES	4 boxes after \$25 Copay	4 boxes after \$25 Copay	6 boxes after Copay	\$150 allowance	\$130 allowance	N/A
MEDICALLY NEC. CONTACT LENSES	Covered in Full after \$25 copay	Covered in Full after \$25 copay	Contact UCH first	?	?	
FREQUENCY:						
EXAM	Every 12 months	Every 12 months	Every 12 months	Every 12 months	Every 12 months	N/A
LENSES	Every 12 months	Every 12 months	Every 12 months	Every 12 months	Every 12 months	N/A
FRAMES	Every 24 months	Every 24 months	Every 24 months	Every 24 months	Every 24 months	N/A
Out of Network Coverage?	Yes	Yes	Yes	Yes	Yes	N/A
Carrier?	UHC	UHC	UHC	National Guardian	MetLife	N/A
		*same as current				

# Enrolled						
Base		Premiums	Premiums	Premiums	Premiums	Premiums
31	Employee	\$6.26	\$6.26	\$5.18	\$6.60	\$5.66
4	Employee + Spouse	\$11.90	\$11.90	\$9.25	\$12.59	\$11.35
1	Employee + Children	\$13.90	\$13.90	\$9.40	\$14.75	\$9.60
7	Family	\$19.60	\$19.60	\$16.50	\$20.78	\$15.84
	<u>Employee Monthly Share</u>					
	Employee	\$3.13	\$3.13	\$2.59	\$3.30	\$2.83
	Employee + Spouse	\$8.77	\$8.77	\$6.66	\$9.29	\$8.52
	Employee + Children	\$10.77	\$10.77	\$6.81	\$11.45	\$6.77
	Family	\$16.47	\$16.47	\$13.91	\$17.18	\$13.01
	<u>City's Monthly Share</u>					
	Employee	\$97.03	\$97.03	\$80.29	\$102.30	\$87.73
	Employee + Spouse	\$12.52	\$12.52	\$10.36	\$13.20	\$11.32
	Employee + Children	\$3.13	\$3.13	\$2.59	\$3.30	\$2.83
	Family	\$21.91	\$21.91	\$18.13	\$25.20	\$19.81
	Total Monthly Cost	\$134.59	\$134.59	\$111.37	\$144.00	\$121.69
	City's Annual Cost	\$1,615.08	\$1,615.08	\$1,336.44	\$1,728.00	\$1,460.28

LIFE INSURANCE COVERAGE	Current Plans	The Bailey Group	FMIT	Bright Benefits	McGriff	Owen & Assoc
Plan Cost for \$25,000 Coverage						
Basic	\$0.34	\$0.34	\$0.039	N/A	N/A	N/A
AD&D	\$0.0252	\$0.0252		N/A	N/A	N/A
First Responders			\$0.40			
Plan Cost for \$50,000 Coverage						
Basic	\$0.341	\$0.341	\$0.039	N/A	N/A	N/A
AD&D	\$0.0360	\$0.0360		N/A	N/A	N/A
First Reponders			\$0.40			
City's Annual Cost						
\$25,000 coverage	\$506.71	\$506.71	\$550.00 / \$565.00			
\$50,000 coverage	\$1,046.00	\$1,046.00	\$1,101.75/ \$1,130			