



### City of Largo Agenda Item 11

Meeting Date  
07/17/18

Presenter: Susan Sinz, Human Resources Director

Department: HR – Human Resources

**TITLE:**

**RENEWAL OF RFP NO. 13-P-446, GROUP MEDICAL INSURANCE, FOR PLAN YEAR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019, WITH PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST IN THE ESTIMATED AMOUNT OF \$10,000,000**

The City of Largo became self-insured for employee medical coverage on October 1, 2013 with Public Risk Management Florida health Trust (PRM), a self-funded Health Trust Pool comprised of fifty-three (53) public entities in the State of Florida. PRM was established on October 1, 1988 and operates as a cooperative consortium for the purpose of providing self-insured health coverage to its members and their employees. The Pool maintains excess insurance (stop loss insurance) of \$300,000 per member to protect the Pool from an accumulation of losses in any policy year. PRM has consistently run with a surplus reserve in excess of \$14.5 million.

On March 15, 2016 the City Commission approved remaining with Public Risk Management of Florida Health Trust in the self-funded Health Trust Pool. Gallagher Benefit Services is the broker/consultant utilized by PRM Group Health Trust; ensuring competitive plan designs and premiums.

The City of Largo experienced high claims to premium ratio this past year at 110%. As an industry standard, plan providers have a goal of 85% of the premium being allocated to medical claims and 15% of the premium going toward administrative costs. The City of Largo exceeded this industry standard by 10%, due to higher than anticipated medical claims including three large claimants- each exceeding the \$150,000 high claim threshold. Fortunately, these three claims did not trigger the stop-loss coverage of \$300,000. Based on this experience, PRM is requiring a 10% increase in health insurance premiums to renew coverage for FY 2019. City of Largo employees have been extremely pleased with the plan designs. The renewal includes maintaining the identical plan design for the Core Plan, High Deductible Health Plan, and the Minimum Coverage Plan. All members of the consortium are required to offer the Minimum Coverage Plan to comply with the Patient Protection and Affordable Care Act (PPACA). PRM also provides compliance with the PPACA, paying the Healthcare Reform Patient Centered Outcomes Research Institute (PCORI) Fee of \$2.39 per enrollee per year due in July 2019.

<b>Budgeted Amount:</b>	\$10,560,000.00	<b>Budget Page No(s):</b>	Proposed 232	<b>Available Amount:</b>	\$10,560,000.00	<b>Expenditure Amount:</b>	\$10,000,000.00
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**Additional Budgetary Information:** The proposed FY 2019 budget includes a 12% health insurance premium increase. Total health insurance costs include both the City's cost and employee payroll contributions.

<b>Funding Source(s):</b>	NA	<b>Sufficient Funds Available:</b>	<input checked="" type="radio"/> Yes <input type="radio"/> No	<b>Budget Amendment Required:</b>	<input type="radio"/> Yes <input checked="" type="radio"/> No	<b>Source:</b>	N/A
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<b>City Attorney Reviewed:</b>	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A	<b>Advisory Board Recommendation:</b>	<input type="radio"/> For <input type="radio"/> Against <input checked="" type="radio"/> N/A	<b>Consistent With:</b>	<input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> N/A	<div style="border: 1px solid black; padding: 5px; width: fit-content;">Not Applicable</div>
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**Potential Motion/ Direction Requested:** I MOVE TO APPROVE/DISAPPROVE RENEWAL OF RFP NO. 13-P-446, GROUP MEDICAL INSURANCE, FOR PLAN YEAR OCTOBER 1, 2018 TO SEPTEMBER 30, 2019 WITH PUBLIC RISK MANAGEMENT OF FLORIDA HEALTH TRUST IN THE ESTIMATE AMOUNT OF \$10,000,000.

**Staff Contact:** Lorraine Eastman, Benefits Coordinator | x7448 | leastman@largo.om

**Attachments:** Plan Comparision Chart FY 2019

## Florida Blue (BCBS) Health Insurance – Plan Year 2019 Comparison Chart

In-Network	CORE		High Deductible Health Plan (HDHP)		Minimum Coverage Plan	
<b>Annual Deductible</b>	\$0 Single \$0 Family		\$1,500 Single \$3,000 Family		\$2,000 Single \$6,000 Family	
<b>Co-Insurance (applies after deductible has been met)</b>						
<b>Florida Blue Pays:</b>	n/a		n/a		50% after plan deductible	
<b>Employee Pays:</b>	n/a		n/a		50% after plan deductible	
<b>Out of Pocket (OOP) Maximum</b>						
<b>Single:</b>	\$1,500		\$1,500		\$6,350 Single	
<b>Family:</b>	\$3,000		\$3,000		\$12,700 Family	
<b>Out-of-Pocket Accumulators</b>						
<b>Deductibles:</b>	n/a		Yes		Yes	
<b>Coinsurance:</b>	n/a		n/a		Yes	
<b>Copays:</b>	Yes		n/a		Yes	
<b>Rx Costs:</b>	Yes		Yes		Yes	
<b>Deductible Accumulators</b>						
<b>Copays:</b>	n/a		N/A		No	
<b>Rx Costs:</b>	n/a		Yes		No	
<b>Preventative Care</b>						
<b>Adult Office Visit (OV):</b>	100%		100%		100%	
<b>Well Child to age 15 OV:</b>	100%		100%		100%	
<b>Mammogram, PAP, PSA:</b>	100%		100%		100%	
<b>Immunizations:</b>	100%		100%		100%	
<b>Physician Office Visit</b>	\$10 co-pay		100% after plan deductible		\$35 co-pay	
<b>Specialist Office Visit</b>	\$20 co-pay		100% after plan deductible		\$75 co-pay	
<b>Laboratory (diagnostic)</b>	\$0 co-pay		100% after plan deductible		\$0 co-pay	
<b>Urgent Care</b>	\$20 co-pay		100% after plan deductible		\$75 co-pay	
<b>Emergency Room</b>	\$50 co-pay		100% after plan deductible		50% after plan deductible	
<b>Complex Imaging (MRI, CAT Scan, PET Scan, etc.)</b>	\$50 co-pay		100% after plan deductible		\$200 co-pay	
<b>Outpatient – Hospital/Facility*</b>	Option 1 - \$100 co-pay Option 2 - \$200 co-pay		100% after plan deductible		Option 1 - \$300 co-pay Option 2 - \$400 co-pay	
<b>Hospitalization*</b>	Option 1 - \$250 co-pay Option 2 - \$500 co-pay		100% after plan deductible		Option 1 - \$2,000 co-pay Option 2 - \$3,000 co-pay	
<b>Durable Medical Equipment (crutches, cane, wheelchair...)</b>	\$0 co-pay		100% after plan deductible		50% after plan deductible	
<b>Prescriptions</b>	30 day Supply	Mail Order (90 day)	30 day Supply	Mail Order (90 day)	30 day Supply	Mail Order (90 day)
<b>Generic</b>	\$10	\$20	\$0 after ded	\$0 after ded	\$10	\$30
<b>Preferred</b>	\$25	\$50	\$0 after ded	\$0 after ded	\$60	\$180
<b>Non-Preferred</b>	\$60	\$120	\$0 after ded	\$0 after ded	\$100	\$300
<b>Lifetime Maximum</b>	Unlimited		Unlimited		Unlimited	

\*Option 1 = Commonly used hospitals, such as, BayCare Hospitals, Bayfront Medical Center, HCA Medical Centers, etc.

\*Option 2 = Specialty Hospitals, such as, Moffitt Cancer Center, All Children's Hospital, Tampa General, etc.

**A complete list of facilities and hospitals can be found at [www.floridablue.com](http://www.floridablue.com)**