



**REQUEST FOR COMMISSION ACTION**  
**CITY OF INDEPENDENCE**  
**August 12, 2021**

**Department** Administration

**Director Approval** Kelly Passauer

**AGENDA ITEM** Consider renewing health insurance with Blue Cross/Blue Shield.

**SUMMARY RECOMMENDATION** Renew health insurance with Blue Cross/Blue Shield.

**BACKGROUND** Currently the City contracts with Blue Cross/Blue Shield (BC/BS) to provide employee health insurance. BC/BS has provided a proposal to renew the City's contract for the upcoming contract year (September 1, 2021 through December 31, 2022). The Blue Cross/ Blue Shield proposal provides for a 14.08% increase in premiums which includes modifying the drug benefit. If the renewal was for the same level of benefits as the previous year, the increase would have been over 17%. The following tables compare previous and current rates to renewal rates:

Option	Coverage	2018-2019 Rates	2019-2020 Rates	2020-2021 Renewal	2021-2022 Renewal*	Employees
1	Single	\$463.52	\$403.87	\$445.70	\$507.95	44
1	Family	\$1,446.61	\$1,246.54	\$1,375.90	\$1,568.37	25
2	Single	\$453.08	\$394.46	\$434.49	\$496.10	6
2	Family	\$1,413.96	\$1,217.46	\$1,341.23	\$1,531.72	4
3	Single	\$444.10	\$386.84	\$425.98	\$486.85	11
3	Family	\$1,385.89	\$1,193.89	\$1,314.91	\$1,503.11	13
Optional Dental	Single	\$13.03	\$12.40	\$13.87	\$15.77	53
Optional Dental	Family	\$39.88	\$37.94	\$42.45	\$48.26	38

Option	Contract Count	Coverage	2020-2021 Monthly	2021-2022* Monthly	Current Annual	Renewal Annual	% Increase
1	44	Single	\$19,610.80	\$22,349.80	\$235,329.60	\$268,197.60	13.97%
1	25	Family	\$34,397.50	\$39,209.25	\$412,770.00	\$470,511.00	13.99%
2	6	Single	\$2,606.94	\$2,976.60	\$31,283.28	\$35,719.20	14.18%
2	4	Family	\$5,364.92	\$6,126.88	\$64,379.04	\$73,522.56	14.20%

<b>3</b>	<b>11</b>	<b>Single</b>	\$4,685.78	\$5,355.35	\$56,229.36	\$64,264.20	14.29%
<b>3</b>	<b>13</b>	<b>Family</b>	\$17,093.83	\$19,540.43	\$205,125.96	\$234,485.16	14.31%
<b>Optional Dental</b>	<b>53</b>	<b>Single</b>	\$735.11	\$835.81	\$8,821.32	\$10,029.72	13.70%
<b>Optional Dental</b>	<b>38</b>	<b>Family</b>	\$1,613.10	\$1,833.88	\$19,357.20	\$22,006.56	13.69%
<b>Totals</b>			\$86,107.98	\$98,228.00	\$1,033,295.76	\$1,178,736.00	14.08%

\*The proposed renewal of for 2021-2022 includes moving to ResultsRX Formulary (which works to reduce the cost of Brand Name Drugs) and adding Co-Pay Max (which works to reduce the cost of Specialty Drugs).

The employee share of the premiums is also proposed to be increased as follows:

Monthly	2021		2022 RATES - SINGLE			EMP PD %	2021		2022 RATES - FAMILY			EMP PD %
	Employee	City	Employee	City	Total		Employee	City	Employee	City	Total	
Option 1	\$ 35.00		\$ 40.00	\$ 467.95	\$ 507.95	8%	\$ 292.00	\$ 333.00	\$1,235.37	\$ 1,568.37	21%	
Option 2	\$ 23.00		\$ 28.15	\$ 467.95	\$ 496.10	6%	\$ 255.00	\$ 296.35	\$1,235.37	\$ 1,531.72	19%	
Option 3	\$ 15.00		\$ 18.90	\$ 467.95	\$ 486.85	4%	\$ 230.00	\$ 267.74	\$1,235.37	\$ 1,503.11	18%	
Dental	\$ 13.87		\$ 15.77	\$ -	\$ 15.77	100%	\$ 42.45	\$ 48.26	\$ -	\$ 48.26	100%	
Life				\$ 2.70	\$ 2.70	0%						

This is the first increase to the employee's share of single and family health insurance since the 2011 renewal as the City has attempted to hold the employee's share steady to encourage participation.

The proposed 2022 budget will include funds to cover the renewal rates.

**SUGGESTED MOTION** I move to approve the renewal rates for the 2021/2022 contract year (September 1, 2021 through December 31, 2022) with Blue Cross/Blue Shield and authorize staff to sign any related documents.

**SUPPORTING DOCUMENTS** Health/Dental Renewal