

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

**MEMORANDUM**

TO: Governing Board

FROM: Lisa Cheshire, Chief, Office of Human Resources

THRU: Tim Alexander, Deputy Executive Director, Division of Business and Community Services

DATE: October 7, 2021

RE: Employee Health Care Insurance Coverages for Calendar Year 2022

**RECOMMENDATION**

Approve the renewal of the employee health, vision, group term life, and long-term disability insurance coverages; and approval to change the dental plan from Solstice to Florida Combined Life for Calendar Year 2022.

**BACKGROUND**

The District's current health insurance program is with Blue Cross Blue Shield of Florida (BCBSFL) and is a fully insured plan offering a package of plan options similar to the structure available to employees of the State of Florida. The District offers three health plans for employees to choose from:

1. A traditional PPO plan with Health Reimbursement Account;
2. A traditional HMO plan with Health Reimbursement Account; and
3. A consumer-driven, high deductible, plan with a Health Savings Account.

Solstice is the current dental provider for the District and have been since 2020. There was no renewal submitted because there was a rate hold on the original quote from 2019. The rate guarantee extends through the end of 2022.

As part of the negotiations for renewal of the health insurance program, Florida Blue submitted a quote for dental insurance through its sister company, Florida Combined Life (FCL), which was 5% less than current rates through Solstice. FCL Dental also provides a larger network for District employees.

In light of this proposal, staff made the decision to issue a formal Request for Proposals (RFP) for Group Dental Insurance in an attempt to reduce costs and/or improve coverage. The RFP for dental insurance was developed and posted, with five formal responses received on September 29, 2021.

Dental Provider	Annual Savings	Rate Guarantee
Solstice	\$1,198.08	Two-year Rate Guarantee
Florida Combined Life	\$2,163.36 and 1.67% or \$15,000 Medical Insurance Renewal Savings	Two-year Rate Guarantee
Standard	\$48.72	Two-year Rate Guarantee

\*Met Life and Humana submitted non-compliant responses to the RFP and therefore not considered.

Preliminary renewal rates for the three health plans included a 12.16% increase. The District's broker, Gallagher Benefit Services, Inc., negotiated a reduction in the proposed rate increase to 7.1%. Because of Florida Blue's relationship to FCL, Florida Blue offered to further reduce its medical renewal from an adjusted 7.1% rate to 5.43%, if the District chooses FCL as its dental carrier. This represents an additional savings of approximately \$15,000 annually on the medical coverage, based on current enrollment. Estimated total cost of the medical plan for 2022 is \$977,502. This estimate includes the current percentage of the cost currently paid by employees.

COVERAGE	CARRIER	2021 ESTIMATES	2022 ESTIMATES	Inc/(Dec)	2022 ESTIMATES EMPLOYEE PAYS CURRENT PORTION OF INCREASE	Inc/(Dec)
Health	Florida Blue (5.43% increase)	\$ 927,146	\$ 982,923	\$ 55,777	\$ 977,502	\$ 50,356
Dental	Florida Blue (5.43% decrease)	47,795	45,206	\$ (2,589)	45,206	\$ (2,589)
Vision	Humana (5.04% increase)	6,849	7,195	\$ 345	7,195	\$ 345
Life/LTD/ADD	Standard (0% increase)	26,085	26,085	\$ -	26,085	\$ -
HSA/HRA		109,241	109,241	\$ -	109,241	\$ -
Total		\$ 1,117,116	\$ 1,170,649	\$ 53,533	\$ 1,165,228	\$ 48,112

Therefore, staff recommends Governing Board approval for dental coverage with Florida Combined Life, renewal of medical coverage with Florida Blue at the reduced 5.43% rate continuing the same employee contribution percentage, and to continue the District's current vision, group term life, and long-term disability insurance coverages.

Funding for the District's health care insurance coverages are included in the Fiscal Year 2021-2022 Final Budget and will be included in the Fiscal Year 2023 Tentative Budget.

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