



**Tuesday, November 1, 2022
City Council Special Meeting**

**Council Chambers
3815 Sachse Road, Building B
6:00 p.m.**

The City of Sachse reserves the right to reconvene, recess or realign the meeting, called Executive Session, or order of business at any time prior to adjournment.

As authorized by Section 551.071(2) of the Texas Government Code, these meetings may be convened into closed Executive Session at any time during the City Council workshop or regular meeting for the purpose of seeking confidential legal advice from the City Attorney on any workshop or regular meeting agenda item listed herein.

A. 6:30 PM REGULAR MEETING

1. Call to Order: The City Council of the City of Sachse will hold a Special Meeting on Tuesday, November 1, 2022, at 6:00 p.m. to consider the following items of business:

2. Invocation and Pledges of Allegiance.

3. Public Comment: The public is invited at this time to address the Council. Please come to the microphone and state your name and address for the record. However, if your remarks pertain to a specific agenda item, please hold them until that item, at which time the Mayor will solicit your comments. The time limit is 3 minutes per speaker. The City Council is prohibited by state law from discussing any item not posted on the agenda according to the Texas Open Meetings Act, but may take comments under advisement. Issues raised may be referred to City staff for research and possible future action.

4. Discuss and consider a resolution authorizing the award of bids for various employee insurance coverage policies to Aetna; Surency; and New York Life; and authorizing the City Manager to execute such agreements for coverage.

5. Adjournment.

I, the undersigned authority, do hereby certify that this notice of meeting was posted in accordance with the regulations of the Texas Open Meetings Act and was posted on the bulletin board, an accessible location at Sachse City Hall.



Leah K Granger, City Secretary

Posted: 10/28/22 by 5 pm _____ Removed: _____

Accommodation requests for persons with disabilities should be made at least 48 hours prior to the meeting by contacting Amanda Chi, ADA Coordinator, via phone at 975.429.4770, via email at achi@cityofsachse.com, or by appointment at 3815 Sachse Road, Building B, Sachse, Texas 75048.

A. 6:30 PM REGULAR MEETING

Subject	4. Discuss and consider a resolution authorizing the award of bids for various employee insurance coverage policies to Aetna; Surency; and New York Life; and authorizing the City Manager to execute such agreements for coverage.
Meeting	Nov 1, 2022 - City Council Special Meeting
Access	Public
Type	Action, Discussion, Information
Preferred Date	Nov 01, 2022
Absolute Date	Nov 01, 2022
Recommended Action	Authorize the City Manager to execute agreements for various employee insurance coverage policies as presented.

BACKGROUND

HUB International is the City's benefits consultant. Andrew Weeger, with HUB International, will discuss the renewal strategy for employee group health, dental, and ancillary insurance benefits.

OVERVIEW

Andrew Weeger provided the City Council with an update on claims in July 2022, recommending the release of a Request for Proposals. Andrew will provide a presentation of this item to the Council.

POLICY CONSIDERATIONS

HUB International recommends the acceptance of the following bids: Aetna for Group Employee/Dependent Medical and Dental Insurance; Surency for Group Voluntary Employee/Dependent Vision Insurance; and New York Life for Group Long-term Disability, Group Short-Term Disability, Basic Group Life and Accidental Death & Dismemberment, and Voluntary Group Life and Accidental Death & Dismemberment insurance.

RECOMMENDATION

Authorize the City Manager to execute agreements for various employee insurance coverage policies as presented.

File Attachments

[HUB - Council Update - RFP 2023.pdf \(569 KB\)](#)

[Resolution - Benefits 2023.pdf \(13 KB\)](#)

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, AWARDED A BID TO AETNA FOR GROUP EMPLOYEE/ DEPENDENT MEDICAL AND DENTAL INSURANCE COVERAGE; SURENCY FOR VOLUNTARY GROUP EMPLOYEE/DEPENDENT VISION COVERAGE; NEW YORK LIFE FOR GROUP EMPLOYEE LONG-TERM DISABILTY, SHORT-TERM DISABILITY, BASIC GROUP LIFE AND ACCIDENTAL DEATH & DISMEMBERMENT COVERAGES, AND VOLUNTARY GROUP EMPLOYEE/DEPENDENT LIFE AND ACCIDENTAL DEATH AND DISMEMBERMENT COVERAGE, AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE TERMS AND CONDITIONS OF THE VARIOUS GROUP AGREEMENTS, BY AND BETWEEN THE CITY OF SACHSE AND SAID PARTIES FOR SAID COVERAGES; PROVIDING A REPEALING CLAUSE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes governmental entities to contract with each other to perform governmental functions and services under the terms of thereof; and

WHEREAS, Aetna has entered into an agreement for group medical and dental insurance coverages; Surency has entered into an agreement for voluntary group vision coverage; and New York Life has entered into an agreement for group long-term disability coverage, group short-term disability coverage, group basic life and accidental death and dismemberment coverages, and group voluntary life and accidental death and dismemberment coverages, and such agreements were awarded through the competitive bidding process; and

WHEREAS, upon full review and consideration of the Agreements and all matters related thereto, the City Council is of the opinion and finds that the terms and conditions thereof should be approved, and that the City Manager should be authorized to negotiate and execute the Agreements and all related documents on behalf of the City of Sachse, Texas;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACHSE, TEXAS, THAT:

SECTION 1. The City Manager is authorized to negotiate and execute the Agreement and all related documents thereto on behalf of the City of Sachse, Texas.

SECTION 2. This Resolution shall take effect immediately from and after its passage, and it is accordingly so resolved.

DULY RESOLVED AND ADOPTED by the City Council of the City of Sachse, Texas, this the 1st day of November 2022.

CITY OF SACHSE, TEXAS

Jeff Bickerstaff, Mayor

ATTEST:

Leah K Granger, City Secretary

HUB

Advocacy. Tailored Insurance Solutions. Peace of Mind



The City of
SACHSE

Employee Benefits Renewal Recommendations

Andrew Weegar – Senior Account Executive

November 1, 2022

Incurred Claims vs. Premium



Date	Total Subscribers	Medical Claims	Rx Claims	Total Claims	Premium	Loss Ratio
21-Jan	142	\$84,216	\$28,712	\$112,928	\$131,323	86.0%
21-Feb	144	\$59,157	\$34,985	\$94,142	\$131,811	71.4%
21-Mar	143	\$525,104	\$14,666	\$539,770	\$130,829	412.6%
21-Apr	143	\$221,078	\$22,107	\$243,185	\$130,829	185.9%
21-May	141	\$219,166	\$18,938	\$238,104	\$127,677	186.5%
21-Jun	138	\$39,821	\$18,173	\$57,994	\$124,660	46.5%
21-Jul	138	\$190,531	\$18,542	\$209,074	\$124,736	167.6%
21-Aug	138	\$496,684	\$19,448	\$516,131	\$124,119	415.8%
21-Sep	134	\$76,782	\$22,892	\$99,673	\$121,858	81.8%
21-Oct	134	\$202,268	\$57,970	\$260,238	\$121,139	214.8%
21-Nov	134	\$258,464	\$36,294	\$294,759	\$120,529	244.6%
21-Dec	134	\$128,201	\$36,053	\$164,254	\$119,950	136.9%
Plan Year Total	142	\$2,501,472	\$328,779	\$2,830,251	\$1,509,460	187.5%
Per Capita		\$17,637	\$2,318	\$19,955	\$10,642	
22-Jan	135	\$123,848	\$33,749	\$157,597	\$143,047	110.2%
22-Feb	137	\$108,484	\$36,463	\$144,947	\$147,135	98.5%
22-Mar	137	\$104,039	\$17,900	\$121,939	\$148,237	82.3%
22-Apr	137	\$85,033	\$38,759	\$123,792	\$148,136	83.6%
22-May	137	\$166,645	\$34,989	\$201,634	\$148,435	135.8%
22-Jun	137	\$185,942	\$47,384	\$233,326	\$149,509	156.1%
22-Jul	137	\$30,727	\$43,118	\$73,846	\$148,623	49.7%
Plan Year Total (Year to Date)	137	\$804,719	\$252,362	\$1,057,081	\$1,033,122	102.3%
Annualized		\$1,379,518	\$432,621	\$1,812,139	\$1,771,066	
\$ Change from Current		-\$1,121,954	\$103,842	-\$1,018,112	\$261,606	
% Change from Current		-45%	32%	-36%	17%	
Annualized Per Capita		\$10,091	\$3,164	\$13,255	\$12,955	

Loss Ratio Last Twelve Months - 145%

RFP Overview



Background

The City released an RFP for Medical, Dental, Vision, Life and Disability for the 2023 plan year which goes into effect January 1st.

The City currently maintains a fully-insured medical benefit offering through United Healthcare. The City offers employees a dual plan option:

High Deductible HSA (EPO Network)

\$5,000 individual/\$10,000 family deductible then plan pays 100%

OOP \$5,000 individual/\$10,000 family

No Copays

Core PPO (EPO Network)

\$5,000 individual/\$10,000 family deductible

OOP \$5,600 individual/\$10,200 family

Copays for Primary Care, Specialist, Emergency Room, and Pharmacy

HRA Reimburses up to \$3,500 for individual coverage and \$7,000 for family

RFP Vendor Response List (Medical)



MEDICAL CARRIER	RESPONDED / DECLINED	FINALIST
UHC	Responded	Yes
Aetna	Responded	Yes
Scott & White	Responded	No
BCBSTX	Responded	No
TML	Declined	No
Cigna	Declined	No



RFP Vendor Response List (Dental)

DENTAL CARRIER	RESPONDED / DECLINED	FINALIST
UHC	Responded	Yes
Aetna	Responded	Yes
BCBSTX	Responded	No
AFLAC	Responded	No
United Concordia	Responded	No
Renaissance	Responded	No

RFP Vendor Response List (Vision)



DENTAL CARRIER	RESPONDED / DECLINED	FINALIST
Avesis	Responded	Yes
Surency	Responded	Yes
Aetna	Responded	No
BCBSTX	Responded	No
AFLAC	Responded	No
Renaissance	Responded	No



RFP Vendor Response List (Life / Disability)

DENTAL CARRIER	RESPONDED / DECLINED	FINALIST
NYLife	Responded	Yes
OCHS.	Responded	Yes
AFLAC	Responded	No
Renaissance	Responded	No

2023 Renewal Rates – UHC



MEDICAL CARRIER	1 United Healthcare		2 United Healthcare - BAFO	
	EPO	HSA - EPO	EPO	HSA - EPO
	Current	Current	Renewal	Renewal
Employee Only	\$725.47	\$624.02	\$754.49	\$648.98
Employee + Spouse	\$1,581.52	\$1,360.35	\$1,644.78	\$1,414.76
Employee + Child(ren)	\$1,168.01	\$1,004.66	\$1,214.73	\$1,044.85
Employee + Family	\$2,140.13	\$1,840.86	\$2,225.74	\$1,914.49
Monthly Cost	\$120,507.76	\$27,924.84	\$125,328.07	\$29,041.83
Annual Cost	\$1,446,093.12	\$335,098.08	\$1,503,936.84	\$348,502.00
Combined Annual Cost	\$1,781,191		\$1,775,255	
One - Time Credit	n/a		(\$77,184)	
Combined \$ Change from Current	n/a		(\$5,936)	
Combined % Change from Current	n/a		-0.3%	
Geo Access	98.6%		98.6%	
Provider Record Match	100.0%		100.0%	
AM Rating	A		A	
Network	Choice		Choice	
	Enrollment			
Employee Only	53	19	Original Renewal : +10%, \$185,246K over current 1/2 Premium Holiday Credit (Based on December Enrollment) - Est. \$77,184	
Employee + Spouse	13	0		
Employee + Child(ren)	27	5		
Employee + Family	14	6		
Total Employees	137			



2023 – UHC vs. Aetna Proposed Benefits

	1	2	3	4	5	6
MEDICAL BENEFITS	United Healthcare		Aetna / Texas Health Aetna (THA) - Package E			
	EPO	EPO HSA	OA EPO (Elect Choice); PKG E : EPO 5000 80 5100 MOOP Rx 10 / 35 / 70	HSA OA EPO (Elect Choice); EPO 5000 100 HSA No Rx Copay	Texas Health EPO C Open Access Network Only ; THA EPO 5000 80 RX 5100 MOOP 10/35/70	Texas Health EPO C HSA OA EPO (Elect Choice); THA EPO 5000 100 HSA NO Rx Copay
	Current / Renewal	Current / Renewal	Proposed	Proposed	NEW	NEW
Deductible						
In-Network	\$5,000 Ind. / \$10,000 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,000 Ind. / \$10,000 Fam.
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Out Of Pocket Max	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible	Includes Deductible
In-Network	\$5,600 Ind. / \$10,200 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,100 Ind. / \$10,200 Fam.	\$5,000 Ind. / \$10,000 Fam.	\$5,100 Ind. / \$10,200 Fam.	\$5,000 Ind. / \$10,000 Fam.
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Coinsurance						
In-Network	70% / 30%	100% / 0%	80% / 30%	100% / 0%	80% / 20%	100% / 0%
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Lifetime Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Emergency Room						
In-Network	30% after \$250 Copay	0% after Deductible	20% after \$250 Copay	0% after Deductible	20% after \$250 Copay	0% after Deductible
Non-Network	30% after \$250 Copay	0% after Deductible	20% after \$250 Copay	0% after Deductible	20% after \$250 Copay	0% after Deductible
Physician Office Visit						
In-Network	Less than Age 19: Covered 100% Every other Person: \$30 Copay	0% after Deductible	\$30 Copay	0% after Deductible	\$5 Copay	0% after Deductible
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Specialist Office Visit						
In-Network	Tier One Specialist - \$30 Copay All Others - \$50 Copay	0% after Deductible	\$50 Copay	0% after Deductible	\$50 Copay	0% after Deductible
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Preventive Care						
In-Network	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Urgent Care						
In-Network	\$65 Copay	0% after Deductible	\$65 Copay	0% after Deductible	\$65 Copay	0% after Deductible
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
In-Patient Hospital						
In-Network	30% after Deductible	0% after Deductible	20% after Deductible	0% after Deductible	20% after Deductible	0% after Deductible
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Out-Patient Hospital						
In-Network	30% after Deductible	0% after Deductible	20% after Deductible	0% after Deductible	20% after Deductible	0% after Deductible
Non-Network	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered	Not Covered
Prescriptions						
Network Retail Pharmacy	\$20/\$40/\$60	0% after Deductible	\$10 / \$35 / \$70	0% after Deductible	\$10 / \$35 / \$70	0% after Deductible
Mail Order (90 Days)	\$50/\$100/\$150	0% after Deductible	\$25 / \$87.50 / \$175	0% after Deductible	\$25 / \$87.50 / \$175	0% after Deductible

Note: This is a brief summary and not intended to be a contract.



2023 – UHC vs. Aetna (Rates)

MEDICAL CARRIER	1 United Healthcare		2 Aetna / Texas Health Aetna (THA) - Package E			
	EPO	HSA - EPO	3	4	5	6
			OA EPO (Elect Choice); PKG E : EPO 5000 80 5100 MOOP Rx 10 / 35 / 70	HSA OA EPO (Elect Choice); PKG F EPO 5000 100 HSA No Rx Copay	Texas Health EPO C Open Access Network Only ; THA EPO 5000 80 RX 5100 MOOP 10/35/70	Texas Health EPO C HSA OA EPO (Elect Choice); THA EPO 5000 100 HSA NO Rx Copay
			Proposed	Proposed	NEW	NEW
Current	Current	Proposed	Proposed	NEW	NEW	
Employee Only	\$725.47	\$624.02	\$708.45	\$661.61	\$589.57	\$550.59
Employee + Spouse	\$1,581.52	\$1,360.35	\$1,544.42	\$1,442.29	\$1,285.27	\$1,200.27
Employee + Child(ren)	\$1,168.01	\$1,004.66	\$1,140.61	\$1,065.17	\$949.22	\$886.44
Employee + Family	\$2,140.13	\$1,840.86	\$2,089.93	\$1,951.74	\$1,739.24	\$1,624.24
Monthly Cost	\$120,507.76	\$27,924.84	\$117,680.80	\$29,606.88	\$0.00	\$0.00
Annual Cost	\$1,446,093.12	\$335,098.08	\$1,412,169.60	\$355,282.56	\$0.00	\$0.00
Combined Annual Cost (Minus Credit)	\$1,781,191		\$1,617,159			
One - Time Credit	n/a		(\$150,293)			
Combined \$ Change from Current	n/a		(\$164,032)			
Combined % Change from Current	n/a		-9.2%			
Geo Access	98.6%		98.7%		99.3%	
Provider Record Match	100.0%		98.5%		75.2%	
AM Rating	A		A			
Network	Choice		OAEPO		THA	
	Enrollment					
Employee Only	53	19	Includes 2% Bundling Discount (Dental)			
Employee + Spouse	13	0	THA is not an HMO and does not require a gatekeeper. No out of network coverage, except Emergency Care and MinuteClinic			
Employee + Child(ren)	27	5f	On-site biometric screenings, nurseline, wellness incentives, gym and lifestyle discounts, online wellness coaching			
Employee + Family	14	6	\$20K Wellness Allowance			
Total Employees	137		13% Rate Cap Year 2			

****Assumes no enrollment into THA Plans****

Overview & Recommendations

Medical – Aetna / THA (*Recommended*)

- UHC's original 2023 plan year renewal was a +10% increase due to the City's +145% loss ratio over the last 12 months. Through negotiation, UHC's best and final offer is -0.3% or an annual decrease to the City of \$5,936.
- The City conducted an employee survey on medical and dental coverages. 68% of employees covered by the current plans responded. The top three concerns noted for medical coverage was the amount of paycheck deductions remaining the same or less, keeping same providers, and amount of out of pocket costs staying the same or less.
- Recommend the City contract with Aetna/THA for the 2023 plan year. The proposed decrease to annual premium is -9.2%, or \$164,032 (assuming current enrollment). Additionally, Aetna has capped the City's 2024 increase at +13% if renewed for 2024 and is providing a one-time \$20K wellness allowance.
 - Provider record match between UHC and Aetna is 98.5%.
 - There are minimal plan design changes to the current EPO plans. Most notably co-insurance is 80/20 versus the current 70/30 on UHC's plan, and a reduction in the out of pocket maximum for individuals is from \$5600 to \$5100 potentially decreasing employee out of pocket costs.
 - Employee contributions for the plans similar to the current EPO and HDHP do not increase.

Overview & Recommendations



Medical – Aetna / THA (*Recommended*)

- Recommend the City introduce two new Texas Health Aetna (THA) plan options for employees to consider. These Accountable Care Organizations (ACO) plans are almost identical to the EPO and HDHP plans with narrower high performing network options including in-network hospital systems such as Texas Health Resources, UT Southwestern, Methodist, Children's Place and Cooks Children's.
 - Provider record match between UHC and THA is 75.2%.
 - Co-pays are reduced on the THA EPO plan.
 - 16% premium decrease on the THA plans results in reduced employee contributions if they elect these plans.
- City Management met with the Culture Committee and department heads to provide information on the Aetna plans HUB is recommending and gather input. This input supported the same top concerns identified in the employee survey – same or less paycheck deduction, provider match and no increase to out of pocket costs. Resources were provided so the group could compare their current providers and pharmacy to those on the Aetna plans. The general feedback was the Aetna plans would provide the options employees want while containing their out of pocket costs.
- Per state statutes, the City will offer pre-65 retirees who meet TMRS retirement guidelines medical coverage in 2023 with 100% of the premium covered by the retiree.

Overview & Recommendations



Dental – Aetna (*Recommended*)

- UHC presented a rate pass for the 2023 plan year, assuming no plan design changes.
- The City’s employee survey noted the top concerns for dental coverage were amount of payroll deduction, provider network, and better plan design/coverage with manageable out of pocket costs. This was supported by the input from the Culture Committee and department heads.
- Recommend the City contract with Aetna with a -3.8% decrease to premiums based on assumed enrollment.
 - The City will discontinue the DHMO plan, which has limited enrollment and coverages.
 - A new enhanced PPO dental plan option will be available to employees, along side the current “base” dental plan. This new option includes a higher orthodontia lifetime maximum and annual maximum (\$2,000 compared to \$1,250).
 - Additionally, there are enhanced coinsurance amounts for basic and major services with this new option.
- By bundling medical and dental, Aetna will provide the City a 2% bundling discount. Rates will be guaranteed for 3 years.

Overview & Recommendations



Voluntary Vision – Surency (*Recommended*)

- Avesis, the incumbent, presented a 4% increase for the 2023 plan year, assuming no plan design changes.
- Recommend the City contract with Surency with enhanced benefit offerings at a +11.4% increase to premiums. These benefit enhancements better align with employees' requests for changes in vision coverage including:
 - Contacts Allowance - \$150 (\$130 today)
 - Frames Frequency – Every 12 Months (Every 24 Months today)
 - Access to one of the largest vision networks nationally (EyeMed)
- Rates will be guaranteed for 4 years and capped at 5% year 5.

Overview & Recommendations



Life & Disability – NYLife (*Recommended*)

- Renewal with NYLife is recommended for the 2023 plan year. They presented a rate pass for all current in force benefits for 3 years.
- Recommend the City increase its Long-Term Disability (LTD) benefit maximum from \$7,500 to \$10,000. By making this change, every employee will receive the full LTD benefit if they were too sick or injured to return to work. The LTD annual premium will increase by \$2,419 annually.
- It is also recommended the City implement an employer paid Short-Term Disability (STD) benefit at an estimated annual cost of \$28,700. This program will cover 60% of an employee's salary up to \$1,500 weekly following a 7 day elimination period. The benefit duration period is 13 weeks and will align with existing LTD coverage if needed.
- NYLife will provide the City a credit of \$1.50 PEPM. This credit is estimated to be \$2,700.

Overview & Recommendations



Additional Lines of Coverage

- Legal / ID Theft Protection – LegalShield (NEW)
 - > The City will offer these benefits as a voluntary option 1/1/23. Rate are guaranteed for 3 years.
- COBRA – Benefit Connector
 - > HUB provides the City with COBRA administration per our Benefit Connector agreement.
- Employee Assistance Program - AWP
 - > The City provides an employees and Employee Assistance Program through Alliance Work Partners which will renew 1/1/2024.
- HSA/FSA/HRA – Flores & Associates
 - > The Health Savings Account, Flexible Spending Account, and Health Reimbursement Account through Flores & Associates will renew 1/1/2024.
- Call Center – HUB International (NEW)
 - > The City will implement HUB’s Call Center at \$1 per employee per month to assist employees with benefit education, eligibility, claims issues and ID cards.

Thank you.