pompano beach
Florida's Warmest Welcome

MEMORANDUM

Human Resources

DATE: September 15, 2016

TO: Dennis W. Beach, City Manager

FROM: Ed Beecher, Human Resources Director

SUBJECT: Request for Contract Renewal
Group Health and Dental Benefits
Blue Cross and Blue Shield of Florida, Inc.

Pursuant to the labor contracts with the City's labor unions, the City is required to provide major medical group health benefits to all full time employees. The City's current provider, Blue Cross/Blue Shield of Florida, Inc. (BCBS), has provided these services since fiscal year 2000 and has demonstrated excellent service to the City and plan members.

Background:

A Request for Proposal (RFP) was received in July, 2010, and Blue Cross/Blue Shield of Florida, Inc. was selected as the most responsive bidder and awarded the bid. In September, 2013, the program was reviewed and the City Commission approved the renewal and continuation of the current program. We have reviewed the feasibility of placing this coverage out for RFP, however, do not believe it is in the best interest of the City to do so. Attached is a comparison of premium costs of local governmental agencies – Exhibit I, showing that the City is currently receiving an excellent level of benefits for the premium paid, taking into consideration the renewal, our City's claims experience and demographics. Additionally, the proposed renewal is below the South Florida annual medical trend increase for medical and prescription programs which is estimated at 10%.

BCBS has provided the City with confirmation of a 7.9% rate increase (PPO and HMO) and NO increase in the cost for dental, with NO change in the level of coverage, deductibles or co-payments. A summary of the renewal rates are attached as Exhibit II. Additionally, the City will receive a one-time payment during this policy year of $100,000, to be used towards the City's employee wellness initiatives.

Further, since the City will continue its "ProShare" agreement with BCBS, which allows the City to be eligible for an additional reimbursement type payment from BCBS, based on the City's claim experience during the term, with a final calculation made at the end of the upcoming policy period 9/30/17, and paid within the next policy period, usually in the February timeframe of the following year. With this current renewal, the City will be eligible for the mentioned ProShare payment and will be enrolled to extend the ProShare terms for three years. As an example, in March 2014, the City received a payment of $405,302 from the last ProShare agreement ending in 2013. Overall renewal is based on a one-year term, with the City having the option to extend based on performance and rates, as determined by the City.

Recommendation:

Accordingly, it is the recommendation of the Risk Management Division that the current contract with BCBS be renewed as stated above for group health and dental coverage.

EB/
(Beeedd/manager/BCBS2016 renewal)

Eddie Beecher

From: Eppl, George <George.Eppl@bcbsfl.com>
Sent: Tuesday, July 05, 2016 3:29 PM
To: Eddie Beecher
Cc: Franklin, Yolanda
Subject: City of Pompano Beach #98854 10/1/16 renewal
Attachments: 98854-16-H.xls

Good afternoon sir

Per our prior conversation I have attached the finalized renewal calc for 10/1/16. The new rates are included. Per your request of the wellness funds, I have approval for the $100,000. Just like last year I will need an email requiring your approval of the language below. Please cut & paste and send back to me.

Florida Blue will provide the City of Pompano Beach with a wellness contribution in the amount of $100,000 upon renewal on October 1, 2016. However, should the City fail to renew its Health plan policy with Florida Blue on October 1, 2017, we will require that the City repay $50,000 to Florida Blue.

Let me know if you have questions.

Make it a great day!

GEO
Strategic Account Executive
(407) 833-7703

Florida Blue

In the pursuit of health

Florida Blue is a trade name of Blue Cross and Blue Shield of Florida, Inc. Blue Cross and Blue Shield of Florida, Inc., and its subsidiary and affiliate companies are not responsible for errors or omissions in this e-mail message. Any personal comments made in this e-mail do not reflect the views of Blue Cross and Blue Shield of Florida, Inc. The information contained in this document may be confidential and intended solely for the use of the individual or entity to whom it is addressed. This document may contain material that is privileged or protected from disclosure under applicable law. If you are not the intended recipient or the individual responsible for delivering to the intended recipient, please (1) be advised that any use, dissemination, forwarding, or copying of this document IS STRICTLY PROHIBITED; and (2) notify sender immediately by telephone and destroy the document. THANK YOU.

City of Pompano Beach #98854
for the renewal beginning 10-1-2016

Experience Period: Incurred 2-1-2015 through 1-31-2016; Paid 2-1-2015 through 4-30-2016

9/16/16 12:22 PM

Current Benefits: HMO Plan LGNQ04 & $10/20/40 Rx nonstandard
PPO Plan 0702 & 10/20/40 Rx nonstandard

Incurred Claims	$7,567,958
Benefit Adjustment Factor	1.0000
Adjusted Incurred Claims	$7,567,958
Less Claims Over $210,000	$0
Remove Large Claims Below $210,000	$0
Claims After Large Claims Removed	$7,567,958
Trend @ 20 Months	1.1796
Trended Claims	$8,927,453
Restore Large Claims Below $210,000	$0
Pooling Charge @ $210,000	$633,849
Trended and Pooled Claims	$9,561,302
Change in Contract Size	1.0065
Claims @ Current Contracts	$9,623,450
Retention	$1,482,667
Required Annual Premium	$11,106,117
Retention % of Premium	13.35%

HMO Plan LGNQ04 & $10/20/40 Rx nonst	Single	Family		
Current Contracts	163	143	306	
Current Rates	$556.87	$1,492.47	$304,193	$3,650,316
Renewal Rates @ ATB Rate Action	$600.97	$1,610.67	$328,284	$3,939,407

PPO Plan 0702 & 10/20/40 Rx nonstd	Single	Family		
Current Contracts	282	156	438	
Current Rates	$815.70	$1,873.00	$522,215	$6,266,585
Renewal Rates @ ATB Rate Action	$880.30	$2,021.34	$563,574	$6,762,884

Div RM1 & RM2 based off PPO Plan 0702	Single	E + 1	Family		
Current Contracts	30	5	4	39	
Current Rates	$611.86	$1,223.70	$1,669.04	$31,150	$373,806
Renewal Rates @ ATB Rate Action	$660.32	$1,320.62	$1,801.23	$33,618	$403,411

TOTAL Current Premium	$10,290,707
TOTAL Required Premium	$11,106,117
Composite Required Renewal Rate Action	1.0792
Composite Required Renewal Rate Action	7.92%

CITY OF POMPANO BEACH, FLORIDA – Benefit Summary – Effective 10/01/2016

The information contained in this benefit summary includes benefit changes required as a result of the Patient Protection And Affordable Care Act (PPACA), otherwise known as Health Care Reform (HCR). Please note that plan benefits are subject to change and may be revised based on guidance and regulations issued by the Secretary of Health and Human Services (HHS) or other applicable federal agency.

COST SHARING **Maximums shown are Per Benefit Period (BPM) unless noted**	**BlueChoice PPO** Plan 0702	**BlueCare HMO** Plan 4
Deductible (DED) (Per Person/Family Agg)		
In-Network	$250/ $500	Not Applicable
Out-of-Network	Combined w/In-Ntwk	
Coinsurance (% paid by Member)		
In-Network	10%	Not Applicable
Out-of-Network	20%	
Out of Pocket Maximum (Per Person/Family Agg)	Includes only Coins; Excludes Rx	Includes all Copays (including Rx)
In-Network	$1,000 / $2,000	$1,500 / $3,000
Out-of-Network	Combined w/In-Ntwk	Not Applicable
Lifetime Maximum	**No Maximum**	**No Maximum**
PROFESSIONAL PROVIDER SERVICES		
Physician Office Visit		
In-Network Family Physician	$15	$10
In-Network Specialist	$15	$10
Out-of-Network	DED + 20%	Not Covered
Maternity (Due at initial visit only)		
In-Network Specialist	$15	$10
Out-of-Network	DED + 20%	Not Covered
E-Office Visit Services		
In-Network Family Physician	$15	$10
In-Network Specialist	$15	$10
Out-of-Network	DED + 20%	Not Covered
Allergy Injections		
In-Network Family Physician	$5	$5
In-Network Specialist	$5	$5
Out-of-Network	$5	Not Covered
Provider Services at Hospital and ER		
In-Network Family Physician	DED + 10%	$0
In-Network Specialist	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered

COST SHARING Maximums shown are Per Benefit Period (BPM) unless noted	BlueChoice PPO Plan 0702	BlueCare HMO Plan 4
Provider Services at Locations Other than Office, Hospital or ER		
In-Network Family Physician	DED + 10%	$0
In-Network Specialist	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Radiology, Pathology and Anesthesiology Provider Services at Ambulatory Surgical Center		
In-Network Specialist	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Advanced Imaging Svces in Physician's Office (MRI,MRA, PET, CT, Nuclear Medicine		
In-Network Family Physician & Specialist	$15	$0
Out-of-Network	DED + 20%	Not Covered
PREVENTIVE CARE-UNLIMITED		
Adult Wellness Office Services		
In-Network Family Physician	$0	$10 FP
In-Network Specialist	$0	$10 FP Not
Out-of-Network	20% (No DED)	Covered
Colonoscopies (Routine)	Age 50+ then Frequency Schedule Applies	Age 50+ then Frequency Schedule Applies
In-Network	$0	$0
Out-of-Network	20% (No DED)	Not Covered
Mammograms (Routine and Dx)		
In-Network	$0	$0
Out-of-Network	$0	Not Covered
Well Child Office Visits		
In-Network Family Physician	$0	$10 FP
In-Network Specialist	$0	$10 SP Not
Out-of-Network	20% (No DED)	Covered
AMBULANCE / URGENT CARE / CONVENIENT CARE		
Ambulance Maximum (per Day)	No Maximum	No Maximum
In-Network	DED + 10%	$0
Out-of-Network	In-Ntwk DED + 10%	Not Covered
Convenient Care Centers (CCC)		
In-Network	$15 FP	$10 FP
Out-of-Network	DED + 20%	Not Covered
Urgent Care Centers (UCC)		
In-Network	$15 SP	$10 SP
Out-of-Network	DED + 20%	Not Covered

COST SHARING Maximums shown are Per Benefit Period (BPM) unless noted	BlueChoice PPO Plan 0702	BlueCare HMO Plan 4
FACILITIES–HOSPITAL / SURGICAL CTR / LAB / INDEPENDENT DIAGNOSTI C TESTING FACILITY		
Inpatient Hospital (Per Admit DED)		
In-Network	$100 PAD + DED +10%	$100/Day Max $300
Out-Of-Network	$250 PAD + DED +20%	Not Covered
Inpatient Rehabilitation Maximum	21 Days	21 Days
Outpatient Hospital (Per Visit)		
In-network-for Surgical Services	$0	$0
In-Network for all other services	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Therapy at Outpatient Hospital		
In-Network	DED + 10%	$5
Out-of-Network	DED + 20%	Not Covered
Emergency Room (Per Visit DED)		
In-Network	$0 PVD + DED + 10%	$25
Out-of-Network	$0 PVD + DED + 20%	$25
Ambulatory Surgical Center		
In-Network-for Surgical Services	$0	$0
In-Network-for all other services	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Independent Clinical Lab		
In-Network	10% (No DED)	$0
Out-of-Network	20% (No DED)	Not Covered
Independent Diagnostic Testing Facility - Xrays and AIS (Includes Physician Services)		
In-Network - Advanced Imaging Services (AIS)	DED + 10%	$10
In-Network - Other Diagnostic Services	DED + 10%	$10
Out-of-Network	DED + 20%	Not Covered
MENTAL HEALTH AND SUBSTANCE ABUSE		
Inpatient Hospitalization		
In-Network	$0	$0
Out-of-Network	20% (No DED)	Not Covered
Outpatient Hospitalization (per visit)		
In-Network	$0	$0
Out-of-Network	20% (No DED)	Not Covered
Provider Services at Hospital and ER		
In-Network Family Physician or Specialist	$0	$0
Out-of-Network Provider	$0	Not Covered

COST SHARING Maximums shown are Per Benefit Period (BPM) unless noted	BlueChoice PPO Plan 0702	BlueCare HMO Plan 4
Physician Office Visit		
In-Network Family Physician or Specialist	$0	$0
Out-of-Network Provider	20% (No DED)	Not Covered
Emergency Room Facility Services (per visit)		
In-Network	$0	$0
Out-of-Network	$0	$0
Provider Services at Locations other than Hospital, Office and ER		
In-Network Family Physician	$0	$0
In-Network Specialist	$0	$0
Out-of-Network Provider	20% (No DED)	Not Covered
OTHER SPECIAL SERVICES AND LOCATIONS		
Birthing Center		
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Diabetic Supplies*		
In-Network	RX Coverage	$0
Out-of-Network	50%	Not Covered
Diabetic Equipment **		
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Durable Medical Equipment, Prosthetics, Orthotics BPM	No Maximum	No Maximum
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Enteral Formula	**$2,500 Maximum**	**$2,500 Maximum**
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Home Health Care BPM	**50 Visits**	**No Maximum**
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Hospice	**No Maximum**	**No Maximum**
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered
Outpatient Therapy and Spinal Manipulations BPM	50Visits (Max of 26 Spinal Manips also Applies)	No Maximum. Auth Req for Therapy
Skilled Nursing Facility BPM	**120 Days**	**90 Days**
In-Network	DED + 10%	$0
Out-of-Network	DED + 20%	Not Covered

COST SHARING Maximums shown are Per Benefit Period (BPM) unless noted	BlueChoice PPO Plan 0702	BlueCare HMO Plan 4
PRESCRIPTION DRUGS		
Deductible	$0	$0
In-Network		
Retail (30 Days) Generic/Preferred Brand/Non-Preferred	$10/$20/$40	$10/$20/$40
Mail Order (90 Days) Generic/Preferred Brand/Non-Preferred	$20/$40/$80	$20/$40/$80
Out-of-Network		
Retail (30 Days) Generic/Preferred Brand/Non-Preferred	50% / 50% / 50%	Not Covered
Mail Order (90 Days) Generic/Preferred Brand/Non-Preferred	50% / 50% / 50%	Not Covered

* Diabetic *Supplies (lancets, strips, etc.) are covered under the Rx benefit.*
** *Diabetic Equipment (insulin pumps, tubing) are always covered under the medical benefit.*

PPO Plan 0702

Copay does not apply towards deductible or maximum out of pocket amounts.
****Maximum Out Of Pocket includes only the Coinsurance amounts and excludes any Deductibles and Copayments.***

HMO Plan 4
****Maximum Out of Pocket includes all copays. Prescription copays included***

***PBM**= Per Benefit Maximum* ***DED** = Deductible* ***PAD** = Per Admission Deductible*
***IDTF** = Independent Diagnostic Testing Facility **AIS**= Advanced Imaging Services (Cat Scan)*

This is not an insurance contract or Benefit Booklet. *The above Benefit Summary is only a partial description of the many benefits and services covered by Blue Cross and Blue Shield of Florida, Inc., an independent licensee of the Blue Cross and Blue Shield Association. For a complete description of benefits and exclusions, please see Blue Cross and Blue Shield of Florida's Benefit Booklet and Schedule of Benefits; their terms prevail.*

Dental Benefit Summary

Group Name: City of Pompano Beach **Benefits Beginning: 10/1**

Benefit Plan Year: 12 Months Following Effective Date

	Participating Dentist	Non-Participating Dentist
Deductible: (For Basic and Major Services Only)		
Per Person Per Plan Year	$50	$50
Per Family Per Plan Year	$100	$100

In-network deductible credits apply to out-of-network deductible and out-of-network deductible credits apply to in-network deductible.

	We Pay*	You	We Pay*	You Pay**
Preventive†	100%	0%	100%	0%
Basic†	80%	20%	80%	20%
Major†	50%	50%	50%	50%

Services:

Preventive	Oral Evaluations (Exams)
Preventive	Prophylaxis (Cleanings) – Adult/Child
Preventive	*Fluoride Treatment – Child*
Preventive	Bitewing X-rays
Basic	X-rays – Intraoral/Complete Series/Panoramic
Basic	Sealants
Basic	Space Maintainers
Basic	Amalgam Restorations (Silver Fillings)
Basic	Resin-Based Restorations – Anterior and Posterior
Basic	*Extractions – Routine and Surgical*
Basic	Root Canal Therapy
Basic	Periodontal Treatment
Major	Crowns – Single Restorations
Major	Osseous Surgery
Major	Complete Dentures
Major	Partial Dentures
Major	Fixed Partial Dentures (Bridges)
Major	Surgical placement of implant body; endosteal implant
Major	Implant supported porcelain fused to metal crown (titanium, high noble metal)

Waiting Period: (Major Services)	None
Orthodontia Services:	All Insureds
Orthodontia Lifetime Maximum	$1,000
BlueDental Pays	100%
Benefit Waiting Period	N/A
Plan Year Maximum Benefit Per Person:	$1,000
Rollover Benefits Included:	No

The information provided above is a summary of benefits for group certificates 50383-899 and 50408-1099. It is intended to highlight key points of the Dental Plan and is provided to the employees as an aid in deciding whether to enroll in the Plan. This summary should in no way be construed as part of the contract. Possession of this summary in no way implies coverage nor does it guarantee benefits under the plan. †Some limitations may apply. * Percentage of fee schedule. ** Percentage of fee schedule, plus balance of charges, if any. Note: Non-Participating Dentists may charge fees in excess of our Fee Schedule and may bill you for the difference. Customer Service call 1-888-223-4892, have your Florida Combined ID number ready.

Exhibit I
Public Sector Group Health Rate Survey
2016

City of Boca Raton:
Full-time Employees: 1046

Florida Blue – POS with HRA*
(Deductible in-network: $1,500 per person, $2,250 per person +1, $3,000 per person + 2 or more, and out-of-network $3,000 per person, $4,500 per person + 1 and $6,000 per person + 2 or more. City offers HRA of $500 emp., $1,500 emp +1, or $3,000 emp +2≥. In-network 20% after CYD, out-of-network 50% after CYD. Prex: Generic $10, Preferred $50, Non Preferred $125.)

EE $471.30
ES $1,027.98
EC $920.77
FAM $1,541.39

EE $480.09 *(Same level of benefit as PPO, except without HRA funding by City)
ES $1,008.20
EC $888.18
FAM $1,440.28

City of Boynton Beach:
Full-time Employees: 900

CIGNA
(Deductible in-network: $2,500 per person, $5,000 per family and out-of-network $5,000 per person, $10,000 per family. Office visit $0/ Specialist Office $0 once the plan year deductible is met. Out of pocket maximum – (in-network) single $5,000, family $10,000, (out-of-network) single $10,000, family $20,000. Prex: $10/25/50 after plan year deductible is met.)

EE $668.89
ES $1,299.65
EC $1,206.70
FAM $1,633.74

City of Coconut Creek:
Full-time Employees: 323

CIGNA – OPEN ACCESS PLUS
(Deductible in-network: $1,000 per person, $2,000 per family and out-of-network $4,000 per person and $8,000 per family. Office visit $30/ Specialist Office $50, co-insurance In-network 10% after CYD, out-of-network 30% after CYD. Prex: $15/35/60/80.)

EE $827.89
ES $1,485.79
EC $1,410.45
FAM $2,007.09

CIGNA – OPEN ACCESS-IN
(Deductible in-network: $1,000 per person, $2,000 per family and out-of-network –No benefit. Office visit $30/ Specialist Office $50, co-insurance In-network 10% after CYD, out-of-network – No benefit. Prex: $15/35/60.)

EE $637.52
ES $1,143.96
EC $1,085.97
FAM $1,545.23

City of Oakland Park
Full-time Employees: 214

HUMANA – Option 1 POS Open Access
(Deductible in-network: $250 per person, $500 per family and out-of-network $750 per person, $1,500 per family. Office visit $25/ Specialist Office $40 after CYD, co-insurance In-network 0% after CYD, out-of-network 30%. Prex: $10/40/60, after CYD.)

EE $767.18
ES $1,396.27
EC $1,265.85
FAM $2,140.44

HUMANA – Option 2 HMO
(Deductible in-network: $2,000 per person, $4,000 per family and out-of-network not offered. Office visit $0/ Specialist Office $0 after CYD, co-insurance In-network 0% after CYD, out-of-network not offered in HMO. Prex: $0 after CYD).

EE $520.41
ES $947.15
EC $858.68
FAM $1,451.95

City of Sunrise
Full-time Employees: 1060

AvMed – Option 1 PPO (Effective 1/1/16)
(Deductible in-network: $500 per person, $1,000 per family and out-of-network $1,000 per person, $2,000 per family. Office visit $30/ Specialist Office $60 after CYD, Emergency Room & outpatient surgery 20% co-insurance after CYD, Hospital stay 20% co-insurance after CYD, out-of-network 40%. Prex: $10/50/100, in-network specialty drugs 25%, out-of-network 50% co-insurance, after CYD.

EE $842.26
FAM $2,167.93

AvMed – Option 2 HMO (Effective 1/1/16)
(Deductible in-network: $0 per person, $0 per family and out-of-network $1,000 per person, $3,000 per family. Office visit $20/ Specialist Office $35 after CYD, Emergency Room & outpatient surgery $200 co-pay/visit, Hospital stay $100 co-pay/day for first 3 days. No out-of-network coverage. Prex: $10/50/75).

EE $659.16
FAM $1,696.70

Exhibit II
City of Pompano Beach
Blue Cross / Blue Shield of Florida, Inc.
Group Health and Dental Rate History

Fiscal Year	Group Health Rates - Monthly	Dental Rates - Monthly	% Rate Change from Previous FY (Blended HMO/PPO % Rate Chg)	Approx. Medical Trend % Change for S. FL. Govts Health & Prex	Notes/Comments:
2015-16	HMO EE 556.87 Fam 1,492.47	EE 26.00 Fam 84.59	9.77% Health/ 5% Dental 9.6% blended	10-12%	
	PPO (IAFF, Gen-Non Barg) EE 815.70 Fam 1,873.00				
2014-15	HMO EE 508.46 Fam 1,362.74	EE 23.58 Fam 76.72	6.5% Health/ 0% Dental 5.8% blended	12-14%	
	PPO (IAFF, Gen-Non Barg) EE 744.80 Fam 1,710.19				
2013-14	HMO EE 477.43 Fam 1,279.57	EE 23.58 Fam 76.72	1.9% Health/ 7% Dental 2.2% blended	10%	City received $405,302 ProShare payment 3/14.
	PPO (Gen-Non Barg) EE 699.34 Fam 1,605.81				
	PPO (IAFF) EE 707.50 Fam 1,624.33				
2012-13	HMO EE 468.53 Fam 1,255.71	EE 22.04 Fam 71.70	8.1%	10%	
	PPO (Gen-Non Barg) EE 686.39 Fam 1,575.87				
	PPO (IAFF) EE 694.31 Fam 1,596.04				
2011-12	HMO EE 433.50 Fam 1,161.83	EE 22.04 Fam 71.70	4.87 % Fire 3.67% Gen-Non Barg w $250 ded.	8-12%	City received $289,614 ProShare payment 7/12.
	PPO (Gen-Non Barg) EE 635.08 Fam 1,458.06				
	PPO (IAFF) EE 642.40 Fam 1,474.87				
2010-11	HMO EE 413.37 Fam 1,107.88	EE 22.04 Fam 71.70	(1%)	8-14%	Plan realized actual <u>decrease</u> due to dental rate reduction of 1%. City received payment of $100,000, 1/11, towards City's wellness efforts.
	PPO EE 612.57 Fam 1,406.38				
2009-10	HMO EE 413.37 Fam 1,107.88	EE 23.30 Fam 75.84	5%	10-15.9%	
	PPO EE 612.57 Fam 1,406.38				