



CITY OF DANIA BEACH MEMORANDUM

TO: Robert Baldwin, City Manager

FROM: Jackie Beauzil, HR/Risk Management Manager
(On Behalf of Committee)

Tom Schneider, Committee Member
Tania Stevens, Committee Member
David Casasanta, Committee Member-AFSCME
Darren Greene, Committee Member-AFSCME

DATE: September 10th, 2013

SUBJECT: Healthcare Committee Recommendation Proposed Plan 2013

Thursday, August 15th the Gehring Group presented to the City's Healthcare Committee what they considered as the most beneficial proposals for the City. The meeting was posted by the City Clerk's office and was open to the public.

Attached is an Executive Summary of the approach used by Gehring as they evaluated 20 responses to the RFP. In addition you will find the Employee Benefits Insurance Evaluation used by the Committee to render a recommendation.

The final consensus of the Committee, with a vote of 4 to 1, recommends Florida League Cities with Reliance as carrier of the ancillary plans with the exception of Short Term Disability. The Committee voted to maintain Maxon as provider for Short Term Disability.

Based on the Committee's recommendations the City's projected savings would be \$699,944.77 this year as a result of the proposed changes. In addition Employee/Retirees combined savings for annual premium cost is projected to be \$154,343.87. The monthly premium comparison is listed below. This reduction in premium will be a cost savings to both the City and the employee.

	Current		Proposed		Total
	Employee	Employer	Employee	Employer	
Single	\$ 76.52	\$ 688.77	\$ 60.78	\$ 547.01	\$ 607.79
Family	\$ 202.80	\$ 1825.23	\$162.45	\$1,462.09	\$ 1,624.54
Post - 65 Single	\$ 269.24	\$ 538.47	\$125.98	\$ 279.10	\$ 405.08
Post - 65 Family	\$ 615.26	\$1230.52	\$ 255.84	\$ 593.28	\$ 849.12

It is imperative that this item be presented to the Commission on the September 10th meeting. The plan year is effective 10/1/2013 which leaves one week for Open Enrollment and the processing of personnel elections.

CITY OF DANIA BEACH

EMPLOYEE BENEFITS INSURANCE RFP EVALUATION



RFP & RENEWAL RECOMMENDATION FOR:

- Group Medical and Prescription Insurance
- Group Dental Insurance
- Group Vision Insurance
- Group Basic Life and Supplemental Life Insurance
- Group Short Term Disability Insurance

PLAN YEAR EFFECTIVE: OCTOBER 1, 2013

Presented By:

GEHRING GROUP
INSURANCE BROKERS & CONSULTANTS

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Palm Beach Gardens, FL 33410

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August 19, 2013

Request for Proposal (RFP) & Renewal Evaluation

Plan Year Effective: October 1, 2013

EXECUTIVE SUMMARY

Due to the concern regarding the rising healthcare inflation rate in Florida and the budget challenges faced by all public sector entities, the City engaged the Gehring Group, an employee benefits consulting firm which focuses on the public sector entities in the State of Florida, to assist the City in performing its due diligence in conducting the bid and evaluation process to investigate all viable options for employee benefit coverage. As a result of the evaluation process, Gehring Group requested best and final proposals for three scenarios as outlined on page four below. Based on the results of these negotiations, Gehring Group proposes the implementation of Option 2 which includes the following recommendations:

- Transition to a fully insured health insurance program with the Florida League of Cities (United Healthcare);
- Transition to a fully insured dental and vision program and place with Reliance Standard;
- Renew the City's group life, AD&D, and supplemental life insurance coverage with Reliance Standard; and
- Maintain the current short term disability coverage on a self-insured basis and continue the administration services provided by Maxon Administrators.

The total gross annual cost savings generated by the implementation of the above recommendations is approximately \$854,289 based on current enrollment. This savings would be shared by the City and its employees/retirees in the amounts of \$699,945 and \$154,344 respectively. By implementing a fully insured medical, dental, and vision program, the City would be able to budget according to guaranteed cost figures and alleviate the risk exposure under the current self-insured programs.

RFP PROCESS

On June 28, 2013, Gehring Group released an RFP to solicit competitive, fully insured proposals for the City's group medical, dental, vision, life and AD&D, supplemental life insurance, and short term disability insurance for the 2013-2014 plan year. In order to allow adequate time for questions, clarifications and additional reporting, the original proposal deadline of July 19th was extended to July 24, 2013 to allow proposers enough time to prepare the most competitive proposal options. Conducting a competitive bid process enabled the City to market its employee benefit programs to the entire insurance marketplace, including third party administrators, insurance carriers and public sector insurance trusts, providing an opportunity for all vendors to propose the most creative, cost-effective options.

As a result of the competitive bid process, Gehring Group was able to attain proposals from approximately 20 carriers, including two self-insured and three fully insured medical proposal options for the City's review and consideration. Proposals were received from the following carriers (listed in alphabetical order):

MEDICAL

1. AvMed (Self-Insured TPA and Fully Insured Option)
2. Cigna Healthcare (Fully Insured)
3. Florida League of Cities (Fully Insured)
4. Munich Re (Self-Insured Reinsurance)
5. Symetra (Self-Insured Reinsurance)
6. United Healthcare (Self Insured TPA Services)

DENTAL

1. Advantica
2. Ameritas
3. Cigna Group Benefits
4. Delta Dental
5. Florida League of Cities (FLOC)
6. Humana
7. Maxon Administrators (Self-Insured)
8. Principal
9. Reliance Standard
10. United Concordia
11. United Healthcare

VISION

1. Advantica
2. Ameritas
3. Avesis
4. Cigna Group Benefits
5. Eyemed
6. Florida League of Cities (FLOC)
7. Maxon Administrators (Self-Insured)
8. Principal
9. Reliance Standard
10. United Healthcare
11. Vision Service Plan

LIFE & ADD AND SUPPLEMENTAL LIFE

1. Cigna Group Benefits
2. Minnesota Life
3. Reliance Standard
4. Standard
5. Principal
6. Prudential

SHORT TERM DISABILITY

1. Cigna
2. Maxon Administrators (Self-Insured)
3. Reliance Standard
4. The Standard

PROPOSAL ANALYSIS

Pursuant to Gehring Group's initial review and analysis of the proposals received, our consultants met with Senior City Staff to discuss the proposal responses and review all viable options. As noted above, Gehring Group received two self-insured and three fully insured medical proposal options as well as numerous proposals for the City's ancillary lines of coverage (dental, vision, life and STD). During our initial proposal review meeting, it was determined that the AvMed self-insured renewal, the Florida League of Cities (FLOC), and Cigna Healthcare proposed the most competitive medical plan options.

Upon review of all proposals, Senior City Staff formed a five-member insurance review committee, to consist of both union and non-union staff representatives, in order rank the proposers and provide a recommendation to City Management for consideration. Gehring Group's Senior Benefits Consultant also recommended that the committee consider placing all ancillary lines of coverage with one carrier in order to take advantage of increased administrative efficiencies as well as potential multi-line discounts. As a result, Gehring Group was successful in negotiating with Reliance Standard, the City's incumbent life insurance carrier, to reduce the cost of its initial dental proposal by over \$45,000 if awarded all ancillary lines.

Based on Gehring Group's review of all proposed options, we proceeded with "best and final" negotiations for the following scenarios:

- Option 1:** Renew all lines of the City's current employee benefits program with no carrier or plan changes. (i.e. Medical with AvMed as TPA; reinsurance with Symetra; Life and AD&D with Reliance Standard; and Dental, Vision and STD with Maxon Administrators.)
- Option 2:** Place the medical coverage with the Florida League of Cities, place dental, vision, life and AD&D and supplemental life with Reliance Standard, all on a fully insured basis, and maintain the self-insured short term disability program with Maxon Administrators.
- Option 3:** Place all lines of coverage with Cigna Healthcare on a fully insured basis.

Based on Gehring Group's review of the best and final proposals from the applicable carrier finalists, the cost analysis results are as follows:

1. Option 1, renewing the City's current self-insured coverage would generate a projected overall annual **increase** of 9% (approximately \$290,546).
2. Option 2, transitioning to a fully-insured medical plan with FLOC and placing dental, vision and life with Reliance Standard, and retaining Maxon as the short term disability administrator would generate an annual gross **savings** of over 25% (approximately \$854,289) to the City and its employees.
3. Option 3, placing all lines of employee benefits coverage with Cigna on a fully insured basis, would generate an annual gross **savings** of over 7% (approximately \$248,386).

Medical Insurance Recommendation

Based on the results of our analysis, the Florida League of Cities proposed the most competitive medical option on a fully insured basis, providing a guaranteed cost to the City. The schedule of benefits associated with the FLOC plan differs slightly from the City's current program as outlined in the chart below. Benefit enhancements are represented in blue and benefit reductions are shown in red.

	AvMed Plan 0727		Florida League of Cities UHC Plan 002	
Plan Basics	In Network	Out of Network	In Network	Out of Network
Lifetime Maximum	Unlimited		Unlimited	
Calendar Year Deductible				
Single	\$150	\$500	\$250	\$500
Family	\$300	\$1,000	\$500	\$1,000
Out of Pocket Maximum	<i>Does Not Include Deductible</i>		<i>Includes Deductible</i>	
Single	\$1,000	\$2,000	\$2,500	\$5,000
Family	\$2,000	\$4,000	\$5,000	\$10,000
Coinsurance	90%	60%	90%	70%
Office Visits				
Physician Office Visit	CYD + 10%	CYD + 40%	\$10	CYD + 30%
Specialist Visit	CYD + 10%	CYD + 40%	\$20	CYD + 30%
Preventive Care Services	No Charge	40%	No Charge	Not Covered
Independent Clinical Lab	No Charge	CYD + 40%	No Charge	CYD + 30%
Urgent Care Center	\$40 Copay	\$60 Copay	\$35	CYD + 30%
Hospital				
Inpatient	CYD	CYD + 40%	CYD + 10%	CYD + 30%
Outpatient	CYD + 10%	CYD + 40%	\$100	CYD + 30%
Emergency Room Visit	\$100 Copay		\$100 Copay	
Physician Services in Hospital	No Charge	CYD + 40%	CYD + 10%	CYD + 30%
Advanced Imaging (Outpatient)	CYD + 10%	CYD + 40%	\$150	CYD + 30%
Mental Health / Substance Abuse				
Inpatient	No Charge	CYD + 40%	CYD + 10%	CYD + 30%
Outpatient	CYD + 10%	CYD + 40%	\$10	CYD + 30%
Prescription Drugs				
Tier 1	\$5	N/A	\$10	N/A
Tier 2	\$10	N/A	\$30	N/A
Tier 3	\$25	N/A	\$50	N/A
Tier 4	\$75	N/A	N/A	N/A
Mail Order	2 x Retail Copay	N/A	2.5 x Retail Copay	N/A

Upon comparing the City's current plan design with several other local public sector entities, the benefits outlined in the proposed FLOC plan are in line with the industry according to the results of a recent local entity benchmark survey conducted by Gehring Group.

It is important to note that the Florida League of Cities (FLOC) utilizes United Healthcare as its TPA (claims payer) thus providing its members with access to United Healthcare's national provider network. This will provide additional provider options as well as the depth of United's

negotiated provider discounts to employees, as well as retirees living outside of the local service area.

Please also note that although the deductible and out of pocket maximums are slightly higher than the current plan, one of the major benefits of the FLOC plan is that physician office visits are subject to copays versus being subject to the deductible and coinsurance. This means that employees will be capped at the cost of the copay for provider office visits, and that the deductible will only apply to hospital services in most cases. The plan also enhances the out of network coinsurance benefit from 60% to 70%.

Another benefit of the FLOC option is that Medicare eligible retirees (retirees over age 65) will be covered by FLOC's Medicare supplement plan which provides comprehensive coverage for retirees enrolled in Medicare Parts A and B at a lower rate than charged for plan participants under age 65. Part B is not a current requirement under the AvMed plan; therefore, retirees not currently enrolled in Part B would need to enroll in order to receive comprehensive benefits. (The average cost of Medicare Part B for most individuals is \$104.90/month according to the Center for Medicare and Medicaid Services - <http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>.) Based on current enrollment, this may affect approximately 38 retirees that are currently Medicare eligible, if not currently enrolled in Medicare Part B.

Based on the competitive costs proposed by the Florida League of Cities, the ability to cap the City's risk and budget exposure for medical claims, the decreased level of administration required and the associated indirect time cost savings, Gehring Group and the insurance review committee recommends (based on a 4 to 1 vote) that the City of Dania Beach implement a fully insured medical plan option with the Florida League of Cities (FLOC).

Dental, Vision, Life and ADD, Supplemental Life and Short Term Disability Recommendation

In order to increase administrative efficiencies, consolidate many of the City's ancillary lines of coverage with one carrier and leverage multi-line discounts negotiated during best and final negotiations, Gehring Group and the insurance review committee also recommends that the City renew its life and AD&D coverage and place its dental and vision coverage with Reliance Standard on a fully insured basis. Reliance Standard has an excellent track record with the City in providing competitive plan options for its life insurance coverage as well as excellent customer service.

Lastly, due to the historically low utilization of the City's self-insured short term disability program, Gehring Group recommends that the City continue to self-insure this coverage through the current administrator, Maxon Administrators.

Additional advantages to this recommendation include:

- Access to a dental provider network where employees can take advantage of negotiated provider discounts to get more benefit for their dollar. (The current dental program reimburses employees based on a schedule dating back to 1997.)

- Enhanced vision coverage under a comprehensive vision program with coverage for eye exams, frames, lenses and contact lenses.
- Decreased level of administration as it relates to City's self-insured dental, vision and STD programs.
- Alleviating the potential risk exposure in the event claims exceed the budget for these programs.

The costs and benefits for each line of coverage referenced herein are included in Exhibit A for your review.

EXHIBIT A

SUMMARY OF BEST & FINAL NEGOTIATIONS (EMPLOYEE BENEFITS INSURANCE RFP EVALUATION)

City of Dania Beach
 ASO & Reinsurance RFP Evaluation
 Effective Date: October 1, 2013

		CURRENT	RENEWAL
		Symetra (AvMed)	Symetra (AvMed)
MEDICAL ASO FEE	<i>Enrollment</i>	AvMed	AvMed
Composite Rate	158	\$46.77	\$51.74
Annual Administration Cost		\$88,675.92	\$98,099.04
ASO Rate Guarantee		N/A	24 Months
<u>SPECIFIC STOP LOSS</u>			
Specific Deductible		\$75,000	\$75,000
Aggregating Specific Deductible		N/A	N/A
Specific Run in Limitation		none	none
Annual Maximum (Per Person)		Unlimited	Unlimited
Contract Basis		12/15	12/15
Benefits Covered		Medl, Rx & Capitation	Medical & Rx
Composite Rate (PEPM)	158	\$233.34	\$316.24
Single	46	\$131.89	\$178.75
Family	112	\$275.01	\$372.72
Annual Premium		\$442,416.72	\$599,605.68
<u>AGGREGATE STOP LOSS</u>			
Contract Basis		12/15	12/15
Claim Corridor		25%	25%
Benefits Covered		Medl, Rx & Capitation	Medl & Rx
Annual Maximum Reimbursement		\$1,000,000	\$1,000,000
Aggregate Run In Limit		N/A	N/A
Aggregate Premium (PEPM)	158	\$8.35	\$9.82
Annual Premium		\$15,831.60	\$18,618.72
Total Fixed Costs		\$546,924.24	\$716,323.44
<u>EXPECTED CLAIMS COSTS</u>			
Expected Claims Costs PEPM	158	\$1,024	\$1,075
Annual Expected Claims Costs		\$1,942,187	\$2,037,957
\$ Increase		N/A	\$95,770.75
% Increase		N/A	5%
TOTAL EXPECTED COST		\$2,489,110.80	\$2,754,280.75
\$ Increase (Decrease)		N/A	\$265,169.95
% Increase (Decrease)		N/A	11%
<u>MAXIMUM CLAIMS COST</u>			
Annual Maximum Claims Cost	158	\$1,280.45	\$1,343.59
		\$2,427,733.20	\$2,547,446.64
TOTAL MAXIMUM COST		\$2,974,657.44	\$3,263,770.08
\$ Increase (Decrease)		N/A	\$289,112.64
% Increase (Decrease)		N/A	10%

Carrier	Proposed Medical Self Funded Plan Caveats
Symetra	Current contract covers Capitation Fees under ISL & Agg reimbursement. Renewal does not list capitation as a reimbursable fee.
AvMed	Optional Services not included in rates: \$12.00 Per Satisfaction Survey, \$4.20 Per Health Risk Assessment. Disease Management is billed separately. Wellness Funds of \$1.42pepm included in quote. AvMed reserves the right to revise fees if covered medical employees be more than 10% higher or lower than 172 covered employees. AvMed has the right to revise rates if a non suggested stop loss carrier is chosen. AvMed fees do not include any PPACA mandated fees, taxes, etc.

**This page is a high level summary of the key caveats taken from the respective proposals. Please refer to the proposals for a more detailed description.*

City of Dania Beach
Medical Insurance RFP Evaluation - Fully Insured Options
Effective Date: October 1, 2013



	CURRENT ASO		FI Alternative		Alternative #1		Alternative #2	
	AvMed Plan 0727		AvMed Plan 0727		Florida League of Cities UHC Plan 002		Cigna PPO	
Plan Basics	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Lifetime Maximum	Unlimited		Unlimited		Unlimited		Unlimited	
Calendar Year Deductible								
Single	\$150	\$500	\$150	\$500	\$250	\$500	\$150	\$500
Family	\$300	\$1,000	\$300	\$1,000	\$500	\$1,000	\$300	\$1,000
Out of Pocket Maximum	<i>Does Not Include Deductible</i>		<i>Does Not Include Deductible</i>		<i>Includes Deductible</i>		<i>Includes Deductible</i>	
Single	\$1,000	\$2,000	\$1,000	\$2,000	\$2,500	\$5,000	\$1,000	\$2,000
Family	\$2,000	\$4,000	\$2,000	\$4,000	\$5,000	\$10,000	\$2,000	\$4,000
Coinsurance	90%	60%	90%	60%	90%	70%	90%	60%
Office Visits								
Physician Office Visit	CYD + 10%	CYD + 40%	CYD + 10%	CYD + 40%	\$10	CYD + 30%	CYD + 10%	CYD + 40%
Specialist Visit	CYD + 10%	CYD + 40%	CYD + 10%	CYD + 40%	\$20	CYD + 30%	CYD + 10%	CYD + 40%
Preventive Care Services	No Charge	40%	No Charge	40%	No Charge	Not Covered	No Charge	40%
Independent Clinical Lab	No Charge	CYD + 40%	No Charge	CYD + 40%	No Charge	CYD + 30%	No Charge	CYD + 40%
Urgent Care Center	\$40 Copay	\$60 Copay	\$40 Copay	\$60 Copay	\$35	CYD + 30%	\$40 Copay	\$60 Copay
Hospital								
Inpatient	CYD	CYD + 40%	CYD	CYD + 40%	CYD + 10%	CYD + 30%	CYD + 10%	CYD + 40%
Outpatient	CYD + 10%	CYD + 40%	CYD + 10%	CYD + 40%	\$100	CYD + 30%	CYD + 10%	CYD + 40%
Emergency Room Visit	\$100 Copay		\$100 Copay		\$100 Copay		\$100 Copay	
Physician Services in Hospital	No Charge	CYD + 40%	No Charge	CYD + 40%	CYD + 10%	CYD + 30%	No Charge	CYD + 40%
Advanced Imaging (Outpatient)	CYD + 10%	CYD + 40%	CYD + 10%	CYD + 40%	\$150	CYD + 30%	No Charge	CYD + 40%
Mental Health / Substance Abuse								
Inpatient	No Charge	CYD + 40%	No Charge	CYD + 40%	CYD + 10%	CYD + 30%	No Charge	CYD + 40%
Outpatient	CYD + 10%	CYD + 40%	CYD + 10%	CYD + 40%	\$10	CYD + 30%	CYD + 10%	CYD + 40%
Prescription Drugs								
Tier 1	\$5	N/A	\$5	N/A	\$10	N/A	\$5	N/A
Teir 2	\$10	N/A	\$10	N/A	\$30	N/A	\$40	N/A
Teir 3	\$25	N/A	\$25	N/A	\$50	N/A	\$70	N/A
Tier 4	\$75	N/A	\$75	N/A	N/A	N/A	N/A	N/A
Mail Order	2 x Retail Copay	N/A	2 x Retail Copay	N/A	2.5 x Retail Copay	N/A	2 x Retail Copay	N/A
Active / Pre-65								
Single	40	\$684.88		\$980.46		\$569.00		\$807.01
Family	95	\$1,814.92		\$2,598.23		\$1,508.00		\$2,056.59
Post-65								
Single	18	\$727.30		\$980.46		\$366.29		\$281.81
Family	20	\$1,632.67		\$2,598.23		\$732.58		\$548.57
Monthly Premium	173	\$245,557.40		\$355,663.13		\$187,264.82		\$243,700.35
Annual Premium		\$2,946,688.80		\$4,267,957.56		\$2,247,177.84		\$2,924,404.20
\$ Increase		N/A		\$1,321,268.76		-\$699,510.96		-\$22,284.60
% Increase		N/A		44.84%		-23.74%		-0.76%

Carrier	Fully Insured Medical Plan Caveats
<p>CIGNA</p>	<ul style="list-style-type: none"> * Incentive Programs are excluded. Cigna can re-rate if enrollment changes +/- 10%. Proposal is not a Grandfathered Health Plan under PPACA. Requirements include a completed Medical History Questionnaire prior to policy effective date. * Proposal includes \$5,000 towards wellness * Cigna offering the following rate reduction incentives for a potential total of 5.5% off of proposed rates: <ul style="list-style-type: none"> - 4% wellness credit - 1% credit to bundle dental coverage - 0.5% credit to bundle STD coverage * Composite rates for Active/Pre-65 retirees are illustrated. Separate Active & Pre-65 retiree rates are provided separately * Rates for Post-65 retirees vary by state, zip code and age band and are provided separately. Rates illustrated are a composite
<p>FL League of Cities</p>	<ul style="list-style-type: none"> * Proposal is not a Grandfathered Health Plan under PPACA. * Proposal includes weekly newsletters and webinars on implementation & impacts of the ACA, at no cost. * Proposal includes regional workshops at no cost. * Fully funded Health Screenings and Wellness Incentive Program included.

**This page is a high level summary of the key caveats taken from the respective proposals. Please refer to the proposals for a more detailed description.*

City of Dania Beach
PPO Dental Insurance RFP Evaluation
Effective Date: October 1, 2013



SCHEDULE OF BENEFITS	CURRENT ASO		RENEWAL ASO		FI - Alternative #1		FI - Alternative #2	
	Maxon		Maxon		Reliance Standard Plan 1		Cigna CDC	
Plan Basics	Indemnity		Indemnity		In Network	Non Network	In Network	Non Network
Annual Benefit Maximum	\$2,000		\$2,000		\$2,000		\$2,000	
Orthodontic Lifetime Max	\$1,000		\$1,000		\$1,000		\$1,000	
Deductibles								
Single	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Family	\$50 /member	\$50 /member	\$50 /member	\$50 /member	\$150	\$150	\$150	\$150
Deductible Waived for Preventive Services?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Frequency Limit for Class 1 Services?	2 / year	2 / year	2 / year	2 / year	2 / year	2 / year	2 / year	2 / year
Benefits								
Class 1 -Preventive / Diagnostic	80%	80%	80%	80%	80%	80%	80%	80%
Class 2 -Basic Services	80%	80%	80%	80%	80%	80%	80%	80%
Class 3 -Major Services	80%	80%	80%	80%	80%	80%	80%	80%
Class 4 -Orthodontia (Up to age 19)	50%	50%	50%	50%	50%	50%	50%	50%
Waiting Period								
Class 3 -Major Services	None		None		None		None	
Class 4 -Orthodontia (Up to age 19)	None		None		None		None	
Coverage Clarification								
Endodontic and Periodontic are covered as:	Class 2 Services		Class 2 Services		Class 2 Services		Class 2 Services	
Out of Network Benefits Payable Level	80% of UCR		80% of UCR		80% of UCR		80% of UCR	
Rate Guarantee	N/A		24 months		12 months		24 months	
Employee	49	\$67.54		\$67.96		\$31.75		\$49.66
Employee + Spouse	0	N/A		N/A		N/A		N/A
Employee + Child(ren)	0	N/A		N/A		N/A		N/A
Employee + Family	123	\$192.50		\$192.95		\$99.74		\$131.66
Monthly Premium	\$26,986.96		\$27,063.09		\$13,823.77		\$18,627.52	
Annual Premium	\$323,843.52		\$324,757.09		\$165,885.24		\$223,530.24	
\$ Increase	N/A		\$913.57		-\$157,958.28		-\$100,313.28	
% Increase	N/A		0.3%		-48.8%		-31.0%	

Carrier	Proposed Dental Caveats
Cigna	* Rates reflect stand alone dental plan.
Reliance Standard	* Also offered 2 year rates at a 46.7% decrease: - EE Only: \$33.02 - EE + family: \$103.73 * Rates are guaranteed if sold as part of a package with one other line of coverage.

City of Dania Beach
 Vision Insurance Evaluation
 Effective Date: October 1, 2013



SCHEDULE OF BENEFITS	CURRENT ASO	RENEWAL ASO
	Maxon Vision	Maxon Vision
Calendar Year Deductible		
Per Member	\$25	\$25
Benefit Percentage		
Plan Pays	80% of UCR	80% of UCR
Annual Benefit Maximum		
Per Member	\$250	\$250
Family	\$500	\$500
Rate Guarantee	N/A	12 months
Employee 49	\$8.47	\$8.52
Employee + Spouse 0	N/A	N/A
Employee + Child(ren) 0	N/A	N/A
Employee + Family 123	\$16.21	\$16.25
Monthly Premium	\$2,408.86	\$2,416.12
Annual Premium	\$28,906.32	\$28,993.42
\$ Increase	N/A	\$87.10
% Increase	N/A	0.3%

City of Dania Beach
Vision Insurance Evaluation
Effective Date: October 1, 2013

SCHEDULE OF BENEFITS	CURRENT COSTS		FI - Alternative #1		FI - Alternative #2	
	Maxon		Reliance Standard TrueView Plan H		Cigna (C1) - PPO	
	<i>Indemnity</i>		<i>In Network</i>	<i>Non Network</i>	<i>In Network</i>	<i>Non Network</i>
Frequency (Exam/Lenses/Frames)			12 / 12 / 24 months		12 / 12 / 24 months	
Services						
Eye Exam			\$15 copay	Up to \$35	\$15 copay	N/A
Materials			\$15 copay	\$15 copay	\$15 copay	N/A
Eye Examinations						
Optometrist			\$15 copay	Not Covered	Paid in Full	Up to \$45
Lenses (per pair)						
Single Lenses			\$15 copay	Up to \$25	Up to \$32	Up to \$32
Bifocal Lenses			\$15 copay	Up to \$40	Up to \$55	Up to \$55
Trifocal Lenses			\$15 copay	Up to \$55	Up to \$65	Up to \$65
Contact Lenses						
Contact Lenses (Elective)			Up to \$115	Up to \$92	Up to \$100	Up to \$87
Medically Necessary			Paid in Full	Up to \$200	Paid in Full	Up to \$210
Frames						
Rate Guarantee	N/A		12 months		24 months	
Current Maxon Costs						
Employee	49	\$8.47	\$7.04		\$6.94	
Employee + Spouse	0	N/A	N/A		N/A	
Employee + Child(ren)	0	N/A	N/A		N/A	
Employee + Family	123	\$16.21	\$16.80		\$22.37	
Monthly Premium		\$2,408.86	\$2,411.36		\$3,091.57	
Annual Premium		\$28,906.32	\$28,936.32		\$37,098.84	
\$ Increase		N/A	\$30.00		\$8,192.52	
% Increase		N/A	0.1%		28.3%	

Carrier	Vision Plan Caveats
Cigna	<ul style="list-style-type: none"> * Charges that exceed Plan Allowance in network will receive a member courtesy 20% discount off retail rates. * Progressive lenses are covered up to the bifocal lens amount with 20% discount of difference. * Rates assume voluntary plan with 20% minimum participation requirement.
Reliance Standard	<ul style="list-style-type: none"> * Also offered 2 year rates at a 3.9% increase: <ul style="list-style-type: none"> - EE Only: \$7.32 - EE + family: \$17.44 * 60% minimum participation required * Rates are guaranteed if sold as part of a package with one other line of coverage. * Member cost share for progressive lenses covered in two tiers: <ul style="list-style-type: none"> - Standard: \$65 + lens deductible (\$15) - Premium: 20% discount off lens cost - \$120 allowance + Standard Progressive cost

**This page is a high level summary of the key caveats taken from the respective proposals. Please refer to the proposals for a more detailed description.*

City of Dania Beach
Basic Life and AD&D Insurance RFP Evaluation
Effective Date: October 1, 2013



	CURRENT	RENEWAL	Alternative #1
Basic Life / AD&D	Reliance Standard	Reliance Standard	Cigna
Class Description			
Class 1 – F/T Department Head	\$100,000	\$100,000	\$100,000
Class 2 – F/T Elected Officials and Commissioner	\$5,000	\$5,000	\$5,000
Class 3 – F/T EE < 1 year of service	1 X Salary to a maximum of \$50,000 in increments of \$1,000	1 X Salary to a maximum of \$50,000 in increments of \$1,000	1 X Salary to a maximum of \$50,000 in increments of \$1,000
Class 4 – F/T EE >= 1 year of service	2 X Salary to a maximum of \$50,000 in increments of \$1,000	2 X Salary to a maximum of \$50,000 in increments of \$1,000	2 X Salary to a maximum of \$50,000 in increments of \$1,000
Class 5 – Retiree	\$5,000	\$5,000	\$5,000
Spouse and Dependent Benefit			
Spouse	\$5,000 to \$50,000 in increments of \$5,000	\$5,000 to \$50,000 in increments of \$5,000	\$5,000 to \$50,000 in increments of \$5,000
Dependent Child	\$500 –14 days to 6 months \$5,000 – 6 months and above	\$500 –14 days to 6 months \$5,000 – 6 months and above	\$500 –14 days to 6 months \$5,000 – 6 months and above
Features			
Waiver of Premium	Included	Included	Included
Conversion Privileges	Included	Included	Included
Accelerated Benefit	75% to max of \$500,000	75% to max of \$500,000	75% to max of \$500,000
Age Reduction Schedule:	50% at age 70	50% at age 70	50% at age 70
Rate Guarantee		12 months*	36 months
Rates			
Basic Life Rate / \$1,000	\$0.230	\$0.230	\$0.230
AD&D Rate / \$1,000	\$0.020	\$0.020	\$0.020
Total Life and AD&D Rate	\$0.250	\$0.250	\$0.250
Estimated Volume	\$4,671,000	\$4,671,000	\$4,671,000
Total Monthly Premium	\$1,167.75	\$1,167.75	\$1,167.75
Total Annual Premium	\$14,013.00	\$14,013.00	\$14,013.00
\$ Increase	N/A	\$0.00	\$0.00
% Increase	N/A	0.00%	0.00%

*will extend rate guarantee to 2 years with selection of one other line

City of Dania Beach
Supplemental Life Insurance RFP Evaluation
Effective Date: October 1, 2013

	CURRENT	RENEWAL	Alternative #1
Supplemental Life	Reliance Standard	Reliance Standard	Cigna
Core Benefit			
Classes 1,2,3 & 4	\$10,000 to \$200,000 in \$1,000 increments	\$10,000 to \$200,000 in \$1,000 increments	\$10,000 to \$200,000 in \$1,000 increments
Features			
Guarantee Issue	\$150,000	\$150,000	\$150,000
Waiver of Premium	Included	Included	Included
Conversion Privileges	Included	Included	Included
Accelerated Benefit	75% to Plan Maximum	75% to Plan Maximum	75% to Plan Maximum
Age Reduction Schedule	50% at age 70	50% at age 70	50% at age 70
Rate Guarantee		12 months*	36 months
Rates per \$1,000			
< 30	\$0.090	\$0.090	\$0.090
30 - 34	\$0.100	\$0.100	\$0.100
35 - 39	\$0.140	\$0.140	\$0.140
40 - 44	\$0.210	\$0.210	\$0.210
45 - 49	\$0.380	\$0.380	\$0.380
50 - 54	\$0.580	\$0.580	\$0.580
55 - 59	\$0.940	\$0.940	\$0.940
60 - 64	\$1.070	\$1.070	\$1.070
65 - 69	\$1.510	\$1.510	\$1.510
> 70	\$3.520	\$3.520	\$3.520

*will extend rate guarantee to 2 years
with selection of one other line

City of Dania Beach

Voluntary Short Term Disability RFP Evaluation

Effective Date: October 1, 2013



		Current	Renewal	Alternative #1	Alternative #2
SHORT TERM DISABILITY - Option 1					
		Maxon TPA	Maxon TPA	Cigna	Reliance Standard
Benefits					
Benefit Percent		50%	50%	50%	50%
Maximum Benefit per Week		\$300	\$300	\$300	\$300
Elimination Period:					
Accident Waiting Period		0 Days	0 Days	0 Days	0 Days
Sickness Waiting Period		7 Days	7 Days	7 Days	7 Days
Benefit Duration		26 Weeks Accident 25 Weeks Sickness	26 Weeks Accident 25 Weeks Sickness	26 Weeks Accident 25 Weeks Sickness	26 Weeks Accident 25 Weeks Sickness
Rate Guarantee		N/A	N/A	24 Months	24 Months
Benefits Volume		N/A	N/A	\$10,039	\$10,039
Premium Equivalent		\$4.40 PEPM	\$4.43 PEPM	\$0.500	\$0.650
MONTHLY PREMIUM	Enrollmt	\$149.60	\$150.62	\$501.95	\$652.54
ANNUAL PREMIUM OR FIXED COSTS	34	\$1,795.20	\$1,807.44	\$6,023.40	\$7,830.42
Option 2					
		Maxon TPA	Maxon TPA	Cigna	Reliance Standard
Benefits					
Benefit Percent		50%	50%	50%	50%
Maximum Benefit per Week		\$300	\$300	\$300	\$300
Elimination Period:					
Accident Waiting Period		30 Days	30 Days	30 Days	30 Days
Sickness Waiting Period		30 Days	30 Days	30 Days	30 Days
Benefit Duration		52 Weeks	52 Weeks	52 Weeks	52 Weeks
Rate Guarantee		N/A	N/A	24 Months	24 Months
Benefits Volume		N/A	N/A	\$11,972	\$11,972
Rate per \$10		\$4.40 PEPM	\$4.43 PEPM	\$0.320	\$0.500
MONTHLY PREMIUM	Enrollmt	\$176.00	\$177.20	\$383.10	\$598.60
ANNUAL PREMIUM OR FIXED COSTS	40	\$2,112.00	\$2,126.40	\$4,597.25	\$7,183.20
Option 3					
		Maxon TPA	Maxon TPA	Cigna	Reliance Standard
Benefits					
Benefit Percent		60%	60%	60%	60%
Maximum Benefit per Week		\$400	\$400	\$400	\$400
Elimination Period:					
Accident Waiting Period		90 Days	90 Days	90 Days	90 Days
Sickness Waiting Period		90 Days	90 Days	90 Days	90 Days
Benefit Duration		52 Weeks	52 Weeks	52 Weeks	52 Weeks
Rate Guarantee		N/A	N/A	24 Months	24 Months
Benefits Volume		N/A	N/A	\$6,359	\$6,359
Rate per \$10		\$4.40 PEPM	\$4.43 PEPM	\$0.330	\$0.360
MONTHLY PREMIUM	Enrollmt	\$66.00	\$66.45	\$209.85	\$228.92
ANNUAL PREMIUM OR FIXED COSTS	15	\$792.00	\$797.40	\$2,518.16	\$2,747.09
TOTAL ANNUAL COST		\$4,699.20	\$4,731.24	\$13,138.81	\$17,760.71
% Increase		N/A	0.7%	179.6%	278.0%

City of Dania Beach
Short Term Disability Caveats
Effective Date: October 1, 2013

Carrier	Plan Caveats
Cigna	* Rates are only valid if the product is sold as part of this 3 STD plan package
Reliance Standard	* Rates include FICA match and W-2's. * Rates are guaranteed if sold as part of a package with one other line of coverage.

**This page is a high level summary of the key caveats taken from the respective proposals. Please refer to the proposals for a more detailed descriptions.*

City of Dania Beach
 Healthcare Program Cost Evaluation
 Includes Cigna Multiline & Wellness Medical Discounts
 Effective Date: October 1, 2013



Current

Renewal

Alternative #1

Alternative #2

Medical		AvMed	AvMed	FL League of Cities	Cigna
		<i>Self Insured - Plan 0727</i>	<i>Self Insured - Plan 0727</i>	<i>Fully Insured - UHC Plan 2</i>	<i>Fully Insured - PPO**</i>
<i>Active/Pre-65</i>					
Employee	40	\$684.88	\$751.44	\$569.00	\$764.94
Employee + Family	95	\$1,814.92	\$1,991.32	\$1,508.00	\$1,949.37
<i>Post-65</i>					
Employee	18	\$727.30	\$797.99	\$366.29	\$281.81
Employee + Family	20	\$1,632.67	\$1,791.35	\$732.58	\$548.57
Monthly Total	173	\$245,557.40	\$269,423.59	\$187,264.82	\$231,832.00
Annual Total		\$2,946,688.80	\$3,233,083.11	\$2,247,177.84	\$2,781,984.03
\$ Increase		N/A	\$286,394.31	-\$699,510.96	-\$164,704.77
% Increase		N/A	9.7%	-23.7%	-5.6%
Dental		Maxon	Maxon***	Reliance Standard	Cigna
		<i>Self Insured - Dental PPO</i>	<i>Self Insured - Dental PPO</i>	<i>Fully Insured - Plan 1</i>	<i>Fully Insured - Plan CDC</i>
Employee	49	\$67.54	\$67.96	\$31.75	\$49.66
Employee + Family	123	\$192.50	\$192.95	\$99.74	\$131.66
Monthly Total	172	\$26,986.96	\$27,063.09	\$13,823.77	\$18,627.52
Annual Total		\$323,843.52	\$324,757.09	\$165,885.24	\$223,530.24
\$ Increase		N/A	\$913.57	-\$157,958.28	-\$100,313.28
% Increase		N/A	0.3%	-48.8%	-31.0%
Vision		Maxon	Maxon***	Reliance Standard	Cigna
		<i>Self Insured - Vision</i>	<i>Self Insured - Vision</i>	<i>Fully Insured - TrueView H</i>	<i>Fully Insured - (C1)-PPO</i>
Employee	49	\$8.47	\$8.52	\$7.04	\$6.94
Employee + Family	123	\$16.21	\$16.25	\$16.80	\$22.37
Monthly Total	172	\$2,408.86	\$2,416.12	\$2,411.36	\$3,091.57
Annual Total		\$28,906.32	\$28,993.42	\$28,936.32	\$37,098.84
\$ Increase		N/A	\$87.10	\$30.00	\$8,192.52
% Increase		N/A	0.3%	0.1%	28.3%
Basic Life and AD&D		Reliance Standard	Reliance Standard	Reliance Standard	Cigna
		<i>Fully Insured - Life</i>	<i>Fully Insured - Life</i>	<i>Fully Insured - Life</i>	<i>Fully Insured - Life</i>
Monthly Total		\$1,167.75	\$1,167.75	\$1,167.75	\$1,167.75
Annual Total		\$14,013.00	\$14,013.00	\$14,013.00	\$14,013.00
\$ Increase		N/A	\$0.00	\$0.00	\$0.00
% Increase		N/A	0.0%	0.0%	0.0%
Short Term Disability		Maxon	Maxon***	Maxon	Cigna
		<i>Self Insured - STD</i>	<i>Self Insured - STD</i>	<i>Self Insured - STD</i>	<i>Fully Insured - STD</i>
Monthly Total	89	\$391.60	\$654.15	\$654.15	\$1,094.90
Annual Total		\$4,699.20	\$7,849.80	\$7,849.80	\$13,138.81
\$ Increase		N/A	\$3,150.60	\$3,150.60	\$8,439.61
% Increase		N/A	67.0%	67.0%	179.6%
Grand Total All Plans					
MONTHLY TOTAL		\$276,512.57	\$300,724.70	\$205,321.85	\$255,813.74
ANNUAL TOTAL*		\$3,318,150.84	\$3,608,696.43	\$2,463,862.20	\$3,069,764.92
\$ Increase		N/A	\$290,545.59	-\$854,288.64	-\$248,385.92
% Increase		N/A	8.76%	-25.75%	-7.49%

*Includes expected total costs (claims + admin fees) from AvMed ASO renewal

***Maxon Renewal rates reflect current funding rates and proposed administration costs
 Maxon STD Renewal reflects cost of placing only one line of coverage

**Composite rates displayed.
 Active/Pre/Post-65 rates provided separately. Estimated rates based on decrements provided by Cigna

HEALTH	2012-2013 AvMed			2013-2014 FL Leauge of Cities		
	Total	Employer	Employee	Total	Employer	Employee
<i>Active/Pre-65</i>						
Employee Only 40	\$684.88	\$616.39	\$68.49	\$569.00	\$512.10	\$56.90
Employee + Family 95	\$1,814.92	\$1,633.43	\$181.49	\$1,508.00	\$1,357.20	\$150.80
<i>Post-65</i>						
Employee Only 18	\$727.30	\$484.87	\$242.43	\$366.29	\$244.19	\$122.10
Employee + Family 20	\$1,632.67	\$1,088.45	\$544.22	\$732.58	\$488.39	\$244.19
TOTAL HEALTH PREMIUM 173						
ANNUAL PREMIUM	\$2,946,688.80	\$2,523,934.48	\$422,754.32	\$2,247,177.84	\$1,962,974.56	\$284,203.28
\$ INCREASE	N/A	N/A	N/A	-\$699,510.96	-\$560,959.92	-\$138,551.04
% INCREASE	N/A	N/A	N/A	-23.7%	-22.2%	-32.8%
DENTAL	Maxon			Reliance Standard		
	Total	Employer	Employee	Total	Employer	Employee
Employee Only 49	\$67.54	\$60.79	\$6.75	\$31.75	\$28.58	\$3.18
Employee + Family 123	\$192.50	\$173.25	\$19.25	\$99.74	\$89.77	\$9.97
TOTAL DENTAL PREMIUM 172						
ANNUAL PREMIUM	\$323,843.52	\$291,459.17	\$32,384.35	\$165,885.24	\$149,296.72	\$16,588.52
\$ INCREASE	N/A	N/A	N/A	-\$157,958.28	-\$142,162.45	-\$15,795.83
% INCREASE	N/A	N/A	N/A	-48.8%	-48.8%	-48.8%
VISION	Maxon			Reliance Standard		
	Total	Employer	Employee	Total	Employer	Employee
Employee Only 49	\$8.47	\$7.62	\$0.85	\$7.04	\$6.34	\$0.70
Employee + Family 123	\$16.21	\$14.59	\$1.62	\$16.80	\$15.12	\$1.68
TOTAL VISION PREMIUM 172						
ANNUAL PREMIUM	\$28,906.32	\$26,015.69	\$2,890.63	\$28,936.32	\$26,042.69	\$2,893.63
\$ INCREASE	N/A	N/A	N/A	\$30.00	\$27.00	\$3.00
% INCREASE	N/A	N/A	N/A	0.1%	0.1%	0.1%
BASIC LIFE/AD&D	Reliance Standard			Reliance Standard		
Benefits Volume	\$4,671,000			\$4,671,000		
Life Rate / \$1,000	\$0.23			\$0.23		
AD&D Rate / \$1,000	\$0.02			\$0.02		
TOTAL LIFE/AD&D PREMIUM	Total	Employer	Employee	Total	Employer	Employee
ANNUAL PREMIUM	\$14,013.00	\$14,013.00	\$0.00	\$14,013.00	\$14,013.00	\$0.00
SHORT TERM DISABILITY	Maxon			Maxon		
STD Monthly Premium	\$391.60			\$654.15		
TOTAL STD PREMIUM	Total	Employer	Employee	Total	Employer	Employee
ANNUAL PREMIUM	\$4,699.20	\$4,699.20	\$0.00	\$7,849.80	\$7,849.80	\$0.00
TOTAL BENEFITS PREMIUM	Total	Employer	Employee	Total	Employer	Employee
ANNUAL PREMIUM	\$3,318,150.84	\$2,860,121.54	\$458,029.30	\$2,463,862.20	\$2,160,176.76	\$303,685.44
\$ INCREASE	N/A	N/A	N/A	-\$854,288.64	-\$699,944.77	-\$154,343.87
% INCREASE	N/A	N/A	N/A	-25.75%	-24.47%	-33.70%