

CITY OF DANIA BEACH

Employee Benefits Insurance Evaluation



RENEWAL RECOMMENDATION FOR:

GROUP MEDICARE SUPPLEMENT INSURANCE

PLAN YEAR EFFECTIVE: OCTOBER 1, 2015

August 19th, 2015

Presented By:

GEHRING GROUP
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Medicare Supplement Renewal Evaluation & Recommendation **Plan Year Effective: October 1, 2015**

EXECUTIVE SUMMARY

Medicare Supplement Insurance Renewal

The City of Dania Beach currently offers group Medicare Supplement Insurance through the Florida League of Cities to its retired employees and their dependents, age 65 and over. Effective October 1, 2015, Florida League of Cities is no longer offering the current Employer Medicare Supplement Insurance plan for the City's retired members that are Medicare eligible and are over age 65. Only Medicare eligible individuals are allowed to enroll in Medicare Plans. If a spouse and/or dependent is under age 65, he/she will continue to be covered through his/her employer coverage.

Due to the concern regarding the City's retired members no longer being offered Employer Medicare Supplement Insurance through the Florida League of Cities, the City and Gehring Group conducted a formal RFP and evaluation process to investigate all viable options for Medicare Supplement Insurance. Based on the results of our analysis, Aetna proposed the most competitive Medicare Supplement option. Gehring Group proposes that the City transition the current Employer Medicare Supplement Insurance with the Florida League of Cities (United Healthcare) to Aetna.

The current total annual cost of the Medicare supplement insurance program for the 2014/2015 plan year is approximately \$249,696 based on current enrollment of 35 retired employees. The total projected annual cost of the Medicare supplement insurance program for the 2015/2016 plan year is approximately \$291,294 based on current enrollment of 35 retired employees. The total gross annual cost increase generated by the implementation of the above recommendations is approximately \$41,598.

By implementing the new Employer Medicare Supplement Insurance the City would be able to continue to provide group Medicare Supplement Insurance through Aetna to its retired employees and their dependents, age 65 and over.

EXHIBITS

- Medicare Supplement Renewal Evaluation
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	Current	Alternate #1	Alternate #2	Alternate #3
	Florida League of Cities Florida Municipal Insurance Trust	Humana	Aetna Plan A	Aetna Non-FL
Plan Basics	In Network	In Network	In Network	In Network
Lifetime Maximum	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Calendar Year Deductible				
Single	None	None	Medicare Part A - \$1,260 Medicare Part B - \$147	None
Family	N/A	N/A	N/A	N/A
Out of Pocket Maximum				
Single	Unlimited	\$1,000 Combined	Unlimited	Unlimited
Family	N/A	N/A	N/A	N/A
Coinsurance	100%	100%	100%	100%
Office Visits				
Physician Office Visit	\$0 Copayment	\$0 Copayment	Part B Deductible + \$0	\$0 Copayment
Specialist Visit	\$0 Copayment	\$0 Copayment	Part B Deductible + \$0	\$0 Copayment
Hospital				
Inpatient	\$0 Copayment	\$0 Copayment	Part A Deductible + \$0	\$0 Copayment
Outpatient	\$0 Copayment	\$0 Copayment	Part B Deductible + \$0	\$0 Copayment
Emergency Room Visit	\$0 Copayment	\$0 Copayment	Part B Deductible + \$0	\$0 Copayment
Physician Services in Hospital	\$0 Copayment	\$0 Copayment	Part A Deductible + \$0	\$0 Copayment
Skilled Nursing Facility	\$0 Copayment (Days 1-60)	\$0 Copayment (Days 1-100)	\$0 Copayment (Days 1-20) Up to \$157.50/day (Days 21-	\$0 Copayment (Days 1-100)
Prescription Drugs - Catastrophic				
Tier 1	\$10	\$10	\$10	\$10
Tier 2	\$30	\$20	\$20	\$20
Tier 3	\$50	\$40	\$40	\$40
Tier 4	N/A	25%	N/A	N/A
Mail Order	2.5 x Retail Copay	2.5 x Retail Copay	2 x Retail Copay	2 x Retail Copay
Retiree Post-65			*Composite Rates Illustrated - Actual Rates are County and Age Banded	*Composite Rates Illustrated - Actual Rates are County and Age Banded
Retiree - Single	16	\$408.00	\$590.67	\$394.61
Retiree + Dependent over 65	14	\$816.00	\$1,181.34	\$789.22
Retiree - Single - Out of State	3	\$408.00	\$590.67	\$389.54
Retiree + Dependent over 65 - Out of State	2	\$816.00	\$1,181.34	\$779.08
Monthly Premium	35	\$20,808.00	\$30,124.17	\$20,089.62
Annual Premium		\$249,696.00	\$361,490.04	\$241,075.44
\$ Increase		n/a	\$111,794.04	-\$8,620.56
% Increase		n/a	44.77%	-3.45%
				\$24,274.46
				\$291,293.52
				\$41,597.52
				16.66%

*Gehring Group is currently conducting the bid and evaluation process to investigate all viable options for Medicare Supplement Plan.