

**SEMINOLE COUNTY GOVERNMENT  
AGENDA MEMORANDUM**

**SUBJECT:** Renewal of Employee Benefit Programs

**DEPARTMENT:** Administrative Services **DIVISION:** Risk Management

**AUTHORIZED BY:** Speed Thomas  **CONTACT:** Linda Eiland  **EXT.** 5950

<b>Agenda Date</b> <u>06-13-06</u> <b>Regular</b> <input type="checkbox"/> <b>Consent</b> <input checked="" type="checkbox"/> <b>Work Session</b> <input type="checkbox"/> <b>Briefing</b> <input type="checkbox"/>
<b>Public Hearing – 1:30</b> <input type="checkbox"/> <b>Public Hearing – 7:00</b> <input type="checkbox"/>

**MOTION/RECOMMENDATION:**

Authorization to renew the County's benefit programs effective January 01, 2007 through December 31, 2007 and authorization for Chairman to execute agreements as follows:

Group Health Insurance with United Healthcare with a rate increase of 9.8%

Group Dental Insurance with CompBenefits with a 13% increase for the Prepaid Plan.

Cancer and Short Term Disability Insurance with Professional Insurance Company with no increase.




COBRA and Flexible Spending Accounts Administration with Professional Insurance Company through Employee Benefits Corporation (EBC).

**BACKGROUND:**

On March 28, 2006, staff met with the Risk Management Executive Committee seeking direction on whether to bid or to negotiate renewal for the County's Group Health, Group Dental, Short-Term Disability & Cancer programs & Flexible Spending Account and COBRA administration.

Risk Management Executive Committee voted 4-0 for staff to negotiate renewal.

On April 25, 2006 staff met with Risk Management Executive Committee providing the results of negotiations as outlined below.

<b>Reviewed by:</b> <b>Co Atty:</b> _____ <b>DFS:</b> _____ <b>Other:</b>  _____ <b>DCM:</b>  _____ <b>CM:</b>  _____  <b>File No.</b> <u>CASR01</u>
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### **Group Health Insurance**

Staff negotiated renewal with United Healthcare at a 9.8% rate increase with no benefit changes.

Exhibit A shows the monthly premium effective January 1, 2007.

The estimated annual cost for FY 06/07, at the 9.8% rate increase is \$22,034,919; the county's cost being \$16,629,214 with the balance being funded by employee contributions. Estimated annual costs are projected based on current enrollment and can vary depending on employee turnover, changes made during open enrollment, and lifestyle changes throughout the year.

### **Group Dental Insurance**

Staff negotiated renewal with CompBenefits, the County's dental insurance carrier. They have agreed to renew the dental insurance program for one year effective January 01, 2007, with a 13% rate increase for the Prepaid Plan and no increase for the Indemnity Plan.

Estimated annual cost to employees is \$178,204.

### **Cancer/Short Term Disability**

Professional Insurance Company has presented its renewal extending their guaranteed issue on Short Term Disability (STD) and Cancer plans with no change in premiums effective January 01, 2007 through December 31, 2007.

Estimated annual cost to employees for STD is \$255,739 with an enrollment of 374 employees.

Estimated annual cost to employees for Cancer is \$99,134 with an enrollment of 338 employees,

### **COBRA and Flexible Spending Accounts Administration**

Professional Insurance Company has agreed to continue all current services through Employee Benefits Corporation (EBC). In addition they have offered to reduce the County's COBRA fee from \$15 per event to \$12.50 per event for a one-year renewal.

PIC has agreed to continue to fund the entire cost of flexible spending account (FSA) administration.

The renewals for Cancer, STD, COBRA and FSA administration is based on PIC remaining as the exclusive provider and will not be required to respond to an RFP during this one year period.

Estimated annual cost to the County for COBRA administration is \$5,904.

The Risk Management Executive Committee voted 5-0 to recommend to the Board of County Commissioners approval of renewal with United Healthcare, CompBenefits, and Professional Insurance Company.

Exhibit A

GROUP HEALTH INSURANCE PREMIUMS						
January 1, 2007 - December 31, 2007						
Type of Coverage	Total Premium		County Paid		Employee Pays	
	Monthly		Monthly		Monthly	Twice Monthly
<b>OPTION # 1: MANAGED HEALTH CARE (HMO)</b>						
Employee Only	397.42		397.42		0.00	0.00
Employee & Spouse	864.02		630.72		233.30	116.65
Employee & Child(ren)	828.44		612.93		215.51	107.76
Employee & Family	1309.04		853.23		455.81	227.91
<b>OPTION #2: POINT OF SERVICE (POS)</b>						
Employee Only	590.03		493.73		96.30	48.15
Employee & Spouse	1021.50		709.46		312.04	156.02
Employee & Child(ren)	948.32		672.87		275.45	137.73
Employee & Family	1553.67		975.55		578.12	289.06