



Legislation Text

File #: HCC-129-FY21, **Version:** 1

Submitted by: Ron Brooks
Submitting Department: Finance
Agenda Section: Action

Item Title:
Health Care, Prescription Drug, and Dental Care Rates for CY21

Suggested Action:

I move that the Mayor and Council approve the 2021 calendar year health insurance premium rates which have increased an average of 5% in all plans. To address the increase, the City will increase its flat rate contribution from \$399 to \$411 for individuals; from \$700 to \$722 for Individual plus one (1); and from \$910 to \$933 for individuals plus two (2) or more. This will result in the City responsible for approximately ½ of the increase and the employees responsible for the remaining amount. Employees' contributions per pay is approximately \$6 for single, \$11 for individual plus one (1), and \$15 for family. There is no change in the prescription drug plan, so the employee contribution remains unchanged. The increase in the Dental PPO and HMO Plans for employees per pay, is less than \$4 depending on their level of elected coverage and will be paid by the employees.

Summary Background:

On October 19, 2020, the City received the new State of Maryland calendar year (CY) 2021 Health Care Program guidance. There was an increase of approximately 5% in the PPO Carefirst and United Health Care plans, the EPO Carefirst and United Health Care plans, and the same increase in the Kaiser EPO plan. The City has been able to maintain the same flat rates for the past several years as there has been no, or very minor, changes to the programs. The increase this year averages between 4%-6% depending on the selected medical plan. The City is recommending that the average 5% increase be a shared cost with the City by the City increasing the flat rates to \$411 single, \$722 for plus one, and \$933 for family. This allows the City to pick up approximately half of the increase in costs.

Overall, the City pays between 75% to 80% of health insurance costs. In this case, the average per pay increase for single employees is \$6, for individual plus one is \$11, and \$15 for individual plus two (2) or more.

Open Enrollment period began on October 19, 2020 and runs through November 13, 2020. Upon Council approval, the employees will be given the opportunity to add, drop, or change coverage plans to best meet their individual or family needs. These new rates will become effective January through December 2021.

Next Steps:

Upon approval, the HR Director will provide City employees with an overview of the 2021 Health Care Plans and rate sheets.

Fiscal Impact:

Increases the City's monthly flat rate contributions in all employee health programs by 2.5% on average.

City Administrator Comments:

Recommend approval.

Community Engagement:

N/A

Strategic Goals:

Goal 2 - Ensure the Long-Term Economic Viability of the City

Legal Review Required?

N/A