

SUWANNEE RIVER WATER MANAGEMENT DISTRICT

MEMORANDUM

TO: Governing Board
FROM: Lisa Cheshire, Chief, Office of Human Resources
THRU: Hugh Thomas, Executive Director
DATE: September 24, 2020
RE: Employee Health Care Insurance Coverages

RECOMMENDATION

Approve the renewal of the employee health, dental, vision, group term life, and long-term disability insurance coverage for Calendar Year 2021.

BACKGROUND

The District's current health insurance program is with Blue Cross Blue Shield of Florida (BCBSFL) and is a fully insured plan offering a package of plan options similar to the structure available to employees of the State of Florida.

The District offers three health plans for employees to choose from:

1. A traditional PPO plan with Health Reimbursement Account;
2. A traditional HMO plan with Health Reimbursement Account; and
3. A consumer-driven, high deductible, plan with a Health Savings Account.

Preliminary renewal rates for the three health plans included a 9% increase. However, the District's broker, Gallagher & Co., negotiated a reduction in the proposed rate increase to 5.17%, which results in an estimated cost increase of \$49,284. The total estimated cost for calendar year 2021 is \$1,065,779. This cost increase estimate includes coverage for 66 employees and is based upon current health plan selections. The actual cost difference may change after the annual enrollment period. Employees will absorb the majority of the cost of the increase. There were no increases associated with dental, vision, life, and long-term disability benefit rates.

Under the Health Insurance Portability and Accountability Act (HIPAA) the District is required to hold an annual enrollment. District staff propose to start the annual enrollment period in November 2020 and give employees at least 30 days to review their options. The annual enrollment allows employees to discuss coverage details with the company representatives, make changes to insurance options including the supplemental insurance products offered through the District, and make changes to dependent coverage.

Funding for the District's health care insurance coverages are included in the Fiscal Year 2020-2021 (FY 2021) Final Budget and will be included in the FY 2022 Tentative Budget.

LC/ps