FRIENDSWOOD EMPLOYEE BENEFIT TRUST
REGULAR MEETING
MONDAY, AUGUST 7, 2023 – 5:30 P.M.
COUNCIL CHAMBERS, CITY HALL
910 S. FRIENDSWOOD DRIVE
FRIENDSWOOD, TEXAS 77546

AGENDA

1. **CALL TO ORDER**

2. **CONSENT AGENDA**

   A. Consider approving the minutes of the Friendswood Employee Benefit Trust Meeting held on August 1, 2022.

   B. Consider authorizing the City Manager to negotiate agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees.

3. **ADJOURNMENT**

PUBLIC NOTICE IS GIVEN THAT IN ADDITION TO ANY EXECUTIVE SESSION LISTED ABOVE, THE FRIENDSWOOD EMPLOYEE BENEFIT TRUST RESERVES THE RIGHT TO ADJOURN INTO EXECUTIVE SESSION AT ANY TIME AS AUTHORIZED BY THE TEXAS GOVERNMENT CODE SECTIONS 551.071 - 551.090 TO DISCUSS ANY MATTERS LISTED ABOVE.

THE CITY OF FRIENDSWOOD IS COMMITTED TO COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT. REASONABLE ACCOMMODATIONS AND EQUAL ACCESS TO COMMUNICATIONS WILL BE PROVIDED UPON REQUEST. PLEASE CONTACT THE CITY SECRETARY'S OFFICE BY PHONE AT (281) 996-3270, FAX (281) 482-1634, OR CONTACT (281) 996-3270 VIA RELAY TEXAS AT 711 OR 1-800-735-2988 FOR TYY SERVICES. FOR MORE INFORMATION CONCERNING RELAY TEXAS, PLEASE VISIT: HTTP://RELAYTEXAS.COM.

Posted in compliance with the Open Meetings Act on this 3rd day of August, 2023, at 6:30 P.M. by Leticia Brysch, City Secretary.

FRIENDSWOOD AGENDA ITEM FORM

MEETING DATE: August 7, 2023 **Agenda Number:** 2.A.

Prepared for:

Responsible Department: City Secretary

Prepared by: Leticia Brysch, City Secretary

Subject: Consider approving the minutes of the Friendswood Employee Benefit Trust Meeting held on August 1, 2022.

AGENDA ITEM

Consider approving the minutes of the Friendswood Employee Benefit Trust Meeting held on August 1, 2022.

SUMMARY OF ITEM

This item allows for the directors to review and approve the Friendswood Employee Benefit Trust Meeting held on August 1, 2022.

RECOMMENDATION

FISCAL IMPACT

Fiscal Year: **Source of Funds: (Operating/Capital/Bonds):**
Funds Budgeted Y/N: No **Account Code:** **Amount Needed:**
Fiscal Impact (Additional Information):

ATTACHMENTS

1. August 1, 2022 Draft EBT-CC Regular Meeting Minutes

MINUTES OF THE REGULAR MEETING OF THE
FRIENDSWOOD EMPLOYEE BENEFIT TRUST MEETING
AUGUST 1, 2022

THE CITY OF FRIENDSWOOD EMPLOYEE BENEFIT TRUST MET IN A REGULAR MEETING ON MONDAY, AUGUST 1, 2022, IN THE CITY COUNCIL CHAMBERS, LOCATED IN CITY HALL, 910 S. FRIENDSWOOD DRIVE, FRIENDSWOOD, TEXAS, WITH THE FOLLOWING MEMBERS PRESENT CONSTITUTING A QUORUM:

Steve Rockey	Councilmember
Sally Branson	Councilmember
Trish Hanks	Councilmember
Robert J. Griffon	Councilmember
John Scott	Councilmember
Brent Erenwert	Mayor Pro Tem
Mike Foreman	Mayor
Morad Kabiri	City Manager
Leticia Brysch	City Secretary

1. CALL TO ORDER

Mayor Foreman called the meeting to order with a quorum present at 7:43 P.M.; all members were present.

2. BUSINESS ITEMS

A. Consider authorizing the City Manager to negotiate agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees.

A motion was made by Councilmember Hanks and seconded by Councilmember Branson to authorize the City Manager to negotiate agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees. The vote was the following:

Ayes: Mayor Mike Foreman, Councilmember Trish Hanks, Councilmember Steve Rockey, Councilmember Sally Branson, Councilmember Robert J. Griffon, Councilmember John Scott, and Mayor Pro Tem Brent Erenwert.

Nays: None.

The item passed unanimously.

3. ADJOURNMENT

With there being no further business to discuss, Mayor Foreman adjourned the August 1, 2022, Friendswood Employee Benefit Trust Regular Meeting at 7:44 P.M.

____
Mike Foreman, Mayor

Attest:

____
Leticia Brysch, City Secretary

FRIENDSWOOD AGENDA ITEM FORM

MEETING DATE: August 7, 2023 **Agenda Number:** 2.B.

Prepared for:

Responsible Department: City Secretary

Prepared by: Leticia Brysch, City Secretary

Subject: Consider authorizing the City Manager to negotiate agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees.

AGENDA ITEM

This item authorizes the City Manager to negotiate agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees.

SUMMARY OF ITEM

This item authorizes the City Manager to negotiate and to enter into agreements for (i) employee medical, dental, and pharmacy insurance; (ii) employee life and accidental death and dismemberment insurance; (iii) employee vision insurance; (iv) employee long-term disability insurance; and (v) ancillary products for employees.

RECOMMENDATION

Staff recommends approval.

FISCAL IMPACT

Fiscal Year: FY2023-24 **Source of Funds: (Operating/Capital/Bonds):** Operational.
Funds Budgeted Y/N: Yes **Account Code:** **Amount Needed:**
Fiscal Impact (Additional Information):

ATTACHMENTS

1. COF 2023 Renewal Proposal

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FRIENDSWOOD TEXAS FOUNDED 1895 ™

Employee Benefits Health Insurance Review

July 26, 2023

Higginbotham™

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200+ top-tier carrier relationships

93% client retention

20th
Largest Independent Broker in the U.S.
By Business Insurance

19th
Largest Broker of U.S. Business
By Hales

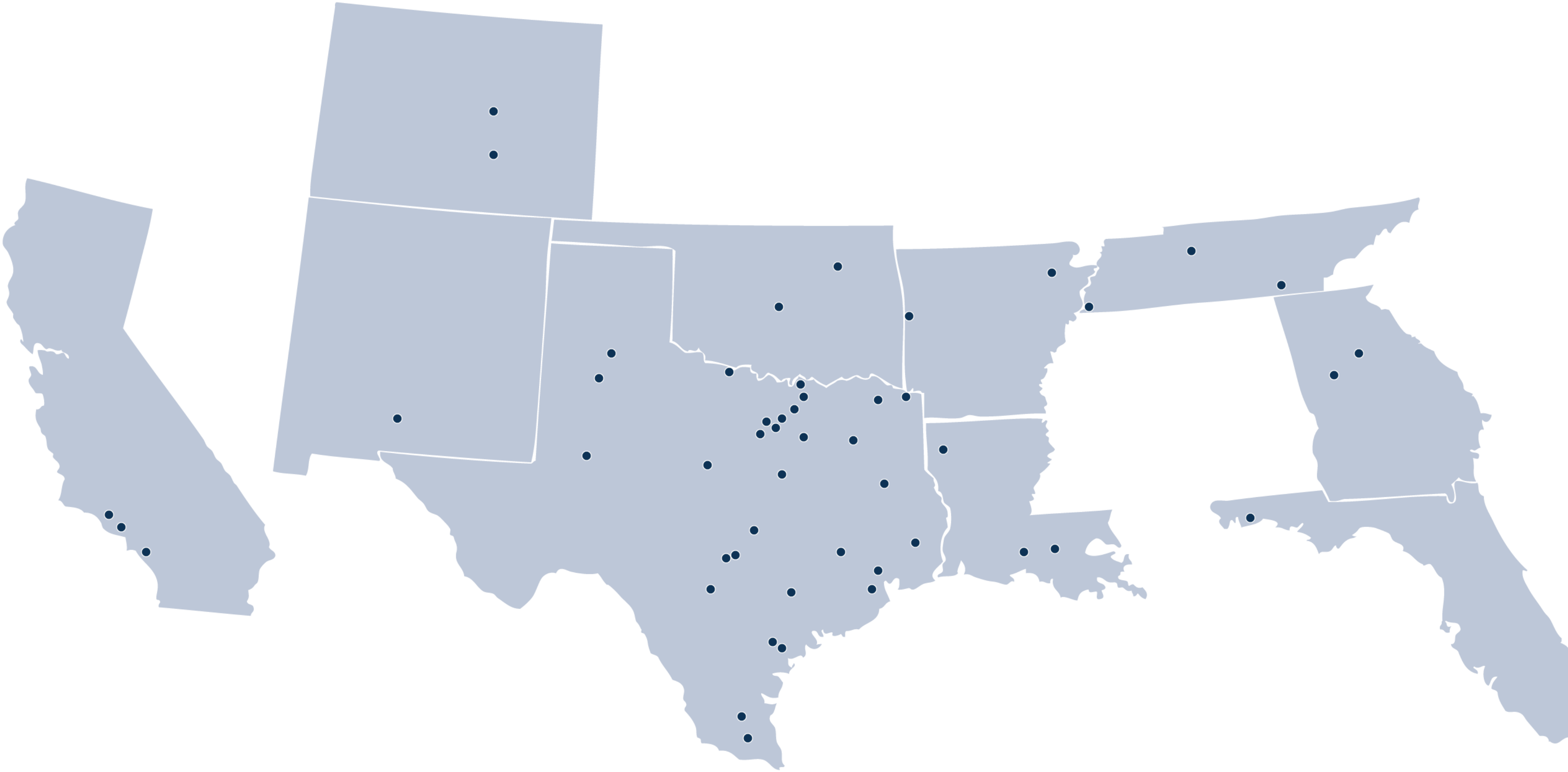
1,900+
Employees

1,300+
Employee Shareholders

Community Outreach Project of The Year
By Business Insurance

Best Agency to Work For
By Insurance Journal

Insurance Hall of Fame
Rusty Reid
By Insurance Business America



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The Higginbotham Difference

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New Branding or Reinforce
Existing Brand

Other Resources
HR Services
Voluntary Benefits
Executive Benefits
Retirement Plan Services
Globex International Group

Day Two Services® Team

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Ross Carmichael

Managing Director - Compliance

Stephanie Holbert

Director – TPA Services

Maggie Hadden

Director – HR Technology

Francine Tebo

Director - Employee Engagement

Dr. Edwin Mathews

Medical Director

David Sirowich

Rx Consultant

Bryan Shine

Senior Financial Analyst

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I. 2023 Marketing

a. The City of Friendswood's contract with Blue Cross Blue Shield will **expire on September 30, 2023.**

b. All lines of coverage, except vision and the flexible spending account administration, are currently provided through Blue Cross Blue Shield / Dearborn.

c. A market search was conducted for fully insured medical and COBRA, dental, basic life and accident death and dismemberment insurance, voluntary life and accidental death and dismemberment insurance, long term disability, flexible spending account administration and employee assistance program coverages.

d. Proposal requests were sent to **33 carriers**.

e. Proposals were received from a total of **14 carriers** and are detailed under each benefit separately.

f. **Historical** cost and increase percentages are illustrated in the table below

Plan Year	% Increase
2020	Data not available
2021	+5.5%
2022	+3% with ancillary bundling
2023	+4.4% + moving vision to Dearborn

City of Friendswood
2023 – Medical Marketing Overview

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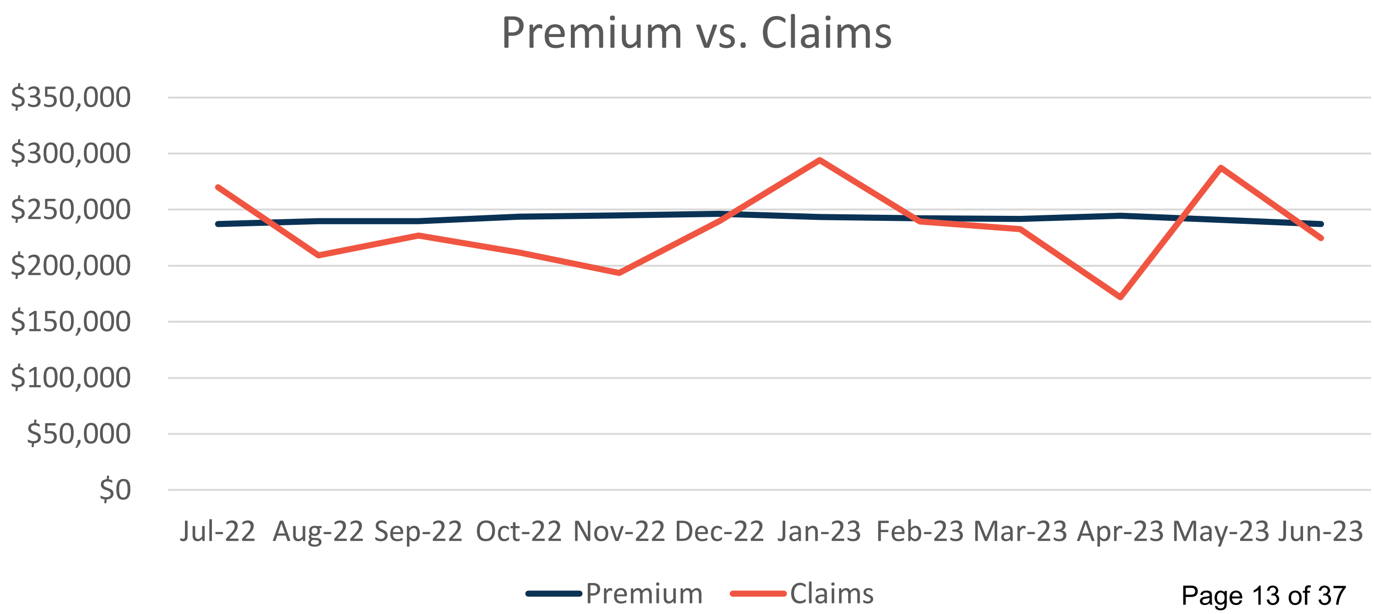
Month	Premium	Medical Paid Claims	Pharmacy Paid Claims	Total Paid Claims	Medical and Pharmacy Loss Ratio
Jul 2022	$237,139	$137,085	$131,966	$270,059	113.90%
Aug 2022	$239,735	$135,920	$72,224	$209,152	87.20%
Sep 2022	$239,842	$131,458	$94,475	$226,975	94.60%
Oct 2022	$243,827	$135,764	$75,033	$211,778	86.90%
Nov 2022	$244,729	$100,672	$91,751	$193,404	79.00%
Dec 2022	$246,245	$139,475	$99,152	$239,612	97.30%
Jan 2023	$243,412	$236,222	$56,911	$294,085	120.80%
Feb 2023	$242,366	$151,150	$87,341	$239,424	98.80%
Mar 2023	$241,778	$135,951	$95,580	$232,487	96.20%
Apr 2023	$244,531	$91,067	$79,758	$171,817	70.30%
May 2023	$240,901	$216,171	$70,232	$287,404	119.30%
Jun 2023	$237,232	$87,932	$135,753	$224,668	94.70%
SUMMARY	**$2,901,737**	**$1,698,867**	**$1,090,176**	**$2,800,865**	**96.52%**

Current Plan Performance:

- Paid Premium: $2,901,737
- Paid Claims: $2,800,865
- Loss Ratio: 97%

Premium vs. Claims – Most Recent 12 Months



City of Friendswood

2023 – Medical
High Cost Claims over 50k

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	Relationship	Gender	Age	Leading Diagnostic Category	Inpatient	Outpatient	Professional Paid	Pharmacy Paid	Total Paid Claims	Current Enrolled
1	Spouse	Male	60-64	Not Available	$0	$83,745	$2,634	$124,869	$211,248	Yes
2	Subscriber	Male	65+	Not Available	$0	$1,761	$1,302	$207,106	$210,169	Yes
3	Subscriber	Female	50-59	Not Available	$0	$0	$1,088	$124,539	$125,627	Yes
4	Spouse	Female	50-59	Neoplasms	$0	$74,375	$25,917	$331	$100,623	Yes
5	Dependent	Male	20-29	Nervous	$56,953	$31,985	$9,327	$1,568	$99,833	Yes
6	Subscriber	Female	60-64	Musculoskeletal	$0	$45,178	$11,669	$619	$57,466	Yes
7	Spouse	Female	30-39	Nervous	$44,205	$0	$11,535	$303	$56,043	Yes
8	Spouse	Female	65+	Neoplasms	$40,055	$0	$13,238	$76	$53,369	No

- 8 large claimants over 50k in total paid claims. 7 out of the 8 are still enrolled
- All large claims are all ACTIVE employees; none are retirees and/or Cobra
- Large claims make up about 33% of the total claims spend
- Pharmacy spend makes up 50% of total HCC spend

Product Evaluation

Day One Services

Product Evaluation

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PEO	Fully Insured	Fully Insured w/HRA	Level Funding	Self-Funding (Captive)	Self-Funding (ASO)	Self-Funding (TPA)	RBP
Description	Description	Description	Description	Description	Description	Description	Description
Outsourced HR Services (Real HR)	Fixed Premiums	Fixed Premiums with a Self-Funded Deductible	Self-Funded with Fixed Premiums	Self-Funded with a Captive Stop Loss	Self-Funded using a Major Carrier	Self-Funded using a TPA	No Network Medicare Plus Pricing

Least — Amount of Risk — Most

$$ — Price — $

Value (Cost) = Risk + Price

City of Friendswood
Renewal Summary 10/1/2023

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MEDICAL *BCBS-Fully Insured*	•Original Renewal: +12.4% •Negotiated Renewal: +8% without ancillary lines of coverage •Negotiated Renewal: +4.4% with all ancillary + add vision •Negotiated Renewal: $25,000 admin credit
DENTAL *BCBS-Fully Insured*	•Original Renewal: +10.3%
VISION *VSP*	•Original Renewal: +11.3%
LIFE / AD&D *Dearborn National*	•ER Paid Life: Original Renewal: rate pass •ER Paid Life: Negotiated Renewal: -32% rate decrease; annual savings of $9,600 •Voluntary Life/AD&D: rate pass
DISABILITY *Dearborn National*	•ER LTD: Original Renewal: rate pass •ER LTD: Negotiated Renewal: -8% rate decrease; annual savings of $5,582 •Voluntary STD: rate pass
Accident/CI/Hi MetLife	•Rate Pass

<u>Fully Insured – Medical Results – Current Carrier – Blue Cross Blue Shield Texas</u>

a. <u>Current Plan Performance July 2022 – June 2022</u>
   i. **Paid Premium** – $2,901,737
   ii. **Paid Claims -** $2,800,865
   iii. **Loss Ratio - 97%**
   iv. **Eight Large Claimants over $50K during the most recent 12 months = $914,378**

b. **Blue Cross Blue Shield Original Renewal Request = $350K; +12.4%**

c. **Best & Final Packaged Renewal Offer = +128K; +4.4%**

Carrier	Annual Premium	Increase over Current	% Increase
Blue Cross Blue Shield – Current	$2,838,405	n/a	n/a
Blue Cross Blue Shield – Renewal	$3,190.372	$351,966	+12.4%
Blue Cross Blue Shield – Final Negotiated Renewal	$3,010,054	$127,772	+4.43%
United Healthcare	$3,204,982	$366,576	+12.9%
Aetna	Declined to Quote		
Cigna	Declined to Quote		

City of Friendswood Employee Benefit Trust

Medical Plan Proposal

		Current + Renewal	
Carrier		**BlueCross BlueShield of Texas**	
Plan Name	**Blue Essentials HMO**	**MM22 PPO $2,500**	**MM16 PPO $1,500**
In Network			
Deductible - Ind / Family	$2,500 / $5,000	$2,500 / $7,500	$1,500 / $4,500
Maximum Out of Pocket - Ind / Family	$5,500 / $10,200	$5,500 / $10,200	$4,500 / $10,200
Coinsurance	80%	80%	80%
Physician Services			
Primary Care	$25 copay	$25 copay	$30 copay
Specialist	$50 copay	$50 copay	$55 copay
Virtual Visits			
Simple Lab & X-ray	20% after deductible	No charge	No charge
Other Services			
Inpatient Hospitalization	20% after deductible	20% after deductible	20% after deductible
Outpatient Surgery	20% after deductible	20% after deductible	20% after deductible
Emergency Room	$100 copay + 20% after deductible	$100 copay + 20% after deductible	$100 copay + 20% after deductible
Urgent Care	$50 copay	$50 copay	$55 copay
Complex Imaging	20% after deductible	20% after deductible	20% after deductible
Prescription Drugs			
Rx Deductible	$1,000 / $3,000	$1,000 / $3,000	$1,000 / $3,000
Generic	$10 copay	$10 copay	$20 copay
Preferred Brand	$40 copay	$40 copay	$35 copay
Non-Preferred Brand	$60 copay	$60 copay	$50 copay
Specialty	$10/$40/$60 copay	$10/$40/$60 copay	$20/$35/$50 copay
Mail Order - 90 Day Supply	3x retail copay	Same as retail copay	Same as retail copay
Out of Network			
Deductible- Ind / Family	N/A	$5,000 / $15,000	$3,000 / $9,000
Maximum Out of Pocket - Ind / Family		$11,000 / $33,000	$9,000 / $27,000
Coinsurance		60%	70%

Monthly Premiums	**HMO**	**MM22**	**MM16**	**Current**	**Renewal**	**Negotiated Renewal w/o Ancillary**	**Negotiated Renewal w/ Ancillary + Vision**	**Current**	**Renewal**	**Negotiated Renewal w/o Ancillary**	**Negotiated Renewal w/ Ancillary + Vision**	**Current**	**Renewal**	**Negotiated Renewal w/o Ancillary**	**Negotiated Renewal w/ Ancillary + Vision**
Employee Only	2	9	98	$600.67	$675.15	$648.72	$632.50	$659.33	$741.09	$712.08	$694.28	$697.96	$784.51	$753.80	$734.96
Employee + Spouse	0	1	14	$1,329.13	$1,493.94	$1,435.46	$1,399.57	$1,458.94	$1,639.85	$1,575.66	$1,536.27	$1,544.43	$1,735.94	$1,667.98	$1,626.28
Employee + Child(ren)	1	1	41	$1,106.74	$1,243.98	$1,195.28	$1,165.40	$1,214.83	$1,365.47	$1,312.02	$1,279.22	$1,285.99	$1,445.45	$1,388.87	$1,354.15
Employee + Family	0	5	34	$1,922.99	$2,161.44	$2,076.83	$2,024.91	$2,110.80	$2,372.54	$2,279.66	$2,222.67	$2,234.49	$2,511.57	$2,413.25	$2,352.92
Monthly Premium				**$2,308.08**	**$2,594.28**	**$2,492.72**	**$2,430.40**	**$19,161.74**	**$21,537.83**	**$20,694.70**	**$20,177.36**	**$218,720.35**	**$245,841.97**	**$236,218.29**	**$230,313.43**

	Current	**Renewal**	**Negotiated Renewal w/o Ancillary**	**Negotiated Renewal w/ Ancillary + Vision**
Total Annual Premium	**$2,882,282.04**	**$3,239,688.96**	**$3,112,868.52**	**$3,010,054.28**
Total Annual Change ($)		**$357,406.92**	**$230,586.48**	**$127,772.24**
Total Annual Change (%)		**12.40%**	**8.00%**	**4.43%**

Includes $25,000 transition credit

<u>Fully Insured Dental – Current Carrier – Blue Cross Blue Shield</u>

a. The City currently pays 90% of the employee and 70% of dependent cost for both plan options.
b. Renewal – The City implemented a 1-year contract with Blue Cross Blue Shield. The contract expires on September 30, 2023.
c. Experience – The current loss ratio is 77% for the dental plans combined
d. Proposals were received from 7 carriers
e. Benefits quoted were a close duplication of the current benefit program

Carrier	Annual Premium	Increase over Current	% Increase	Rate Guarantee
Blue Cross Blue Shield – Current	$179,025	n/a	n/a	n/a
Blue Cross Blue Shield – Renewal	$197,469	$18,444	+10.3%	2 Years
EMI Health	$151,678	-$27,346	-15.2%	2 Years
Delta Dental	$179,766	$741	+0.41%	2 Years
Ameritas	$166,772	-$12,252	-6.8%	2 Years
MetLife	$170,064	-$8,960	-5%	1 Year
The Standard	$196,923	$17,898	+10%	2 Years
United Healthcare	$183,533	$4,508	+2.5%	1 Year

<u>RECOMMENDATIONS:</u>

- Renew the dual option dental program with Blue Cross Blue Shield with their 2 year contract in exchange for package savings credit on medical
- Continue the current contribution strategy whereby the City pays 90% of the employee and 70% of dependent cost for both plan options.

Vision – Current Carrier – VSP

a. **Renewal –** The City implemented a 1-year contract with VSP. The contract expires on September 30, 2023.
b. **Proposals** were received from 8 carriers
c. **Benefits** quoted were a close duplication of the current benefit program (Refer to the Vision Exhibit)

Carrier	Annual Premium	Increase over Current	% Increase	Rate Guarantee
VSP– Current	$34,375	n/a	n/a	n/a
VSP– Renewal	$38,306	$3,930	+11.4%	2 Years
BCBS/Dearborn	$28,733	-$5,602	-16.30%	4 Years
EMI Health	$35,592	$1,216	+3.5%	2 Years
Ameritas	$34,441	$65.64	+0.19%	2 Years
Lincoln Financial	$37,991	$3,616	+10.52%	2 Years
MetLife	$34,481	$105.36	+0.31%	4 Years
The Standard	$34,484	$108.72	+0.32%	2 Years
United Healthcare	$37,421	$3,045	+$8.86%	3 Years

RECOMMENDATIONS:

- Move this line of coverage to BCBS/Dearborn with their Vision EyeMed plan in exchange for the package savings on the medical coverage
- Continue the current contribution strategy whereby the employees pay for all coverage level tiers

City of Friendswood
2023 – Vision Marketing Overview

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City of Friendswood Vision Plan Proposal					
		Current + Renewal		Option 1	
Carrier		VSP Vision Care		BlueCross BlueShield of Texas	
Network		VSP		EyeMed	
Frequency					
Exams		Every 12 months		Every 12 months	
Lenses		Every 12 months		Every 12 months	
Frames		Every 12 months		Every 12 months	
Exams		**In Network**	**Out of Network**	**In Network**	**Out of Network**
Routine Exam		$10 copay	Up to $45	$10 copay	Up to $30
Lenses					
Single		$25 copay	Up to $30	**$10 copay**	Up to $25
Bifocal		$25 copay	Up to $50	**$10 copay**	Up to $40
Trifocal		$25 copay	Up to $65	**$10 copay**	Up to $55
Lenticular		$25 copay	Up to $100	**$10 copay**	Up to $55
Allowances					
Elective Contacts Allowance		$130 allowance	Up to $105	**$130 allowance + 15% off balance**	Up to $104
Medically Necessary Contacts Allowance		Covered In Full (after copay)	Up to $210	$10 copay	Up to $210
Frames Allowance		$130 allowance + 20% discount on the amount you spend over $130	Up to $70	$130 allowance + 20% off balance	Up to $65
Premium		**Current**	**Renewal**	**Option 1**	
Employee Only	76	$9.63	$10.73	$7.24	
Employee + Spouse	28	$15.40	$17.16	$13.76	
Employee + Child(ren)	26	$15.72	$17.52	$14.48	
Employee + Family	51	$25.35	$28.25	$21.29	
Monthly Premium		**$2,864.65**	**$3,192.23**	**$2,397.79**	
Annual Premium		**$34,375.80**	**$38,306.76**	**$28,773.48**	
Annual Change ($)			**$3,930.96**	**-$5,602.32**	
Annual Change (%)			**11.44%**	**-16.30%**	

City of Friendswood
2023 – Basic Life/AD&D Marketing Overview

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<u>Basic Life & Accidental Death / Dismemberment – Current Carrier – Blue Cross Blue Shield</u>

a. The City currently provides a life/ad&d benefit of 1x annual salary up to $250,000 for all active full time employees.
b. The current contract under Blue Cross Blue Shield is set to expire on September 30, 2023.
c. Proposals were received from 7 carriers

Carrier	Annual Premium	Increase over Current	% Increase	Rate Guarantee
BCBS/Dearborn– Current	$30,587	n/a	n/a	n/a
Blue Cross Blue Shield – Renewal	$30,587	$0	0%	2 Years
Blue Cross Blue Shield – Negotiated Renewal	$20,974	-$9,613	-31.4%	2 Years
MetLife	$28,839	-$1,747	-5.7%	2 Years
NY Life	$20,974	-$9,613	-31.43%	2 Years
The Standard	$19,226	-$11,361	-37%	2 Years
The Hartford	$19,226	-$11,361	-37%	2 Years
OneAmerica	$29,713	-$873	-2.8%	3 Years
United Healthcare	$32,355	$1,747	+5.7%	3 Years
Symetra	$19,226	-$11,361	-37.1%	3 Years

<u>RECOMMENDATION:</u>

- Renew the Basic Life/Accidental Death & Dismemberment program with Blue Cross Blue Shield for 2 years at the negotiated rates

Voluntary Life & Accidental Death & Dismemberment – Current Carrier – Blue Cross Blue Shield/Dearborn

a. Employees are able to purchase additional life insurance over and above what is provided by the City.
b. Employees can also elect coverage on their spouse and children as long as they elect coverage on themselves.
c. The current contract with Blue Cross Blue Shield is set to expire on September 30, 2023.
d. Proposals were received from the same carriers as the Basic Life/AD&D coverage
e. All carriers proposed a continuation of the current coverage and premiums, with the exception of Met Life. The MetLife proposal requires an increase in premiums.

RECOMMENDATION:

- Renew the voluntary life / accidental death and dismemberment program with Blue Cross Blue Shield/Dearborn for 2 years

Short Term Disability – Current Carrier – Blue Cross Blue Shield/Dearborn

a. Employees are able to purchase additional Short Term Disability in addition to the Long Term Disability provided by the City.
b. The current contract with Blue Cross Blue Shield is set to expire on September 30, 2023.
c. Proposals were received from the same carriers as the Long Term Disability coverage above.

RECOMMENDATION:

- Renew the voluntary short term disability with BCBS/Dearborn for the 2 year rate guarantee

City of Friendswood
2023 – Long Term Disability Marketing Overview

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Long Term Disability – Current Carrier – Blue Cross Blue Shield/Dearborn:

a. The City pays for long term disability coverage for all full time employees.
b. Employees will receive 66.67% of their monthly earnings should they become disabled and unable to return to work for more than 90 calendar days.
c. The current contract provided by Blue Cross Blue Shield expires on September 30, 2023.
d. Proposals were received from 8 carriers

Carrier	Annual Premium	Increase over Current	% Increase	Rate Guarantee
BCBS/Dearborn– Current	$70,633	n/a	n/a	n/a
Blue Cross Blue Shield – Renewal	$70,633	$0	0%	2 Years
Blue Cross Blue Shield – Negotiated Renewal	$65,081	-$5,582	-7.9%	2 Years
MetLife	$60,086	-$10,577	-15%	2 Years
NY Life	$42,603	-$28,059	-39.7%	2 Years
Lincoln Financial	$45,542	$25,121	-35z6	2 Years
The Hartford	$38,931	-$31,732	-44.91%	2 Years
OneAmerica	$44,073	-$26,590	-37.6%	3 Years
The Standard	$44,073	-$26,590	-37.6%	3 Years
United Healthcare	$70,663	$0	0%	3 Years
Symetra	$52,887	-$17,776	-25.1%	3 Years

RECOMMENDATION:

- Renew the Long Term Disability with BCBS/Dearborn at the negotiated rate for 2 years.

Worksite– Current Carrier – MetLife:

a. The City implemented a 1-year contract with MetLife. The contract expires on September 30, 2023.
b. Employees can elect Accident, Cancer, Critical Illness or Hospital Indemnity.
c. Proposals were received from 6 carriers

Carrier	Accident Annual Premium	Hospital Indemnity Annual Premium	Critical Illness Annual Premium
MetLife	$53,171	$66,727	Age Rated
Aflac	$55,504	$74,546	Age Rated
Lincoln Financial	$20,075	$110,654	Age Rated
Symetra	$42,025		Age Rated
The Hartford	$32,542	$78,114	Age Rated
The Standard	$51,171	$69,477	Age Rated
United Healthcare	$27,186	$63,327	Age Rated

RECOMMENDATION:

- Renew with MetLife for one year

FSA / Cobra Administration:

Carrier	Annual Premium	Increase over Current	% Increase
CPI FSA	$8,694	$0	0%
Higginbotham FSA	$8,694	$0	0%
WEX	Did not issue a proposal		
Health Equity	Did not issue a proposal		

Carrier	Annual Premium	Increase over Current	% Increase
CPI Cobra	$0.50 PPPM; $1,374	$0	0%
Higginbotham	$0.50 PPPM; $1,374	$0	0%
WEX	Did not issue a proposal		
Health Equity	Did not issue a proposal		

RECOMMENDATION:

- Move HSA/FSA Administration over to Higginbotham for seamless integration with our online Benefits In Hand platform.

City of Friendswood
Marketing and Renewal Timeline

Higginbotham™

Task	JUN	JUL	AUG	SEPT	OCT
RFP Released to Market	6/21				
RFP Due Date		7/6			
Marketing Data compiled and analysis completed		7/14			
Renewal Meeting(s) @ City of Friendswood		7/26			
2023 Benefit Decisions			Deadline 8/8		
Open Enrollment				9/6-9/13	
Initial eligibility data to carriers				9/15	
Eligibility loaded and ID Cards released				9/20	
2023 Plan Year Begins!					10/1
Objective setting meeting and wellness committee review					10/15

The Higginbotham Edge

More individual. Less institutional.

Higginbotham does/does not provide the above-referenced services to the Client in the capacity of an ERISA plan fiduciary.

Direct Compensation

The company reasonably expects to receive compensation for the placement of the below lines of coverage in the form of either a per employee per month ("PEPM") fee, commission fee, or flat fee, directly from you, your insurance carrier, or your third party vendor, in the amount indicated below:

Coverage Line Medical, Dental, Vision, FSA, HRA, Wellness	**Carrier/Vendor/Fee Agreement**	**PEPM, Standard Commission, Commission Schedule, or Compensation Calculation**	
Medical	BlueCross BlueShield	PEPM	$35
Dental	BlueCross BlueShield	Standard Commission	10%
Vision	Dearborn National	Standard Commission	10%
Life / Disability	Dearborn National	Standard Commission	15%
Worksite	MetLife	Standard Commission	65% first year; 5% thereafter

Scope of Services

Strategic Planning	Frequency	Comments
Vendor Management	Ongoing	• Monitor administration, stop loss insurance, provider network, PBM, ancillary lines-of-coverage, executive benefits
Benchmarking	As needed	
Health Plan Activation	Ongoing	• Full support – preparation of print communication, mobile messaging, onsite meetings
Marketing	As needed	• Preparation of RFP with detailed analysis of proposals from responding vendors • Completion of final negotiations with selected "best team" of vendors • Recommendation of appropriate funding method • Implementation schedule detailing all phases of benefit process

Scope of Services

Financial Management	Frequency	Comments
Data Analytics	Annually/Quarterly	• Identify “hot spots” and underlying causes in medical and pharmacy claims
Actuarial Services	As needed	• Calculate plan design changes, IBNR reserves and trend analysis
Financial Monitoring	Monthly/Quarterly	• Monthly medical and prescription claims reports, with calculations of both variable and fixed plan costs • Quarterly Executive update
Pharmacy Benefit Management	Ongoing	• Negotiation of pricing and clinical oversight

Scope of Services

Administration	Frequency	Comments
Full-time Resource for HR	Ongoing	• Plan inquiries, billing problems, premium reconciliation and compliance
Employee Response Center	Ongoing	• Assistance with member enrollments, claim issues and benefit questions
ERISA Documents	Annually	• Proofing and editing plan documents • Wrap document preparation
Flexible Spending Account (FSA)	Ongoing	• $6.00 per participant per month
COBRA Administration	Ongoing	• $0.80 per employee per month
Review HR Technology Platform	As needed	• Assist with selecting the right HR technology
HR Services	As needed	• Assist with ad hoc projects as identified

Scope of Services

Health Risk Management	Frequency	Comments
Program Design	Annually	• Customized
Health Promotion Challenges	As needed	• “Challenges” that promote healthy life styles (i.e. weight loss/physical fitness)

Scope of Services

Custom Communication	Frequency	Comments
Comprehensive Benefits Guide	Annual	• Design, writing and fulfillment
Additional Employee Materials	As needed	• Design, writing and fulfillment
Conduct Onsite/Webinar Meetings	As needed	• Travel included in our fee

Scope of Services

Legal & Compliance	Frequency	Comments
Access to Higginbotham's ERISA Attorney	As needed	• Higginbotham is a consulting firm; we do not practice law. We always suggest you have any legal documents and other interpretation ultimately reviewed by your legal counsel.
ACA Reporting	Annual	• Preparation of 1095 Forms. Client is responsible for IRS Filing Fees
Form 5500 Preparation	Annual	• Signature-ready
HIPAA Compliance	As needed	• Maintain business associate agreements
Medicare Part D Notice	Annual	• Included along with other legal notices in annual benefits guide
Legislative Updates	As needed	• Email

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Lead with values and value leads.

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