



# City of West University Place

*A Neighborhood City*

## EMPLOYEE BENEFITS TRUST MEETING AGENDA

**Notice is hereby given of a meeting of the City of West University Place Employee Benefits Trust (EBT) to be held on Monday, November 11, 2019, beginning at approximately 6:30 p.m. in the Municipal Building, 3800 University Boulevard, West University Place, Texas, for the purpose of considering the following agenda items. All agenda items are subject to action.**

1. Call Meeting to Order
2. Authorize renewing a direct contract with Blue Cross Blue Shield for Medical Insurance for January 1, 2020 to December 31, 2020.
3. Authorize awarding a direct contract with Cigna for Dental Insurance for January 2020 to December 31, 2020.
4. Authorize awarding a direct contract with United Healthcare for optional Vision Insurance for January 1, 2020 to December 31, 2020.
5. Adjourn and reconvene Regular Meeting of the West University Place City Council.

**If you plan to attend this public meeting and you have a disability that requires special arrangements, please contact City Secretary Thelma Gilliam at 713.662.5813 at least 24 hours prior to the meeting.**

I certify that the attached notice and agenda of items to be considered by the City of West University Place Employee Benefits Trust on November 11, 2019 was posted on the Municipal Building bulletin board on November 8, 2019 at approximately 10 o'clock am.

(SEAL)

*Thelma A. Gilliam*

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**AGENDA MEMO**  
**BUSINESS OF THE EMPLOYEE BENEFITS TRUST**  
**CITY OF WEST UNIVERSITY PLACE, TEXAS**

<b>AGENDA OF:</b>	November 11, 2019	<b>AGENDA ITEM:</b>	1
<b>DATE SUBMITTED:</b>	November 6, 2019	<b>DEPARTMENT:</b>	City Administration
<b>PREPARED BY:</b>	J. Urban, HR Director	<b>PRESENTER:</b>	M. Weaver, IPS Advisors and J. Urban, HR Director
<b>SUBJECT:</b>	<b>Request for Proposals for dental and vision insurance coverage and renewal of medical insurance coverage for employees.</b>		
<b>ATTACHMENTS:</b>	2020 Dental and Vision RFP Review and Benefit Renewal		
<b>EXPENDITURE REQUIRED:</b>	\$2,056,685.08 (approximate) based on current participation levels (vacancies, retirees, and any employee changes during open enrollment can change actual		
<b>AMOUNT BUDGETED:</b>	\$2,069,500		
<b>ACCOUNT NO.:</b>	510-1000-71510 (Employee Medical) 510-1000-71511 (Retiree Medical) 510-1000-71513 (Employee Dental) 510-1000-71514 (Employee Vision)		
<b>ADDITIONAL APPROPRIATION REQUIRED:</b>	N/A		
<b>ACCOUNT NO.:</b>	N/A		

**EXECUTIVE SUMMARY**

A Request for Proposals (RFP) was issued on September 25, 2019, for the purpose of pursuing alternatives to the dental and vision plan benefits and to shift the benefit plan year (which has historically been October 1 to September 30) to a calendar and fiscal year basis (January 1 to December 31). The responses were due on October 22, 2019. Respondents were asked to match, as closely as possible, current dental and vision offerings, as well as whether a rate guarantee would be issued.

The City received the following responses:

- Dental insurance - Ameritas, Cigna, Guardian, Humana, Met Life, United Healthcare, United Concordia, and Unum.
- Vision insurance - Ameritas, Blue Cross Blue Shield, Cigna, Humana, Met Life, Superior Vision, and United Healthcare.

Based on the responses to the request for proposals, along with recommendations from the City's benefits consultant, staff proposes Cigna to the Employee Benefits Trust as the provider for dental insurance coverage to employees. Cigna is providing a similar plan at rates below our current dental carrier, Guardian. All plan levels will see a reduction in cost associated with the change, both to employees and to the City. The consultants estimate total savings of approximately \$11,000 annually by awarding the contract to Cigna based on current enrollment.

Additionally, based on the responses to the RFPs, vision coverage is recommended to change to United Healthcare. United Healthcare offered better rates and substantially the same benefits while offering a three (3) year rate guarantee. There should be little to no disruption in network services despite the change in carriers. The savings by switching is estimated to be approximately \$1,900 based on current enrollment

Finally, the City reached out to its current medical provider, Blue Cross Blue Shield, to make appropriate arrangements to shift our plan year from October 1 to January 1 as well, with the hopes of maintaining the same premiums that were received in August. As of the time of this writing, the City is awaiting this information from the underwriting department of Blue Cross Blue Shield, but does not anticipate any rate changes for medical insurance to shift the plan year.

The specifics of these recommendations will be discussed during the meeting of the Employee Benefits Trust on November 11, 2019, as well as current benchmarking information of our plan and funding levels. The total estimated annual increases (decreases) for each plan are as follows:

- Medical (BCBS): No Change
- Dental (Guardian): (\$10,938.24)
- Vision (United Healthcare): (\$1,876.68)

The approximate net decrease to these benefits for the plan year moving to and beginning on 1/1/2020 through 12/31/2020 is \$12,814.92 based on projected enrollments.

### **RECOMMENDATION**

Staff recommends that the Employee Benefits Trust authorize a direct contract with Cigna for dental insurance for employees, a direct contract with United Healthcare for vision insurance, and renewal of a direct contract with Blue Cross Blue Shield for medical coverage.