RESOLUTION NO. R2018-55

1 2

14

19 20 21

222324

252627

28

29 30 31

32 33 34

35

36

37

38

39

40 41 42

43

44 45

46

A RESOLUTION OF WELLINGTON, FLORIDA'S COUNCIL AUTHORIZING THE MANAGER TO (1) AWARD A **CONSUMER DRIVEN HEALTH PLAN (CDHP) AGREEMENT** WITH CIGNA HEALTHCARE TO PROVIDE HEALTH INSURANCE TO ELIGIBLE EMPLOYEES. DEPENDENTS AND RETIREES AND APPROVE HRA FUNDING FOR EACH ELIGIBLE EMPLOYEE TO COVER COSTS ASSOCIATED WITH ANNUAL OUT OF POCKET MAXIMUM COSTS, INCLUDING DEDUCTIBLES; (2) AWARD A CONTRACT TO CIGNA TO PROVIDE DENTAL INSURANCE TO ELIGIBLE EMPLOYEES, DEPENDENTS AND RETIREES; (3) AWARD A CONTRACT TO HUMANA PROVIDE VISION INSURANCE TO EMPLOYEES, DEPENDENTS AND RETIREES; (4) RENEW AN EXISTING AGREEMENT WITH AETNA RESOURCES FOR LIVING TO PROVIDE ELIGIBLE EMPLOYEES, DEPENDENTS AND RETIREES WITH AN EMPLOYEE ASSISTANCE PROGRAM: AND **PROVIDING** AN **EFFECTIVE DATE.**

WHEREAS, the Village currently offers group medical insurance to existing full time employees, dependents and retirees through Cigna Healthcare at a cost of approximately \$5,574,820 annually, expiring on December 31, 2018; and

WHEREAS, the Village funds a Health Reimbursement Account (HRA) for employees to assist with the cost of applicable co-payments, in the amount of approximately \$333,900 annually; and

WHEREAS, Cigna Healthcare has proposed an increase of \$380,572 over the current annual premium; and

WHEREAS, in order to offset this potential increase, staff recommended transitioning to a Consumer Driven Health Plan (CDHP) with Cigna at a cost of approximately \$5,065,158 (a decrease of \$509,661 or 9.1%), which includes a deductible and out of pocket maximum of \$1,500 and \$3,000 respectively for employees and a deductible and out of pocket maximum for "employees plus" coverage (employee/spouse, employee/child or employee/family) of \$2,000 and \$4,000 respectively; and

WHEREAS, in order to offset the higher deductibles, the current HRA funding of \$1,113 that each eligible employee receives will be replaced with funding for the entire out of pocket maximum for employees (\$2,000) and "employee plus" coverage (\$4,000) and eliminate the annual rollover provision allowing all unspent funds to return to the Village, at a cost of approximately \$944,000 annually; and

1 2

 WHEREAS, the total cost of the CDHP (\$5,065,158) plus the proposed Village funded HRA (\$944,000) is approximately \$6,009,196, an increase of approximately \$100,000 over the current year, with annual employee contributions remaining the same; and

 WHEREAS, the current self-insured plan for dental insurance with Dental Decisions administered by Anchor Consulting, Inc. carries an annual cost of \$360,065. In order to reduce premiums, staff recommends moving to a Cigna Total Network Plan at an annual cost of approximately \$331,590, a savings of approximately \$28,745 as well as an additional 1% reduction in Cigna healthcare premiums (approximately \$50,000) as a result of combining both the healthcare and dental plans with annual employee contributions remaining the same; and

 WHEREAS, the existing vision insurance with Humana will renew with the same benefits at no additional cost for an additional 24 months at an annual cost of \$34,544 (\$25,710 paid by the Village, \$8,833 paid through employee payroll deductions), based on current enrollment, effective January 1, 2019 through December 31, 2020; and

 WHEREAS, Aetna has agreed to renew the Village's existing Employee Assistance Program (EAP) through Aetna's Resources for Living at no additional cost for an additional thirty-six (36) months at an approximate annual cost of \$11,363, based on current enrollment, effective January 1, 2019 through December 31, 2020.

WHEREAS, the Manager and Staff recommend approval of the contract for Wellington's employee health plan for the 2019 plan year to Cigna Healthcare's Consumer Driven Health Plan (CDHP), dental insurance through a Cigna Total Network Plan, HRA funding as noted, renewal of vision insurance through Humana and renewal of the Employee Assistance Program (EAP) through Aetna Resources for Living.

NOW, THEREFORE, BE IT RESOLVED BY WELLINGTON, FLORIDA'S COUNCIL that:

SECTION 1. The foregoing recitals are hereby affirmed and ratified as being true and correct.

SECTION 2. Wellington's Manager is hereby authorized to enter into agreements with Cigna Healthcare's Consumer Driven Health Plan (CDHP) to provide Wellington's Employee Health Insurance Plan for the Plan Year 2019, which begins January 1, 2019 and continues thereafter until modified by subsequent resolutions or direction, dental insurance through a Cigna Total Network Plan, HRA funding as noted, renewal of vision insurance through Humana and renewal of the Employee Assistance Program (EAP) through Aetna Resources for Living for the Plan Year 2019 which begins on January 1, 2019 and continues thereafter until modified by subsequent resolutions or direction.

1		
2	SECTION 3. This Resolution shall	become effective immediately upon adoption.
3	PASSED AND ADOPTED this 23 rd day of October, 2018.	
5 6 7	ATTEST:	WELLINGTON
8 9	By:	Bv:
10 11	Chevelle D. Nubin, Village Clerk	By: Anne Gerwig, Mayor
12 13 14 15	APPROVED AS TO FORM AND LEGAL SUFFICIENCY	
16 17 18 19	By: Laurie S. Cohen, Village Attorney	