



**City of Coral Gables**  
**CITY COMMISSION MEETING**  
**April 28, 2009**

**H-4**

**ITEM TITLE:**

A resolution authorizing the City Manager to renew the medical insurance plan with HUMANA, in an amount not to exceed \$3,516,000.00 (4% cost increase over last year for the HMO), for an additional one-year term, effective July 1, 2009; further authorizing the renewal of the Blue Cross/Blue Shield dental plan (with no premium increase over last year) and the Standard Insurance Company life insurance plan (with no premium increase over last year) for an additional one-year term, effective July 1, 2009.

**ACTION REQUESTED BY THE BOARD/COMMITTEE:**

The Insurance Advisory Committee is recommending that the City renew the medical insurance plan with HUMANA for an additional one-year term, effective July 1, 2009, and also renew the Blue Cross/Blue Shield dental plan and the Standard Insurance Company life insurance plan for an additional one-year term, effective July 1, 2009.

**RECOMMENDATION OF THE CITY MANAGER:**

It is recommended that authorization be given to the City Manager to renew the medical insurance plan with HUMANA, the dental insurance plan with Blue Cross/Blue Shield, and the life insurance plan with Standard Insurance Company.

**BRIEF HISTORY:**

The area trend for health insurance renewals exceeds 14%. The City's claims experience has continued to worsen over the last year.

The initial renewal from HUMANA called for a 17.6% increase, for the same HMO plan and replacements for the EPO and PPO (The EPO is being discontinued by HUMANA). In attempting to balance cost to the employee, cost to the City and choice for the employee, the City of Coral Gables' health benefits consultant, Bob Shafer, was able to secure a slightly modified gated HMO (i.e., referral required for specialist) at a 4% increase. Also in the package are an Open-Access HMO (OA-HMO) and national Point-of-Service Plan (NPOS) for employees desiring to "buy up" from the HMO. The rate per employee per month for the HMO will be \$588.33. The City also pays this amount to the Police and Fire plans for eligible employees.

The City will maintain the \$30 per month dependent coverage subsidy for general employees who select the gated HMO.

Blue Cross/Blue Shield and Standard Insurance Company have maintained the rates for 2009-2010 at the 2008-2009 level for dental and life insurance coverage, respectively.

**FINANCIAL INFORMATION: (If Applicable)**

	Amount	Account No.	Source of Funds
	\$3,516,000.00	540-0000-590-4550	Insurance Fund
<b>Total:</b>		<b>APPROVED BY:</b> <i>[Signature]</i>	

**APPROVED BY:**

Department Director	City Attorney (If Applicable)	City Manager
<i>[Signature]</i>		<i>[Signature]</i>

**Attachments:**

1. Resolution
2. Humana Health Insurance renewal proposal
3. Letters from Blue Cross/Blue Shield and Standard Insurance Company