

Legislation Text

File #: BILL NO. 18-174, **Version:** 1

An Ordinance approving the Calendar Year 2019 Employee Benefit Programs; approving agreements for services by and between the City of Lee's Summit, Missouri and Blue Cross Blue Shield of Kansas City, VSP, the Standard, New Directions, Taben Group, the Hartford, and Trustmark; and authorizing the City Manager to execute agreements or other documents as necessary to administer employee benefits for Calendar Year 2019 by and on behalf of the City. (F&BC 10-1-18)

Issue/Request:

An Ordinance approving the Calendar Year 2019 Employee Benefit Programs; approving agreements for services by and between the City of Lee's Summit, Missouri and Blue Cross Blue Shield of Kansas City, VSP, the Standard, New Directions, Taben Group, the Hartford, and Trustmark; and authorizing the City Manager to execute agreements or other documents as necessary to administer employee benefits for Calendar Year 2019 by and on behalf of the City.

Key Issues:

The FY2019 Budget incorporated an increase of 7% for health insurance.

Several of the programs that were selected as a result of the marketing efforts undertaken in 2017 are being offered for renewal at the same rates as expiring programs, including Hartford Life and Accident Insurance Company (voluntary benefits), Taben Group (COBRA and FSA administration services) the Standard (life and accidental death/disability insurance) New Directions (employee assistance program) and Trustmark (payroll deduction services).

Multi year rate guarantees were offered last year for dental insurance through Blue Cross Blue Shield of Kansas City and vision insurance through VSP.

The only increases to benefits costs for calendar year 2019 include an overall 1.9% increase to the medical premiums through Blue Cross Blue Shield of Kansas City.

Proposed City Council Motion:

FIRST MOTION: I move for second reading of An Ordinance approving the Calendar Year 2019 Employee Benefit Programs; approving agreements for services by and between the City of Lee's Summit, Missouri and Blue Cross Blue Shield of Kansas City, VSP, the Standard, New Directions, Taben Group, the Hartford, and Trustmark; and authorizing the City Manager to execute agreements or other documents as necessary to administer employee benefits for Calendar Year 2019 by and on behalf of the City.

SECOND MOTION: I move for adoption of An Ordinance approving the Calendar Year 2019 Employee Benefit Programs; approving agreements for services by and between the City of Lee's Summit, Missouri and Blue Cross Blue Shield of Kansas City, VSP, the Standard, New Directions, Taben Group, the Hartford, and Trustmark; and authorizing the City Manager to execute agreements or other documents as necessary to administer employee benefits for Calendar Year 2019 by and on behalf of the City.

Background:

In 2017, the City, through its health insurance benefits broker, Holmes Murphy, undertook a rigorous marketing initiative of all employee benefits programs. That effort resulted in a proposed benefits package utilizing the following service providers:

- Blue Cross Blue Shield of Kansas City (Medical Insurance and Dental Insurance)
- VSP (Vision Insurance)
- Hartford Life and Accident Insurance Company (Voluntary Benefits)
- Taben Group (COBRA and FSA Administration Services)
- The Standard (Life Insurance and Accidental Death & Disability)
- New Directions (Employee Assistance Program)
- TrustMark (Payroll Deduction Services for Voluntary Benefits)

Agreements have been negotiated for the provision of all employee benefits services and are being presented to the City Council for review and approval.

It is essential that this item be considered at this time in order to provide the organization sufficient time to get processes and necessary set-ups in place with new carriers prior to the start of open enrollment which is set to begin on October 15, 2018 and scheduled to run through November 2, 2018. The rates included herein will become effective on January 1, 2019 for all employees participating in City plans.

Impact/Analysis:

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Timeline:

Start: ____

Finish: ____

Other Information/Unique Characteristics:

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Anita Dickey, Director of Human Resources

Committee Recommendation: On Motion by Councilmember Carlyle, seconded by Councilmember Edson, this Ordinance was recommended for approval to the City Council - Regular Session due back on 10/16/2018. The vote was unanimous. (F&BC 10-1-18)