



STAFF REPORT

Insurance Renewal – 2021-2022

RECOMMENDATION:

By motion: Approve 2021-2022 insurance renewals as indicated on **Attachment 1**.
– no changes to plans year over year.

BACKGROUND:

Tahoe Donner Association has a robust and competitive benefit plan for full time, year-round staff including medical, dental, vision, life insurance, long term disability insurance, EAP (employee assistance program).

Medical Benefits – Carrier: Blue Shield
Plans Offered: High Deductible, Tandem PPO, & Full PPO
Dental Benefits – Carrier: Guardian
Vision Benefits – Carrier: VSP

TDA's employee health benefit plan year is October 1 - September 30 of each year. Annually, prior to the renewal date, Tahoe Donner's employee health insurance and retirement broker, Hendricks & Associates, works with our existing vendors to obtain renewal rates.

This is the sixth renewal period where we are required to offer full-time equivalent (FTE) employees with medical insurance, due to the Affordable Care Act (ACA). This is in addition to the health benefits we offer our full time, regular employees. Based on our most recent look-back period (July 2020 to July 2021) we have 71 FTE's that will *qualify* for insurance coverage based on the ACA for 2020-2021. Current enrollment of medical benefits is 66 employees.

ANALYSIS:

As part of this year's renewal goals management focused on,

- cost control
- continuing to position the benefit package to be competitive through expansion of medical plans offering that suit our wide range of full-time year-round employees



With these goals in mind, Hendricks & Associates worked with Blue Shield to negotiate a renewal for the 2021-2022 plan year.

The following are the three options provided by Blue Shield:

1. Full PPO: Proposed premium increase is 6.5% over prior year.
2. Tandem PPO: This second plan is a Tandem PPO with the same coverage as the first plan. The only exception is access to only 8 of 12 in-network doctors and no access to Sutter Health System. All other coverage is the same, including offering 27 of 27 network specialists in the area. Proposed premium on this plan is a 6.5% increase year over year.
3. Health Savings Account: The third plan is a low-cost high deductible Health Savings Account (HSA). The benefit of this HSA is that employees have access to a more basic plan versus the more comprehensive BlueShield plans. HSA benefits also include portability, annual rollover, and convenience for the employee. Proposed premium on this plan is a 6.5% increase year over year.

In addition to the medical coverage with Blue Shield, Tahoe Donner also offers Vision coverage through VSP, and Dental coverage through Guardian. Renewal VSP vision costs remain flat for 2022, with no additional costs incurred. Guardian Dental will also remain flat year over year.

The proposal before the board includes consideration of continuing benefit plans with no changes year over year.



OUTREACH:

Hendricks and Associates, our insurance brokerage, has engaged with all plan operators to negotiate minimal increases year over year.

FISCAL IMPACT:

There is a 6.5% increase in insurance premiums from last year.

ALTERNATIVES:

There are no alternatives by staff currently.

Prepared by:

Reviewed by:

Reviewed by:

Board Meeting Date:

General Manager Approval to Place on the Agenda: _____