



STAFF REPORT

DATE August 19, 2022

TITLE:

2022-2023 Employee Health Insurance Renewal

RECOMMENDATION:

By Motion:

Approve 2022 – 2023 employee health insurance renewals as indicated in Exhibit 1: 2022-2023 Employee Health Insurance Schedule.

BACKGROUND

Tahoe Donner has a competitive employee benefit package for full-time, year-round staff including medical, dental, vision, life benefits insurance, long-term disability insurance, flexible spending account, retirement/investment benefits and employee assistance program (EAP). TDA's employee health insurance plan year is October 1 – September 30, with the current health benefit plans expiring September 30, 2022.

Current Health Benefit Plan Carriers:

Medical – Blue Shield

Dental – Guardian

Vision – VSP

Life Insurance/AD&D and Long-Term Disability– Lincoln Financial

This is the seventh 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 full-time, year-round employees. Based on the most recent look-back period (July 2021 – July 2022) there are 94 FTEs that will qualify as eligible for insurance based on the ACA for 2021-2022. Current enrollment for medical benefits is 72 employees.

ANALYSIS:

Tahoe Donner works with Hendricks and Associates, its employee benefits insurance broker, to negotiate competitive renewal pricing. This year, renewal goals were focused on cost control, and continued positioning of the benefit package to be competitive with other employers in the region, along with offering enough diversity in the medical plans to meet the individual needs of the employees. Proposed negotiated rates are modest and are generally below the average increases seen at other comparably sized companies.

This year's renewal package includes,

MEDICAL – Blue Shield No change to plan offerings; Proposed premium increase is Net 6.5%

- Full PPO
- Tandem PPO: This second plan is a Tandem PPO with the same coverage as the Full PPO. The only exception is access to only 8 of 12 in-network doctors and no access to the Sutter Health





System. All other coverage is the same as the Full PPO, including offering 27 of 27 network specialists in the area.

- Health Savings Account: This third plan is a low-cost, high deductible Health Savings Account (HSA). The benefit of this HAS is that employees have access to a more basic plan versus the more comprehensive

DENTAL – Guardian No change to plan offering; Proposed premium increase is 3.5%

VISION – VSP No change to plan offering; Proposed premium is flat (0%) over prior year

LIFE INSURANCE/AD&D, LONG-TERM DISABILITY – Liberty Change to plan offering; Proposed premium change is 0%.

- No Change: Basic Life/AD&D \$25,000
- No Change: Long Term Disability
- Change: Voluntary Life limit option increase from \$300,000 to \$500,000

The proposal before the board includes consideration of continuing benefit plans offered and the employer/employee contribution mix to remain the same.

- Medical – TDA will contribute equal to 75% of the premium value of the Blue Shield Full PPO.
- Dental – 75% of the premium value TDA contribution
- Vision – 75% of the premium value TDA contribution
- Basic Life/AD&D with limit of \$25,000 100% TDA contribution

OUTREACH:

Hendricks and Associates has engaged with all plan operators to negotiate minimal increase year over year.

FISCAL IMPACT

There is an estimated \$62,923 (5.2%) net increase in health insurance premiums over last year using current employee subscriber information.

ALTERNATIVE:

There are no alternatives provided by staff.

ATTACHMENTS:

Exhibit 1: Proposed 2022-2023 Employee Health Insurance Schedule

Prepared By: Annie Rosenfeld, Director of Administrative Services
Reviewed By: Todd Martyn-Jones, Director of Finance, Accounting and Business Services
Board Meeting Date: August 26, 2022
General Manager Approval to Place on the Agenda: _____



