



## **STAFF REPORT: 2024-2025 Employee Health Insurance Renewal**

### **RECOMMENDATION:**

By Motion:

The Board of Directors approves the 2024 – 2025 employee health insurance renewals as indicated in Exhibit A: 2024-2025 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, 2024.

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 ninth renewal period we must 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 (September 2023 – August 2024) 100 FTEs will qualify as eligible for insurance based on the ACA for 2023-2024. Current enrollment for medical benefits is 79 employees.

### **DISCUSSION:**

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. The proposed negotiated rates are modest and are 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 3.88%**

Premium discounted due to change to the dental benefit plan.\*



## 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 HSA is that employees have access to a more basic plan versus the more comprehensive.

## DENTAL – BlueShield **Change provider from Guardian to BlueShield; Proposed premium increase is 12%\***

Custom Smile Spectrum Premier: The plan design mirrors the Guardian Value plan, with a 2-year renewal. BlueShield opens more providers in the Reno Market. The plan will have little disruption for the Truckee market.

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

## LIFE INSURANCE/AD&D, LONG-TERM DISABILITY – Lincoln Life **No change to plan offering; Proposed premium is 0%**

- No Change: Basic Life/AD&D \$25,000
- No Change: Long Term Disability

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 90% 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 a limit of \$25,000 and 100% TDA contribution

## **OUTREACH:**

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



**FISCAL IMPACT:**

There is an estimated \$72,761.80 (4.2%) net increase in health insurance premiums over last year using current employee subscriber information. The prior policy year's net increase was 7%.

**ALTERNATIVE:**

There are no alternatives provided by staff.

**ATTACHMENTS:**

Exhibit A: Proposed 2024-2025 Employee Health Insurance Schedule

---

Staff Report Prepared By: Jason Hajduk-Dorworth, Director of Administrative Services

Reviewed By: Justin Malley, Director of Finance and Accounting

Reviewed By: Annie Rosenfeld, General Manager

Board of Directors Meeting: August 23, 2024