

RESOLUTION NO. 2023- 3019

A RESOLUTION OF THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, APPROVING EMPLOYEE HEALTH BENEFITS RENEWAL CONTRACTS FOR FISCAL YEAR 2023/2024 WITH CIGNA FOR EMPLOYEE HEALTH INSURANCE, DENTAL AND VISION COVERAGE, MUTUAL OF OMAHA FOR LIFE AND DISABILITY INSURANCE, AND AMERIFLEX FOR FLEXIBLE SPENDING ARRANGEMENT (FSA) BENEFIT SERVICES, HEALTH REIMBURSEMENT AGREEMENT (HRA) SERVICES, AND COBRA ADMINISTRATION; AUTHORIZING THE TOWN MANAGER TO ENTER INTO ANY NECESSARY AGREEMENTS WITH CIGNA, MUTUAL OF OMAHA, AND AMERIFLEX FOR THE RESPECTIVE SERVICES; PROVIDING FOR IMPLEMENTATION; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Town of Surfside (the "Town") continues to work with Adams Benefit ("Adams Benefit") as its insurance agent of record for employee health, dental, vision, life insurance, disability and other related benefit programs; and

WHEREAS, the Town Administration worked with Adams Benefit to renegotiate existing plans or solicit acceptable alternative plans from other carriers, with the goal of keeping the cost increase to the lowest possible, while minimizing the impact to our employee coverage, and determined that renewal of the existing plans is in the best option for the Town; and

WHEREAS, Town Administration recommends renewal of the existing contracts, which results in maintaining a zero percent (0%) renewal rate increase from the previous year, except for a 5% increase for Cigna health insurance and 3% increase for Cigna Dental (PPO); and

WHEREAS, the Town Commission wishes to (i) select/renew Cigna for employee health insurance, dental and vision coverage, (ii) continue with Mutual of Omaha for life and

disability insurance, and (iii) select/renew Ameriflex for flexible spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration, all as set forth in the Commission Communication memorandum presented with this Resolution; and

WHEREAS, the Town Commission further wishes to authorize the Town Manager to execute any necessary agreements with Cigna, Mutual of Omaha, and Ameriflex for the respective insurance services; and

WHEREAS, the Town Commission finds that the insurance providers and programs selected and this Resolution are in the best interest and welfare of the employees of the Town.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF SURFSIDE, FLORIDA, AS FOLLOWS:

Section 1. Recitals Adopted. Each of the above stated recitals are hereby adopted, confirmed and incorporated herein.

Section 2. Approval of Insurance Providers. The Town Commission hereby approves and selects/renews for Fiscal Year 2023/2024: (i) Cigna for employee health insurance, dental and vision insurance; (ii) Mutual of Omaha for life and disability insurance; and (iii) Ameriflex for flexible spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration; all as set forth in the Commission Communication Memorandum presented with this Resolution.

Section 3. Authorization. The Town Manager is hereby authorized to execute any necessary agreements with: (i) Cigna for employee health insurance, dental and vision insurance; (ii) Mutual of Omaha for life and disability insurance; and (iii) Ameriflex for flexible

spending arrangement (FSA) benefit services, health reimbursement agreement (HRA) services, and COBRA administration; in accordance with the terms and conditions as set forth in the Commission Communication Memorandum, and subject to the approval of the Town Manager and Town Attorney as to form, content, and legal sufficiency.

Section 4. Implementation. The Town Manager and the Human Resources Director are authorized to take all action necessary to implement the purposes of this Resolution and the employee health benefits and insurance programs detailed in the Commission Communication Memorandum presented with this Resolution.

Section 5. Effective Date. This Resolution shall be effective immediately upon adoption.

PASSED AND ADOPTED on this 12th day of September, 2023.

Motion By: Vice Mayor Rose

Second By: Commissioner Landsman

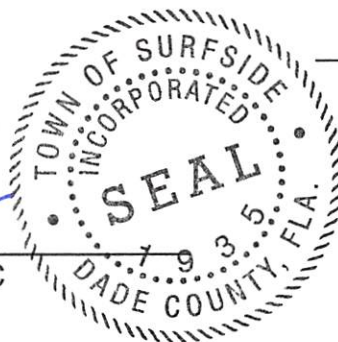
FINAL VOTE ON ADOPTION:

Commissioner Fred Landsman	<u>Yes</u>
Commissioner Marianne Meisheid	<u>Yes</u>
Commissioner Nelly Velazquez	<u>Yes</u>
Vice Mayor Jeffrey Rose	<u>Yes</u>
Mayor Shlomo Danzinger	<u>Yes</u>

ATTEST:



Sandra N. McCreedy, MMC
Town Clerk





Shlomo Danzinger, Mayor

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY
FOR THE TOWN OF SURFSIDE ONLY:**



Weiss Serota Helfman Cole & Bierman, P.L.
Town Attorney

Town of Surfside

Renewal - Medical - Benefit & Premium Illustration

	CIGNA			
	H.S.A. OAP		OAPIN	
	In-Network	Out-Network	In-Network	
Deductible	\$1,500 Ind. \$3,000 Family	\$5,000 Ind. \$10,000 Family	\$1,000 Ind. \$2,000 Family	
Co-Insurance	90%	50%	80%	
Physicians Office	10% after deductible	50% after deductible	\$25 co-pay	
Specialist Office	10% after deductible	50% after deductible	\$50 co-pay	
Inpatient Hospital	10% after deductible	50% after deductible	20% after deductible	
Out-Patient Surgery	10% after deductible	50% after deductible	20% after deductible	
Out-Patient Minor Diagnostic	10% after deductible	50% after deductible	No charge	
Out-Patient Major Diagnostic (e.g., MRI, MRA, PET, CT)	10% after deductible	50% after deductible	20% after deductible	
Emergency Room	10% after deductible	10% after deductible	\$350 co-pay	
Urgent Care Center	10% after deductible	50% after deductible	\$50 co-pay	
Prescription Drugs	CYD; \$10 / \$35 / \$70		\$10 / \$35 / \$70	
Out of Pocket Maximum	\$4,000 Ind. \$6,000 Family	\$10,000 Ind. \$20,000 Family	\$3,500 Ind. \$7,000 Family	
Provider Search	www.cigna.com		www.cigna.com	

Benefit Change: Added Save On to the OAPIN plan (flyer attached)

Wellness fund \$10,000

Starting 7/1/2023, CIGNA will be transitioning to digital ID cards for all renewals

1% Annual Total Premium Credit to be given on 1st months bill

		Max Rates				Max Rates		
		Current	Initial Renewal Q1P2	Revised Q1P2 (Q1P4a)		Current	Initial Renewal Q1P2	Revised Q1P2 (Q1P4a)
		Employee	45	\$ 561.02		\$ 630.68	\$ 591.26	12
Employee + Spouse	11	\$ 1,346.90	\$ 1,514.14	\$ 1,419.49	2	\$ 1,584.86	\$ 1,740.68	\$ 1,631.62
Employee + Child(ren)	7	\$ 1,140.99	\$ 1,282.22	\$ 1,202.05	2	\$ 1,342.09	\$ 1,474.05	\$ 1,381.88
Employee + Family	20	\$ 1,780.21	\$ 2,001.25	\$ 1,876.15	1	\$ 2,094.71	\$ 2,300.67	\$ 2,156.52
Monthly	83	\$ 83,650.13	\$ 94,036.68	\$ 88,158.44	17	\$ 15,869.81	\$ 17,430.01	\$ 16,338.08
Total Monthly	100	\$ 99,519.94	\$ 111,466.69	\$ 104,496.52				
Percentage Change:			12%	5%				

Stop-Loss Details	
Individual Stop Loss Limit (Medical & Rx):	\$40,000
Corridor Factor (Total):	110%
Level Funding Arrangement:	1/2 retained by CIGNA, 1/2 returned to Employer
To increase surplus sharing to 2/3 (currently 50%), it will require an increase of +1%	

This is a brief summary of the benefits and rates offered. The Certificate of Coverage is the governing document for all benefits, requirements and limitations.

If there is a variation between this summary and the Certificate of Coverage, the Certificate will govern.

Final premium rates may change from those quoted based upon actual enrollment as of the effective date.

Town of Surfside

Renewal - Medical - Save On

Save on specialty drug costs

At Cigna, we strive every day to make health care more simple and more affordable for both the clients and customers we serve.

While specialty drugs can be very expensive, our dedicated copay assistance coordination teams help connect our customers to the 80% of copay assistance programs available from pharmaceutical manufacturers.¹ These programs are essential to help customers afford their medications, but if left unmanaged, they can also drive up costs for clients.

SaveOnSP - Maximizing Manufacturer Assistance

SaveOnSP - How it works

Manufacturer assistance dollars often count against the customer's out-of-pocket spend - meaning the customer can reach their maximum spend quickly and sometimes without ever contributing a cent. With SaveOnSP, certain specialty medications, filled through Accredo, are no longer counted against the customer deductible and out-of-pocket maximums. In addition, the customer cost share is adjusted to match the maximum monthly amount allowed by the manufacturer. This means the customer's out of pocket is zero and our clients pay less for specialty medications.



Before SaveOnSP for \$10,000 specialty drug ⁴			
Manufacturer Assistance	Customer cost share	Amount applied to deductible and out of pocket costs	Plan Costs
\$245	\$5	\$250	\$9750

After SaveOnSP for \$10,000 specialty drug ⁴			
Manufacturer Assistance	Customer cost share	Amount applied to deductible and out of pocket costs	Plan Costs
\$1000	\$0	\$0	\$9000

1. Drug Companies Fight Genetics with Coupons, *Health Weekley*, 6/11/2016. <https://www.modernhealthcare.com/article/20160611/06AGAZHE/206119980>. 2. SaveOnSP cost share to be effect by copay assistance, resulting in 50 member cost. Program cost is 25% of the maximum savings - limited drug list and client restrictions apply. Client opt in, must have Exclusive Specialty with zero gross bill, excludes: Insured clients, HSA plans (IRS guidance for first dollar coverage), Private exchange plans, EQWPP, HRP Indemnity plans, and grandfathered plans, standalone pharmacy clients and global. 3. Cigna Internal Analysis, April 2022. Savings is based on YTD experience; annualized savings by client may differ. * Example for illustrative purposes only. Actual plan designs and coverage will vary.

Product availability may vary by location and plan type and is subject to change. All group health insurance policies and health benefit plans contain exclusions and limitations. For costs and details of coverage, review your plan documents or contact a Cigna representative. All Cigna products and services are provided exclusively by or through operating subsidiaries of Cigna Corporation, including Cigna Health and Life Insurance Company (CHLIC), Accredo Health Group, Inc., Empire Scripts, Inc., and FMO or service company subsidiaries of Cigna Health Corporation. *Accredo refers to Accredo Health Group, Inc. Policy forms: CR - HP-NP-1 et al.

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Town of Surfside

Renewal Analysis - Dental - Benefit & Premium Illustration

Dental - DMO		CIGNA		
		DHMO P6X00		
Calendar Year Deductible		None		
Co-Insurance		Scheduled Co-pays		
		Current	Renewal	Negotiated Renewal
Employee	31	\$ 14.14	\$ 14.78	\$ 14.14
Employee + Spouse	7	\$ 25.70	\$ 26.88	\$ 25.70
Employee + Child(ren)	4	\$ 34.31	\$ 35.86	\$ 34.31
Employee + Family	9	\$ 50.28	\$ 52.53	\$ 50.28
Monthly:	51	\$ 1,207.82	\$ 1,262.41	\$ 1,207.82
Percentage Change:			4.52%	0.00%

Dental - PPO		CIGNA		
		DPPO		
		In-Network	Out-Network	
Calendar Year Deductible		\$50 Ind. \$150 Family	\$50 Ind. \$150 Family	
Co-Insurance				
Type 1 - Preventative		100%	100%	
Type 2 - Basic		90%	90%	
Type 3 - Major		60%	60%	
Type 4 - Orthodontia		50%	50%	
Calendar Year Maximum		Year 1: Year 2: Year 3: Year 4:	\$2,000 \$2,150 \$2,300 \$2,450	
Orthodontic Lifetime Max		\$1,500		
Out of Network Reimbursement		UCR		
		Current	Renewal	Negotiated Renewal
Employee	25	\$ 38.08	\$ 38.61	\$37.16
Employee + Spouse	13	\$ 80.10	\$ 85.71	\$82.50
Employee + Child(ren)	5	\$ 98.85	\$ 105.77	\$101.82
Employee + Family	11	\$ 138.76	\$ 148.47	\$142.92
Monthly:	54	\$ 3,963.91	\$ 4,241.50	\$ 4,082.83
Percentage Change			7%	3%

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Dental

Adams
BENEFIT

Town of Surfside

Renewal - Vision - Benefit & Premium Illustration

VISION		CIGNA		
		VSP changed to Eye-Med		
Co-Pays				
Exam		\$10		
Materials		\$25		
Frame Allowance		Up to \$140 allowance		
Frequency				
Exam		12 months		
Lenses		12 months		
Frames		24 months		
		Current	Renewal	Negotiated Renewal
Employee	42	\$ 5.69	\$ 5.86	\$ 5.69
Employee + Spouse	14	\$ 10.51	\$ 10.83	\$ 10.51
Employee + Child(ren)	7	\$ 11.00	\$ 11.33	\$ 11.00
Employee + Family	11	\$ 16.48	\$ 16.98	\$ 16.48
Monthly:	74	\$ 644.40	\$ 663.83	\$ 644.40
Percentage Change			3%	0%

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Vision

Adams
BENEFIT

Town of Surfside

Renewal - Short Term Disability - Benefit & Premium Illustration

Short Term Disability	Mutual of Omaha	
	All Employees	
<i>Benefit</i>	66% to \$1,000 weekly	
<i>Benefits Begin</i>	On 15th day accident On 15th day sickness	
<i>Duration</i>	24 weeks	
<i>STD per \$10 of weekly Benefit</i>	Current	Renewal
	\$.30/\$10	Rate Guarantee Until 10/1/2024

Mutual of Omaha - Alternate	
Active Employees	
66% to \$2,500	
15th day accident 15th day sickness	
24 weeks	
\$.24/\$10	

Long Term Disability	Mutual of Omaha	
	All Employees	
<i>Benefit</i>	60% to \$7,000 monthly	
<i>Elimination Period</i>	180 calendar days	
<i>Own Occupation Period</i>	2 years	
<i>LTD per \$100 of covered monthly payroll</i>	Current	Renewal
	\$.38/\$100	Rate Guarantee Until 10/1/2024

Mutual of Omaha - Alternate	
All Employees	
60% to \$10,000	
180 calendar days 2 years	
\$.38/\$100	

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Town of Surfside

Renewal - Life & AD&D - Benefit & Premium Illustration

Basic Life & AD&D	Mutual of Omaha	
	Active Employees	
Benefit	1 x annual salary to \$200,000 Guarantee Issue: \$200,000 Minimum Benefit: \$1,000	
Basic Life Basic AD&D	Current	Renewal
	\$.22/\$1,000 \$.03/\$1,000	Rate Guarantee Until 10/1/2024

Mutual of Omaha - Alternate	
Active Employees	
1 x annual salary to \$300,000 Guarantee Issue Amount: \$300,000 Minimum Benefit: \$1,000	
\$.22/\$1,000 \$.03/\$1,000	

Eligible Retirees		
Benefit	\$15,000	
Basic Life	Current	Renewal
	\$1.250/\$1,000	Rate Guarantee Until 10/1/2024

Eligible Retirees	
\$15,000	
\$1.250/\$1,000	

Grandfathered Retirees		
Benefit	\$2,500	
Basic Life	Current	Renewal
	\$.21/\$1,000	Rate Guarantee Until 10/1/2024

Grandfathered Retirees	
\$2,500	
\$.21/\$1,000	

*Benefits reduce to 50% at age 70+
Rate Guarantee - 10/1/2024*

Voluntary Life	Mutual of Omaha	
	Active Employees & Eligible Retirees	
Employee & Spouse	Current	Renewal
	\$.39/\$1,000	Rate Guarantee until 10/1/2024
Child(ren)	\$.10/\$1,000	

Voluntary AD&D	Mutual of Omaha	
	Active Employees & Eligible Retirees	
Employee & Spouse	\$.03/\$1,000 Rate Guarantee Until 10/1/2024	

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