



# AGENDA ITEM MEMORADUM

**Finance**

**Tony Bryan, Finance Director**

Department

Department Director

COMMISSION MEETING DATE (*) - 7:00 PM	Deadline to Town Clerk
<input type="checkbox"/> Aug 23, 2011	Aug 12 <sup>th</sup>
<input type="checkbox"/> Sept 12, 2011 1 <sup>st</sup> BUDGET PUBLIC HEARING	Sept 1 <sup>st</sup>
<input checked="" type="checkbox"/> Sept 13, 2011	Sept 2 <sup>nd</sup>
<input type="checkbox"/> Sept 26, 2011 2 <sup>nd</sup> BUDGET PUBLIC HEARING	Sept 15 <sup>th</sup>
<input type="checkbox"/> Sept 27, 2011	Sept 16

\*Subject to Change

- Presentation     Reports     Consent     Ordinance  
 Resolution     Quasi-Judicial     Old Business     New Business

FY2011 DESIGNATED HIGH PRIORITY ITEM - PRIORITY TOPIC

**SUBJECT TITLE:    Medical and Prescription Drug Benefit Coverage**

**EXPLANATION:**

The Town provides a medical and prescription drug benefit to eligible employees and their dependents. The plan, which was brokered through the Florida Municipal Insurance Trust (FMIT) and administered by Cigna, renews effective October 1. Town Staff has been working the Florida Municipal Insurance Trust and an independent insurance broker, to find a plan that offers suitable coverage at a reasonable price.

The Florida League of Cities recommended a plan that is administered by United Health Care (UHC) that appears to be reasonably similar to, and in some ways is better (e.g., lower co-pays for doctor visits), than the Town's current plan for the same amount the Town is currently paying.

Alternatively, the independent broker suggested a combination of a Health Insurance Prescription Drug plan administered by Coventry Health Care and a Hospital Gap Plan that is underwritten by American Fidelity Assurance Company. The plan summary and premiums include the combined costs and benefits of both the Health Plan and the GAP Plan and represents a savings of approximately \$60,000 to the Town.

**EXPECTED OUTCOME:**

Staff recommends that the Commission authorize the Town Manager to execute agreements with Coventry Health Care and American Fidelity Assurance Company to provide medical and prescription drug benefits to eligible employees of the Town and their dependents.

**EXHIBIT(S):**

Summary of Health Premiums (Monthly)  
Benefit Comparison for Medical and Prescription Drug Benefit Coverage

Reviewed by Town Attorney  
 Yes     No

Town Manager Initials CB

**Summary of Health Premiums (Monthly)**

**United Health Care**

	Monthly Premium	Town Contribution		Employee Contribution	
		\$	%	\$	%
Single	520.23	520.23	100.0%	-	0.0%
Employee + Spouse	1040.48	780.36	75.0%	260.13	25.0%
Employee + Children	936.43	728.33	77.8%	208.10	22.2%
Family	1664.76	1,092.50	65.6%	572.27	34.4%

**Coventry / American Fidelity**

	Low	High	Average	Town Contribution		Employee Contribution	
	Monthly Premium	Monthly Premium	Monthly Premium	Average \$	Average %	Average \$	Average %
Single	406.30	465.12	425.22	425.22	100.0%	-	0.0%
Employee + Spouse	843.91	949.81	906.18	665.70	73.5%	240.48	26.5%
Employee + Children	758.73	817.55	758.73	591.98	78.0%	166.75	22.0%
Family	1,233.55	1,339.43	1,223.55	824.39	67.4%	399.16	32.6%

**Note:**

Policy is that Town pays 100% for Town Manager, Assistant Town Manager, and Directors. The Town Manager and Assistant Town Manager, however, only carry single coverage.

Town contribution reflects the current policy whereby the Town pays 100% for the employee and 50% for covered dependents.

Monthly premiums charged by Coventry vary by age.

# Benefit Comparison for Medical and Prescription Drug Benefit Coverage

Type of Coverage	CIGNA CAR10	Proposed UHC Plan 3 Network Benefits / Copayment Amounts *Deductible applies towards OOP Maximum	Proposed Coventry Plan Network Benefits / Copayment Amounts
<b>CALENDAR YR DEDUCTIBLE</b>			
Individual	\$250	\$500	\$0
Family	\$500	\$1,000	\$0
<b>COINSURANCE</b>			
INN/OON	90%	90%	100%
<b>OOP MAXIMUM</b>			
Individual	\$2,500	\$2,500	\$1,000
Family	\$5,000	\$5,000	\$2,000
<b>LIFETIME PLAN MAX</b>			
INN/OON	Unlimited	Unlimited	Unlimited
<b>HOSPITAL SERVICES</b>			
Inpatient	90% after deductible	90% after deductible	100%
Outpatient	90% after deductible	90% after deductible	100%
ER	\$100 co-pay	\$125 co-pay	\$250 co-pay
Urgent Care	\$50 co-pay	\$35 co-pay	\$50 co-pay
Skilled Nursing Facility	90% after deductible	90%	100%
<b>PHYSICIAN SERVICES</b>			
PCP	\$20 co-pay	\$15	\$25 co-pay
Specialist	\$40 co-pay	\$30	\$50 co-pay
Preventative Care	100%	100%	100%
Allergy Injections	\$20 for PCP / \$40 for Specialist	\$15 for PCP / \$30 for Specialist	\$25 for PCP / \$50 for Specialist
<b>MENTAL &amp; NERVOUS DISORDER</b>			
Inpatient	90% after deductible	90% after deductible	100% after deductible
Outpatient	\$40 co-pay	15 co-pay	\$50 co-pay
<b>SUBSTANCE ABUSE</b>			
Inpatient	90% after deductible	combined under Mental & Nervous Disorder	combined under Mental & Nervous Disorder
Outpatient	\$40 co-pay	combined under Mental & Nervous Disorder	combined under Mental & Nervous Disorder
<b>HOSPICE CARE</b>			
Inpatient	90% after deductible	90%	100% after deductible
Maximum Care	60 days per calendar year	360 days	210 days
<b>HOME HEALTH CARE &amp; OP REHAB SERVICES</b>			
Skilled Nurse	90% after deductible / 60 vs/cal yr	90% 60 vs/cal yr	100% 30 vs/cal yr
Physical Therapy	100% after PCP/SP co-pay - 20 vs per cal yr	\$15 visit-20 vs per cal yr	100% 60 vs per cal yr, combined all therapies
Occupational Therapy	100% after PCP/SP co-pay - 20 vs per cal yr	\$15 visit-20 vs per cal yr	100% 60 vs per cal yr, combined all therapies
Speech Therapy	100% after PCP/SP co-pay - 20 vs per cal yr	\$15 visit-20 vs per cal yr	100% 60 vs per cal yr, combined all therapies
<b>CHIROPRACTIC SERVICES</b>			
Office Visit	100% after PCP/SP co-pay	\$30 visit	\$50 co-pay
Calendar year visit maximums	20	24 visits	20 vs per cal yr
<b>DIAGNOSTICS</b>			
Laboratory-Outpt hospital	100%	No co-pay	\$50 co-pay
Laboratory-Lab Facility-MD OV	100% after PCP/SP co-pay	No co-pay	\$50 co-pay
Standard X-ray	100%	No co-pay	\$50 co-pay
MRI, MRA, CT, PET-OP facility	\$250 co-pay then 100%	90%	\$50 co-pay
<b>PRESCRIPTION DRUG COPAYS</b>			
Retail	\$10/\$20/\$35	\$10/\$30/\$50	\$20/\$45/\$70
Mail Order (90 day supply)	\$25/\$50/\$87.50	\$25/\$75/\$125	