

To: The Honorable Mayor and City Council

From: Aleem A. Ghany, City Manager

Date: September 21, 2015

RE: **RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI EXTENDING HEALTH INSURANCE COVERAGE WITH UNITED HEALTHCARE (UHC) FOR PLAN YEAR 2016.**

RECOMMENDATION

The Mayor and City Council adopt the attached resolution authorizing the City Manager to sign a contract extending the employee health, dental and vision insurance coverage with UHC for the 2016 plan year.

BACKGROUND

The City originally entered into a contract with United Healthcare in 2001. Sapoznik, The City's Insurance Agent of Record puts out a bid for proposals for companies to provide insurance coverage. This year UHC and AETNA were the only financially competitive bidders.

The Agent provided an in-depth comparison and analysis of the plans. Upon review it was determined that since AETNA did not offer a significant decrease in premiums with guaranteed rates for additional years, it is in the best interest of the City to remain with UHC.

UHC presented the 2016 plan year with a 9.68% increase for the Neighborhood Health Plan (NHP) for medical coverage. The City helped keep this rate increase down by raising the out-of-pocket maximums from \$1500/\$3000 to \$3000/\$6000. The Choice Plan and Choice Plus Plan, which have much lower participation rates had increases of 16.9%, which resulted in an overall blended increase of 10.53%.

The Dental Plan had a stable rate for the HMO and a 5% decrease in premiums for the PPO, with an enhancement of the benefits to include orthodontic for children up to age nineteen (19).

The Vision Plan had a stable rate.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA, APPROVING THE RENEWAL OF HEALTH INSURANCE COVERAGE FOR THE 2016 PLAN YEAR WITH UNITED HEALTHCARE, AS THE HEALTHCARE INSURANCE PROVIDER FOR CITY OF NORTH MIAMI EMPLOYEES; FURTHER AUTHORIZING THE CITY MANAGER TO EXECUTE ALL NECESSARY DOCUMENTS TO EFFECTUATE SAID COVERAGE; PROVIDING FOR AN EFFECTIVE DATE AND FOR ALL OTHER PURPOSES.

WHEREAS, the City of North Miami (“City”) employee health care coverage, currently provided by United Healthcare, will expire on December 31, 2015; and

WHEREAS, the insurance agent of record, Sapoznik Insurance & Associates, LLC (“Insurance Agent”), solicited insurance plan proposals from healthcare insurance providers, on behalf of the City; and

WHEREAS, in response to the Insurance Agent’s request, insurance plan proposals were received from the following health insurance providers: 1) United Healthcare, 2) Aetna, 3) Blue Cross/Blue Shield, and 4) AvMed; and

WHEREAS, the Insurance Agent provided an in-depth comparison and analysis of the available insurance plans to the City Manager and Personnel Administration Manager; and

WHEREAS, upon their comprehensive review, it was determined that the proposal from the current healthcare provider, United Healthcare, was the most advantageous to the City; and

WHEREAS, because of the rising costs of healthcare coverage, the United Healthcare insurance plan offers less of an increase in premiums than comparable plans; and

WHEREAS, City administration respectfully recommends to the Mayor and City Council to continue the health insurance coverage with United Healthcare and authorize the City Manager to renew said coverage with United Healthcare; and

WHEREAS, the Mayor and City Council find the renewal of the employee health insurance coverage with United Healthcare, as the health insurance provider for the 2016 plan year, to be in the best interest of the City.

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF NORTH MIAMI, FLORIDA:

Section 1. Authority of City Manager. The Mayor and City Council of the City of North Miami, Florida, hereby approve the renewal of health insurance coverage for 2016 plan year with United Healthcare, as the healthcare insurance provider for City of North Miami employees, and authorize the City Manager to execute all necessary documents to effectuate said coverage.

Section 2. Effective Date. This Resolution shall become effective immediately upon adoption.

PASSED AND ADOPTED by a _____ vote of the Mayor and City Council of the City of North Miami, Florida, this _____ day of September, 2015.

DR. SMITH JOSEPH
MAYOR

ATTEST:

MICHAEL A. ETIENNE, ESQ.
CITY CLERK

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY:

ROLAND GALDOS
INTERIM CITY ATTORNEY

SPONSORED BY: CITY ADMINISTRATION

Moved by: _____

Seconded by: _____

Vote:

Mayor Smith Joseph, D.O., Pharm,D.
Vice Mayor Carol Keys, Esq.
Councilperson Philippe Bien-Aime
Councilperson Alix Desulme
Councilperson Scott Galvin

_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)
_____ (Yes) _____ (No)