

Request for Council Action

Originator Human Resources	Item Contracts for 2017 Retiree Health Insurance
Agenda Section	Date 10/3/2016

Description

State law requires local government employers to allow their retired employees to continue on their group medical and dental insurance, at the retiree's own cost, for as long as the retiree wishes. Retired employees who are not yet eligible for Medicare are offered the option of continuing on any of the plans offered to current employees. Retired employees who are eligible for Medicare are offered the opportunity to enroll in Medicare supplement plans.

With the full amount of the premium paid for by the retired employee, the only cost to the City is the staff work necessary to keep retirees informed of their options and to manage an open enrollment process similar to what we do for current employees. The City is a party to the contracts, however. Therefore Council approval is sought to enter into contracts with the selected providers of Medicare supplement plans for calendar year 2017.

Approximately 125 individuals (retired employees and their spouses) are currently enrolled in one of three Medicare supplement plans offered by the City. As was done with the insurance plans for active employees, an RFP was issued for Medicare supplement plans. After reviewing the responses with the City's insurance broker, it is recommended that the City continue offering the existing plan from Medica, along with a modified version of the Health Partners plan that is currently offered. It is also recommended that the existing UCare plan be dropped, as it currently has only 7 enrollees. (Those individuals will have an option to enroll in either of the two remaining plans for 2017.)

The attached document provides a brief outline of the benefits offered under the two recommended plans, as well as the monthly cost per enrollee. (**Note:** All Medicare supplement plans are single coverage plans. There is no two-party or family coverage with these plans.) As noted above, the full amount of the monthly premium is paid by the retired employee.

Item created by: Kris Wilson, Director of Human Resources

Presenter: same

Requested Action

The Council is asked to authorize the appropriate City officials to enter into contracts with Medica and HealthPartners for the Medicare supplement plans outlined on the attached form for calendar year 2017.

Attachments:

Medicare Supplement Plans for 2017