



City of Rialto

Legislation Details (With Text)

File #: CC-19-1011 **Version:** 1 **Name:**
Type: Agreement **Status:** Agenda Ready
File created: 10/17/2019 **In control:** City Council
On agenda: 10/22/2019 **Final action:**
Title: Request City Council to Consider and Approve to Authorize Keenan & Associates to Operate as the City of Rialto's Broker of Record in Connection with Coverages for Dental, Vision, Life Insurance, Section 125 Voluntary Products, and Disability Insurance for All City Employees and Retirees.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Broker of Record Agreement.pdf, 2. Business Associates Agreement.pdf, 3. Benefit Bridge Agreement.pdf

Date	Ver.	Action By	Action	Result
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For City Council Meeting [October 22, 2019]

TO: Honorable Mayor and City Council

APPROVAL: Rod Foster, City Administrator

FROM: Angela McCray, Human Resources/Risk Management Director

Request City Council to Consider and Approve to Authorize Keenan & Associates to Operate as the City of Rialto's Broker of Record in Connection with Coverages for Dental, Vision, Life Insurance, Section 125 Voluntary Products, and Disability Insurance for All City Employees and Retirees.

BACKGROUND:

The City has worked with USI Insurance Services as its Insurance Broker for the past several years with no change in benefits or presentation of alternate options or pricing. As part of our commitment to the City Council and staff to continually research and find options to reduce costs, retain employees and provide quality benefits, staff held several meetings with Keenan & Associates and asked that they provide the City with the most viable and competitive benefit offerings available through the insurance marketplace.

ANALYSIS/DISCUSSION:

In the past couple of years, staff has continued to take proactive steps to improve on the quality of service being provided to City employees and retirees as it relates to ancillary benefits and ACA compliance. Staff has been approached on numerous occasions by other brokers who offer similar services as those provided by USI and who are interested in providing such services to the City. Staff has determined that after much consideration, Keenan & Associates is the program best suited for the City.

After reviewing and evaluating Keenan & Associates' service philosophy, data management,

innovative medical management programs and pricing, as well as the exclusive Benefit Bridge portal, staff determined that Keenan & Associates' would be a better fit for the City and for its employees and retirees. Attached to this staff report is a copy of Keenan & Associates' Scope of Services.

Keenan & Associates has presented the City with marketing results for alternate carriers for Dental, Vision, Life and Disability coverage. Dental and vision plans included enhancements to coverage with a reduction in monthly premiums. Other improvements included life insurance benefits and savings, with a small savings offered amongst Long Term Disability Coverage for all employees currently covered.

Safety employees, City Administrator, Elected Officials and Management currently have Long Term Disability. All other employees only have Short-term Disability with coverage for 180 days and have no Long-term disability coverage.

Keenan & Associates has provided the city with comparisons, plan designs and benefit highlights. Keenan & Associates will be holding employee educational meetings for all employees related to plan design changes and impacts the weeks of November 11, 2019 and November 18, 2019 due to the January 1, 2020 effective date. Carriers for the new benefits will be in attendance to address any questions.

Plan design improvements include:

- Dental Insurance remaining with Delta Dental as its PPO provider with plan enhancements;
- moving to Liberty (DHMO) for HMO Dental Coverage for reduced rates and plan enhancements;
- Vision Insurance will remain with EyeMed Benefits plan with enhanced programming and plan design; and
- moving from Standard Insurance to Lincoln Life Insurance for Life Insurance benefits; all of which result in an overall savings of \$25,257.79.

ENVIRONMENTAL IMPACT:

The request is not a Project as defined by Section 15378 of the California Environmental Quality Act (CEQA) Guidelines. A "Project" means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Pursuant to Section 15378(b)(5), a project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment.

GENERAL PLAN CONSISTENCY:

This action is consistent with Guiding Principle 3A in the General Plan:

Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business.

LEGAL REVIEW:

Counsel from the City Attorney's Office has reviewed and supports this staff report and its attachments.

FINANCIAL IMPACT:

Operating budget Impact

There are no costs associated with the approval of this item in 2019-20 and it is projected that plan design improvements will result in savings of \$25,257.79. Broker services are funded through the broker's carriers at no cost to the City. BenefitBridge Services will commence in 2020-21 and the associated cost will not exceed \$27,500, including \$7,500 in one-time fees for the initial platform installation and activation. Annual platform fees of \$20,000 will be included in future year budgets.

Capital Improvement Budget Impact

This action has no impact to the Capital Budget.

RECOMMENDATION:

Staff recommends that the City Council consider and approve the Business Associate Agreement with Keenan & Associates as the Broker of Record with a renewal option. The contract would be effective January 1, 2020 through December 31, 2023.