



**TRUCKEE MEADOWS FIRE PROTECTION DISTRICT  
STAFF REPORT**

**Board Meeting Date: November 12, 2024**

**DATE:** October 6, 2024

**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners

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**THROUGH:** Charles A. Moore, Fire Chief  
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**SUBJECT:** Recommendation to approve a Health Benefits Program for District employees, dependents, and retirees for an estimated total cost to the District of \$2.5 million and authorize the Chair of the Board of Fire Commissioners to execute all insurance contracts and service agreements pertinent to the approved Health Benefits Program for calendar year 2025. (All Commission Districts) FOR POSSIBLE ACTION

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**SUMMARY**

Recommendation to approve a Health Benefits Program for Truckee Meadows Fire Protection District (the District) employees, dependents, and retirees and authorize the Chair of the Board of Fire Commissioners to execute all insurance contracts and service agreements pertinent to the approved Health Benefits Program for calendar year 2025.

**PREVIOUS ACTION**

Since 2012, the District has provided group insurance for employees, dependents, and retirees. Over the past six years, the Health Benefits Program has progressed to include an Employee Assistance Program through the ESI Group and a high-deductible health plan (HDHP) with a Health Savings Account (HSA) partially funded by the District.

November 19, 2019, the District changed health insurance providers to Prominence Health, changed the Employee Assistance Program to ComPsych, and created a Health Reimbursement Account (HRA) for retirees who opt into the HDHP funded by the District.

November 20, 2020, the District maintained its current health insurance provider, Prominence Health, with the addition of a Cochlear Implant provision. There were no changes to other benefit plans.

November 2, 2021, and November 1, 2022, the District maintained the current health insurance provider, Prominence Health, with no changes to any of the current benefit plans.

November 7, 2023, the District maintained the current health insurance provider, Prominence Health, increased VSP frame allowance premiums from \$120 to \$200, and added LightCare. There were no additional changes to other benefit plans.

**BACKGROUND**

The District’s health insurance plan is set to expire on December 31, 2024. After review, the Prominence bid was competitive in benefit levels and rates. Prominence offered all current benefit levels at a 9.7% rate increase over the previous year.

All coverage information referenced in this section is based on the bid from Prominence by the District’s broker, LP Insurance Services. From the bid results, the renewal included a PPO and an HDHP with an HSA from Prominence, with a 9.7% increase in cost from the past 12 months.

The District received renewal bids from Standard Life (the current life insurance provider) and VSP (the current vision plan provider) with no rate increases and Guardian (the current dental provider) with a weighted average rate increase of 9.2% with additional coverage.

Medical, vision, and life insurance benefit levels remain the same for calendar year 2025, except for the increase in the deductible in the HDHP in accordance with IRS guidance: an individual deductible (an embedded deductible) provided under a family HDHP must be at least the family minimum for the year (\$3,200 in 2024 versus \$3,300 in 2025).

The District is recommending Option 1 for dental benefits. With this option, benefit levels with Guardian will change in 2025; this change increases the Annual Maximum from \$1,500 to \$2,000 and the lifetime maximum for orthodontic services for dependent children through the age of 18 from \$1,000 to \$1,500.

The changes in annual premiums for medical coverage of the employee portion are as follows:

<b>Plan</b>	<b>Prominence FY24</b>	<b>Prominence FY25</b>	<b>Annual \$ Increase</b>	<b>Total % Increase</b>
<b>PPO</b>				
Employee + 1	\$3,797	\$4,166	\$368	9.7%
Employee + Fam	\$7,735	\$8,485	\$750	9.7%
<b>HDHP</b>				
Employee + 1	\$2,728	\$2,993	\$265	9.7%
Employee + Fam	\$5,556	\$6,096	\$539	9.7%

The changes in annual premiums for dental coverage of the employee portion are as follows with a weighted average increase of 9.2%:

<b>Plan</b>	<b>Guardian FY24</b>	<b>Guardian FY25</b>	<b>Annual \$ Increase</b>	<b>Total % Increase</b>
Employee + S	\$236	\$252	\$16	6.8%
Employee + C/CH	\$371	\$419	\$48	12.9%
Employee + F	\$607	\$674	\$67	11.1%

The estimated annual increase for the District health benefits is summarized below.

2024 Health Insurance	2025 Health Insurance	Total \$ Increase	Total % Increase
Prominence	Prominence	\$274,956	9.7%
Guardian	Guardian	\$19,826	9.2%

Note: Increases are the total increase shared between employer and employee based on the current employee enrollment. Employees may change plans during open enrollment; therefore, the above amounts may vary.

There were no changes to the Flexible Benefit Plan (Section 125) with American Fidelity, which provides voluntary supplemental benefit plans to employees at no charge to the District and continues as the HSA and HRA Administrator. The District also did not change its annual contributions to the employees' HSA (enrolled in the HDHP).

Plan	2024 District HSA Contribution	2025 District HSA Contribution (no change)
Employee Only	\$2356	\$2356
Employee + One or more	\$4688	\$4688

There were no changes to the District's annual contributions to the retiree's HRA plan for the renewal, summarized below:

Plan	2024 District HRA Contribution	2025 District HRA Contribution (no change)
Retiree	\$1,700	\$1,700

**FISCAL IMPACT**

The estimated annual net cost is \$2.5million based on the current employees and retirees. Funding for the Health Benefits Program at this level is included in the Fiscal Year 2024-2025 budget.

**RECOMMENDATION**

Staff recommends the Board approve the presented Health Benefits Program for District employees, dependents and retirees and authorize the Chair of the Board of Fire Commissioners to execute all insurance contracts and service agreements pertinent to the approved Health Benefits Program for calendar year 2025.

**POSSIBLE MOTION**

Should the Board agree with the staff's recommendation, a possible motion would be:

*“I move to approve the presented Health Benefits Program for District employees, dependents and retirees and authorize the Chair of the Board of Fire Commissioners to execute all insurance contracts and service agreements pertinent to the approved Health Benefits Program for calendar year 2025.”*