



## **TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STAFF REPORT**

**Board Meeting Date: November 10, 2020**

**DATE:** September 21, 2020  
**TO:** Truckee Meadows Fire Protection District Board of Fire Commissioners  
**FROM:** Carla Arribillaga, HR Manager  
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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 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. (All Commission Districts) **FOR POSSIBLE ACTION**

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### **SUMMARY**

Recommendation to approve a 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.

### **PREVIOUS ACTION**

Since 2012 the District has provided group insurance for employees, dependents and retirees. Over the past 6 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 over to ComPsych and created a Health Reimbursement Account (HRA) for retirees that opt in to the HDHP funded by the district.

### **BACKGROUND**

The current Truckee Meadows Fire Protection District health insurance plan is set to expire December 31, 2020. All coverage information referenced in this section is based on the bid received from Prominence by the District's broker, LP Insurance Services. The bid was evaluated by the District and IAFF Local 2487. Negotiations focused on two options submitted by Prominence Health, which were the current benefit level herein described as "Renewal" and an alternative which added an additional option of Cochlear Implants.

From the bid results, the renewal included a PPO and a High Deductible Health Plan with a HSA from Prominence with a 10.9% increase in cost from the past 12 months. Additionally, they offered additional

coverage to include cochlear implants for an additional increase of 1% to a total of 11.9% increase over previous year. The District and Union discussed maintaining the current plan and offering the Cochlear Implant option and both agreed to remain with the medical plans through Prominence and add the Cochlear Implant option.

The District received renewal bids from VSP (current Vision plan Provider) and Standard Life (current life insurance provider) and Guardian (current dental provider) at a no cost increases. The Union and District negotiated and agreed to renew coverage with these three providers.

The District and Union also re-evaluated the Flexible Benefit Plan (Section 125) and agreed to stay with American Fidelity to provide voluntary supplemental benefit plans to employees at no charge to the District in addition to continuing as the HSA and HRA Administrator.

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

Plan	Prominence FY20	Prominence FY21 w/o Cochlear	\$ Increase / (Decrease) w/o Cochlear	%Increase / (Decrease) w/o Cochlear	Prominence FY21 w/ Cochlear	\$ Increase / (Decrease) w/ Cochlear	%Increase / (Decrease) w/ Cochlear
PPO							
Employee + 1	\$3,344	\$3,709	\$365	10.9%	\$3,742	\$398	11.9%
Employee + Fam	\$6,812	\$7,554	\$742	10.9%	\$7,623	\$811	11.9%
HDHP							
Employee + 1	\$2,422	\$2,687	\$265	10.9%	\$2,711	\$289	11.9%
Employee + Fam	\$4,934	\$5,472	\$538	10.9%	\$5,521	\$587	11.9%

The estimated increase for the District for each health benefit is summarized below.

2020 Health Insurance	2021 Health Insurance	\$ Increase / (Decrease) W/O Cochlear	%Increase / (Decrease) W/O Cochlear	\$ Increase / (Decrease) W/ Cochlear	%Increase / (Decrease) W/ Cochlear
Prominence	Prominence	\$219,525	10.9%	\$239,705	11.9%

Note: Increases are based on the current number of employees enrolled in the PPO and the HDHP. During open enrollment, employees may change plans and therefore the above amounts may vary.

There were no changes made with all other medical plans for 2021.

The District's annual contributions to the employees' HSA (enrolled in the HDHP) for the Renewal is summarized and recommended below:

Plan	2020 District HSA Contribution	2021 District HSA Renewal Contribution (no change)
Employee Only	\$2356	\$2356
Employee + One	\$4688	\$4688
Employee + Family	\$4688	\$4688

### **FISCAL IMPACT**

The estimated annual net cost is \$2.3 million. Funding for the Health Benefits Program at this level is included in the Fiscal Year 2020-2021 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.

### **POSSIBLE MOTION**

Should the Board agree with 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."*