

STAFF REPORT

Date: November 8, 2017

To: Mayor and City Council

Thru: Sabra Newby, City Manager

Subject: **J.2. Staff Report (For Possible Action): Discussion and potential approval of the draft contract for the Hartford Basic-10 Group Health Plan to be implemented January 1, 2018, and authorization to subsequently execute the final version of the contract, provided that it reflects no material changes from the approved draft contract. (Self-Funded Medical Funds)**

From: Mande Bowler, Labor Relations Program Manager

Summary: The City of Reno is planning to offer a fully insured, Medicare-coordinated group health plan for post-65 retirees, called the Hartford Basic-10 Plan. We plan to pilot offering this program with retired members of the Reno Police Protective Association (RPPA) during the benefit year January 1, 2018 through December 31, 2018.

Discussion: The City of Reno has worked with our group health broker, Lockton, and with the RPPA to facilitate the addition of a fully insured, Medicare-coordinated group health plan for post-65 City retirees. The plan, offered by The Hartford, offers a lower cost premium and out-of-pocket cost to the retiree, as well as saving the City money in medical and prescription drug claims. The Hartford Basic-10 Plan also allows RPPA retirees to live out of the state of Nevada while still receiving quality group health insurance benefits.

Pursuant to Article 22 of the RPPA Collective Bargaining Agreement (CBA), the City is obligated to subsidize the group health insurance for RPPA retirees, who are eligible based upon their original date of hire with the Reno Police Department and their retirement date, at 100 percent, 75 percent, or 50 percent of their monthly premiums, based upon years of service. The City will continue to honor that subsidy under the Hartford Basic-10 Plan.

The City plans to offer this plan to all post-65 retirees who are eligible to purchase group health insurance with the City for the 2019 benefit plan year.

The Hartford requests Council approval of this draft version before a final version is furnished for signature. Staff is requesting that Council approve the draft and also authorize execution of the final version once furnished by the Hartford, provided that there are no material changes

from the version approved today. In the event that there are material changes, staff would bring the revised proposed final version back to Council for approval.

Financial Implications: Approximately \$30,000 in premiums for the plan year January 1, 2018 through December 31, 2018. The premium is estimated to be offset with savings in claims payments. The funding is available in the Self-Funded Medical Funds.

Legal Implications: Legal review completed for compliance with City procedures and Nevada Law.

Recommendation: Staff recommends Council approve the Draft Contract for the Hartford Basic-10 Plan and approve subsequent execution of the Final version, provided that it reflects no material changes from the approved Draft.

Proposed Motion: I move to approve staff recommendation.

Attachments:

- City of Reno - Draft of Hartford Certificate_8.3.17(PDF)