



Dear Humble City Council,

The City of Humble Insurance Committee called a meeting on Monday, November 9, 2015 at 9 a.m. to discuss the 2016 City of Humble Employee Group Insurance Coverage and would like to make the following recommendations:

Regarding Medical Coverage:

We recommend the City remain with Cigna as our Medical Administrator (including Stop Loss Administration) for the 2016 Plan Year and make the following plan changes:

- Increase office visit copays from \$15 for PCP & Specialist to \$25 PCP / \$50 Specialist
- Increase Pharmacy copays from \$15 / \$30 / \$45 (2X Retail for Mail Order) to \$15 / \$40 / \$75 (3X Retail for Mail Order)
- Implement a Specialty drug tier of 20% up to \$250 per script
- Reduce Specialty drug tier days' supply from 90 to 30
- Removal of the Dispense as Written rule (members pay a penalty if a member gets a brand when a generic is available regardless of whether or not the doctor writes Dispense as Written)
- Increase the employee and retiree contribution rates (please see the recommended 2016 medical contribution rates in the table below)

Active	Medical		
	Actual Rate	Employee	Employer
Employee	\$711.52	\$0.00	\$711.52
Employee/Spouse	\$1,486.25	\$253.06	\$1,233.19
Employee/Children	\$1,323.68	\$225.38	\$1,098.30
Employee/Family	\$2,108.04	\$358.92	\$1,749.12

Retiree	Medical		
	Actual Rate	Retiree	City
Retiree	\$711.52	\$177.88	\$533.64
Retiree/Spouse	\$1,486.25	\$952.61	\$533.64
Retiree/Children	\$1,323.68	\$790.04	\$533.64
Retiree/Family	\$2,108.04	\$1,574.40	\$533.64

Regarding Dental Coverage:

We recommend the City remain with Cigna as our Dental insurance provider with no plan changes. Cigna extended a rate pass on the City's coverage and therefore rates will remain the same for the City, employees and retirees per the attached exhibit.

Regarding Vision Coverage:

The City currently has a four year rate guarantee with Davis Vision that began on 1/1/2014 and will expire on 1/1/2018. No new action needs to take place with this line of coverage and employee/retiree contribution rates will remain the same per the attached exhibit.

Regarding Life/AD&D Coverage:

The City currently has a two year rate guarantee with Standard Life Insurance for both Life/AD&D coverage that began on 1/1/2015 and will expire on 1/1/2017. No new action needs to take place with these lines of coverage and employee/retiree contribution rates will remain the same per the attached exhibit.

Thank you for your consideration of the above recommendations.

City of Humble Insurance Committee



**CITY OF HUMBLE
2016 RATE EXHIBIT**

Active	Medical			Dental			Vision			Life/AD&D (Employee Only)		Total Monthly Cost
	Actual Rate	Employee	Employer	Actual Rate	Employee	Employer	Actual Rate	Employee	Employer	Employee	Employer	Active
Employee	\$711.52	\$0.00	\$711.52	\$25.56	\$0.00	\$25.56	\$3.76	\$0.00	\$3.76	\$0.00	\$12.75	\$0.00
Employee/Spouse	\$1,486.25	\$253.06	\$1,233.19	\$50.43	\$26.00	\$24.43	\$6.78	\$4.00	\$2.78	\$0.00	\$12.75	\$283.06
Employee/Children	\$1,323.68	\$225.38	\$1,098.30	\$73.65	\$50.00	\$23.65	\$7.16	\$4.00	\$3.16	\$0.00	\$12.75	\$279.38
Employee/Family	\$2,108.04	\$358.92	\$1,749.12	\$110.81	\$90.00	\$20.81	\$11.30	\$10.00	\$1.30	\$0.00	\$12.75	\$458.92

Retiree	Medical			Dental			Vision			Life (Retiree Only)		Total Monthly Cost
	Actual Rate	Retiree	City	Actual Rate	Retiree	City	Actual Rate	Retiree	City	Retiree	City	Retiree
Retiree	\$711.52	\$177.88	\$533.64	\$25.56	\$6.39	\$19.17	\$3.76	\$0.94	\$2.82	\$2.81	\$8.44	\$188.02
Retiree/Spouse	\$1,486.25	\$952.61	\$533.64	\$50.43	\$31.26	\$19.17	\$6.78	\$3.96	\$2.82	\$2.81	\$8.44	\$990.64
Retiree/Children	\$1,323.68	\$790.04	\$533.64	\$73.65	\$54.48	\$19.17	\$7.16	\$4.34	\$2.82	\$2.81	\$8.44	\$851.67
Retiree/Family	\$2,108.04	\$1,574.40	\$533.64	\$110.81	\$91.64	\$19.17	\$11.30	\$8.48	\$2.82	\$2.81	\$8.44	\$1,677.33