



**MAYOR AND CITY COUNCIL OF LAUREL  
DEPARTMENT OF BUDGET AND PERSONNEL SERVICES**

**8103 Sandy Spring Road • Laurel, Maryland 20707-2502**  
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September 17, 2021

**MEMORANDUM**

TO: Mayor Craig A. Moe  
President Valerie M.A. Nicholas and the Laurel City Council  
FROM: Lisa Woods, Deputy Director of Budget & Personnel Services  
SUBJ: Employee Benefit Insurance

The City's current broker, the NFP Group, has provided bids for employee health, dental, and vision insurance. The desire was to receive bids on the five forms of employee benefit insurance the City currently provides, which includes the following:

**Specifications:**

1. Open Access HMO Health Plan,
2. HMO Health Plan with Out-of-Network benefits,
3. Maximum Allowable Charge (MAC) PPO Dental Plan,
4. 90<sup>th</sup> Percentile Usual Customary and Reasonable (90<sup>th</sup> UCR) PPO Dental Plan, and
5. Vision plan that would provide for the purchase of eyeglasses or contact lenses.

The City currently offers these coverages to full-time and part-time employees, elected officials, and eligible dependents. Enrollment is optional and requires enrollee payments of 20% of the cost of their selected option with the exception of the vision coverage. Retirees may also enroll in these plans with a maximum reimbursement of \$500 per month.

NFP contacted AETNA and four other health insurance carriers including Cigna, CareFirst BCBS, Kaiser, and United Health Care. Kaiser provided a quote and the remaining insurance carriers declined to provide a quote.

Our current provider, AETNA, offered a renewal rate of 15.4% for health insurance that was negotiated to 10.0%.

Though Kaiser's quote is competitive with the Aetna quote, bidding 6% under our current rates, Kaiser is a staff model provider and limits the member's use of doctors outside the Kaiser doctors and centers. Therefore, employees would not be receiving the same flexibility and level of care under the Kaiser plan. Based on current City employee and dependent claims for chronic illnesses and other ongoing medical issues, it is more beneficial for continuity of care to remain with Aetna.

Dental and Vision rates are guaranteed for 2 years, and this is the second year of the contract. There will be no increase this plan year to this coverage cost.

**Funding:**

The FY2022 Budget provides \$2,872,835 for employee coverage and \$250,250 for retiree coverage under Employee Insurance.

**Recommendation:**

It is recommended that the Mayor and City Council award Employee Health, Dental and Vision insurance to Aetna for the period of November 1, 2021 to October 31, 2022, at the rates provided below:

**Employees Health Insurance**

<b>LOW</b>	Monthly	Annual	Biweekly	City	Employee
Employee	\$886.75	\$10,641.00	\$409.27	\$327.42	\$81.85
Double	\$1,693.66	\$20,323.92	\$781.69	\$625.35	\$156.34
Family	\$2,598.15	\$31,177.80	\$1,199.15	\$959.32	\$239.83
<b>HIGH</b>	Monthly	Annual	Biweekly	City	Employee
Employee	\$970.13	\$11,641.56	\$447.75	\$358.20	\$89.55
Double	\$1,852.94	\$22,235.28	\$855.20	\$684.16	\$171.04
Family	\$2,842.48	\$34,109.76	\$1,311.91	\$1,049.53	\$262.38

**Elected Officials Health Insurance**

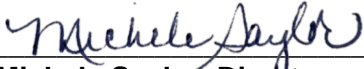
<b>LOW</b>	Monthly	City	Employee
Employee	\$886.75	\$709.40	\$177.35
Double	\$1,693.66	\$1,354.93	\$338.73
Family	\$2,598.15	\$2,078.52	\$519.63
<b>HIGH</b>	Monthly	City	Employee
Employee	\$970.13	\$776.10	\$194.03
Double	\$1,852.94	\$1,482.35	\$370.59
Family	\$2,842.48	\$2,273.98	\$568.50

**Retiree Health Insurance**

The City contributes a monthly payment, not to exceed \$500.00 towards the retiree's coverage only, regardless of choice of plan.

<b>LOW</b>	Retiree	Annual
Employee	\$886.75	\$10,641.00
Double	\$1,693.66	\$20,323.92
Family	\$2,598.15	\$31,177.80
<b>HIGH</b>	Retiree	Annual
Employee	\$970.13	\$11,641.56
Double	\$1,852.94	\$22,235.28
Family	\$2,842.48	\$34,109.76

**Reviewed:**



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**S. Michele Saylor, Director**  
**Department of Budget and Personnel Services**

9/27/2021

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**Date**

cc: Lou Ann Crook, City Administrator  
Christian Pulley, Deputy City Administrator