

TOWN OF OCEAN VIEW

201 CENTRAL AVENUE
OCEAN VIEW, DE 19970

MEMORANDUM

TO: Mayor
Town Council Members

FROM: Dianne L. Vogel
Town Manager

DATE: October 9, 2014

SUBJECT: Discussion, Consideration and Possible Voting on Approval of Employee Health Care Coverage Contributions for the Period of January 1, 2015 through June 30, 2015

Background: On September 19, Lee Brubaker and I met with representatives from the Statewide Benefits Office. We reviewed the benefits, the participation agreement, eligibility and enrollment rules, Spousal Coordination of Benefits Policy, Dependent Coordination of Benefits Policy, and the 2014 rates for each health care plan.

The Employee Benefits Programs are administered by the Statewide Benefits Office. Two health care vendors offer six health care plans. Highmark Delaware offers four plans and Aetna offers two plans. Enrollment in the health care program provides automatic enrollment in the prescription drug plan, access to the Employee Assistance Program and Health Management Plan through DelaWELL.

The State Program is a self insured program overseen by a Benefits Committee consisting of nine members. The committee is responsible for setting co-pays, deductibles, balancing the health care budget, and designing the plan offerings.

The Town of Ocean View will join the State's Group Health Care Program effective January 1, 2015 along with the Town of Millville, Milton and the Rehoboth Fire Company. Special enrollments meetings have been set for the following dates:

Monday, November 3 – Rehoboth Beach Fire Company
Thursday, November 6 – Ocean View Municipal Building Freeman Room

All employees will receive information on the health care plans by mail in late October prior to the enrollment meetings.

Staff Recommendation: The State of Delaware subsidizes the benefit premiums for State employees. No subsidy is available for participating organization employees. Participating organizations determine the level of subsidy that they will provide their employees. Due to the mid-year change in plans, I am recommending that the Town continue to cover 100% of the premium costs for the First State Basic Blue Plan. For the two Gold Plans, the employee contribution rates should remain at the current contribution rate previously announced during the 2014-2015 open enrollment meeting. Employees who select an HMO or PPO plan, will pay the difference between the rate for the plan they have selected and the rate set for the Gold Plan in addition to the current contribution rate in effect. See attached rate sheet.

Budgetary Impact: \$1,920 per month or \$11,500 in additional premiums over the six month period. This amount assumes employees will select the First State Basic BCBS Plan.

Action Required: Discussion/Consideration/Possible Voting