

Board Action Request

SUBJECT: Employee FY 23 Benefits Recommendation

DATE: April 27, 2022

FROM: Chief Horvath, Fire Chief

Background: The renewal for the District's benefits plans is ready for review and approval. The benefit period for Tubac Fire District is May 1 through April 30. District staff solicited proposals from two benefit providers: Mahoney Group and Crest Insurance/EMI Health. The preferred benefit provider is Crest Insurance/EMI Health. The EMI Health Public Safety Trust Pool will provide maximum rate stabilization as the trust, in existence for over 9 years, includes over 20 other small fire districts and water districts. The 4-year average increase for the pool is 1.76%.

The FY 23 Benefit Package will include the following insurance benefits:

- Blue Cross Blue Shield - medical plans increased 3.81% - 4.41%, depending on plan
- MetLife - dental plan no change
- VSP - vision plan no change

Staff is recommending that the Fire District offer the same benefit plan as this year. This includes both a PPO and HSA health benefit plan in order to allow employees an alternate option to the traditional PPO plan. Staff is recommending that, similar to the last two years, the HSA users are provided with a stipend of \$1,200 at the beginning of the benefit year.

Staff recommendations for FY 23 Benefits includes:

1. Medical: Blue Cross Blue Shield of Arizona
 - a. PPO \$1,500
 - b. PPO \$3,000 – HSA, with \$1,200 initial deposit into the employee's HSA account
2. Metlife PPO Plan
3. VSP Vision Plan
4. Ancillary Benefits: Metlife (Short Term Disability, Basic Life/AD&D, and Supplemental Life/AD&D)

Tubac Fire District pays 100% of employee only coverage and 75% of dependent coverage for medical only. The District pays 100% of employee only coverage for dental and vision; the employee pays 100% of dependent coverage for dental and vision.

This renewal will extend to June 30, 2023 and will align TFD benefit renewals in the future with our fiscal year.

Fiscal Impact: Rate changes included in the board attachment. The benefit increase is included in the FY23 proposed budget

Alternate Option: Provide staff with further direction

Legal Review: N/A

Staff Recommendation: Staff recommends approving the FY 23 benefits as proposed.

Proposed Motion: Move to approve the FY 23 benefits package as proposed by staff.

See Attachments

- TFD 22-23 Plan Cost Comparison BCBS vs EMI
- Tubac Fire District Public Services Pool_FY23