

INDIAN RIVER COUNTY
MEMORANDUM

TO: Jason Brown
County Administrator

FROM: Suzanne Boyll
Human Resources Director

DATE: August 30, 2018

SUBJECT: Approval of Blue Medicare Advantage Renewal

BACKGROUND:

Under Florida Statute, retirees of the County are eligible to continue health insurance under the County’s self-insured Group Medical Insurance Program. Beginning in 2008, retirees who attain age 65 are provided the option to enroll in the Blue Medicare Advantage Plan. The Board of County Commissioners approved the current Blue Medicare Group PPO 2 RX 1 plan at its July 18, 2017 meeting at a monthly premium of \$363.97.

Two retirees are insured under this plan. The County provides a health insurance subsidy of 54% for one retiree and 60% to the other retiree at an annual cost of \$4,979.11 per year.

Staff received a renewal evaluation for the plan year beginning October 1, 2018, reflecting a significant decrease in the monthly premium from \$363.97 to \$316.55. Additional plan options were also provided, however, they were either an increase in monthly premium for an increased benefit or a decreased benefit with an even greater reduction in premium.

In order to provide the same level of benefits to covered retirees that results in a premium savings to both the retirees and the County, staff is recommending renewal of the current plan at a monthly premium of \$316.55. The retirees’ share of the monthly premium would be reduced from \$167.43 to \$145.61 and \$145.59 to \$126.62 respectively and maintain current benefit levels. The County’s cost would reduce from \$4,979.11 to \$4,330.40 annually – a savings of 13.03%.

FINANCIAL IMPACT:

A breakdown of the financial impact of the renewal proposal is listed below:

PPO2Rx1 MAP Plan	Monthly Premium	Annual MAP Premium	Annual Retiree Premium	Annual IRC Subsidy
Current	\$363.97	\$8,735.28	\$3,756.17	\$4,979.11
Renewal	\$316.55	\$7,597.20	\$3,266.80	\$4,330.40
\$ Change	(\$47.42)	(\$1,138.08)	(\$489.37)	(\$648.71)
% Change	-13.03%	-13.03%	-13.03%	-13.03%

This expense is funded from the OPEB Trust fund.

RECOMMENDATION:

Staff recommends and respectfully requests that the Board approve the renewal of the current Blue Medicare PPO 2 RX 1 plan effective October 1, 2018 through September 30, 2019 and authorize the Chairman to execute the renewal agreement.

ATTACHMENTS:

- Indian River County Retiree Medicare Advantage Renewal Evaluation effective October 1, 2018