

## City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	File No.:	Item Type:	1 <sup>st</sup> Reading	2 <sup>nd</sup> Reading
<b>6/4/2025</b>	<b>25-151</b>	<input checked="" type="checkbox"/> <b>Resolution</b> <input type="checkbox"/> <b>Ordinance</b> <input type="checkbox"/> <b>Other</b>	Ordinance Reading	<b>N/A</b>
			Public Hearing	<input type="checkbox"/>
			Advertising Required	<input type="checkbox"/>
			Quasi-Judicial:	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number:	
<b>\$6,768,174</b>	<b>\$6,768,174</b>	<b>523050 / 523100 / 523150 / 523200</b>	<b>N/A</b>	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input checked="" type="checkbox"/> <b>Yes</b> <input type="checkbox"/> <b>No</b>	<b>FY 2023-2024-04</b>	<b>Radu Dodea, Director of Human Resources/Risk Management</b>	<b>Human Resources/Risk Management</b>	
Strategic Plan Focus Areas:				
<input checked="" type="checkbox"/> <b>Fiscal Stability</b>	<input type="checkbox"/> <b>Resident Services</b>	<input type="checkbox"/> <b>Public Safety</b>	<input type="checkbox"/> <b>Infrastructure &amp; Mobility</b>	<input type="checkbox"/> <b>Economic Development &amp; Affordable Housing</b>
Implementation Timeline:				
Estimated Start Date: 10/1/2025			Estimated End Date: 9/30/2026	

### SHORT TITLE:

**A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE RENEWAL OF THE AGREEMENT WITH AETNA FOR GROUP MEDICAL WITH PHARMACY FOR FY 2025-26 PURSUANT TO RFP FY 2023-2024-04, AT A RATE INCREASE NOT TO EXCEED FIVE AND TWENTY-ONE HUNDRETHS PERCENT (5.21%); AND PROVIDING FOR AN EFFECTIVE DATE.**

### STAFF SUMMARY:

**Summary:**

Staff seeks City Commission approval to execute the renewal agreement with Aetna to provide Group Health, Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group Employee Assistance Program (EAP) benefits for Fiscal Year 2025/2026 (FY26). The total requested amount for FY26 is \$6,768,174 (\$5.9M for Group Health Insurance, and the remainder \$847,880 for Group Dental, Group Vision, Group

Flexible Spending Accounts, Group COBRA, and Group Employee Assistance Program (EAP) benefits).

**Background:**

The City released Request For Proposals (RFP) # FY 2023-2024-04 Group Health, Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group EAP on February 20, 2024. As part of its ongoing commitment to providing comprehensive benefits, the City issued this RFP to ensure continued coverage for its eligible members.

The City of Hallandale Beach currently provides Group Health, Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group EAP benefits to approximately 660 members, out of which 397 are eligible employees and elected officials, and the rest are retirees and additional eligible dependents.

For the upcoming Fiscal Year 2025/2026 (FY26) insurance renewal, Human Resources/Risk Management staff analyzed and negotiated the renewal of the existing Group Health and Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group EAP benefits.

Aetna submitted an initial Health Insurance renewal proposal with a 7% increase in premiums. Staff reviewed the proposal received, reviewed comparative data from other local municipalities, reviewed plan design and worked with Aetna representatives to discuss opportunities for renewal cost reduction.

For comparative purposes, the following chart depicts next fiscal year's proposed Health Insurance increase, as well as the increases in Health Insurance premiums for the past twelve (12) fiscal years:

Health Insurance Percentage Change in Premium Costs		
Renewal Year	Percentage Change	Carrier
FY 2026	5.21%	Aetna
FY 2025	0.47%	Aetna
FY 2024	4.78%	Aetna
FY 2023	4.00%	Aetna
FY 2022	5.00%	Aetna
FY 2021	5.00%	Aetna
FY 2020	0.00%	Aetna
FY 2019	10.00%	Cigna
FY 2018	(9.20%)	Cigna
FY 2017	15.00%	Cigna
FY 2016	15.00%	Cigna
FY 2015	14.90%	Cigna
FY 2014	16.40%	Cigna

**Current Situation:**

The following items have been negotiated for FY 26:

**I. Group Medical with Pharmacy – Aetna**

High Deductible Health Plan

A. **Premiums:** 5.21% increase in existing Medical with Pharmacy premiums.

<b>Proposed Health Insurance EMPLOYEE Contribution Rates</b> (per month)						
<b>EMPLOYEE CONTRIBUTION RATES</b>					<b>CITY CONTRIBUTION</b>	
	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 25/26</b>
<b>Employee</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$848.13
<b>Employee + One</b>	\$198.84	\$206.79	\$216.68*	\$217.65	\$228.99	\$1,382.45
<b>Family</b>	\$408.72	\$425.06	\$445.38*	\$420.87	\$442.80	\$1,881.37

\* Reflects an adjustment based on a one-time premium credit of \$25,000.

<b>Health Insurance EMPLOYEE Deductible Amounts</b> (per year)					
	<b>FY 21/22</b>	<b>FY 22/23</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>
<b>Employee</b>	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
<b>Employee + One</b>	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
<b>Family</b>	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

\*The health insurance employee annual deductible amounts reflected in this chart are based on the additional Health Reimbursement Account (HRA) contributions made by the City to each employee enrolled in the City's health insurance.

**B. Prescription Drug Benefits**

**a. Retail Prescription Drugs - No change – Member Pays:**

- i. Generic Preventive – No Copay
- ii. Generic Preferred - \$20
- iii. Preferred Brand - \$60
- iv. Non-Preferred Brand - \$100

v. Specialty – 30% coinsurance

b. **Mail Order Prescription Drugs – Member Pays:**

- i. Generic Preventive – No Copay
- ii. Generic Preferred - \$40
- iii. Preferred Brand - \$120
- iv. Non-Preferred Brand - \$200

C. **Wellness Fund:** A \$115,000 annual Wellness Fund allowance has been allocated to support wellness programs and incentives. Additionally, Aetna will continue to offer an enhanced wellness package that includes a health assessment, online health coaching, discount programs, a 24/7 nurse line, onsite biometric screenings, and nutritional challenges, and incentives. Employees and their spouses or domestic partners can earn a maximum of \$50 in gift cards per plan year for completing the health assessment and one online coaching program.

D. **Online Benefits Enrollment Platform:** Aetna has agreed to continue providing up to \$40,000 to fund the City's online benefits enrollment system. Any unused funds may be allocated toward additional EAP services.

II. **Medical GAP Plan - Aetna**

No change to existing premium rates.

III. **Group Dental Insurance - Aetna**

No change to existing premium rates.

IV. **Group Vision Insurance - Aetna**

No change to existing premium rates.

V. **Group Flexible Spending Account - Aetna**

No change in existing premium rates.

VI. **Group COBRA - Aetna**

No change in existing premium rates.

VII. **Group Employee Assistance Program - Aetna**

No change to existing premium rates.

VIII. **Life Insurance – Minnesota Life Insurance**

No change to existing premium rates.

**IX. Accidental Death & Dismemberment Insurance – Minnesota Life Insurance**

No change to existing premium rates.

**X. Disability Insurance – Minnesota Life Insurance**

No change to existing premium rates.

**Why Action is Necessary:**

Pursuant to Chapter 23, Section 23-4, Competitive Bidding Required, all purchases of and contracts for equipment, supplies and contractual services, when the estimated cost shall exceed \$50,000.00 shall be based on competitive bids. Furthermore, pursuant to Chapter 23, Section 23-6, Award of Contract, the City Manager shall have the authority to recommend to the City Commission award of contracts.

**Cost Benefit:**

Providing Group Medical with Pharmacy, Medical GAP Plan, Dental, Vision, EAP, Life Insurance, Accidental Death and Dismemberment (AD&D), Supplemental Life Insurance, Long-Term Disability Insurance, Flexible Spending Account, and COBRA Administration benefits to employees, elected officials, retirees, and dependents is estimated to cost \$6,768,174 for FY 2026 (\$5.9M for Group Health Insurance, and the remainder \$847,880 for Group Dental, Group Vision, Group Flexible Spending Accounts, Group COBRA, and Group Employee Assistance Program (EAP) benefits). However, these benefits are essential for retaining and attracting talent, boosting employee morale and productivity, and maintaining a healthy workforce. This, in turn, enables us to deliver the best possible services to the residents of the City of Hallandale Beach.

**PROPOSED ACTION:**

Staff recommends the City Commission adopt the attached Resolution.

**ATTACHMENT(S):**

Exhibit 1 - Resolution  
Exhibit 2 – Aetna Health Insurance Premiums Renewal  
Exhibit 3 – Aetna Agreement 2024-2029

Prepared By: Radu Dodea  
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Reviewed By: Noemy Sandoval  
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Assistant City Manager