

ORDINANCE NO. 2009-56

AUTHORIZING THE CITY MANAGER TO ENTER INTO MULTI-YEAR CONTRACTS FOR EMPLOYEE GROUP DENTAL AND LIFE INSURANCE COVERAGES; CONFIRMING A FRAMEWORK FOR THE CONTINUATION OF EMPLOYEE HEALTH INSURANCE COVERAGE VIA A QUALIFIED HIGH-DEDUCTIBLE HEALTH INSURANCE PLAN, INCLUDING ESTABLISHMENT AND MAINTENANCE OF HEALTH SAVINGS ACCOUNTS AND FLEXIBLE SPENDING ACCOUNTS, AND AUTHORIZING THE CITY MANAGER TO EXECUTE RELATED DOCUMENTATION, PAYMENT ARRANGEMENTS, REQUIRED BINDER PAYMENTS, AND CONTRACTS; AND DECLARING AN EMERGENCY

WHEREAS, Section 9.12 of Article IX of the Charter of the City of Blue Ash, Ohio provides the method under which the City Manager shall make purchases and enter into contracts on behalf of said City; and

WHEREAS, the City has determined a need to continue comprehensive group insurance coverage plans for its full-time, and certain part-time, employees – including health (medical), dental, and life insurance coverages; and

WHEREAS, during all of 2009, the employee-staffed health insurance advisory committee has been working to address and moderate the City's rising health insurance costs, and the committee's final recommendation, accepted by the City Manager, is for the City to shift to a new qualified high-deductible medical insurance plan, from the current Humana plan, and to establish both Health Savings Accounts (HSA) and Flexible Spending Accounts (FSA) to begin with the plan year starting November 1, 2009 (all in conformance with IRS regulations); and

WHEREAS, in order to implement these recommended cost-saving changes and to assure continued quality coverage for eligible employees, it will be necessary for the City Manager to execute certain documents, agreements, make binder payments, and execute contracts; and

WHEREAS, the proposal submitted by UnitedHealthCare (a nationwide provider) for a group health insurance high-deductible plan for eligible employees, with first year premium rates not to exceed \$338.22 per month per single contract, \$710.27 for employee + spouse, 642.62 for employee + dependent children, and \$1,014.67 per month for family contract, appears to be the lowest and best proposal available as determined by the Human Resources Officer, the insurance committee, the City's broker (Horan), and the Treasurer; and

WHEREAS, certain collective bargaining agreements include language requiring the offer of a secondary health insurance plan, thus requiring the City to offer a low-cost, catastrophic health plan alternative; and

WHEREAS, it is expected that the City Manager will require the authority to: enter into a one-year or multi-year agreement with UnitedHealthCare for a qualified high-deductible health insurance plan; enter into an agreement with Chard Snyder of Mason, Ohio, or one of their affiliates, to serve as a third party administrator (TPA) relating to Blue Ash's use of a qualified high-deductible plan and to handle the FSA; make payments to the third party administrator or bank required for funding and maintenance of the employee's Health Savings Accounts; and to make payments to the TPA or bank of funds necessary to adequately provide for the establishment and operation of the Flexible Spending Accounts and Health Savings Accounts, for the payment of any fees or City contributions associated therewith, and for the payment to the TPA or bank of pre-tax deductions from employees into the Flexible Spending Accounts and Health Savings Accounts.

WHEREAS, this framework complies with the parameters of the Blue Ash Charter, the Blue Ash Code of Ordinances, the Ohio Revised Code, and audit guidelines; and

WHEREAS, the proposal submitted by the existing dental insurance carrier, Dental Care Plus, for group dental insurance for eligible employees, with continuing first year premium rates not to exceed \$36.29 per month per single contract and \$102.66 per month for family contract, appears to be the lowest and best proposal submitted as determined by the Human Resources Officer and the Treasurer; and

WHEREAS, the proposal submitted by the existing life insurance carrier, Standard Insurance Company, for life insurance coverages for eligible employees (not to exceed monthly rates of \$.20 per \$1,000 for life and \$.04 per \$1,000 for AD&D) , appears to be the lowest and best proposal submitted as determined by the Human Resources Officer and the Treasurer.

Be it ordained by the Council of the City of Blue Ash, Ohio, not less than five (5) members thereof concurring,

SECTION I.

The City Manager is hereby authorized to enter into a single or multi-year contract with UnitedHealthCare to purchase comprehensive group health insurance via a qualified high-deductible health insurance plan for an initial period of November 1, 2009 to October 31, 2010 based on first plan year premium rates not to exceed \$338.22 per month per single contract and \$1,014.67 per month for family contract, \$710.27 for employee + spouse, \$642.62 for employee + dependent children, with the option to renew annually for up to four additional contract period years based upon renegotiated rates and terms as approved by the City Manager.

SECTION II.

The City Manager is hereby authorized to offer a secondary "low cost" catastrophic group health insurance plan via United HealthCare.

SECTION III.

The City Manager is hereby authorized to enter into or renew an agreement with Chard Snyder, or one of their affiliates, to serve as a third party administrator (TPA) and/or with a bank to administer FSA's and HSA's relating to Blue Ash's shift to UnitedHealthCare's high-deductible plan. The nature of this authority is expected to include, but is not limited to, making payments to the TPA or bank for funding of the Health Savings Accounts; making payments to the TPA of funds necessary to adequately provide for the establishment and operation of the Flexible Spending Accounts, for the payment of any fees or City contributions associated therewith, for the payment of pre-tax deductions from employees into the Flexible Spending Accounts and Health Savings Accounts, and for the execution of HSA/FSA plan documents in conformance with IRS guidelines. Any requirement relating to formal bidding procedures, if any, related to these contracts or documents described in previous sections are hereby waived in light of the professional services nature of the services provided. All related contracts shall be approved as to form by the City Solicitor.

SECTION IV.

The City Manager is hereby authorized to enter into a contract with Dental Care Plus to purchase group dental insurance for an initial period of November 1, 2009 to October 31, 2010 based on first period premium rates not to exceed \$36.29 per month per single contract and \$102.66 per month per family contract, with the option to renew annually for up to four additional contract period years based upon renegotiated terms and rates as approved by the City Manager.

SECTION V.

The City Manager is hereby authorized to enter into a contract with Standard Insurance Company for life insurance coverages for eligible employees for the initial period of November 1, 2009 through October 31, 2010 (not to exceed monthly rates of \$.20 per \$1,000 for life and \$.04 per \$1,000 for AD&D) with the option (as approved by the City Manager) to renew annually, including negotiation of rates and terms as approved by the City Manager, for up to four additional contract or plan year periods.

SECTION VI.

The Treasurer and Deputy Treasurer are hereby authorized to expend the necessary funds therefor, which funds are hereby appropriated.

SECTION VII.

This ordinance is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety and welfare of the City of Blue Ash, Ohio; the reason for the emergency being the need to provide for continued insurance benefits for eligible City employees. Due to the professional service nature of this contract, applicable competitive bidding requirements, if any, are hereby waived. Therefore, this ordinance shall take effect and be in force from and after its passage.

PASSED this 8th day of October, 2009.

Robert J. Buckman, Jr., Mayor

Jamie K. Eifert, Clerk of Council

APPROVED AS TO FORM:

Bryan Pacheco, Deputy Solicitor