

RESOLUTION No. 2007-154-661

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING A RENEWAL OF THE CITY'S AGREEMENT WITH BLUE CROSS BLUE SHIELD OF FLORIDA FOR GROUP DENTAL INSURANCE; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on October 11, 2006, the City Council authorized the City Manager to negotiate and execute an Agreement with Blue Cross Blue Shield of Florida for group dental insurance, and

WHEREAS, the original contract had a renewal provision in it that provided for an additional one year term, but it also provided for a change in the rate, if necessary, and

WHEREAS, Blue Cross Blue Shield has agreed to renew the existing contract with no increase in the rate that the City is currently paying for the DMO plan, but with a 5% increase for the PPO plan, and

WHEREAS, the City Council would like to authorize the City Manager to take any and all steps necessary to renew the existing Agreement with Blue Cross Blue Shield of Florida,

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AS FOLLOWS:

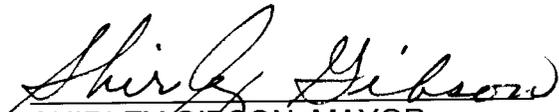
Section 1. ADOPTION OF REPRESENTATIONS: The foregoing Whereas paragraphs are hereby ratified and confirmed as being true, and the same are hereby made a specific part of this Resolution.

Section 2. AUTHORIZATION: The City Council of the City of Miami Gardens hereby authorizes the City Manager to take any and all steps necessary to renew that

certain Agreement with Blue Cross Blue Shield of Florida for group dental insurance, with no increase in the rate for the DMO plan and with a 5% increase in the PPO plan.

Section 3. EFFECTIVE DATE: This Resolution shall take effect immediately upon its final passage.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS AT ITS REGULAR MEETING HELD ON NOVEMBER 14<sup>th</sup> , 2007.

  
SHIRLEY GIBSON, MAYOR

ATTEST:

  
RONETTA TAYLOR, CMC, CITY CLERK

Prepared by SONJA KNIGHTON DICKENS, ESQ.  
City Attorney  
SKD:jl

SPONSORED BY: Dr. Danny O. Crew, City Manager

MOVED BY: Councilman Braynon  
SECONDED BY: Councilman Bratton

VOTE: 4-0

Mayor Shirley Gibson	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	Not present
Vice Mayor Barbara Watson	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	
Councilman Oscar Braynon, II	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	
Councilman Melvin L. Bratton	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	
Councilman Aaron Campbell	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	Not present
Councilman André Williams	<input checked="" type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	
Councilwoman Sharon Pritchett	<input type="checkbox"/> (Yes)	<input type="checkbox"/> (No)	Not present

# City of Miami Gardens

1515-200 NW 167<sup>th</sup> Street  
Miami Gardens, Florida 33169



Mayor Shirley Gibson  
Vice Mayor Barbara Watson  
Councilman Melvin L. Bratton  
Councilman Aaron Campbell Jr.  
Councilwoman Sharon Pritchett  
Councilman Oscar Braynon II  
Councilman André Williams

## Agenda Cover Page

Date: November 14, 2007

Fiscal Impact: No  Yes

(If yes, explain in Staff Summary)

Funding Source: **Various Departments**

Contract/P.O. Requirement: Yes  No

Sponsor Name/Department:

**Danny Crew, City Manager**

Public hearing

Ordinance

1st Reading

Advertising requirement: Yes No

RFP/RFQ/Bid # **05-06015- Renewal Group Dental**

**Insurance –Blue Cross/Blue Shield**

Quasi-Judicial

Resolution

2nd Reading

## Title

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MIAMI GARDENS, FLORIDA, AUTHORIZING A RENEWAL OF THE CITY'S AGREEMENT WITH BLUE CROSS BLUE SHIELD OF FLORIDA FOR GROUP DENTAL INSURANCE; PROVIDING FOR THE ADOPTION OF REPRESENTATIONS; PROVIDING AN EFFECTIVE DATE.

## Staff Summary

The City Council authorized the City Manager to negotiate and execute agreements for medical, dental and vision coverage for employees and council members and life insurance for employees on October 11, 2006. Group Dental Insurance was awarded to Blue Cross Blue Shield of Florida. Funding for health, dental and life insurance is allocated in various departments for a total of \$6,462,211.00.

## Analysis:

The City's agent of record McKinley Financial Services, Inc. reviewed the City's renewal rates from each carrier providing group dental insurance. In the best interest of the City, they are recommending acceptance of renewing with the existing carrier, Blue Cross Blue Shield of Florida with no increase for the DMO Plan and 5% increase for PPO Plan. Renewal notices attached as Exhibit "A"

## Recommendation:

**J-4) CONSENT AGENDA  
RESOLUTION  
BLUE CROSS BLUE SHIELD OF**

We recommend that the City Council approve the attached resolution authorizing the City Manager to renewal the group dental insurance with Blue Cross Blue Shield of Florida.



## McKINLEY FINANCIAL SERVICES, INC.

545 North Andrews Avenue, Fort Lauderdale, Florida 33301-3215  
954-938-2685; Fax: 954-938-2695; e-mail: mfsinfo@mckinleyinsurance.com  
Web Site: www.mckinleyinsurance.com

October 12, 2007

City of Miami Gardens  
Taren Kinglee  
Human Resources Director  
1515 167<sup>th</sup> Street  
Miami Gardens, FL 33169

Dear Ms Kinglee:

McKinley Financial Services, Inc. is pleased to continue to have City of Miami Gardens as our valued client. As part of our responsibility to the City we have received and reviewed your renewals from each of the carriers that provide your Health and Welfare benefits.

Based on conversations with you we understand the importance of making recommendations that have minimal financial impact to the City's budget, the least disruption and the greatest positive effect on your employees and their families. Taking this into consideration, we are not making any carrier change recommendation. Nor are we making any benefit change recommendations. In the best interest of the City, we present the following:

### Medical

Avmed is the medical insurance carrier. Avmed's initial renewal was 13.67% increase of your current benefits. AvMed also offered 2 alternatives. The acceptance either of the alternatives would result in benefit reduction with very little savings. Thus, we requested that AvMed offer a more reasonable renewal. Based on these factors: 1) the City tenure with AvMed is less than one year at the time the renewal was released, 2) the claims history is not a complete snapshot of the City's performance 3) AvMed truly values the City as a client and 4) AvMed's relationship with McKinley, AvMed returned with a single digit renewal of 9.32%. This is a little below the State average of 10 - 12 percent renewal increases. Acceptance of the 9.32% renewal increase allows the City and its employees to continue to enjoy the same rich benefits with no changes.

*Celebrating  
Our 20th  
Anniversary*

"SERVICE IS OUR SPECIALTY"

**Dental**

Blue Cross & Blue Shield (BCBS) is your dental carrier. BCBS presented their same two plans with no increase to the DMO and an 8.8% increase to the PPO Plan. Through negotiations with BCBS, the revised renewal is 5% increase on the PPO Plan.

**Vision**

20/20 Eyecare Plan is your vision carrier. This benefit is still in the initial 2 year rate guarantee from the inception of the plan and thus, there is no increase in cost to the vision for benefit year 2008.

**Basic Life and Supplemental Insurance**

Hartford is your basic life and supplement insurance carrier. This benefit also had a 2 year rate guarantee upon inception. There is no increase to the rate for benefit year 2008.

**Flexible Spending Accounts (Health & Dependent)**

BCBS is the administrator for this benefit. The contract cost for benefit year 2008 will remain \$6.00 per employee per month, no increase.

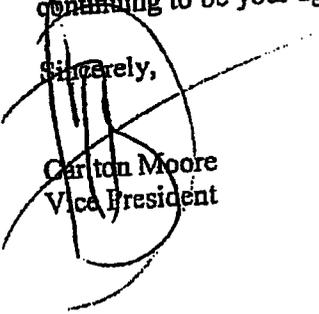
**McKinley Services and Fees**

McKinley Financial Services, Inc. is your agent of record. McKinley's services include an array of hands on assistance to the City and its employees. We value our relationship with the City and as our standard of doing business we will continue to provide the service to the City and its employees that you are accustomed to receiving.

The City does not have any additional expenditure from McKinley as your agent of record. Our fees are based on a percentage of premiums we receive from the carriers' rates. This remains true for the 2008 benefit plan year.

In closing, the benefit package you have is very rich and comprehensive. This is a testament to your efforts and commitment to the employees of and citizens of Miami Gardens. McKinley is proud to be a part of what you are doing. We look forward to continuing to be your agency of choice.

Sincerely,

  
Carlton Moore  
Vice President



# Florida Combined Life

Dental Services Administrator  
P.O. Box 769569  
Roswell, GA 30076-8223

August 15, 2007

City of Miami Gardens  
Attn: Taren Kingles  
1515 NW 167<sup>th</sup> St.  
Bldg. 5 - 200  
Miami, FL 33169

RE: Group Number: 27810  
Renewal Effective Date: January 1, 2008

Dear Benefits Administrator:

Thank you for selecting Florida Combined Life Insurance Company, Inc. (FCL), a subsidiary of Blue Cross Blue Shield of Florida, Inc., and our BlueDental Care P-Series Plan as part of your benefit package for your employees during this past year.

We are pleased to inform you that your BlueDental Care P-Series Plan rates will not increase on your anniversary date. The rates will be guaranteed for at least another year.

<u>Dental Plan: PS220</u>	
Employee Only	\$14.60
Employee + One	\$25.11
Family	\$37.22

Coverage for subscribers and their dependents are automatically renewed upon each annual open enrollment period unless a written request for termination is submitted to FCL.

In addition to our printed BlueDental Care P-Series Participating Provider Directory, you can view our most current Provider Directory online by logging onto [www.bcbsfl.com](http://www.bcbsfl.com). Click on "Provider Directory" in the welcome paragraph, then under "Choose a Product" scroll down and click on "Dental- BlueDental Care Prepaid P-Series."

Should you or your employees have any questions about your BlueDental Care P-Series Plan, please contact our Member Services Department. Member service associates are available Monday through Friday 8:00 a.m. to 6:00 p.m. toll free at 1-877-325-3979.

We appreciate your business and look forward to continuing to serve your dental needs.

Sincerely,

Florida Combined Life

cc: McKinley Financial Services, Inc.  
Agent No. 120402FCL  
545 N Andrews Ave.  
Fort Lauderdale, FL 33301  
Phone: (305) 938-2685



BlueCross BlueShield  
of Florida

Florida Combined Life and its Parent, Blue Cross and Blue Shield of Florida,  
are Independent Licensees of the Blue Cross and Blue Shield Association.

Revised 11/19/03 SG

# FLORIDA COMBINED LIFE INSURANCE COMPANY

---

*Dental Division*  
Collier Building  
5011 Gate Parkway  
Building 2, Suite 400  
Jacksonville, FL 32256  
904/828-7800  
FAX: 904/828-7844

October 12, 2007

Taren KingLee  
City of Miami Gardens  
1515 NW 167<sup>th</sup> Street, Bldg 5-200  
Miami Gardens, FL 33169

Renewal Date: January 1, 2008

RE: Group Policy Number.  
15-E0374-00

Dear Ms. KingLee:

Thank you for choosing Florida Combined Life Insurance Company, an affiliate of Blue Cross Blue Shield of Florida, for your group Dental Insurance benefits. We value you as a customer and appreciate your business.

Your Group Dental Insurance Plan is about to renew. We have completed our annual review of your coverage with FCL, taking into account a variety of factors that affect rate development. After careful consideration and analysis, we have established your renewal rates for the next plan year. Your current and renewal rates are shown below. The renewal rates will take effect on your renewal date and are guaranteed for the following 12 months, subject to the terms and conditions of your group contract.

	<u>Current Rates</u>	<u>New Rates</u>
Employee	\$ 33.40	\$ 35.07
Employee + 1 Dependent	\$ 63.89	\$ 67.08
Employee + 2 or More Dep	\$ 103.64	\$ 108.82

We look forward to continuing our relationship well into the future. Should you have any questions regarding this letter please contact your local Blue Cross and Blue Shield sales representative or telephone our office at 1-800-477-3736 ext. 87818.

Sincerely,

Amy Cain  
Group Dental Underwriting

cc: McKinley Financial, AOR

<b>CURRENT</b>	
HMO	PPO

<b>RENEWAL</b>	
HMO	PPO

<b>REVISED RENEWAL</b>	
HMO	PPO

**Current Enrollment**

Employee Only	111	25	111	25	111	25
Employee & Spouse	16	5	16	5	16	5
Employee & Family	16	4	16	4	16	4
<b>Total Enrollment</b>	<b>143</b>	<b>34</b>	<b>143</b>	<b>34</b>	<b>143</b>	<b>34</b>

**Fully Insured Rates**

Employee Only	\$14.60	\$33.40	\$14.60	\$36.33	\$14.60	\$35.07
Employee & Spouse	\$25.11	\$63.89	\$25.11	\$69.49	\$25.11	\$67.08
Employee & Family	\$37.22	\$103.64	\$37.22	\$112.73	\$37.22	\$108.82

Total Monthly Premium	\$2,618	\$1,569	\$2,618	\$1,707	\$2,618	\$1,647
Total Annual Premium	\$31,415	\$18,828	\$31,415	\$20,479	\$31,415	\$19,769
Total PEPM	\$18.31	\$46.15	\$18.31	\$50.19	\$18.31	\$48.45
Total Combined Annual Premium	\$50,243		\$51,894		\$51,184	
Total Combined Annual PEPM	\$23.65		\$24.43		\$24.10	
% Change from Current			3.29%		1.87%	
\$ Change from Current			\$1,651		\$941	
% Change from Renewal						-1.37%
\$ Change from Renewal						\$710

\* The PPO Initial Renewal Rates reflect 8.8% increase. The Revised PPO Rates reflect 5% increase.

# **Group Experience Reporting**

**City of Miami Gardens**

**Current Period (Cur) = January 07 to June 07**

**Client Service Representative - Blanca Hernandez**

**Phone Number - 305.671.5137 x26170**

**Medical Director - Edwin Rodriguez MD**

**Phone Number - 954.462.2520 x76233**

**AVMED<sup>TM</sup>**  
**HEALTH PLANS**

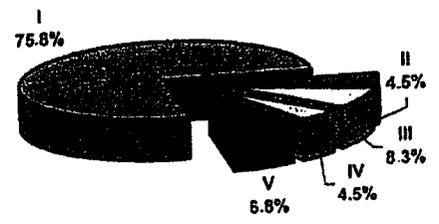
# Group Profile

## Employees by Contract Type as a Percent of Total

- I Employee only
- II Employee + spouse
- III Employee + child
- IV Employee + children
- V Employee + spouse + child(ren)

Average # Employees	Percent of Total
Current	Current
100	75.8%
6	4.5%
11	8.3%
6	4.5%
9	6.8%
<u>132</u>	

Current



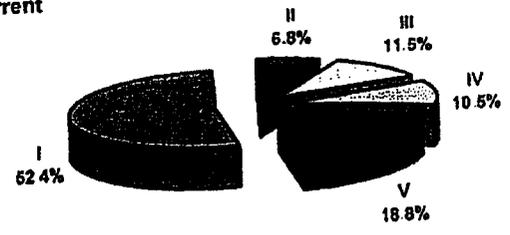
## Employees plus Dependents by Contract Type as a Percent of Total

- I Employee only
- II Employee + spouse
- III Employee + child
- IV Employee + children
- V Employee + spouse + child(ren)

Average # Members	Percent of Total
Current	Current
100	52.4%
13	6.8%
22	11.5%
20	10.5%
36	18.8%
<u>191</u>	

Average Contract Size 1.45

Current



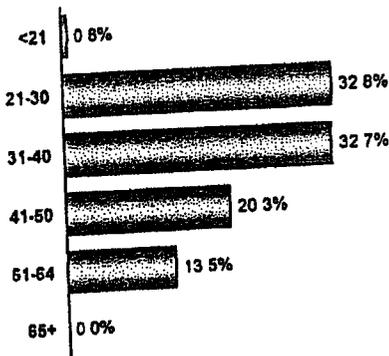
### Percent Employees by Age Band

Age Rng	Total		Female		Male	
	Cur	BOB	Cur	BOB	Cur	BOB
<21	0.8%	0.7%	0.0%	0.7%	0.8%	0.7%
21-30	<b>32.8%</b>	14.9%	19.9%	15.8%	12.9%	14.0%
31-40	<b>32.7%</b>	24.3%	16.0%	24.1%	16.6%	24.5%
41-50	<b>20.3%</b>	29.6%	8.8%	29.3%	11.5%	29.8%
51-64	<b>13.5%</b>	28.1%	4.5%	27.9%	9.0%	28.3%
65+	<b>0.0%</b>	2.5%	0.0%	2.2%	0.0%	2.8%

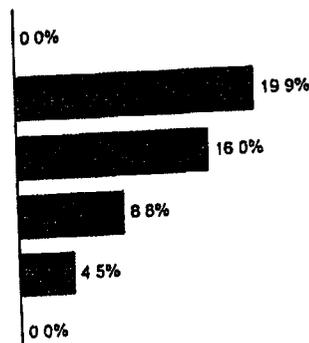
The table shows the percentage of members by age range. The value is bold if the absolute difference between your percent of members to the book-of-business is greater than or equal to 1.5% in the current reporting period.

### Percent of Employees by "Age Band" by Gender

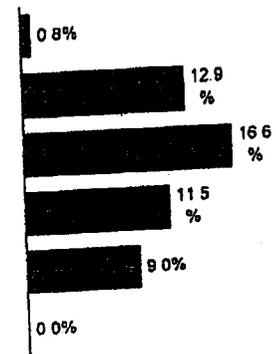
Employees



Female Employees



Male Employees



These charts compare current reporting period's 'Age Bands' & Gender as a percent of total employee membership.

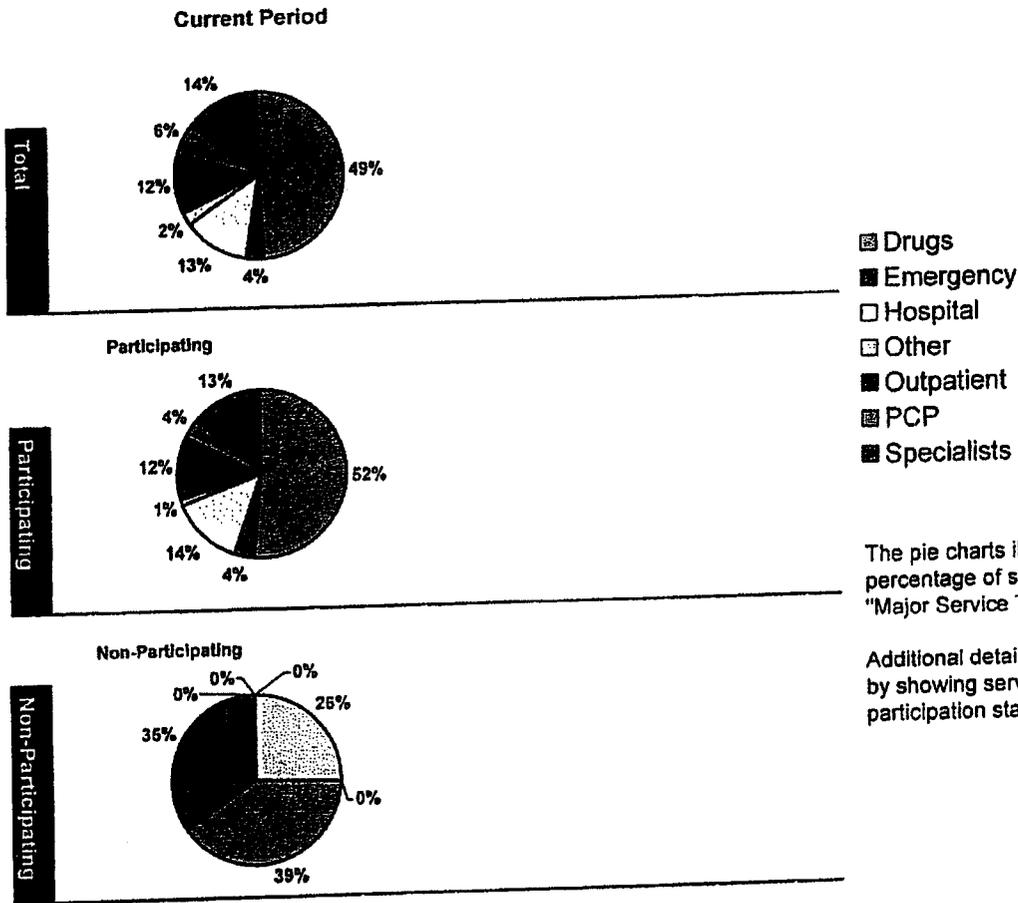
# Network

In this section we show your groups utilization by Major Service Type and Health Care Provider Participation status within the AvMed Network. Additionally, a list of your group's Top 10 Health Care Providers ranked by total amount paid is provided. This list shows where your members requiring health care are getting the care they need.

## Paid Medical Claims on a Per Member Per Month (PMPM) basis.

Current Reporting Period						
	Service	Submitted Amount	Amount Allowed	Total Paid	Paid % of Total	Paid % of Submitted
<b>Total</b>	Drugs	\$119.74	\$73.21	\$62.68	48.8%	52.3%
	Emergency	\$9.93	\$5.34	\$4.64	3.6%	46.8%
	Hospital	\$67.56	\$16.77	\$16.71	13.0%	24.7%
	Other	\$7.59	\$3.13	\$3.04	2.4%	40.1%
	Outpatient	\$131.14	\$15.10	\$14.93	11.6%	11.4%
	PCP	\$18.48	\$8.85	\$8.02	6.2%	43.4%
	Specialists	\$58.95	\$19.26	\$18.47	14.4%	31.3%
	<b>Total</b>	<b>\$413.39</b>	<b>\$141.67</b>	<b>\$128.50</b>	<b>100.0%</b>	<b>31.1%</b>
<b>Participating</b>	Drugs	\$119.74	\$73.21	\$62.68	48.8%	52.3%
	Emergency	\$9.93	\$5.34	\$4.64	3.6%	46.8%
	Hospital	\$67.56	\$16.77	\$16.71	13.0%	24.7%
	Other	\$4.78	\$1.33	\$1.29	1.0%	27.0%
	Outpatient	\$131.14	\$15.10	\$14.93	11.6%	11.4%
	PCP	\$13.27	\$6.08	\$5.30	4.1%	40.0%
	Specialists	\$54.20	\$16.69	\$16.09	12.5%	29.7%
	<b>Total</b>	<b>\$400.62</b>	<b>\$134.51</b>	<b>\$121.65</b>	<b>94.7%</b>	<b>30.4%</b>
<b>Non-participating</b>	Drugs	\$0.00	\$0.00	\$0.00	0.0%	0.0%
	Emergency	\$0.00	\$0.00	\$0.00	0.0%	0.0%
	Hospital	\$0.00	\$0.00	\$0.00	0.0%	0.0%
	Other	\$2.80	\$1.80	\$1.75	1.4%	62.5%
	Outpatient	\$0.00	\$0.00	\$0.00	0.0%	0.0%
	PCP	\$5.21	\$2.79	\$2.72	2.1%	52.2%
	Specialists	\$4.75	\$2.57	\$2.38	1.9%	50.1%
	<b>Total</b>	<b>\$12.76</b>	<b>\$7.16</b>	<b>\$6.85</b>	<b>5.3%</b>	<b>53.7%</b>

The tables above list paid medical costs on a pmpm basis. Costs are grouped by Major service types. The "Total" block contains all services. The "Par" & "Nonpar" separate charges by provider participation status. Capitation costs are not included in this paid report.



**Current Period Top 10 Hospitals**  
 Ranked on Paid Amount

Rank	Provider Name	% of Total Paid Hosp	Running Total
1	Memorial Hospital-West	56.5%	56.5%
2	Memorial Hospital Miramar	26.1%	82.6%
3	Jackson North Medical Center	9.3%	91.9%
4	Westside Regional Medical Center	8.1%	100.0%
5			
6			
7			
8			
9			
10			

This table ranks the Top 10 Hospitals by total paid amount in the current period. A column displays the amount as a percentage of total paid hospital claims. The last column is a running total of the percentage paid of total paid. Paid amounts reflect facility claims only.

## Key Metrics

This section provides a summary view of your group's cost and utilization information. Key utilization measures are stated in per 1000 ratios in order to annualize the data for comparison with the book of business. Monthly key financial measures are also shown.

Key Utilization Statistics	Curr	BOB
Inpatient Admissions/1,000 Members	84	67
Days of Inpatient Care/1,000 Members	179	273
Average Length of Stay	2.13	4.1
ER/UC Claims/1,000 Members	358	295
Number Scripts/1000 Members	9,970	9,973
Number Scripts/1000 Employees	14,346	20,088

### Key Measures by Month

Dollar Amounts in Thousands

Current	Jan	Feb	Mar	Apr	May	Jun
Premium	\$56	\$61	\$62	\$64	\$69	\$71
Medical	\$18	\$12	\$20	\$25	\$37	\$23
Rx	\$17	\$12	\$12	\$11	\$10	\$9
Capitation*	\$2	\$2	\$2	\$2	\$2	\$2
MM	165	182	184	191	207	212

This table lists the monthly premium, claims (medical, pharmacy, & capitation), and membership. The premium, Rx, Capitation, & membership are posted in real-time months. The medical claims are posted when they are paid (paid month). \* Capitation dollars are estimated as provider contracts change throughout the year.

## Pharmacy

This section describes your group's Pharmacy costs on a per employee and per member basis.

### Prescription Drug Summary

	Current
Paid per Member per Month (\$PMPM)	\$62.68
Paid per Employee per Month (\$PEPM)	\$90.19
Copay % of Total Allowed	14.0%
Average Monthly CoPay per Claimant	\$15.76
Generic Scripts / 1000 Members	5,269
Brand Scripts / 1000 Members	4,554
Generic Paid as % of Total	8.8%
Brand Paid as % of Total	91.0%

**Taren Kinglee**

---

**From:** Doretta Green [dgreen.mckinleyins@gmail.com]  
**Sent:** Monday, September 17, 2007 1:11 PM  
**To:** Taren Kinglee  
**Subject:** Re: Renewal Rates

The Life and Vision Rates are not to change, they were under a 2 yr rate guarantee from what I understand. I am waiting for confirmation from the carriers on these.

I will follow back up with BCBS to see if they have released the Spending account rates.

On 9/17/07, **Taren Kinglee** <[tkinglee@miamigardens-fl.gov](mailto:tkinglee@miamigardens-fl.gov)> wrote:

Doretta,

I just realized that when you came by last week I was not present with renewal rates for Hartford, McKinley, 20/20 EyeCare or BlueCross (flexible spending). Please advise

Taren Kinglee

Human Resources/Risk Director

City of Miami Gardens

1515 N.W. 167 Street, Building 5-200

Miami Gardens, Florida 33169

305-622-8030

305-622-8265 Fax

*The City of Miami Gardens is a public entity subject to Chapter 119 of the Florida Statutes concerning public records. Email messages are covered under such laws and thus subject to disclosure. All E-mails sent and received are captured by our servers and kept as a public record.*

*Confidential Notice: This Email communication and any attachments may contain confidential and privileged information for the use of the designated recipient(s) named above. If you are not the intended recipient, you are hereby notified that you have received this communication in error and that any review, disclosure, dissemination, distribution or copying of it or its contents is prohibited. If you have received this communication in error, please notify the sender immediately by replying to this message and deleting it from your computer.*  
Thank you

9/17/2007