

## City Council – Action Request Form

**Date:** August 28, 2018  
**To:** The City Manager  
**From:** Carmen Caruth, Human Resources Director

**Council Action Requested:**

Consideration of a Resolution Authorizing the City Manager to Enter Into An Agreement With Aetna For the Provision of a Medicare Advantage Plan for Retirees

**Strategic Focus Area:** Service Excellence  
**Strategic Objective:** Ensure Service Delivery Efficiency and Effectiveness  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**

The City of Winston-Salem offers a Medicare Advantage health insurance plan for retirees (age 65+) who are eligible for Medicare coverage. This coverage supplements retirees' Medicare Parts A (hospital insurance) and B (medical insurance) coverage and provides a benefit that closely matches the health insurance coverage provided for employees and pre-65 retirees.

The current provider of this plan is Aetna and the plan provides coverage for 748 retirees and 221 retiree spouses. The premium cost for retiree coverage is \$185.00/month/retiree, the cost of which is borne by the City. The current agreement for retiree coverage is \$1,625,000. Retiree spouses may sign up for this plan at the \$185.00 monthly rate, with the cost of the spouse premium borne by the retiree or spouse.

The current agreement with Aetna expires December 31, 2018. Aetna has submitted a proposal for a renewal rate of \$187.69/month/retiree, a 1.5% increase, with no change in coverage.

The accompanying resolution authorizes the City Manager to enter into an agreement with

**Committee Action:**

<b>Committee</b>	<u>Finance 9/10/18</u>	<b>Action</b>	<u>Approval</u>
<b>For</b>	<u>Unanimous</u>	<b>Against</b>	<u></u>

**Remarks:**

to provide a Medicare Advantage plan for plan year 2019 at a rate of \$187.69/month/retiree and an annual not to exceed amount of \$1,750,000. This annual rate anticipates a 4% increase in program participation (778 retirees).