

# Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration


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D. Albrey Arrington, Ph.D., Executive Director



## MEMORANDUM

TO: GOVERNING BOARD  
FROM: D. ALBREY ARRINGTON, Ph.D.   
DATE: OCTOBER 8, 2015  
SUBJECT: EMPLOYEE HEALTH INSURANCE

The Gehring Group has been working diligently on renewal of our health and dental insurance policies. They received Florida Blue's best and final health insurance renewal premium and a preliminary renewal premium for our dental insurance.

Insurance	Current Premium	Renewal Premium	Increase (\$)	Increase (%)
Health	\$1,116,856	\$1,199,856	\$83,000	7.4%
Dental	\$46,676	\$49,009	\$2,333	5.0%
<b>Total</b>	<b>\$1,163,532</b>	<b>\$1,248,865</b>	<b>\$85,333</b>	<b>7.3%</b>

The Gehring Group believes medical inflation is 11-12% this year. Based on the best available information, we budgeted for an 8% increase.

Because the District insures fewer than 100 employees, Florida Blue bases our renewal premium predominantly (75-80%) on their overall book of business with only a minority (15%-20%) of the renewal premium based on our actual claims experience. It appears that Florida Blue is offering a renewal premium below medical inflation because we had a low year of claims experience. I believe this renewal premium represents an acceptable cost, and I encourage the Board to consider renewing our existing Florida Blue policy for another year.

Dustin with the Gehring Group is negotiating with United Concordia to receive their best and final offer. I am hopeful that they will provide an acceptable best and final renewal premium prior to your meeting.

At this time you do not need to take action regarding our basic life insurance, accidental death & dismemberment, and long term disability insurance, because last year you approved these policies with a 2 year rate lock through Lincoln Financial.

At this time, I recommend the Board consider the following motions:

**“THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to renew Florida Blue BlueOptions Predictable Cost-03559 health insurance policy for 2016.”**

*and*

**“THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to renew the United Concordia Dental Insurance policy for 2016.”**

Alternatively, staff can work with the Gehring Group to conduct a Request for Proposals if these rates are not acceptable.

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Gordon M. Boggie  
Board Member

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