



THE RHODES INSURANCE GROUP
Managed Health Care & Group Insurance

July 12, 2021

Ms. Revlon Fennell
Human Resources Director & Risk Manager
City of Lauderhill
5581 W. Oakland Park Boulevard
Lauderhill, FL 33313

Re: Group Health and EAP Benefit Plan Renewal, October 1, 2021 – Including expanded EAP Visits

Dear Revlon,

We have completed our negotiations with Humana for the October 1, 2021, renewal of the City of Lauderhill's Group Health Plan and Employee Assistance Plan underwritten by Humana.

Humana proposed an initial increase of 8.64% (\$639,355). The magnitude of this initial renewal was based on adverse claims and medical and pharmacy trends. Subsequent negotiations with Humana have lowered this increase to 5% (\$351,627 total annual). The key points of our negotiations are outlined below:

- Updated experience information indicated a reduction in the claim's levels and risk.
- Humana has applied a 3% credit for the successful participation in the Humana Go365 Wellness Program.
- The City of Lauderhill has been with Humana since 1989. The last RFP 's were conducted in 2013 and 2017. Humana was successful in retaining the City of Lauderhill as a client in each of these extensive RFP's.
- There is a value in longevity with Humana. Humana has agreed to a 5% increase in order to avoid having to respond to an RFP.
- The current annual trend in medical is 7.13% and pharmacy costs is 8.5% for a combined trend of 7.8%. This increase of 5% is well below the projected trend for the period October 1, 2021, through September 30, 2022.

The City's Employee Assistance Plan provides employees (covered under the health plan) and their household members the ability to access a variety of behavioral health related services and work-life assistance. Humana's EAP initial renewal called for an increase of 18% (\$349 annually); however, we were able to negotiate a rate pass (0% increase) through September 30, 2022. There are currently 3 visits allowed under the current plan. Based on feedback from employees, Humana has offered to increase the number of visits from 3 to 8 effective October 1, 2021. The unit rate will increase from \$.33 to \$1.03 per health plan subscriber. The estimated annual increase to include the additional visits is \$3,763.

The Rhodes Insurance Group recommends that the City of Lauderhill renew with Humana for the period October 1, 2021, through September 30, 2022. Please let me know if you have any questions regarding our recommendation or the renewal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lloyd F. Rhodes', written in a cursive style.

Lloyd F. Rhodes

cc: Ercilia Krempler, Susanne Joseph
attachments