



June 5, 2023

Ercilia Krempler
Director of HR/Risk Management
City of Lauderhill
5581 W. Oakland Park Boulevard
Lauderhill, FL 33313

Re: City of Lauderhill Group Health and EAP Benefit Plan Renewal, October 1, 2023

Dear CiCi,

We have completed our negotiations with Humana for the October 1, 2023, renewal of the City of Lauderhill's Group Health Plan and Employee Assistance Program underwritten by Humana.

Humana provided an early renewal in March of 2023, with an initial health plan premium increase of 8.4% for an estimated annual total premium increase of \$682,044. The incurred loss ratio when the initial renewal was released was 87.58%. The initial renewal included a 3% discount of premiums estimated at \$264,049 for engagement in Humana's Wellness Incentive Program, Go365. The City made an effort to increase participation in the Go365 program to try to gain additional discounts; however, the needle did not move much. We had Humana provide updated incurred experience through February 2023, which reflected a deterioration of claims experience, which included one large claim over \$400,000, with the incurred loss ratio for the most recent 12 months is 92.98 % excluding Humana's administration costs.

Based on the current medical and pharmacy trends to be approximately 8%, and Humana's announcement to pull out of the Group Commercial market, we feel this is a fair increase. The 8.4% renewal increase also includes two enhanced benefits:

- Coverage for male/female infertility treatment
- \$0 copay for mental health outpatient visits on all the City's medical plans

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 balance assistance. Humana's EAP is being administered by LifeWorks, recently purchased by Telus EAP. This renewal calls for a 6.25% increase which equates to an estimated annual increase of \$406.

The Rhodes Insurance Group recommends that the City of Lauderhill renew with Humana Health & EAP for the period October 1, 2023, through September 30, 2024.

Please let me know if you have any questions regarding this information or recommendations.

Sincerely,

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

Lloyd F. Rhodes

cc: Andrea Javier, Susanne Joseph

attachments

