



It's real.

**INTEROFFICE MEMORANDUM**

**Date:** 09/20/2022  
**To:** Seguin Employee Benefit Trustees  
**Cc:** Steve Parker, City Manager  
**From:** Kristy Lehnert, Director of Human Resources  
**RE:** Award of contract for 2023 Group Health, Dental and Life insurance benefits

---

In late September, staff received the renewal from Blue Cross Blue Shield of Texas (BCBSTX) for 2023 employee benefits. The proposed renewal includes no increases, which means health plan rates and administration fee rates for the self-funded dental plan will both stay the same as fiscal year 2022 in fiscal year 2023.

**GROUP HEALTH**

Mr. Treacy, our benefits consultant, was able to negotiate a plan renewal with BCBSTX that includes a 0.0% increase in premiums.

Staff recommends the proposed renewal with BCBSTX as the plan has no changes in coverage and the plan allows the City to continue to provide a “Gold” standard ACA plan for employees at a rate within the approved FY 2023 group benefit budget.

**DEPENDENT COVERAGE**

Staff is proposing that the benefit trust’s (City) contribution towards dependent coverage remain at 25% of premium.

**LIFE & DENTAL COVERAGES**

Staff is recommending that the self-funded dental plan and life insurance coverage remain with BCBSTX. BCBSTX’s proposed renewal for both life and dental has no increase in fees or rates.

**RECOMMENDATIONS**

Following review of the analysis prepared by the consultant, recommendations for the 2023 employee benefit plan are as follows:

1. Renew contract for health plan to Blue Cross Blue Shield of Texas; and
2. Renew contract for ASO/self-funded dental and fully insured life insurance to Blue Cross Blue Shield of Texas;
3. Continue to pay entire cost of employee health, dental and life coverage; and

4. Maintain City contribution for dependent health insurance at 25% of premium.

Staff requests your approval of the above recommendations and the approval of the attached resolution authorizing the Mayor/Trust Chairman (or his designee) to execute the contract with Blue Cross Blue Shield of Texas for group health, dental and life/AD&D coverage for plan year 2023.

I would be glad to answer any questions you may have regarding these recommendations.