



City of Grand Island

Tuesday, August 19, 2014

Special Meeting - Updated

Item I-2

#2014-232 - Consideration of Approving Voluntary Employee Vision Plan

Staff Contact: Brenda Sutherland

Council Agenda Memo

From: Brenda Sutherland, Human Resources Director

Meeting: August 19, 2014

Subject: Consideration of Approving Voluntary Employee Vision Plan

Item #'s: I-2

Presenter(s): Brenda Sutherland, Human Resources Director

Background

The City of Grand Island provides its employees with a comprehensive benefit package. Employees receive contributions to their retirement plans, health and dental insurance, to name a few. One benefit that hasn't been part of the City's offerings is a vision plan. We receive many inquiries about the availability of this benefit and it has been a topic visited by the health insurance committee over the years.

Discussion

This past July, The Human Resources Department advertised a request for proposals (RFP) for a voluntary vision plan. The City's health insurance committee assigned a sub-committee to review the RFPs and bring forward a recommendation for a vendor.

The contract that is being brought forward for Council approval requires no funding on the part of the City. The cost of the premiums will be the sole responsibility of the employee who chooses to participate in the program. The plan will run through the City's payroll system and Section 125 plan. This will allow the employee to receive the associated tax advantage.

The sub-committee selected Eye Med as the vendor to provide the voluntary vision plan. This plan will be offered during the City's open enrollment period. Eye Med is a national vendor that has a good local network, which includes some local eye care providers as well as some of the National Chains. Eye Med has provided a 48 month guarantee on premiums.

Again, no funding is being requested from the City. The cost of the plan will be assumed by the employees who choose to participate.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the contract with Eye Med to provide a voluntary vision plan.

Sample Motion

Move to approve the contract with Eye Med.



Stacy Nonhof, Purchasing Agent

*Working Together for a
Better Tomorrow, Today*

**REQUEST FOR PROPOSAL
FOR
VOLUNTARY EMPLOYEE VISION PLAN**

RFP DUE DATE: July 30, 2014 at 4:00 p.m.

DEPARTMENT: Human Resources

PUBLICATION DATE: July 7, 2014

NO. POTENTIAL BIDDERS:

SUMMARY OF PROPOSALS RECEIVED

Humana
Overland Park, KS

Strong Financial Resources, Inc.
MetLife, Bloomington, MN
VSP, Rancho Cordova, CA
EyeMed Vision Care, Mason, OH

Superior Vision
Rancho Cordova, CA

cc: Brenda Sutherland, Human Resources Director
Mary Lou Brown, City Administrator
Stacy Nonhoff, Purchasing Agent

Tami Herald, HR Risk Mngt/Benefits Coord.
Jaye Monter, Finance Director

P1744



Vision Care Services	Member Cost In-Network	Out-of-Network Reimbursement*
Exam with Dilatation as Necessary	\$10 Copay	\$35
Retinal Imaging Benefit	Up to \$39	N/A
Exam Options: Standard Contact Lens Fit and Follow-Up: Premium Contact Lens Fit and Follow-Up:	Up to \$55 10% off Retail Price	N/A N/A
Frames: Any available frame at provider location	\$0 Copay; \$150 Allowance, 20% off balance over \$150	\$75
Standard Plastic Lenses Single Vision Bifocal Trifocal Lenticular Standard Progressive Lens Premium Progressive Lens	\$25 Copay \$25 Copay \$25 Copay \$25 Copay \$90 Copay, 80% of Charge less \$120 Allowance	\$25 \$40 \$60 \$60 \$40 \$40
Lens Options: UV Treatment Tint (Solid and Gradient) Standard Plastic Scratch Coating Standard Polycarbonate - Adults Standard Polycarbonate - Kids under 19 Standard Anti-Reflective Coating Polarized Other Add-Ons	\$15 \$15 \$15 \$40 \$40 \$45 20% off Retail Price 20% off Retail Price	N/A N/A N/A N/A N/A N/A N/A N/A
Contact Lenses (Contact lens allowance includes materials only) Conventional Disposable Medically Necessary	\$0 Copay; \$150 allowance, 15% off balance over \$150 \$0 Copay; \$150 allowance, plus balance over \$150 \$0 Copay, Paid-in-Full	\$120 \$120 \$210
Laser Vision Correction Lasik or PRK from U.S. Laser Network	15% off Retail Price or 5% off promotional price	N/A
Additional Pairs Benefit:	Members also receive a 40% discount off complete pair eyeglass purchases and a 15% discount off conventional contact lenses once the funded benefit has been used.	N/A
Frequency: Examination Lenses or Contact Lenses Frame	Once every 12 months Once every 12 months Once every 12 months	
Monthly Rate Subscriber Subscriber + Spouse Subscriber + Child(ren) Subscriber + Family	\$7.09 \$13.88 \$14.61 \$21.48	

All plans are based on a 48-month contract term and 48-month rate guarantee.

Premium is subject to adjustment even during a rate guarantee period in the event of any of the following events: changes in benefits, employee contributions, the number of eligible employees, or the imposition of any new taxes, fees or assessments by Federal or State regulatory agencies

* Member Reimbursement Out-of-Network will be the lesser of the listed amount or the member's actual cost from the out-of-network provider. In certain states members may be required to pay the full retail rate and not the negotiated discount rate with certain participating providers. Please see EyeMed's online provider locator to determine which participating providers have agreed to the discounted rate

Additional Discounts:

Member receives a 20% discount on items not covered by the plan at network Providers. Discount does not apply to EyeMed Provider's professional services, or contact lenses. Plan discounts cannot be combined with any other discounts or promotional offers. Services or materials provided by any other group benefit plan providing vision care may not be covered. Members also receive 15% off retail price or 5% off promotional price for Lasik or PRK from the US Laser Network, owned and operated by LCA Vision.

After initial purchase, replacement contact lenses may be obtained via the Internet at substantial savings and mailed directly to the member. Details are available at www.eyemedvisioncare.com.

The contact lens benefit allowance is not applicable to this service.

Benefit Allowances provide no remaining balance for future use within the same Benefit Frequency. Certain brand name Vision Materials in which the manufacturer imposes a no-discount practice.

Rates are valid only when the quoted plan is the sole stand-alone vision plan offered by the group

Rates are valid for groups domiciled in the State of NE.

Fees quoted will be valid until the 10/1/2014 plan implementation date. Date quoted: 8/14/2014.

Rates assume Employer contribution of 20% or less for employees and dependents

Insured Plans are underwritten by Fidelity Security Life Insurance Company of Kansas City, Missouri, except in New York Policy number VC-19/VC-20, form number M-9083

RATES ASSUME LESS THAN 20% EMPLOYER CONTRIBUTION

Plan Exclusions:

- 1) Orthoptic or vision training, subnormal vision aids and any associated supplemental testing; Aniseikonic lenses; 2) Medical and/or surgical treatment of the eye, eyes or supporting structures;
- 3) Any eye or Vision Examination, or any corrective eyewear required by a Policyholder as a condition of employment; Safety eyewear
- 4) Services provided as a result of any Workers' Compensation law, or similar legislation, or required by any governmental agency or program whether federal, state or subdivisions thereof;
- 5) Plano (non-prescription) lenses and/or contact lenses; 6) Non-prescription sunglasses; 7) Two pair of glasses in lieu of bifocals;
- 8) Services rendered after the date an Insured Person ceases to be covered under the Policy, except when Vision Materials ordered before coverage ended are delivered, and the services rendered to the Insured Person are within 31 days from the date of such order; 9) Services or materials provided by any other group benefit plan providing vision care;
- 10) Lost or broken lenses, frames, glasses, or contact lenses will not be replaced except in the next Benefit Frequency when Vision Materials would next become available.

If City of Grand Island has chosen this benefit design, attach this document to the group application and sign here:

Signature

Date

TC10

RESOLUTION 2014-232

WHEREAS, the City provides several benefits to its employees; and

WHEREAS, a Health Insurance Committee consisting of union, non-union, management and non-management employees, along with the Human Resources Director, the Finance Director, and the Attorney/Purchasing Agent participate in reviewing plan changes as well as selecting vendors to provide related benefits; and

WHEREAS, the Human Resources Department advertised a request for proposals for a voluntary vision plan; and

WHEREAS, the City's Health Insurance Committee assigned a sub-committee to review vendor proposals for a voluntary vision plan; and

WHEREAS, Eye Med was selected as the vendor to provide the voluntary vision plan benefit; and

WHEREAS, Eye Med has guaranteed the rates on the agreement for a four year period; and

WHEREAS, no funding will be required by the City and the premiums will be the sole responsibility of the employees; and

WHEREAS, the City will allow the premiums to run through the Section 125 plan.

NOW, THEREFORE BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the contract with Eye Med to provide a voluntary vision plan for City employees is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 19, 2014.

Jay Vavricek, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form ☐ _____
August 18, 2014 ☐ City Attorn