

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 4, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: MARK B. JINKS, CITY MANAGER *mb*

FROM: MORGAN ROUTT, ACTING DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *MR*

SUBJECT: BUDGET MEMO #35: HEALTH INSURANCE RATES

This memorandum responds to a question from Councilman Wilson regarding the differences in health insurance premiums between United Health Care and Kaiser Permanente.

For full-time employees, Kaiser Permanente total plan costs range from \$516 per month for individuals to \$1,316 per month for families in the deductible HMO (DHMO) plan and \$590 to \$1,506 in the standard (no deductible) HMO. United Health Care costs range from \$553 for individuals to \$1,421 for families in the Exclusive Provider Organization (EPO) plan and \$660 to \$1,794 in the Point-of-Service (POS) plan. The City's share for all plans is equivalent to 80% of the cost for the basic plans (Kaiser DHMO and United EPO). Employees contribute the remainder of the cost for the plan they have chosen. As a result, the City share ranges from 80% to 60% in some plans. The City's cost for Kaiser plans range from \$413 to \$1,053 per month and for United Healthcare from \$442 to \$1,136.

For part-time employees, Kaiser total plan costs range from \$516 to \$1,316 in the DHMO to \$590 to \$1,506 for the standard HMO. United Health Care costs range from \$553 to \$1,421 in the EPO plan and \$660 to \$1,794 in the POS plan. The City's share is 50% of the Kaiser DHMO and United Health Care EPO plans and ranges from \$258 to \$658 in Kaiser and \$276 to \$710 for United Health Care.