

City of North Miami Beach



October 1, 2026 Employee Benefits Renewal & Recommendations Summary

Presented by:

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Renewal Executive Summary:

Recommendation to Retain Aetna for the 2026-2027 Plan Year for Medical Insurance:

After a comprehensive market review, the recommendation is for the City of North Miami Beach to remain with Aetna for its medical, dental, and vision programs for the 2026-2027 plan year. Although the renewal includes a cost increase, Aetna continues to offer the most balanced solution when evaluating overall financial impact, employee disruption, provider access, administrative efficiency, and long-term program stability.

Medical:

Aetna initially proposed an 8.4% increase but after negotiations, Aetna reduced the renewal to 6.0%, lowering the projected annual increase to approximately \$487,000. The renewal also includes a \$70,000 health improvement and wellness fund, adding value to the overall program.

This revised position makes Aetna more competitive in the market, particularly given the plan's 93% premium-to-claims loss ratio during the experience period, higher-than-average medical costs in South Florida, and national medical trend increases exceeding 8%.

While Cigna's level-funded proposal came in approximately 1% below the City's current spend, the potential savings are limited when weighed against the disruption of changing carriers, including impacts to employees, providers, administration, and overall program continuity.

Line of Coverage	Current (annual spend)	Renewal (annual spend)	Year-Over-Year Change %
Medical	\$ 8,124,413	\$ 8,611,890	6%
Dental	\$ 256,541	\$ 280,512	9%
Vision	\$ 34,272	\$ 34,272	0%
Total	\$ 8,415,226	\$ 8,926,674	6%

Dental, Vision, Life, Disability and Worksite Plans:

Aetna's dental renewal has a 9.3% rate increase which is substantially more competitive than the alternatives reviewed. Additionally, Aetna's dental plan maintains the current benefit structure and allows employees to continue using a familiar provider network.

For vision coverage, the Aetna plan remains under its rate guarantee with no increase in cost.

Mutual of Omaha renewed Basic Life, Voluntary Life, Long-Term Disability, Voluntary Long-Term Disability, Accident, Critical Illness, and Hospital Indemnity coverage with either no increase or continued rate guarantees. Several products are locked into multi-year rate guarantees through September 2028, providing long-term cost stability and minimizing future budget uncertainty.

Overall, the renewal package allows the City to maintain strong benefits, avoid unnecessary disruption to employees, preserve established carrier relationships, and achieve predictable long-term financial stability. While some alternatives offered isolated areas of short-term savings, none delivered enough value to outweigh the advantages of remaining with the current carrier lineup.

Line of Coverage	Current (annual spend)	Renewal (annual spend)	Year-Over-Year Change - \$	Year-Over-Year Change - %
Dental	\$256,541	\$280,512	\$23,971	9.3%
Vision	\$34,272	\$34,272	\$0	0.0%
Basic Life and AD&D	\$143,420	\$143,420	\$0	0.0%
Voluntary Life and AD&D	\$109,014	\$109,014	\$0	0.0%
Long-Term Disability	\$24,792	\$24,792	\$0	0.0%
Accident	\$19,267	\$19,267	\$0	0.0%
Critical Illness	\$20,145	\$20,145	\$0	0.0%
Hospital Indemnity	\$22,488	\$22,488	\$0	0.0%
Total	\$629,939	\$653,910	\$23,971	3.8%

Notes: All benefits are 100% employee paid with the exception of Medical and Basic Life and AD&D

City of North Miami Beach

Benefits	Current			Renewal		
	Activa	Activa	Activa	Activa	Activa	Activa
	OA EPO (Elect Choice) EPO	OA POS (Managed Choice) OA MC	OA EPO (Elect Choice) EPO ISA	OA EPO (Elect Choice) EPO	OA POS (Managed Choice) OA MC	OA EPO (Elect Choice) EPO ISA
Connuance	In-Network	In-Network	In-Network	In-Network	In-Network	In-Network
Deductible (DED) Type	90% / 10%	80% / 20%	90% / 10%	90% / 10%	80% / 20%	90% / 10%
Individual DED	Calendar Year	Calendar Year	Calendar Year	Calendar Year	Calendar Year	Non-Embedded
Family DED	\$750	\$1,000	\$3,200	\$750	\$1,000	\$3,200
Calendar Year Out-of-Pocket Maximum	\$1,500	\$3,000	\$6,400 per Person \$6,400 per Family	\$1,500	\$3,000	\$3,200 per Person \$6,400 per Family
Individual			Non-Embedded			Non-Embedded
Family	\$4,500	\$4,000	\$4,500	\$4,500	\$4,000	\$4,500
Inclusions	\$9,000	\$12,000	\$4,500 per Person \$9,000 per Family	\$9,000	\$12,000	\$4,500 per Person \$9,000 per Family
Preventive Care	DED, Connuance, Copays, and Rx	DED, Connuance, Copays, and Rx	DED, Connuance, Copays, and Rx	DED, Connuance, Copays, and Rx	DED, Connuance, Copays, and Rx	DED, Connuance, Copays, and Rx
Primary Care Physician Office Visit	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Specialist Office Visit	\$20 Copay	\$25 Copay	DED, then 10%	\$20 Copay	\$25 Copay	DED, then 10%
Virtual Visit	\$40 Copay	\$50 Copay	DED, then 10%	\$40 Copay	\$50 Copay	DED, then 10%
Urgent Care	\$20 Copay	\$25 Copay	DED, then 10%	\$20 Copay	\$25 Copay	DED, then 10%
Emergency Room	\$50 Copay	\$50 Copay	DED, then 10%	\$50 Copay	\$50 Copay	DED, then 10%
Inpatient Hospital (facility services)	\$300 Copay	\$300 Copay	DED, then 10%	\$300 Copay	\$300 Copay	DED, then 10%
Outpatient Hospital (facility services)	\$200 Copay for first 5 days, then DED + 10%	DED, then 20%	DED, then 10%	\$200 Copay for first 5 days, then DED + 10%	DED, then 20%	DED, then 10%
Hospital / Surgical Physician Services	\$250 Copay	DED, then 20%	DED, then 10%	\$250 Copay	DED, then 20%	DED, then 10%
Mental Health & Substance Abuse	DED, then 10%	DED, then 20%	DED, then 10%	DED, then 10%	DED, then 20%	DED, then 10%
Inpatient	\$200 Copay for first 5 days, then DED + 10%	DED, then 20%	DED, then 10%	\$200 Copay for first 5 days, then DED + 10%	DED, then 20%	DED, then 10%
Outpatient	\$40 Copay	\$50 Copay	DED, then 10%	\$40 Copay	\$50 Copay	DED, then 10%
Independent Lab and X-Ray - Outpatient	No Charge	No Charge	DED, then 10%	No Charge	No Charge	DED, then 10%
Clinical Lab (Blood Work)	No Charge	No Charge	DED, then 10%	No Charge	No Charge	DED, then 10%
Diagnostic Testing (X-Rays)	No Charge	No Charge	DED, then 10%	No Charge	No Charge	DED, then 10%
Advanced Imaging (MRI, PET)	\$300 Copay	\$300 Copay	DED, then 10%	\$300 Copay	\$300 Copay	DED, then 10%
Pharmacy Network	Nat'l - Retail 90 expanded	Nat'l - Retail 90 expanded	Nat'l - Retail 90 expanded	Nat'l - Retail 90 expanded	Nat'l - Retail 90 expanded	Nat'l - Retail 90 expanded
Prescription Drug List	Standard with Opt Out	Standard with Opt Out	Standard with Opt Out	Standard with Opt Out	Standard with Opt Out	Standard with Opt Out
Tier 1			Deductible, then:			Deductible, then:
Tier 2	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay	\$10 Copay
Tier 3	\$35 Copay	\$35 Copay	\$35 Copay	\$35 Copay	\$35 Copay	\$35 Copay
Tier 4	\$70 Copay	\$70 Copay	\$70 Copay	\$70 Copay	\$70 Copay	\$70 Copay
Mail Order	Applicable cost for generic or brand drugs	Applicable cost for generic or brand drugs	Applicable cost for generic or brand drugs	Applicable cost for generic or brand drugs	Applicable cost for generic or brand drugs	Applicable cost to generic or brand drugs
Out-of-Network Benefits	\$25 / \$87.50 / \$175	\$25 / \$87.50 / \$175	DED, then \$25/\$87.50/\$175	\$25 / \$87.50 / \$175	\$25 / \$87.50 / \$175	DED, then \$25/\$87.50/\$175
Deductible: Individual/Family						
Connuance	No Coverage Except for Emergency Services	\$2,000 / \$6,000	No Coverage Except for Emergency Services	No Coverage Except for Emergency Services	\$2,000 / \$6,000	No Coverage Except for Emergency Services
Out-of-Pocket Max: Individual/Family		50% / 50%		50% / 50%	50% / 50%	
Financials	Enrolled	Enrolled	Enrolled	Enrolled	Enrolled	Enrolled
Employee Only	188	\$1,059.45	47	\$1,034.74	47	\$1,034.74
Employee & 1 member	72	\$2,288.40	10	\$2,335.02	10	\$2,335.02
Employee & Family	66	\$2,966.47	7	\$2,897.25	7	\$3,144.46
Estimated Monthly Premium						
Estimated Annual Premium	\$559,728	\$91,264	\$26,043	\$93,313	\$96,739	\$27,606
Annual % Change From Current	\$6,716,714	\$1,095,164	\$312,516	\$7,119,750	\$1,160,472	\$331,267
Annual \$ Change From Current	N / A	N / A	N / A	6.0%	6.0%	6.0%
Total Estimated Monthly Premium						
Total Estimated Annual Premium		\$977,084			\$117,657	
Est Annual % Change From Current		\$8,124,413			\$8,611,890	
Est Annual \$ Change From Current		N/A			6.0%	
						\$487,476

Medical Employee Contribution Exhibit

Current: 10/1/2025 - 26 Plan Year

Class Description*: All Others, Charter Officers, and Senior Management

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	18	HSA	\$ 50.00	\$ 712.38	\$ 762.38	\$ 12.50
EE + 1	1	HSA	\$ 140.00	\$ 1,506.75	\$ 1,646.75	\$ 35.00
Family	5	HSA	\$ 305.00	\$ 1,829.69	\$ 2,134.69	\$ 76.25
Single	47	POS	\$ 108.00	\$ 926.74	\$ 1,034.74	\$ 27.00
EE + 1	10	POS	\$ 307.00	\$ 1,928.02	\$ 2,235.02	\$ 76.75
Family	7	POS	\$ 475.00	\$ 2,422.25	\$ 2,897.25	\$ 118.75
Single	188	EPO	\$ 60.00	\$ 999.45	\$ 1,059.45	\$ 15.00
EE + 1	72	EPO	\$ 180.00	\$ 2,108.40	\$ 2,288.40	\$ 45.00
Family	66	EPO	\$ 400.00	\$ 2,566.47	\$ 2,966.47	\$ 100.00
Monthly Total			\$ 64,676	\$ 612,358	\$ 677,034	
Annual Total			\$ 776,112	\$ 7,348,301	\$ 8,124,413	

Dental Employee Contribution Exhibit

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	85	DMO	\$ 13.43	\$ -	\$ 13.43	\$ 3.36
EE + 1	31	DMO	\$ 24.34	\$ -	\$ 24.34	\$ 6.09
Family	28	DMO	\$ 38.63	\$ -	\$ 38.63	\$ 9.66
Single	175	PPO	\$ 45.25	\$ -	\$ 45.25	\$ 11.31
EE + 1	56	PPO	\$ 88.26	\$ -	\$ 88.26	\$ 22.07
Family	42	PPO	\$ 131.89	\$ -	\$ 131.89	\$ 32.97
Monthly Total			\$ 21,378	\$ -	\$ 21,378	
Annual Total			\$ 256,541	\$ -	\$ 256,541	

Vision Employee Contribution Exhibit

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	192	PPO	\$ 5.44	\$ -	\$ 5.44	\$ 1.36
EE + 1	62	PPO	\$ 10.34	\$ -	\$ 10.34	\$ 2.59
Family	60	PPO	\$ 15.10	\$ -	\$ 15.10	\$ 3.78
Monthly Total			\$ 2,592	\$ -	\$ 2,592	
Annual Total			\$ 31,099	\$ -	\$ 31,099	

The totals above include enrollment for active employees, charter officers, senior management, elected officials and retirees
Contributions for retirees and elected officials have a different contribution structure which may affect the overall totals.

Renewal: 10/1/2026 - 27 Plan Year

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	18	HSA	\$ 50.00	\$ 756.12	\$ 806.12	\$ 12.50
EE + 1	1	HSA	\$ 140.00	\$ 1,605.56	\$ 1,745.56	\$ 35.00
Family	5	HSA	\$ 305.00	\$ 1,957.77	\$ 2,262.77	\$ 76.25
Single	47	POS	\$ 108.00	\$ 988.82	\$ 1,096.82	\$ 27.00
EE + 1	10	POS	\$ 307.00	\$ 2,062.12	\$ 2,369.12	\$ 76.75
Family	7	POS	\$ 475.00	\$ 2,596.09	\$ 3,071.09	\$ 118.75
Single	188	EPO	\$ 60.00	\$ 1,063.02	\$ 1,123.02	\$ 15.00
EE + 1	72	EPO	\$ 180.00	\$ 2,245.70	\$ 2,425.70	\$ 45.00
Family	66	EPO	\$ 400.00	\$ 2,744.46	\$ 3,144.46	\$ 100.00
Monthly Total			\$ 64,676	\$ 652,981	\$ 717,657	
Annual Total			\$ 776,112	\$ 7,835,778	\$ 8,611,890	
Annual Change - \$			\$ -	\$ 487,476	\$ 487,476	
Annual Change - %			0.0%	6.6%	6.0%	

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	85	DMO	\$ 14.22	\$ -	\$ 14.22	\$ 3.56
EE + 1	31	DMO	\$ 25.78	\$ -	\$ 25.78	\$ 6.45
Family	28	DMO	\$ 40.91	\$ -	\$ 40.91	\$ 10.23
Single	175	PPO	\$ 49.73	\$ -	\$ 49.73	\$ 12.43
EE + 1	56	PPO	\$ 97.00	\$ -	\$ 97.00	\$ 24.25
Family	42	PPO	\$ 144.95	\$ -	\$ 144.95	\$ 36.24
Monthly Total			\$ 23,376	\$ -	\$ 23,376	
Annual Total			\$ 280,512	\$ -	\$ 280,512	
Annual Change - \$			\$ 23,971	\$ -	\$ 23,971	
Annual Change - %			9.3%	9.3%	9.3%	

Contribution Scenario Description: no cost change

				MONTHLY		Employee Weekly (48)
Coverage	Count	Plan	Employee	Employer	Total	
Single	192	PPO	\$ 5.44	\$ -	\$ 5.44	\$ 1.36
EE + 1	62	PPO	\$ 10.34	\$ -	\$ 10.34	\$ 2.59
Family	60	PPO	\$ 15.10	\$ -	\$ 15.10	\$ 3.78
Monthly Total			\$ 2,592	\$ -	\$ 2,592	
Annual Total			\$ 31,099	\$ -	\$ 31,099	
Annual Change - \$			\$ -	\$ -	\$ -	
Annual Change - %			0.0%	0.0%	0.0%	

City of North Miami Beach

Medical Market Study

	Results	Comments
Aetna Fully Insured	6% above current	Initial Renewal : 8.4% increase
Cigna Level Funded	0.9% Under Current	85.5% of Premium for Claims 100% Surplus Share
United Healthcare	9.7% above current	
United Healthcare Alt	12.1% under current	3 NHP Plan Alternates
Florida Blue	DTQ	Not Competitive