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Hiawatha Commission Reviews Health Insurance Proposal

The Hiawatha City Commission Monday evening reviewed a proposal for employee health, dental and vision insurance.

After seeking information from several insurance carriers, City Administrator Lynne Ladner recommended the city remain with Blue Cross/Blue Shield for health and dental coverage for April 2012 through March 2013.

The company's proposal calls for an average increase of 5.35 percent for both medical and dental premiums. That's well below the 25 percent increase the city had budgeted for.

The commission is to take action on the renewal at their March 5th meeting.

The city currently pays for all of an employee's health insurance and 80 percent of the difference for anything above the single coverage.

Ladner also recommended the city sever the contract with its broker for vision insurance and contract directly with the carrier.

She said she found the city can contract directly with the carrier, VSP, to offer nearly identical benefits for almost half the cost.

The commission voted to sever the contract with Employee Benefits by Design and contract directly with VSP for vision insurance.