

**PORT OF GALVESTON  
REQUEST FOR DISCUSSION AND  
TRUSTEES ACTION**

**BUSINESS - ITEM**

**PREPARED BY:** Brenda Lambright Human Resource Manager May 16, 2022

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**SUBJECT: Discuss and Consider Renewal of Medical Benefit Plan for Port Employees**

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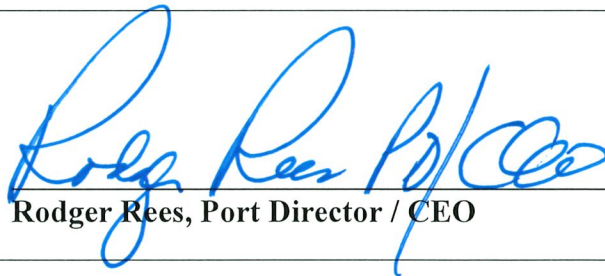
**BACKGROUND:** In March 2021 the Port received notice from the City that the Port should explore an independent plan or be ready to convert to a 100% Credibility Plan as of January 1, 2021. Based on receipt of this notice, Port staff had the Port's medical benefit Broker of Record solicit quotes for an independent fully insured Port employee medical benefit plan. The current medical plan with Blue Cross Blue Shield (BXBS) of Texas was the plan the Board selected in May of 2021 to go into effect July 1, 2021. To bring the plan year back to a calendar year plan, the Broker of Record, Gallagher, negotiated a six-month extension of the current plan with a 2% increase to run July 1, 2022 through December 31, 2022.

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**RECOMMENDATIONS:** The Board of Trustees of the Port of Galveston is respectfully requested to consider a six-month extension of the current Medical Benefit Plan and to authorize the Port Director/CEO to enter into an agreement with BCBSTx moving the renewal period to a January 1 through December 31 policy period to coincide with the renewal of other Port benefits.

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**Respectfully Submitted By:**

  
**Rodger Rees, Port Director / CEO**

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**DATE ACTION TAKEN:** \_\_\_\_\_  
Approved: \_\_\_\_\_  
Disapproved: \_\_\_\_\_  
Deferred To: \_\_\_\_\_  
Incorporated into Minutes: \_\_\_\_\_

Motion By: \_\_\_\_\_  
Seconded By: \_\_\_\_\_  
Unanimous: Yes \_\_\_\_\_ No \_\_\_\_\_  
By: \_\_\_\_\_

# PORT OF GALVESTON

## Briefing

### Discuss and Consider Renewal of Medical Benefit Plan for Port Employees

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#### **Background**

In March 2021 the Port received notice from the City that the Port should explore an independent plan or be ready to convert to a 100% Credibility Plan as of January 1, 2021. Based on receipt of this notice, Port staff had the Port's medical benefit Broker of Record solicit quotes for an independent fully insured Port employee medical benefit plan. The current medical plan with Blue Cross Blue Shield (BXBS) of Texas was the plan the Board selected in May of 2021 to go into effect July 1, 2021. To bring the plan year back to a calendar year plan, the Broker of Record, Gallagher, negotiated a six-month extension of the current plan with a 2% increase to run July 1, 2022 through December 31, 2022.

#### **Current Situation**

Gallagher, the Wharves Board Broker of Record, was contacted in March 2021 concerning the need to obtain quotes on fully insured employee medical benefit plans. Gallagher was able to issue a request for quotes to the medical health insurance market the Week of April 24<sup>th</sup>. Results were received and are being presented at the May 25<sup>th</sup> regular scheduled Board meeting. Three carriers responded to the request. Each offered different options. BCBSTX was consistently the lower cost. The Board of Trustees approved the current plan at the May 25, 2021 meeting. Port staff has been working with Gallagher to align the renewal of the BCBSTX plan with other Port benefits. Port staff recommends to the Board a six-month renewal period in order to achieve this goal.

#### **Fiscal Impact**

Current Plan annualized cost are premiums of \$1.2M. The Employee contribution annualized costs are \$217,000.00. Renewing for a six-month period allows the Medical Plan Year to align with other Port benefits.

#### **Staff Recommendation**

The Board of Trustees of the Port of Galveston is respectfully requested to consider a six-month extension of the current Medical Benefit Plan and to authorize the Port Director/CEO to enter into an agreement with BCBSTx moving the renewal period to a January 1 through December 31 policy period to coincide with the renewal of other Port benefits.