



Agenda Statement

File #: 19-0127 **Version:** 1

Type: New Business **Status:** Passed

File created: 3/5/2019 **In control:** City Council

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Title: Approval of Annual Renewal of City/School Health Insurance Benefit Plan for Period Beginning 4/1/2019

Sponsors: City Council

Indexes:

Code sections:

Attachments: 1. City and School Health Plan Renewal Summaries, 2. Sun Life Stop Loss Insurance, 3. MRC Renewal, 4. National Rx Member Agreements (3)

Date	Ver.	Action By	Action	Result
3/19/2019	1	City Council	approved	Pass

ITEM TITLE:

Annual Renewal of City/School Health Insurance Benefit Plan for period beginning 4/1/2019

SUBMITTED BY: Brian Carlson, Finance Director

FISCAL NOTES:

Expenditure Required: \$6.5MM Estimated Combined City/School
Unencumbered Balance: n/a; indirectly budgeted via department benefits expense
Funding Source: Payroll Deductions via City/School Self-Insurance, Fund 210

RECOMMENDATION:

Approve

SUMMARY STATEMENT:

- This agenda item formalizes the annual renewal of the health insurance benefit plan. Overall cost estimates and renewal features were presented to Council on 3/5.
- Renewal Premium Change:
 - City: -11%; total monthly \$2,402.76 to \$2,137.73; \$265.03 savings
 - Employer monthly: \$2,306.65 to \$2,052.22; \$254.43 savings
 - Employee monthly: \$96.11 to \$85.51; \$10.60 savings
 - School: +10.2%
- Plan Changes:

- New Rx Manager, effective 4/1
- Oral contraceptive care covered effective 7/1
 - This benefit was excluded until now. This exclusion is permitted for grandfathered plans.
- Contracts (reviewed by staff and legal department):
 - Stop-loss insurance renewal with Sun Life
 - Prescription Benefits management with National Rx Cooperative / Caremark / CVS (new relationship)
 - Case Management and Review with MRC (renewal)
 - Benefits Administration renewal with Meritain (to be presented 4/2)
- Staff will provide Council with a follow-up plan review in the fall, emphasizing fund balance as a measure of plan solvency, and recommending changes in conjunction with Broker, ERT and Stakeholder group.