

City of Charles City

Agenda

Special Meeting

1. Meeting Date And Time

- A. November 15, 2023 6:00 P.m. City Council, Mayor And City Staff Will Be Attending In Person In The Council Chambers. The Public Can Attend In Person Or They Can Attend The Meeting Via Zoom.com: Meeting ID 787 065 8066 Phone Number To Call To Participate Via Telephone: 312-626-6799

2. Call To Order

3. Consider Approval Of The Agenda

4. Consider Resolution 118-23 Approving Change To Employee Health Plan

Discussion

Motion

Documents:

[AIS -HEALTH INSURANCE V2.0 \(PACKET\) PLAN CHANGE 11.15.23.PDF](#)

5. Adjournment

AGENDA ITEM SUMMARY

Subject: Consider changes in the city health insurance plan

Background Summary: - Steve D.

For years the city health insurance plan offered to city employees was a self-funded plan. It's getting more and more difficult to stay with a self-funded plan due to our limited pool size (around 50 employees) and it was making the cost of insurance more and more expensive by fully self-funding and utilizing a stop-loss carrier for larger claims. While we retained control of how much we raised rates and how specifically the plan would break down as far as what was offered. The idea that we could "control" much of anything was becoming less and less a reality.

We spoke to our broker about changing and going with a health insurance company such as Wellmark BC/BS. As we discussed last June, it was looking very favorably to make a switch to Wellmark and at the same time change our renewal to January 1st from July 1st. That cost savings is still there for providing the plan and so that is what we are presenting you tonight. Going with a high deductible plan form Wellmark and then having the city partially self fund rather than fully self fund.

Attached are the highlights and ultimate plan offerings comparing what we are doing now to what the new plan would be. Wellmark plans for our employee group size are pretty much fixed, so while some of the things change they are marginal changes in things such as co-insurance, co-pay, and Drug card amounts, the premium cost to the city and employee drop significantly. Out of pocket maximums remain the same which are both real benefits. Our current premium cost share is: 80%City /20% Employee
The city personnel committee (Phoebe & Keith) met with Trudy, Ginny and I last week and had a long discussion on this topic. The general idea to move to this was generally recommended as presented by staff. The longer part of our discussion was whether to move away from the 80/20 cost share and go to a 85/15 or 90/10 cost share to decrease the premium cost to employees even more. With the savings we are looking at, we could go as far as 90/10 and still be saving a considerable amount (\$318/month on single & \$644/month on family – per employee). It was noted that this would further help with recruitment and retention of staff.

RESOLUTION NO 118-23

RESOLUTION APPROVING CHANGE TO EMPLOYEE HEALTH PLAN

WHEREAS, the city of Charles City has been providing health insurance through a fully self-funded health plan to eligible employees, and,

WHEREAS, the premiums have been funded with a 20% cost share from the employee and an 80% cost share from the city, and,

WHEREAS, the health plan will now be a partially self-funded plan by the city with a major carrier, with the premiums being funded with a _____% cost share from the employee and an _____% cost share from the city,

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Charles City, Iowa, meeting in regular session on this 15th day of November, 2023 that the employee health plan be changed to a fully insured plan with a _____% cost share from the employee and an _____% cost share from the city.

COUNCIL MEMBER moved the adoption of the foregoing Resolution;

COUNCIL MEMBER seconded the motion to adopt, and on roll call the voting was as follows:

AYES:

NAYS:

Passed and approved this 15th day of November, 2023.

Dean Andrews, Mayor

Attest:

Trudy O'Donnell, City Clerk

Current Self Funded Medical Plan

Effective Date: 07/01/2023		American National	
		Self-Funded	
Network		PPO	
		In	Out
Deductible	Individual	\$1,000	
	Family	\$2,000	
Coinsurance		20%	30%
Out of Pocket Maximum	Individual	\$1,500	
	Family	\$3,000	
Copays	Preventative Care	\$0	Ded / 30%
	Office visit - PCP	\$25	Ded / 30%
	Office visit - non-PCP	\$50	Ded / 30%
	Virtual Visits	\$25	Ded / 30%
	Chiropractic	\$25	Ded / 30%
	Urgent Care	\$25	Ded / 30%
	ER	\$250	
Prescription Drugs (In Network)	Tier 1	\$10	
	Tier 2	\$35	
	Tier 3	\$50	
	Specialty	\$85	
	Deductible	N/A	

Premium (Admin + Stop Loss Fees)	\$350,112.12
Expected Claims	\$1,135,084.35
Annual Total	\$1,521,604.47

Budgeted Rates by Election	Enrolled	Rate
	Single	17
Family	24	\$3,401.96

Contract Terms	24/09
Individual Stop Loss Level	\$40,000
Aggregate Stop Loss Level	125%

The totals shown above have been calculated assuming that members will enroll in the shown plans in the same proportions as they are enrolled today. Actual costs will fluctuate as members enroll in the single plan of their choice.

Acumen has prepared this presentation based on information available to us. The financial information included in this presentation is preliminary and subject to change. Presentations are intended for educational purposes only and do not replace independent professional judgment. The information contained in these documents is confidential, privileged and only for the information of the intended recipient and may not be used, published or redistributed without the prior written consent of Acumen Advisors, Inc. This comparison summarizes certain provisions of the plan(s) illustrated. Complete plan information is included in the legal documents and brochures that govern each plan. If there is a difference between this handout and the legal documents, the documents, which are available upon request, will govern.

City of Charles City Current Self Funded Medical Plan



Effective Date: 01/01/2024		American National	
		Self-Funded	
Network		PPO	
		In	Out
Deductible	Individual	\$1,000	
	Family	\$2,000	
Coinsurance		20%	30%
Out of Pocket Maximum	Individual	\$1,500	
	Family	\$3,000	
Copays	Preventative Care	\$0	Ded / 30%
	Office visit - PCP	\$25	Ded / 30%
	Office visit - non-PCP	\$50	Ded / 30%
	Virtual Visits	\$25	Ded / 30%
	Chiropractic	\$25	Ded / 30%
	Urgent Care	\$25	Ded / 30%
	ER	\$250	
Prescription Drugs (In Network)	Tier 1	\$10	
	Tier 2	\$35	
	Tier 3	\$50	
	Specialty	\$85	
	Deductible	N/A	

Premium (Admin + Stop Loss Fees)	\$368,298.12
Expected Claims	\$1,039,055.17
Annual Total	\$1,443,761.29

Suggested Rates by Election	Enrolled	Rate
	Single	17
Family	24	\$3,986.93

Maximum Liability	
Fixed Cost (Admin + Stop Loss Fees)	\$368,298.12
Max Claims	\$1,123,818.96
Estimated Maximum Liability	\$1,492,117.08

Estimated Max Liability to Fund	Enrolled	Rate
	Single	17
Family	24	\$4,225.03

Contract Terms	12/15
Individual Stop Loss Level	\$40,000
Aggregate Stop Loss Level	125%

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City of Charles City Wellmark Medical Plan Options

Plan we would switch to from Wellmark BC/BS

What plan would ultimately be with City Partial Self-Funding.



Effective Date: 01/01/2024		Wellmark Primary 4000 PPO PM000063 / RM000261-T Purchase Plan		Wellmark Primary 4000 PPO PM000063 / RM000261-T w/PSF Buy Down	
Network		PPO		PPO	
		In	Out	In	Out
Deductible	Individual	\$4,000		\$1,000	
	Family	\$12,000		\$2,000	
Coinsurance		30%	50%	30%	50%
Out of Pocket Maximum	Individual	\$8,000	\$8,800	\$1,500	
	Family	\$16,000	\$17,600	\$3,000	
Copays	Preventative Care	\$0	Ded / 50%	\$0	Ded / 50%
	Office visit - PCP	\$35	Ded / 50%	\$35	Ded / 50%
	Office visit - non-PCP	\$70	Ded / 50%	\$70	Ded / 50%
	Doctor on Demand	\$25	Ded / 50%	\$25	Ded / 50%
	Chiropractic	\$35	Ded / 50%	\$35	Ded / 50%
	Urgent Care	\$35	Ded / 50%	\$35	Ded / 50%
	ER		\$450		\$450
Prescription Drugs (In Network)	Tier 1	\$25		\$25	
	Tier 2	\$50		\$50	
	Tier 3	\$100		\$100	
	Tier 4	\$200		\$200	
	Generic Specialty	\$160		\$160	
	Preferred Specialty	\$225		\$225	
	Non-Preferred Specialty	\$275		\$275	
	Deductible	N/A		N/A	
Premium				\$731,654.76	
Claims				\$129,662.15	
Admin				\$4,836.36	
Annual Total				\$866,153.27	
% Increase				-43.08%	

Budgeted Cost by Election		Enrolled	Rate
Single		17	\$986.62
Family		24	\$2,308.62

The totals shown above have been calculated assuming that members will enroll in the shown plans in the same proportions as they are enrolled today. Actual costs will fluctuate as members enroll in the single plan of their choice.

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City of Charles City Wellmark Medical Plan Options



Plan Name	Auxiant Plan Administrator Group#309	wellmark Primary 4000 PPO PM000063 / RM000261-T		wellmark Primary 4000 PPO PM000063 / RM000261-T		wellmark Primary 4000 PPO PM000063 / RM000261-T			
Network		PPO		PPO		PPO			
Deductible	Individual Family	\$1,000 \$2,000	\$1,000 \$2,000	\$1,000 \$2,000	\$1,000 \$2,000	\$1,000 \$2,000	\$1,000 \$2,000		
Coinsurance		20% 30%	30% 50%	30% 50%	30% 50%	30% 50%	30% 50%		
Out of Pocket Maximum	Individual Family	\$1,500 \$3,000	\$1,500 \$3,000	\$1,500 \$3,000	\$1,500 \$3,000	\$1,500 \$3,000	\$1,500 \$3,000		
Copays	*Preventative Care Primary Care Office visits Specialists Office visits Chiropractic / Urgent Care / Physical Therapy Emergency Room	\$0 \$25 \$50 \$25 \$250	\$0 \$35 \$70 \$25 \$450	\$0 \$35 \$70 \$25 \$450	\$0 \$35 \$70 \$25 \$450	\$0 \$35 \$70 \$25 \$450	\$0 \$35 \$70 \$25 \$450		
Prescription Drugs (In Network)	Tier 1 Tier 2 Tier 3 Specialty	\$10 \$35 \$50 \$85	\$25 \$50 \$100 \$200 \$160 \$225	\$25 \$50 \$100 \$200 \$160 \$225	\$25 \$50 \$100 \$200 \$160 \$225	\$25 \$50 \$100 \$200 \$160 \$225	\$25 \$50 \$100 \$200 \$160 \$225		
Premiums	Employee Family Plan	City Cost \$1,206.47 \$2,721.57	Employee Cost \$301.62 \$680.39	City Cost \$789.30 \$1,846.90	Employee Cost \$197.32 \$461.72	City Cost \$838.63 \$1,962.33	Employee Cost \$147.99 \$346.29	City Cost \$887.96 \$2,077.76	Employee Cost \$98.66 \$230.86
		Current 80/20		Renewal 80/20		Renewal 85/15		Renewal 90/10	