RESOLUTION 2013-11

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: March 28, 2013

RE: Health Insurance Cost Comparisons

Issues

Due to ever increasing costs for employee health coverage, we decided to check into the current market rate for coverage costs from different healthcare providers. We are currently in an insurance pool, administered by Midwest Public Risk (MPR). MPR requires us to give notice by the end of March, if we cancel coverage, which ends each June 30th. However, other insurance companies will not quote their numbers for new customers any early than 90 days prior to signing up for coverage. This only gives us a few weeks to obtain a broker, have all the employees fill out applications and get a rate quote from three providers. And on top of this, MPR will not quote us their numbers for the next coverage year, until AFTER the end of March. Obviously, it is impossible for us to know what increases we will have from MPR before we are required to give them notice of cancellation. Therefore, this resolution is required by MPR, whether or not we cancel our coverage with them. If our comparison from other carriers is higher than MPR, we will simply stay in the MPR pool. They also reserve the right to charge us a fee to reinstate coverage. We don't think they will actually do that, however.

Recommendation

Staff recommends that the Council pass the resolution to cancel coverage, in order to stay within the by-laws requirement of MPR for providing notice. If prices are higher than we think MPR costs will be (we think they will be 18-20% higher), then we will stay with MPR.

Resolution 2013-11

A RESOLUTION FOR THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI STATING INTENT TO WITHDRAW FROM THE EMPLOYEE BENEFITS PROGRAM WITH MIDWEST PUBLIC RISK (MPR)

WHEREAS, it is the intent of the City of Cameron, Clinton and DeKalb Counties, Missouri, to withdraw from the Midwest Public Risk (MPR) "Employee Benefits Programs" effective June 30, 2013; and

WHEREAS, the MPR Bylaws require "A member may withdraw from membership in MPR Missouri as of the end of MPR Missouri's fiscal year provided that such Member has given at least ninety (90) days prior written notice" and that this notice must be adopted by the governing body of the member.

NOW, THEREFORE, BE IT RESOLVED that the City of Cameron, Clinton and DeKalb Counties, Missouri formally places MPR on notice of its intent to withdraw from the "Employee Benefits Programs" effective June 30, 2013.

Passed and approved this 28th day of March 2013.

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Mayor Dennis M. Clark

Attest:

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City Clerk/Finance Clerk