RESOLUTION 2015-13

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: May 18, 2015

RE: Insurance Changes

Issues

The City uses United Healthcare for coverage of its employees. Currently, the City pays 90% of the employee coverage and 50% of family coverage for employees hired prior to October 1, 2014. New employees are not offered family coverage, but may purchase it on their own if they choose to do so. Our current UHC plan was a two-year locked in rate, and will need to be renewed in July. We want to make the renewal coincide with our fiscal year, we quoted a 15 month arrangement to carry us through the next fiscal year. Our broker, Ryan Sloan is recommending the following plan. It seems to be the best way to go at this time.

MEDICAL INSURANCE

Under the proposed Resolution, the City of Cameron will continue to offer health insurance through United HealthCare through 9/30/2016. We will change our base plan to a $2,500 deductible, 100% plan, and offer the current plan, a $1,500 deductible, 100% plan, as a buy-up option for our employees and their dependents beginning on 7/1/2015. This is the best way to keep costs as low as possible, and still give the employees the option of buying a lower deductible plan, should that fit their situation better.

The City will base its contributions on the base plan rates. The City will continue to pay 90% of the employee only premium of the base plan, and decrease its contribution on the dependent premiums down from 50% to 40%, again based on the base plan rates. If an employee chooses to buy-up to the $1,500 deductible plan they will pay the entire difference in premium based on the City's contributions to that base plan. This plan will cost the City approximately $200 per month over that 15 month period, based on current enrollment, with the majority of the increase passed on to the employees.

DENTAL AND VISION INSURANCE

The City of Cameron will change insurance carriers for both the dental and vision plans offered to employees effective 7/1/2015 through 6/30/2016 from Assurant Employee Benefits to The Standard Insurance Company. This change will save the City's

employees approximately $9,970 over that year period. The plan designs and benefits will be exactly the same, the only difference being the dentists that participate in the dental network are slightly different.

Recommendation

Staff recommends that the Council approve the Resolution for insurance coverage as submitted.

Resolution 2015-13

A RESOLUTION OF THE CITY OF CAMERON, CLINTON AND DeKALB COUNTIES, MISSOURI, TO CONTINUE INSURANCE COVERAGE FROM UNITED HEALTHCARE THROUGH THE NEXT FISCAL YEAR AND OBTAIN VISION AND DENTAL COVERAGE FROM STANDARD INSURANCE COMPANY

WHEREAS, the City of Cameron partners with its employees for insurance coverage; and

WHEREAS, the City will continue coverage with United Healthcare for a 15 month period, making it coincide with the City's fiscal year; and

WHEREAS, the new deductible amounts and out-of-pocket amounts will increase for the employee, but an option is available for employees to "buy up" to a higher coverage plan if they desire to do so; and

WHEREAS, the employee contribution for dependent coverage will change from 50% to 60%, and the employee's share for the employee's coverage will remain at 10%; and

WHEREAS, vision and dental insurance coverage will be provided by Standard Insurance Company, resulting in lower costs to the employees.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council for the City of Cameron, Clinton and DeKalb Counties, Missouri that the City will continue with United Healthcare through the next fiscal year.

Passed and approved this 18th day of May 2015.

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Mayor Dennis M. Clark

Attest:

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City Clerk/Finance Clerk