



CITY OF MARSHALL AGENDA ITEM REPORT

Meeting Date:	Tuesday, October 22, 2019
Category:	NEW BUSINESS
Type:	ACTION
Subject:	Consider approval of Health Insurance Plan for 2020
Background Information:	<p>Since 2011, the City has offered high deductible health care plans to employees through Blue Cross and Blue Shield of Minnesota, through the Southwest West Central Service Cooperative (SWWC Coop).</p> <p>This year, the City requested quotes from other health insurance providers. The most favorable quotes came from SWWC Coop (Coop) and Public Employees Insurance Program (PEIP). After negotiations, the Coop has offered a renewal rate increase of 7.44%. PEIP has offered premium rates that reflect a 6.3% increase over our existing rates.</p> <p>On October 8, the Council met in a work-session on health insurance options for 2020. Bill Chukuske, our health insurance agent, and Staff provided the following information at the Council work-session:</p> <ol style="list-style-type: none">1. 2020 CCOGA Pool Renewal (SWWC Service Cooperative)2. Request for Quotes—Results from health insurance providers3. History of premium rate increases4. Public Employee Insurance Plan (PEIP)5. Insurance Cost-Share Options---A and B with cost projections6. 2020 Wellness Benefits—Compare/Contrast7. Employee Insurance Committee feedback <p>After the Council work-session, two employee informational meetings were held. Bill Chukuske reviewed the renewal rates from the SWWC Service Cooperative, the PEIP plans and premium rates, and the draft options (A&B) presented to the Council at the work-session. Forty-three (43) employees attended the informational meetings. All employees who are eligible for health insurance were then asked to complete a short 5-question feedback survey.</p> <p>Survey results summary: <i>the results are included in the background materials</i></p> <ul style="list-style-type: none">• There were 57 respondents.• 96% of those responding to the survey currently have insurance through the City• 33 respondents (57.9%) preferred the PEIP plans• 16 respondents (28.1%) preferred the current plan with the Coop• 8 respondents (14%) had no preference <p>The Employee Health Insurance Committee met on October 16 to review the survey feedback and discuss the plan options. The Committee is recommending the Council approve the PEIP plans.</p>

	<p>In your materials, two plan options are provided based on the history of prior Council decisions, one for Coop plans and one for PEIP plans. Staff will review the two options in more detail at the Council meeting.</p> <p>Staff recommendation: moving to the Public Employee Insurance Plan (PEIP).</p> <p>Open enrollment meetings are scheduled for Wednesday, November 6.</p>
Fiscal Impact:	<p>Cost projections are estimated based upon current plan enrollment. Cost increase with renewal with SWWC Coop is \$85,488.24. Cost increase with PEIP: \$74,705.16.</p> <p>See packet enclosure for a breakout by Fund.</p>
Alternative/ Variations:	
Recommendations:	approval of the Public Employee Insurance Plan (PEIP).