

City of Ramsey
Agenda
Personnel Committee
Tuesday September 27, 2011
5:00 p.m.
Trott Brook Room, 7550 Sunwood Drive NW

- 1. Call to Order**
- 2. Citizen Input**
- 3. Approve Agenda**
- 4. Committee Business**
 1. Consider a Resolution to Select a 2012 Health Insurance Carrier
- 5. Adjournment**

Personnel Committee

4. 1.

Meeting Date: 09/27/2011

By: Colleen Lasher, Administrative Services

Title:

Consider a Resolution to Select a 2012 Health Insurance Carrier

Background:

The City's benefits broker, Yvonne Johnson, from Gallagher Benefits Services will be at the Personnel Committee Meeting to discuss the City's 2012 health insurance options and to answer any questions that the Committee may have regarding the following information.

HealthPartners has been the City's health insurance carrier since January 2008. During this time rates have increased as follows: 14% in 2009, 18% in 2010, and 17% in 2011. For 2012, Gallagher Benefit Services was able to include the City in with the LOGIS bidding process to join Blue Cross and Blue Shield in 2012. It is important to note, in previous years both BCBS and Medica declined to bid on the City due to high loss ratios. The estimated increase, depending on plan/network, will vary by rate tiers (single, single plus spouse, etc.) but the overall increase to the plans range from 12.74% to 17.2%.

The City sees benefits to joining the LOGIS group and BCBS, as follows: opportunity to join a larger group, tiered plan options which includes single, single plus child(ren), single plus spouse, and family; which will better meet employees' actual coverage needs (as compared to only single and family plan options under HealthPartners), options for higher deductible plans; \$4000 Single & \$8000 Family (as compared to the current maximum deductible of \$2000 Single & \$4000 Family under HealthPartners), four years of rate caps as follows: 9% in 2013, 10% in 2014, 11% in 2015, and 12% in 2016--which are not contingent upon a service contract, two networks for employees to choose from based on their healthcare needs (as compared to one under HealthPartners), 100% coverage (in most plans) after the deductible is satisfied (as compared to 80% under HealthPartners), less expensive basic life insurance, approximately \$500.00 contribution per year toward the OPEP GASB Statement No. 45 valuation fee, and more plan options.

HealthPartners renewal came in at a 3.4% increase for 1-year with no rate cap beyond 2012 and no ability to make plan design changes. Based on the City's claim volume the justified increase would have been 20.23%. When the City requested a 2-year agreement, HealthPartners responded with an offer of 15% increase in 2012 and 19% in 2013, again with no ability to make plan design changes.

At this time, staff is only seeking direction for changing health insurance carriers. Once a carrier is selected for 2012 the issue of contributions (as part of union negotiations and non-union discussions) will be brought forward for discussion and direction at a future date.

Observations:

Joining the LOGIS group requires participation in the group's \$10,000 basic life insurance with the Hartford Insurance Company. The coverage through the Hartford Insurance is a slightly better value than the current carrier, Minnesota Life. If the proposed changes are approved, the Minnesota Life policy would be revised or eliminated based on circumstances.

Entities within the LOGIS Group

City of Apple Valley, City of Blaine, City of Brooklyn Center, City of Corcoran, City of Crystal, City of Dayton, City of Deephaven, City of Delano, City of Edina, City of Excelsior, City of Farmington, City of Golden Valley, City of Hopkins, City of Medina, City of Minnetonka, City of Minnetonka Beach, City of Minnetrista, City of

Mound, City of Orono, City of Richfield, City of Robbinsdale, City of Rogers, City of Spring Park, City of St. Anthony, City of Tonka Bay, City of Wayzata, LOGIS Association, Northwest Cable Commission, Northwest Hennepin Human Services Council, South Lake Minnetonka Police Department, Three Rivers Park District, Town of Hassan, Twin Cities Regional Cable Channel, Inc., West Metro Fire-Rescue District, Sherburne County, Morrison County, Rice County, City of Chaska, City of Coon Rapids, and Dakota Communications Center

Recommendation:

To approve changing health insurance carriers to BCBS through the LOGIS group, including Hartford Insurance for basic life insurance.

Funding Source:

The City's monthly health insurance and basic life insurance contribution will be covered by the 2012 General Fund Budget.

Council Action:

Motion to approve resolution 11-10-XXX confirming the recommendation of the Personnel Committee to change the 2012 health insurance carriers to BCBS through the LOGIS group, including Hartford Insurance for basic life insurance.

Attachments

Resolution

Form Review

Inbox
Kurt Ulrich

Reviewed By
Kurt Ulrich

Date
09/22/2011 02:31 PM
Started On: 09/22/2011 10:49 AM

Form Started By: Colleen Lasher

Final Approval Date: 09/22/2011

RESOLUTION #

A RESOLUTION APPROVING BENEFITS CONTRACTS

WHEREAS, the City of Ramsey is committed to attracting and retaining quality employees to serve the community; and

WHEREAS, competitively priced benefits with flexible options that are best suited to each employee's needs are essential to effectively compete for quality employees; and

WHEREAS, staff recommends that the City Council approve benefits changes with the following carriers: Blue Cross Blue Shield for health insurance and Hartford Insurance for basic life insurance.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF RAMSEY, ANOKA COUNTY, STATE OF MINNESOTA, as follows:

That the City Council of the City of Ramsey confirms the recommendation of the Personnel Committee to approve changes with the following carriers: Blue Cross Blue Shield for health insurance and Hartford Insurance for life insurance.

The motion for the adoption of the foregoing resolution was duly seconded by Councilmember, and upon vote being taken thereon, the following voted in favor thereof:

and the following voted against the same:

and the following abstained:

and the following were absent:

Whereupon said resolution was declared duly passed and adopted by the Ramsey City Council this the 11th day of October, 2011.