

TO: Village Council
FROM: Scot F. Lahrmer, Village Manager
RE: Employee Health Care Renewal
DATE: June 5, 2015

ITEM: Recommend renewal of the Health Care Plan.

ACTION REQUESTED: By motion, adopt **Resolution 2015-17** renewing health care for employees effective August 1.

PURPOSE: To renew health care for Village employees.

The Village joined the Center for Local Government Benefit Pool (CLGBP) in 2009, a 16-member consortium that buys healthcare services for each community's employees. There is a significant savings belonging to the CLGBP.

Employee health care plans begin August 1 of each year. While employee health care benefits have been reduced in the past, the Village has standardized two high deductible health care plans. Platinum B, is the base plan for Village employees and requires a 15% payment of the premium by the employee. One additional plan, Platinum A, is offered to employees who would like to "buy up" meaning no additional expense to the Village. Platinum A provides greater benefits but costs the employee more, typically 27%. For both high deductible plans, the Village contributes to the health savings account (HSA) in the amount of \$1,300 for single employees and \$2,600 for families.

While the Village has seen cost increases in health care expense, it peaked in 2010-11 as shown on the chart below. Since then, various changes have occurred within the plan, employees' contributions to health care in 2012 and administration of the pool to bring down the Village's expense.

<u>Plan Year</u>	<u>Village Expense</u>
2008-2009	\$401,469
2009-2010	\$387,909
2010-2011	\$454,464
2011-2012	\$314,392
2012-2013	\$298,820
2013-2014	\$296,866

The Village and employees have experienced premium increases in the past years which have been 13.74% for 2012; 7% for 2013; and 3.95% for 2014. However, an actuarial review last year determined that Platinum A was priced correctly, although Platinum B, which most of our insured employees are enrolled, had been underpriced. Therefore, the renewal rate for Platinum B in 2014 was 11.1%, which included the 3.95% for pool reserves.

The Village expense for health care is estimated at \$378,000 which includes the \$1,300/\$2,600 HSA contribution. Depending on how many employees sign up for health insurance during open

enrollment, employees will be paying approximately \$54,000 for their share of the costs for the high deductible Platinum B plan.

The Village provides dental insurance through Dental Care Plus. USI negotiated a 0% increase with the underwriter. The dental insurance premium is recommended with no increase resulting in an annual cost of approximately \$22,000. Effective August 1, Horan will take over as the broker for dental insurance.

The Compensation and Benefits Committee met and recommended adoption of the 2015-16 health care renewal. With action by council on June 8, open enrollment for employees will begin on June 9 with the intent of having this plan in place by August 1.

If you have any questions, please let me know.

PASSED:
BY:

RESOLUTION NO. 2015-17

RESOLUTION TO PROVIDE FOR VILLAGE EMPLOYEES A HEALTH INSURANCE PLAN, A CONTRIBUTION OF FUNDS TO EMPLOYEES' HEALTH SAVINGS ACCOUNTS, CONTRIBUTION OF FUNDS FOR HEALTH REIMBURSEMENT, AND RENEWING THE DENTAL PLAN FOR EMPLOYEES

WHEREAS, the health insurance and dental plans, and contributions to Health Savings Accounts, for Village employees expire on August 1, 2015;

WHEREAS, the Village's medical insurance consultant, Horan and Associates, recommends that the Village, for its employees, continue participating in the Center for Local Government Benefits Pool administered by Jefferson Health Plan, using United HealthCare as the TPA, to provide a high deductible health insurance plan, (ii) make a contribution of \$1,300.00 for employees with single coverage, and \$2,600.00 for employees with family coverage and employee/spouse or employee/child(ren), to be deposited into a qualified Health Savings Account bank account, and (iii) renew through Dental Care Plus, the present dental coverage, at a zero percent increase over the prior year cost;

WHEREAS, Council, having considered hereby approves the recommendation of Horan and Associates, and

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF AMBERLEY VILLAGE, STATE OF OHIO, _____ members elected thereto concurring:

SECTION 1: That the Village, for the year commencing August 1, 2015, deposit \$1,300.00 for single coverage Village employees, and \$2,600.00 for Village employees with family coverage and employee/spouse or employee/child(ren), in one lump sum in a qualified Health Savings Account, in accordance with applicable regulations.

SECTION 2: That the premiums for the aforesaid contracts, in the monthly amounts payable to OME-RESA for all employees participating in the Health Savings Account (HDHP Platinum B HSA) will be not more than \$503.00 for a single coverage, not more than \$1,048.00 for employee/spouse coverage, not more than \$938.00 for employee/child(ren) coverage, and not more than \$1,527.00 for family coverage, as long as employees choose to participate in the "compliant" wellness program, and if employees do not participate in the wellness program the premiums will not be more than \$531.00 for a single coverage, not more than \$1,102.00 for employee/spouse coverage, not more than \$965.00 for employee/child(ren) coverage, and not more than \$1,582.00 for family coverage; and in the monthly amounts payable to Dental Care Plus of not more than \$28.00 for single coverage, not more than \$56.00 for employee/spouse or employee/children coverage, and not more than \$91.00 for family coverage.

SECTION 3: That the Village agrees to fund 85% of the Platinum B plan, and the employees will reimburse the Village for the remaining balance, with the understanding that if an employee opts to "buy up" to the Platinum A health insurance plan, the employee will be

responsible for the difference between the funding provided by the Village of 85% of the Platinum B plan and the total monthly insurance premium due for the Platinum A plan.

SECTION 4: That the Village Manager be, and hereby is, authorized and directed to enter into a one year contract effective August 1, 2015, with the Dental Care Plus Group, to continue its present dental coverage for Village employees, pursuant to the letter and Renewal Notice from DCPG dated March 20, 2015 which is incorporated herein by reference.

SECTION 5: This Resolution shall take effect and be in force from and after the earliest period allowed by law.

Passed this ___ day of _____, 2015.

Mayor Thomas C. Muething

Attest:

Nicole Browder, Clerk of Council

Resolution Vote:

Moved: _____ Second: _____

I, Clerk of Council of Amberley Village, Ohio, certify that on the ___ day of _____
_____ 2015, the forgoing Resolution was published pursuant to Article IX of the Home Rule Charter by posting true copies of said Resolution at all of the places of public notice as designated by Sec. 31.40(B), Code of Ordinances.

Nicole Browder, Clerk of Council