

MINUTES OF THE MISSION SPECIAL CITY COUNCIL MEETING

AUGUST 31,2016

The Mission City Council met for a Special City Council Meeting at Mission City Hall on Wednesday, August 31, 2016 at 6:00 p.m. The meeting was called to order by Mayor Steve Schowengerdt. The following councilmembers were present: Ron Appletoft, Tom Geraghty, Suzie Gibbs, Kristin Inman, Debbie Kring, Pat Quinn, Arcie Rothrock. Absent: Nick Schlossmacher.

2017 Employee Health Insurance Renewals

Mr. Scott stated that the City currently offers health insurance benefits to employees through Aetna, which has been in place since 2008. There are four levels of participation (employee only, employee & spouse, employee & child, employee & family). Last year a pending change in the definition of “small groups” under the Affordable Care Act would have resulted in Mission being rated on a “community basis” instead of the traditional composite basis. Because of this, the last renewal was effective October 1, 2015 with no increase in premiums. This year Aetna is offering a renewal effective October 1st that would result in a 22% increase. The City has gone out to market, with three proposal received. One company was unable to meet the October 1 deadline. He stated that he and Laura Smith interviewed Blue Cross/Blue Shield and Cigna, with Cigna being the recommended provider. Cigna’s plan will provide access to generally the same network of hospitals and care providers as Aetna’s plan and staff was impressed with Cigna’s strong emphasis on wellness. He stated that the proposed plan with Cigna will be for 15 months to get us back on a calendar year schedule. Mr. Scott discussed the proposed premiums and our previous third-party wellness provider.

Discussion by Council continued on the proposed \$50,000 consulting fee to Lockton, our insurance broker, with Mr. Scott stating that some carriers build this into the fee, but Lockton does not, and provided information on what Lockton will provide as part of this fee (commission, administrative fee, assistance in developing a wellness plan). Ms. Smith stated that Lockton also assists the City with open enrollment, coordinates marketing, gives us access to their HR specialists, and prepares total compensation statements for employees.

Casey Bean, Cigna Insurance, answered questions about whether he anticipates Cigna moving away from the Affordable Care Act, as has been reported with other insurance companies. He discussed an attempted merger with Anthem and Cigna’s focus on wellness services. Discussion also continued with Mr. Bean on the 10% bump in cost for the 3 month period, whether the cost is based on claims, and what Cigna’s target percentage is to break even. The group discussed our small group experience and

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Cigna's ability to share some of that information to understand cost drivers, whether the disruption factor was calculated, and Cigna's opinion of our previous wellness initiatives.

Moved by Quinn, seconded by Rothrock to approve an engagement with Cigna Health Care for provision of employee health insurance benefits effective October 1, 2016. Councilmember Kring asked that information on medication increases be provided to employees, and Councilmember Gibbs stated that she does not want the increased premiums to "hurt" employees. Councilmember Inman questioned whether staff has researched and considered moving to a health savings account. Ms. Smith stated that this has been considered in previous years, but that we "can't get the math to work." Staff will continue to look at this option for future years. Councilmember Inman also suggested "teaming up" with Johnson County or other municipalities. Mr. Scott stated that city administrators are currently looking at this option (city, county and school districts) and Ms. Smith stated that staff has research "pool" options previously. Councilmember Appletoft asked if self insurance has been considered. Mr. Scott stated that this would be a challenge with our small size and limited staff. Voting AYE: Appletoft, Geraghty, Gibbs, Inman, Kring, Quinn, Rothrock. **Motion carried.**

ADJOURNMENT

Moved by Kring, seconded by Quinn to adjourn the meeting at 6:35 p.m. All present voted AYE. **Motion carried.**

Respectfully submitted by Martha Sumrall, City Clerk.

Steve Schowengerdt, Mayor

Martha Sumrall, City Clerk