



INDEPENDENCE

Date: May 26, 2021

To: Zach Walker, City Manager

CC: Cindy Culp, Vice Chair, Stay Well Committee

Adam Norris, Assistant City Manager

Bryan Kidney, Director, Finance and Administration

Jennifer Vargo, Chief Human Resources Officer

From: Michael Veit, Chair, Stay Well Committee

Subject: Response to COI Stay Well Recommendations

I want to start by saying that it has been a great pleasure to work with The COI administration team over the last several months while we come to solutions for the Stay Well Fund. It is a very important benefit to the employees of our City and I truly believe that everyone is looking out for the best interest of the employees.

I presented the City's response to the April 2021 Stay Well recommendation of a 10% premium increase across the board for July 1, 2021, on May 26, 2021 at our regular monthly meeting. Several issues were brought forward from the committee in the City's response on increasing premiums at a different percentage based on OAP 1 or OAP 2 plan selection. The first of these issues was that members felt that with making this big of a change would qualify as a significant event and force an open enrollment period midyear. Another point that was made that in the large picture of insurance OAP 2 running with a surplus of \$240,000 was not enough to warrant a change. As you can see from month to month this amount can change drastically, as we saw OAP 2 lose \$30,279 in the month of April 2021. We also saw a large claim hit the plan from OAP 1 this month that totaled roughly \$140,000 increase from the previous month, had this member been on OAP 2 the surplus would all but have been used up. The point is that \$240,000 is nothing more than 1 claim away from being a deficit in OAP 2.



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The Stay Well Committee is committed to looking at the entire plan over the next several months to prepare for open enrollment as well as making recommendations to adjust our plan to help sustain the financial future of our Health Care Benefits. The Stay Well Committee believes that the best thing for the Stay Well plan is to see a 10% premium increase across both plans to be effective on July 1, 2021 in accordance with the original recommendation made in April 2021.

Moving forward I would like to thank the city team for their continued support of the Stay Well committee and the working relationship that has been built over the last several years. I believe that we can continue to build on this relationship with the single goal of providing the best quality of health insurance to the employees and their families as possible.