

City of Independence

MEMORANDUM

DATE: April 22, 2021

TO: Zachary Walker, City Manager

FROM: Michael Veit, Stay Well Committee Chairman

SUBJECT: Stay Well Committee April 2021



The Stay Well Committee made the following recommendation: The Stay Well Committee recommends a premium increase of 10% on July 1, 2021.

Background Information:

The Stay Well Committee has been monitoring the financial situation since August 2020 in regards to plan funding vs. plan cost. At the end of 2020 our group made the recommendation of a 5% plan funding increase and it was determined that we would wait and consult with the new Health Advisory Consultants after the first of the year. CBiz was awarded the contract and was given the monumental task of getting up to speed and make recommendations for plan funding increases. In March of 2021 CBiz presented that Stay Well Plan Cost vs. Plan Funding was showing a deficit of \$2,800,000 for plan year 2021. This amount equates to a 16% premium increase. As we have seen over the last 30-45 days with the infusion of the funds from the American Relief Fund, we have been able to lessen the cost to the city and membership of such a large increase at one time. With the infusion of these funds it still does not fix the root issue of not collecting enough premiums to cover plan cost. What this fund infusion does is gives the Committee time to dive in to the plan and potentially make changes for open enrollment for the fall of 2021 along with another potential premium increase.

If you have any additional questions on the recommendations from the Stay Well Committee, please contact me.

Thank you,

Michael Veit

Michael Veit, Chairman
Stay Well Committee – 816-547-3783