

BILL NO. \_\_\_\_\_

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION AUTHORIZING THE CITY MANAGER TO IMPLEMENT  
RECOMMENDED CHANGES TO THE CITY'S SELF-FUNDED HEALTH INSURANCE  
PLAN.

WHEREAS, the City of Independence provides a self-funded health insurance plan for its employees, spouses, eligible dependents, and non-Medicare eligible retirees; and,

WHEREAS, the City of Independence funds at least 80% of the health insurance premium for each member, spouse, and dependent(s) of the health insurance plans; and,

WHEREAS, an ever-increasing portion of the City's budget is dedicated to health insurance expenses, which reduces the amount of taxpayer dollars that are available to provide the basic services citizens expect of their municipal government; and,

WHEREAS, City expenditures for the Stay Well Fund in Fiscal Year 2021-22 represented \$146 per capita (123,000 population); and,

WHEREAS, \$6.25 million of the City's \$20.3 million allotment (approximately 31%) from the American Recovery Plan was allocated to subsidize the Staywell Fund; and,

WHEREAS, \$3.9 million of American Recovery Plan funds are budgeted for the Stay Well Fund in FY 2022-23, effective July 1, 2022; and,

WHEREAS, City Council Resolution 6690 increased health insurance premium rates mid-year by 10% effective July 1, 2021 and directed the City Manager to work with the Stay Well Committee on plan redesign and plan sustainability; and,

WHEREAS, City Council Resolution 6725 increased health insurance premium rates for OAP1 by 9% and OAP2 by 2% effective January 1, 2022; and,

WHEREAS, recommendations provided by the Stay Well Committee and implemented have not been sufficient to ensure the financial sustainability of the Stay Well Fund; and,

WHEREAS, it is beyond the scope of the Stay Well Committee to provide recommendations relative to premium contribution splits; and,

WHEREAS, a 10% increase was included in the Fiscal Year 2022-23 Submitted Budget, despite the infusion of cash and premium increases in Fiscal Years 2021-22 and 2022-23; and,

WHEREAS, without significant structural and funding changes to the Stay Well Fund, the fund will go bankrupt; and,

WHEREAS, the City Council directed the City Manager to develop recommendations to ensure the long-range financial sustainability of the Staywell Fund; and,

WHEREAS, those recommendation were presented to the City Council on August 8, 2022; and,

WHEREAS, the recommendations provide for long-term sustainability of the Stay Well Fund;  
and;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI, AS FOLLOWS:

SECTION 1. The City Manager shall implement the Pharmacy Benefit Manager changes, as recommended by the Stay Well Committee, and presented to the City Council on August 8, 2022 (as outlined in attachment "Pharmacy Analysis").

SECTION 2: The City Manager shall implement plan design changes, as recommended by the Stay Well Committee, and presented to the City Council on August 8, 2022. Plan design changes consist of increasing OAP1 (Copay Plan) deductibles to \$2,000/5,000 and the Out of Pocket Maximum to \$5,000/\$10,000 (as outlined Attachment 1).

SECTION 3: The City Manager shall create a new plan (Base Plan), as recommended by the Stay Well Committee (as outlined in Attachment 1).

SECTION 4: The City Manager shall implement the Defined Contribution model and premiums effective with the 2023 Plan year as presented on August 8, 2022 (as outlined in Attachment 2).

SECTION 5: The City Manager will implement the contribution changes effective with the 2023 and 2024 Plan Years as presented on August 8, 2022 (as outlined in Attachment 3).

SECTION 6: The City Manager shall review and recommend wellbeing incentives beginning in the 2024 plan year.

SECTION 7: The City Manager shall review and recommend on an ongoing basis necessary changes to keep the Stay Well Fund financially stable and within budgetary constraints.

PASSED THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2022, BY THE CITY COUNCIL OF THE CITY OF INDEPENDENCE, MISSOURI.

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Presiding Officer of the City Council  
of the City of Independence, Missouri

ATTEST:

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City Clerk

APPROVED AS TO FORM AND LEGALITY

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City Counselor

REVIEWED BY:

CM Recommendations  
Health Insurance  
8/11/22-bb

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City Manager