

City of Harlan Insurance Committee – April 3, 2017

The City of Harlan Insurance Committee met at 12:00 noon, Tuesday, April 3, 2017 in the City Council Chambers. Acting chair-person Sharon Kroger called the meeting to order. The following members were:

Present: City: Chair-person Greg Bladt arrived at 12:10, Sharon Kroger, and Dave Pedersen
HMU: Terry Arentson and Connie Wees

Absent: None

Also Present: Gene Gettys, Jane Smith, Renee Hansen, Ken Weber, Jenney Kelly, Mike Hadfield, Mayor Kate Kohorst, Mike Kolbe, Dave Miller, Carolyn Rebel, Leslie Payden, Brent Scheve

It was moved by Pedersen and seconded by Arentson to approve the agenda. The motion carried unanimously.

No conflicts of interest were stated.

IGHCP representatives, Carolyn Rebel and Leslie Payden reviewed the Medical and Dental Premium Rate Summary and July 1, 2017 Renewal Estimate as well as a cost analysis, which shows a projected 6.1% increase in health insurance premiums. The dental, COBRA and short term disability premiums have not changed.

IGHCP advised the Committee the annual PSF (partially self-funded) insurance reserve balance is about \$248,000 and recommended the City and HMU pass at least a portion of the increase on, but certainly may choose to buy down a portion of the renewal if desired.

It was moved by Arentson and seconded by Kroger to not buy down premium, but increase premium shared between the employer and employee. The motion carried unanimously. The employee portion for family is 8% and for single is 6%. The 6.1% increase is based off of our July 1, 2016 premium and will raise the employee portion for family approximately \$8.00 and the employee portion for single approximately \$2.00 per month. The Insurance Committee will review the employee percentage portions of family and single coverage for next fiscal year.

The committee will consider offering a higher deductible plan with a higher annual out of pocket. The benefit would be that the premium would be less for both parties.

Disease management and smoking cessation programs were discussed, as well as preventative programs and biometric screening on a yearly basis. The City and HMU are interested in evaluating any added value in increasing our wellness focus. Carolyn stated that Wellmark does not give discounts for wellness programs and meeting biometrics. There are other entities that offer discounts/benefits but those monies are "earmarked" from within the companies.

The flexible spending account premium hasn't changed, but the health care maximum has increased by \$50.00. It was moved by Arentson and seconded by Kroger to approve increasing the flexible spending account for health care maximum from \$2,550 to \$2,600 and to revisit it next year. This amount is determined by the IRS and changes on a calendar year and since our plan runs fiscal year the increase is always one year behind. The motion carried unanimously.

There being no further business, the meeting adjourned.

Jane Smith, Recording Secretary

These minutes are as recorded by the secretary and are subject to Committee approval at the next regular meeting.