

City of Columbia

701 East Broadway, Columbia, Missouri 65201



Agenda Item Number: B 363-14

Department Source: Human Resources

To: City Council

From: City Manager & Staff

Council Meeting Date: November 17, 2014

Re: Adopt 2015 Active Employee, Non-Medicare Retiree, Medicare Retiree and COBRA Health, Dental, Vision and Medicare Supplement Premium Rates. Adopt 2015 medical and dental summary plan documents, effective January 1, 2015. Amend 19-110(a) health benefit eligibility.

Documents Included With This Agenda Item

Council memo, Resolution/Ordinance

Supporting documentation includes: None

Executive Summary

The proposed ordinance adopts medical, dental, COBRA, vision and Medicare supplement plan premium rates for plan year 2015. The proposal includes the annual adoption of the City's self-funded medical and dental insurance plan summary plan documents. 19-110(a) is amended to extend eligibility to participate in the City's health care plan to comply with Affordable Care Act (ACA) requirements.

Discussion

The annual health plan review and cost projection for 2015 determines premium requirements for plan year 2015. No premium increases will be imposed on the active employee, COBRA, or non-Medicare retiree rates under the City self-funded plan. No premium increase will be imposed in the City self-funded dental plan.

The City will continue to pay the full cost of employee health insurance premiums in the High Deductible Health Plan (HDHP). The City will continue contributions to Health Savings Accounts (HSAs) under the HDHP: \$125 per month for employee only coverage, and \$250 per month for family coverage. All employees will pay a portion of their health insurance premiums for the \$750 and \$1,500 deductible plans.

The Medicare retiree plan is a City sponsored, fully insured Medicare Plan F/Part D product. Medicare retiree rates are determined through the renewal process with United American. Rates for 2015 increase \$14 to \$28 per month.

No plan design changes will be made in any self-funded plan, or in the Medicare Plan F/Part D plan.

Rate charts for active employee health dental and vision, COBRA, non-Medicare retiree, and Medicare supplemental plans are included with this ordinance. The rates are effective January 1,

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2015.

The proposed ordinance also adopts the City 2015 medical plan summary documents for the \$750 and \$1,500 deductible plans, the High Deductible Health Plan, which includes a Health Savings Account, and the dental plan. No changes in plan design will be made in 2015. Plan documents are included with this ordinance. The plans are effective January 1, 2015.

19-110(a) would be amended to extend eligibility to participate in the City's health care plan to comply with Affordable Care Act (ACA) requirements for coverage starting January 1, 2015. The ACA requires the City to offer healthcare coverage to any employee who works an average of 30 hours per week/130 hours per month.

Fiscal Impact

Short-Term Impact: The City's health plan costs and premium revenues are reflected in the Employee Benefit Fund budget, adopted in the City of Columbia FY 2015 budget. These funds are used to pay medical, dental and prescription drug claims in the self-funded plan incurred by plan participants; to pay VSP for the fully insured vision plan; and to pay United American premiums the City bills to Medicare retirees for the fully insured Medicare supplemental plan. Estimates for health care costs for temporary employees who average 30 hours or more of work per week/130 hours per month are also included in the FY 2015 adopted budget.

Long-Term Impact: Unknown.

Vision, Strategic & Comprehensive Plan Impact

Vision Impact: Governance and Decision Making

Strategic Plan Impact: Financial Health

Comprehensive Plan Impact: Not Applicable

Suggested Council Action

Adoption of the proposed ordinance.

Legislative History

Not applicable.


Department Approved


City Manager Approved

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 363-14

AN ORDINANCE

amending Chapter 19 of the City Code as it relates to health care benefits; and fixing the time when this ordinance shall become effective.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF COLUMBIA, MISSOURI, AS FOLLOWS:

SECTION 1. Chapter 19 of the Code of Ordinances of the City of Columbia, Missouri, is hereby amended as follows:

Material to be deleted in ~~strikeout~~; material to be added underlined.

Sec. 19-110. General benefits.

(a) Employee health care plan. The city shall pay into the employee benefit fund three hundred ninety-four dollars and sixty cents (\$394.60) per month for the cost of medical employee health care plan coverage, and thirty-three dollars and twelve cents (\$33.12) per month for the cost of employee dental plan coverage, for each eligible permanent employee and each eligible employee otherwise required to be covered by the city who participates in the plan. The city shall pay a portion of dependent care coverage for those eligible permanent employees who elect to purchase dependent health plan coverage under the city plan, subject to the following maximum amounts:

Employee + Spouse	\$494.28
Employee + Child(ren).....	460.70
Employee + Family	634.97

These payments by the city shall begin when the employee becomes an eligible employee under the health care plan and end at the date of the employee's termination of employment with the city. Employees choosing not to participate in the health care plan or dental plan or both shall not be entitled to receive the amount the city would have contributed toward the cost of such employees' health care plan and dental plan coverage.

The city shall contribute one hundred twenty-five dollars (\$125.00) per month to the health savings account of each eligible employee with single coverage under the city's high deductible health plan and two hundred fifty dollars (\$250.00) per month to the health

savings account of each eligible employee with single plus spouse, single plus children or full family coverage under the city's high deductible health plan.

. . .

SECTION 2. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2014.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor