City of Carroll

627 N. Adams Street Carroll, Iowa 51401 (712) 792-1000 FAX: (712) 792-0139

MEMO TO: Honorable Mayor and City Council Members

FROM: Mike Pogge-Weaver, City Manager MSPW

DATE: May 5, 2021

SUBJECT: Partially Self-Funded Health Insurance Plan Design

The City experienced a few higher claims this past year and due to this Wellmark BCBS has notified the City that our premiums to them will go up 8.34% starting July 1, 2021. With this increase and coupled with the fact that the City has not changed their health insurance plan design since 2000, staff is proposing to make changes to the current health insurance plan design starting July 1, 2021 related to office copays and pharmacy deductibles/copays. This change is proposed to be phased in over the next two years and will ultimately lead to the City no longer making reimbursements related to office copays and pharmacy deductibles/copays through our health reimbursement arrangement for expenses starting July 1, 2022. At this time no change is planned for deductibles ($500 individual/$1,000 family), co-insurance (80%/20%) or out of pocket maximums ($1,000 individual/$2,000 family).

The first change will affect the Blue Access Plan the City offers starting July 1, 2021 as follows:

	Current	July 1, 2021	
	Employee Plan	Employee Plan	
	Blue Access	Blue Access	
	Network Only	Network Only	Change
PCP Copay	$10.00	$20.00	$10 office visit increase
Non-PCP Copay	$10.00	$30.00	$20 specialty office visit increase
Pharmacy Deductible	$0.00	$50.00	$50 annual deductible increase
Pharmacy Copay	$8/$25/$40/$40/$40	$8/$35/$50/$50/$50	Tier 1 Drugs - No change
			Tier 2-5 Drugs - $10 increase

On July 1, 2022 copays will again be adjusted as follows:

	July 1, 2021	July 1, 2022	
	Employee Plan	Employee Plan	
	Blue Access	Blue Access	
	Network Only	Network Only	Change
PCP Copay	$20.00	$25.00	$5 office visit increase
Non-PCP Copay	$30.00	$50.00	$20 specialty office visit increase
Pharmacy Deductible	$50.00	$100.00	$50 annual deductible increase
Pharmacy Copay	$8/$35/$50/$50/$50	$8/$35/$50/$100/$100	Tier 1-3 Drugs - No change
			Tier 4 & 5 Drugs - $50 increase

While any change can be difficult, staff believes these changes are in line with our peers and what is occurring in the overall health insurance market place.

RECOMMENDATION: Staff recommends approval of a resolution setting the plan design for the partially self-funded health insurance plan for July 1, 2021 and July 1, 2022.

RESOLUTION NO._____

A RESOLUTION SETTING THE PLAN DESIGN FOR THE CITY OF CARROLL
PARTIALLY SELF FUNDED HEALTH PLAN

BE IT RESOLVED BY THE CITY OF CARROLL:

WHEREAS, the City of Carroll has not changed the plan design for its medical insurance since 2000; and,

WHEREAS, it is prudent to make a change to the plan design to be in line with our peers and what is occurring in the overall health insurance market place.

NOW, THEREFORE, BE IT RESOLVED the plan design for the Blue Access partially self-funded medical insurance plan for office copays and pharmacy deductibles/copays shall be set as follows starting July 1, 2021:

	Employee Plan Blue Access Network Only
PCP Copay	$20.00
Non-PCP Copay	$30.00
Pharmacy Deductible	$50.00
Pharmacy Copay	$8/$35/$50/$50/$50

NOW, THEREFORE, BE IT FURTHER RESOLVED the plan design for the Blue Access partially self-funded medical insurance plan for office copays and pharmacy deductibles/copays shall be set as follows starting July 1, 2022:

	Employee Plan Blue Access Network Only
PCP Copay	$25.00
Non-PCP Copay	$50.00
Pharmacy Deductible	$100.00
Pharmacy Copay	$8/$35/$50/$100/$100

PASSED AND APPROVED by the City Council of the City of Carroll, Iowa, this 10th day of May, 2021.

CITY COUNCIL OF THE
CITY OF CARROLL, IOWA

BY:_____
Eric P. Jensen, Mayor

ATTEST:

By:_____
Laura A. Schaefer, City Clerk