

MINUTES
SPECIAL CITY COUNCIL MEETING
Bonnars Ferry City Hall
7232 Main Street
267-3105
September 10, 2019
6:00 pm

Mayor David Sims called the Special Council meeting of September 10, 2019 to order at 6:00 pm. Present for the meeting were: Council President Rick Alonzo, Council Members Adam Arthur, Valerie Thompson and Ron Smith. Also present were: City Clerk/Treasurer Christine McNair, City Administrator Lisa Ailport, A/P Clerk Deby Garcia and Electric Superintendent Kevin Cossairt. Members of the public present were: Amy Manning and Darrell Kerby.

1. City – Consider Insurance Quotes (attachment) {action item}

Amy Manning gave a brief description of III-A insurance trust. The goal of III-A is to have the best benefits with the lowest rates possible. III-A recently changed from Caremark to Proact for prescription coverage. Blue Cross is changing prescription carriers on January 1, 2020. Mayor Sims asked how many people III-A insurances. Amy said there are just over 2,400 insured. Amy reviewed a comparison between the current coverage and the proposed III-A coverage. III-A covers all colonoscopies, mammograms and PSAs 100% regardless of how it is coded. The current insurance only covers when they are coded as a preventative screening. III-A's copays are \$20.00, current plan is \$30.00 for primary care physician (PCP) and \$50.00 for specialist. Current physical therapy visits member must meet the deductible, then the plan pays at 50% up to 20 visits annually combined with speech therapy. III-A there is a \$20.00 copay for 20 visits annually, not combined with speech therapy. III-A has cardiac rehabilitation, the current plan does not. Hospice on the current plan the member must pay the deductible and co-insurance, then the plan covers costs up to a \$10,000. III-A's hospice care is no cost to the member with no limit. Current plan for chiropractic care member must pay the deductible, then the plan covers up to \$800.00 annually. III-A is a \$20.00 copay per visit. III-A covers acupuncture at \$80.00 per visit up to 100 visits annually. III-A is hoping this will be an alternative for those with chronic pain. III-A covers hearing aids up to \$3,000 every other plan year at no cost to the member. The current plan does not offer that. III-A covers up to 10 mental health visits per incident, the current plan covers up to 4 visits.

There is a three year agreement when joining III-A. This helps create stability in the pool, it also is the amount of time needed to repay the IBNR that III-A paid. Mayor Sims asked if everyone in the III-A pool pays the same rate. Amy said each group's rates are specifically for their group. The increase or decrease for the pool is the same for every group in the pool. If the group is larger than 100 members, after three years a mod factor is looked at and that group will never receive more than a 5% rate increase. Mayor Sims asked when III-A first started how much the increase was. Amy said most of the members were underrated, so the rate increase was 18%. The second year the rate increase was 6.8%. The last five years have been -1%, 1%, 1%, 3% and 2.6%. Ron asked if we joined, how will next year's rates will be calculated. Amy said all of the claims are shared among the entire pool. Mayor Sims asked what the current reserve is for III-A. Mayor Sims said over time the rates will have to be the same as long term medical inflation. Amy said not necessarily. Mayor Sims asked how that is possible. Amy said it due the way the reserves are managed. III-A recommends their members budget for trend each year, but III-A's goal is to manage the funds to beat trend every year. III-A releases next year's rates the third week in June, to make it easier during budget time. Mayor Sims the increases have been impressive, but he is struggling with how if the inflation is 6% - 11% how the increase are so low. Amy said they are taking in more money than they spend and they invest the extra money.

III-A has an exclusive customer service team and a concierge team within the Blue Cross network. Mayor Sims asked how III-A compensates a broker. Amy said the broker range is \$10.00 - \$25.00 or a percentage of the contributions, per employee, per month. III-A does not set the broker rates. A check is sent to the broker every month.

III-A has a medical review committee. Added benefits III-A provides are: on-site annual wellness screening blood draws and flu shots, an on staff wellness coach, mental health toolkit training, MD live which allows members to video chat with a physician if they are sick without leaving home, \$20,000 life and dismemberment policy, emergency travel benefit and retiree benefits. III-A is the only self-funded trust in Idaho to receive a waiver for the aggregate insurance.

Amy briefly reviewed the dental and vision plans offered by III-A. The vision plans are enhanced since the standard frame allowance is \$130.00 and III-A's frame allowance is \$150.00. Preventative dental benefits are at no cost to the members and does not count toward the member's annual benefit.

Rick asked if we join III-A for the medical coverage, can we add dental and vision later. Amy said you can add dental or vision anytime. Once you have dental or vision the plan can only be changed once a year. Dental and vision insurance is not required for the three year period. Rick asked if all employees must enroll in the dental and vision if it is offered. Amy said that all employees must have at least employee only coverage if the dental and vision is offered except for the employees that are allowed to waive the insurance. The City chooses which plan will be offered, then the employee chooses which level of coverage they want.

Adam asked about the rate increases. Amy said the 3% increase was when they started covering acupuncture, all screenings at 100% and added hearing aids. The 2.6% increase was changing chiropractic visits to a copay. The recommendation was a smaller increase, but to keep building the reserves for when it is needed, they decided to take a 2.6% increase. Rick asked what the advantages are to having a broker. Amy said often the brokers facilitate the reporting that is required. Ron asked about the deductibles for dental and medical. Amy said they are totally separate.

Amy said she does an on-site annual report to show how the trust is performing. Christine asked if the emergency travel assistance program is the same as life flight. Amy said the emergency travel assistance program is for worldwide travel outside of the United States. III-A has an air ambulance benefit for medically necessary transportation, for the whole family at no cost to the employee that has coverage for the whole country not just Idaho.

Darrell Kerby gave his presentation. The current plan is a grandfathered plan because of that, the plan has stayed as a mid-size plan. If the City changes the current grandfathered plan and tries to go back to it, it will not be possible. Darrell said he would have said to stay with the current plan since there is not a financial incentive, but it looks like there is a financial incentive. III-A is a much different plan than when it began. Blue Cross stepped in and helped III-A. Darrell said a lot of the benefits offered by III-A are bells and whistles, not the core of the plan, but if one of those benefits helps your family then you'll be glad it is a benefit. The rate from III-A does not have an agent rate included and an agent does have some value. Darrell said there is a rumor there will be a meeting Monday to determine if there will be a rate reduction for the current plans.

Mayor Sims said due to the gravity of the decision, maybe it is wise to wait until next week to make a decision. Ron said he would like the department heads to be at the next meeting to see how they feel. Mayor Sims said he wants to discuss giving the Police and Street departments raises with the money that will be saved with the lower premium. Amy said III-A does not take on a greater known risk than the rest of the pool. The City may not qualify next year. Rick said he would like the department heads to talk with their employees to find out what the employees think. Mayor Sims cautioned adding dental and vision insurance due to the increased liability down the road.

Mayor Sims tabled this until the next meeting.

Mayor Sims recessed the meeting at 7:25 pm

Mayor Sims reconvened the meeting at 7:30 pm

2. Executive Session Pursuant to Idaho Code 74-206, Subsection 1(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student

Ron Smith moved go into executive session pursuant to Idaho Code 74-206, Subsection 1(b) To consider the evaluation, dismissal or disciplining of, or to hear complaints or charges brought against a public officer, employee, staff member or individual agent, or public school student. Adam Arthur seconded the motion. The motion passed. Adam Arthur – yes, Valerie Thompson – yes, Rick Alonzo – yes, Ron Smith – yes

Entered into executive session at 7:31pm

Executive session ended at 8:14pm with no action taken

ADJOURNMENT

The meeting adjourned at 8:14pm