



Department Source: Human Resources

To: City Council

From: City Manager & Staff

Council Meeting Date: September 3, 2019

Re: Establish plan year 2020 medical and dental premium rates for active employees and non-Medicare retirees.

Executive Summary

The ordinance adopts the City's self-funded health plan premium rates and fully insured dental plan premium rates for plan year 2020, and authorizes payroll withholding for active employee premiums. Rates are effective January 1, 2020.

Discussion

Employee and dependent health gross premium rates will not increase in plan year 2020 (effective January 1, 2020). 2020 rates are attached. Plan year 2020 highlights:

- The City will continue to pay the full cost of employee health insurance premiums in the High Deductible Health Plan (HDHP).
- The deductible amount in the HDHP will increase in 2020 to \$2,800/\$5,600 per IRS regulations. Out of pocket maximums will not increase in 2020.
- Employees enrolled in the \$750 and \$1,500 deductible PPO plans will continue to pay a portion of their health insurance premiums.
- The \$750 deductible PPO plan remains closed to all new enrollments (closed as of January 1, 2017). Employees and retirees currently enrolled in the \$750 deductible PPO may stay in that plan, but once they leave they cannot return. Current employees and retirees enrolled in the \$1,500 deductible PPO plan and HDHP for plan year 2019 will not be allowed to enroll in the \$750 deductible PPO plan during open enrollment for plan year 2020.
- City contributions to Health Savings Accounts (HSAs) under the HDHP will remain at \$125/month for employee-only coverage, and \$250/month for family coverage. (The definition of family coverage includes Employee and Spouse, Employee and Child(ren), and Full Family.)
- No plan design changes will be made in plan year 2020 under the medical or prescription drug plans.
- Pre-65 non-Medicare retiree health premium rates will not increase in 2020. Pre-65 retirees pay the full premium cost for the plan chosen.
- Post-65 retiree health premium rates are expected to reflect a general premium increase under the fully insured plan.

Dental rates will increase for active employees and retirees by 8% in 2020. The City will continue to pay the full cost of employee dental insurance premiums. 2020 rates are attached.



City of Columbia

701 East Broadway, Columbia, Missouri 65201

Plan changes are effective January 1, 2020. This information was discussed with employees as part of the City's annual meet and confer process, and through employee meetings with the City Manager.

Fiscal Impact

Short-Term Impact: Expenses and revenues for the self-insured medical/Rx plan and the fully insured dental plan are reflected in the Employee Benefit Fund. Dental premium rate increases and City contributions for employee coverage tiers are included in the proposed FY 2020 budget and in proposed 19-110 amendments.

Long-Term Impact: Changes annually with the budget process.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Operational Excellence, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Comprehensive Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Secondary, Tertiary Impact: Tertiary

Legislative History

Date	Action
Annual process.	Rates are adopted annually as part of the new fiscal year budget process.

Suggested Council Action

Approve the proposed ordinance.