

City of Rock Springs)
County of Sweetwater)
State of Wyoming)

City Council met in special session on December 2, 2019. Mayor Timothy A. Kaumo called the meeting to order at 5:30 p.m. Members present included Councilors Glennise Wendorf, David Halter, Keaton West, Billy Shalata, Rob Zotti, Jeannie Demas, and David Tate. Councilor Tim Savage was absent from the meeting. Department heads present included Richard Beckwith, Jim Wamsley, Dwane Pacheco, Paul Kauchich, Dave Lansang, and Matt McBurnett. The pledge of allegiance was recited.

PRESENTATION

Presentation from Willis Towers Watson regarding health insurance options for City employees

Mayor Kaumo made opening comments regarding the purpose of this meeting and turned the meeting over to Willis Towers Watson.

Cheryl Hageman and Frank Urman with Willis Towers Watson addressed the Governing Body to present health insurance options for City of Rock Springs employees. Combined, Cheryl and Frank provide 71 years of experience with health insurance. Willis Towers Watson is the third largest insurance broker in the world. Statistics of the company itself were presented, including the ability to utilize 7 in-house attorneys who keep apprised of health insurance legislation.

The current status of the health insurance plan for the City of Rock Springs was discussed. The City's Paid Loss Ratio is currently sitting at 83.3% and statewide Medical Trends are at 6%. Administration costs for the City's plan add up to 22.6%. Premium increases for the current plan are proposed to be 14%. A decrease from 14% to 9% was discussed, with changes to the plan to include eliminating or updating outdated benefits not common in group health plans. Different options to City employees with varying deductibles were outlined, along with the plan specifics of each option. Prescription plan differences were outlined. The financial impact of the City of Rock Springs and employees was defined. Option 1 brings a 9% increase, Option 2 brings a 6.3% increase, and Option 3 brings a 2.4% increase, as opposed to 14% for the current plan. Councilor West asked whether figures for the HRA and the HSA contributions are calculated based on a single or family rate. Mr. Urman clarified that the figures outlined are based on current enrollment. Generally, no more than 65% of maximum exposure is spent, with participation numbers reaching up to 65% as the norm. The employee financial impact was discussed for annual premium increases or credits, depending on the option selected.

General Discussion

Mayor Kaumo asked if there are any questions from the audience. Kelly Mathis, employee, noticed that the administrative costs are very high and if administration costs are reduced to 20%, the premium increase could be reduced that way. Mr. Urman replied that it is very unlikely that administrative costs could be reduced, due to the self-funded health insurance plan that the City

has, which includes a stop-loss insurance policy that protects the City when large claims are presented.

Health Reimbursement Accounts are employer-owned. They were defined and stated to be an option given to those selecting a high deductible plan. Health Savings Accounts are employee-owned. They were stated to have the ability to be saved over long periods of time to help pay for medical expenses when needed.

In summary, with no changes there is a 14% increase coming to the City's health insurance plan. With new options, there are increased savings presented and there are options that could be attractive to employees. Councilor Shalata asked if employees are required to pick one plan or if they can change if they'd like to. Mr. Urman clarified that they are not locked in and can change during open enrollment each year. Programs that help with out-of-pocket costs have become more popular with employers who are trying to reduce claims. Councilor Shalata asked if union personnel or leadership have questions regarding the presentation.

Les Mauch, UMWA President, asked about the HRA and the HSA plans and whether the Governing Body is willing to contribute to these. Councilor Zotti stated that the HSA will help to drive down costs with employees being more mindful of what they are spending or seeing the HSA grow as money is saved through the high deductible plan. Mr. Mauch stated that the union has asked if the contribution to these accounts will continue from year to year. Councilor Zotti stated that this is difficult to determine, with the Governing Body changing with elections. Mayor Kaumo suggested that Mr. Mauch bring this back to his membership for consideration. Rick Beckwith, City Attorney, stated that he has been drafting contract language for each union and that he would be happy to present those to them for consideration to get this going. Matt McBurnett, Director of Administrative Services, stated that claims experience needed to be collected in order to provide the increase numbers and to put a new set of options together, which can make timing for plan changes challenging. Discussion took place regarding timelines and dates. Mr. McBurnett stated that the committee is really looking for a way to move forward with union negotiations and deciding what contributions would take place annually for the HRA and HSA options. Mayor Kaumo stated that meetings can begin as early as next week to try to get this finalized and ready by the end of the year.

Luke Geffre, IAFF president, stated that for families, there are different open enrollment periods for their spouse and there are things that an employee's family may have already signed up for without consideration of this change. This is something to keep in mind and that the timeline may be too soon and with union contract negotiations, changes may have to take place next year. Mayor Kaumo stated that the conversation should at least be started.

ADJOURNMENT

There being no further business, the meeting adjourned at 6:34 p.m.

By: _____
Council President

ATTEST:

City Clerk

Mayor