

Introduced by _____

First Reading _____

Second Reading _____

Ordinance No. _____

Council Bill No. B 260-13

AN ORDINANCE

establishing plan year 2014 health and dental care group insurance premiums for active employees and COBRA; providing for payroll withholdings; 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. The City Council hereby establishes plan year 2014 health and dental care group insurance premiums for active employees and COBRA. A copy of the premiums, marked "Exhibit A" is attached to and made a part of this ordinance.

SECTION 2. The employees' portion of the group insurance premiums shall be withheld from employees' pay in the month of coverage.

SECTION 3. The new premiums set forth in Exhibit A shall take effect on January 1, 2014.

SECTION 4. This ordinance shall be in full force and effect from and after its passage.

PASSED this _____ day of _____, 2013.

ATTEST:

City Clerk

Mayor and Presiding Officer

APPROVED AS TO FORM:

City Counselor

FY 2014 Proposed Increase/(Decrease) in Pay Per Pay Period - Depends on Health Insurance Option

If you are currently in \$750 Deductible Plan			City Contribution into Health Savings Account per pay period w/ HDHP	
	and you stay in the \$750 Deductible Plan	and you move to the \$1,500 Deductible Plan	and you move to \$2,500 deductible HDHP	
Single	(\$7.29)	\$6.81	\$13.62	\$62.50
Single + Spouse	(\$34.56)	\$20.48	\$33.47	\$125.00
Single + Children	(\$25.57)	\$19.18	\$29.75	\$125.00
Full Family	(\$57.56)	\$21.29	\$39.77	\$125.00
Married/Dom Partner with Full Family Coverage (Cost per employee when both work for the City)	(\$27.42)	\$12.00	\$18.53	\$125.00

\$750 Deductible In Network Out of Pocket Maximum = \$3,000 for individual and \$9,000 for family

- Moving to the \$1,500 Deductible Plan will increase your take home pay per pay period (see the shaded area)
- Moving to the \$2,500 High Deductible Health Plan not only increases your take home pay, but the City will put money into a HSA for you to help you pay your deductible and other health care costs (\$1,500 annually for employee only or \$3,000 for family coverage)
- Staying in the \$750 Deductible Plan will decrease your take home pay

If you are currently in \$1,500 Deductible Plan			City Contribution into Health Savings Account per pay period w/ HDHP	
	and you move to the \$750 Deductible Plan	and you stay in \$1,500 Deductible Plan	and you move to the HDHP \$2500 deductible	
Single	(\$20.91)	(\$6.81)	\$0.00	\$62.50
Single + Spouse	(\$70.73)	(\$15.70)	(\$2.71)	\$125.00
Single + Children	(\$58.03)	(\$13.28)	(\$2.71)	\$125.00
Full Family	(\$100.04)	(\$21.19)	(\$2.71)	\$125.00
Married/Dom Partner with Full Family Coverage (Cost per employee when both work for the City)	(\$48.66)	(\$9.24)	(\$2.71)	\$125.00

\$1,500 Deductible In Network Out of Pocket Maximum = \$4,000 for individual and \$12,000 for family

- Moving to the \$2,500 High Deductible Health Plan will decrease your take home pay less than staying in the \$1,500 deductible plan and the City will put money into a HSA for you to help you pay your deductible and other health care costs (\$1,500 annually for employee only or \$3,000 for family coverage)
- Staying in the \$1,500 Deductible Plan will decrease your take home pay
- Moving to the \$750 Deductible Plan will decrease your take home pay

If you are currently in \$1,500 HDHP			INCREASED City Contribution into Health Savings Account per pay period w/ HDHP	
	and you move to the \$750 Deductible Plan	and you move to the \$1,500 Deductible Plan	and you stay in HDHP \$2,500 Deductible Plan	
Single	(\$20.91)	(\$6.81)	\$0.00	\$25.00
Single + Spouse	(\$70.73)	(\$15.70)	(\$2.71)	\$50.00
Single + Children	(\$58.03)	(\$13.28)	(\$2.71)	\$50.00
Full Family	(\$100.04)	(\$21.19)	(\$2.71)	\$50.00
Married/Dom Partner with Full Family Coverage (Cost per employee when both work for the City)	(\$48.66)	(\$9.24)	(\$2.71)	\$50.00

\$2,500 High Deductible Health Plan In Network Out of Pocket Maximum = \$5,000 for individual and \$10,000 for family

- Staying in the HDHP entitles you to receive more money from the City in your HSA account
- Those with dependent coverage will take home less due to new fees associated with health care reform
- Moving to the \$750 Deductible Plan will decrease your take home pay more than staying in the HDHP
- Moving to the \$1,500 Deductible Plan will decrease your take home pay more than staying in the HDHP

CITY OF COLUMBIA
GROUP INSURANCE PLAN - ACTIVE EMPLOYEE RATES

\$750 CO-PAY PLAN (Effective 1/1/2014)

2014 Medical Coverage	Gross Rate	City Contribution	Subsidy	Net Monthly Rate	Net Bi-Weekly Rate
Single	\$ 436.41	\$ 394.60	\$ -	\$ 41.81	\$ 20.91
Single + Spouse	\$ 895.71	\$ 494.28	\$ -	\$ 401.43	\$ 200.72
Single + Child(ren)	\$ 729.87	\$ 460.70	\$ -	\$ 269.17	\$ 134.59
Full Family	\$ 1,276.44	\$ 634.97	\$ -	\$ 641.47	\$ 320.74
Married/Dom Partners w/ full family coverage	\$ 638.22	\$ 514.79	\$ -	\$ 123.43	\$ 61.72
		\$750 individual deductible		\$2,250 family deductible	

CITY OF COLUMBIA
GROUP INSURANCE PLAN - ACTIVE EMPLOYEE RATES

\$1500 CO-PAY PLAN (Effective 1/1/2014)

2014 Medical Coverage	Gross Rate	City Contribution	Subsidy	Net Monthly Rate	Net Bi-Weekly Rate
Single (Employer Paid)	\$ 408.22	\$ 394.60		\$ 13.62	\$ 6.81
Single + Spouse	\$ 779.16	\$ 487.80		\$ 291.36	\$ 145.68
Single + Child(ren)	\$ 636.05	\$ 456.40		\$ 179.65	\$ 89.83
Full Family	\$ 1,103.09	\$ 619.34		\$ 483.75	\$ 241.88
Married/Dom Partners w/ full family coverage	\$ 1,103.09	\$ 1,013.94		\$ 44.57	\$ 22.29
		\$1500 individual deductible		\$4500 family deductible	

CITY OF COLUMBIA
GROUP INSURANCE PLAN - ACTIVE EMPLOYEE RATES

\$2500 HDHP PLAN (Effective 1/1/2014)

2014 Medical Coverage	Gross Rate	City Contribution	Subsidy	Net Monthly Rate	Net Bi-Weekly Rate
Single (Employer Paid)	\$ 394.60	\$ 394.60		\$ -	\$ -
Single + Spouse	\$ 753.18	\$ 487.80		\$ 265.38	\$ 132.69
Single + Child(ren)	\$ 614.91	\$ 456.40		\$ 158.51	\$ 79.26
Full Family	\$ 1,066.13	\$ 619.34		\$ 446.79	\$ 223.40
Married/Dom Partners w/ full family coverage	\$ 1,076.97	\$ 1,013.94		\$ 31.52	\$ 15.76
		\$2500 individual deductible		\$5000 family deductible	

2014 Dental Coverage					
Single (Employer Paid)	\$ 33.12	\$ 33.12	\$ -	\$ -	\$ -
Spouse	\$ 66.06	\$ 33.12	\$ -	\$ 32.94	\$ 16.47
Children	\$ 66.06	\$ 33.12	\$ -	\$ 32.94	\$ 16.47
Full Family	\$ 98.94	\$ 33.12	\$ -	\$ 65.82	\$ 32.91
Married/Dom Partners w/ full family coverage	\$ 49.47	\$ 33.12		\$ 16.35	\$ 8.18

City of Columbia COBRA RATES \$750 Deductible Plan (Effective 1/1/2014)

2014 Medical Coverage	Premium
Single	\$ 445.14
Single + Spouse	\$ 913.62
Single + Child(ren)	\$ 744.47
Full Family	\$1,301.97
Child(ren) only	\$ 305.32
\$750 Individual deductible \$2250 Family deductible	

City of Columbia COBRA RATES \$1500 Deductible Plan (Effective 1/1/2014)
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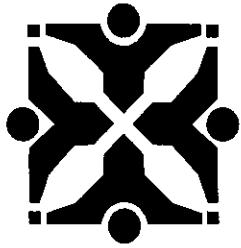
2014 Medical Coverage	Premium
Single	\$ 416.38
Single + Spouse	\$ 794.74
Single + Child(ren)	\$ 648.77
Full Family	\$1,125.15
Child(ren) only	\$ 237.03
\$1500 Individual deductible \$4500 Family deductible	

City of Columbia COBRA RATES \$2500 High Deductible Health Plan (1/1/2014)
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2014 Medical Coverage	Premium
Single	\$ 402.49
Single + Spouse	\$ 768.24
Single + Child(ren)	\$ 627.21
Full Family	\$1,087.45
Child(ren) only	\$ 229.21
\$2500 Individual deductible \$5000 Family deductible	

City of Columbia COBRA RATES Dental Coverage (Effective 1/1/2014)

2014 Dental Coverage	Premium
Single	\$ 33.78
Single + Spouse	\$ 67.38
Single + Child(ren)	\$ 67.38
Full Family	\$ 100.92
Child(ren) only	\$ 33.60



Source: Human Resources

Agenda Item No:

To: City Council
From: City Manager and Staff

Council Meeting Date: Sep 3, 2013

Re: Plan Year 2014 Active Employee and COBRA Health/Dental Plan Insurance Premiums

EXECUTIVE SUMMARY:

Adopts medical and dental premium rates for active employees and COBRA rates under the City self-funded plans for plan year 2014.

DISCUSSION:

The annual health plan review and cost projections for 2014 determine premium requirements for plan year 2014. Dependent medical premiums will increase based on a claim trend of 3.5% and required Affordable Care Act fees. There are no changes to the prescription plan or the dental plan, and no premium increase in the dental plan.

The City will continue to pay the full cost of employee health insurance premiums in the High Deductible Health Plan (HDHP). The HDHP deductible will increase from \$1,500 to \$2,500 for employee only coverage and from \$4,500 to \$5,000 for family coverage. This change will allow individual deductibles for family coverage. City contributions to Health Savings Accounts (HSAs) under the HDHP will increase from \$75 to \$125 per month for employee only coverage, and from \$150 to \$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. Employees in the \$750 plan can realize savings by moving to the \$1,500 deductible plan or the HDHP (see attachment).

The Medicare retiree plan is a fully insured Medicare Plan F/Part D, and is subject to annual renewal by the carrier. Pre-65 retiree and Medicare retiree premium rates will be presented in November after the City receives the Medicare renewal. Retiree health insurance rate subsidies will be fully eliminated in 2014. Current subsidies range from \$25.13 per month for single retirees to \$97.08 per month for full family. Pre-65 rates will increase by the eliminated subsidy amount and a 3.5% claim trend. Medicare retiree plan rates will increase by the eliminated subsidy and an expected general premium increase by the carrier.

Rate charts for active employees and COBRA are attached. The rates are effective January 1, 2014.

FISCAL IMPACT:

Premium revenues are included in the Employee Benefit Fund budget for FY 2014. These funds are used to pay medical, dental and prescription drug claims incurred by employees and their dependents, and to pay claims administration costs, required Affordable Care Act fees, and medical/prescription drug claim reinsurance premiums.

VISION IMPACT:

<http://www.gocolumbiamo.com/Council/Meetings/visionimpact.php>

None.

SUGGESTED COUNCIL ACTIONS:

Adopt this Council Bill.

FISCAL and VISION NOTES:					
City Fiscal Impact Enter all that apply		Program Impact		Mandates	
City's current net FY cost		New Program/ Agency?	No	Federal or State mandated?	No
Amount of funds already appropriated		Duplicates/Epands an existing program?	No	Vision Implementation impact	
Amount of budget amendment needed		Fiscal Impact on any local political subdivision?	No	Enter all that apply: Refer to Web site	
Estimated 2 year net costs:		Resources Required		Vision Impact?	No
One Time	\$0.00	Requires add'l FTE Personnel?	No	Primary Vision, Strategy and/or Goal Item #	
Operating/ Ongoing		Requires add'l facilities?	No	Secondary Vision, Strategy and/or Goal Item #	
		Requires add'l capital equipment?	No	Fiscal year implementation Task #	