

**CITY OF JOPLIN
COUNCIL AGENDA ITEM**

ITEM

Council Bill 2021-525 – Approving a one-year Contract with Symetra to provide stop loss coverage for the City’s health self-insurance coverage

MEETING DATE

November 1, 2021

ORIGINATING DEPT

Finance

ATTACHMENTS

CB 2021-525 Ordinance; Exhibit “A”-Symetra Agreement

REVIEWED BY

Department Head: Leslie Haase; Human Resources Director: Michelle Ducre; City Attorney: Peter Edwards; City Manager: Nick Edwards

SUMMARY

This Council Bill approves a one-year contract with Symetra to provide stop loss coverage for the City’s health self-insurance coverage for City employees.

BACKGROUND

In early 2020, the City let a bid for dental, vision, life and health insurance services for a five-year period. Stop loss insurance is bid on an annual basis. In October, the stop loss contract is negotiated based on actual claims experience. Bids were let with UMR’s preferred providers. Symetra responded with the lowest and best bid for these services. Given the City’s large claim history and the bids received, it was determined that the current stop loss coverage should increase from \$150,000 to \$175,000 per claim beginning January 1, 2022.

With this level of change, Symetra’s bid results in an overall decrease of 2.1% from the current year stop loss cost. The single fee will decrease from \$67.38 to \$57.57 per employee per month. The family fee will increase from \$168.45 to \$173.57 per employee per month. The annual premium will be approximately \$672,600.00, which is a decrease of about \$14,300.00.

As a result of actual claims costs, the bid process, the stop loss fees and administrative fees, the health insurance premiums will be increasing 8.3% for 2022. Since the City returned to self-insured coverage, the City’s twelve-year health insurance cost trend is an increase of 5.4%. During this same eleven-year time period, the national trend increase for health insurance costs has been 7.6%. Claims costs are a function of both utilization and prices. The Joplin Health Nuts continues to work with city employees to decrease utilization and become better “consumers” of health products, in order to try to stay below national trends for health insurance increases.

The City provides single health insurance to employees. The monthly premium will increase from \$504.14 to \$545.96 per employee. For family coverage, the City covers 75% and the employee is responsible for 25% of the monthly premium, as well as usage costs set forth in the plan design. The City's monthly premium will increase from \$1,058.72 to \$1,146.54 per employee. The employee's monthly premium will increase from \$352.92 to \$382.18. The total estimated increase to the City for this benefit is around \$377,000.00.

The contract will begin on January 1, 2022.

FUNDING SOURCE

This item is expensed to all funds based on where employees are charged.

RECOMMENDATION

Staff recommends approval of this council bill on an emergency basis.