



# City of SANDWICH, ILLINOIS

City Hall Annex • 128 East Railroad Street

## Special Meeting

October 22, 2016 @ 8:00 AM

## MINUTES

Mayor Olson called the meeting to order at 8:05 AM

Roll call was taken:

**Present:** Mayor Olson, City Clerk Li, Aldermen Dell, Killey  
McMahon, Moran, Redden & Scheidecker

Alderman Robinson arrived at 9:07 AM

**Guest:** Joe Roberts (First Insurance Group)

**Mayor Olson** explained the purpose of the special meeting was to discuss the renewal of the City's Blue Cross / Blue Shield insurance coverage offered to employees. The new premium has increased by approximately 28%. Joe Roberts from First Insurance Group was present to offer alternatives to lower the insurance costs.

Council discussed the insurance meetings held with staff on October 18<sup>th</sup> and 19<sup>th</sup>. There was little feedback on the proposed health insurance policy change, but expressed interest in the FSA (flexible spending account).

Joe Roberts explained the proposed metallic plans to lower costs to the City. The goal was to offer a metallic plan under the Affordable Care Act that was similar to the Blue Cross Blue Shield program already in place. For HMO users, the new plan would be the "Platinum" where co-pays and medication coverage would increase. The new plan for the PPO users would be the Gold Plan. The new plans would be a minimal impact financially on the City.

Mr. Roberts clarified the 28% premium increase stating that 7% was due to current health trends, such as overall increase in medical costs; 4% was due to age of staff; and 15% was due to increased usage (claims). Overall, he noted that City employees were a 'sick group' referring to the increased number of insurance claims this past year. He quickly countered that insurance premiums are predicted to continue in the future overall, regardless of age or usage.

City Clerk Li shared her research on the proposed increase on prescription costs under the new plan. Her monthly cost for prescription drugs would increase by \$150.00, and that there were some drugs that were not covered under the new plan. The new plan, however, does have a provision that such drugs could be approved by the insurer. Joe Roberts said under such circumstances, the problem

could be easily resolved by the doctor prescribing to a different generic medication that was already on the approved drug list.

Council discussed offering a wellness program incentive to employees. Raising deductibles was another suggestion that would affect the PPO users. Several aldermen favored the FSA program and felt another employee meeting should be held prior to the City's decision to change health policies to a metallic plan. Joe Roberts stressed that Friday, October 28<sup>th</sup>, is the final day to file paperwork to change health insurance plans.

Although the City's health insurance program is on the agenda for Monday, October 24<sup>th</sup>, Council agreed to meet with employees to update them on the City's decision prior to approval. A special meeting to approve the new insurance plan will be scheduled prior to Friday, October 28<sup>th</sup>.

**Adjournment:**

There being no further business to come before the Council, **motion made by Alderman Robinson and seconded by Alderman Redden to adjourn the special meeting at 9:25 AM. Motion carried unanimously by voice vote.**

/s/ Denise Li – City Clerk