

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**January 27, 2021**

---

**1. Declaration of a Quorum, Call Meeting to Order, and Roll Call.**

*With a quorum present, the January 2021 Meeting was called to order at 2:01 p.m. by Chairman Mark Murchison. The following Trustees and persons were in attendance:*

Mark Murchison (Chair) – Trustee  
Xavier Hancock (Vice-Chair) – Trustee  
Michael Loftin – Trustee  
Kent Etienne – Trustee  
Christopher Anderson – Trustee  
Andrew Jefferies – Trustee  
Julian Fontana – HUB International

Mike Weaver – HUB International  
Ashley Broadus – HUB International  
Brent Weegar – HUB International  
Tammy Jacobs – City Staff  
Donna Fairweather – City Staff  
Christy Shinn – City Staff

**2. Conflicts of Interest.**

*None.*

**3. Public Comment on Agenda Items and Non-Agenda Items.**

*The City Council adopted a policy requiring that agendas for all City board, commission, and committee meetings include a section designated for public comment on both agenda items and non-agenda items. Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the Board of Trustees.*

*<https://forms.galvestontx.gov/Forms/PublicComment>*

- A. Agenda Items*
- B. Non-Agenda Items*

No Public Comment was received.

**4. Approval of the Minutes for the Regular Board Meeting of December 7, 2020.**

*Motion to Approve the Minutes from the December 7, 2020 Meeting made by Andrew Jefferies with a second by Christopher Anderson. Unanimously Approved by those Trustees present.*

**5. Discuss and consider for action approving the renewal of the Designated Benefit Plan Fiduciary Liability Coverage for Directors and Officers of the City of Galveston Health Benefits Plan Board through Travelers Casualty and Surety Company of America to be effective March 9, 2021, and authorizing all necessary documents to be executed by an authorized representative upon final approval by the City Attorney.**

Kent Etienne explained that this coverage covers the board collectively and individually for liability. This is coverage that the board currently has and the coverage was previously renewed in 2018. This renewal will be for three years.

*Motion to approve the renewal of the Designated Benefit Plan Fiduciary Liability Coverage for Directors and Officers of the City of Galveston Health Benefits Plan Board through Travelers Casualty and Surety Company of America to be effective March 9, 2021, and authorizing all necessary documents to be executed by an authorized representative upon final approval of the City Attorney made by Kent Etienne with a second by Xavier Hancock. Unanimously Approved by those Trustees present.*

**6. Receive financial reports as of December 2020 to include large claim cases and plan reimbursements. Discuss financial projections for FY2021.**

Julian Fontana delivered December 2020 financial reports for the plan as a whole and each entity. Effective January 1 the plan moved to a January 1 plan anniversary date. The data presented covers the short plan year

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**January 27, 2021**

---

of October – December 2020. The short plan year affected the stop loss period. Overall claims were 125% of the expected. The aggregate attachment factor for this period was \$1,016.14 per employee per month. The plan performed at that mark. There is not an aggregate claim for this time. There are some claims that may not be paid yet for this period so there could be an adjustment. There were five large claimants during this period. The two highest were related to Covid-19. There is an ongoing cancer claim and a renal disease claimant. The specific stop loss for this period was received on an ongoing basis through weekly credits. Aggregate stop loss is received annually. The City's total plan costs for the plan period was just under \$2.5 million. Retiree costs are 50% medical and 50% prescription. Active employee costs are 83% medical and 17% prescription. In October 2020 to December 2020 costs were up compared to same period in previous year. The City claims were 124% of expected claims.

The Park Board Active member's expenses are 89% medical and 11% prescription. The Park Board is at a surplus. Park Board claims ran at 87% of expected claims. The port Retirees costs are 97% medical, 3% prescriptions, the actives costs are 85% medical, and 15% prescription. The Port claims were 175% of expected claims. The Port does have one large claimant.

Kent Etienne informed the board of the aggregate stop loss amount that will be received from the October 2019 through September 2020 plan year. The amount is over \$637,723.77.

**7. Receive a report from HUB International on the financial impact of freestanding emergency rooms to the health plan and costs related to Covid-19.**

Julian Fontana delivered a report on Hospitality ER and costs to the plan. Galveston does not have many free standing ERs so there are limited comparisons. Free standing ERs appear to be similar to an urgent care facilities and they are convenient. Hospitality ER is the local option. They do not have any preferred provider contracts so plan discounts do not apply. It appears employees need education on the use of these facilities versus an urgent care. Plan members use the location as an urgent care not as an emergency room. Hospitality Health ER has higher costs for frequently used services compared to other ER facilities on the plan. Hospitality Health ER is 3<sup>rd</sup> on the top paid list for outpatient providers on the plan. The plan has had 342 claims at Hospitality ER through December 2020. The total was \$195,505.83. Elite Care in League City is the second highest paid free standing ER with 69 claims totaling \$49,265.82. UTMB is the plans top paid provider, Methodist Hospital is second highest, and Hospitality Health ER is the third highest. March of 2020 is when the plan started to incur costs of this location. The costs of Hospitality Health ER charges are higher on average than other free standing ERs and outpatient emergency providers. The reason for this is in-network preferred provider discounts. This data is consistent with what HUB has seen with another client. The recommendation is to educate employees that these facilities do cost the plan higher amounts compared to other providers. There is a difference between urgent care and emergency care. The cost difference between the two and the impact to the plan is what can be used for educational purposes.

**Kent Etienne:** From my understanding from employee's reports, they do not have to pay out of pocket for visits to these locations. They are not seeing the impact to the plan, which could result in higher premiums. What approach have other plans taken?

**Brent Weegar:** Other plans have educated participants and have only covered emergency use of an ER. If someone visited for a non-emergency use, it would not be covered. That choice did not make a large impact. Employees continued to use the providers. The plan did carve out a specific ER and did not cover the free standing ER on their plan because they were not an ER associated with a hospital. You can carve our ERs without violating the affordable care act. It has not been challenged in the court as of yet. United Healthcare provided the opinion.

**Xavier Hancock:** They do not tell plan members that they do not take the insurance. They do not say they are not in network. Is there any mandate that they have to disclose?

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**January 27, 2021**

---

**Brent Weegar:** If the employee asks if they are in network they would have to disclose if they are treated at the in network benefit level. The plan has to pay at the in network benefit level so they can answer that they are in network. It can be misleading but it is how the plan pays.

**Andrew Jefferies:** They bring cookies, burritos, and stuff to our department to advertise. It is tough to discourage use.

**Kent Etienne:** As reported to us an employee may go for a Covid-19 test and end up having additional testing done that was not the employee's intention. At the very least, we can develop a communication plan to explain to employees that the provider is detrimental to our self-funded insurance plan.

**Brent Weegar:** We did send the letter from United Healthcare to BCBSTX and they are open to making accommodations if the plan needed to make changes. They will not take the legal responsibility but they will work with the plan if needed.

**8. Discuss tentative date(s) for next Board Meeting.**

*Tentatively agreed upon for Friday, February 26, 2021 at 9:00 a.m.*

**9. Adjournment.**

*Motion to Adjourn made by Andrew Jefferies with a second by Xavier Hancock. Unanimously Approved. The meeting was adjourned at 3:01 p.m.*

---

  
\_\_\_\_\_  
Mark Murchison, Chair

Thursday, March 11, 2021  
**Date Approved**