

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**April 15, 2021**

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Board would contribute 22% more, and the Port would contribute 118% more. This would average to the 11% increase needed. This is based on true claims and revenues. A factor of 70% of the most recent rolling 12 months and 30% of the prior 12-month period was used to calculate the needed contributions.

**6. Discuss and consider for action an interlocal agreement for continued coverage under the City's self-insured health plan.**

Michael Loftin let the board know that the interlocal agreement has expired and there is a draft proposed new interlocal agreement. The City is proposing that the Port will assume responsibility for their costs for the current plan year or sooner if other coverage was obtained.

Mark Murchison maintained that before the Port could accept the costs proposed, an independent audit would need to be conducted. The Port is considering options. The Port could address the issue at their next board meeting on April 27, 2021.

Daniel Buckley encouraged the Port to work with the City on the interlocal agreement. The City cannot continue to absorb increased costs.

*Motion to table item 6 while the City and Port negotiate a new interlocal agreement made by Mike Loftin with a second by Kent Etienne. Unanimously Approved.*

**7. Discuss and consider for action plan benefits related to coverage for free standing emergency rooms.**

Julian Fontana provided an overview to the board on a report previously delivered regarding expenses at free standing emergency rooms ("ER's"), which included Hospitality Health ER. Charges submitted to the plan by free standing emergency rooms were significantly higher on average per category than those billed by other emergency rooms. There are no discounts for services at the free-standing ER's. They are not in network and provide no discounts. HUB contacted BCBSTX to see if the plan allowed for the exclusion of a specific provider. The City Legal determination and the input for BCBSTX is still pending. Additional claims data has been requested for a larger sample review to verify that the billing practices are consistent with what was reported. Information will be needed on BCBSTX's ability to exclude a specific provider from billing.

*Motion to table item 7 until City Legal and BCBSTX make recommendations made by Mark Murchison with a second by Mike Loftin. Approved Unanimously.*

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

*Tentatively agreed upon for Tuesday, May 18, 2021 at 2:00 p.m.*

**9. Adjournment.**

*Motion to Adjourn made by Andrew Jefferies with a second by Mike Loftin. Unanimously Approved. The meeting was adjourned at 10:29 a.m.*

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Mark Murchison, Chair

Tuesday, May 18, 2021  
Date Approved

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

*With a quorum present, the April 2021 Meeting was called to order at 9:01 a.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  
Daniel Buckley – City Staff  
Don Glywasky – City Staff  
Donna Fairweather – City Staff  
Christy Shinn – City Staff  
Susan Keeble – Park Board 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 March 11, 2021.**

*Motion to Approve the Minutes from the March 11, 2021 Meeting made by Kent Etienne with a second by Mike Loftin. Unanimously Approved by those Trustees present.*

**5. Receive financial reports as of February 2021 to include large claim cases and plan reimbursements. Discuss financial projections and recommendations for FY2021.**

Julian Fontana delivered financial reports through February 2021. All groups together are running at 124% of premium equivalent. There are two large claimants in excess of \$75,000. From March 2020 to February 2021 the PEPM cost has increased. The City is running at 119% of premium equivalent. Retiree's expenses are 43% medical and 57% prescription which is not the norm. The two large claimants on the plan are from the City. City retirees have had lower costs in the new claim period.

The Park Board is running at 88% of premium equivalent. Claims costs are down for the Park Board. The Port is running at 152% of premium equivalent. Retiree costs are 94% medical and 6% prescription. PEPM costs are down from previous claims period.

Mr. Loftin informed the board that the City sent a letter to the Port regarding their participation on the City's health plan. In January the City started looking at solutions to high claims costs. Claims have been higher than anticipated when the plan budget was created. In July 2020 all entities combined had claims totally near one million dollars. Information regarding increased expenses was not available until September 2020 which is past the budget submission period. The plan budgeted for 11 million in claims. Increased claims costs have persisted. The City is exploring new options for a cost sharing strategy or for participating entities to consider alternative coverage options. The communication sent to the Port states that the City cannot continue to add additional funds into the plan or reduce benefits to employees in order to support claims costs.

Mark Murchison informed the board that the Port is aware of the situation and is looking into options.

Julian Fontana with HUB delivered a report on plan pooling options. The adjustment needed for FY22 would be an 11% increase to keep the plan the same. In a 100% credibility option the City would contribute 1% less, The Park