

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

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

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

Xavier Hancock (Chair) - Trustee
Kent Etienne – Trustee
Michael Loftin – Trustee
Andrew Jefferies – Trustee
Julian Fontana – HUB International
Ashley Broadus – HUB International

Susan Keeble – Park Board
Daniel Buckley – City Staff
Donna Fairweather – City Staff
Christy Shinn – City Staff
Beverly West – City Staff

*Arrived at 2:13 p.m.

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. Election of Chairman of the Health Plan Board.

Motion to appoint Xavier Hancock as the Chairman of the Health Plan Board made by Michael Loftin with a second by Kent Etienne. Unanimously Approved by those Trustees present.

5. Approval of the Minutes for the Regular Board Meeting of June 23, 2021.

Motion to Approve the Minutes from the June 23, 2021 Meeting made by Kent Etienne with a second by Andrew Jefferies. Unanimously Approved by those Trustees present.

6. Receive report from HUB International on plan review and renewal.

Julian Fontana and Ashley Broadus with HUB delivered a financial report for 2022 plan renewal strategy. For the fiscal year through June 30th the medical claims per capita have increased 28% and prescription claims per capita have increased 9%. In 2021 so far there are five large claimants in excess of \$75,000. The Galveston Health plan had 148 confirmed Covid-19 cases and \$1.1 million of testing and treatment claims. This is 10% of total medical spend.

In the 2020 fiscal year the Medical and Pharmacy claims came in higher than the previous fiscal year. In FY21 there has been \$271,000 in stop loss claims. Claims are up from last year. Administrative costs are down because they now include the pharmacy rebate. Medical claims increase is in general driven by utilization. Year to date the plan is at 92.5% of the aggregate attachment point. The plan has received \$95,509 in specific stop loss this year. The plan did also receive about \$600,000 in aggregate stop loss reimbursement after the end of the last year.

In FY20 there were 22 large claimants over \$75,000. In the short plan year there were five large claimants over \$75,000. The large claimants in the small plan year are responsible for 29.5% of total paid claims of that period. In the new plan year there are 11 claimants over \$75,000. The large claimants for this year make up 21% of current total paid claims.

Through the health plan there have been 1,600 claimants tested for Covid-19. There are 81 claimants for antibody testing. Treatment excluding testing costs is just over 1 million dollars.

98% of claims are under \$50,000 which makes up 57% of paid claims. Just under 2% of claims are over \$50,000 and make up 42% of paid claims. Top diagnostic categories are Symptoms/Ill-Defined, Neoplasms, Circulatory, and Infectious/Parasitic. The City has chronic illnesses such as diabetes and obesity within the plan. In the renewal HUB is searching for disease management to help those that are chronically ill to manage their health. The plan's generic dispensing rate is performing well at 85%. The top prescribed drugs on the City Health Plan are for diabetes and cholesterol.

In benchmarking with other PPO plans the deductible averages at \$1,745, office visits are \$25 for PCP and \$50 for specialist. The norm is to have a copay for urgent cares which the City does not have a copay for. Emergency room copays average at \$250 versus the \$70 copay the City has. The benchmark is to have four tiers for pharmacy benefits versus the three tiers the City has. The public benchmark is broking down into four tiers. The benchmark for employee only coverage is \$60 versus the City's rate of \$50. The family deductible is normally 2x the single rate but the City's family deductible is 3x the single rate. HUB provided options such as an increase the to the deductible, increase in emergency room copay, addition or urgent care copay, add a fourth tier of prescription rate, add a diabetes service program, promote virtual healthcare, and more. Other options presented include a four tier premium structure and a different premium rate for retirees.

It is projected that the 2022 plan year will see a 7.7% medical trend increase, 7.3% pharmacy trend increase, 3% increase on administrative fees, 15% increase for stop loss fees, and PCORI fees will be \$2.66 per member. The total funding increase needed for 2022 is 34%. Mike Loftin informed the board that this matches City projections. The new budget proposed to council does include an increased contribution to the health plan from the City. The Park Board PEPM funding is expected to increase 13%. HUB presented the board a proposed four tier structure with changes to the employer contribution rates.

7. Discuss and consider for action plan recommendations from HUB International to include a HDHP Plan, Tiered Premium Structure, Retiree Premium Structure, and other proposed plan modifications.

Item 7 was discussed under Item 6. No action taken at this time.

8. Receive update on HRA completion from City Staff. Discuss and consider for action any changes to the HRA requirement.

Kent Etienne informed the board that the City is at 37% completion. The City has recently learned that the codes we were provided to measure HRA completion do not include all age ranges. We are trying to obtain information that includes all codes. The reports are also not being received in a timely manner which has caused delayed reminders for City staff.

9. Discuss tentative date(s) for next Board Meeting.

Tentatively agreed upon for Tuesday, August 31, 2021 at 2:00 p.m.

10. Adjournment.

Motion to Adjourn made by Kent Etienne with a second by Andrew Jefferies.. Unanimously Approved. The meeting was adjourned at 3:46 p.m.



Xavier Hancock, Chair

Wednesday, September 1, 2021
Date Approved