

**Minutes of Meeting
City of Ladue Insurance Committee
February 12, 2019 8:00 a.m.**

A meeting of the Insurance Committee for the City of Ladue was held on Tuesday February 12th, 2019 at 8:00 a.m. at Ladue City Hall. The following members were present:

Mr. Steve Hall, Chairman – by phone
Mr. Walter Klein, Vice Chairman
Martin Kerckhoff
Mr. David Wells

City staff present were Ms. Laura Rider (City Clerk and Asst. to the Mayor), Mr. Sam Zes (Finance Director), and Shelly Benson (Finance Clerk). Also present were Council Member Stacy Kamps, Committee Advisor Dr. Jonathan Dehner, Mr. Mike Hanson from the Daniel and Henry Company and Ms. Heather Stinnett from Cigna. Committee Member Bob Roth was absent.

The meeting was called to order by Chairman Hall at 9:00 a.m. He asked for a motion to approve the agenda. Mr. Klein made the motion which was seconded by Mr. Kerckhoff and the motion passed unanimously. Chairman Hall asked for a motion to approve the minutes from the July 19, 2018 meeting. Mr. Wells made the motion which was seconded by Mr. Klein and the motion passed unanimously.

Public Forum: No comment was offered

Mr. Hanson briefly reviewed the 2018-2019 renewal: The City's Health and Dental plans moved to Cigna Insurance; Life and Long-Term Disability benefit plans were renewed with Mutual of Omaha; the City began offering a new Voluntary benefits program which includes Critical Illness, Accident, and Short-Term Disability coverages.

Mr. Hanson presented some pre-renewal discussion points:

Renewal Challenges:

- Specialty Prescription Drug claims costs
- Premiums vs. Claims Incurred

Current Enrollment and Benefit Summary:

- City contributes 83% towards premiums of the Base plan and the same dollar amount towards the Buy-Up plan.
- Base Plan (\$2000 Deductible) enrollment of 25 employees
- Buy-Up Plan (\$500 Deductible) enrollment of 59 employees
- Prescription Copays - Both Plans = \$10/\$30/\$50
- Labs/X-rays

- Paid at 100% by the plan with no deductible.

Renewal Strategies:

Plan Design Changes –

- Increasing the difference in plan benefits and employee premium cost will encourage enrollment in the Base Plan option.
- Increasing Deductibles and Out of Pocket Maximums.
- Applying lab and x-ray services to deductibles.
- Implementing a 4th tier copay for Specialty Rx prescriptions

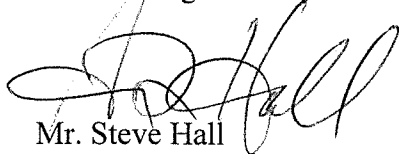
Implement a Health Reimbursement Arrangement (HRA)

- Lower overall premiums for the group by assuming a portion of the risk for some employees with higher claims.
- Optional to offer the HRA only for employees on the Base Plan.
- The current Dual Plan contribution design is optimal, and changes would not significantly impact enrollment between plans.

Ms. Stinnett discussed Cigna's executive summary, noting the data is still immature. She noted Preventative Care utilization is far below average, however, Ms. Benson reminded the committee this due to the City mandating physicals at SSM Executive Health for all Uniformed and Public Works employees (78/90 employees). Ms. Stinnett stated she will find out if any part of these physicals required by the employer can be covered by insurance. She also stated the employees use of "Convenience Care" opportunities is very low. Mayor Spewak stated she does not want to encourage employees to use "Convenience Care" and instead wants to promote a positive doctor/patient relationship. Additional cost saving educational opportunities include going to LabCorp or Quest Diagnostics which are Cigna's preferred labs and using the pharmacy mail order service. Ms. Stinnett also suggested the City look at some wellness options Cigna offers.

Mr. Kerckhoff made a motion to adjourn the meeting, which was seconded by Mr. Klein and the motion passed unanimously.

The meeting ended at 9:15 a.m.



Mr. Steve Hall
Chairman