

MINUTES
BOARD OF ALDERMEN
BUDGET WORKSHOP
JUNE 5, 2019

Mayor Blair called the meeting to order at 4:30 p.m. in the Town Hall Council Chambers.

Attendance: Mayor William J. Blair III, Mayor Pro Tem Darryl Mills, Alderman Ken Dull, and Alderman Elizabeth King; together with Town Attorney John C. Wessell III, Town Manager Timothy W. Owens and Town Clerk Sylvia J. Holleman.

Absent: Alderman Henry E. Miller III due to a scheduling conflict.

BUDGET WORKSHOP TO REVIEW INSURANCE PROPOSALS

Town Manager Tim Owens explained that the Board would receive a presentation from One Digital regarding the current insurance proposals.

ONE DIGITAL HEALTH AND BENEFITS

Mr. Claude Bridger and Mr. Tommy Mann gave a presentation for One Digital Health and Benefits (they took over the Town's Plan last year) that included the following:

- This year, we had a tough year for claims. Renewal came out at the end of April. At that time, we had two major claims and BCBS gave us a quote that included a 30.2% rate increase.
- Some companies would not give us a quote.
- We currently have two plans: HSA Plan (Health Savings Account) and PPO Plan (Preferred Provider Organization). There is a big discrepancy between the two.
- Employees can choose the PPO Plan and pay about \$23 per pay period for individual coverage or they could choose the HSA Plan and not pay anything for individual coverage.
- Employees are paying now for dependent coverage and that would not change.
- HSA rolls over to the next year – so it can accumulate.
- The theory behind the HSA is to get employees to take more ownership in their plan. It has a high deductible, no drug card and no co-pay. Everything goes towards deductible. The Town has historically put \$600 in each employee's account.
- PPO is a copay plan. Some employees like it because it is easy and they are comfortable knowing it would only be \$25 or \$30 when they go to the doctor.
- With the Affordable Care Act, all of your wellness is covered 100% and you don't pay for that.
- It is very expensive to cover a spouse or a child. If employees want to go to individual plans for their dependents, One Digital would help them with that.
- United Health Care is offering a 2% reduction in medical premiums if the Town moves its dental plan from Principal to United Health Care.
- Employees can use One Digital's Navigator Application to enroll.

Following a lengthy review and discussion of proposals by Blue Cross Blue Shield and United Health Care, there was consensus by the Board members present to go with Scenario 3A from United Health Care as shown below.

UNITED HEALTH CARE SCENARIO 3-A			
<ul style="list-style-type: none"> • TOWB pays employee premium for HSA Plan. • Employees pay additional \$23/pay period to “buy up” to copay plan. • Assume 50/50 enrollment split between the two plan choices. 			
	Assume 50/50 Enrollment Split	Billed Premium	TOWB Cost
Copay Plan cost (\$417.37 paid by TOWB)	48	\$485.30	\$250,831
HSA Plan cost (Empl. Only paid by TOWB)	48	\$417.37	\$240,405
HSA Contributions by TOWB	48	\$600.00	\$ 28,800
			\$520,036
2% medical premium reduction if dental is written with UHC			- \$ 9,825
		Annual	\$510,211

Mayor Blair said he liked the idea of offering a dual plan to the employees because he liked the idea of choice.

Alderman Dull said he thought when Obama Care went into effect, we were all put in the same pool with the rest of the country. Mr. Bridger said that was true for people age fifty and under.

When asked if the employees could go to their own doctors. Mr. Bridger replied, “They will have to go to United Health Care doctors.”

THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE BOARD, THE MEETING WAS ADJOURNED AT 5:08 P.M.

Respectfully submitted,

Sylvia J. Holleman
 Town Clerk