

**AGENDA ITEM SUMMARY**

DATE: 11/30/2009

DEPARTMENT: Administration DEPT. HEAD SIGNATURE: HD

**SUBJECT**

Motion to approve renewal of health insurance contract with Blue Cross of Idaho for 2010, in order to continue the same benefits package for city employees as in 2009, at a cost increase of 10%.

**BACKGROUND:**

The City of Hailey currently pays the full amount of employees' health insurance premiums. Renewing our current policy (\$500 deductible and \$1500 maximum out-of-pocket) will affect an 11% increase in premium. Because an 18% increase is budgeted, this quote is manageable within our budget structure.

Time Increment	2009	2010	Budgeted Amount	Excess Budgeted
Monthly Cost per Employee	\$ 322.86	\$ 357.15	\$ 381.43	\$ 24.28
Cost Per Month to Hailey	\$ 20,017.32	\$ 21,786.15	\$ 23,648.66	\$ 1,862.51
Cost Per Year to Hailey	\$ 240,207.84	\$ 261,433.80	\$ 283,783.92	\$ 22,350.12

The City does not pay any costs for spouse or dependents. Cost per Month above differs from the attached cost quote from Blue Cross, which is showing the cost for all members on the plan, including spouse and dependents. Otherwise, it is effectively the same.

The Benefits Committee has reviewed the attached quotes for higher deductible structures which lower the cost of the benefit. The attached is summarized in an annual format below:

Benefit Design Proposed	2009	2010	Budgeted Amount	Excess Budgeted
\$ 500 Deductible	\$ 240,207.84	\$ 261,433.80	\$ 283,783.92	\$ 22,350.12
\$1000 Deductible	\$ 240,207.84	\$ 242,292.00	\$ 283,783.92	\$ 41,492.00
\$1500 Deductible	\$ 240,207.84	\$ 231,678.00	\$ 283,783.92	\$ 52,106.00
\$2000 Deductible	\$ 240,207.84	\$ 221,408.00	\$ 283,783.92	\$ 62,375.88

The Benefits Committee is a group of employees whose mission is to assist the continuation of a broad and sound benefits package to city employees, identifying cost cuts where appropriate and attempting to direct those costs back into an improved benefits package. This Committee recommends that the city continue its current structure of \$500 deductible. Employees are currently experiencing the effect of a wage freeze. The Committee discussed adding in a St Luke's Life-Flight Insurance benefit, which would cost only \$1250 per year for all of our employees and their families. The remainder of any budget savings is recommended to be retained for contingencies and city costs other than benefits in these lean times.

**ACKNOWLEDGEMENT BY OTHER AFFECTED CITY DEPARTMENTS:**

\_\_\_ City Attorney    \_\_\_ Clerk / Finance Director    \_\_\_ Public Works    \_\_\_ Mayor

**RECOMMENDATION FROM APPLICABLE DEPARTMENT HEAD:**

In order to support employees through future health care changes, stability in structure should be maintained when possible. We support the Benefits Committee recommendation. However, we are concerned that failure to take advantage of premium savings now may cost employees more next year. We therefore recommend adding in the life-flight benefit, and restructuring to a \$1000 deductible.

The first part of the document discusses the general situation of the country and the need for a new constitution. It mentions the importance of the people's participation in the process and the role of the constituent assembly. The text is somewhat faint and difficult to read in many places.

The second part of the document deals with the specific provisions of the constitution, including the structure of the government, the powers of the executive, legislative, and judicial branches, and the rights and duties of citizens.

The third part of the document discusses the process of the constituent assembly and the role of the people in the adoption of the constitution. It mentions the importance of a free and fair election and the need for a strong and independent judiciary.

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# City of Hailey

Comparison of Medical Benefits and Rates - Effective January 1, 2010

Blue Cross of Idaho		Preferred Blue PPO Option 1	Preferred Blue PPO Option 2	Preferred Blue PPO Option 3	Preferred Blue PPO Option 4	Preferred Blue PPO Option 5
<b>Cost Share Options</b>						
Annual Deductible In Network	\$500 Ind./\$1,500 Fam.	\$1,000 Ind./\$3,000 Fam.	\$1,500 Ind./\$4,500 Fam.	\$2,000 Ind./\$6,000 Fam.	\$500 Ind./\$1,500 Fam.	\$2,000 Ind./\$6,000 Fam.
Max. Out-of-Pocket PCY In Network	\$2,000 Ind./\$6,000 Fam.	\$2,500 Ind./\$7,500 Fam.	\$3,000 Ind./\$9,000 Fam.	\$3,500 Ind./\$10,500 Fam.	\$2,000 Ind./\$6,000 Fam.	\$3,500 Ind./\$10,500 Fam.
Max. Out-of-Pocket PCY Out of Network	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Co-insurance In Network	80/50/20	80/50/20	80/50/20	80/50/20	80/50/20	80/50/20
Co-insurance Out of Network	60/40	60/40	60/40	60/40	60/40	60/40
Lifetime Maximum	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
<b>Professional Services</b>						
Office Visit	\$30 Copay					
Urgent Care	\$30 Copay					
Office Visit/Procedures	Ded. + Co-ins.					
Simple Diagnostic X-Ray & Lab	Ded. + Co-ins.					
Major Imaging (MRI, CT Scan, Nuclear, etc.)	Covered in Full (\$500 PCY)					
Preventive Care	Covered in Full (\$500 PCY)					
<b>Facility Services</b>						
Hospital Services	Ded. + Co-ins.					
Emergency Room & Hospital Urgent Care	Ded. + Co-ins.					
<b>Other Services</b>						
Chiropractic	Ded. + Co-ins. (\$800 PCY)					
Mental Health	Ded. + Co-ins. (8 days PCY)					
Inpatient	Ded. + Co-ins. (20 visits PCY)					
Outpatient	Ded. + Co-ins. (\$150,000 lifetime)					
Rehabilitation/Physical Therapy	Ded. + Co-ins. (\$2,000 PCY)					
Inpatient	Rider Available					
Outpatient	Rider Available					
(Physical, Occupational, Speech & Massage)	Rider Available					
Vision	Rider Available					
<b>RX Benefits</b>						
Deductible (Waived for Generic)	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$15/\$30/\$45
Retail (30 Day Supply)	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$10/\$25/\$40	\$15/\$30/\$45
Mail Order (90 Day Supply)						
Generic/Pre-Brand/Non-Pre-Brand/Spec. Medications						
<b>Rates:</b>						
	<b>Current</b>	<b>Renewal</b>				
Employee	45	\$322.86	\$357.15	\$331.79	\$302.47	\$350.86
Employee/Spouse	5	\$637.07	\$704.73	\$654.69	\$596.83	\$692.32
Employee/Spouse/Child	3	\$890.76	\$985.36	\$915.39	\$834.50	\$968.01
Employee/Child	5	\$392.05	\$433.69	\$402.89	\$367.29	\$426.05
Employee/Spouse/Children	0	\$890.76	\$985.36	\$915.39	\$834.50	\$968.01
Employee/Children	5	\$608.25	\$672.85	\$625.07	\$569.83	\$661.00
Estimated Monthly Total	63	\$25,387.83	\$28,084.18	\$26,089.97	\$23,784.40	\$27,589.58
Percentage vs. Current			11%	3%	-6%	9%

\* First six visits is a combined total of all visits including illness, Urgent Care, Preventive, Transplant Related Services, Breast Reconstruction. Six visits limit is a combined total of all the specified visits.

\*Please see Limitations & Provisions Page



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November 25, 2009

**City of Hailey**  
**Attn: Robin Crotty**  
**115 Main ST S**  
**Hailey, ID 83333**

Thank you for your interest in an *Air St. Luke's* Business Membership. This past year we have transported more than 1,000 patients by air and nearly 1,600 by ground ambulance. Our membership program continues to grow with more than 10,000 members. This year we initiated the *Air St. Luke's* Human Patient Simulator Program, our Regional Education and Simulation Lab (*REAL*). The goal of the simulation project is to bring real-life clinical education to EMTs, nurses, physicians, and other providers throughout the region. This education can be adapted to the needs of any provider in a way that reinforces hands-on skills, teamwork, and decision-making. The simulation project is fully funded by the *Air St. Luke's* membership program, putting membership dues directly to work improving health care in your community.

To enroll:

- Fill out the information below.
- Indicate the number of employees in your company by checking the corresponding box.
- Copy the attached membership application and distribute to all employees.
- Return all applications and payment to: *Air St. Luke's*, 190 E Bannock ST, Boise, ID 83712

Company Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_ Phone: \_\_\_\_\_

Business Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Please check one	# of Employees	Business Rate	Optional Family Rate*
<input type="checkbox"/>	3-9	\$40/employee	(Included)
<input type="checkbox"/>	10-24	\$400	(Included)
<input type="checkbox"/>	25-49	\$850	(Included)
<input type="checkbox"/>	50-74	\$1,250	(Included)

\*Family includes spouse and/or dependent children under age 23, claimed on income tax

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For membership questions, please contact Brenda Lahr at (208) 381-2018 or (800) 822-1616.