

TAB 9

**POINT PAPER**  
**FY 2009 Health Insurance Renewal**

**PROBLEM:**

The City health insurance contract needs to be renewed effective October 1, 2008.

**BACKGROUND:**

During the budget discussion, Commission approved changes to the health care plan which included implementing a 90/10 co-insurance provision for certain medical procedures (i.e., in/outpatient surgery and hospital care). All other aspects for the plan remain the same including the network of doctors and the dependant care premium amounts. Meritain Health will continue to be the third party administrator for the City and is responsible for processing all claims. American United Insurance Company will be our re-insurance provider.

The city has budgeted to fund 100% of the maximum costs in FY 2009 for health insurance. Since the City is self insured, there is a possibility that claims could be less than the maximum cost. If this occurs, any excess amounts will be placed in a reserve for future use. The maximum out of pocket expense for FY 2009 is approximately \$1.3M.

**ALTERNATIVES:**

1. Approve and authorize the Mayor to sign the necessary documents to renew our insurance coverage with Meritain Health and American United Insurance Company for an amount not to exceed \$1.3M.
2. Do not approve the insurance renewal

**RECOMMENDATION:**

- Alternative 1

**BUDGET IMPACT:**

100% of the cost associated with the health insurance renewal has been budgeted in FY 2009.