

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-475
NOVEMBER 4, 1996 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
RETIREE HEALTH INSURANCE PREMIUMS	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MARK J. DURHAM ACTING FINANCE DIRECTOR

SYNOPSIS —

Every year the City reviews the health insurance costs for retired personnel in order to establish updated premiums. It is proposed that the premiums be adjusted as per the attached premium schedule. This schedule shows the current premiums and the proposed premiums. There are no changes proposed to the level of benefits to be provided.

FISCAL IMPACT —

The costs are paid from Trust and Agency funds included in the FY1996-97 Operating Budget, page 311. Reimbursements in the form of premiums are received from those retired personnel participating in the plans and are deposited back into the Trust and Agency Account.

RECOMMENDATION —

Approval of the proposed premium rates.

BACKGROUND —

On June 20, 1994, by Roll Call No. 94-2354, the City Council approved retiree premiums for FY1994-95. The retiree cost experience at the end of FY1994-95 was such that the rates were not changed for FY1995-96, and no Council action was required. On October 28, 1996, the City Council deferred action on proposed revised premiums for retirees and directed Corporation Counsel to research and provide an opinion on several questions which arose during Council's discussion of this issue.

208.00

Attachment

RETIREE HEALTH INSURANCE PREMIUMS (12/1/96 - 9/30/97):					
Medical, Dental, Drug					
Over 65					
		FY 95/96	FY 95/96	FY 96/97	Premium
			Actual		Percent
TRADITIONAL		Current	Cost Per	Proposed	Change
PLAN	Members	Premium	Employee	Premium	+ or -
Total	370		238.11		
Single	288	150.00	191.80	192.00	28%
Family	82	310.00	290.34	291.00	-6%
COMPREHENSIVE					
PLAN					
Total	257		204.71		
Single	114	130.00	164.34	165.00	27%
Family	143	225.00	247.83	248.00	10%
Total Members	627				
RETIREE HEALTH INSURANCE PREMIUMS (12/1/96 - 9/30/97):					
Under 65					
		FY 95/96	FY 95/96	FY 96/97	Premium
			Actual		Percent
TRADITIONAL		Current	Cost Per	Proposed	Change
PLAN	Members	Premium	Employee	Premium	+ or -
Total	125		426.64		
Single	38	270.00	223.38	224.00	-17%
Family	87	550.00	476.27	477.00	-13%
COMPREHENSIVE					
PLAN					
Total	171		368.33		
Single	68	210.00	192.89	193.00	-8%
Family	103	415.00	406.56	407.00	-2%
Total Members	296				
RETIREE HEALTH INSURANCE PREMIUMS (12/1/96 - 9/30/97):					
Over/Under 65					
		FY 95/96	FY 95/96	FY 96/97	Premium
			Actual		Percent
TRADITIONAL		Current	Cost Per	Proposed	Change
PLAN	Members	Premium	Employee	Premium	+ or -
Total					
Family	34	420.00	415.18	416.00	-1%
COMPREHENSIVE					
PLAN					
Total					
Family	63	340.00	357.23	358.00	5%
Total Members	97				
Grand Total Members	1020				

NOTE: Comprehensive Plan equals a 15% discount for single and 16% discount for family