

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-362

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

SYNOPSIS -

JULY 9, 2000

Approval of contract and authorization of the Mayor and City Clerk to execute and attest, respectively, the Coventry Health Group Master Contract (Lou Garcia, President, West Des Moines) on behalf of the City of Des Moines.

SUBJECT:

CONTRACT FOR
HMO COVERAGE
FOR POLICE AND
FIRE BARGAINING
UNIT EMPLOYEES

FISCAL IMPACT -

Projected premiums are \$660,000 for the current 107 employee subscribers versus a budget projection of \$609,571. The \$50,000 in excess of budget projections is approximately a \$0.01 increase in the Trust and Agency levy.

TYPE:

RECOMMENDATION -

RESOLUTION
ORDINANCE
RECEIVE/FILE

Approval.

SUBMITTED BY:

BACKGROUND -

TOM TURNER
HUMAN
RESOURCES
DIRECTOR

During the course of collective bargaining in 2000, most bargaining units agreed to a single self-insured medical plan as the sole health care option for their employees. The Fire and Police bargaining units desired to maintain an HMO option. Requests for quotes were sent to all the City's prior HMO providers (Coventry Health Care, Secure Care, and Wellmark). Only Coventry submitted a proposal and bid. The Coventry Open Access Plan was selected and offered to the Police and Fire bargaining unit employees. Of approximately 540 employees eligible to select this option, 107 have subscribed to this insurance. This is an annual renewal to provide coverage consistent with collective bargaining agreements.

The cost of this coverage has increased 16 percent even though the loss ratio (claims divided by premiums) is less than 50 percent. The cost of this plan with dental coverage is approximately \$600 per

month for family coverage. This number is low as no retired employees are in this plan and the group has experienced remarkably low claims.
