

MINUTES OF THE REGULAR MEETING  
OF THE PERSONNEL COMMITTEE  
OF THE CITY OF SUNSET HILLS, MISSOURI  
HELD ON WEDNESDAY, APRIL 25, 2007

BE IT REMEMBERED that the Personnel Committee of the City of Sunset Hills, Missouri met in regular session at City Hall Quarters, 3939 S. Lindbergh Blvd. in said City on Wednesday, April 25, 2007. The meeting convened at 7:01 p.m.

ROLL CALL:

Present:	Frank Gregory	- Chairman
	Barb Dressel	- Member
	Frank Hardy	- Member
	Anne Julius	- Member
	John Littlefield	- Member
	Jan Orlando	- Member
	John Tipton	- Member
	Laura Rider	- Ex Officio Member

Alderman Tom Hrastich also attended the meeting.

Mr. David Watson was present to review three topics regarding health and dental insurance; renewals, benchmarking and survey data, and service issues. The following carriers were asked to submit proposals for the health care benefits for the City of Sunset Hills; Aetna, Anthem, CIGNA, GHP, Mercy, and United Healthcare.

Anthem, the current carrier, proposed an increase of approximately 20%. CIGNA was disqualified as a carrier because they could not match the plan specifications. (Plan specifications equal the current plan's level of coverage). Aetna reflected a 2.5% decrease over the current rate. Aetna's rate assumes a \$10,000 per employee life insurance purchase. United Health Care rates reflect a 2.4% increase. GHP reflects a 2.5% increase; although this rate is not firm yet. All of the other carrier's rates are firm. All carriers include all the metro area hospitals. It is Mr. Watson's recommendation to seriously consider Aetna's proposal based on pricing, a good network and the plan design.

Mr. Watson stated the dental premium rate of a 2.6% increase is below the national average of 8%. Based on the high satisfaction level and long history with Delta, coupled with their large network, Mr. Watson's recommendation was to stay with Delta Dental. Mr. Watson stated that it is difficult for the marketplace to match the level of coverage that the City has with Delta.

Survey data from other municipalities was distributed to the members by Mr. Watson. The data included numerous items; some of which were the types of plans, cost of co-pays, employee contributions for dependent coverage, and prescription drugs.

Mr. Watson explained to the committee that when the city changed to GHP in 2002 there were a number of service issues. Most of the issues appeared in the first six months. These issues included problems with prior authorizations on medicines, claim rejections and confusing terms used by GHP on the explanation of benefits forms that led employees to believe that claims were not being paid. Mr. Watson stated that he worked with the city's employees to get these issues resolved.

The Committee expressed concerns about new ID cards reaching employees in time for the June 1<sup>st</sup> deadline if the city were to change to a new carrier. Mr. Watson seemed to think that goal could still be met. The city does have the option of staying another month with the current carrier.

Alderman Hrastich addressed the committee and commented on the initial financial analysis prepared by the Finance Committee, the importance of good health coverage for employees and the potential adverse effect on employee morale created by cost savings to the city through any adjustments in the plans or the employer premium formula in light of other municipal expenditures.

Mr. Gregory suggested setting a date to meet to come to a conclusion for a recommendation. The members agreed to meet on Wednesday, May 9<sup>th</sup>.

Mr. Tipton made a motion to adjourn the meeting at 8:55. Mrs. Dressel seconded the motion, and it was unanimously approved.

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City Clerk