

SPECIAL MEETING MINUTES

A special meeting of Dover Borough Council was held at Borough Hall, 46 Butter Road on Tuesday, July 29, 2014 at 7 pm. Mr. Sabold, Mrs. Koch, Mr. Seidel, Ms. Bishop and Mr. Kroft were present. President Sabold called the meeting to order. A moment of silent prayer followed.

There was no public comment.

Robert Kole, president of Benefit Connections, was present to discuss the changes in health insurance and answer questions from the council.

- The biggest change was how health insurance rates are quoted. In the past, the rates were based on the age, gender, health status and industry. Insurance companies are no longer allowed to base rates on medical underwriting (health history). Rates are now based solely on age and smoker versus non-smoker. This means the insurance companies are taking a much higher risk of the cost of covering the group exceeding the cost of the premium.
- Employer groups with 50 + employees have seen the most change. Employers with less than 50 employees are not required to provide health insurance for their employees. If they do not offer health insurance the employee must use the Health Insurance Exchange to purchase insurance.
- The borough's renewal month is December. Insurance companies release the renewal rates 60 days prior to that date. The council stressed they wanted to have the rates in time for budget planning, which starts in mid-October. Mr. Kole reported a representative would schedule a meeting with Mrs. Shirey to provide the renewal rates and options. The renewal package Benefit Connections provided would include quotes from a number of carriers, and for each carrier a low, mid-level and high deductible plan. He noted Health America and the Geisinger Health Plan had been issuing the best rates.
- Ms. Bishop asked Mr. Kole if he expected any changes with Health America's coverage or rates since they were purchased by Aetna. He did not. Ms. Bishop stated several of her doctors had informed her they would no longer participate with her health plan when their contract expires. Mr. Kole stated some doctors do this as a ploy to get the insurance companies to increase their reimbursement amount.
- Another notable change was that previously the rate for a family plan was a flat rate regardless of the number of children. Beginning this year the family rate would be based on the age of the parents and then per child, with a three child maximum per family.
- Mr. Kroft believed there was some confusion about how the deductible for a family with a \$3000 Single/\$6000 Family plan was set up. Mr. Kole explained no person in the family will pay more than \$3,000 toward the deductible. If several people in the family have medical expenses which go toward their deductible the family will pay no more than \$6,000 total toward their family deductible.
- Mr. Seidel stated the increase in the family deductible from \$2,500 to \$6,000 was upsetting for the employees with a family plan. Mr. Kole stated he would look at various options for the family deductible to see if the deductible could be reduced without increasing the overall cost.
- Mr. Kole stated the borough's premiums are high for the size and age of the people in the group. He believed the renewal rates would be comparable to the current premium.
- Mrs. Shirey asked what Benefit Connections was seeing from their clients regarding how much employers were asking employees to contribute toward the insurance cost? The borough employees were contributing 10% of the cost of their plan (i.e. – single, family). Mr. Kole stated some employers base it on the pay range of the employee. He felt the 10% the borough employees pay was in line with what they see with other municipalities. He also noted many employers do not cover anyone but the employee. The cost for other family members must be paid by the employee.
- Mr. Kroft noted if any of the employees feel they pay too much toward their insurance, they can refuse the employer's insurance coverage and purchase it on the Health Insurance Exchange. He believed this would show them what they contribute is not unreasonable.

- Another part of the new healthcare law is the Medical Loss Ratio. If the insurance carrier pays out less than 80 – 85% of what they collect in premiums for a group, they must refund the difference.

The council would need to consider the total cost versus the deductible amount. They wanted to offer reasonable quality health insurance, but they must weigh this against the cost. Ms. Bishop noted the council uses taxpayers' money to pay for health insurance and they want to be fiscally responsible. Mr. Kroft added that the days of employers covering the full cost of health insurance are over. Mr. Seidel requested that Mr. Kole attend a meeting when the employees are present. He wanted Mr. Kole to repeat the information he gave to the council. The employees would also have the opportunity to ask questions. Mrs. Shirey would contact Mr. Kole when a date was chosen.

Mr. Kole was thanked for his time.

Mrs. Koch stated the manager should be told to deal with the weeds along the streets. Mr. Sabold intended to speak to him about this. Ms. Bishop announced the mayor contacted the York County Prison to arrange for inmates to do their community service time in the borough. He planned to have them pull weeds in the curbs and sidewalks along the parade route. He wanted the borough to look nice for the anniversary celebration. Mr. Sabold was concerned residents would depend on this when they are responsible for removing them. Mr. Lentz should be sending them code enforcement letters.

An executive session would be held following this meeting to discuss a change to the employee manual.

Ms. Bishop made a motion to adjourn, with a second by Mr. Seidel. All were in favor. The meeting adjourned at 8 pm.

Respectfully submitted,

Janet T. Shirey
Secretary/Treasurer