

**MEMORANDUM**

**DATE:** September 1, 2020

**TO:** Finance and Audit Committee of the Board of Water Works Trustees

**FROM:** Doug Garnett, Director of Human Resources

**SUBJECT:** 2021 Employee Health Insurance Options

In 2015, we entered a partnership with the City of Des Moines to provide health insurance benefits to our employees. For calendar year 2020, Des Moines Water Works received a 22% rate increase from the city due to our unfavorable health claims experience.

Union leadership asked us to explore other options for providing health insurance to our employees for 2021. In addition, they requested another health insurance trust option to compare to the Iowa Governmental Healthcare Plan (IGHCP) Trust that we considered last year.

Our benefits broker, Holmes Murphy, carried out the request for proposals and received the following responses:

<b>Carrier/Trust:</b>	<b>% Increase Over Current Rates (effective 1/1/2021)</b>	<b>Comments:</b>
IGHCP Trust (Carrier Partner: Wellmark)	8.57%*	*Average of the three plan options with partial self-funding and 18-month commitment
Iowa Public Employer Plan Trust (Carrier Partner: United Healthcare)	N/A	Declined to quote but said rates would be at least 25%+
Wellmark Self-Funded Plan	24.9%	With \$50,000 insurance stop loss
United Healthcare Fully-Insured Plan	29.0%	
Wellmark Fully-Insured Plan	35.1%	

At this time, we do not know what the increase will be from the City of Des Moines for next year. We typically receive that information in October.

Based on the proposals received by Holmes Murphy, the IGHCP Trust appears to be the most viable option for DMWW to consider as an alternative to the City's plan effective January 1, 2021. Union leadership and the Senior Management Team recently participated in a presentation from Holmes Murphy and IGHCP. Holmes Murphy will be giving a presentation at the September 8, 2020 Finance and Audit Committee Meeting providing more detail about the quote received from IGHCP.