

**Agenda Item:** Discuss and Consider Approval of Medical Employee Premium Structure for 2020

**Background:** The Park Board provides a competitive benefit package to their full-time employees which includes medical benefits. The Park Board currently participates alongside the Port of Galveston in the City of Galveston’s medical plan. The costs for this plan will increase 21% for the 2019-2020 Fiscal Year. The following table represents the current participation by Park Board employees and the associated annual costs.

**2019 Medical Premiums and Funding**

<b>Employer Contributions</b>	\$565,560.00	85%
<b>Employee Contributions</b>	\$100,080.00	15%
<b>Total</b>	<b>\$665,640.00</b>	

The Park Board pays a set monthly premium to the City of Galveston and defines their own employee-employer cost sharing arrangement on an annual basis. The following tables represent funding options for the 2020 Medical Plan Year.

**Option 1 – No Change to Employee Premiums**

<b>Employer Contributions</b>	\$710,460.00	88%
<b>Employee Contributions</b>	\$100,080.00	12%
<b>Total</b>	<b>\$810,540.00</b>	

<b>Enrollment Type</b>	<b>Monthly Premium</b>
Employee Only	\$60.00
+Child(ren)	\$110.00
+Spouse	\$160.00
+Family	\$300.00

**Option 2 – 10% Increase to Employee Premium**

<b>Employer Contributions</b>	\$700,452.00	86%
<b>Employee Contributions</b>	\$110,088.00	14%
<b>Total</b>	<b>\$810,540.00</b>	

<b>Enrollment Type</b>	<b>Monthly Premium</b>
Employee Only	\$66.00
+Child(ren)	\$121.00
+Spouse	\$176.00
+Family	\$330.00

**Option 3 – Sliding Scale Employee Premium**

<b>Employer Contributions</b>	\$706,620.00	87%
<b>Employee Contributions</b>	\$103,920.00	13%
<b>Total</b>	\$810,540.00	

<b>Enrollment Type</b>	<b>Annual Base Pay</b>	<b>Monthly Premium</b>
<b>Employee Only</b>	\$20,000 to \$25,000	\$50.00
	\$25,001 to \$50,000	\$60.00
	\$50,001 to \$75,000	\$70.00
	\$75,001 to \$99,999	\$80.00
	\$100,000+	\$90.00
<b>Employee + Child(ren)</b>	\$20,000 to \$25,000	\$100.00
	\$25,001 to \$50,000	\$110.00
	\$50,001 to \$75,000	\$120.00
	\$75,001 to \$99,999	\$130.00
	\$100,000+	\$140.00
<b>Employee + Spouse</b>	\$20,000 to \$25,000	\$150.00
	\$25,001 to \$50,000	\$160.00
	\$50,001 to \$75,000	\$170.00
	\$75,001 to \$99,999	\$180.00
	\$100,000+	\$190.00
<b>Employee + Family</b>	\$20,000 to \$25,000	\$290.00
	\$25,001 to \$50,000	\$300.00
	\$50,001 to \$75,000	\$310.00
	\$75,001 to \$99,999	\$320.00
	\$100,000+	\$330.00

**Staff Recommendation:** Proceed as approved by the Finance and Operations Committee on October 16, 2019 with the implementation of a sliding scale that more closely aligns employee premiums with base compensation. Over 60% of employees have annual base earnings of \$50,000 or less, and by implementing the sliding scale it will ensure this critical benefit remains affordable for our core workforce.

**Funding Source:** 2019-2020 Budget for Insurance Employees (GL-5060)