



**Agenda Item:** Discuss and Consider Approval of Interlocal Agreement with City of Galveston for Continued Participation in City Health Plan

**Background:** In 2017, the Park Board entered a health insurance risk pool with the City of Galveston. The pool is governed by an Interlocal Agreement that expires on December 31, 2021. In August 2021, the Park Board was provided a voting seat on the health plan board.

In terms of benefits, it is an excellent plan and Park Board employees value it. The plan exceeds most industry benchmarks, even with the Urgent Care and ER Copay plan changes proposed for next year. The premiums for the current plan are estimated to increase 15% for 2022 after remaining flat for the past two years.

Prior to executing the original Interlocal Agreement, the Park Board had offered a fully-insured medical plan for employees. As part of evaluating options for calendar year 2022, Park Board staff obtained estimates for fully-insured plans from Blue Cross Blue Shield, United Healthcare, and Cigna. The fully-insured plans had lesser benefits, higher monthly premiums, higher deductibles, and higher out of pocket costs for participants than the current plan. The cost for these plans averaged 7-12% more than the current plan.

**Staff Recommendation:** Staff recommends executing the Interlocal Agreement effective January 1, 2022, to continue participation in the City health plan.

**Funding Source (if applicable):** Funds are budgeted in each department for benefit costs.