

**VILLAGE OF CHAGRIN FALLS
ADMINISTRATION AND COMPENSATION COMMITTEE
October 12, 2015**

Members present: Subel, Lutz, Herdman
Also present: Mayor Brick, Bloom, Himes, Newell, Rogoff

The meeting was called to order at 7:35 p.m. by Chairman Richard Subel.

HEALTH CARE RENEWAL

Mr. Schinagle, Consulting Services Employee Benefits Agency, LLC., stated that the current plan is a grandmothers, or transitional plan, which does not have to comply with all of the features of the Affordable Care Act. As such, the renewal allows them to keep that same plan design. If any changes are made it would have to be with a grandmothers option through Medical Mutual. If any other changes are made they would have to go to an Affordable Care Act option and those quotes range anywhere from \$7,000 a month to \$50,000 a month and it isn't as good as the current plan.

Mayor Brick said Mr. Schinagle has considered a number of alternatives and he mentioned that it is important to stay grandmothers for as long as we can to avoid added, more expensive provisions in the Affordable Care Act and they are very substantial. He said he surveyed the employees on what their feelings were with respect to the new HSA Plan and found that there were very few questions, very few complaints, and a general satisfaction with the plan. The problem we had with several families having to pay two \$3,000 deductibles has been addressed and it won't happen again.

Mayor Brick said we did look into an HRA Plan (Health Reimbursement Arrangements) but there would be considerable administrative costs to the village and we didn't want our employees and their families to have to deal with another brand new plan now; it is not a smart thing to do.

Mayor Brick said we are recommending continuing our current HSA Plan but reducing the village's contribution for the deductibles by 10%. This would result in an estimated 5% increase to the village's costs in 2016 over 2015. The average family plan cost is about \$16,800. We have a survey of the surrounding communities medical insurance plans and we are a little below average on that mainly because of the HSA Plan. The village's cost of medical insurance for their employees is the same as it was seven years ago in 2009. We do have data from the Small Business Administration on what the average premium costs are for family in small businesses and in 2014 the average policy was about \$25,000 so it is considerably higher than what we are experiencing. Mayor Brick said he did talk to the Vice-President of Marketing at Medical Mutual and asked him if he felt that our plan was excessive and that our costs were relatively high and he assured him that they were not. According to his letter it said that the village's plan mirrors the market very well. If anything, our plan is a lower cost for the village per family than most surrounding areas.

Mr. Schinagle explained the differences between a HSA Plan and a HRA Plan. There was lengthy discussion and questions were answered. No action was taken.

The meeting adjourned at 8:15 p.m.

Richard Subel, Chairman

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