STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN

The McAllen Board of Commissioners convened in a Workshop on **Monday, May 22, 2017** at 4:00 pm, at McAllen City Hall Third Floor (3rd) Commission Chambers, with the following present:

Mayor Jim Darling, Commissioner Richard Cortez, Commissioner Omar Quintanilla, Commissioner Joaquin Zamora, Commissioner John Ingram and Commissioner Veronica Whitacre

Absent: Mayor Pro Tem Aida Ramirez

McAllen Public Utility Board: Chairman Ernest Williams, Trustee Tony Aguirre, Trustee Charles Amos

Absent: Vice Chairman Albert Cardenas

Staff: City Manager Roy Rodriguez, City Attorney Kevin Pagan, Assistant City Manager Jeff Johnston, Assistant City Manager Joe Vera, City Secretary Perla Lara, Planning Director Juli Rankin

CALL TO ORDER

Mayor Darling called the meeting to order.

1. **INTRODUCTION BY NEW DISTRICT DIRECTOR FOR CONGRESSMAN VICENTE GONZALEZ.**

District Director Roberto J. Villarreal gave a brief presentation to the Mayor and City Commission.

Mayor Darling thanked Mr. Villarreal for his presentation.

2. **DISCUSSION AND POSSIBLE ACTION FOR HEALTH PLAN RECOMMENDATIONS FOR 2017-2018.**

Mayor Darling called the workshop to order on behalf of the City Commission. Chairman Williams called the workshop to order on behalf of the MPU Board.

Presentation was given on Health Insurance. Staff touched on recommendations for the 2017-2018 year. Staff recommended renewal of the Health Plan with United Health Care with the recommended premiums as follows:

Staff briefly reviewed items and recommendations as follows:

Item 1 – Increase the Individual Stop Loss Liability from $200K to $250K

Individual Stop Loss is the City's protection against High Dollar Claimants. As claims are incurred, once an individual's claim surpasses the Individual Stop Loss threshold, the insurance purchased kicks in and pays the rest of the claim at 100% with no impact to the City. Currently the City's Individual Stop Loss threshold is $200K. In 2015-16, we incurred no Stop Loss Claims and year to date 2016-17, we have not either. Of our high dollar claimants, top claimants expensed between $88K - $155K.

Recommendation is to increase the Individual Stop Loss threshold to $250K for an anticipated savings of $258,541. Breakeven would be five high dollar claimants.

Item 2 – Incentivize Tier One Providers with a $15 Copay Differential

Recommendation is to incentivize Tier One Providers where Specialist Office Copays for Tier One Providers would be $30 instead of $45, and Primary Care Office Copays for Tier One Providers would be $20 vs. $35.

Item 3 – Modified Enrollment Tiers from 3 to 4 Tiers

Recommendation is to modify enrollment tier structure to allow for a more accurate reflection of expenses and attribute them to the amount of the premium. *Applies to both Active & Retiree Plans.

Item 4 – Adjustment of Premiums Contingent on Tier Modification

Recommendation is to set the Employee Plus Spouse premium at $660 and maintain current premium of $605 for Employee Plus Child.

Item 5 – Increased Maximum Out of Pocket (MOOP)

Recommendation to change the MOOP for In-Network on the Active Plan from $3,500 to $4,000 (Family increases accordingly from $7,000 to $8,000). Out of Network MOOP would then increase from $4,000 to $5,000 (Family remains unlimited).

Item 6 – Real Appeal Weight Loss Program

Recommendation is to adopt the Real Appeal Weight Loss Program as a part of our Health Plan.

Item 7 – Diabetes Health Plan

Recommendation to adopt the Diabetes Health Plan for diabetics, pre-diabetics, high cholesterol and high blood pressure claimants.

Item 8– Transgender Benefits and Coverage

Said item was not addressed.

Item 9 – Retiree Plan Design Update

Recommendation to amend the plan design for retirees to include increased Deductibles and increased In and Out of Network Maximum Out of Pocket for Retirees < 65, as well as an increase to the In Network Deductible for Retirees > 65 as outlined above.

A question and answer session followed about the options. A discussion ensued with regards to health costs. Concerns were expressed.

A discussion ensued. Staff noted that this item was on the regular city commission agenda for approval.

After due consideration, It was the consensus of the McAllen Public Utility Board and City Commission to bring back said item for approval at the next regular city commission meeting.

Mayor Darling and the City Commission thanked staff for their presentation.

3. CONSIDERATION OF RENEWAL FOR THE EMPLOYEE BENEFIT DENTAL PLAN FOR 2017-2018.

A brief presentation was given as it related to the employee benefit dental plan for 2017-2018. Staff also recommended that the City change providers for Dental from Principal Financial to Ameritas for two years commending October 1, 2017 with an option to renew in year three given the 8% cap.

A discussion ensued. Staff noted that this item was on the regular city commission agenda for approval.

After due consideration, It was the consensus of the McAllen Public Utility Board and City Commission to bring back said item for approval at the next regular city commission meeting.

Mayor Darling and the City Commission thanked staff for their presentation.

END OF JOINT MEETING

4. PRESENT QUESTIONS TO STAFF RELATING TO THE MAY 22, 2017 REGULAR MEETING AGENDA, TO BE DISCUSSED AT SUCH MEETING.

Question was asked on item 4E of the regular meeting agenda.

5. DISCUSSION ON REMOVING THE HEALTH CARD (SEC. 54-67), STATE LICENSING PROVIDES SERVICES.

Said item was not addressed.

6. DISCUSSION REGARDING FEES FOR TEMPORARY PERMITS FOR SCHOOL GROUPS.

Said item was not addressed.

7. **PROJECT STATUS REPORT THROUGH APRIL 30, 2017.**

Said item was not addressed.

8. **SUBDIVISION REPORT ENDING APRIL 30, 2017.**

Said item was not addressed.

9. **STATUS REPORT ON PROJECTS FOR PARKS & RECREATION DEPARTMENT.**

Said item was not addressed.

10. **EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION REGARDING REAL PROPERTY) AND SECTION 551.087 (ECONOMIC DEVELOPMENT).**

    A) CONSIDERATION OF ECONOMIC DEVELOPMENT MATTERS. (SECTION 551.087, T.G.C.)

ADJOURNMENT

There being no other business to come before the Commission, the meeting was adjourned at 5:00 p.m.

Jim Darling, Mayor

Attest:

Perla Lara, TRMC/CMC, CPM
City Secretary