

**STATE OF TEXAS
COUNTY OF HIDALGO
CITY OF MCALLEN**

The McAllen Board of Commissioners convened in a Joint Meeting on **Monday, May 31, 2023**, at 4:00 p.m., at McAllen City Hall Third Floor (3rd) Commission Chambers.

Mayor Javier Villalobos, Mayor Pro Tem Joaquin Zamora, Commissioner Antonio "Tony" Aguirre, Jr., Commissioner Omar Quintanilla, Commissioner Rodolfo "Rudy" Castillo, Commissioner Victor "Seby" Haddad and Commissioner Jose R. "Pepe" Cabeza de Vaca were present.

MPUB: Vice Chairman Ernie Williams and Trustee Albert Cardenas

Also, present City Manager Roy Rodriguez, City Attorney Isaac Tawil, Assistant City Manager Michelle Rivera, Assistant City Manager Jeff Johnston, Mark Vega, MPU General Manager and City Secretary Perla Lara.

CALL TO ORDER

Mayor Javier Villalobos called the meeting to order at 4:00 pm.

1. SWEARING IN CEREMONY OF NEWLY ELECTED OFFICIAL.

It was announced that the newly elected official would be sworn in at this time.

Commissioner elect Rodolfo "Rudy" Castillo was sworn in by Mayor Javier Villalobos. Mayor Javier Villalobos presented Commissioner Castillo with a certificate of appointed officer.

2. DISCUSSION AND POSSIBLE ACTION OF CITY OF MCALLEN EMPLOYEE HEALTH PLAN.

Mayor Javier Villalobos called the special meeting to order on behalf of the City Commission. Vice Chairman Ernest Williams called the workshop to order on behalf of the McAllen Public Utility Board.

Staff covered review of last year's decisions made for this fiscal year, early estimate, and projections for next year as well as some strategic actions that will be necessary.

Staff presented Tim Foster, Consultant, Joe Wilson with Frontier and Rosie Pedraza.

Key take a way discussed were as follows:

- Changes effective 10/01/22 have an estimated \$2,671,670.00 next savings to plan for fiscal 2022-2023 based off first half of fiscal year data.
- There were several areas of overall plan experience that were outside of trend and the anomaly has resulted in a \$3.8M variance from budget on the Active Fund.
- Had changes made on 10/01/22 not been done, the plan would have realized \$6.5M of deficit. Looking ahead at fiscal year 2023-2024, carriers are underwriting with a 17% projected claims expense increase based on medical trends, (inflation, Med & Rx contracts, high-cost claimants experience).
- Current efforts continue to reduce that expected increase so that it's not experienced fully, however with no surplus to draw against, and a deficit to resolve from this year's anomalies, continued strategic action will be needed to ensure proper funding for next fiscal plan year.

Staff also discussed page 2 of the handout and noted what is trending out and mentioned many of those claims were carried out last year and it's estimated impact. Ms. Jolee Perez noted she had all data in case council had any questions on specific numbers on chart 1 of the handout. Also discussed was Chart 2 and the initial forecast projections of approved budget ending balance for 2022-2023 as follows:

- Outpatient Facility

- 22-23 Actual Starting Fund Balance Variance
- High Dollar Claimants
- Agency Exit
- Pharmacy Utilization Expenses
- Claims Lag from 21-22
- Shared Savings Expenses
- Increase of 30% PC Utilization Impact-Plan
- Increase of 30% PC Utilization Impact -DPC
- Administrative Expenses

Staff briefly commented on unused but budgeted funds, transfer requests, additional enhancements, health outcomes, pharmacy rebates, possible partnerships and added value.

Also discussed was the plan premium structure and staff touched on total premium, employee, and city portion.

A recommendation summary was provided as follows:

- 20-23 Plan Review
- Medical/Rx procured through Health Action Council
- Diabetes Health Plan
- Premium Change
- EAP Fringe Benefit
- Individual Stop Loss Carve Out
- Aggregate Stop Loss Removal

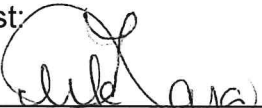
Discussion ensued. Comments were shared by Council. Staff answered questions posed by Council. It was the consensus of McAllen Public Utility Board and City Commission to bring back item for approval at the next regular city commission meeting.

Mayor Javier Villalobos thanked staff for their presentation.

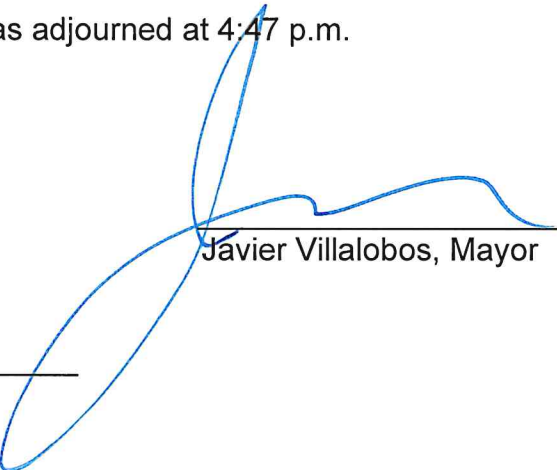
ADJOURN

Without objection, the meeting was adjourned at 4:47 p.m.

Attest:



 Perla Lara, TRMC/CMC, CPM
 City Secretary



 Javier Villalobos, Mayor