

**CITY OF WASILLA
RESOLUTION SERIAL NO. 08-22**

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A TWO-YEAR AGREEMENT WITH THE STATE OF ALASKA FOR GROUP HEALTH CARE AND LIFE INSURANCE BENEFITS.

WHEREAS, the City of Wasilla, herein called the "Employer", through its City Council desires to make formal request to the Commissioner of Administration (herein called the "State Agency") for inclusion of its eligible employees in the State of Alaska Group Health Care and Life Insurance Benefits Plan (herein called the "Program") offered to employees of the State of Alaska, pursuant to Alaska Statutes 39.30.090 through 39.30.100; and

WHEREAS, the Employer is prepared to administer the Program as required and has applied to the State Agency for coverage under the Program for all of the Employer's eligible employees; and

WHEREAS, the Employer is prepared to pay the required premiums (FY2009 is projected to be \$1,257,450.84), and submit same directly to the State's Group Health Care and Life Insurance Plan carriers.

NOW, THEREFORE, BE IT RESOLVED, that for the purpose of such request, Mayor Dianne M. Keller, City of Wasilla, 290 E. Herning Avenue, Wasilla, Alaska 99654 be and hereby designated as the Authorized Agent of the Employer and is hereby authorized and directed to execute said request and to forward same to the Commissioner, Department of Administration for acceptance and further action; and

BE IT FURTHER RESOLVED, that, (1) the Authorized Agent, as the representative of the Employer, is further authorized and directed to conduct all negotiations, conclude all arrangements and sign all agreements and instruments which may be necessary to carry out the letter and intent of the aforesaid request and to do so in conformity with all applicable Federal and State laws, rules and regulations; and (2) the Employer is authorized to pay any and all premiums in accordance with the terms set up by the State Agency; and (3) that the Employer agrees to give at least 90 days notice prior to terminating this agreement.

ADOPTED by the Wasilla City Council on June 23, 2008.



DIANNE M. KELLER, Mayor

ATTEST:



KRISTIE SMITHERS, MMC
City Clerk

[SEAL]





**CITY OF WASILLA
LEGISLATION STAFF REPORT**

RE: RESOLUTION SERIAL NO. 08-22

A RESOLUTION OF THE WASILLA CITY COUNCIL AUTHORIZING THE MAYOR TO EXECUTE A TWO-YEAR AGREEMENT WITH THE STATE OF ALASKA FOR GROUP HEALTH CARE AND LIFE INSURANCE BENEFITS.

Agenda of: June 23, 2008

Date: June 13, 2008

Originator: William A. Miller, Purchasing/Contracting Officer *W. Miller*

Route to:	Department	Signature/Date
	Police Chief Youth Court, Dispatch, Code Compliance	
	Culture and Recreation Services Director Library, Museum, Sports Complex	
	Public Works & Recreation Facility Maintenance Director	
X	Finance, Risk Management & MIS Director Purchasing	<i>CFO Chilton-Deems</i>
X	Deputy Administrator Planning, Economic Development, Human Resources	<i>Ma...</i>
X	City Clerk	<i>...</i>

REVIEWED BY MAYOR DIANNE M. KELLER: *Dianne M. Keller 6/16/08*

FISCAL IMPACT: yes or no Funds Available yes no

Account name/number: 001-4134-414.30-34
General & Administrative – Professional Services - Other

Attachments: SOA/AETNA Benefit Summary for Plan III

SUMMARY STATEMENT: The City of Wasilla employees are currently insured by Premera Blue Cross Blue Shield of Alaska but due to rate increases can no longer afford to utilize their services. Premera's quote for FY2009 is \$1,377,331.56 which is a 34% rate increase over FY2008, and is similar to the increases the City has received from Premera for the last two fiscal years. In lieu of the Premera policy, Administration seeks approval to execute a contract with the State of Alaska Group Health Care and Life Insurance Benefits Plan that would provide employee health insurance through Aetna Life Insurance Company of Seattle, Washington. The premium for this plan for FY2009 is \$1,257,450.84 which is a 22% increase over FY2008 rates but is still \$119,880 less than the Premera plan.

Under Alaska Statutes, a governmental unit (a municipality, school district or other political subdivision of the State) may elect to participate in the State-sponsored Political Subdivision Group Health and Life Insurance plan. There are four plans available. All plans cover the same services but have different deductibles and/or coinsurance

(reimbursement) amounts. Administration has chosen Plan III (attached) that has a \$500 deductible and through the Health Reimbursement Arrangement will reimburse the employee \$500 thus effectively making it a zero deductible plan. This is an excellent benefit for the employee and at the same time is a considerable savings over the offer presented by Premera.

In accordance with Wasilla Municipal Code 5.08.115, administration requests Council authorize the Mayor to enter into an agreement with the State of Alaska for health insurance benefits for city employees.

**POLITICAL SUBDIVISION HEALTH PLAN
BENEFIT SUMMARY
PLAN III**

This is a summary of coverage's provided by the selected plan. Please refer to the Insurance Information Booklet for State of Alaska Political Subdivisions.

Medical Benefits

Deductibles

Calendar Year Individual.....	\$500 per person
Physician Office Visit.....	\$10 per visit

Coinsurance

Most Medical Expenses.....	80% of covered expenses
Second Surgical Opinions.....	80% of covered expenses
Preoperative Testing.....	80% of covered expenses
Outpatient Testing.....	80% of covered expenses
Hospital Expenses.....	80% of covered expenses
Chemical Dependency Treatment.....	80% of covered expenses
Mental or Nervous Disorders.....	50% of covered expenses

Out-of-Pocket Limit

After the deductible, the plan will pay the 80% coinsurance shown above until paid claims for an individual reach \$10,000, or, in other words, until out-of-pocket expenses for covered claims reach \$2,000 (not including the deductible). After paid claims reach \$10,000, the plan will pay 100% of most covered medical expenses for that person for the remainder of the calendar year. Expenses paid at a coinsurance different than 80% are not credited to this limit.

Benefit Maximums—Individual

Chemical Dependency Treatment	
Two consecutive calendar years.....	\$12,475
Lifetime.....	\$24,950
Subject to change every 3 years	

Mental and Nervous Disorders

Inpatient Calendar Year.....	21 days
Outpatient Calendar Year.....	25 visits

Prescription Drugs

The Plan pays normal plan benefits for a brand name drug after deductible. Generic drugs are covered at 100% after deductible.

Generic Drugs: You pay \$10.00 up to a 90 day supply.

Brand Name Drugs: You pay \$30.00 up to a 90 day supply.

Dental Benefits

Deductible

Individual Calendar Year (Class II and III combined).....	\$50
---	------

Coinsurance

Class I (preventive) services.....	80%
Class II (restorative) services.....	80%
Class III (prosthetic) services.....	50%

Benefit Maximum

Individual Calendar Year.....	\$1,500
-------------------------------	---------

Vision Benefits

Coinsurance

Examinations.....	80%
Lenses.....	80%
Frames.....	80%

Benefit Maximums

Examinations.....	1 per calendar year
Lenses.....	2 per calendar year
Frames.....	1 set every 2 calendar years

Audio Benefits

Coinsurance

All Covered Services.....	80%
---------------------------	-----

Benefit Maximum

Individual/3 consecutive calendar years.....	\$800
--	-------