

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**June 23, 2021**

---

**1. Declaration of a Quorum, Call Meeting to Order, and Roll Call.**

*With a quorum present, the June 2021 Meeting was called to order at 2:02 p.m. by Chairman Mark Murchison. The following Trustees and persons were in attendance:*

Mark Murchison (Chair) – Trustee	Ashley Broadus – HUB International
Xavier Hancock (Vice-Chair) – Trustee	Brent Weegar – HUB International
Michael Loftin – Trustee	Daniel Buckley – City Staff
Kent Etienne – Trustee	Christy Shinn – City Staff
Christopher Anderson – Trustee	Donna Fairweather – City Staff
Andrew Jefferies – Trustee	Bryson Frazier – Park Board Staff
Julian Fontana – HUB International	Susan Keeble – Park Board Staff

**2. Conflicts of Interest.**

*None.*

**3. Public Comment on Agenda Items and Non-Agenda Items.**

*The City Council adopted a policy requiring that agendas for all City board, commission, and committee meetings include a section designated for public comment on both agenda items and non-agenda items. Members of the public may submit a public comment using the web link below. All comments submitted prior to the meeting will be provided to the Board of Trustees.*

<https://forms.galvestontx.gov/Forms/PublicComment>

- A. *Agenda Items*
- B. *Non-Agenda Items*

No Public Comment was received.

**4. Approval of the Minutes for the Regular Board Meeting of May 18, 2021.**

*Motion to Approve the Minutes from the May 18, 2021 Meeting made by Christopher Anderson with a second by Kent Etienne. Unanimously Approved by those Trustees present.*

**5. Receive financial reports as of May 2021 to include large claim cases and plan reimbursements. Discuss financial projections and consider for action recommendations for FY2021 and plan year 2022.**

Ashley Broadus with HUB International delivered the monthly financial reports. The City is at 123% cost as premium equivalent. Total costs for the City is about \$6.8 million. The City is at 97% of maximum spend for aggregate stop loss. The City has nine claimants over \$75,000. There are no retirees in the large claimants for the City. The Park Board is at 102% cost as premium equivalent. The Park Board is at 76% of the aggregate attachment point. There are no large claimants for the Park Board. The Port is at 151% cost as premium equivalent. The Port is at 107% of the aggregate attachment point. There is one large claimant who has hit stop loss reimbursement. All groups as a whole are at 127% cost as premium equivalent and are at 96% of the aggregate attachment point.

Ashley also delivered a budget report that displayed projections for the Park Board and the City. The PEPM costs estimated for the Park Board for FY21 is \$916 and for FY22 it is \$999. The funding rate is the same for FY21 and increases to \$824 for employee only and \$1,274.20 for dependent coverage for FY22. The City is estimated to have a PEPM of \$1,059 for FY21 and \$1,153 for FY22. The funding rate is the same for FY21 and increases to \$921.94 for employee only and \$1,424.24 for dependent care for FY22. These rates are based on each entity fully funding their employee groups. A pooled funding strategy would result in increased costs

**APPROVED MINUTES**  
**BOARD OF TRUSTEES FOR THE CITY OF GALVESTON**  
**EMPLOYEE HEALTH BENEFITS PLAN**  
**REGULAR MEETING**  
**June 23, 2021**

---

to the Park Board. It is the City's intention to do what is most beneficial to both without increases costs for the Park Board.

Mike Loftin delivered a City financial report. The City contributes the same dollar amount to the plan based on every budgeted position in the City. This year's budget the City budgeted for \$724 per month per budgeted position. The FY22 projected contribution is \$901 per month per budgeted position. It is time to discuss plan changes to prevent passing financial burden to the employees. The board should anticipate a trend increase annually.

**6. Discuss the Port's transition to fully insured health plan.**

The Port is transitioning to a fully insured plan effective July 1, 2021. They will no longer be plan members of the City of Galveston plan.

**7. Discuss and consider for action plan benefits related to coverage for free standing emergency rooms.**

Kent Etienne provided the board information on coverage or exclusion of coverage to free standing emergency rooms. The City legal team has decided that is in the Health Plan Board's ability to decide to carve out a provider based on billing practices. The City is now waiting for BCBSTX to provide information on their ability to process any carve out from an administration stand point.

Donna Fairweather provided additional legal information to the Health Plan Board regarding the board's ability to carve out a provider and deny coverage. Donna mentioned that the board can make the request to BCBSTX. If BCBSTX cannot process the request they will be required to provide documentation as to why not.

Julian Fontana informed the board that any carve out would be effective January 1, 2021. BCBSTX would need 90 days to implement the change. It would also be beneficial to include the change in the plan renewal.

Ashley Broadus delivered an updated analysis of cost from free standing emergency room providers. Hospitality ER's costs ran significantly higher than other providers. Hospitality ER is the third highest paid provider on the plan. The first two providers are UTMB and Methodist. Hospitality ER averaged 160% higher in costs to other providers and 76% higher in costs than other free standing ERs.

Donna Fairweather mentioned a strategy to request carve out from BCBSTX while also contacting Hospitality ER to try to establish a contract. Communication should also be sent to City of Galveston employees reminding them that Hospitality ER is not in network.

**8. Discuss tentative date(s) for next Board Meeting.**

*Tentatively agreed upon for Tuesday, July 27, 2021 at 2:00 p.m.*

**9. Adjournment. Motion**

*Motion to Adjourn made by Andrew Jefferies with a second by Christopher Anderson.. Unanimously Approved. The meeting was adjourned at 3:12 p.m.*

---

  
**Xavier Hancock, Chairman**

Wednesday, July 28, 2021  
**Date Approved**