

Falls City Council Approves Insurance Changes to Save Money

The Falls City, City Council, approved a motion to renew the city's health insurance policy with Blue Cross Blue Shield with more options aimed at reducing the amount of a sizeable increase in the premium.

The initial increase from Blue Cross Blue Shield was nearly 28-percent. Dustin Will of Benefit Management told the council they were able to negotiate that down to a 25-percent increase. Will also presented the council with three recommendations that he said would save the city money. One option is to create a high-deductible plan in addition to the traditional plan. Will also suggested creating an "in-lieu-of-benefit" program. That would involve giving an employee a cash benefit – that could be used for health insurance costs only – to transfer to another plan, such as a spouse's plan or Medicare.

Will recommended two plans – a traditional plan with a \$2500 deductible and a plan with a \$3500 deductible. To lessen the financial hit on employees, Will also recommended the city pay a portion of the deductible. (play audio :32)

Will said that would make financial sense for the employee and the city. (play audio :47)

Were the city to cover the increased insurance costs by just increasing the deductible, Will said the amount would have to go from the current \$750 to \$5,000 to keep the premiums level.

Will said the plan presented Monday would save the city approximately \$67,000 over the course of the year, with total costs amounting to \$741,000 as opposed to \$808,000 under the original proposal.