

NOTICE OF MEETING
BOARD OF TRUSTEES FOR THE CITY OF GALVESTON
EMPLOYEE HEALTH BENEFITS PLAN
Wednesday April 16, 2025, at 10 A.M.

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

With a quorum present, the April 16, 2025 meeting was called to order at 10:00 a.m. by Chairman Susan Keeble. The following Trustees and persons were in attendance:

Susan Keeble- Chairman PB
Beverly West- Vice Chairman COG HR
Csilla Ludanyi- Trustee- Finance
Justin Owens- GPD- 10:02am
Stewart Goff- GFD
Thomas Murdock- GPD

Betty Gwinn- Gallagher
Ben Magnusson- Gallagher
Kaitlyn Weedman- Human Resources
Donna Fairweather- Legal- 10:02am

2. Conflicts of Interest.

No conflicts of interest.

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

No public comments on agenda items.

4. Discussion and Possible Action to Approve the Minutes for the Regular Board Meeting of February 19, 2025.

Trustee Goff made a motion to approve the February meeting minutes and Trustee Ludanyi seconded; the motion was passed unanimously.

5. Presentation, Discussion and Possible Action to Approve Recommendation by the Evaluation Committee on RFP EAP Services.

The presentation was presented by the Gallagher team. Trustee Goff made a motion to approve the recommendation from the evaluation committee to award EAP services to UTEAP, Trustee Ludanyi seconded; the motion was passed unanimously.

6. Presentation by Gallagher Benefit Services and Discussion of the following items:

a. Healthcare Plan Financial Monitoring Report.

Brian Lopez with Gallagher Benefits Services presented the Financial Monitoring Reports for **February and April**, covering All Plans, the City, and the Park Board. The reports included historical claim trends, financial contributions, fixed costs, and stop loss performance, with special attention to monthly surpluses/deficits and large claimants. Please request the original data Gallagher has provided from HR if needed.

February Financial Summary

All Plans

- Historical Claims: \$937,912
- Total Claim Payments: \$879,031
- Fixed Costs: \$137,204
- Employee Contributions: \$178,376
- Employer Costs: \$837,859
- Net Result: Surplus of \$153,138

City

- Total Claim Payments: \$833,804
- Fixed Costs: \$120,500
- Employee Contributions: \$161,985
- Employer Costs: \$792,319

- Net Result: Surplus of \$103,328

Park Board

- Total Claim Payments: \$45,226
- Fixed Costs: \$16,705
- Employee Contributions: \$16,391
- Employer Costs: \$45,540
- Net Result: Surplus of \$49,810

Aggregate Stop Loss & Large Claimants

- Actual Net Paid Claims: \$878,474
- Aggregate Attachment Point: \$1,353,317
- Attachment vs. Claims: 64.9%
- YTD Attachment vs. Claims: 63.9%
- Large Claimants Over \$100K: 2
 - February Total: \$200,796
 - YTD: \$274,415
 - Medical: \$269,300 | Pharmacy: \$5,115

Top Drugs by Amount Paid

- Overall Number of Scripts: 179
- Overall Amount Paid: \$365,899
- Amount Paid Per Rx: \$2,044
- Percentage of Total Paid Rx: 64.9%

March Financial Summary

All Plans

- Historical Claims: \$1,000,604
- Total Claim Payments: \$942,001
- Fixed Costs: \$136,556
- Employee Contributions: \$177,818
- Employer Costs: \$900,738
- Net Result: Surplus of \$86,346

City

- Total Claim Payments: \$791,985
- Fixed Costs: \$120,013
- Employee Contributions: \$161,438
- Employer Costs: \$750,560
- Net Result: Surplus of \$141,572

Park Board

- Total Claim Payments: \$150,016
- Fixed Costs: \$16,542
- Employee Contributions: \$16,380
- Employer Costs: \$150,178
- Net Result: Deficit of \$55,226

Aggregate Stop Loss

- Actual Net Paid Claims: \$942,001
- Aggregate Attachment Point: \$1,334,301
- Attachment vs. Claims: 70.6%

- YTD Attachment vs. Claims: 66.4%
- Large Claimants Over \$100K: 2
 - March Total: \$43,124
 - YTD: \$317,540
 - Medical: \$310,690 | Pharmacy: \$6,850

Top Drugs by Amount Paid

- Overall Number of Scripts: 259
- Overall Amount Paid: \$495,091
- Amount Paid Per Rx: \$1,912
- Percentage of Total Paid Rx: 60.3%

b. Update and Discussion on Pharmacy Plan.

Brian Lopez with Gallagher went over a GLP-1 utilization overview. He compared the percentage of total scripts, Rx paid per script and total Rx paid from 2023 to March 2025 for Ozempic, Mounjaro and other mimic agents.

c. Review and Discussion on Options for Emergency Room Plan Design.

Deferred to the next meeting.

d. Review and Discussion of Trust Creation for the Healthcare Plan.

Trustee Ludanyi stated that an annual financial report was completed this year showing that the City's liability related to OPEB decreased significantly. Gallagher assisted with an analysis that also reflected a smaller liability, instead of 16 million it is now between 5-6 million. The savings account the City has set up is supposed to offset that liability, but Trustee Ludanyi commented that we cannot offset it unless it is in Trust form. David Lopez with Gallagher will be helping the City with setting up the Trust for City Council approval.

7. Discussion and Consideration of Dates and Agenda Items for the Next Meeting.

Proposed agenda items discussed were:

Gallagher's monthly financial monitoring report for April's numbers.

Hospital and emergency room plan discussion.

HRA Trust creation for health plan.

May 21st at 10am will be the next meeting.

8. Adjournment.

The meeting was adjourned at 11:10 a.m.

Susan Keeble- Chairman
Beverly West- Vice Chairman

Date Approved