Bella Vista City Council
Special Meeting Agenda

Date/Time: October 15, 2025 5:30 PM	**Location:** Bella Vista Public Library 11 Dickens Place

Mayor:
John D. Flynn

City Clerk:
Wanda Lepillez Krug

Staff Attorney:
Jason Kelley

Council Members:
Ward 1, Position 1 - Travis Harp
Ward 1, Position 2 - Wendy Hughes
Ward 2, Position 1 - Shea Newport
Ward 2, Position 2 - Larry Wilms
Ward 3, Position 1 - Anna Isbell
Ward 3, Position 2 - Craig Honchell

I. Call to Order

This meeting has been given public notice in accordance with Section 25-19-106 of the Arkansas Freedom of Information Act in such form that will apprise the public and news media of subject matter presented for consideration and action.

II. Roll Call

III. New Business

See meeting packet for complete ordinances and resolutions.

A. **RESOLUTION**: APPROVING A HEALTH INSURANCE AND BENEFIT PLAN FOR CITY EMPLOYEES TO BEGIN JANUARY 1, 2026

IV. Adjournment

SPECIAL NOTICES TO THE PUBLIC: Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. To request this service, contact City Clerk prior to each meeting at 479-876-1255.

MEETING DATE	PREPARED BY	LEGISLATIVE TITLE
October 15, 2025	Wanda Krug, City Clerk	**RESOLUTION**: APPROVING A HEALTH INSURANCE AND BENEFIT PLAN FOR CITY EMPLOYEES TO BEGIN JANUARY 1, 2026

AGENDA ITEM # III.A

RESOLUTION: APPROVING A HEALTH INSURANCE AND BENEFIT PLAN FOR CITY EMPLOYEES TO BEGIN JANUARY 1, 2026

BACKGROUND

RECOMMENDATION

FISCAL IMPACT

ATTACHMENTS

1. CORRECTED Resolution Benefits 2026
2. City Council PowerPoint Presentation 2026 FINAL

RESOLUTION NO. _____

CITY OF BELLA VISTA, ARKANSAS

APPROVING A HEALTH INSURANCE AND BENEFIT PLAN FOR CITY EMPLOYEES TO BEGIN JANUARY 1, 2026

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BELLA VISTA, ARKANSAS:

SECTION 1: The City Council of the City of Bella Vista, Arkansas hereby authorizes the Mayor and City Clerk to enter into necessary agreements to continue health insurance benefits for City employees beginning January 1, 2026, and further approves and authorizes the employee benefits plan as presented to the City Council herewith.

ADOPTED THIS _____ DAY OF _____, 2025.

APPROVED:

_____
Mayor John D. Flynn

Attest:

_____
City Clerk Wanda Krug

Requested by Mayor
Prepared by Jason Kelley, Staff Attorney

City Council Special Session – Employee Insurance

October 15, 2025

Presented By:
Todd Setser

Brown & Brown of Arkansas, Inc.

Employee Benefits Overview

Medical-Meritain (Aetna network)
- 2026 Renewal **Increase 10.2%**
  - Plan design changes in 2026
  - City & employees share cost

Dental-Mutual of Omaha
- **Rate hold**
  - No plan design changes
  - City & employees share cost

Vision- Mutual of Omaha (EyeMed network)
- **Rate hold**
  - No plan design changes
  - Employees pay 100%

Base Life & AD&D – Mutual of Omaha
- **Rate hold**
  - $50,000 City Paid (plus AD & D)

Voluntary Life Benefits-Mutual of Omaha
- **Rate hold**
  - Variety of optional life plans employee & family members

Short Term Disability – Mutual of Omaha
- **Rate hold**
  - Employees pay 100%
  - 14 day or 30 day qualification options

Long Term Disability – Mutual of Omaha
- **Rate hold**
  - City pays 100%

H.S.A. & Flexible Spending Accounts-Wex
- H.S.A. - **City contributes if employee chooses HDHP health Plan**
- **City contribution not changing**
- $720 annual Single Medical Plan
- $1,416 annual + Family members Medical PlanS
- Flexible Spending Accounts
  - Medical & Dependent Care – Employee only contributions

EAP – SWEAP
- **Rate Hold**
  - City pays
  - Arkansas based program
  - Includes special coverage First Responders

Additional Voluntary - Mutual of Omaha
- Employee Pays
- Hospital Indemnity
- Accident
- Critical Illness

City of Bella Vista Medical Plan History

History

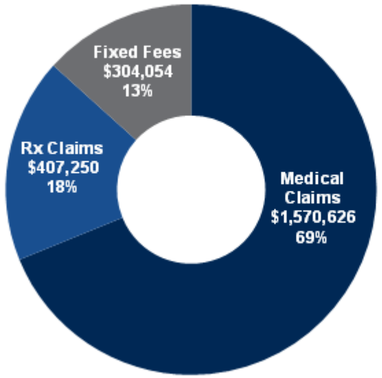
- 2023 Fully Insured 34% increase
- 2024 Fully Insured 29% increase
- 2024 Moved to Self Funding
- 2024 Plan audited in 2025 shows $396,785 in reserves; although this was an immature plan year

Self Funding allows us to pay for actual claims up to a specific deductible of $100,000 per member with a cap for all small claims.

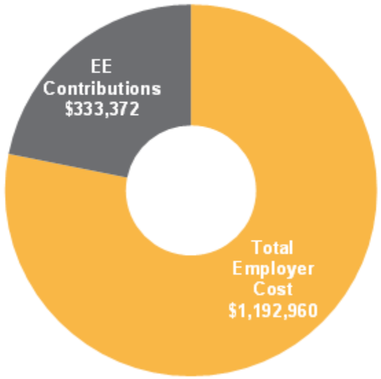
Goal of Self Funding is to improve our plan and level out volatility. Obtain more transparency from carriers and prescription benefit managers (PBM). Receive rebates from PBM's rather than those going back to the fully insured carrier. Manage adverse selection while offering dual option plans.

Executive Dashboard

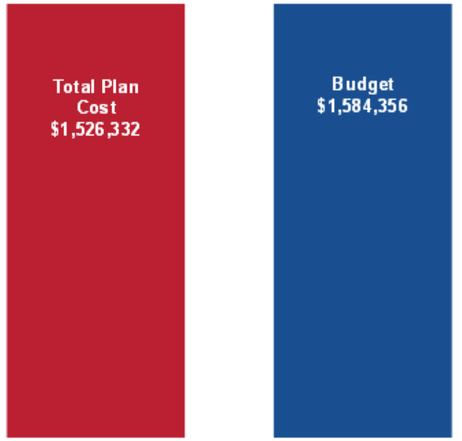
Claims Distribution



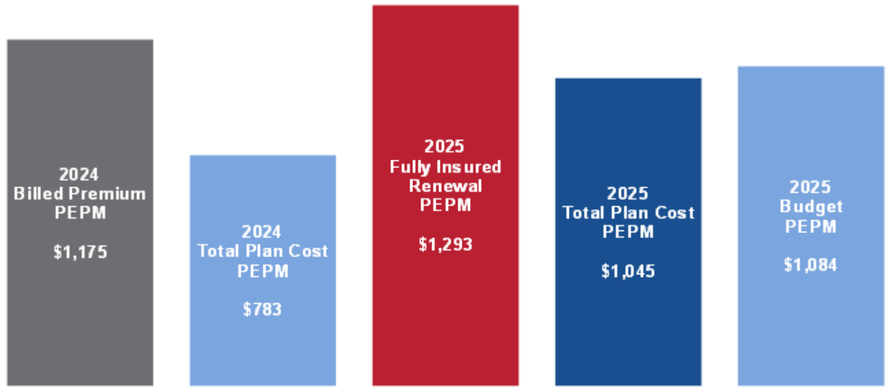
Employer / Employee Cost (78% / 22%)



Budget vs. Actual (96%)



Historical Performance



Continuing Cost Containment Measures

Features Built Into Self-insured Medical Plan

- Rebates from prescription Drug Companies
  - **2024 = $54,361.49**
  - **2025 = YTD $56,204.89**
- Samaritan Fund Program for ongoing High $$ claimant
- KISx Program No cost to employee
  - **Reduced cost to city for certain procedures such as imaging, some surgeries, etc.**
  - **Net savings for 2024 and 2025 YTD has been $15,055**
- CancerCare Program
  - **Special case management for cancer patients**
  - **Second opinions on diagnosis, stages and treatment plan**
- Hinge Health Program (New for 2026 Plan Year)
  - **Intervention for ongoing musculoskeletal issues**
  - **Virtual Physical Therapy**

2026 Estimated Medical Plan Cost

2026 Employer Expense Based on Current Enrollments & premiums recommendation

2026 Employer Expense Based on Oct 2025 enrollments & 2026 Dept Budgets

High Deductible Plan	ER Monthly Cost - includes 10% increase	Number of of contracts Oct 2025	Total Monthly Employer Cost	
Employee Only	$ 569.92	38	$ 21,656.96	
Employee + Spouse	$ 1,123.42	9	$ 10,110.78	
Employee + Child(ren)	$ 1,042.23	5	$ 5,211.15	
Family	$ 1,627.74	24	$ 39,065.76	
Co-pay Plan				
Employee Only	$ 603.51	41	$ 24,743.91	
Employee + Spouse	$ 1,119.84	11	$ 12,318.24	
Employee + Child(ren)	$ 1,044.35	15	$ 15,665.25	
Family	$ 1,612.64	22	$ 35,478.08	
Total Annual Estimated Employer Cost - Medical ONLY			**$ 1,971,001.56**	
PLUS Additional Staff & Election Chgs from Budget Estimate (10.10.25)			**$ 180,000.00**	**10.10.25**
TOTAL Annual Estimated ER Medical Expense Funding 2026			**$ 2,151,001.56**	
		Money Funding Claims Payments		
Employer H.S.A. Contributions estimate			**$ 53,808.00**	***10.10.25***
Total Medical Plan + H.S.A. EMPLOYER Funding 2025			**$ 2,204,809.56**	
Total Medical Plan Funding Estimate - Employer Plus Employee			**$ 2,657,929.56**	

Additional Money Funding Claims Payments - EE Contributions

High Deductible Plan	Employee Monthly includes	Number of of contracts Oct 2025	Total Monthly Employee Cost	
Employee Only	$ 86.00	38	$ 3,268.00	
Employee + Spouse	$ 254.00	9	$ 2,286.00	
Employee + Child(ren)	$ 204.00	5	$ 1,020.00	
Family	$ 340.00	24	$ 8,160.00	
Co-pay Plan				
Employee Only	$ 104.00	41	$ 4,264.00	
Employee + Spouse	$ 366.00	11	$ 4,026.00	
Employee + Child(ren)	$ 300.00	15	$ 4,500.00	
Family	$ 510.00	22	$ 11,220.00	
Total Annual Estimated Employee Cost - Medical			**$ 464,928.00**	
PLUS Additonal Headcount Employee Cost - Medical Estimate			**$ 42,000.00**	**10.10.25**
TOTAL Annual Estimated EE Medical Expense Funding 2026			**$ 506,928.00**	
		Money Funding Claims Payments		

Claims are running 72% of maximum through September.

HDHP/HSA Medical Plan Changes 2026

IRS increased HDHP deductibles/embedded deductibles

Deductibles & Maximum out-of-pocket - Bella Vista 2026

Plan Design Changes

- HDHP PLAN
  - Deductible - $3,500 for an individual ($3,300 in 2025)
    - Out-of-pocket Max - $6,000 ($4,500 in 2025)
  - Deductible - $7,000 for family ($6,600 in 2025)
    - Out-of-pocket Max - $12,000 ($9,000 in 2025)

NOTE: City contributes to H.S.A. accounts

- $720 Single & $1,416 with dependents

Co-Pay Medical Plan Changes 2026

Deductibles & Maximum out-of-pocket - Bella Vista 2026

Plan Design Changes

Co-Pay PLAN

- Deductible - $1,500 for an individual ($2,500 in 2025)
  - Out-of-pocket Max - $5,000 ($4,500 in 2025)
- Deductible - $3,000 for family ($5,000 in 2025)
  - Out-of-pocket Max - $10,000 ($9,000 in 2025)

2025 vs 2026 Medical Rates

2026 Medical Plan - Recommended Premiums

	2025 Rates - Monthly				2026 Rates - Monthly			
High Deductible Plan	**Total Cost**	**Employer Rate**	**Employee Rate**	**Per Ck**	**Total Cost**	**Employer Rate**	**Employee Rate**	**Per Ck**
Employee Only	$ 515.14	$ 449.14	$ 66.00	$ 33.00	$ 655.92	$ 569.92	$ 86.00	$ 43.00
Employee + Spouse	$ 1,081.78	$ 857.78	$ 224.00	$ 112.00	$ 1,377.42	$ 1,123.42	$ 254.00	$ 127.00
Employee + Child(ren)	$ 978.75	$ 774.75	$ 204.00	$ 102.00	$ 1,246.23	$ 1,042.23	$ 204.00	$ 102.00
Family	$ 1,545.40	$ 1,227.40	$ 318.00	$ 159.00	$ 1,967.74	$ 1,627.74	$ 340.00	$ 170.00
Co-pay Plan								
Employee Only	$ 657.73	$ 553.73	$ 104.00	$ 52.00	$ 707.51	$ 603.51	$ 104.00	$ 52.00
Employee + Spouse	$ 1,380.88	$ 1,034.88	$ 346.00	$ 173.00	$ 1,485.84	$ 1,119.84	$ 366.00	$ 183.00
Employee + Child(ren)	$ 1,249.38	$ 934.38	$ 315.00	$ 157.50	$ 1,344.35	$ 1,044.35	$ 300.00	$ 150.00
Family	$ 1,972.70	$ 1,482.70	$ 490.00	$ 245.00	$ 2,122.64	$ 1,612.64	$ 510.00	$ 255.00

2026 Plan Design

Benefits	Meritain Copay Plan		Meritain HDHP	
	In Network	Out of Network	In Network	Out of Network
Annual Deductible	$1,500 Individual $3,000 Family	$3,000 Individual $6,000 Family	$3,500 Individual $7,000 Family	$7,000 Individual $14,000 Family
Annual Out of Pocket Maximum (Includes Deductible & Copays)	$5,000 Individual $10,000 Family	$20,000 Individual $40,000 Family	$6,000 Individual $12,000 Family	$20,000 Individual $40,000 Family
Preventive Care	Covered in Full	20% after Deductible	Covered in Full	20% after Deductible
Physician Office Visit	$35 Copay	20% after Deductible	20% after Deductible	40% after Deductible
Specialist Office Visit	$60 Copay	20% after Deductible	20% after Deductible	40% after Deductible
Outpatient Surgery	20% after Deductible	40% after Deductible	20% after Deductible	40% after Deductible
Inpatient Hospitalization	20% after Deductible	40% after Deductible	20% after Deductible	40% after Deductible
Emergency Room	$400 Copay + Deductible/Coinsurance		20% after Deductible	
Urgent Care	$75 Copay		20% after Deductible	
Lab	20% after Deductible	20% after Deductible	20% after Deductible	40% after Deductible
Advanced Imaging	20% after Deductible	40% after Deductible	20% after Deductible	40% after Deductible
Prescription Drugs Tier 1 Tier 2 Tier 3 Tier 4 Specialty Mail Order (90 day fill)	$15 Copay $40 Copay $60 Copay $80 Copay $45/$120/$180	20% after Deductible	20% after Deductible	20% after Deductible

Dental Insurance 2026

Annual Deductible Deductible is waived for Preventive Services	$25 In-Network / $50 Out-of-Network 3 per family ($75) In-Network / 3 per family ($150) Out-of-Network	
Annual Plan Maximum	$2,000 per individual	
Type I: Preventive Services		
Routine Exam	Plan pays 100%	Plan pays 100%
Teeth Cleaning	Plan pays 100%	Plan pays 100%
Panoramic X-rays	Plan pays 100%	Plan pays 100%
Type II: Basic Services		
Simple Extraction	Plan pays 80% AD	Plan pays 80% AD
Root Canal Endodontic	Plan pays 80% AD	Plan pays 80% AD
Periodontal Scaling	Plan pays 80% AD	Plan pays 80% AD
Type III: Major Services		
Implant	Plan pays 50% AD	Plan pays 50% AD
Crown	Plan pays 50% AD	Plan pays 50% AD
Type IV: Orthodontic Services		
Treatment—Child to age 19	Plan pays 50%	Plan pays 50%
Lifetime Orthodontic	$1,000	$1,000
Carry Over Benefits		
Carry-over Benefit (In-Network)	$500	
Claims Threshold	$1,000	
Carry-over Benefit Maximum	$2,000	
In Network– Negotiated Fee Schedule; Out of Network- R&C 99th Percentile		

Dental Rates	SEMI-MONTHLY COSTS *(Pre-Tax)*
Employee Only	$3.90
Employee + Spouse	$9.77
Employee + Child(ren)	$12.32
Employee + Family	$18.13

Vision Insurance 2026

Vision Benefits		
Exams	$10 Copay	
Materials	$25 Copay	
	Service Frequency	
Eye Exams	Once Every Calendar Year	
Lenses Benefit	Once Every Calendar Year	
Contact Lenses	Once Every Calendar Year	
Frames	Once Every Calendar Year	
Benefit Coverage	**In Network**	**Out of Network**
Eye Exam	$10 Copay	Reimbursed up to $37
Base Lenses ***(one pair per frequency)***		
Single Vision Lenses	$25 Copay	Reimbursed up to $20
Lined Bifocal Vision Lenses	$25 Copay	Reimbursed up to $36
Lined Trifocal Vision Lenses	$25 Copay	Reimbursed up to $64
Lined Lenticular Vision Lenses	$25 Copay	Reimbursed up to $64
Frames ***(one per frequency)***		
Frame Benefit	$175 retail allowance + 15% off balance	Reimbursed up to $77
Contact Lenses ***(in lieu of lenses and/or frame per frequency)***		
Elective	$175 retail allowance + 15% off balance	Reimbursed up to $119
Medically Necessary	Covered after copay	Reimbursed up to $210
Elective Contact Lens Fitting and Evaluation	Up to $40	Not Applicable

Vision Rates	**SEMI-MONTHLY COST** *(Pre-Tax)*
Employee Only	$3.33
Employee + Spouse	$6.67
Employee + Child(ren)	$7.86
Employee + Family	$12.04

Discussion/Motion to Approve

City of Bella Vista Total Cost Summary

MEDICAL

Total Medical Cost Summary

	2025 Budget		2025 ROY Forecast		2026 Renewal	
Stop-Loss Limit	$100,000		$100,000		$100,000	
	PEPM	Annual	PEPM	Annual	PEPM	Annual
Enrollment	165		165		165	
Expected Claims (Med & Rx) (1)	$880.48	$1,743,360	$837.33	$1,657,904	$947.07	$1,875,189
Stop-Loss Premium	$208.84	$413,503	$208.84	$413,503	$266.26	$527,186
Admin Fees	$63.75	$126,225	$64.11	$126,938	$65.99	$130,660
Rx Administration	$13.80	$27,324	$13.80	$27,324	$13.80	$27,324
Pass-Through Rebates (2)	(24.51)	(48,529)	($36.84)	($72,948)	(36.84)	(72,948)
MPS Rebates	(26.00)	(51,480)	($26.00)	($51,480)	(26.00)	(51,480)
Total Expected Cost	**$1,116.37**	**$2,210,403**	**$1,061.23**	**$2,101,241**	**$1,230.27**	**$2,435,931**
Δ % From Budget			-4.9% |	-4.9%	10.2% |	10.2%
Δ $ From Budget			($55.13) |	($109,161)	$113.90 |	$225,528

Meritain Renewal

Pareto Captive Bundle

City of Bella Vista

Quoted Employees 164	**Effective Date:**		
	Network :	Aetna Choice POS II	
	Plan Design:	Proposed Benefits	
	TPA:	Meritain Health	
Pareto Captive		**Current Rates Traditional with MPS**	**Renewal with MPS (1/1/26-12/31/27)**
Medical Administration Fee		Included	Included
Network Access Fee		Included	Included
Utilization Management (Assuming Model Pre-Cert List)		Included	Included
Case Management		$130/Hour	$130/Hour
High Cost Drug Management		$130/Hour	$130/Hour
Reinsurance Administration		Included	Included
Enlight Reporting		Included	Included
Meritain Specific Advance		Included	Included
Springbuk Data Feed		Included	Included
Cancer Care		Included	Included
Valenz Health Kisx Card		Included	Included
HealthJoy Data Feed		Included	Included
SBC (Spanish SBC $110)		Included	Included
NYHCRA/HCRA Surcharge Reporting		Included	Included
Data Feed Fee (Inbound Eligibility, Assumes Meritain Standard Format)		Included	Included
Aetna Choice POS II		Included	Included
Aetna IOE		Included	Included
Inbound Ongoing Eligibility File Feed		Included	Included
Progeny Health (NICU)		Included	Included
Minute Clinic		Included	Included
Meritain Bundled Rate:		$37.61	$39.49
Meritain Health Pharmacy Solutions - Rebate Admin Credit		($26.00)	($26.00)
Meritain Health Pharmacy Solution Integration Fee		Included	Included
Carve Out PBM Administration Fee		Included	Included
Total Administration Fees after MHPS Credits		**$11.61**	**$13.49**
****Additonal Products or Service Fees Elected****			
Broker Fees		$25.00	$25.00
PACE Coordination		$0.75	$0.75
PACE Biling		$0.75	$0.75
Meritain GO		$0.00	$2.25
Hinge Health		PER PARTICIPANT	PER PARTICIPANT
Total Additional/Optional Service Fees		**$26.50**	**$28.75**
Total Renewal Rates		**$38.11**	**$42.24**
Total Administration Fees (Annual):		$75,000.48	$83,128.32

Plan Audit

City of Bella Vista, Arkansas
Statement of Net Position – Proprietary Funds
December 31, 2024

	Governmental Activities – Medical Claims Internal Service Fund
Assets	
Cash and cash equivalents	
Restricted	$ 329,602
Accounts receivable, net	33,902
Due from other funds	145,311
Total Assets	508,815
Liabilities	
Accounts payable	112,030
Total Liabilities	112,030
Net Position	
Unrestricted	396,785
Total Net Position	$ 396,785

Plan Audit

City of Bella Vista, Arkansas
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended December 31, 2024

	Governmental Activities – Medical Claims Internal Service Fund
Operating Revenues	
Premiums	$ 1,927,698
Prescription income	101,681
Total Revenues	2,029,379
Operating Expenses	
Benefits payments	1,496,716
Administration	135,878
Total Expenses	1,632,594
Operating Income	396,785
Increase in Net Position	396,785
Net Position, Beginning of Year	-
Net Position, End of Year	$ 396,785