

City of Jefferson

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Official Statement

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FOR IMMEDIATE RELEASE

October 23, 2024

I'm reaching out to you today to provide an important update regarding the City's health insurance plan. On Monday, October 21, the City Council voted to move forward with an important step toward finding a solution for our healthcare challenges. I want to address any concerns or misinformation out there—no City employee will be left without healthcare coverage or access to necessary medications or services.

Over the past few years, the cost of providing health insurance to our employees and their families has risen significantly, putting immense strain on our health trust fund. Our top priority has always been to ensure that employees do not lose access to the care or medications they need, and decisions regarding employees and employee benefits are not made lightly.

At present, the City's health trust fund generates approximately \$4.5 million annually. Unfortunately, projected claims for this year are expected to reach \$6.5 million, leaving us with a \$2 million shortfall each year. This gap represents an unsustainable financial situation that, if left unaddressed, would jeopardize the entire program. Without intervention, the city could face the harsh reality in the future of having to make drastic changes to our organization.

To mitigate this, we've introduced Quantify Specialty Care, a new program designed for individuals with more complex medical needs. Now that the City Council has approved the agreement with Quantify, we'll begin onboarding the program. Quantify will meet with affected employees to explore the options and support available.

That said, throughout these changes to the City's healthcare offerings, the City's primary goal is to ensure that no City employee will be left without healthcare coverage or access to necessary medications or services.

To address these challenges, the City is working with its health plan service providers to identify organizations who can assist members with medical treatment options. The City Council gave its recent approval to one such option when it approved the City's engagement of a service provider to assist members with their healthcare needs.

Under the programs the City is utilizing or exploring, no employee will lose health plan coverage. Instead, these programs are designed to ensure our members continue to receive the care they need while safeguarding the health of our entire insurance program.

Like every employer who provides healthcare coverage to its employees, The City is actively exploring every possible avenue to further reduce costs, including reviewing pharmacy benefits, negotiating with healthcare providers, and pursuing alternative solutions. These conversations are being handled with the utmost care and confidentiality, with the health and well-being of our employees and members as our top priority.

I ask for your understanding and support as we navigate these challenges. We will keep you informed as we continue working toward a solution that prioritizes both the health of our employees and the long-term sustainability of our city's health insurance program.

Thank you for your commitment to the City of Jefferson and for your patience as we work through this difficult situation together.

Brian Crane
City Administrator, City of Jefferson