

Special Finance Committee Proceedings
City of Superior
September 22, 2022

Members Present: Jack Sweeney, Tylor Elm, Mike Herrick
Staff Present: Jean Dotterwick, Deb Kamunen, Tom Andersen, Terry Johnson and Jane Darwin
Others Present: Kim Shult and Sheanne Hediger
Members Excused:

Jack Sweeney called the meeting to order at 4:30 pm with a quorum present. Attendance was done by sign in and virtual meeting.

1. Review of the proposal submitted by Baker Tilly US, LLP for 2023 auditing services.

Contract Analyst, Jane Darwin, asked everyone at the meeting to introduce themselves. She then instructed Baker Tilly as to how the interview would proceed. She provided handouts of the questions that would be asked. Acting Finance Director, Deb Kamunen provided a hand out of Baker Tilly's proposal of auditing and account services for review. The interview proceeded.

After the interview was completed a discussion and review ensued among the Committee.

2. Request for Approval of the 2023 HealthPartners Group Insurance renewals.

3. Request from Assistant Finance Director Deb Kamunen for approval of the 2023 Self Insured Health Fund Budget, 2023 Health and Dental Insurance Rates and funding of HSA/HRA deductibles for 2023.

Motion was made by Tylor Elm, seconded by Mike Herrick and carried to hold these two items in Committee for HealthPartners to present at the next meeting and to invite a representative of the Health Insurance Committee to attend.

Having no other business, the Finance Committee Meeting adjourned at 6:17 p.m.

Minutes respectfully submitted by Jean Dotterwick

Handout - 2. Request for Approval of the 2023 HealthPartners Group Insurance renewals.

**HealthPartners
Self-Funded Cost Illustration (Page 1 of 2)**

Company Name: City Of Superior WI - 20045
 Proposed Effective Date: 1/1/2023
 Contract Basis: Paid
 \$150,000 Specific Deductible per Member (Unlimited Lifetime Maximum)
 Aggregate Attachment Point 125% of Expected Claims

	<u>Contracts</u>	<u>Members</u>	<u>Current</u>	<u>Renewal</u>	<u>Monthly Projected Cost</u>	<u>Increase</u>
Administrative Fee						
Single	98	98	\$5.85	\$3.24	\$317	
Single + 1	61	122	\$11.95	\$6.62	\$404	
Family	111	434	\$18.04	\$9.99	\$1,109	
Total	270	654	\$12.24	\$6.78	\$1,830	-44.64%
Specific Stop-Loss						
Single			\$80.93	\$88.21	\$8,645	
Single + 1			\$169.33	\$184.57	\$11,259	
Family			\$257.98	\$281.20	\$31,213	
Total			\$173.69	\$189.32	\$51,117	9.00%
Aggregate Stop-Loss						
Single			\$3.60	\$3.60	\$353	
Single + 1			\$7.53	\$7.53	\$459	
Family			\$11.46	\$11.46	\$1,272	
Total			\$7.72	\$7.72	\$2,084	0.00%
Broker Service Fee			\$0.00	\$0.00	\$0	
Claims Fiduciary Fee			\$0.31	\$0.31	\$84	
Total Fixed Costs						
Single			\$90.69	\$95.36	\$9,346	
Single + 1			\$189.12	\$199.03	\$12,141	
Family			\$287.79	\$302.96	\$33,628	
Total			\$193.96	\$204.13	\$55,114	5.24%

Fixed Costs will be billed monthly based upon actual enrollment.

<u>Claim Cost:</u>	<u>Contracts</u>	<u>Current Expected Claims Rates</u>	<u>Monthly Attachment Factors</u>	<u>Renewal Expected Claims Rates</u>	<u>Monthly Attachment Factors</u>	<u>Monthly Attachment Factors</u>	
<u>WI175 HSA - \$2800-100% E - Creditable</u>							16.00%
Single	98	\$750.55	\$938.19	\$870.64	\$1,088.30	\$106,653.16	
Single + 1	61	\$1,567.01	\$1,958.76	\$1,817.73	\$2,272.16	\$138,602.03	
Family	111	\$2,390.97	\$2,988.71	\$2,773.53	\$3,466.91	\$384,826.62	
Total	270	\$1,609.40	\$2,011.76	\$1,866.91	\$2,333.64	\$630,081.81	
<u>\$3000x2 Ded; 100% Coins; 100% Open Form Rx; \$3000x2 OOP Emb HSA - Creditable</u>							
Single				\$858.24	\$1,072.80		
Single + 1				\$1,791.85	\$2,239.82		
Family				\$2,734.04	\$3,417.55		
Total							

- * Rates assume group will be contributing \$1400-S/\$2800-F toward the employee's HSA.
- * Refer to healthpartners.com/creditable-coverage for creditable coverage determination method and details.

Annual Expected Claims Rate Costs:	\$6,048,786
Total Annual Expected Costs:	\$6,710,156
Total Annual Maximum Costs:	\$8,222,352

Minimum Annual Attachment Point (90% of Annual Attachment Point) will be determined based on first months enrollment.

- * Excess Risk Insurance Coverage is provided by HealthPartners Insurance Company.
- * Third Party Administrative Services provided by HealthPartners Administrators, Inc.
- * Quote will expire on: 1/1/2023
- * Claims Shared Savings Fee: 3% of claims savings generated by HPAL through: Negotiated provider discounts or other fee arrangements; code review; prior authorization and application of timely filing limitations. Fee does not apply to dental claims, pharmacy claims or non-covered member expenses.
- * The Claims Shared Savings Fee is estimated to be \$96,000 annually.
- * Rebates are used to lower your administrative fee using the book of business estimated rebate value of \$25.22 PMPM.
- * Quote is contingent upon the Underwriting Requirements and Provisions.

**HealthPartners
Self-Funded Cost Illustration (Page 2 of 2)**

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 Contract Basis: Paid
 \$150,000 Specific Deductible per Member (Unlimited Lifetime Maximum)
 Aggregate Attachment Point 125% of Expected Claims

Claim Cost:	Renewal Expected Claims Rates	Monthly Attachment Factors
<u>\$3000x2 Ded; 100% Coins; 100% Open Form Rx; \$3000x2 OOP Emb HSA - Creditable</u>		
Single	\$860.22	\$1,075.27
Single + 1	\$1,795.97	\$2,244.97
Family	\$2,740.33	\$3,425.41

* Rates assume group will be contributing \$1400-S/\$2800-F toward the employee's HSA.



Self-Insured Coverage Requirements

For City Of Superior WI

Renewal Date: January 1, 2023

HealthPartners is proud to offer you and your employees high quality health care at a competitive cost. Our dedication to quality, cost management, and service lays the foundation for better health and financial value.

Below you'll find an outline of the assumptions we used to provide you with the best price for your plan. These coverage requirements ensure an equitable and adequate risk pool, and must be met and maintained in order for your offer to be valid. If you have questions, please contact your HealthPartners sales representative.

As you read below, please keep in mind that "employee" means all employees eligible for health plan coverage whether or not he/she has elected health plan coverage offered by the employer. "Participant" means an employee who has elected health plan coverage offered by the employer.

- Please refer to the benefit summary for a description of the benefit package corresponding to this offer. Because any changes or revisions may result in an adjustment to the rates and rating factors, please let us know of these changes as soon as possible.
- Brokerage firms may receive additional compensation based on volume and net growth. This compensation is commonly known in the industry as a bonus or override. HealthPartners also recognizes additional time, resource allocation, and effort when our collaborative sales approach is utilized.
- Increases or decreases in the number of eligible employees by more than 10% may affect plan rates. The effective date of any rate change would be the date of the increase or decrease in employees.
- We are pleased to offer you the following contract arrangement:
Incurred on or after the inception date and paid within the policy period (Paid).
- At your request, HealthPartners will provide our standard reports to external stop loss vendors in the event an individual or the group exceeds the attachment point.
- We calculate specific stop loss benefits on a per covered member basis. This means covered expenses for a member accumulate to the specific stop loss deductible.
- When you purchase excess risk coverage through HealthPartners Insurance Company, a Unlimited per individual lifetime benefit limit applies.
- HealthPartners' minimum participation standard is at least 50% of all eligible employees must participate in the employer sponsored plan(s) regardless of waivers. If this minimum participation level is not met HealthPartners may add a risk adjustment to the rates.
- The employer must contribute a minimum of 50% of the lowest-cost premium for all employees in each eligible class.
- Employees who waive coverage may receive up to 50% of the pre-tax single premium in cash or cash-equivalent in lieu of medical coverage. Employees who exercise this option must have other group medical coverage.
- Excess Risk coverage (stop loss insurance) is provided by HealthPartners Insurance Company, a licensed wholly owned insurance company of HealthPartners.
- If you purchase aggregate stop loss coverage, specific stop loss is required.
- If changes are made to your specific stop loss level, it may affect stop loss rates, expected claims rates and aggregate attachment factors, so please let us know of any changes as soon as possible.
- Our offer assumes that HealthPartners is sole carrier and that everyone enrolled in the employer-sponsored plan is enrolled in the HealthPartners plan(s).
- Rebates have been used by HealthPartners Administrators, Inc. to lower your administrative fee. In the event state or federal laws or regulations reduce or eliminate the availability of rebates or if process changes result in rebates being provided at point of sale, HealthPartners may adjust the administrative fee to offset the reduction in rebates retained by HealthPartners.
- We are pleased to include the HealthPartners® RxRevealed Guarantee as part of this proposal. Details of this guarantee are provided separately.
- If you do not contribute to the cost of early retiree coverage, up to 20% of your enrollment can include early retirees.
- Claims Shared Savings Fee: 3% of claims savings generated by HPAI through: Negotiated provider discounts or other fee arrangements; code review; prior authorization and application of timely filing limitations. Fee does not apply to dental claims, pharmacy claims or non-covered member expenses.
- **Assumptions Specific to Empower HSA Plan:**
See the cost illustration for assumptions regarding group contribution towards the annual deductible on the HSA plan(s).

HealthPartners will notify employees covered on HealthPartners plans of the special enrollment detailed in the Federal Register 2590.701-6. It is the responsibility of the employer to notify those employees who are not enrolled in the HealthPartners coverage of their special enrollment rights.

Did you know that if 5% of employees used an employee assistance program (EAP), an employer could potentially save an estimated 3.45% of payroll in reduced absenteeism and improved productivity? Contact your HealthPartners sales executive for more information.

Thank you for the opportunity to provide you with rates for the upcoming year. We look forward to being your partner for better health in the next year and for years to come.