

NOTICE OF REGULAR MEETING

NOTICE OF SAN LUIS HEALTH BENEFIT TRUST MEETING IN ACCORDANCE WITH SECTION 38-431.01 OF THE ARIZONA REVISED STATUTES OF THE STATE OF ARIZONA, NOTICE IS HEREBY GIVEN TO THE TRUSTEES OF SAN LUIS EMPLOYEE HEALTH BENEFIT TRUST AND TO THE GENERAL PUBLIC THAT THE TRUSTEES OF THE SAN LUIS EMPLOYEE HEALTH BENEFIT TRUST WILL HOLD A BOARD MEETING AT 5:30 P.M., WEDNESDAY, APRIL 10, 2019. THIS WILL TAKE PLACE AT THE CITY HALL, COUNCIL CHAMBERS, LOCATED AT 1090 E. UNION STREET, SAN LUIS, ARIZONA, 85349. EVERYONE FROM THE PUBLIC IS INVITED TO ATTEND THE OPEN MEETING.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 East Union Street, San Luis, Arizona 85349; (928) 341-8579.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 been waived.

THIS NOTICE IS APPROVED BY:

/s/ Maria Muñoz, HR Benefits Coordinator

AVISO DE JUNTA REGULAR

AVISO DE JUNTA DEL FONDO DE BENEFICIOS MEDICOS DE ACUERDO A LA SECCION 38-431.01 DE LOS ESTATUTOS REVISADOS DEL ESTADO DE ARIZONA. SE LE INFORMA A LOS MIEMBROS DE LA MESA DE PERSONAL DE SEGURIDAD PUBLICA Y PUBLICO EN GENERAL QUE EL PRESIDENTE Y MESA DIRECTIVA DE FONDO DE BENEFICIOS MEDICOS, SAN LUIS, ARIZONA TENDRAN UNA JUNTA REGULAR A LAS 5:30 P.M., EL DIA MIERCOLES, 10 DE ABRIL DEL 2019. LA JUNTA SE LLEVARA A CABO EN LAS OFICINAS DE LA CIUDAD, EN LA SALA DEL CABILDO, UBICADA EN EL 1090 E. UNION STREET, SAN LUIS, ARIZONA, 85349. EL PUBLICO ESTA CORDIALMENTE INVITADO.

De acuerdo con el Acta de Americanos con discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para mas información referente a derechos y provisiones del Acta de Americanos con discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la ciudad, contactar al: Coordinador del Acta de Americanos con discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, 1090 Este Calle Unión, San Luis, Arizona, 85349; (928) 341-8579.

Por medio de este aviso y de acuerdo con los Estatutos Revisados del Estado de Arizona, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar o no dar el consentimiento antes que el Estado o alguna subdivision política grabe a un menor de edad, ya sea en audio o video. Las juntas del Concilio se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden solicitar por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo/hija menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad esta presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con el Estatuto Revisado del Estado de Arizona §1-602.A.9.

ESTE AVISO ES APROBADO POR:

/f/ Maria Muñoz, Cordinadora de Beneficios de Recursos Humanos

AGENDA
Regular Meeting
City of San Luis Employee Benefit Trust
Council Chambers – City Hall
1090 E Union Street
San Luis, AZ 85349
Wednesday, April 10, 2019
5:30 p.m.

NOTE: Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.

1. CALL TO ORDER/ROLL CALL

- 1. A.** -Oath & Swearing-In of office for appointed Maria Gonzalez, Employee Trust Board Member
-Oath & Swearing-In of office for appointed Maria Sabori, Employee Trust Board Member
-Oath & Swearing-In of office for appointed Gustavo MacGrew, Employee Trust Board Member

Oath and Swearing-In ceremonies to be officiated by Janet Taylor, Acting Clerk of the Board

2. CONSENT AGENDA

- 2. A. MINUTES OF**
Regular board meeting held March 13, 2019

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

- 3. A.** Discussion and possible action on any and all matters regarding an amendment to current contract with Counseling & Family Resources, Ltd., for Employee Assistance Program Preferred (EAP) for coverage of all City employees. **(Susan Posada, Benefits Consultant)**
- 3. B.** Discussion and possible action on any and all matters regarding proposed changes to the employee benefit plans for the fiscal year starting July 1, 2019. **(Susan Posada, Broker and Consultant and Representative(s) from the Third Party Administrator EBSO)**

4. EXECUTIVE SESSION

Vote to hold an Executive Session pursuant to A.R.S. §§38-431.03(A) subsections (3) and (4)

- 4. A.** Discussion and possible action on any and all matters regarding action to hold an executive session pursuant to A.R.S. §§38-431.03(A) subsections (3) and (4) for discussion or consultation for legal advice with the City Attorney or attorneys in order to consider the Trustees' position and instruct the City Attorney or attorneys regarding their position regarding the proposed agreement with Susan Posada Agency, Inc. for brokerage services. **(Kay Marion Macuil, City Attorney)**

5. MOTION TO GO BACK INTO REGULAR SESSION

6. DISCUSSION AND POSSIBLE ACTION ITEM:

6. A. Discussion and possible action on any and all matters regarding renewal of a broker agreement with Susan Posada Agency, Inc. and possible recommendations to City Council.
(Kay Marion Macuil, City Attorney)

7. ADJOURNMENT

Employee Benefit Trust Board Meeting

1.A.

Meeting Date: 04/10/2019

Department Head: Maria Munoz, HR Technician, Human Resources Department

Submitted By: Maria Munoz, HR Technician, Human Resources Department

ITEM:

- Oath & Swearing-In of office for appointed Maria Gonzalez, Employee Trust Board Member
- Oath & Swearing-In of office for appointed Maria Sabori, Employee Trust Board Member
- Oath & Swearing-In of office for appointed Gustavo MacGrew, Employee Trust Board Member

Oath and Swearing-In ceremonies to be officiated by Janet Taylor, Acting Clerk of the Board

SUMMARY:

Council appointed the above trustees on March 13, 2019.

RECOMMENDATION / SUGGESTED MOTION:

Ceremony no motion.

Employee Benefit Trust Board Meeting

2.A.

Meeting Date: 04/10/2019

Summary

MINUTES OF

Regular board meeting held March 13, 2019

Attachments

Minutes March 13, 2019

MINUTES
Regular Meeting
City of San Luis Employee Benefit Trust
Council Chambers – City Hall
1090 E Union Street
San Luis, AZ 85349
Wednesday, March 13, 2019
5:30 p.m.

NOTE: Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03 (A) and the meeting will be temporarily recessed while the Board retires to executive session which will not be open to the public.

1. **CALL TO ORDER/ROLL CALL** Mayor Gerardo Sanchez called the meeting to order at approximately 5:35 PM.

THOSE PRESENT:

Board Member Maria Gonzalez
Secretary Maria Sabori
Chairman Gerardo Sanchez

THOSE NOT PRESENT:

Vice Chairman Emma Torres

OTHERS PRESENT:

Kay Marion Macuil, City Attorney
Janet Taylor, Acting Clerk of the Board
Maria Munoz, Benefits Coordinator
Susan Posada, Benefits Consultant – by phone
Edgar Carbajal, Human Resources
Jonathan Dumadag, IT Senior Tech

2. CONSENT AGENDA

2.A. MINUTES OF

Regular board meeting held February 13, 2019

MOTION: Chairman Gerardo Sanchez and Secretary Maria Sabori to approve the consent agenda.

Members voting in favor:

Chairman Gerardo Sanchez,
Board Member Maria Gonzalez,
Secretary Maria Sabori.

Members voting against:

None

3.A. DISCUSSION AND POSSIBLE ACTION ITEMS:

Discussion and possible action on any and all matters regarding excluding from the Trust the mandatory benefit under A.R.S. §38-673 for police and firefighters for counseling after exposure to traumatic events. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD ON FEBRUARY 13, 2019. **(Monica Castro, City Finance Director and Kay Marion Macuil, City Attorney)**

Monica Castro, Director of Finance, was not able to be present.

Kay Marion Macuil, City Attorney, explained this item was discussed at the prior trust meeting with Susan Posada, and the trustees asked us to clarify whether workers compensation would pay for the City. Our worker's compensation is part of our risk pool plan, and Maria Sabori as our Risk Manager called the risk pool, and our worker's compensation company does not cover it. So the police and fire are planning on budgeting for it, and so we are recommending and Monica from finance is recommending that it not go in to the trust since it only benefits those two groups of employees and not all employees and also because the costs are so hard to determine to give the trustees a good handle on it we don't have any history with this and so we are recommending that it not be in the trust.

Chairman Sanchez responded by asking if this was going to be by department both the fire and police are going to have this item on their budget?

Kay Marion Macuil City Attorney responded yes, they are both planning for the budget retreat to give it a number and do their best to stay in that budget.

Chairman Sanchez responded that it made sense. Chairman Sanchez also commented, so this will not appear in the trust, and this will be coming from their yearly budget.

Ms. Macuil responded-right.

Chairman Sanchez asked if any action will be taken?

Ms. Macuil replied yes this one I did do a motion to recommend not allowing it in the trust. So I put I move to deny incorporating the traumatic event mental health benefit for police and firefighters under A.R.S. §38-673 into the trust.

MOTION: Chairman Sanchez and Board Member Maria Gonzalez to deny incorporating the Traumatic Event Mental Health benefit for police and firefighters under A.R.S. §38-673 into the Trust.

Members voting in favor:

Chairman Gerardo Sanchez,
Board Member Maria Gonzalez,
Secretary Maria Sabori.

Members voting against:

None

3.B. Discussion and possible action on any and all matters regarding a contract with Counseling & Family Resources, Ltd., for Employee Assistance Program Preferred (EAPP) for administration assistance of the mandatory traumatic event counseling for police and firefighters. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD FEBRUARY 13, 2019. **(Monica Castro, Director of Finance and Kay Marion Macuil, City Attorney)**

Monica Castro, Director of Finance not present.

Kay Macuil, City Attorney, explained that this is related to the other item it is a contract to help implement the program in case the trustees had wanted it we are recommending that this agreement be signed by the City instead of the Trust.

Susan Posada, Benefits Consultant, asked that Kay explain the last statement to her again.

Kay Macuil, City Attorney commented, Susan this is the EAP contract for Traumatic Events, and we are recommending denying inclusion into the Trust this contract.

Susan Posada replied, okay good. Thank you

MOTION: Chairman Sanchez and Board Member Maria Gonzalez to deny inclusion of the EAPP contract in the Trust.

Members voting in favor:

Chairman Gerardo Sanchez,

Board Member Maria Gonzalez,

Secretary Maria Sabori.

Members voting against:

None

3.C. Discussion and possible action on any and all matters regarding amending the City of San Luis Employee Benefit Trust. **(Kay Marion Macuil, City Attorney)**

Kay Macuil, City Attorney, stated that everyone wanted to continue on the Trust so we are recommending that the trustees change so that everybody can have another term.

Chairman Sanchez commented, I thank every member I really do. Continuing what we have done is very important and I thank you. I really thank you.

Ms. Macuil stated that was the only thing she amended while she was in there. Yes that was the only change I made to the Trust. The three (3) consecutive terms instead of two (2).

Chairman Sanchez replied so now all I have to do is recommend the following motion?

Ms. Macuil, yes

MOTION: Chairman Sanchez and Secretary Maria Sabori to approve the amendment to the trust allowing for three (3) consecutive appointments as trustee, as presented.

Members voting in favor:

Chairman Gerardo Sanchez,

Board Member Maria Gonzalez,

Secretary Maria Sabori.

Members voting against:

None

Chairman Sanchez asked Ms. Macuil if this was going in front of council tonight and Ms. Macuil replied yes and everyone needs to sign here and we will take that document to council tonight.

Chairman Sanchez replied, okay

3.D. Discussion and possible action on any and all matters regarding the terms of all Trust Board Members and recommendations for appointments to expiring terms. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD ON FEBRUARY 13, 2019. **(Kay Marion Macuil, City Attorney)**

Kay Macuil, City Attorney, stated that this item we have even with the extension of another term two (2) terms are ending tomorrow, but we never decided who had that staggered term so if you could decide among yourselves which two (2) have the term ending this year and so that you will go to 2024 and the other two (2) will go to 2025. Because their terms will end next year.

Chairman Sanchez said Maria and Maria this year and Emma and myself next term.

Ms. Macuil responded, okay Maria wants to end tomorrow

Chairman Sanchez replied yes

Maria Sabori, Secretary of the Board, asked how does that work it ends tomorrow then it is five (5) years and that will take you to March 2024.

Chairman Sanchez stated to Maria Sabori; you can always quit.

Ms. Macuil asked, the two (2) Maria's?

Board Member Maria Gonzalez stated I have a question? Remember those documents I signed last year was it about this trust or was that a different thing? Remember I signed some documents with you and Janet? Was it another committee?

Janet Taylor, Acting Clerk, stated to Ms. Gonzalez that is was another committee.

Board Member, Maria Gonzalez said that she was sorry she couldn't remember

Ms. Macuil stated like a swearing-in the document it was probably one of the many boards you are on. It was probably the detention one.

Janet Taylor, Acting Clerk commented to Mr. Chairman the minutes are we going to approve those this meeting?

Ms. Macuil stated let's get this item that is on the table right now. So the two (2) Maria's would like to expire tomorrow?

Both Ms. Gonzalez and Ms. Sabori replied that it was fine.

Ms. Macuil stated that she had a motion and it would be I move that the trustees Maria Gonzalez and Maria Sabori have the term which ends March 14, 2019, and recommends reappointment for a third term ending 2024.

MOTION: Chairman Sanchez and Board Member Maria Gonzalez recommend trustees Maria Gonzalez and Maria Sabori have the term which ends March 14, 2019, and recommends reappointment for a third term ending 2024.

Members voting in favor:

Chairman Gerardo Sanchez,
Board Member Maria Gonzalez,
Secretary Maria Sabori.

Members voting against:

None

Ms. Macuil stated that there was one (1) item left on the agenda we skipped the minutes.

MOTION: Chairman Sanchez and Maria Gonzalez to approve the consent agenda which includes the minutes. Members voting in favor: Chairman Gerardo Sanchez, Board Member Maria Gonzalez, Secretary Maria Sabori.

Members voting in favor:

Chairman Gerardo Sanchez,
Board Member Maria Gonzalez,
Secretary Maria Sabori.

Members voting against:

None

4.D. ADJOURNMENT

MOTION: Chairman Sanchez and Board Member Maria Gonzalez to adjourn the meeting.

Members voting in favor:

Chairman Gerardo Sanchez,
Board Member Maria Gonzalez,
Secretary Maria Sabori.

Members voting against:

None

Meeting adjourned at approximately 5:50PM

PENDING APPROVAL

Employee Benefit Trust Board Meeting

3.A.

Meeting Date: 04/10/2019

Department Head: Maria Munoz, HR Technician, Human Resources Department

Submitted By: Maria Munoz, HR Technician, Human Resources Department

ITEM:

Discussion and possible action on any and all matters regarding an amendment to current contract with Counseling & Family Resources, Ltd., for Employee Assistance Program Preferred (EAP) for coverage of all City employees. **(Susan Posada, Benefits Consultant)**

SUMMARY:

Counseling & Family Resources, Ltd., for Employee Assistance Program Preferred (EAP) is currently available for Public Safety Personnel only, changes requested by Broker Consultant, Susan Posada, will extend these services to all City Employees.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO _____

Fiscal Impact

Fiscal Impact:

Fiscal Impact for counseling services for City employees:

Employee Total: 234

Visits: 6

Cost PEPM: \$2.28

Monthly Total: \$ 533.52

Yearly Total: \$6,402.24

Guarantee Date: 06/30/2022

**Recommend 6 visits for all employees with the EAPP Traumatic Agreement with EAP for all Public Safety.

Attachments

EAP contract for all EE

City of San Luis Recommended Plan Changes for plan year 2019-2020

EAP Visits	EE Total	Visits	Cost PEPM	Monthly Total	Yearly Total	Guarantee
Non-Pubic Safety Employee	154	3	\$2.17	\$334.18	\$4,010.16	6/30/2022
Non-Pubic Safety Employee	154	6	\$3.05	\$469.70	\$5,636.40	6/30/2022
All Employees	234	6	\$2.28	\$533.52	\$6,402.24	6/30/2022
Public Safety	80	12	\$6.30	\$504.00	\$6,048.00	6/30/2021

* Public Safety 2 and 1/2 years is due to initial contract ending 12/31 and changed to coincide with plan year of 7/1

Rates are for 7/1/2019

Recommend 6 Visits for all employees with the EAPP Traumatic Agreement wit EAP for all Public Safety

Employee Benefit Trust Board Meeting

3.B.

Meeting Date: 04/10/2019

Department Head: Maria Munoz, HR Technician, Human Resources Department

Submitted By: Maria Munoz, HR Technician, Human Resources Department

ITEM:

Discussion and possible action on any and all matters regarding proposed changes to the employee benefit plans for the fiscal year starting July 1, 2019. **(Susan Posada, Broker and Consultant and Representative(s) from the Third Party Administrator EBSO)**

SUMMARY:

Ms. Posada provided the attachments to this item. For the Trustees' consideration, she will present an explanation of the draft recommendations contained in the attachments. By the time of the April 10th meeting, there may be changes to the proposal because Ms. Posada is waiting for bids to come in.

The below motions are provided as examples. The Trustees are free to approve, deny, or modify the recommendations within their fiduciary duty.

RECOMMENDATION / SUGGESTED MOTION:

(1) I MOVE TO APPROVE THE CHANGES TO THE US MEDICAL PLAN AS PRESENTED.

(2) I MOVE TO APPROVE THE MEXICO DENTAL PLAN CHANGES REQUESTED BY SIARMED AS PRESENTED.

(3) I MOVE TO APPROVE THE MEXICO MEDICAL PLAN CHANGES AS PRESENTED.

(4) I MOVE TO APPROVE THE US DENTAL PLAN CHANGES REQUESTED BY EBSO AS PRESENTED.

(5) I MOVE TO APPROVE ADDING EAP PREFERRED FOR 6 MENTAL HEALTH COUNSELING VISITS PER SITUATION FOR ALL EMPLOYEES AS PRESENTED.

(6) I MOVE TO RECOMMEND TO CITY COUNCIL TO FUND THE TRUSTS APPROVED CHANGES TO THE EMPLOYEE BENEFIT PLANS.

Attachments

Plan Changes

City of San Luis Trust Approvals for plan year 2019-2020

Us Medical Plan

1. **Add:** Copay of \$15 for X-ray and Lab's at a contract provider -instead of deductible and coinsurance
2. **Add:** Copay of \$25 for Complex Imaging – MRI, CT, Pet Scans etc – instead of deductible and coinsurance
3. **Remove Pre-certification** for the following:
 - Complex Imaging i.e. CT Scans, Pet Scans, MRI's
 - Special Services such as acupuncture, podiatry & TMJ
4. **Add Incentive Program** to reduce Cost include:
 - a. Reimbursement of In-Patient – Lodging for up to \$125 per night up to 4 nights for select providers in Maricopa and Pima Counties
 - b. Allow for up to 100% Co-insurance plus deductible

Mexico Dental Plan – Item as requested by Siarmed:

- 1 **Add:** Copay for Medications received for dental services - \$3/\$6 copays.
2. **Change** cost allowed under plan for certain Orthodontic and major restorative services.

D7472 Removal of Torun Palatinus	\$250
D7473 Removal of Torus Mandibular	\$250
D7485 Surgical Reduction of Osseous Tuberosity	\$250
Orthodontic	
D0340 Cephalometric Film	\$44
D3050 Panoramic Film	\$44
D0470 Diagnostic Cast	\$28
D8030 Limited Orthodontic Treatment of Adolescent Dentition	\$500
D8670 Periodic Orthodontic Treatment Visit Cast Part of Contract	\$500

Mexico Medical Plan

1. **Change:** Emergency Room – In and Out of Network to \$50 copay

City of San Luis Trust Approvals for plan year 2019-2020 – continued.

Us Dental Plan – changes requested by EBSO

1. **Add:** the following language for clarification

Major Restorative Services	
Class I services- Preventative - add limits	Add as listed
Routine Oral Exams - 2 times per Calendar Year	Add as listed
Office visits, during regular hours - problem focus exams	Add as listed
2 times per Calendar Year	Add as listed
Cleanings - 2 times per Calendar Year	Add as listed
Fluoride treatments - limited to children under age 16 and	Add as listed
1 treatment per Calendar Year.	Add as listed
Sealants - limited to unrestored permanent molars of plan members	Add as listed
age 16 years of age and to one treatment per tooth in any 36	Add as listed
Consecutive months.	Add as listed
Dental X-rays - full mouth or panoramic - limited to once in any	Add as listed
36 consecutive month period.	Add as listed
Bitewings films, maximum of 4 films per visit - limited to 2 sets	Add as listed
of X-rays per Calendar year.	Add as listed
Vertical bitewing Xrays - limited to 1 set every 3 years	Add as listed
Surgical Periodontics	
add language to the plan to match the copay sheet	Add language to plan to allow
Onlays	Add language to plan to allow
Root Canal Therapy	Change to major services
Surgical Procedures	Update to match fee schedule
Reline/Rebase	Change to major services
Dentures - add language to the plan document for Complete	
Dentures - add language to the plan document for limits	
D5110 - complete denture upper	add limitation once every 5 yrs
D5120 - complete denture lower	add limitation once every 5 yrs
D5130 - immediate upper denture	add limitation lifetime benefit
D5140 - immediate lower denture	add limitation lifetime benefit

City of San Luis Trust Approvals for plan year 2019-2020 – continued.

EAP Preferred

1. **Add:** 6 Visits per situation for all employees

Medical and Dental Plan Approval:

Plan Includes the following fees:

1. Stop Loss both Specific and Aggregate premiums
2. TPA fees:
 - a. Medical administration
 - b. Dental administration
 - c. ACA fees
 - d. Integrated Case Management
3. Network fees:
 - a. BCBS of AZ - medical
 - b. Siarmed both medical and dental
4. Consultant Fee
5. EAP
6. Healthiest You
7. ACA fees except penalties
8. Flu Shots for members on Mexico plan

Broker/Consultant Agreement

1. **Amend as follows:**
 - a. **Move** agreement to Trust
 - b. **Renew** consultant agreement

City of San Luis Recommended Plan Changes for plan year 2019-2020

EAP Visits	EE Total	Visits	Cost PEPM	Monthly Total	Yearly Total	Guarantee
Non-Pubic Safety Employee	154	3	\$2.17	\$334.18	\$4,010.16	6/30/2022
Non-Pubic Safety Employee	154	6	\$3.05	\$469.70	\$5,636.40	6/30/2022
All Employees	234	6	\$2.28	\$533.52	\$6,402.24	6/30/2022
Public Safety	80	12	\$6.30	\$504.00	\$6,048.00	6/30/2021

* Public Safety 2 and 1/2 years is due to initial contract ending 12/31 and changed to coincide with plan year of 7/1
Rates are for 7/1/2019

Recommend 6 Visits for all employees with the EAPP Traumatic Agreement wit EAP for all Public Safety

City of San Luis Recommended Plan Changes for plan year 2019-2020

	Current 2018-2019	Recommended Renewal 2019-2020
US Medical Plan Recommended Changes		
X-Ray and Lab's		
At Contracted Provider i.e. Sonora Quest and Lab Corp	20% + deductible	\$15 Copay
Complex Imaging - Mri, CT Pet Scan etc.		
At Contracted Provider i.e. Sonora Quest and Lab Corp	20% + deductible	\$25 Copay
At a hospital - Complex, MRI, CT and Pet Scan		20% + deductible
Hospitalization		
Pre-Certification	Required	Remove Pre-Cert Requirement
CT Scans, PetScans & MRI's	Required	Remove Pre-Cert Requirement
Special Services such as acupuncture, podiatry & TMJ		Remove Pre-Cert Requirement
No Changes		
Deductible		
In-Network Member	\$750	\$750
In-Network Family	\$1,500	\$1,500
No Changes		
Annual Out of Pocket Maximum		
In-Network Member	\$5,500	\$5,500
In-Network Family	\$11,000	\$11,000
Out of Network - Member	\$20,000	\$20,000
Out-of-Network Family	\$40,000	\$40,000

City of San Luis Recommended Plan Changes - Incentive Plan for plan year 2019-2020

	Current 2018-2019	Recommended Change 2019-2020
US Medical Plan		
Incentive Program		
Reimbursement for Incentive Program		
Coinsurance Trust pays 80% member 20%	20%	20%
Maximum Reimbursement per plan year	\$5,500.00	\$5,500.00
In-Patient - Lodging Reimbursement	None	Up to \$125 per night up to 4 nights
Out-Patient - Lodging Reimbursement	None	Up to \$125 per night up to 4 nights
Hospitalization for Incentive Program		
Hospitalization and Out-patient	20% + deductible	0% + deductible
	Member pays	Member pays
X-Ray and Lab's		
At Primary Care Provider - Diagnostic, X-ray and Lab	\$15 Copay	\$15 Copay
At Secondary Care Provider - Diagnostic, X-ray and Lab	\$25 Copay	\$25 Copay
At Contracted Provider i.e. Sonora Quest and Lab Corp	20% + deductible	\$15 Copay
At an hospital -	20% + deductible	20% + deductible
Complex Imaging - Mri, CT Pet Scan etc.		
At Contracted Provider i.e. Sonora Quest and Lab Corp	20% + deductible	\$25 Copay
At a hospital - Complex, MRI, CT and Pet Scan	20% + deductible	20% + deductible
Out of Network - Member	\$20,000	\$20,000
Out-of-Network Family	\$40,000	\$40,000

City of San Luis Recommended Mexico Plan Changes for 2019-2020

	Current	Recommended
	2018-2019	2019-2020
Mexico Dental Plan (As requested by Siarmed)		
Major Restorative Services Charges to the Trust		
D7472 Removal of Torum Palatinus	\$150	\$250
D7473 Removal of Torus Mandibular	\$150	\$250
D7485 Surgical Reduction of Osseous Tuberosity	\$150	\$250
Orthodontic		
D0340 Cephalometric Film	\$28	\$44
D3050 Panoramic Film	N/A	\$44
D0470 Diagnostic Cast	N/A	\$28
D8030 Limited Orthodontic Treatment of Adolescent Denition	N/A	\$500
D8670 Periodic Orhtodontic Treatment Visit Cast Part of Contract	N/a	\$500
Other Internal Changes		
Rx Copay - Charges to Employee		
RX Copay	N/A	\$3/\$6 Copay
Mexico Medical Plan Change		
Emergency Room - In and out of Network	\$250	\$50

City of San Luis Recommended

Mexico Dental Plan Changes for 2019-2020

	Current	Recommended
	2018-2019	2019-2020

US Plan Changes

Plan document changes requested by EBSO

Major Restorative Services

Class I services- Preventative - add limits	Plan current does not list	Add as listed
Routine Oral Exams - 2 times per Calendar Year		
Office visits, during regular hours - problem focus exams 2 times per Calendar Year		
Cleanings - 2 times per Calendar Year		
Flouride treatments - limited to children under age 16 and 1 treatment per Calendar Year.		
Sealants - limited to unrestored permanent molars of plan members age 16 years of age and to one treatment per tooth in any 36 Consecutive months.		
Dental Xrays - full mouth or panoramic - limited to once in any 36 consecutive month period.		
Bitewings films, maximum of 4 films per visit - limited to 2 sets of Xrays per Calendar year.		
Vertical bitewing Xrays - limited to 1 set every 3 years		
Surgical Periodontics	Plan says non-surgical	Add language to plan to allow
add language to the plan to match the copay sheet		
Onlays	Not listed as covered	Add language to plan to allow
Root Canal Therapy	Listed under Basic services	Change to major services
Surgical Procedures	Listed as not covered	Update to match fee schedule
Reline/Rebase	Listed under Basic services	Change to major services
Dentures - add language to the plan document for Complete		
Dentures - add language to the plan document for limits		
D5110 - complete denture upper	Listed under major	add limitation once every 5 yrs
D5120 - complete denture lower	Listed under major	add limitation once every 5 yrs
D5130 - immediate upper denture	Listed under major	add limitation lifetime benefit
D5140 - immediate lower denture	Listed under major	add limitation lifetime benefit

Any other updates needed to match the Mexico plan

as plan document states if not listed as a covered expense, then it is not covered.

EBSO can provide sample language to better define covered expenses as listed in the plan.

The more information that is listed in the plan document eliminates confusion and errors.



AGENDA ITEM REVIEW FORM

Employee Benefit Trust Board Meeting

4.A.

Meeting Date: 04/10/2019

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

Action Requested: Motion

ITEM:

Discussion and possible action on any and all matters regarding action to hold an executive session pursuant to A.R.S. §§38-431.03(A) subsections (3) and (4) for discussion or consultation for legal advice with the City Attorney or attorneys in order to consider the Trustees' position and instruct the City Attorney or attorneys regarding their position regarding the proposed agreement with Susan Posada Agency, Inc. for brokerage services. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

The Trustees can be properly advised by holding an executive session for the purposes described in the agenda item.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO HOLD AN EXECUTIVE SESSION PURSUANT TO A.R.S. §§38-431.03(A) SUBSECTIONS (3) AND (4).

There are no supporting documents attached.

Fiscal Impact

IS THERE FISCAL IMPACT ASSOCIATED WITH THIS ITEM: N/A

CITY/STATE/FEDERAL FUNDS: N/A

TOTAL: N/A

BUDGETED AMOUNT: N/A

AVAILABLE AMOUNT TO TRANSFER: N/A

ACCT NAME & GL#/REMAINING BALANCE BEFORE PURCHASE: N/A

FISCAL IMPACT STATEMENT (IF THIS IS A BUDGET TRANSFER, YOU MUST ATTACH THE BUDGET ADJUSTMENT FORM):

Fiscal impact does not apply to this agenda item because, under A.R.S. §38-431.03(D), the Trustees are not permitted to take legal action involving a final vote or decision in an executive session.

Employee Benefit Trust Board Meeting

6.A.

Meeting Date: 04/10/2019

Department Head: Kay Macuil, City Attorney, Attorney's Office

Submitted By: Kay Macuil, City Attorney, Attorney's Office

ITEM:

Discussion and possible action on any and all matters regarding renewal of a broker agreement with Susan Posada Agency, Inc. and possible recommendations to City Council. **(Kay Marion Macuil, City Attorney)**

SUMMARY:

The current broker agreement expires on June 30, 2019. Susan Posada has advised the Trustees and the City of San Luis since 2013. Attached to this Agenda Item, Ms. Posada provided commission history, the initial April 1, 2013, contract with its exhibits and the 2016 amendment.

Services

The services include (but are not limited to) the following consultant and brokerage services on the following benefits for both the U.S. and Mexico Plans:

- Medical,
- Prescription Drugs,
- Dental,
- Short-term Disability/Salary Continuation,
- Long-term Disability,
- Group Life Insurance,
- Voluntary Life and Accidental Death and Disability, and
- Other related services.

In addition, the agreement provides that Ms. Posada will :

- give information on legislative developments affecting employee benefit plans,
- meet quarterly, semi-annually and annually for strategic planning for the Trust, and
- assist with the administration of the programs, including resolution of vendor service issues and addressing employee and management questions.

Cost

The Third Party Administrator, EBSO, determines the "fully insured equivalent" (the estimated premiums for the upcoming fiscal year) for the medical and dental plans both U.S. and Mexico. times the enrolled employees and dependents. and takes 5% of that total. From that percentage, EBSO determines the rate Per Employee Per Month (PEPM) . The City pays that PEPM for each employee and dependent enrolled each month. EBSO pays the Broker and invoices the City.. The PEPM rate is expected to be less than in prior years. In 2013, the rate was \$34.07. This year it is expected to be \$31.00. Ms. Posada will have the final figure from EBSO before or at the time of the meeting.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO _____

Fiscal Impact

Fiscal Impact:

The yearly fiscal impact is to be determined and will be provided by the time of the meeting.

Attachments

2013 Contract
2016 Amendment
Commission History

Broker/Consultant Agreement

This Broker Agreement, hereinafter referred to as "Agreement" is between **City of San Luis**, hereinafter referred to as "Client" and **Susan Posada Agency Inc.**, hereinafter referred to as "Broker/Consultant."

WHEREAS, Client wishes to obtain the assistance of Consultant with strategic benefit planning, design, funding, administration, and communication with respect to its employee benefit programs;

WHEREAS, Consultant has knowledge and expertise in assisting employers with designing and servicing employee benefit plans; and

WHEREAS, the parties wish to set forth their respective expectations;

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

I. Scope of Services to be Provided by Consultant

Consultant will provide Client with consulting, and brokerage services for the following compensation and benefit programs listed below:

- Medical (including retirees)
- Prescription Drugs
- Dental
- Vision
- Short-term Disability/Salary Continuation
- Long-term Disability
- Group Life Insurance
- Voluntary Life and AD&D
- Other Related Services

1. Purpose:

Our Purpose is to provide the following general services, but not limited to the following:

- a. To review, advise and make recommendations on the appropriate types of insurance coverage's.
- b. Market, manage and coordinate the bidding process for proposals as required and make recommendations on various carriers and plan designs, stop loss carriers and other related vendors.
- c. Act as a liaison and advocate for the City with the selected insurance companies.
- d. Develop new alternatives to traditional insurance plans as appropriate for the City.
- e. Develop and produce communication material including a custom benefit website.

2. Approach:

Annual Renewal Process

The approach in performing the scope of work is detailed as follows:

- a. As the assigned consultant, a review of the employee benefits, contracts, certificates of coverage and premiums will be performed. An analysis of the insurance proposal will be done and findings will be presented to management. Consult with the Human

- Resources Manager or designee to understand the City's goals, objectives, and proposed changes to plan designs. Listen to concerns and challenges with present carriers. Obtain the needed information to properly design and prepare bid specifications, including but not limited to census information, premium history and carrier statistics (e.g. claims experience, network utilization, RX utilization, premium and loss ratio reports).
- b. Consult with the City on alternative methods to reduce premium dollars and maximize benefit plan designs based on market conditions.
 - c. Prepare bid specifications and review with Human Resources Manager or designee. The bid specifications are designed based on the City's goals, objectives, employees' input, cost and knowledge of the market place.
 - d. Distribute bid request to carriers based on their ability to provide service, history of service, claims experience and general market conditions.
 - e. Analyze bids received. The bids are reviewed for accuracy, ability to perform services in geographic and specific specialty areas. The bids are compared to ensure that the highest benefit is received for the least premium dollar while maintaining the quality of service.
 - f. Negotiate premiums and benefits with the carriers where appropriate.
 - g. Written and verbal recommendations are made to the Human Resources Manager or designee and to the City Council and others as required by the City of San Luis. Once the bid is accepted, a review for any changes is made with the Human Resources Manager or designee.
 - h. Review each carrier's summaries, certificate of coverage, contracts and other printed material to ensure accuracy and adherence to agreements. Coordinate with carrier's and order orientation material and prepare necessary documents required by the carrier to hold enrollment meetings as required by the City of San Luis.
 - i. Manage and Coordinate Open Enrollment Meetings and coordinate with various carriers and the City staff for a successful enrollment.
 - j. Develop and produce benefit material for Open Enrollment meetings and preparation of website for use by Human Resources and employees.

3. Work Plan: Approach, Annual Renewal and Reviews

Approach:

The approach in performing the scope of work is detailed as follows:

Bidding/Renewal Process Continued:

- a. Follow up with carriers to ensure timely receipt of enrollment cards and material.
- b. Review with Human Resource Manager monthly and/or Quarterly carrier status (e.g. claim experience, network utilization, Rx utilization premium and loss ratios) and make modification recommendations, work with carrier or third party administrator to reduce cost.

4. Work Plan: Approach, Ongoing Communication and Meetings

Our objective is to assist, support and educate employees and management with all of the selected benefits. To continually monitor all plans to ensure employee and management satisfaction. The following is our approach:

- a. Coordinate with carrier (s) and prepare necessary documents required by the carrier and hold enrollment meetings as required by the City.

- b. Assist in the enrollment process and obtain new enrollment information for all employees. Work with Human Resources to ensure accuracy of those enrolled with each carrier.
- c. Prepare a brochure that includes cost, summary of benefits, carrier contact and general employee benefit information, to be provided along with all enrollment material to employees.
- d. Prepare and update a custom benefit website with carrier and other required information for the employees and Human Resources.
- e. Follow up to ensure accuracy and timely receipt of member ID cards, summaries, certificates of coverage and claim forms.
- f. Review and present copies of contracts, applications of all benefits to Human Resource Manager in a form that is easily accessible.
- g. Act as consultant on an ongoing basis on various employee benefit related issues; assist in claim and billing management. Interact with City as changes may develop in the employee benefits area that impact the City and its employees.
- h. To review and analyze claim reports, monthly or quarterly as deemed necessary and review with the Human Resource Manager or designee, Management and City Council as needed.
- i. Assist the City in any written procedures and proposals as needed. Communicate and assist in coordinating meetings, answering questions and communicating changes as needed.
- j. Consultant will advise and counsel regarding program funding alternatives, including review fee proposals, recommend budget rates, employee contribution rates, and COBRA rates; select and procure appropriate stop loss terms; and monitor program costs against expectations.
- k. Communication - assist in drafting employee communications regarding benefit program performance and changes, and assist in the review of plan documents and insurance certificates during the planning and enrollment process.

5. Other Services

- A. **Compliance Tools & Legislative Information.** Consultant will provide informational materials on legislative developments affecting employee benefit plans, including access to online reference tools on topics such as FMLA, COBRA, HIPAA, HIPAA Privacy, and Section 125.
- B. **Meetings with Client and Vendors.** Services will include attendance at and facilitation of regular meetings with Client and vendors as needed to facilitate program management including day-to-day operations and planning program changes.
 - Consultant shall meet with Client on a quarterly basis to review all activities performed by Consultant during the prior quarter. The meetings will include discussion of business concerns, including presentations of options and recommendations.
 - Consultant shall meet with Client semi-annually to discuss review of the program, state of the marketplace, progress made toward strategic plan, and developments within Client's organization.
 - Consultant shall meet with Client annually to review the claims reports and review plan performance for the preceding year, review goals and objectives for the upcoming year, and agree upon Consultant's fees for the next twelve-month period.

- C. **Day-to-Day Administrative Issues.** Consultant shall provide assistance in the daily administration of programs, including resolution of vendor service issues and addressing questions and concerns raised by Client's employees and management.

II. Disclosure and Recordkeeping

1. **Full Disclosure.** Client shall approve any arrangements and/or the utilization of any intermediaries in connection with, or arising out of, or in any way related to Client's insurance and risk management program. Consultant must seek approval from Client prior to the use of any of the above in connection with the Client's insurance and risk management program.
2. **Recordkeeping.** Consultant will maintain accurate and current files including, but not limited to, insurance policies and correspondence with insurers or brokers in accordance with industry standard record retention practice or as otherwise directed by Client.

III. Term & Termination

1. **Term.** This initial term of this Agreement shall be 3 years, commencing on April 1, 2013 and ending July 1, 2016 ("Initial Term"). Thereafter, this Agreement will remain in effect until terminated as described below.
2. **Termination.** This Agreement may be terminated by either party only as follows:
 - Effective upon thirty (30) days advance written notice to the other party stating that such other party is in breach of any of the provisions or non-performance of this Agreement, provided such breach (if able to be cured) is not cured within fifteen (15) days after the notice is received;
 - The city can elect to extend or continue this contract beyond the 3 years.

IV. Cost of Services

Consultant professional fees are based upon time expended by specific individuals. The fees do not include out-of-pocket expenses, including expenses related to travel outside of the state. Client agrees to pay Consultant professional fees as outlined in Exhibit 1. These annual fees are payable in monthly installments and Consultant agrees to submit invoices to Client on a monthly basis.

Invoices are prepared and sent by the Third Party Administrator (TPA) according to the agreement and provided monthly by the TPA. Payment for the consultant professional fees, calculated by the TPA are paid by the TPA on a monthly basis.

Additional programs and services will be provided on a project basis for an additional fee to be disclosed in writing and shall be undertaken upon mutual agreement between Consultant and Client. Such programs and services may include, but not be limited to, retiree medical plans, special employee surveys, employee communication materials, and long-term care insurance, vision, disability, life, supplemental life and any other required by the Client. Such Ancillary benefits are paid by the carrier and not by the Client.

V. Personnel

Consultant will assign its personnel according to the needs of Client and according to the disciplines required to complete the appointed task in a professional manner. Consultant retains the right to substitute personnel with reasonable cause. The Account Management Team consists of the following individuals:

Primary Service Team: Susan Posada
Broker/Consultant/ Account Manager

Other Personnel shall be assigned as designed for quality services

VI. Client's Responsibilities

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement. Client will make timely payments of the service fees as set forth elsewhere in this Agreement.

VII. Records and Information

Consultant understands and agrees to limit its use and disclosure of protected health information as described in Exhibit 2.

VIII. Independent Contractor

It is understood and agreed that Consultant is engaged by Client to perform services under this Agreement as an independent contractor. Consultant shall use its best efforts to follow written, oral, or electronically transmitted (i.e., sent via facsimile or e-mail) instructions from Client as to policy and procedure.

IX. Fiduciary Responsibility.

Client acknowledges that: (i) Consultant shall have no discretionary authority or discretionary control respecting the management of any of the employee benefit plans; (ii) Consultant shall exercise no authority or control with respect to management or disposition of the assets of Client's employee benefit plans; and (iii) Consultant shall perform services pursuant to this Agreement in a non-fiduciary capacity. Client agrees to notify Consultant as soon as possible of any proposed amendments to the plans' legal documents to the extent that the amendments would affect Consultant in the performance of its obligations under this Agreement. Client agrees to submit (or cause its agent, consultants, or vendors to submit) all information in its (or their) control reasonably necessary for Consultant to perform the services covered by this Agreement.

X. Entire Agreement

This constitutes the entire Agreement between the parties, and any other warranties or agreements are hereby superseded.

Subsequent amendments to this Agreement shall only be in writing signed by both parties.

Raene New
Signature
CITY MAN
Title

6/05/2013
Date

Susan Posada Agency Inc.
[Signature]
Signature
Pres/owner
Title

6/24/13
Date

Exhibit 1

Consulting Fees

The Broker/Consultant commissions shall not exceed 5% of the fully insured equivalent as determined by MMSI/Mayo or the appointed Third Party Administrator each year. This amount is calculated by the third party administrator and provided as a Per Employee Per Month (PEPM) format.

For the year beginning July 1, 2012 to July 1, 2013 the fee as determined by the TPA was \$33.00 and the Consultant agreed to a \$30.00 PEPM. The rate calculation for the \$33.00 fee is attached.

For the year beginning July 1, 2013, the rate as determined by MMSI/Mayo is \$34.07. For the plan year the Broker Consultant has elected to receive \$32 Per Employee Per Month instead of the \$34.07. The rate will not exceed the 5% as determined each year for Medical and Dental benefits as administered by MMSI/Mayo. The calculation by MMSI/Mayo for Plan year 2013/2014 is attached to this contract.

Each plan year beginning 7/1/13 the fee will be calculated based on th 5% of the fully insured equivalent as determined by the TPA.

Any other ancillary fees as paid by the carrier are standard fees paid by the carrier such as for coverage for vision, disability and life. Such payment is paid directly by each carrier and not by the Trust through MMSI/Mayo.

**Mayo Clinic Health Solutions
 Estimated Premium Rate Comparison for
 City of San Luis
 based on Reinsurer Expected Claims Liability**

Current Premium - 2012/2013 Plan Year

- Dependent rates include Employee cost

Coverage	Enrollment Tier	Enrollment Count	Fully Ins'd Equiv Rate	Monthly Premium
Medical	US & Mexico - Employee Cost	89	\$ 429.00	\$ 38,181.00
Medical	US & Mexico - <u>Emp &</u> Spouse Cost	7	\$ 890.24	\$ 6,231.68
Medical	US & Mexico - <u>Emp &</u> Child(ren) Cost	40	\$ 890.24	\$ 35,609.60
Medical	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	17	\$ 1,361.84	\$ 23,151.28
Med & Dent	Mexico - Emp, Spouse & Child(ren) Cost	44	\$ 358.20	\$ 15,760.80
Dental	US & Mexico - Employee Cost	87	\$ 30.00	\$ 2,610.00
Dental	US & Mexico - <u>Emp &</u> Spouse Cost	6	\$ 67.86	\$ 407.16
Dental	US & Mexico - <u>Emp &</u> Child(ren) Cost	27	\$ 67.86	\$ 1,832.22
Dental	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	35	\$ 67.86	\$ 2,375.10
Dental Only	US & Mexico - Dependent Cost	0	\$ 37.86	\$ -
Monthly Premium -				<u>\$ 126,158.84</u>
Annual Premium -				<u>\$ 1,513,906.08</u>

Required Premium based on Rates and Factors - 2013/2014 Plan Year

Fixed Rates

Specific Premium - Employee (\$50K)	89	\$ 92.48	\$ 8,230.72
Specific Premium - Family (\$50K)	64	\$ 228.97	\$ 14,654.08
Aggregate Premium	197	\$ 4.24	\$ 835.28
Medical/Rx Claims Administration Fee	197	\$ 16.70	\$ 3,289.90
Dental Claims Administration Fee	196	\$ 2.60	\$ 509.60
Broker Fee	197	\$ 33.00	\$ 6,501.00
Utilization Review/Case Management Fee	197	\$ 3.00	\$ 591.00
COBRA/HIPAA Fee	197	\$ 0.79	\$ 155.63
PPO Fee - BCBSAZ Medical	153	\$ 13.50	\$ 2,065.50
PPO Fee - BCBSAZ Dental	153	\$ 1.50	\$ 229.50
PPO Fee - Siamed	197	\$ 4.00	\$ 788.00

Aggregate Factors - Medical & Rx

Employee	89	\$ 251.54	\$ 22,387.42
Family	108	\$ 625.09	\$ 67,509.50

Estimated Dental Claims

	\$ 6,500.00
Monthly Premium -	<u>\$ 134,247.13</u>
Annual Premium -	<u>\$ 1,610,965.56</u>

Proposed Premium - 2013/2014 Plan Year

- Dependent rates include Employee cost

Coverage	Enrollment Tier	Enrollment Count	Fully Ins'd Equiv Rate	Monthly Premium
Medical	US & Mexico - Employee Cost	89	\$ 456.50	\$ 40,628.50
Medical	US & Mexico - <u>Emp &</u> Spouse Cost	7	\$ 947.32	\$ 6,631.24
Medical	US & Mexico - <u>Emp &</u> Child(ren) Cost	40	\$ 947.32	\$ 37,892.80
Medical	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	17	\$ 1,449.15	\$ 24,635.55
Med & Dent	Mexico - Emp, Spouse & Child(ren) Cost	44	\$ 381.16	\$ 16,771.04
Dental	US & Mexico - Employee Cost	87	\$ 31.92	\$ 2,777.04
Dental	US & Mexico - <u>Emp &</u> Spouse Cost	6	\$ 72.21	\$ 433.26
Dental	US & Mexico - <u>Emp &</u> Child(ren) Cost	27	\$ 72.21	\$ 1,949.67
Dental	US & Mexico - <u>Emp, Spouse &</u> Child(ren) Cost	35	\$ 72.21	\$ 2,527.35
Dental Only	US & Mexico - Dependent Cost	0	\$ 40.29	\$ -
Monthly Premium -				<u>\$ 134,246.45</u>
Annual Premium -				<u>\$ 1,610,957.40</u>

Commissions based on Expected Liability:	
Commission Percent	5%
Annual Commission	\$ 80,547.87
Monthly Commission	\$ 6,712.32
PEPM Commission	\$ 34.07

Exhibit 2
Business Associate Contract

This Business Associate Contract (Agreement) is entered into by and between the **City of San Luis, and Susan Posada Agency Inc.**, (Business Associate) effective as of July 1, 2013.

WHEREAS, the Covered Entity is a group health plan as defined in the privacy rules adopted pursuant to the Health Insurance Portability and Accountability Act of 1996¹ (HIPAA);

WHEREAS, the Business Associate wishes to perform on behalf of the Covered Entity treatment, payment, or health care operations as defined by HIPAA;

WHEREAS, the parties wish to set forth their understandings with regard to the use and disclosure of Protected Health Information (PHI) by the Business Associate in performance of its obligations;

In consideration of the mutual promises set forth below, the parties hereby agree as follows:

A. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Use of Protected Health Information (PHI). Business Associate shall not use or further disclose PHI other than as permitted or required by this Agreement or as required by law. To the extent practicable, Business Associate shall limit its use or disclosure of PHI or requests for PHI to a limited data set, or if necessary, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request.
2. Safeguards. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement, including establishing procedures that limit access to PHI within its organization to those employees with a need to know the information. Business Associate agrees that it will implement appropriate administrative, physical, and technical safeguards to protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of the Covered Entity, as required by the HIPAA Security Rules.

Business Associate acknowledges that the requirements of 45 C.F.R. Sections 164.308, 164.310 and 164.312 applicable to such administrative, physical and technical safeguards apply to Business Associate in the same manner that such sections apply to Covered Entity. Further, Business Associate shall implement, and maintain in written form, reasonable and appropriate policies and procedures to comply with the standards, implementation specifications or other requirements of the HIPAA Security Rule, in accordance with 45 C.F.R. Section 164.316, which applies to Business Associate in the same manner that such sections apply to Covered Entity.
3. Unauthorized Disclosures of PHI. Business Associate shall, within ten (10) business days of becoming aware of a disclosure of PHI in violation of this Agreement by Business Associate, its officers, directors, employees, contractors, or agents or by a third party to which Business Associate disclosed PHI (including a subcontractor), report to Covered Entity any such disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of the unauthorized disclosure or misuse of PHI.
4. Security Incidents. Business Associate shall promptly report to Covered Entity any Security Incident of which it becomes aware, in accordance with the HIPAA Security Rule.
5. Agreements With Third Parties. Business Associate agrees to ensure that any agents and subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate with

respect to Business Associate's relationship with Covered Entity, agrees to the same restrictions and conditions that apply to Business Associate with respect to such information.

6. Access to Information. Within ten (10) days of a request by the Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such PHI for so long as such information is maintained in a Designated Record Set and in accordance with the requirements of 45 C.F.R. Section 164.524. In the event any individual requests access to PHI directly from the Business Associate, Business Associate shall respond to the request for PHI within ten (10) days. Any denials of access to the PHI requested shall be the responsibility of the Business Associate.
7. Availability of PHI for Amendment. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR Section 164.526 at the request of the Covered Entity or an individual, and in the time and manner designated by Covered Entity.
8. Inspection of Books and Records. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary of the U.S. Department of Health and Human Services or its designee (the "Secretary"), in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.
9. Accounting of Disclosures. Business Associate agrees to maintain and make available to the Covered Entity an accounting of disclosures of PHI as would be required for Covered Entity to respond to a request by an individual made in accordance with 45 CFR Section 164.528. Business Associate shall provide an accounting of disclosures made during the six (6) years prior to the date on which the accounting is requested (or during the three (3) years prior to the date the accounting is requested for PHI maintained in an electronic health record, beginning on the applicable effective date pursuant to the American Recovery and Reinvestment Act of 2009). At a minimum, the accounting of disclosures shall include the following information:
 - a. Date of disclosure,
 - b. The name of the person or entity who received the PHI, and if known, the address of such entity or person,
 - c. A brief description of the PHI disclosed, and
 - d. A brief statement of the purpose of such disclosure, which includes an explanation of the basis of such disclosure.

In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall respond to the request within ten (10) days. Any denials of a request for an accounting shall be the responsibility of the Business Associate.

Business Associate agrees to implement an appropriate record keeping process to enable it to comply with the requirements of this Section.

10. Remuneration in Exchange for PHI. Effective Sept. 23, 2013, the effective date of the final HIPAA regulations pursuant to the American Recovery and Reinvestment Act of 2009 and subject to the transition provision of 45 CFR Section 164.532 regarding prior data use agreements, Business Associate shall not directly or indirectly receive remuneration in exchange for any PHI without a valid authorization permitting such remuneration, except as permitted by law.

B. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

1. Business Associate shall not use or disclose any PHI for any purpose other than performance of services for Covered Entity as provided for in the Consulting Agreement dated July 1, 2013. Except as otherwise limited by this Agreement, Business Associate may use or disclose PHI to perform functions, activities, or services for, or on behalf of, Covered Entity as specified above, provided that such use or disclosure would not violate HIPAA if done by the Covered Entity.

C. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall comply with each applicable requirement of the HIPAA Privacy and Security Rules
2. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice.
3. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.
4. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522.

D. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entity.

E. TERMINATION

1. Term. The term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated under Section E(2) of this Agreement.
2. Termination. This Agreement shall be terminated only as follows:
 - a. Termination For Cause by Covered Entity

This Agreement may be terminated by the Covered Entity upon fifteen (15) days written notice to the Business Associate in the event that the Business Associate breaches any provision contained in Paragraphs A or B of this Agreement and such breach is not cured within such fifteen (15) day period.
 - b. Termination for Cause by Business Associate

Effective February 17, 2010, this Agreement may be terminated by the Business Associate upon fifteen (15) days written notice to the Covered Entity in the event that the Covered Entity breaches any provision contained in Paragraphs C or D of this Agreement and such breach is not cured within such fifteen (15) day period.
 - c. Termination Due To Change in Law

Either party may terminate this Agreement effective upon thirty (30) days advance written notice to the other party in the event that the terminating party has sought amendment of this Agreement pursuant to Paragraph G(1) and no amendment has been agreed upon.
 - d. Termination Without Cause

Either may terminate this Agreement effective upon ninety (90) days advance written notice to the other party given with or without any reason.

3. Return or Destruction of PHI

Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created maintained or received by Business Associate on behalf of Covered Entity that the Business Associate maintains in any form. Business Associate shall retain no copies of the PHI.

Notwithstanding the above, to the extent that it is not feasible to return or destroy such PHI, the terms and provisions of Sections A, B and C shall survive termination of this Agreement and such PHI shall be used or disclosed solely for such purpose or purposes that prevented the return or destruction of such PHI. When the PHI is no longer needed by the Business Associate, the Business associate shall return the PHI to Covered Entity or shall destroy it

F. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR Part 160 and 164.

G. GENERAL PROVISIONS

1. Amendment. This Agreement may be amended only by the mutual written agreement of the parties. The parties agree to take such action to amend this Agreement from time to time as is necessary for the Covered Entity or Business Associate to comply with the requirements of HIPAA.
2. Indemnification. Each party shall release, indemnify and hold the other harmless from and against any claims, fees, and costs, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by the acts of that party as a result of or related to the other party's activities pursuant to this Agreement.
3. Remedies. The parties acknowledge that breach of Paragraphs A or B of this Agreement may cause irreparable harm for which there is no adequate remedy at law. In the event of a breach, or if either party has actual notice of an intended breach, such party shall be entitled to a remedy of specific performance and/or injunction enjoining the other party from violating or further violating this Agreement. The parties agree the election of the party to seek injunctive relief and or specific performance of this Agreement does not foreclose or have any effect on any right such party may have to recover damages.
4. Survival. Business Associate's obligation to limit its use and disclosure of Protection Information as set out in Paragraphs A and B survive the termination of this Agreement so long as Business Associate has PHI received during the performance of its services as described in this Agreement.
5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Arizona.
6. Assigns. Neither this Agreement nor any of the rights, benefits, duties, or obligations provided herein may be assigned by any party to this Agreement without the prior written consent of the other party.
7. Third-party Beneficiaries. Nothing in this Agreement shall be deemed to create any rights or remedies in any third party.
8. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity and/or Business Associate, as applicable, to comply with HIPAA.

9. Notices. Any notice given under this Agreement must be in writing and delivered via first class mail, via reputable overnight courier service, or in person to the following addresses, or to such addresses or facsimile numbers as the parties may specify by like notice:


If to Covered Entity:

If to Business Associate:

Susan Posada

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: 

Date: 6/24/2013

Name (Print): Susan POSADA

Title: owner / pres

Signed: 

Date: 6-05-2013

Name (Print): Raul Velez

Title: CITR Mgr

Amendment to Broker/Consultant Agreement dated May 22, 2013, Exhibit 1, page 7

The three year agreement is hereby extended to July 1, 2019. The Broker/Consultant Commission shall not exceed 5% of the fully insured equivalent as determined by MMSI/Mayo or the appointed Third Party Administrator (TPA) each year. This amount is calculated by the TPA and provided as a Per Employee Per Month (PEPM) format.

Each plan year beginning July 1, 2013 the fee is calculated based on 5% of the fully insured equivalent. Beginning July 1, 2013 the rate was determined to be \$34.07 and the Broker agreed to a reduced fee of \$30.00 PEPM. The fee was later increased to \$32.00 (PEPM). The rate will not exceed the 5% as determined each year for Medical and Dental Benefits as administered by the TPA as the fully insured equivalent rate per month.

Effective July 1, 2016 the fee will change to \$33.50 Per Employee Per Month. Based on the 2015/2016 Plan Year the present rates the percentage for \$32.00 is 3.4% PEPM and \$33.50 is 3.5%. This fee shall not be less than 3% of the Fully Insured Equivalent Rate for July 1, 2016 Plan Year and beyond with mutual consent.

Any other ancillary fees as paid by the carrier are standard fees paid by the carrier such as for coverage for vision, disability and life. Such payment is paid directly by each carrier and not by the Trust through MMSI/Mayo.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: _____

Date: _____

Name (Print): _____

Title: _____

Signed: _____

Date: _____

Name (Print): _____

Title: _____

[Handwritten Signature]

8/1/16

Gerardo Sanchez

Mayor

[Handwritten Signature]

8/23/2018

Susan Posada

Broker

Commissions History

City of San Lus

**For Susan Posada
as of March 12, 2019**

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Commission PEPM	\$34.07	\$30.00	\$32.00	\$33.50	\$33.50	\$35	\$35
Percentage of Premium	5.00%	\$3.0%	2.70%	3.10%	3.00%	3.10%	3.1% Est.

Commissions are calculated by EBSO and determined based on the fully insured equivalent