

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 24, 2019. THE MEETING 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 Munoz, 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, 24 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 Munoz, Coordinadora 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 24, 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**
- 2. DISCUSSION AND POSSIBLE ACTION ITEMS:**
 - 2. A.** 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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(Susan Posada, Broker and Consultant)**
- 3. EXECUTIVE SESSION**

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

 - 3. 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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(Kay Marion Macuil, City Attorney)**
- 4. MOTION TO GO BACK INTO REGULAR SESSION**
- 5. DISCUSSION AND POSSIBLE ACTION ITEM:**
 - 5. 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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(Kay Marion Macuil, City Attorney)**
- 6. ADJOURNMENT**

Employee Benefit Trust Board Meeting

2.A.

Meeting Date: 04/24/2019

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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(Susan Posada, Broker and Consultant)**

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 24th 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

Incentive program

Pre-cert penalty

Plan Changes

Contributions and changes to STD

Stop loss

Trust meeting

INCENTIVE PROGRAM FOR PREFERRED PROVIDER SELECTED HOSPITAL AKA Incentive Program

The ***Plan*** receives greater discounts through the ***preferred provider*** Selected ***Hospital*** and ***Outpatient Facility*** listing:

As an incentive to use one of the exclusive provider ***hospitals*** and ***outpatient facilities***, when a ***covered person*** utilizes one of the exclusive provider ***hospitals*** or ***outpatient facilities***, the ***Plan*** will issue a check to the ***employee*** the amount of the ***coinsurance*** applied to that ***covered expense***.

This benefit is subject to the procedure or ***confinement*** being a ***covered expense*** under this ***Plan***. This incentive program applies to the ***employee*** and enrolled ***dependents***. The incentive payment shall be issued in the name of the ***employee***.

The incentive payment will be issued upon the ***claims administrator's*** receipt of the claim for the ***covered expense***.

The section entitled, ***Schedule of Benefits, Preferred Provider Select Hospitals***, shall include the following ***providers***:

Desert Ridge Outpatient Surgery Center
20940 N Tatum Blvd #370
PHX 85050
480-502-4010

Metro Surgery Center
6790 W. Thunderbird Rd
Peoria, AZ 85381
623-979-1717

Oasis Hospital
750 N 40th St.
PHX 85008

Canyon Surgery Center
6036 N 19TH Ave #100
PHX 85015

AZ Outpatient Surgery Center
6245 N 16TH St
PHX 85016

The Surgical Hospital of PHX
6501 N 19TH Ave
PHX 85015

Banner Estrella Surgery Center
9301W Thomas Rd
Phoenix, AZ 85037
(623) 388-5700

Phoenix Orthopedic Ambulatory
690 N Cofco Center Ct Ste 150
Phoenix, AZ 85008
(602) 288-4476

Outpatient Surgical Care
1530 W Glendale Ave Ste105
Phoenix, AZ 85021
(602) 995-3395

Peoria Surgery Center
13260 North 94th Drive Suite 200
Peoria, Arizona 85381
Phone: (623) 933-2900

Northwest Tucson Surgery Center AKA Northwest Hospital
(520) 877-6700
6320 N. La Challa Blvd., Suite 100
Tucson, AZ 85741

Oro Valley Hospital
(520) 901-3500
1551E. Tangerine Road
Oro Valley, AZ 85755

Carondelet Foothills Surgery Center
(520) 877-5660
2220 W. Orange Grove Road
Tucson, AZ 85741

PRE-CERTIFICATION IS REQUIRED FOR THE FOLLOWING SERVICES:

- All non-Emergency Hospitalizations (including skilled nursing facility, inpatient and residential treatment facilities)
- Outpatient surgery
- Special Services, such as acupuncture, podiatry and TMJ
- CT Scans, Pet Scans and MRIs
- Hospice
- Home Health Care
- Durable Medical Equipment > \$750 or when rental exceeds 4 months
- Inpatient Rehabilitation/Habilitation services

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 Primary Care/Specialist | \$15/\$25 Copay | \$15/\$25 Copay |
| 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

| Incentive Plan | Recommended Change | |
|--------------------------------------------------------------|--------------------------|--------------------------------------|
| | Current 2018-2019 | Renewal 2019-2020 |
| US Medical Plan | Incentive Program | |
| Reimbursement for Incentive Program | | |
| Coinsurance Trust pays 80% member 20% | 20% | 20% |
| Maximum Out of Pocket (In Network) | \$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 |
| Maximum Out of Pocket (In Network) | \$5,500.00 | \$5,500 Plus lodging reimbursements |
| 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

| Mexico Dental Plan | 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 |
| Maximum Out of Pocket (In Network) | \$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 Teatment of Adolescent Denition | N/A | \$500 |
| D8670 Periodic Orhtodontic Treatment Visit Cast Part of Contra | 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

US Dental Plan Changes for 2019-2020

| | Current | Recommended |
|--|-----------|-------------|
| | 2018-2019 | 2019-2020 |

US Plan Changes

Plan document changes requested by EBSO

Major Restorative Services

| Maximum Out of Pocket (In Network) | Plan current does not list | Add as listed |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------------|
| Routine Oral Exams - 2 times per Calendar Year | | Add as listed |
| Office visits, during regular hours - problem focus exams 2 times per Calendar Year | | Add as listed |
| Cleanings - 2 times per Calendar Year | | Add as listed |
| Flouride treatments - limited to children under age 16 and 1 treatment per Calendar Year. | | Add as listed |
| 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. | | Add as listed |
| Dental Xrays - full mouth or panoramic - limited to once in any 36 consecutive month period. | | Add as listed |
| Bitewings films, maximum of 4 films per visit - limited to 2 sets of Xrays per Calendar year. | | Add as listed |
| Vertical bitewing Xrays - limited to 1 set every 3 years | | |
| Surgical Periodontics add language to the plan to match the copay sheet | Plan says non-surgical | Add language to plan to allow |
| 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.

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

| EAP Preferred | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------|----------|--------|-----------|---------------|--------------|-----------|
| EAP Visits | EE Total | Visits | Cost PEPM | Monthly Total | Yearly Total | Guarantee |
| Non-Public Safety Employee | 154 | 3 | \$2.17 | \$334.18 | \$4,010.16 | 6/30/2022 |
| Non-Public 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 |
| All Employees | 234 | 12 | \$4.45 | \$1,041.30 | \$12,495.60 | 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 | | | | | | |

The present contract runs to 7/1/2021

Rates are for 7/1/2019

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

Current Premium Rates 07-01-2018 to 6-30-2019

| Coverage | Enrollment Tier | Medical Rate | Medical Premium | Employer Contribution Medical | Employee Contribution Medical | Dental Rate | Dental Premium | Employer Contribution Dental | Employee Contribution Dental | Vision Rate | Vision Premium | Employer Contribution Vision | Employee Contribution Vision |
|--------------------------|--------------------------------------|--------------|------------------------|-------------------------------|-------------------------------|-------------|----------------------|------------------------------|------------------------------|-------------|---------------------|------------------------------|------------------------------|
| Medical, Dental & Vision | US & Mexico-Employee Cost | \$ 636.67 | \$ 78,310.41 | \$ 78,310.41 | \$ - | \$ 37.60 | \$ 4,775.20 | \$ 4,775.20 | \$ - | \$ 10.70 | \$ 1,530.10 | \$ 1,530.10 | \$ - |
| Medical, Dental & Vision | US & Mexico-Spouse Cost | \$ 1,321.22 | \$ 6,606.10 | \$ 5,107.84 | \$ 1,498.26 | \$ 75.19 | \$ 375.95 | \$ 164.37 | \$ 211.58 | | | | |
| Medical, Dental & Vision | US & Mexico-Child(ren) Cost | \$ 1,321.22 | \$ 55,491.24 | \$ 42,905.83 | \$ 12,585.41 | \$ 75.19 | \$ 2,105.32 | \$ 920.45 | \$ 1,184.87 | | | | |
| Medical, Dental & Vision | Us & Mexico-Spouse & Child(ren) Cost | \$ 2,021.09 | \$ 44,463.98 | \$ 34,379.55 | \$ 10,084.43 | \$ 93.85 | \$ 2,252.40 | \$ 984.52 | \$ 1,267.88 | \$ 23.00 | \$ 2,208.00 | \$ 1,027.16 | \$ 1,180.84 |
| Medical, Dental & Vision | Mexico-Employee | \$ 232.00 | \$ 232.00 | \$ 232.00 | \$ - | \$ 16.78 | \$ - | \$ - | \$ - | | | | |
| Medical, Dental & Vision | Mexico-Employee & Spouse | \$ 481.39 | \$ 2,406.95 | \$ 1,861.05 | \$ 545.90 | \$ 33.55 | \$ 301.95 | \$ 132.04 | \$ 169.91 | | | | |
| Medical, Dental & Vision | Mexico-Employee & Children | \$ 481.39 | \$ 4,813.90 | \$ 3,722.11 | \$ 1,091.79 | \$ 33.55 | \$ 536.80 | \$ 234.74 | \$ 302.06 | | | | |
| Medical, Dental & Vision | Mexico-Emp, Spouse & Child(ren) Cost | \$ 702.95 | \$ 16,870.80 | \$ 13,044.50 | \$ 3,826.30 | \$ 44.73 | \$ 1,297.17 | \$ 567.25 | \$ 729.92 | | | | |
| | Monthly Premium Totals | | \$ 209,195.38 | \$ 179,563.29 | \$ 29,632.09 | | \$ 11,644.79 | \$ 7,778.57 | \$ 3,866.22 | | \$ 3,738.10 | \$ 1,738.96 | \$ 1,999.14 |
| | Annual Premium Totals | | \$ 2,510,344.56 | \$ 2,154,759.44 | \$ 355,585.12 | | \$ 139,737.48 | \$ 93,342.88 | \$ 46,394.60 | | \$ 44,857.20 | \$ 20,867.57 | \$ 23,989.63 |

| | |
|--------------------------------------|------------------------|
| Combined Monthly Total | \$ 224,578.27 |
| Employer Contribution Monthly | \$ 189,080.82 |
| Other | \$ 109,962.00 |
| Annual Total | \$ 2,804,901.24 |

| | |
|-----------------------|--|
| Changes from Current: | |
| Dollar Change | |
| Percent Change | |

| Enrollment Counts | Medical | Dental | Healthiest You | Vision |
|--------------------------|------------|------------|----------------|------------|
| US-Single | 123 | 127 | 234 | 143 |
| US-Employee + Spouse | 5 | 5 | | |
| US-Employee + Child(ren) | 42 | 28 | | |
| US-Family | 22 | 24 | | 96 |
| MX-Single | 1 | 0 | | |
| MX-Employee + Spouse | 5 | 9 | | |
| MX-Employee + Child(ren) | 10 | 16 | | |
| MX-Family | 24 | 29 | | |
| | 232 | 238 | | 239 |

| | | | |
|--------------------------------------|-------------|-------|-----------|
| Healthiest You \$8.00 PEPM (240EE's) | \$23,040 | | |
| Short Term Disability | \$59,157.73 | | |
| Long Term Disability | \$6,430.00 | | |
| Basic Life Insurance | \$21,334.73 | Total | \$109,962 |

| 2018-2019 Contribution Assumptions | | | | |
|------------------------------------|---------|-----------|-------------|--------|
| | EE Only | EE/Spouse | EE/Children | Family |
| MEDICAL | | | | |
| US & Mexico | | | | |
| Employer % | 100.00% | 77.32% | 77.32% | 77.32% |
| Employee % | 0.00% | 22.68% | 22.68% | 22.68% |
| Mexico | | | | |
| Employer % | 100.00% | 77.32% | 77.32% | 77.32% |
| Employee % | 0.00% | 22.68% | 22.68% | 22.68% |
| DENTAL | | | | |
| US & Mexico | | | | |
| Employer % | 100.00% | 43.72% | 43.72% | 43.71% |
| Employee % | 0.00% | 56.28% | 56.28% | 56.29% |
| Mexico | | | | |
| Employer % | 100.00% | 43.73% | 43.73% | 43.73% |
| Employee % | 0.00% | 56.27% | 56.27% | 56.27% |
| VISION | | | | |
| Employer % | 100.00% | N/A | N/A | 46.52% |
| Employee % | 0.00% | N/A | N/A | 53.48% |

Contribution Comparison 2018-2019 - 2019 - 2020

Contribution Changes Employee Benefits - Employer (ER), Employee (EE)

| | Current Plan | | | Renewal Option | | | ER Difference Contribution | % Change |
|---------------------------------------|-------------------------|---------------------------|---------------------------|-------------------------|---------------------------|---------------------------|----------------------------|--------------|
| | 2018-2019 Total Premium | 2018-2019 ER Contribution | 2018-2019 EE Contribution | 2019-2020 Total Premium | 2019-2020 ER Contribution | 2019-2020 EE Contribution | | |
| Medical (US & Mex) | \$ 2,510,344.56 | \$ 2,154,759.44 | \$ 355,585.12 | \$ 2,510,344.56 | \$ 2,154,688.09 | \$ 355,656.47 | \$ (71.35) | 0.00% |
| Dental (US & Mex) | \$ 139,737.48 | \$ 93,342.88 | \$ 46,394.60 | \$ 139,737.48 | \$ 93,342.88 | \$ 46,394.60 | \$ - | 0.00% |
| Vision | \$ 44,857.20 | \$ 20,867.57 | \$ 23,989.63 | \$ 45,747.48 | \$ 21,281.73 | \$ 24,465.75 | \$ 414.16 | 1.98% |
| Short Term Disability | \$59,157.73 | \$ 59,157.73 | \$ - | \$81,114.62 | \$ 81,114.62 | \$ - | \$ 21,956.89 | 37.12% |
| Long Term Disability | \$6,430.00 | \$ 6,430.00 | \$ - | \$6,430.00 | \$ 6,430.00 | \$ - | \$ - | 0.00% |
| Basic Life | \$21,334.73 | \$ 21,334.73 | \$ - | \$21,334.73 | \$ 21,334.73 | \$ - | \$ - | 0.00% |
| Transwestern (Not Included in Budget) | \$ 2,310.00 | \$ - | | \$2,316 | \$ - | | | 0.00% |
| Total Budget Requirements | \$ 2,784,171.70 | \$ 2,355,892.34 | \$ 425,969.36 | \$ 2,807,024.87 | \$ 2,378,192.05 | \$ 426,516.82 | \$ 22,299.70 | 0.94% |

| Premium Increases | \$ | % |
|-------------------------------|-------------|--------|
| Medical Premium (US & Mexico) | \$0.00 | 0.00% |
| Dental Premium | \$0.00 | 0.00% |
| Life, STD, LTD Premium | \$21,956.89 | 25.26% |

Summary

| | | |
|----------------|---------------------------|--------------------|
| Medical | Increase in Total Premium | \$0.00 |
| | Employer Portion | -\$71.35 |
| | Employee Portion | \$71.35 |
| Dental | Increase in Total Premium | \$0.00 |
| | Employer Portion | \$0.00 |
| | Employee Portion | \$0.00 |
| Total Changes: | All Benefits | \$22,853.17 |
| | ER | \$22,299.70 |
| | EE | \$547.47 |

**CITY OF SAN LUIS
STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE JULY 1, 2019**

| DESCRIPTION | 2018-20199 | | 2019-2020 | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | |
|---------------------------------------------------------------------------|--------------------|-------------------|--------------------|-------------------|-------------------------|-------------------|-------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|-------------------------------|-------------------|
| | Current Symetra | | Renewal Symetra | | Option 1 Symetra | | Option 2 Symetra | | Option 3 Int'l/Sirius America | | Option 4 Int'l/Sirius America | | Option 5 Int'l/Sirius America | |
| STOP LOSS POLICY TERMS | \$50,000 Stop Loss | | \$50,000 Stop Loss | | \$75,000 Stop Loss | | \$100,000 Stop Loss | | \$50,000 Stop Loss | | \$75,000 Stop Loss | | \$100,000 Stop Loss | |
| Specific Lifetime Maximum | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited |
| Specific Annual Reimbursement | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited | | Unlimited |
| Specific Deductible | \$ | 50,000 | \$ | 50,000 | \$ | 75,000 | \$ | 100,000 | \$ | 50,000 | \$ | 75,000 | \$ | 100,000 |
| Specific Contract Basis | | Paid | | Paid | | Paid | | Paid | | Paid | | Paid | | 24/12 |
| Specific Coverage | | Medical | | Medical | | Medical | | Medical | | Medical | | Medical | | Medical |
| Specific Run-In Limits | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A |
| Lasered Individuals | | None | | None | | None | | None | | None | | None | | None |
| Aggregate Maximum | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 1,000,000 | \$ | 1,000,000 |
| Aggregate Coverage | | Medical & RX Card | | Medical & RX Card | | Medical & RX Card | | Medical & RX Card | | Medical & RX Card | | Medical & RX Card | | Medical & RX Card |
| Aggregate Contract Basis | | Paid | | Paid | | Paid | | Paid | | 24/12 | | 24/12 | | 24/12 |
| Aggregate Run-In Limits | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A | | N/A |
| Corridor | | 25% | | 25% | | 25% | | 25% | | 25% | | 25% | | 25% |
| STOP LOSS PREMIUM | | | | | | | | | | | | | | |
| Specific Premium | | | | | | | | | | | | | | |
| Employee Rate | 124 | \$ 88.26 | \$ 88.26 | \$ 88.26 | \$ 68.32 | \$ 53.84 | 124 | \$ 91.82 | \$ 69.27 | \$ 53.46 | | | | |
| Employee + Spouse Rate | 10 | \$ 266.18 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 10 | \$ 201.07 | \$ 151.70 | \$ 117.07 | | | | |
| Employee + Child(ren) Rate | 52 | \$ 266.18 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 52 | \$ 174.44 | \$ 131.61 | \$ 101.57 | | | | |
| Employee + Spouse & Children Rate | 46 | \$ 266.18 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 46 | \$ 286.46 | \$ 216.12 | \$ 166.79 | | | | |
| Projected Total Monthly Specific Premium | 232 | \$ 39,691.68 | \$ 39,691.68 | \$ 39,691.68 | \$ 31,170.04 | \$ 24,985.40 | 232 | \$ 35,644.42 | \$ 26,891.72 | \$ 20,753.72 | | | | |
| Aggregate Rate PEPM | 232 | \$ 3.62 | \$ 3.62 | \$ 3.62 | \$ 3.59 | \$ 3.65 | 232 | \$ 3.52 | \$ 3.75 | \$ 3.89 | | | | |
| Projected Monthly Aggregate Premium | | \$ 861.84 | \$ 839.84 | \$ 832.88 | \$ 846.80 | \$ 816.64 | | \$ 870.00 | \$ 902.48 | | | | | |
| TOTAL PROJECTED PREMIUM | | | | | | | | | | | | | | |
| Monthly | | \$ 40,553.52 | \$ 40,531.52 | \$ 32,002.92 | \$ 25,832.20 | \$ 36,461.06 | | \$ 27,761.72 | \$ 21,656.20 | | | | | |
| Annual | | \$ 486,642.24 | \$ 486,378.24 | \$ 384,035.04 | \$ 309,986.40 | \$ 437,532.72 | | \$ 333,140.64 | \$ 259,874.40 | | | | | |
| Percentage of increase over current | | | | -0.05% | -21.08% | -36.30% | | -10.09% | -31.54% | -46.60% | | | | |
| MAXIMUM CLAIM FUNDING FACTORS | | | | | | | | | | | | | | |
| Employee | 124 | \$ 328.71 | \$ 318.84 | \$ 343.07 | \$ 358.69 | 124 | \$ 382.26 | \$ 405.94 | \$ 422.48 | | | | | |
| Employee + Spouse | 10 | \$ 816.84 | \$ 792.31 | \$ 852.52 | \$ 891.35 | 10 | \$ 827.15 | \$ 889.00 | \$ 925.21 | | | | | |
| Employee + Children | 52 | \$ 816.84 | \$ 794.31 | \$ 852.52 | \$ 892.35 | 52 | \$ 726.29 | \$ 771.28 | \$ 802.70 | | | | | |
| Employee + Spouse + Child(ren) | 46 | \$ 816.84 | \$ 794.31 | \$ 816.84 | \$ 816.84 | 46 | \$ 1,192.65 | \$ 1,266.52 | \$ 887.62 | | | | | |
| TOTAL PROJECTED MAXIMUM FUNDING | 232 | | | | | | 232 | | | | | | | |
| Monthly | | \$ 128,978.76 | \$ 125,301.64 | \$ 132,971.56 | \$ 137,367.90 | \$ 148,300.72 | | \$ 157,593.04 | \$ 142,214.60 | | | | | |
| Annual | | \$ 1,547,745.12 | \$ 1,503,619.68 | \$ 1,595,658.72 | \$ 1,648,414.80 | \$ 1,779,608.64 | | \$ 1,891,116.48 | \$ 1,706,575.20 | | | | | |
| Percentage of increase over current | | | | -2.85% | 3.10% | 6.50% | | 14.98% | 22.19% | 10.26% | | | | |
| PROJECTED ADMINISTRATION COSTS | | | | | | | | | | | | | | |
| TPA Claims Administration Fee - Mayo Health | 232 | \$ 24.50 | \$ 24.50 | \$ 24.50 | \$ 24.50 | 232 | \$ 24.50 | \$ 24.50 | \$ 24.50 | | | | | |
| Dental Claims Administration US Mayo Health | 238 | \$ 3.00 | \$ 3.00 | \$ 3.00 | \$ 3.00 | 232 | \$ 3.00 | \$ 3.00 | \$ 3.00 | | | | | |
| ACA 1095/1094 Reporting | 268 | \$ 3.00 | \$ 3.00 | \$ 3.00 | \$ 3.00 | 268 | \$ 3.00 | \$ 3.00 | \$ 3.00 | | | | | |
| PPO Medical Access Fee - BCBS | 198 | \$ 16.00 | \$ 17.50 | \$ 17.50 | \$ 17.50 | 198 | \$ 17.50 | \$ 17.50 | \$ 17.50 | | | | | |
| Mexico Siarmed/SSA Medical and Dental Claims Admin. | 238 | \$ 4.25 | \$ 4.25 | \$ 4.25 | \$ 4.25 | 238 | \$ 4.25 | \$ 4.25 | \$ 4.25 | | | | | |
| Total Monthly Administration | | \$ 11,381.50 | \$ 11,678.50 | \$ 11,678.50 | \$ 11,678.50 | | \$ 11,660.50 | \$ 11,660.50 | \$ 11,660.50 | | | | | |
| Total Annual Administration | | \$ 136,578.00 | \$ 140,142.00 | \$ 140,142.00 | \$ 140,142.00 | | \$ 139,926.00 | \$ 139,926.00 | \$ 139,926.00 | | | | | |
| Patient Centered Research Inst. (Est.) | 535 | \$ 1,278.65 | \$ 131.00 | \$ 1,310.75 | \$ 1,310.75 | 535 | \$ 1,310.75 | \$ 1,310.75 | \$ 1,310.75 | | | | | |
| Total Annual ACA fees | 535 | \$ 1,278.65 | \$ 131.00 | \$ 1,310.75 | \$ 1,310.75 | 535 | \$ 1,310.75 | \$ 1,310.75 | \$ 1,310.75 | | | | | |
| Total Annual Administration Fees With Reinsurance & PPCORI | | \$ 137,856.65 | \$ 140,273.00 | \$ 141,452.75 | \$ 141,452.75 | | \$ 141,236.75 | \$ 141,236.75 | \$ 141,236.75 | | | | | |
| Percentage of Increase/Decrease Over Current | | | 1.8% | 2.6% | 2.6% | 2.5% | 2.5% | 2.5% | 2.5% | | | | | |
| TOTAL PROJECTED PREMIUM, CLAIMS FUNDING & ADMINISTRATION COSTS | | | | | | | | | | | | | | |
| Monthly | | \$ 178,410.17 | \$ 180,804.52 | \$ 173,455.67 | \$ 167,284.95 | \$ 177,697.81 | | \$ 168,998.47 | \$ 162,892.95 | | | | | |
| Annual | | \$ 2,140,922.04 | \$ 2,130,270.92 | \$ 2,121,146.51 | \$ 2,099,853.95 | \$ 2,132,373.72 | | \$ 2,027,981.64 | \$ 1,954,715.40 | | | | | |
| Percentage of Increase Over Current | | | -0.50% | -0.92% | -1.92% | -0.40% | -5.28% | -8.70% | | | | | | |

- Rates for the Stop Loss and Aggregate are not final until 4/30/2019 BCBS Network fee originally increase to \$17.50 for 1 year - negotiated 2 years for \$17.50

PCCOR fees for 2017 \$2.30 and 2018 \$2.45 for Average number of lives insured

Rates and benefits are illustrative only and represent only a brief summary of the plan highlights. Final rates will be determined from effective date, actual enrollment and/or health conditions. For actual benefits refer to the carrier proposal.



CITY OF
San Luis Arizona
Gateway to the Sea of Cortez

Trust Meeting
2019 Renewal Presentation

For July 1, 2018 to June 30, 2019

Presented by Susan Posada



SUSAN POSADA
AGENCY

Trust Expenses Covered by Trust

1. Stop Loss
2. Third Party Administrative Fees
 - a. Network Fees
 - i. Blue Cross Blue Shield of AZ – US network
 - ii. Siarmed – Mexico network both medical and dental
 - b. Broker Fees
 - c. Flu Shots for Mexico members
 - d. ACA Reporting Fees
 - e. Claims Utilization
 - f. Cobra Fees
 - g. HealthiestYou (Teledoc)
 - h. EAP – All Employees
 - i. ACA fees
3. Overall – Medical and Dental design, and cost
4. Trust Fund Balance

Not included in Trust

1. Vision plan
2. Basic and Voluntary life
3. Short- and Long-term disability
4. Transwestern voluntary medical plan
5. EAP for Public Safety
6. FMLA

City of San Luis
Changes to Plan Costs
 Plan Year 7/1/2019 to 6/30/2020

| Budget Increase | | | | | | |
|------------------------------------------|--------------------------|-------------------------|-------------------------|--|--|----------------------------|
| | Total All Benefit | Employer Portion | Employee Portion | | | Percentage Increase |
| City - Increase | \$890.28 | \$414.16 | \$476.12 | | | 0.03% |
| City - Increase with STD Option 2 | \$29,249.87 | \$29,249.87 | \$0.00 | | | 1.03% |
| Trust - Increase with EAP only | \$6,402.24 | \$6,402.24 | \$0.00 | | | |

Total Trust Budget based on recommendations \$2,650,082.04
 See details in the Contribution Comparison Sheet for 2019 to 2020

| Plan Changes | | | | | | |
|----------------------------|----------------------------|----------------------------|----------------------------|--------------|--------------|-----------------------|
| Service Changes | Annual Premium 2015 | Annual Premium 2016 | Annual Premium 2017 | 2018 | 2019 | Rates % change |
| Stop Loss | \$432,036.36 | \$429,267.12 | \$434,847.36 | \$483,023.64 | \$437,532.72 | -10.46% |
| Mayo/EBSO Fees | | | | | | |
| Medical | \$18.00 | \$18.50 | \$18.60 | \$24.50 | \$24.50 | 0.00% |
| Dental | \$2.90 | \$2.90 | \$2.95 | \$3.00 | \$3.00 | 0.00% |
| Claims Utilization/ACA FEE | \$3.00 | \$3.25 | \$3.50 | \$3.00 | \$3.00 | 0.00% |
| Cobra Optum | \$0.79 | \$0.74 | \$0.74 | Incl | Incl | Incl |
| Siarmed | | | | | | |
| Medical | \$3.00 | \$3.00 | \$3.00 | \$3.00 | \$3.00 | 0.00% |
| Dental | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.25 | 0.00% |
| Broker Fees | \$32.00 | \$33.50 | \$33.50 | \$35.00 | \$35.00 | 0.00% |
| BCBS Network Fees | \$15 | \$15.50 | \$15.75 | \$16.00 | \$17.50 | 9.38% |

- Mexico network changed to Siarmed effective 4/1/2016

- Stop Loss fees are subject to change pending the 4/31/2019/2019 claims reports

** BCBC negotiated the rate for 2 years \$17.50 PEPM

***Siarmed had agreed to a 3 year agreement (to 6/30/2020) with no price changes in the admin fees and provider fees

City of San Luis

Medical and Dental Enrollment Changes

| | Medical Enrollment | | | Dental Enrollment | | |
|-----------------------|--------------------|------------------|--------------|-------------------|------------------|--------------|
| | | | Percentage | | | Percentage |
| | February 1, 2018 | February 1, 2019 | Change | February 1, 2018 | February 1, 2019 | Change |
| US/Mexico | | | | | | |
| Employees Only | 123 | 123 | 0.00% | 124 | 127 | 2.42% |
| Employee & Spouse | 7 | 5 | -28.57% | 7 | 5 | -28.57% |
| Employee and Children | 42 | 42 | 0.00% | 42 | 28 | -33.33% |
| Family | 20 | 22 | 10.00% | 20 | 23 | 15.00% |
| Mexico Only | | | | | | |
| Employees Only | 1 | 1 | 0.00% | 4 | 0 | -100.00% |
| Employee & Spouse | 4 | 5 | 25.00% | 4 | 9 | 125.00% |
| Employee and Children | 10 | 10 | 0.00% | 10 | 16 | 60.00% |
| Family | 24 | 24 | 0.00% | 24 | 29 | 20.83% |
| Total | 222 | 232 | 4.50% | 223 | 223 | 0.00% |
| Average Members | 569 | 518 | -8.96% | 538 | 535 | -0.56% |

2012-2013 EE's 154 total dep. 570

CITY OF SAN LUIS
STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE JULY 1, 2019

| DESCRIPTION | 2018-20199 | | 2019-2020 | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | | 2018-2019 Initial Quote | |
|---------------------------------------------------------------------------|--------------------|----------------------|----------------------|----------------------|-------------------------|---------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------------|
| | Current Symetra | | Renewal Symetra | | Option 1 Symetra | Option 2 Symetra | Option 3 Int'l/Sirius America | Option 4 Int'l/Sirius America | Option 5 Int'l/Sirius America | Option 6 Int'l/Sirius America | Option 7 Int'l/Sirius America | Option 8 Int'l/Sirius America | Option 9 Int'l/Sirius America | Option 10 Int'l/Sirius America |
| STOP LOSS POLICY TERMS | \$50,000 Stop Loss | \$50,000 Stop Loss | \$50,000 Stop Loss | \$50,000 Stop Loss | \$75,000 Stop Loss | \$100,000 Stop Loss | \$50,000 Stop Loss | \$75,000 Stop Loss | \$100,000 Stop Loss | \$50,000 Stop Loss | \$75,000 Stop Loss | \$100,000 Stop Loss | \$50,000 Stop Loss | \$75,000 Stop Loss |
| Specific Lifetime Maximum | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Specific Annual Reimbursement | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited | Unlimited |
| Specific Deductible | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 50,000 | \$ 75,000 | \$ 100,000 | \$ 50,000 | \$ 75,000 | \$ 100,000 | \$ 50,000 | \$ 75,000 | \$ 100,000 | \$ 50,000 | \$ 75,000 |
| Specific Contract Basis | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | Paid | 24/12 |
| Specific Coverage | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical | Medical |
| Specific Run-In Limits | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Lasered Individuals | None | None | None | None | None | None | None | None | None | None | None | None | None | None |
| Aggregate Maximum | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Aggregate Coverage | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card | Medical & RX Card |
| Aggregate Contract Basis | Paid | Paid | Paid | Paid | Paid | Paid | 24/112 | 24/112 | 24/112 | 24/112 | 24/112 | 24/112 | 24/112 | 24/112 |
| Aggregate Run-In Limits | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Corridor | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| STOP LOSS PREMIUM | | | | | | | | | | | | | | |
| Specific Premium | | | | | | | | | | | | | | |
| Employee Rate | 124 | \$ 88.26 | \$ 88.26 | \$ 68.32 | \$ 53.84 | 124 | \$ 91.82 | \$ 69.27 | \$ 53.46 | | | | | |
| Employee + Spouse Rate | 10 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 10 | \$ 201.07 | \$ 151.70 | \$ 117.07 | | | | | |
| Employee + Child(ren) Rate | 52 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 52 | \$ 174.44 | \$ 131.61 | \$ 101.57 | | | | | |
| Employee + Spouse + Children Rate | 46 | \$ 266.18 | \$ 266.18 | \$ 210.17 | \$ 169.53 | 46 | \$ 286.46 | \$ 216.12 | \$ 166.79 | | | | | |
| Projected Total Monthly Specific Premium | 232 | \$ 39,691.68 | \$ 39,691.68 | \$ 31,170.04 | \$ 24,985.40 | 232 | \$ 35,644.42 | \$ 26,891.72 | \$ 20,753.72 | | | | | |
| Aggregate Rate PEPM | 232 | \$ 3.62 | \$ 3.62 | \$ 3.59 | \$ 3.65 | 232 | \$ 3.52 | \$ 3.75 | \$ 3.89 | | | | | |
| Projected Monthly Aggregate Premium | | \$ 861.84 | \$ 839.84 | \$ 832.88 | \$ 846.80 | | \$ 816.64 | \$ 870.00 | \$ 902.48 | | | | | |
| TOTAL PROJECTED PREMIUM | | | | | | | | | | | | | | |
| Monthly | | \$ 40,553.52 | \$ 40,531.52 | \$ 32,002.92 | \$ 25,832.20 | | \$ 36,461.06 | \$ 27,761.72 | \$ 21,656.20 | | | | | |
| Annual | | \$ 486,642.24 | \$ 486,378.24 | \$ 384,035.04 | \$ 309,986.40 | | \$ 437,532.72 | \$ 333,140.64 | \$ 259,874.40 | | | | | |
| Percentage of increase over current | | | -0.05% | -21.08% | -36.30% | | -10.09% | -31.54% | -46.60% | | | | | |
| MAXIMUM CLAIM FUNDING FACTORS | | | | | | | | | | | | | | |
| Employee | 124 | \$ 328.71 | \$ 318.84 | \$ 343.07 | \$ 358.69 | 124 | \$ 382.26 | \$ 405.94 | \$ 422.48 | | | | | |
| Employee + Spouse | 10 | \$ 816.84 | \$ 792.31 | \$ 852.52 | \$ 891.35 | 10 | \$ 827.15 | \$ 889.00 | \$ 925.21 | | | | | |
| Employee + Children | 52 | \$ 816.84 | \$ 794.31 | \$ 852.52 | \$ 892.35 | 52 | \$ 726.29 | \$ 771.28 | \$ 802.70 | | | | | |
| Employee + Spouse + Child(ren) | 46 | \$ 816.84 | \$ 794.31 | \$ 816.84 | \$ 816.84 | 46 | \$ 1,192.65 | \$ 1,266.52 | \$ 887.62 | | | | | |
| TOTAL PROJECTED MAXIMUM FUNDING | 232 | | | | | 232 | | | | | | | | |
| Monthly | | \$ 128,978.76 | \$ 125,301.64 | \$ 132,971.56 | \$ 137,367.90 | | \$ 148,300.72 | \$ 157,593.04 | \$ 142,214.60 | | | | | |
| Annual | | \$ 1,547,745.12 | \$ 1,503,619.68 | \$ 1,595,658.72 | \$ 1,648,414.80 | | \$ 1,779,608.64 | \$ 1,891,116.48 | \$ 1,706,575.20 | | | | | |
| Percentage of increase over current | | | -2.85% | 3.10% | 6.50% | | 14.98% | 22.19% | 10.26% | | | | | |
| PROJECTED ADMINISTRATION COSTS | | | | | | | | | | | | | | |
| TPA Claims Administration Fee - Mayo Health | 232 | \$ 24.50 | \$ 24.50 | \$ 24.50 | \$ 24.50 | 232 | \$ 24.50 | \$ 24.50 | \$ 24.50 | | | | | |
| Dental Claims Administration US Mayo Health | 238 | \$ 3.00 | \$ 3.00 | \$ 3.00 | \$ 3.00 | 232 | \$ 3.00 | \$ 3.00 | \$ 3.00 | | | | | |
| ACA 1095/1094 Reporting | 268 | \$ 3.00 | \$ 3.00 | \$ 3.00 | \$ 3.00 | 268 | \$ 3.00 | \$ 3.00 | \$ 3.00 | | | | | |
| PPO Medical Access Fee - BCBS | 198 | \$ 16.00 | \$ 17.50 | \$ 17.50 | \$ 17.50 | 198 | \$ 17.50 | \$ 17.50 | \$ 17.50 | | | | | |
| Mexico Sijarmed/SSA Medical and Dental Claims Admin. | 238 | \$ 4.25 | \$ 4.25 | \$ 4.25 | \$ 4.25 | 238 | \$ 4.25 | \$ 4.25 | \$ 4.25 | | | | | |
| Total Monthly Administration | | \$ 11,381.50 | \$ 11,678.50 | \$ 11,678.50 | \$ 11,678.50 | | \$ 11,660.50 | \$ 11,660.50 | \$ 11,660.50 | | | | | |
| Total Annual Administration | | \$ 136,578.00 | \$ 140,142.00 | \$ 140,142.00 | \$ 140,142.00 | | \$ 139,926.00 | \$ 139,926.00 | \$ 139,926.00 | | | | | |
| Patient Centered Research Inst. (Est.) | 535 | \$ 1,278.65 | \$ 1,311.00 | \$ 1,310.75 | \$ 1,310.75 | 535 | \$ 1,310.75 | \$ 1,310.75 | \$ 1,310.75 | | | | | |
| Total Annual ACA fees | 535 | \$ 1,278.65 | \$ 1,311.00 | \$ 1,310.75 | \$ 1,310.75 | 535 | \$ 1,310.75 | \$ 1,310.75 | \$ 1,310.75 | | | | | |
| Total Annual Administration Fees With Reinsurance & PPCORI | | \$ 137,856.65 | \$ 140,273.00 | \$ 141,452.75 | \$ 141,452.75 | | \$ 141,236.75 | \$ 141,236.75 | \$ 141,236.75 | | | | | |
| Percentage of Increase/Decrease Over Current | | | 1.8% | 2.6% | 2.6% | | 2.5% | 2.5% | 2.5% | | | | | |
| TOTAL PROJECTED PREMIUM, CLAIMS FUNDING & ADMINISTRATION COSTS | | | | | | | | | | | | | | |
| Monthly | | \$ 178,410.17 | \$ 180,804.52 | \$ 173,455.67 | \$ 167,284.95 | | \$ 177,697.81 | \$ 168,998.47 | \$ 162,892.95 | | | | | |
| Annual | | \$ 2,140,922.04 | \$ 2,130,270.92 | \$ 2,121,146.51 | \$ 2,099,853.95 | | \$ 2,132,373.72 | \$ 2,027,981.64 | \$ 1,954,715.40 | | | | | |
| Percentage of Increase Over Current | | | -0.50% | -0.92% | -1.92% | | -0.40% | -5.28% | -8.70% | | | | | |

- Rates for the Stop Loss and Aggregate are not final until 4/30/2019 BCBS Network fee originally increase to \$17.50 for 1 year - negotiated 2 years for \$17.50

PPCOR fees for 2017 \$2.30 and 2018 \$2.45 for Average number of lives insured

Rates and benefits are illustrative only and represent only a brief summary of the plan highlights. Final rates will be determined from effective date, actual enrollment and/or health conditions. For actual benefits refer to the carrier proposal.

Rates and Benefits represent only a summary of benefits and rates. Refer to plan document, SBCs and Summaries for details.

Stop Loss Change - Risk and Exposure

| | 2017-2018 | 2018-2019* | 2018-2019* |
|--------------------------|--------------------|--------------------|--------------------|
| Large Claims | \$50,000.00 | \$50,000.00 | \$75,000.00 |
| Number | 5 | 11 | 11 |
| Total Potential Exposure | \$250,000 | \$550,000 | \$825,000 |
| Premium | \$486,642 | \$437,533 | \$333,140 |
| Difference | \$236,642 | (\$112,467) | (\$491,860) |
| | | | |

* claims are for 8 months

| Estimated Fund Balance | |
|--------------------------------------|----------------------------------|
| As of 2/28/2019 | |
| Trust Checking | \$1,547,623.26 |
| Trust Savings as of 12/31/2019 | \$1,389,093.29 |
| | \$2,936,716.55 |
| Claims Lag | (\$489,030.00) |
| Incurred but not reported (IBNR) | (\$261,794.46) |
| Estimated Total | \$2,185,892.09 |
| Expected Liability Percentage | \$2,795,256.48 78.20% |

| 2019-2020\$ Fund Requirements | |
|-------------------------------------------------------------|----------------------|
| As of 2/28/2019 | |
| Required Funding for 2019 to 2020 | \$2,789,098.56 |
| No Increase - Funding level Funding (same as prior year) | \$2,650,02.04 |
| Under Funding | \$139,016.52 |

EAP and Healthiest You

| EAP Preferred | | | | | | |
|----------------------------|----------|--------|-----------|---------------|--------------|-----------|
| EAP Visits | EE Total | Visits | Cost PEPM | Monthly Total | Yearly Total | Guarantee |
| Non-Public Safety Employee | 154 | 3 | \$2.17 | \$334.18 | \$4,010.16 | 6/30/2022 |
| Non-Public 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 |
| All Employees | 234 | 12 | \$4.45 | \$1,041.30 | \$12,495.60 | 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

The present contract runs to 7/1/2021

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

- 24-Hour Access
- Referrals and Follow-up
- Legal and Financial Services
- Orientation and Training
- Communication Materials
- Utilization Reporting

| On-site Service Rates | EAP Preferred |
|-----------------------------------|---------------|
| CISD (Critical Incident Services) | \$275/\$175 |
| Training, SPV Training | \$275/\$175 |

| Healthiest You TeleDoc | | | | |
|---------------------------|-----------|------------|---------------|--------------|
| | Employees | Fixed Cost | Monthly Total | Annual Total |
| PEPM | 234 | \$8 | \$1,872 | \$22,464 |

PEPM: Premium per Employee per Month

This plan has already been approved by the Trust

ACA Reporting

| ACA Reporting | | EBSO | Basic |
|---------------------------|-----------------|-------------------|--------------------|
| | EE Total | | |
| ACA Reporting Fee | 238 | \$3.00 | \$9.25 |
| Set-up Fee | | | \$250.00 |
| Total Rate Monthly | | \$714.00 | \$2,201.50 |
| Total Annual Rates | | \$8,568.00 | \$26,418.00 |

US Mexico and Mexico Dental only Plans

| Dental Benefits | US/MX Coverage | | US/MX Coverage | | Siarmed Mexico Coverage Current | Siarmed Mexico Coverage Renewal |
|-------------------------------------------------|----------------|---------------------|---------------------|-----------|---------------------------------|---------------------------------|
| | Present | Renewal | Present | Renewal | No Out of Network Benefits | No Out of Network Benefits |
| DEDUCTIBLE | | | | | | |
| Individual | \$25 | \$25 | | | \$0 | \$0 |
| Family | \$50 | \$50 | | | \$0 | \$0 |
| MAXIMUM ANNUAL BENEFIT | | | | | | |
| Orthodontics - Lifetime Max | \$2,000 | \$2,000 | | | \$1,000 | \$1,000 |
| Orthodontics - Children 19 and under per person | 50% | 50% | | | 50% | 50% |
| COINSURANCE | | | | | | |
| Preventive Service | 100% | 100% | | | \$10 Copay | \$10 Copay |
| Basic Services | 80% | 80% | | | \$20 Copay | \$20 Copay |
| Major Services | 50% | 50% | | | \$50 Copay | \$50 Copay |
| Orthodontics | 50% | 50% | | | 50% | 50% |
| \$1,000 Lifetime Maximum | | | | | | |
| RX | | | | | | |
| Rate Guarantee | N/A | N/A | | | N/A | \$3/\$6 |
| RATES: | | | | | | |
| Employee | 127 | Four Tier | Four Tier | 0 | Four Tier | Four Tier |
| Employee & Spouse | 5 | \$37.60 | \$37.60 | 9 | \$16.78 | \$16.78 |
| Employee & Children | 28 | \$75.19 | \$75.19 | 16 | \$33.55 | \$33.55 |
| Family | 24 | \$75.19 | \$75.19 | 29 | \$33.55 | \$33.55 |
| Family | | \$93.85 | \$93.85 | | \$44.73 | \$44.73 |
| Total Monthly Premium | 184 | \$9,508.87 | \$9,508.42 | 54 | \$2,135.92 | \$2,135.92 |
| Annual Premium | | \$114,106.44 | \$114,101.04 | | \$25,631.04 | \$25,631.04 |
| Annual Difference | | | 0.00% | | | 0.00% |

*Lifetime Maximum - Dependents must be covered under plan for 12 consecutive months before orthodontia is available

*US Dental Coverage allows for coverage in Mexico

***There is no Out of Network coverage on the Mexico Only Plan**

*Deductible applies for Basic, Major and Ortho services in the US

Rx was added to the Mexico plan which is the same as the medical plan

| US Plan Medical | US Plan BCBS Present Plan | | US Plan BCBS Renewal Plan | |
|---------------------------------------------------------------------------|---------------------------|-----------------------|--------------------------------------|-----------------------|
| | In Network | Out of Network | In Network | Out of Network |
| Out of Pocket Maximums | | | | |
| Individual (In/Out) | \$5,500 | \$20,000 | \$5,500 | \$20,000 |
| Family (In/Out) | \$11,000 | \$40,000 | \$11,000 | \$40,000 |
| Deductible | | | | |
| Individual (In/Out) | \$750 | \$1,500 | \$750 | \$1,500 |
| Family (In/Out) | \$1,500 | \$3,000 | \$1,500 | \$3,000 |
| Coinsurance | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Office Visit/Specialist | \$15 Copay | 60% + deductible | \$15 Copay | 60% + deductible |
| X-Ray and Lab's | | | | |
| Routine Labs - Primary/Specialist | \$15/\$25 Copay | 60% + deductible | \$15/\$25 Copay | 60% + deductible |
| Contracted Provider | 80% + deductible | 60% + deductible | \$15 Copay | 60% + deductible |
| Hospital and non-Contracted Provider | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Complex Imaging MRI, CT, Pet Scan's etc | | | | |
| Contracted Provider | 80% + deductible | 60% + deductible | \$25 | 60% + deductible |
| Hospital and non-Contracted Provider | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Rahabilitation 60 Visits | 80% + deductible | 60% + deductible | \$30 Copay | 60% + deductible |
| combined Physical, Speech, Occupational, Pulmonary, Cardiac, Chiropractic | | | | |
| Incentive Plan | | | | |
| Reimbursement Logging - Select Providers | N/A | N/A | Up to \$125 per night up to 4 nights | Not Covered |
| Hospital and Outpatient - Select Providers | N/A | N/A | 100% + deductible | Not Covered |
| Prescriptions | \$5/\$35/\$55 | Not Covered | \$5/\$35/\$55 | Not Covered |
| Mail Order Pharmacy (90 Days) | \$15/\$75/\$135 | Not Covered | \$15/\$75/\$135 | Not Covered |
| Emergency Room | 80% + deductible | 80% + deductible | 80% + deductible | 80% + deductible |
| Urgent Care | \$30 Copay | 60% + deductible | \$30 Copay | 60% + deductible |
| Hospital | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Out Patient Surgery | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Ambulance | 80% + deductible | 80% + deductible | 80% + deductible | 80% + deductible |
| Behavioral/Mental Health Services | | | | |
| Inpatient | 80% + deductible | 60% + deductible | 80% + deductible | 60% + deductible |
| Outpatient | \$15 Copay | 60% + deductible | \$15 Copay | 60% + deductible |
| Rate Guarantee Period | | 12 Months | | 12 Months |
| Annual Maximums | | Unlimited | | Unlimited |
| Network | | BCBS | | BCBS |
| Rates: | | Four Tier | | Four Tier |
| Employee | 123 | \$636.67 | | \$636.67 |
| Employee + Spouse | 5 | \$1,321.22 | | \$1,321.22 |
| Employee+ Child | 42 | \$1,321.22 | | \$1,321.22 |
| Family | 22 | \$2,021.09 | | \$2,021.09 |
| Monthly Premium | 192 | \$184,871.73 | | \$184,871.73 |
| Annual Premium | | \$2,218,460.76 | | \$2,218,460.76 |
| Percentage Change | | | | 0.00% |

*Failure to obtain precertification for inpatient hospital, outpatient surgery, non-emergency hospital admissions, and skilled nursing facilities

Incentive Plan reimbursement does not accumulate toward out of pocket or deductible

shall result in a reduction of the plan's coinsurance to 50% for such covered expenses.

*Insured is responsible for balance bill on out-of-network services

| Mexico Medical Plan Medical | | Mexico Plan Siarmed Present Plan | | Mexico Plan Siarmed Renewal Plan | |
|-----------------------------------|-----------|----------------------------------------|----------------|----------------------------------------|----------------|
| | | In Network | Out of Network | In Network | Out of Network |
| Out of Pocket Maximums | | | | | |
| Individual (In/Out) | | \$6,250 | \$20,000 | \$6,250 | \$20,000 |
| Family (In/Out) | | \$12,500 | \$40,000 | \$12,500 | \$40,000 |
| Deductible | | | | | |
| Individual (In/Out) | | \$0 | \$0 | \$0 | \$0 |
| Family (In/Out) | | \$0 | \$0 | \$0 | \$0 |
| Coinsurance | | | | | |
| Office Visit/Specialist | | 100% | 50% | 100% | 50% |
| Diagnostic Labs | | \$5 Copay | 50% | \$5 Copay | 50% |
| Contracted Facilities | | \$10 Copay | 50% | \$10 Copay | 50% |
| Radiology (MRI, MRA, CT, PET) | | \$25 Copay | 50% | \$25 Copay | 50% |
| Preventative - Lab & Radiology | | \$5 Copay | 50% | \$5 Copay | 50% |
| Prescriptions | | | | | |
| Mail Order Pharmacy (90 Days) | | \$3/\$6 Copay | 50% | \$3/\$6 Copay | 50% |
| Emergency Room | | N/A | N/A | N/A | N/A |
| Urgent Care | | \$250 Copay | \$250 Copay | \$50 Copay | \$50 Copay |
| Hospital | | \$20 Copay | 50% | \$20 Copay | 50% |
| Out Patient Surgery | | \$50 Copay | 50% | \$50 Copay | 50% |
| Ambulance | | \$25 Copay | 50% | \$25 Copay | 50% |
| Behavioral/Mental Health Services | | N/A | 50% | N/A | 50% |
| Inpatient | | Not available | 50% | Not available | 50% |
| Outpatient | | \$5 Copay | 50% | \$5 Copay | 50% |
| Rate Guarantee Period | | 12 Months | | 12 Months | |
| Annual Maximums | | Unlimited Siarmed | | Unlimited Siarmed | |
| Network | | Four Tier | | Four Tier | |
| Employee | 1 | \$232.00 | | \$232.00 | |
| Employee + Spouse | 5 | \$481.39 | | \$481.39 | |
| Employee+ Child | 10 | \$481.39 | | \$481.39 | |
| Family | 24 | \$702.95 | | \$702.95 | |
| Monthly Premium | 40 | \$24,323.65 | | \$24,323.65 | |
| Annual Premium | | \$291,883.80 | | \$291,883.80 | |
| Percentage Change | | | | 0.0% | |

*Insured is responsible for balance bill on out-of-network services

*Out of Network in Mexico available with Stop Loss carrier approval

*Out of Network will be available in Mexico with approval from the Stop Loss Carrier for Emergency Only

| Vision Renewal Rates | | Vision Service Plan | | Vision Service Plan | |
|--------------------------------------|------------|----------------------------------|----------------|----------------------------------|----------------|
| | | Current | | Renewa; | |
| | | In Network | Out of Network | In Network | Out of Network |
| Exam Copay | | \$10 | Up to \$50 | \$10 | Up to \$50 |
| Frames | | \$25 | Up to \$70 | \$25 | Up to \$70 |
| Contact Exam | | Up to \$60 | N/A | Up to \$60 | N/A |
| Standard Lenses (pair) | | | | | |
| Single | | 100% | Up to \$50 | 100% | Up to \$50 |
| Bifocal | | 100% | Up to \$75 | 100% | Up to \$75 |
| Trifocal | | 100% | Up to \$100 | 100% | Up to \$100 |
| Lenticular | | N/A | N/A | N/A | N/A |
| Progressive (standard) | | 100% | Up to \$75 | 100% | Up to \$75 |
| Elective Contact Lenses | | Coverage Up to \$130 | Up to \$105 | Coverage Up to \$130 | Up to \$105 |
| Necessary Contact lenses | | 100% | Up to \$105 | 100% | Up to \$105 |
| Contact Allowance in lieu of glasses | | \$130 | Up to \$60 | \$130 | Up to \$60 |
| LASIK Benefit | | Up to 15% Discount | N/A | Up to 15% Discount | N/A |
| Coverage for Dependents | | Up to 26 requires Student Status | | Up to 26 requires Student Status | |
| Frequency | | | | | |
| Exam | | 12 Months | | 12 Months | |
| Lenses | | 12 Months | | 12 Months | |
| Frames | | 12 Months | | 12 Months | |
| Contacts | | 12 Months | | 12 Months | |
| Network | | VSP | | VSP | |
| Rate Guarantee | | | | 6/30/2023 | |
| RATES: | | Two Tier | | Two Tier | |
| Employee Only | 143 | \$10.70 | | \$10.91 | |
| Family | 96 | \$23.00 | | \$23.46 | |
| Total Monthly Premium | 239 | \$3,738.10 | | \$3,812.29 | |
| Annual Premium | | \$44,857.20 | | \$45,747.48 | |
| Percentage Change | | | | 1.98% | |

*Only one co-pay applies either the materials or the frames, if both services are being received only one co-pay applies.

*Contact lenses are in lieu of glasses

Contracted was negotiated for 4 years

City of San Luis Current / Renewal Basic Life and AD&D - No Change

| Benefits | Current and Renewal | | |
|--------------------------------|------------------------|--------------------|-----------------|
| Eligibility | All Employees | | |
| Life Insurance Benefit | 1 X Salary to \$50,000 | | |
| Basic AD&D | 1 X Salary to \$50,000 | | |
| Rate Guarantee | 6/30/2017 | | |
| | Volume | Rates per \$1,000 | Monthly Premium |
| Life Amount | | \$0.15 | \$1,403.60 |
| AD&D Amount | \$9,357,336 | \$0.04 | \$374.29 |
| Estimated Annual Premium | | \$21,334.73 | |
| Total Change from Current (%) | | \$0 | |
| Total Change from Current (\$) | | \$0 | |
| Guarantee | | 2 Year | |

Coverage decreases by 35% at age 70 and 50% at age 75

Guarantee is from 7/1/2019 to 6/30/2021

City of San Luis Current / Renewal Long Term Disability - No Change

| Benefits | The Standard - CURRENT and Renewal | | |
|--------------------------------|------------------------------------|-----------------|------------------|
| Class/ Eligibility | Public Safety Only | | |
| Weekly Benefit | 60% of 1st \$16,667 | | |
| Maximum Monthly Benefit | 10,000 | | |
| Accident Benefit Begin On Day | 181 | | |
| Sickness Benefit Begin on Day | 181 | | |
| Maximum Benefit Period | To age 65 | | |
| Employee Assistance Program | Included | | |
| Rate Guarantee | | | |
| | Volume | Rates per \$100 | Monthly Premium |
| | \$214,320 | \$0.25 | \$535.80 |
| Estimated Annual Premium | | | \$6,430 |
| Salary | | | |
| Total Change from Current (%) | | | No Change |
| Total Change from Current (\$) | | | |
| Guarantee | | | 2 year Guarantee |

*Benefit decrease after age 62 or continues to age 65/Social Security age

Guarantee is from 7/1/2019 to 6/30/2021

City of San Luis Current / Renewal Short Term Disability

| Benefits | Current and Renewal | | Option 1 | | Option 2 | |
|--------------------------------|-----------------------|------------------------|-----------------------|------------------------|-----------------------|------------------------|
| Eligibility | All Employees | | All Employees | | All Employees | |
| Maximum Weekly Benefit | \$2,000 | | \$2,000 | | \$2,000 | |
| Accident Benefit Begins on Day | 15 | | 15 | | 15 | |
| Sickness Benefit Begins on Day | 15 | | 15 | | 15 | |
| Maximum Benefit Duration | 180 days | | 180 days | | 180 days | |
| Benefit Percentage | 66.67% | | 66.67% | | 66.67% | |
| Off-set Definition | See Below | | See Below | | See Below | |
| Rate Guarantee | 6/30/2019 | | 6/30/2019 | | 6/30/2019 | |
| Volume | Rates per \$10 | Monthly Premium | Rates per \$10 | Monthly Premium | Rates per \$10 | Monthly Premium |
| \$116,544 | \$0.423 | \$4,929.81 | \$0.480 | \$5,594.11 | \$0.580 | \$6,759.55 |
| | Annual Premium | | Annual Premium | | Annual Premium | |
| | \$59,157.73 | | \$67,129.34 | | \$81,114.62 | |
| Total Change from Current (%) | No Change | | \$7,971.61 | | \$21,956.89 | |
| Total Change from Current (\$) | | | 13.48% | | 37.12% | |
| Guarantee | 2 years | | 2 years | | 2 years | |

*The STD rate increased from \$0.39 to \$0.423 effective 1/1/2017 to add FICA services to the account
In Second year guarantee

Current plan - No Choice - income offset - all income including sick leave, donated time, other disability, retirement income except vacation

Option plan 1 - Member Choice - can choose either STD Benefits or Sick Leave as benefit, Off-set is other income except vacation

Option plan 2 - Backdoor Integration - member can take Sick Leave plus STD Benefits up to 100% of income but not more - exception vacation

Transwestern Mexico Voluntary Medical

| Product Description | | Current | Renewal |
|--------------------------|---|------------|------------|
| Admin Fee | | \$20.25 | \$20.50 |
| Broker Fee | | \$5.00 | \$5.00 |
| Mexico Panel | | \$1.00 | \$1.00 |
| Hospital Santa Margarita | | \$70.00 | \$70.00 |
| Total Fixed Costs | | \$96.25 | \$96.50 |
| Total Monthly Premium | 2 | \$192.50 | \$193.00 |
| Annual Premium | | \$385.00 | \$386.00 |
| Annual Premium | | \$4,620.00 | \$4,632.00 |
| Percentage Increase | | | 0.26% |
| Cobra Rates | | \$228.48 | \$228.74 |

City of San Luis
2019-2020 Rates and Contributions

| Benefit Type | Coverage | Premium | Employer Cost | Employee Cost | |
|---------------------------------------------------------|--------------------------|--------------------------------------|--------------------------------------|----------------------|---------------------------|
| Which Benefit | Who's Covered | Monthly | Monthly | Monthly | Per Pay Check (24) |
| <u>Medical</u>– US & Mexico (Mayo/ BCBS) | Employee Only | \$636.67 | \$636.67 | \$0.00 | \$0.00 |
| | Employee & Spouse | \$1,321.22 | \$1,021.57 | \$299.65 | \$149.83 |
| | Employee & Child(ren) | \$1,321.22 | \$1,021.57 | \$299.65 | \$149.83 |
| | Family | \$2,021.09 | \$1,562.71 | \$458.38 | \$229.19 |
| <u>Medical</u>– Mexico Only | Employee Only | \$232.00 | \$232.00 | \$0.00 | \$0.00 |
| | Employee & Spouse | \$481.39 | \$372.21 | \$109.18 | \$54.59 |
| | Employee & Child(ren) | \$481.39 | \$372.21 | \$109.18 | \$54.59 |
| | Family | \$702.95 | \$543.52 | \$159.43 | \$79.71 |
| <u>Dental</u>– US & Mexico | Employee Only | \$37.60 | \$37.60 | \$0.00 | \$0.00 |
| | Employee & Spouse | \$75.19 | \$32.87 | \$42.32 | \$21.16 |
| | Employee & Child(ren) | \$75.19 | \$32.87 | \$42.32 | \$21.16 |
| | Family | \$93.85 | \$41.03 | \$52.82 | \$26.41 |
| <u>Dental</u> – Mexico Only (Siarmed) | Employee Only | \$16.78 | \$16.78 | \$0.00 | \$0.00 |
| | Employee & Spouse | \$33.55 | \$14.67 | \$18.88 | \$9.44 |
| | Employee & Child(ren) | \$33.55 | \$14.67 | \$18.88 | \$9.44 |
| | Family | \$44.73 | \$19.55 | \$25.18 | \$12.59 |
| VSP-Vision Service Plan | Employee Only | \$10.91 | \$10.91 | \$0.00 | \$0.00 |
| | Family | \$23.46 | \$10.91 | \$12.55 | \$6.28 |
| Healthiest You | Employee | \$8.00 | \$8.00 | \$0.00 | \$0.00 |
| | Family | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Standard Basic Life & AD&D Insurance | 1x Salary up to \$50,000 | \$ 0.19 per \$1,000 of annual salary | \$ 0.19 per \$1,000 of annual salary | \$0.00 | \$0.00 |
| Standard Short-term Disability | All Employees | \$ 0.423 per \$10 of annual salary | \$ 0.423 per \$10 of annual salary | \$0.00 | \$0.00 |
| Standard Long-term Disability | Public Safety Employees | \$0.25 per \$100 of monthly salary | \$0.25 per \$100 of monthly salary | \$0.00 | \$0.00 |
| Transwestern Voluntary MX Medical Insurance | Family | \$96.00 | \$0.00 | \$96.00 | \$48.00 |
| Employee Assistance Program | Public Safety Employees | Included with Standard Benefits | \$0.00 | \$0.00 | \$0.00 |
| EAP Preferred | All Employees | \$2.28 | \$2.28 | \$0.00 | \$0.00 |

Employee Benefit Trust Board Meeting

3.A.

Meeting Date: 04/24/2019

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 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. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(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).

Employee Benefit Trust Board Meeting

5.A.

Meeting Date: 04/24/2019

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 renewal of a broker agreement with Susan Posada Agency, Inc. and possible recommendations to City Council. ITEM CONTINUED FROM REGULAR BOARD MEETING HELD APRIL 10, 2019. **(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 _____

Attachments

Consultant Amendment

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: <u>[Signature]</u> | Signed: <u>[Signature]</u> |
| Date: <u>8/1/16</u> | Date: <u>8/23/2018</u> |
| Name (Print): <u>Gerardo Suarez</u> | Name (Print): <u>Susan Posada</u> |
| Title: <u>Mayor</u> | Title: <u>Broker</u> |

Commissions History City of San Luis

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

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 I. 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 Mey
Signature
City Manager
Title

6/05/2013
Date

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

6/24/13
Date

Exhibit I

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 the 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 | \$ 428.00 | \$ 38,181.00 |
| Medical | US & Mexico - Emp & Spouse Cost | 7 | \$ 890.24 | \$ 6,231.68 |
| Medical | US & Mexico - Emp & Child(ren) Cost | 40 | \$ 890.24 | \$ 35,609.60 |
| Medical | US & Mexico - Emp, Spouse & Child(ren) Cost | 17 | \$ 1,381.84 | \$ 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 - Emp & Spouse Cost | 8 | \$ 67.88 | \$ 407.16 |
| Dental | US & Mexico - Emp & Child(ren) Cost | 27 | \$ 67.88 | \$ 1,832.22 |
| Dental | US & Mexico - Emp, Spouse & Child(ren) Cost | 35 | \$ 67.88 | \$ 2,375.10 |
| Dental Only | US & Mexico - Dependent Cost | 0 | \$ 37.86 | \$ - |
| Monthly Premium - | | | | <u>\$ 128,158.84</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 | \$ 18.70 | \$ 3,689.90 | |
| 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 - StarMed | 197 | \$ 4.00 | \$ 788.00 | |
| Aggregate Factors - Medical & Rx | | | | |
| Employee | 89 | \$ 251.54 | \$ 22,387.42 | |
| Family | 108 | \$ 625.09 | \$ 67,508.50 | |
| 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 | \$ 458.59 | \$ 40,628.50 |
| Medical | US & Mexico - Emp & Spouse Cost | 7 | \$ 947.32 | \$ 6,631.24 |
| Medical | US & Mexico - Emp & Child(ren) Cost | 40 | \$ 947.32 | \$ 37,892.80 |
| Medical | US & Mexico - Emp, Spouse & Child(ren) Cost | 17 | \$ 1,449.15 | \$ 24,835.55 |
| Med & Dent | Mexico - Emp, Spouse & Child(ren) Cost | 44 | \$ 381.18 | \$ 16,771.04 |
| Dental | US & Mexico - Employee Cost | 87 | \$ 31.92 | \$ 2,777.04 |
| Dental | US & Mexico - Emp & Spouse Cost | 8 | \$ 72.21 | \$ 433.28 |
| Dental | US & Mexico - Emp & Child(ren) Cost | 27 | \$ 72.21 | \$ 1,949.67 |
| Dental | US & Mexico - Emp, Spouse & 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:

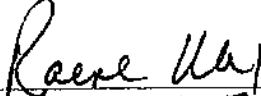
If to Covered Entity: _____

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): Renee Kay
Title: CITZ Mgr