

NOTICE OF REGULAR MEETING

In accordance with §38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Employee Benefit Trust Board and to the general public that the Mayor and Trustees of the Employee Benefit Trust Board will hold an Employee Benefits Trust Board Meeting at 5:30 p.m., Wednesday, March 10, 2021. The meeting will take place at the City Council Chambers, located at 1090 E. Union Street, San Luis, Arizona, 85349. .

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

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.02, se le informa a los miembros del la Junta Fiduciaria de Beneficios para Empleados y al público en general que el Presidente y la Mesa Directiva de Fondo de Beneficios Medicos de San Luis, Arizona, tendrán una Junta Regular a las 5:30 p.m., el día Miercoles, 10 de Marzo del 2021. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349.

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, March 10, 2021
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.

The March 10, 2021 Employee Benefit Trust Board meeting, for the safety of the public during the COVID-19 pandemic, will not have in-person attendance for members of the public.

However, members of the public may listen to the meeting's live audio stream on the City of San Luis' website <https://sanluisaz.gov/listenlive>. Recordings of the meetings will be available on the City's website <https://sanluisaz.gov/listenlive> after the meeting.

Open meetings conducted remotely through technological means are permissible under the March 13, 2020, Arizona Attorney General opinion titled, "Re: Concerns Relating to Arizona's Open Meeting Law and COVID-19" and following the Mayor's March 18, 2020, Continued Declaration of Emergency and Amended Order-Coronavirus Disease-19 and City Council's Order 2020-7 which closed all city buildings and facilities (except the Municipal Court) to public access.

Por la seguridad del público durante la pandemia COVID-19, no habrá asistencia en persona para los miembros del público en la Junta Fiduciaria de Beneficios para Empleados del 10 de Marzo del 2021.

Sin embargo, los miembros del público pueden escuchar el audio en vivo de la reunión transmitido en el sitio web de la Ciudad de San Luis <https://sanluisaz.gov/listenlive> . Las grabaciones de las reuniones estarán disponibles en el sitio web de la Ciudad <https://sanluisaz.gov/listenlive> después de la reunión.

Las reuniones abiertas realizadas de forma remota a través de medios tecnológicos están permitidas bajo la opinión del Fiscal General de Arizona del 13 de Marzo de 2020 titulada "Re: Preocupaciones relacionadas con Open Meeting Law de Arizona y COVID-19" y después de la Declaración de Emergencia Continua del 18 de marzo de 2020 del alcalde y Orden modificada-Enfermedad de Coronavirus-19 y Orden del Ayuntamiento 2020-7 la cual cerró todos los edificios e instalaciones de la ciudad (excepto en la Corte Municipal) al acceso público, para proteger la salud y la seguridad pública y reducir la transmisión de la Enfermedad de Coronavirus 2019 (COVID- 19).

1. CALL TO ORDER/ROLL CALL

2. CONSENT AGENDA

2. A. MINUTES OF:

Regular meeting held on September 9, 2020.

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. 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, 2021. **(Susan Posada, Broker and Consultant)**

3. B. Discussion and possible action on any and all matters regarding renewal of a broker agreement with Susan Posada Agency, Inc. **(Edgardo Carbajal, Acting Director of Human Resources)**

4. ADJOURNMENT

Employee Benefit Trust Board Meeting

2. A.

Meeting Date: 03/10/2021

Summary

MINUTES OF:

Regular meeting held on September 9, 2020.

Attachments

Minutes for meeting held on 09/09/2020

MINUTES
Regular Meeting
City of San Luis Employee Benefit Trust
Council Chambers – City Hall
1090 E Union Street
San Luis, AZ 85349
Wednesday, September 9, 2020
5:30 PM

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.

Chairman Sanchez and Board Members attended the meeting remotely due to COVID-19 restrictions.

1. **CALL TO ORDER/ROLL CALL** Chairman Gerardo Sanchez called the meeting to order at approximately 5:30 PM.

PRESENT:

Chairman Gerardo Sanchez
Board Member Maria Gonzalez
Vice Chairman Emma Torres (arrived at approximately 5:36 p.m.)
Secretary Maria Sabori

OTHERS PRESENT:

Tadeo De La Hoya, City Manager
Kay Marion Macuil, City Attorney
Janet Taylor, Acting Clerk
Sondra Matthews, Director of Human Resources
Edgar Carbajal, HR Senior Analyst
Susan Posada, Benefits Consultant, and Broker
Monica Castro, Director of Finance
Rob Flunker, EBSO Representative
Jonathan Dumadag, Senior IT Technician
Domingo Sosa, IT Technician

NOT PRESENT:

Board Member Gustavo MacGrew

2. **PRESENTATION**

Presentation-Introduction of new Director of Human Resources, Sondra Matthews.
(Edgar Carbajal, HR Senior Analyst)

Mr. Carbajal gave a brief introduction and background on the new Director of Human Resources, Sondra Matthews. Ms. Matthews introduced herself and mentioned that she has already been working with Ms. Posada and was happy to be with the City of San Luis.

Mayor Sanchez welcomed Ms. Mathews

3. CONSENT AGENDA

All matters are considered routine by the Employee Benefit Trust Board and will be enacted by one motion. If discussion is desired, that item will be removed from the Consent Agenda and will be considered separately.

3.A. MINUTES OF:

-Regular meeting held on June 3, 2020

MOTION: Maria Gonzalez and Maria Sabori to approve the Consent Agenda as presented. **Motion passed unanimously.**

The vote went as follows:

Board Member Maria Gonzalez	Aye
Board Member Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

4. DISCUSSION AND POSSIBLE ACTION ITEMS:

4.A. Discussion and possible action on any and all matters regarding the annual review of the benefit plan. **(Susan Posada, Consultant, and Broker)**

Ms. Posada reported on the past year's activity. She also gave an update on dollar amounts currently in the trust; she stated that the fund was healthy, including the additional benefits that were added. Ms. Posada noted that there were approximately 20 large upcoming claims. None of the current claims are due to COVID-19, and that none of the future large claims were lasered. Susan also mentioned that she and Rob worked very hard to see that no one was lasered.

Rob Flunker from EBSO, spoke and said that many contributing factors kept anyone from being lasered, and one was the long term relationship the carrier had with the city. Rob stated that by staying with Symetra, we were able to get a good contract for another year.

Ms. Posada stated that EBSO was doing a really good job with the claims. Every year they request a coordination of benefits to make sure that if employees have other insurance that it is covered. And that helps reduce the risks in that arena. Employees are utilizing services in Mexico and the U.S. and are using the walk-in clinics.

Rob Flunker mentioned that claims did decrease due to COVID because no one was going to the doctor but do expect them to increase in the coming year. He also said that the city was in an excellent position to handle any upcoming claims.

Chairman Sanchez stated that for almost two months, patients have not gone to the doctor or have avoided doctors at all costs. And now, everyone is making up their appointments. Chairman thanked everyone for their hard work. He stated it takes planning, and it was a team effort. He then asked for any comments or concerns from the board.

Vice-Chairman Emma Torres stated she was thankful to Susan for her guidance and thankful that the trust is in good shape.

Board Member Maria Gonzalez said that it was an honor to serve on the board, and they have learned a lot and make a great team. Ms. Gonzalez thanked everyone.

Chairman Sanchez, on behalf of his office and city council, thanked the board members and everyone involved.

5. ADJOURNMENT

MOTION: Chairman Sanchez and Maria Gonzalez to adjourn the meeting.
Motion passed unanimously.

The vote was as follows:

Board Member Maria Gonzalez	Aye
Vice-Chairman Emma Torres	Aye
Secretary Maria Sabori	Aye
Chairman Gerardo Sanchez	Aye

Meeting adjourned at approximately 5:53 p.m.

Employee Benefit Trust Board Meeting

3. A.

Meeting Date: 03/10/2021

Department Head: Maria Munoz, HR Benefits Coordinator, Human Resources Department

Submitted By: Maria Munoz, HR Benefits Coordinator, 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, 2021. **(Susan Posada, Broker and Consultant)**

SUMMARY:

Ms. Posada provided the attachments to this item. For the Trustee's consideration, she will present an explanation of the draft recommendations contained in the attachments.

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 TELEDOC-HEALTHIEST YOU BUNDLE**
 - (2) I MOVE TO APPROVE EBSO'S RENEWAL**
 - (3) I MOVE TO APPROVE THE BUDGET DECREASE FOR WELLNESS PROGRAM**
 - (4) I MOVE TO APPROVE THE BCBS RENEWAL**
-

Fiscal Impact

Fiscal Impact:

Healthiest You bundle proposal would increase a total of \$21,504 annually. Invoiced monthly at approximately, \$3,840. Compared to the current annual cost of \$24,576, monthly invoice cost of \$2,048.

Fiscal Impact:

Wellness program budget decrease from \$12,000 to \$18,000

Fiscal Impact:

BCBS of Arizona renewal ranges from July 1, 2021 to June 30, 2023. Access fees will be as follows for the next two years:

Effective 07/01/2021 to 06/30/2022 access fee will be \$19.25 PEPM

Effective 07/01/2022 to 06/30/2023 access fee will be \$21.00 PEPM

Attachments

HY Bundle presentation

TPA renewal summary

BCBS 2021 Renewal

Healthiest You						
TeleDoc						
	Employees	Fixed Cost	Monthly Total	Annual Total	Savings for 12 mos *	Renewal
Medical Only (Core Product)	256	\$8	\$2,048	\$24,576	\$47,564	\$8 PEPM No Change
Bundle	256	\$15	\$3,840	\$46,080	\$116,225	
Cost Difference to add Bundle/Savings				(\$21,504)	\$68,661	

Renews 7/1/2021 for 1 year

Bundle Includes

The HealthiestYou Complete Bundle consist of the all the following services **with unlimited access at a \$0 visit fee:**

General Medical: 24/7/365 access to board certified, licensed MD to diagnose, treat and prescribe as needed

Mental Health: Members have on-going virtual visits with licensed psychiatrist, psychologist, or therapist of their choice

Dermatology: Virtual access to board certified dermatologist to diagnose, treat and prescribe on dermatological conditions

Neck/Back Care: Virtual exercise-based treatment plan coupled with access to certified health coach consultations

Expert Medical Services: Personalized second opinions, advice, and recommendations for critical/complex conditions by experts ranging across 450+ specialties

Nutrition: Virtual access to 150+ registered dietitians to obtain personalized nutrition guide which includes meal plans, shopping guide, supplement suggestions and ongoing support 7 days a week

* Savings for Core Product was calculatated based on 12 mos ending 12/31/2021 experience

The estimated savings for the bundle is based on HY on a school district with 224 employees

Renewal Fee Summary for July 1, 2021 For the City of San Luis Employee Benefits Trust



PPO and other outside vendor fees are subject to change and are not part of the final 90 Degree Benefits administrative fees renewal.

MEDICAL SERVICES: <i>If the Administrative Fee is initial the services and fees following apply</i>		
Services	Cost	Initial Plan Selection
Medical Administration	\$24.50 PEPM	
Precertification and Utilization Management (AHH)	Included in Admin	
Case Management (amount/hour) (Included in the claim)	\$113.00 per hour	
BCBS AZ Fees (US Only) – Eff 7/1/22 rate will increase to \$21.00	\$19.25 PEPM	
Siarmed Fees (All EEs)	\$4.25 PEPM	
Broker Fee	\$35.00 PEPM	
NY Surcharge - Monthly Reporting Fee	Included in Admin	
Printing of SPDs (there is no charge for a PDF version)	Pass Through	
ID Cards provided after implementation (Each envelope contains two cards for families)	\$1.50/envelope	
Medical Plan Amendments	Included in Compliance Package	
Medical Plan Restatements (after implementation)	Included in Compliance Package	
Summary of Benefits and Coverage (SBC) (after implementation)	Included in Compliance Package	
Out-of-Network Negotiations (Included in the claim)	25%/Vendor	
Subrogation (% of Savings) (Included in the claim)	25% if settled, 33.33% If Legal Action is required	
Legal Support Services	Included in Admin	
Travel Expenses	Included in Admin	
E-surgeries (Included in the claim)	23% of fees paid for services/Vendor	
Healthiest You Telemedicine	\$8.00 PEPM	
EAP Services	\$2.28 PEPM	
Dental Administration:		
Compliance Package <ul style="list-style-type: none"> ACA 1094/1095 Tracking with Excel File Generation Self-Filing Report Medicare Part D: Creditable and Non-Creditable notices for applicable employees 	\$3.00 PEPM	
Claims Administration	\$3.00 PEPM	
Monthly Fee Minimum	\$500	

We agree to the 90 Degree Benefits Fees as outlined and initialed above.

Signature: _____ Date: _____

Print Name and Title: _____



February 26, 2020

Susan Posada
Susan Posada Agency
3575 N. 3rd Street
Phoenix AZ 85012

RE: SLS001 City of San Luis Employee Benefit Trust 2021 PPO Network Renewal Proposal

Dear Susan,

We have completed our evaluation of the City of San Luis Employee Benefit Trust PPO Network access fee renewal, effective July 1, 2021.

- The new PPO Network access fee will be \$19.50 per employee per month (PEPM) for medical enrollees, this is a 12-month contract.
- The 24-month contract is attached are the increases are as follow:
 - 7/1/2021 – 6/30/2022 \$19.25 PEPM (+\$1.75 PEPM)
 - 7/1/2022 – 6/30/2023 \$21.00 PEPM (+\$1.75 PEPM)

It is important to note that if City of San Luis Employee Benefit Trust was to request a new bid from BCBSAZ the CHS new group rate is starting at \$22.00 PEPM.

To assist you with your renewal discussions, attached are the following supporting documents specific to City of San Luis:

- Historical Claims Savings for the 1/1/2020 – 12/31/2020 time period
- Monthly Savings Report
- Rate Acceptance form with underwriting caveats (**Group Signature Required**)
 - 12-month contract
 - 24-month contract

Network Claims Savings

We recognize that a network access fee increase is financially challenging. As such, it is important that BCBSAZ continues to offer strong value with regard to our provider discounts. As you can see on the attached claims savings report, our claim re-pricing analysis for the recent 12 months demonstrates:

- The overall discount for the City of San Luis is 62.4%. For comparison, the in-network average discount for our Blue group book of business is 45.0% for Yuma County.

- Due to the 62.4% discount realized, it resulted in savings of over \$3,595,360 when comparing billed vs. allowed charges. This means that if a competitor has even a 1% less favorable discount than BCBSAZ (i.e., 61.4%), it would cost the group an additional \$57,592 per year. If a competitor has a 5% less favorable discount than BCBSAZ (i.e., 57.4%) it would cost the group an additional \$287,959 per year.
- Considering the current access fee of \$17.50, City of San Luis saved \$1,373.89 per contract per month, this means if a competitor has even 1% less favorable discount than BCBSAZ the competitor would need to charge an access fee of -\$4.79 per contract per month (please refer to the Monthly Savings page for further explanation). In other words, there is no access fee that competitor could charge in order to make up the difference in costs resulting from a 1% discount difference, since the competitor could not charge the group a negative access fee.

Network Utilization

- In network utilization was – 92.9% for facility-billed charges and 78.1% of professional billed charges with an overall total of 83.5% network usage.

New Specialty Products

This year, we've expanded our portfolio by adding a number of **specialty products** designed to give City of San Luis Employee Benefit Trust a single, trusted brand for all of their insurance needs. Now you can offer the City of San Luis Employee Benefit Trust:

- Dental
- Life
- Disability
- Accident
- Critical Care

Please let me know if you are interested in having us quote on any of these new products.



Summary

BCBSAZ appreciates the partnership with the City of San Luis Employee Benefit Trust. We are very committed to providing their participating employees and families with a best in class network solution and are looking forward to continuing our relationship for many years to come.

I look forward to discussing the renewal and answering any questions you may have.

Sincerely,

Christy Hall

Strategic Relationship Executive
Middle Market
BlueCross and BlueShield of Arizona

Cc: Jeff Horney, BCBSAZ

Attachments: 2021 Renewal Exhibits

City of San Luis Employee Benefit Trust Claims Savings Report

For Claims Processed 1/1/2020 - 12/31/2020

Reflects only the allowed amount as priced by BCBSAZ and does not account for denials, claims edits, etc. applied by the TPA

<u>Claim Type</u>	<u>Claim Count</u>	<u>Billed</u>	<u>Allowed</u>	<u>\$ Savings</u>	<u>% Savings</u>
Inpatient	15	\$1,313,861	\$379,184	\$934,677	71.1%
Outpatient	<u>439</u>	<u>1,022,406</u>	<u>689,621</u>	<u>332,784</u>	<u>32.6%</u>
Facility Subtotal	454	\$2,336,267	\$1,068,805	\$1,267,462	54.3%
Professional	8,122	\$3,422,918	\$1,095,020	\$2,327,898	68.0%
Medical Total	8,576	\$5,759,185	\$2,163,825	\$3,595,360	62.4%

Every 1% in Medical Savings is Worth: \$57,592 (= 1% of Billed)

This means that if a competitor has even a 1% less favorable discount than BCBSAZ (i.e., 61.4%), it will cost the group an additional \$57,592 per year.

If a competitor has, for example, a 5% less favorable discount than BCBSAZ (i.e., 57.4%), it will cost the group an additional \$287,959 per year.

Notes:

- 1) Data excludes claims that appear to be duplicates (may not be the same exclusions as determined by the TPA).
- 2) Data includes claims for contracted providers only.
- 3) The Billed amount reflects the total charges billed by the provider and as such may include non-covered charges (which are determined by the TPA).
- 4) The Allowed amount is the BCBSAZ contractual priced amount prior to any benefits being applied by the TPA.

City of San Luis Employee Benefit Trust
Medical Monthly Savings
For Claims Processed 1/1/2020 - 12/31/2020

*Reflects only the allowed amount as priced by BCBSAZ and does not account
for denials, claims edits, etc. applied by the TPA*

# Contracts (Employees):	221
# Contract Months for 1/1/2020 - 12/31/2020:	2,584 (a)
Total Savings for 1/1/2020 - 12/31/2020:	\$3,595,360 (b)
Every 1% in Savings is Worth Total:	\$57,592 (c = 1% of Billed)

Savings Per Contract Per Month (PCPM)*:	\$1,391.39 (b / a)
Every 1% in Savings is Worth PCPM**:	\$22.29 (c / a)

*Considering the current access fee of \$17.50, the group is still saving \$1,373.89 PCPM (which is the \$1,391.39 Savings PCPM shown above minus \$17.50.)

**This means that if a competitor has a 1% less favorable discount than BCBSAZ, the competitor would need to charge an access fee of -\$4.79 PCPM (which is the current BCBSAZ access fee of \$17.50 minus \$22.29) in order for it to be cost neutral for the group. In other words, there is no access fee that the competitor could charge in order to make up the difference in costs resulting from a 1% discount difference (since the competitor couldn't charge the group a negative access fee).



An Independent Licensee of the Blue Cross Blue Shield Association

CHS Renewal Rate Acceptance* (Network Access Only)

* must be signed by a designated authorized representative prior to renewal effective date

Exhibit 2

Name of Trust: City of San Luis Employee Benefit Trust
BCBSAZ Group Number: SLS001
Effective Date: 7/1/2021 to 6/30/2022
Number of In-State Employees: 228 (Out-of-state not eligible)
Renewal Notice Days: 120

I. Network Requested: Medical PPO Plans & Mayo Network

II. Access Fees

Medical Access Fee a) : \$19.25 PEPM (per employee per month)

III. Commission: Rates are net of commission

IV. Caveats

- a) For any month in which the number of employees with access to the Blue Cross Blue Shield of Arizona (BCBSAZ) network is fewer than 100, the Medical Access Fee will be a flat monthly fee and not a per employee per month fee. The flat fee will be \$1,925 per month.
b) BCBSAZ will not act as a Stop Loss carrier under this agreement.
c) BCBSAZ will be the sole leased medical network provider in Arizona.
d) Under this network leasing arrangement, BCBSAZ contracts only with the Trust. Under no circumstance will this agreement be between BCBSAZ and any Third-Party Administrator (TPA) or any other referring entity.
e) The Trust is responsible for the TPA's performance as claims administrator. BCBSAZ reserves the right to decline the Trust's choice of TPA if the proposed TPA is not a TPA that currently administers claims for other BCBSAZ Employers.
f) The Trust shall be liable for and shall either pay or cause its contracted TPA to pay BCBSAZ contracted provider medical claims no less frequently than weekly.
g) BCBSAZ's dental provider rates and fees do not apply to any Trust that has not leased BCBSAZ's dental network, regardless of whether the dental rate and fees are visible to the Trust via the TPA Portal.
h) The coinsurance benefit differential between the Trust's Medical PPO in-network and out-of-network must be 10% or greater.
i) The stated access fees do not include any Affordable Care Act ("ACA") fees. Payment of any applicable ACA fees is the responsibility of the Employer.
j) If the Trust transitions to a new Claims Administrator during the term of the Agreement, the Trust shall pay BCBSAZ a Claims Administrator Fee in an amount equal to \$5.00 per employee based upon the number of employees in the month prior to the Claims Administrator change. The Claims Administrator Fee is due the first of the month in which the change to the new Claims Administrator is effective.
k) Notwithstanding any provision of A.R.S. section 12-341.01, in any action to enforce the terms of this Agreement, the successful party, defined as the net winner considering all claims and counterclaims actually adjudicated, shall be entitled to an award of its reasonable attorneys' fees and costs. The award of reasonable attorney fees shall be made to mitigate the burden of the expense of litigation to establish a just claim or a just defense. It need not equal or relate to the attorney fees actually paid or contracted, but the award may not exceed the amount paid or agreed to be paid. In a judicial action, any award of fees shall be made by the court and not by a jury.

BlueCross BlueShield of Arizona, Inc., an Arizona Non-Profit Corporation

Employer Trust City of San Luis Employee Benefit Trust

By: (signature)

By: (signature)

Michael Tilton (printed)

(printed)

Title: General Manager-Commercial Segment

Title:

Date:

Date:



CHS Renewal Rate Acceptance*
(Network Access Only)

An Independent Licensee of the
Blue Cross Blue Shield Association

* must be signed by a designated authorized representative
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I. Network Requested: Medical PPO Plans & Mayo Network

II. Access Fees

Medical Access Fee ^{a)} : **\$19.25 PEPM** **07/01/2021 - 06/30/2022**
 Medical Access Fee ^{a)} : **\$21.00 PEPM** **07/01/2022 - 06/30/2023**

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- j) The stated access fees do not include any Affordable Care Act ("ACA") fees. Payment of any applicable ACA fees is the responsibility of the Employer.

**BlueCross BlueShield of Arizona, Inc.,
an Arizona Non-Profit Corporation**

**Employer Trust
City of San Luis Employee Benefit Trust**

By: _____
(signature)

Michael Tilton

(printed)

By: _____
(signature)

(printed)

Title: **General Manager-Commercial Segment**

Title: _____

Date: _____

Date: _____

Employee Benefit Trust Board Meeting

3. B.

Meeting Date: 03/10/2021

Department Head: Maria Munoz, HR Benefits Coordinator, Human Resources Department

Submitted By: Maria Munoz, HR Benefits Coordinator, Human Resources Department

ITEM:

Discussion and possible action on any and all matters regarding renewal of a broker agreement with Susan Posada Agency, Inc. **(Edgardo Carbajal, Acting Director of Human Resources)**

SUMMARY:

The current broker agreement expires on June 30, 2021. 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 and 2019 amendment. Current proposed amendment agreement ranges from 2021 to 2024.

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.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE EXTENSION OF THE BROKER AGREEMENT AS PRESENTED

Fiscal Impact

Fiscal Impact:

The Broker/Consultant Commission shall not exceed 5% of the fully insured equivalent as determined by EBSO 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.

The fee for the duration will not exceed \$35 PEPM (Same rate fee from 2018).

Attachments

2021 Broker Amendment Agreement

2019 Broker Amendment

2018 Broker Amendment

2013 Broker Agreement

Commission history up to 2019

Amendment to Broker/Consultant Agreement dated May 22, 2013, 2019, Exhibit 1, page 7

The three-year agreement is hereby extended to July 1, 2024. The Broker/Consultant Commission shall not exceed 5% of the fully insured equivalent as determined by EBSO 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.

The fee for the duration will not exceed \$35 PEPM.

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.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

City of San Luis

Signed: _____

Signed: _____

Date: _____

Date: _____

Name (Print): _____

Name (Print): _____

Title: _____

Title: _____

AMENDMENT TO BROKER/CONSULTANT AGREEMENT DATED MAY 22, 2013

Comes now the San Luis Employee Benefit Trust, hereinafter referred to as "Client" and Susan Posada Agency, Inc., hereinafter referred to as "Broker/Consultant", and in consideration of the mutual covenants contained herein, hereby agree as follows:

1. Client is the successor to the Broker/Consultant agreement between the City of San Luis and Susan Posada Agency dated May 22, 2013 (hereinafter referred to as the "Agreement"). Said Agreement has been extended twice by previous amendment. Said Agreement is scheduled to expire on July 1, 2019.

2. All provisions of the Agreement, as previously amended, unless amended by the terms of this amendment shall remain unchanged and in full force and effect.

3. The parties hereto agree to extend the Agreement for a two year period ending on July 1, 2021. Renewal thereafter for two year periods shall be automatic, provided that either party to this Agreement may terminate it at the end of any period of extension by giving the other party 60 or more days' notice in writing of the intention to terminate.

4. For the period of July 1, 2019 to June 30, 2020 the agreed commission is a rate of \$35.00 per employee per month ("PEPM"), with no change from 2018/2019. This rate shall remain in effect during the term of this Agreement unless changed by written amendment executed by the parties hereto.

5. 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 coverage. Such payment shall be paid directly by such carrier and not by the Client.

6. This agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signature of all parties may be physically attached to a single document.

7. Time is of the essence of this contract.

8. It is not intended by this agreement to, and nothing contained in this agreement shall, create any partnership, joint venture or other similar arrangement between Client and Broker/Consultant. No term or provision of this agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

9 This agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements,

representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

10. No change or additions are to be made to this agreement except by a written amendment executed by the parties hereto.

11 This agreement is entered into in Arizona and shall be construed and interpreted under the laws of the State of Arizona. In particular, this agreement is subject to the provisions of A.R.S. § 38-511.

12. Any legal action relating to this agreement shall be brought in either the Yuma County Superior Court or in the United States District Court for the District of Arizona at the election of the plaintiff in such legal action, provided, however, that nothing in this paragraph will be deemed to have authorized the bringing of any legal action in a court which does not otherwise have jurisdiction to adjudicate the legal action.

13. Every provision of this agreement is, and will be construed to be, a separate and independent covenant. If any provision of this agreement or the application of the same is, to any extent, found to be invalid or unenforceable, then the remainder of this agreement or the application of that provision to circumstances other than those to which it is invalid or unenforceable, will not be affected by that invalidity or unenforceability, and each provision of this agreement will be valid and will be enforced to the extent permitted by the law, and the parties will negotiate in good faith for such amendments of this agreement which may be necessary to achieve its intent, notwithstanding such invalidity or unenforceability.


14. Broker/Consultant hereby represents that it does not boycott Israel.

The parties have executed this agreement on the 12th day of June, 2019.

Susan Posada Agency, Inc.

San Luis Employee Benefit Trust

By:  -

By: 

Approved as to form:

Kay Marion Maciel
City Attorney – Attorney for San Luis
Employee Benefit Trust

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: _____

Date: _____

Name (Print): _____

Title: _____

Signed: _____

Date: _____

Name (Print): _____

Title: _____

[Handwritten Signature]

8/1/16

Gerardo Sanchez

Mayor

[Handwritten Signature]

8/23/2018

Susan Posada

Broker

Broker/Consultant Agreement

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

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

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

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

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

I. Scope of Services to be Provided by Consultant

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

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

1. Purpose:

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

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

2. Approach:

Annual Renewal Process

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

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

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

3. Work Plan: Approach, Annual Renewal and Reviews

Approach:

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

Bidding/Renewal Process Continued:

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

4. Work Plan: Approach, Ongoing Communication and Meetings

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

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

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

5. Other Services

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

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

II. Disclosure and Recordkeeping

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

III. Term & Termination

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

IV. Cost of Services

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

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

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

V. Personnel

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

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

Other Personnel shall be assigned as designed for quality services

VI. Client's Responsibilities

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

VII. Records and Information

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

VIII. Independent Contractor

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

IX. Fiduciary Responsibility.

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

X. Entire Agreement

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

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

Raene New
Signature
CITY MAN
Title

6/05/2013
Date

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

6/24/13
Date

Exhibit 1

Consulting Fees

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

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

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

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

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

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

Current Premium - 2012/2013 Plan Year

- Dependent rates include Employee cost

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

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

Fixed Rates

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

Aggregate Factors - Medical & Rx

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

Estimated Dental Claims

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

Proposed Premium - 2013/2014 Plan Year

- Dependent rates include Employee cost

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

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

Exhibit 2
Business Associate Contract

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

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

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

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

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

A. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

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

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

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

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

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

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

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

B. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

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

C. OBLIGATIONS OF COVERED ENTITY

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

D. PERMISSIBLE REQUESTS BY COVERED ENTITY

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

E. TERMINATION

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

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

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

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

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

3. Return or Destruction of PHI

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

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

F. DEFINITIONS

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

G. GENERAL PROVISIONS

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

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


If to Covered Entity:

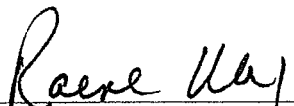
If to Business Associate:

Susan Posada

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: 
Date: 6/24/2013
Name (Print): Susan Posada
Title: owner / pres

Signed: 
Date: 6-05-2013
Name (Print): Raul Velez
Title: CITZ Mgr

Commissions History

City of San Lus

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

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

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