

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, May 5, 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 de 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, 5 de Mayo 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

AMENDED ON 05/04/2021

AGENDA

Regular Meeting

City of San Luis Employee Benefit Trust

Council Chambers – City Hall

1090 E Union Street

San Luis, AZ 85349

Wednesday, May 5, 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 May 5, 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 5 de Mayo 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 March 10, 2021

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3. A. Discussion and possible action on any and all matters regarding Stop Loss Renewal with Symetra Financial. **(Susan Posada, Broker and Consultant)**

3. B. Discussion and possible action on any and all matters regarding Broker agreement renewal which expires on June 30, 2021. **(Susan Posada, Broker and Consultant)**

4. EXECUTIVE SESSION

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

5. MOTION TO GO BACK INTO REGULAR SESSION

6. DISCUSSION AND POSSIBLE ACTION ITEM:

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

7. ADJOURNMENT

Employee Benefit Trust Board Meeting

2. A.

Meeting Date: 05/05/2021

Summary

MINUTES OF:

Regular meeting held on March 10, 2021

Attachments

Minutes for meeting held on 03/10/2021

MINUTES
 EMPLOYEE BENEFITS TRUST
 REGULAR MEETING
 COUNCIL CHAMBERS
 1090 E UNION STREET SAN LUIS ARIZONA 85349
 MARCH 10, 2021
 5:30 PM

1. CALL TO ORDER/ROLL CALL Time: apx 5:30 p.m.

Name	Present	Absent
Board Member Maria Gonzalez - via zoom	X	
Board Member Gustavo MacGrew		X
Secretary Maria Sabori - in person	X	
Vice-Chairman Emma Torres – via zoom	X	
Chairman Gerardo Sanchez – via zoom	X	

Others Present:

Kay Marion Macuil, City Attorney
 Janet Taylor, Legal Secretary, Acting Clerk
 Tadeo A De La Hoya, City Manager
 Maria Munoz, Benefits Coordinator – via zoom
 Susan Posada, Benefits Coordinator/Broker
 Edgardo Carbajal, Acting Director of Human Resources
 Jonathan Dumadog, Senior IT Technician
 Domingo Sosa, IT Technician

2. 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.**

2.A. MINUTES OF:

- Regular meeting held on September 9, 2020

Motion: Board member Emma Torres and Board member Maria Gonzalez to approve the consent agenda. **Motion passed unanimously.**

The vote was as follows:

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

3. DISCUSSION AND POSSIBLE ACTION ITEMS:

3.A. Discussion and possible action on any and all matters regarding proposed changes to the employee benefits plans for the fiscal year starting July 1, 2021.
(Susan Posada, Consultant, and Broker)

Ms. Posada discussed what the Trust approves and what the Trust does not approve.

The things that are required are the TPA agreement. The Stop/Loss will be for review only—the broker agreement, Teledoc bundle, the Medical and Dental Plan, and the contributions.

Ms. Posada gave a brief overview of the plan. She announced no new changes to the medical or the dental because the final stop/loss approval was not yet available but did have an estimate, and it was a nine (9) percent increase. The final would be available by the end of March. Ms. Posada discussed how the stop/loss works and the different elements of it.

Ms. Posada discussed Blue/Cross Blue/Shield rates and that they were at \$17.50 per employee per month but have increased substantially, and that there were two (2) choices. One of \$19.25 per year or take the second, which is \$19.25 for two (2) years. Ms. Posada stated to take the second one because we do not know what they are going to do for the second year, so we would want to be locked in for the two (2) years.

The EBSO fees did not change except for the claim management. It is not really a fee that EBSO charges; it is a fee that is passed on. That will increase about 2.8 percent.

Siarmed fees will remain the same, Susan's broker fees will remain the same.

The Blue Cross/Blue Shield will go up the two (2) year rate.

The ACA fees that we have to pay to the federal government went from \$2.54 to \$2.66.

There was a good increase in the utilization of Healthiest You, and she is looking at a bundle. Currently, employees can call in and not pay anything out of pocket. We are not trying to take away from employees seeing their doctors, and virtual is just another way to see their doctors, especially with the COVID situation. Currently, we pay \$8.00 per employee per month. We are suggesting we add a bundle. Any employee can call in and talk to any doctor and not pay a dollar out of pocket; they would pay a co-pay for the medication only.

Ms. Posada stated that by adding the bundle, we add mental health and would add the additional services of them calling a mental health provider. They also have dermatology. This is on the app so an employee can take a picture of the problem

and send it to the dermatologist, who then would contact the employee and discuss potential issues and, if needed, prescribe medication. And that is in the app only. For neck and back would be to see what the problem is and offer an exercise program, personalizing that to your needs.

Nutrition for many years, you have asked for nutrition, and nutrition can be very expensive. Employees can call in schedule a time with a nutritionist and get a program set up for them. In addition to the program, the nutritionist would provide a grocery checklist. This program will not limit the number of people that can participate. The difference is \$21,504.00.

Board Member Maria Gonzalez asked Susan if this was available to employees right now. Susan replied that the only thing available to the employees is general medical.

Chairman Sanchez stated that he was a little hesitant with TeleMed medicine. Still, it is becoming very convenient, especially for single moms, people who are working out of town like truckers. I am doing virtuals at work, and they are either in Phoenix or Tucson, and they will park, and we will talk about their medical condition for 15-20 minutes, and a lot of times, it is simple questions that can be answered over the phone. Eventually, it is going to become the video and access with smartphones. It is just a matter of time. I think in the long run, we will save money, especially if you have access to mental health. A lot of things can be done over the phone. The nutrition aspect of it is also a big one. We lack both psych and nutrition in Yuma County.

Ms. Posada stated that this is the only thing she is asking to add to the plan. Many things can be prevented, and it has to do with nutrition. They will also provide a grocery list and work with you on what your issues are and what you need to do. She also stated that she had pressed hard for Spanish-speaking programs, and not all of them are the nutrition is not, and neither is dermatology—zero cost to employees.

Ms. Posada stated she put the plan up for viewing, but there are no changes to it.

Ms. Posada discussed the basic life insurance plan briefly and told the board this plan is not paid out of the Trust however wanted to discuss her recommendations to change it to a flat rate of \$50,000.00 instead of a one-month salary. This is the only increase she is asking the city for. From the Trust, she is asking \$21,000.00 for the Healthiest You.

Vision-no changes. We are on the second of a three-year renewal.

Ms. Posada discussed the stop/loss numbers briefly and said she would bring them up at the next meeting when the final numbers come in. She also stated that there were 38 new dependants in the program. This means we are insuring an additional 7% which adds costs to the plan.

The only change the Trust needs to be concerned about is the Healthiest You, Blue/Cross & Blue/Shield contract, the TPA contract, and Susan's contract.

City Manager Tadeo De La Hoya asked Chairman Sanchez if he had any questions for Susan. He stated no and thanked her for keeping the rates low and did not think an additional \$6,000.00 to the city for life insurance was a problem. It is a benefit the employees should receive if we are able.

Vice-Chairman Emma Torres asked what our pandemic plan is and what method we have as not to lose sleep or money that is in the employee trust.

Chairman Sanchez responded that the key is not to get infected. Not have everyone in the same room like the building department. Since I have enacted the emergency measures, we are avoiding clusters of employees. We are never together. We have scattered schedules. By doing that, we are protecting the Trust.

It would be catastrophic if the Fire Department, Police Department got infected.

Susan Posada explained with our coverage, we are double covered. We are protected with the aggregate and the catastrophic.

Chairman Sanchez asked if there were any more questions from the board. There were none.

MOTION Vice-Chairman Emma Torres and Board Member Maria Gonzalez to approve the Teledoc-Healthiest-You bundle. **Motion passed unanimously.**

The vote was as follows:

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

MOTION: Secretary Maria Sabori and Board Member Maria Gonzalez to approve EBSO's renewal. **Motion passed unanimously.**

The vote was as follows:

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

MOTION: Secretary Maria Sabori and Vice-Chairman Emma Torres to approve the budget decrease for the Wellness Program. **Motion passed unanimously.**

The vote was as follows:

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

MOTION: Secretary Maria Sabori and Board Member Maria Gonzalez to approve the BCBS Renewal. **Motion passed unanimously.**

The vote was as follows:

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

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)**

Edgar Carbajal, Acting Director of Human Resources, discussed Ms. Posada's contract and that it was due to expire June 30, 2021. Ms. Posada has advised the City of San Luis and the Trust since 2013 and gave a brief background on Ms. Posada's duties, and explained the contract was for June 2021 to 2024, an extension of three (3) years. Mr. Carbajal went over the services Ms. Posada was to provide to the city for both the US and Mexico.

Chairman Sanchez asked Mr. Carbajal if there were any changes to Ms. Posada's contract, and Mr. Carbajal and Susan responded just the date to three (3) years.

Board Member Maria Gonzalez asked why the contract for three (3) years was? She stated she had not read the contract yet.

Mr. De La Hoya explained that this was the same contract she had had for the last three (3) years when you extended it the last time. And the other three (3) years this the extension of that contract.

Vice-Chairman Torres thanked Maria for bringing it up and said that she had not had a chance to read the contract. She thought it was going to be a (1) year contract. She thought that was said the last time they met. Vice-Chairman then asked Chairman Sanchez for a little more time to review the contract.

MOTION: Chairman Gerardo Sanchez and Vice-Chairman Emma Torres to continue the item to a special meeting. **Motion passed unanimously.**

The vote was as follows:

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

Motion: Vice-Chairman Emma Torres and Board Member Maria Gonzalez to adjourn the meeting. **Motion passed unanimously.**

The vote was as follows:

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

Meeting adjourned at approximately 6:27 p.m.

PENDING APPROVAL

Employee Benefit Trust Board Meeting

3. A.

Meeting Date: 05/05/2021

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 Stop Loss Renewal with Symetra Financial. **(Susan Posada, Broker and Consultant)**

SUMMARY:

There has been several large claims that have impacted the renewal cost of the Stop Loss Insurance. Susan Posada's recommendation is to keep Current Stop Loss Carrier, Symetra Financial. Effective date of renewal is July 1, 2021.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO APPROVE THE STOP LOSS CARRIER'S PROPOSAL FOR RENEWAL.

Fiscal Impact

Fiscal Impact:

- Increase of annual projected premium is 9.33% over current contract.
 - Increase of total projected maximum funding is 27.05% over current contract.
-

Attachments

Proposal eff 07/01/2021

Stop Loss Quote

Stop Loss Renewal Options

Symetra Stop Loss

RENEWAL PREPARED FOR

City of San Luis Benefit Trust

July 1, 2021

IN PARTNERSHIP WITH: SUSAN POSADA

You have challenges; we have solutions

We know you have options when choosing a stop loss carrier.

We also know that finding the right partner is important. You need to work with professionals who understand the self-funded industry, who realize the importance of building the right stop loss policy at the right price, and who deliver on their promises year after year.

When you renew with us, you'll find a seamless continuation of all the benefits you've come to expect from your Symetra stop loss policy.

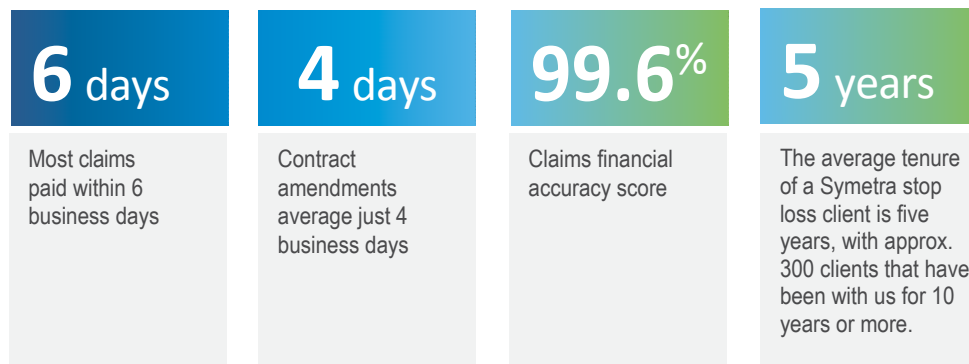
Things like:

- Fast and fair claims practices.
- Most catastrophic claims reviewed and processed within 24 hours through our Preferred ASO Claim Advance program.
- No new lasers or increase on existing lasers at renewal – but you can add lasers if you like.
- Gapless option for renewal run-out contracts means claims paid outside the run-out period are still eligible for reimbursement.
- Cost containment and alternative treatment plans to help control costs without sacrificing quality of care.
- 24/7 online policy administration via Group Online (GO).
- Access to Symetra Compliance Solutions for professional support navigating the health care landscape.

Put our expertise to work for you

Symetra has been in the stop loss business for over 40 years.¹ In fact, we helped pioneer it. Our experienced team continues to be available as needed to help you understand and protect your self-funded plan.

2019 performance highlights:²

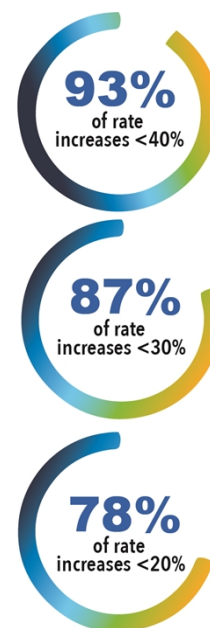


Understanding stop loss rates

Pricing stop loss is a complex process and there are many factors that impact rates, especially at renewal. Here are some things we consider when determining the best possible price for your plan:

- **Plan design:** what services are covered; how much are employee copays, coinsurance, deductibles and/or premiums; are there wellness or other value-add programs included?
- **Group population:** how many people are covered; where do members live and/or receive care; what are the demographics of the group?
- **Managed care networks:** are provider and hospital networks helping to lower plan risk; what is the network usage rate?
- **Claims experience:** what is the claims experience history; how many claims, to date, are over the Specific deductible; how many are expected before the end of the plan year?
- **Medical trend:** how much are health care costs projected to increase?
- **Share of risk:** what is your deductible threshold and risk tolerance; how will rising medical trend impact your plan and the accompanying stop loss policy?

What does a typical Symetra renewal look like? During the last five years:



Based on Symetra renewal data from August 1, 2015 to July 1, 2020.

Lowering premium renewal increases through deductible leveraging

Annual renewal is an opportunity to review how your plan performed over the past year, and to evaluate whether your current Specific deductible is still appropriate. This is especially true when rising medical costs are paired with higher than expected claims, as this combination typically means a rate adjustment is needed for the new plan year.

Leveraged trend or, as applied, deductible leveraging, can help mitigate higher renewal rates by sharing the impact of medical trend between the health plan and Symetra stop loss via a higher Specific deductible.

Here's how it works:

Option 1 – keeping the same deductible at renewal			
	Plan year 1	Plan year 2	Increase
Paid claim amount	\$300,000	\$330,000	10%
Specific deductible	\$150,000	\$150,000	0%
Symetra reimbursement	\$150,000	\$180,000	20%

Option 2 – raising the deductible at renewal			
	Plan year 1	Plan year 2	Increase
Paid claim amount	\$300,000	\$330,000	10%
Specific deductible	\$150,000	\$165,000	10%
Symetra reimbursement	\$150,000	\$165,000	10%

For illustrative purposes only.

With deductible leveraging, you're trading lower premiums for a higher Specific deductible due to medical trend increases. It can be an effective way to help control the impact of rising costs on your plan.

If you're interested in deductible leveraging for your renewal, talk with your Symetra stop loss professional.

Renewal Status: Firm if accepted by 05/14/2021

SPECIFIC STOP LOSS COVERAGE

Plan Description	Current	Option 1	Option 2	Option 3
Coverages	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Contract Type	Paid	Paid	Paid	Paid
Annual Specific Deductible per Individual	\$50,000	\$50,000	\$75,000	\$100,000
No New Laser Option	Included	Included	Included	Included
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Maximum Policy Period Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited
Reimbursement Percentage	100%	100%	100%	100%
Quoted Rate(s) Per Month	Enrollment			
Single	142	\$97.83	\$108.05	\$78.80
Family	121	\$286.10	\$311.46	\$232.40
Composite	263	\$184.45	\$201.63	\$149.47
Estimated Annual Premium		\$582,120	\$636,357	\$471,720
Quoted Rate(s) include Commission of		0.00%	0.00%	0.00%

Renewal Status: Firm if accepted by 05/14/2021

AGGREGATE STOP LOSS COVERAGE

Plan Description		Current	Option 1	Option 2	Option 3
Coverages		Medical, Rx Card	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Contract Type		Paid	Paid	Paid	Paid
Aggregate Corridor		125%	125%	125%	125%
Loss Limit per Individual		\$50,000	\$50,000	\$75,000	\$100,000
Maximum Annual Reimbursement		\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Reimbursement Percentage		100%	100%	100%	100%
Estimated Annual Aggregate Deductible		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Minimum Aggregate Deductible		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Monthly Aggregate Claim Factors	Enrollment				
Medical, Rx Card					
Single	142	\$279.49	\$360.31	\$389.08	\$405.36
Family	121	\$789.48	\$996.90	\$1,076.51	\$1,121.54
Composite	263	\$514.12	\$653.19	\$705.35	\$734.86
Quoted Rate(s) per Month	Enrollment				
Composite	263	\$3.51	\$3.86	\$4.72	\$5.42
Estimated Annual Premium		\$11,076	\$12,186	\$14,908	\$17,121
Quoted Rate(s) include Commission of		0.00%	0.00%	0.00%	0.00%

OVERALL COST SUMMARY

Plan Description		Current	Option 1	Option 2	Option 3
Total Annual Fixed Cost		\$593,198	\$648,543	\$486,628	\$395,733
Aggregate Variable		\$1,622,576	\$2,061,467	\$2,226,085	\$2,319,210
Maximum Annual Liability		\$2,215,774	\$2,710,010	\$2,712,713	\$2,714,943

Renewal Status: Firm if accepted by 05/14/2021

PROPOSAL QUALIFICATIONS AND CONTINGENCIES

The terms of this proposal are tentative and may change based on the receipt and review of the following information by Symetra. Except for Plan Document or Plan Amendment, all requested information must be received no later than 15 days prior to the proposed effective date of coverage, otherwise we reserve the right to withdraw the proposed terms and return any premiums remitted.

Any secondary documents (i.e. "stop loss agreements", "procurement documents", "service contracts", etc.) must be disclosed to and approved by Symetra prior to the Employer's acceptance of our proposal. Subsequent undisclosed agreements may not be approved.

By delivering this proposal for coverage, the producer represents and warrants to Symetra that it and each of the persons or entities acting with or on behalf of the producer in the sale or solicitation of such coverage maintains such insurance producer licenses and appointments as are required by each state in which the coverage has been or will be solicited, and in all states in which the policy(ies) will be issued. This proposal is authorized for delivery only if the foregoing representation and warranty is true and correct.

- *Offer is firm.
- The loss limit shown in the aggregate excess loss section of the proposal applies to all coverage listed within that section regardless of what is in the individual excess loss section.
- Only claims up to the individual case level deductible will accumulate toward the aggregate attachment point
- This renewal/proposal reflects the continuation of the current plan of benefits.
- Terms are subject to change if final enrollment varies by more than 10% from the proposal assumptions. A current census not older than 60 days prior to the effective date will be needed for final review.
- Retirees are excluded from coverage under the Stop Loss Policy.
- Eligibility is assumed to be all full time employees working 30 hours or more per week at their normal place of business.
- COBRA participation is limited to no more than 10% of the enrolled group.
- Network fees are ineligible expenses.
- Symetra reserves the right to revise this proposal if the incumbent administrator's claims backlog exceeds two weeks.
- The producer must be properly licensed and appointed.
- No producer has the authority to bind or modify the terms of this offer without the approval of Symetra.
- The administrator must be approved by Symetra.
- This quote is subject to Symetra's stop loss policy provisions, limitations and exclusions.
- This quote/renewal excludes state assessment fees and is based on the group (through its TPA) collecting any such fee assessed with respect to the group's self-insured benefit plan and remitting such fee to the state on the group's behalf. The group may be required to notify their TPA of any covered residents that would fall under an assessment program. Symetra's quote excludes coverage of such fees. In the event Symetra is required to be involved in the administration or collection of an assessment fee on the group's behalf, the assessment fee will be charged to and collected monthly from the group pursuant to the Premium Taxes and State Assessments provision of the Stop Loss Insurance Policy.
- This proposal is based upon the following network(s): Blues ASO

Renewal Status: Firm if accepted by 05/14/2021

Check the box next to the selected proposal option; for Specific only coverage, when both Specific and Aggregate coverages are listed, please also check the box to decline Aggregate coverage.

Option	Specific	Aggregate
<input type="checkbox"/> 1 XX	\$50,000 / Paid	\$50,000 / Paid
<input type="checkbox"/> 2	\$75,000 / Paid	\$75,000 / Paid
<input type="checkbox"/> 3	\$100,000 / Paid	\$100,000 / Paid
<input type="checkbox"/>	Decline Aggregate coverage	

This is a firm offer, which may be bound with no additional underwriting requirements provided it is accepted in writing by the expiration date as shown above. The Premium, Aggregate Deductibles and all other terms are based on the data submitted. Any inaccurate or incomplete data submitted may require changes in underwriting. If updated information is received by Symetra prior to written acceptance or the expiration date has passed, we retain the right to alter the terms, rates and/or factors. We will not be bound by any typographical errors or omissions contained herein.

Please indicated your acceptance on this offer by having an authorized representative or agent of City of San Luis Benefit Trust sign below:

Authorized Signature: _____	Date: _____
Printed Name: _____	Printed Title: _____
Company or Firm Name: _____	City of San Luis

Plan Sponsor's Plan Document

Submission and Symetra Acceptance Required. As stated in Symetra's Proposal for Group Stop Loss Insurance, the Plan Sponsor's Plan Document must be submitted to Symetra no later than 90 days after the proposed effective date of Stop Loss Insurance coverage. The Stop Loss Insurance policy ("Policy") requires that only eligible charges payable under the terms of the Plan Document as approved by Symetra will be covered expenses eligible for reimbursement under the Policy.

The policy will be issued after the Plan Document is received and approved by Symetra or a signed Confirmation of Medical Benefit Plan is submitted to Symetra by the prospective policyholder.

Symetra withhold reimbursement of covered expenses prior to the receipt and acceptance of the final signed Plan Sponsor's Plan Document or amendment.

In reviewing the Plan Document for acceptance, Symetra will consider whether the Plan Document:

1. Adequately addresses key plan components, including but not limited to eligibility rules, benefits promised, plan administration, discretionary language for court review of benefit claims, subrogation and coordination of benefits provisions.
2. Addresses the Plan's obligations under federal law, including
 - a. **ERISA (Employee Retirement Income Security Act) required provisions,**
 - b. **ACA (Affordable Care Act) required provisions;** or
 - c. **a statement of grandfathered status, if applicable.**

Symetra will have no liability for reimbursing Plan Sponsor obligations that are not clearly stated in the Plan Document whether or not the Plan remains obligated in the absence of express inclusion. It is recommended that the Plan Document include express reference to other federal mandates and laws to which Plan is subject or a "conformity with law" provision.

3. Contains typical exclusions or limitations, including but not limited to:
 - a. Experimental/investigations treatment (except as required by ACA), and
 - b. non-medically necessary treatment

The absence of or inadequate treatment of these subjects in the Plan Document may result in a superseding provision in the Stop Loss policy.

Your partner for stop loss success

Symetra is a financially strong, well-capitalized company on the rise, as symbolized by our brand icon—the swift. Swifts are quick, hardworking and nimble—everything we aspire to be when serving our customers.

We've been in business for more than half a century with a commitment to creating employee benefit products that people need and understand. We appreciate your business and look forward to the opportunity to continue serving you with professional, informative and responsive service.



Our guiding principles of Value, Transparency and Sustainability (VTS) are at the core of all we do.

- **Value:** Products and solutions people need at a competitive price—backed by outstanding customer service.
- **Transparency:** Clear communication so people understand what they are buying.
- **Sustainability:** Products that stand the test of time and fiscal responsibility to ensure we are there for our customers.

Financial Strength Ratings: A.M. Best: A “Excellent” (3rd highest of 16); Moody’s A1 “Good” (5th highest of 21); Standard & Poor’s: A “Strong” (6th highest of 21). Ratings are subject to change. Please refer to www.symetra.com/ratings for current information. Ratings as of April 14, 2020.

Symetra Life Insurance Company (est. 1957) is a direct subsidiary of Symetra Financial Corporation. First Symetra National Life Insurance Company of New York (est. 1990) is a direct subsidiary of Symetra Life Insurance Company and is an indirect subsidiary of Symetra Financial Corporation (collectively, “Symetra”). Neither Symetra Financial Corporation nor Symetra Life Insurance Company solicits business in the state of New York and they are not authorized to do so. Each company is responsible for its own financial obligations.

Stop loss policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004. Base policies are ELC-24000 7/19 or LGC-12000 9/06, filed as Excess Loss. In New York, stop loss policies are insured by First Symetra National Life Insurance Company of New York, New York, NY. Mailing address: P.O. Box 34690, Seattle, WA 98124. Policy form numbers are ELC-24000/NY 7/19 or LGC-12000/NY 9/08, filed as Excess Loss. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Products are not available in any U.S. territory.

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¹ 44 years for Symetra Life Insurance Company; 16 years for First Symetra National Life Insurance Company of New York as of 2020.

² Performance highlights based on financial and quarterly audits for 2019.



www.symetra.com
www.symetra.com/ny

Symetra® is a registered service mark of Symetra Life Insurance Company.



A Renewal Proposal For City of San Luis

Effective:
July 1, 2021

The Right Turn for Your Benefits



A Turn For The Better
Formerly EBSO, Inc

Get to Know 90 Degree Benefits, Inc

Quick Facts

- Founded:** 1977
- Credentials:** Licensed Third-Party Administrator (TPA)
- Service Area:** National
- Offices In:** Arizona, Kentucky, Illinois, Minnesota, Ohio, Indiana, Iowa, and Wisconsin
- Clients:** Insured & Self-Funded plans, MEWAs, Brokers, Insurance Companies ranging in size from 2 employees to in the thousands
- Member:** Society of Professional Benefit Administrators (SPBA)
Minnesota Association of Health Underwriters (MAHU)
National Association of Health Underwriters (NAHU)
Health Care Administrators Association (HCAA)
National Association of Employee Benefit Administrators (NAEBA)

Our Mission

Benefit Solutions for Every Client, Every Situation, Every Day
90 Degree Benefits, Inc is committed to delivering innovative, cost effective benefit solutions with exemplary service. As one of the most respected and trusted benefit and risk management experts in the country, we demonstrate our passion for exceeding the unique expectations of every client, in every situation, every day.



The 90 Degree Benefits, Inc Advantage...

Experienced

Founded in 1977, 90 Degree Benefits, Inc has the experience and the perspective to help clients prepare, plan and manage for long-term success. With an average of 13 years of experience per employee, 90 Degree Benefits, Inc enjoys virtually very low employee turnover. 90 Degree Benefits, Inc team members are extremely knowledgeable and well informed about each plan and employer group they serve.

Flexible

Our goal is to administer benefit plans in a way that streamlines and simplifies the process for you and your employees. Flexibility means we can administer all or any part of your benefit package through any insurance or HMO carrier – on a self-funded or fully insured basis. Your employees will have one source to depend on, from enrollment to ongoing communication and customer service.

Dedicated

90 Degree Benefits, Inc is committed to managing your benefit programs in a manner that will simplify and clarify your current and future requirements. We meet the needs of your organization by delivering creative ideas and timely, efficient service. 90 Degree Benefits, Inc will enhance your HR processes, leaving you more time to manage and grow your business.

What It Means to You & Your Employees...

Accuracy

90 Degree Benefits, Inc also ensures that all our processes and procedures are SAE 16 compliant through an annual audit of our procedures from an independent auditing firm. When it comes to claim administration, we consistently achieve accuracy above the norm by averaging 99.4% procedural accuracy vs. an industry average of 95%. This means lower overall costs and the ability to track exactly where your health plan dollars are being applied.

Efficiency

As a full service TPA and benefits solution provider, 90 Degree Benefits, Inc can do it all for our clients. We can effectively manage one benefit plan or service for your organization, or we can also manage your entire benefit program – from flexible spending accounts and group health to retirement benefits and billing services. This simplifies vendor management and allows you to maximize efficiencies between benefit offerings.

Quality

As part of our Customer Service Model, a Plan Member Relationship Unit is assigned to provide the specific skills needed to serve your group. Dedicated Client Liaisons help members find the answers they need when they need them. While it may sound like a small thing – 96% of all phone calls are answered within 30 seconds and less than 1% of calls are abandoned.

Medical Proposal Overview and Vendor Notes

Following is our proposal for medical administrative services. Pricing assumes the utilization of the vendors listed below.

Third Party Administrator



Preferred Provider Networks



Prescription Benefit Manager



Utilization Review/Case Management

AHH (American Health Holding)

Subrogation



Reporting Package



Teladoc



Cost Summary

City of San Luis							
Effective: July 1, 2021							
Employee Counts:	Employee	142		Current	Renewal Incumbent	Renewal	Option 2
	Employee + Sp	0	Carrier/Reinsurer:	Symetra	Symetra	HM Insurance	IAT
	Employee + Ch	0	Contract Type:	Paid	Paid	24/12	24/12
	Family	121	Specific Deductible:	\$50,000			
	Total	263	Commission:	Net			
Stop-loss Premium							
				Current	Renewal Incumbent	Option 1	Option 2
Specific Premium	Employee			\$97.83	\$108.05	\$119.03	\$109.24
	Employee + Sp			\$0.00	\$0.00	\$0.00	\$0.00
	Employee + Ch			\$0.00	\$0.00	\$0.00	\$0.00
	Family			\$286.10	\$311.46	\$333.86	\$264.28
Aggregate Premium				\$3.51	\$3.86	\$4.02	\$3.39
Total Plan Annualized Premium				\$593,197	\$648,539	\$700,279	\$580,578
Funding/Aggregate Factors (Maximum Claims Liability)							
Factors	Employee			\$279.49	\$360.31	\$357.86	\$371.17
	Employee + Sp			\$0.00	\$0.00	\$0.00	\$0.00
	Employee + Ch			\$0.00	\$0.00	\$0.00	\$0.00
	Family			\$789.48	\$996.90	\$858.87	\$1,019.87
Total Annual Maximum Claims Liability				\$1,622,576	\$2,061,467	\$1,856,873	\$2,113,325
Administrative Costs (PEPM)							
Medical Claims Administrative Fee				\$24.50	\$24.50	\$24.50	\$24.50
Compliance Services				\$3.00	\$3.00	\$3.00	\$3.00
Dental Claims Admin. (Monthly \$500 Minimum)				\$3.00	\$3.00	\$3.00	\$3.00
Healthiest You				\$8.00	\$13.00	\$13.00	\$13.00
BCBS of Arizona (US Only)				\$17.50	\$19.25	\$19.25	\$19.25
Siarmed				\$4.25	\$4.25	\$4.25	\$4.25
Broker Fee (PEPM)				\$35.00	\$35.00	\$35.00	\$35.00
Total Per EE per Month Admin Fee				\$95.25	\$102.00	\$102.00	\$102.00
Annualized Cost:				\$300,609	\$321,912	\$321,912	\$321,912
Maximum Costs (Admin, Stop Loss, Funding/Aggregate)							
				Current	Renewal Incumbent	Option 1	Option 2
	Employee			\$476.08	\$574.22	\$582.91	\$585.80
	Employee + Sp			\$0.00	\$0.00	\$0.00	\$0.00
	Employee + Ch			\$0.00	\$0.00	\$0.00	\$0.00
	Family			\$1,174.34	\$1,414.22	\$1,298.75	\$1,389.54
Total Annual Maximum Costs:				\$2,516,382	\$3,031,918	\$2,879,064	\$3,015,815
Total Annualized Cost Summary							
Administrative Costs				300,609	321,912	321,912	321,912
Stop-loss Premiums				593,197	648,539	700,279	580,578
Total Fixed Costs				1,864,257	1,992,642	1,022,191	902,490
Funding/Agg Factors (Max Claims Liability)				1,622,576	2,061,467	1,856,873	2,113,325
Total Maximum Costs All Plans				\$3,486,833	\$4,054,109	\$2,879,064	\$3,015,815
% Change From Current Plan:					16.3%	-17.4%	-13.5%
Variable Administrative Fees and Costs							
Large Case Management (LCM) Thru AHH-Hourly Rate				\$111	\$113	\$113	\$113
Red Card (ID Card) Per Card				\$1.50	\$1.50	\$1.50	\$1.50
Legal Service (Enquiron)				Included in Administration fee	Included in Administration fee	Included in Administration fee	Included in Administration fee
Medical Plan Summary Plan Description Printing				Actual Cost	Actual Cost	Actual Cost	Actual Cost
Employee Meetings (Webinars no cost)				Actual Cost	Actual Cost	Actual Cost	Actual Cost
Subrogation (% of Savings)				25% if settled, 33.33% if legal action required	25% if settled, 33.33% if legal action required	25% if settled, 33.33% if legal action required	25% if settled, 33.33% if legal action required
Out-of-Network Negotiations (% of Savings)				30%	30%	30%	30%

Please see all contingencies in Stop Loss Proposal.

Please see all contingencies in proposal.

CITY OF SAN LUIS
STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE JULY 1, 2021

DESCRIPTION	Firm Until 5/7/2021		Firm Until 5/7/2021		Firm Until 5/7/2021		2021-2022		2021-2022	
	2020-2021 Current Symetra	2021-2022 Renewal - Option 1 Symetra	2021-2022 Renewal - Option 2 Symetra	2021-2022 Renewal - Option 3 Symetra	2021-2022 Renewal - Option 4 HM Life Insurance	2021-2022 Option 5 IAT	2021-2022 Option 6	2021-2022 Option 7	2021-2022 Option 8	2021-2022 Option 9
STOP LOSS POLICY TERMS	\$50,000	\$50,000	\$75,000	\$100,000	\$50,000	\$75,000				
Specific Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Annual Reimbursement	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Deductible	\$ 50,000	\$ 50,000	\$ 75,000	\$ 100,000	\$ 50,000	\$ 75,000	\$ 50,000	\$ 50,000	\$ 75,000	\$ 75,000
Specific Contract Basis	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid
Specific Coverage	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
Lasered Individuals	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
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
Aggregate Contract Basis	Paid	Paid	Paid	Paid	Paid	Paid	24/12	24/12	24/12	24/12
Aggregate Run-In Limits	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Comidor	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
STOP LOSS PREMIUM										
Specific Premium										
Employee Rate	142 \$ 97.83	\$ 108.05	142 \$ 78.80	\$ 61.55	\$ 119.03	\$ 109.24	\$ 119.03	\$ 119.03	\$ 119.03	\$ 109.24
Employee + Spouse Rate	12 \$ 288.10	\$ 311.46	12 \$ 232.40	\$ 188.52	\$ 333.88	\$ 264.28	\$ 333.88	\$ 333.88	\$ 333.88	\$ 264.28
Employee + Child(ren) Rate	46 \$ 288.10	\$ 311.46	46 \$ 232.40	\$ 188.52	\$ 333.88	\$ 264.28	\$ 333.88	\$ 333.88	\$ 333.88	\$ 264.28
Employee + Spouse + Children Rate	63 \$ 288.10	\$ 311.46	63 \$ 232.40	\$ 188.52	\$ 333.88	\$ 264.28	\$ 333.88	\$ 333.88	\$ 333.88	\$ 264.28
Projected Total Monthly Specific Premium	263 \$ 48,509.96	\$ 53,029.76	263 \$ 39,310.00	\$ 31,551.02	\$ 57,299.32	\$ 47,489.96	\$ 57,299.32	\$ 57,299.32	\$ 57,299.32	\$ 47,489.96
Aggregate Rate PEPM	263 \$ 3.51	\$ 3.88	263 \$ 4.72	\$ 5.42	\$ 4.02	\$ 3.39	\$ 4.02	\$ 4.02	\$ 4.02	\$ 3.39
Projected Monthly Aggregate Premium	\$ 923.13	\$ 1,015.18	\$ 1,241.36	\$ 1,425.46	\$ 1,057.26	\$ 891.57	\$ 1,057.26	\$ 1,057.26	\$ 1,057.26	\$ 891.57
TOTAL PROJECTED PREMIUM										
Monthly	\$ 49,433.09	\$ 54,044.94	\$ 40,551.36	\$ 32,976.48	\$ 58,356.58	\$ 48,381.53	\$ 58,356.58	\$ 58,356.58	\$ 58,356.58	\$ 48,381.53
Annual	\$ 593,197.08	\$ 648,539.28	\$ 486,616.32	\$ 395,717.76	\$ 700,278.96	\$ 580,578.36	\$ 700,278.96	\$ 700,278.96	\$ 700,278.96	\$ 580,578.36
Percentage of increase over current		9.33%	-17.97%	-33.29%	18.05%	-2.13%	18.05%	18.05%	18.05%	-2.13%
MAXIMUM CLAIM FUNDING FACTORS										
Employee	142 \$ 279.49	\$ 360.31	142 \$ 395.44	\$ 411.72	\$ 357.88	\$ 371.17	\$ 357.88	\$ 357.88	\$ 357.88	\$ 371.17
Employee + Spouse	12 \$ 789.48	\$ 996.90	12 \$ 1,094.11	\$ 1,139.14	\$ 858.87	\$ 1,019.87	\$ 858.87	\$ 858.87	\$ 858.87	\$ 1,019.87
Employee + Children	46 \$ 789.48	\$ 996.90	46 \$ 1,094.11	\$ 1,139.14	\$ 858.87	\$ 1,019.87	\$ 858.87	\$ 858.87	\$ 858.87	\$ 1,019.87
Employee + Spouse + Child(ren)	63 \$ 789.48	\$ 996.90	63 \$ 1,094.11	\$ 1,139.14	\$ 858.87	\$ 1,019.87	\$ 858.87	\$ 858.87	\$ 858.87	\$ 1,019.87
TOTAL PROJECTED MAXIMUM FUNDING	263		263							
Monthly	\$ 135,214.66	\$ 171,788.92	\$ 188,539.79	\$ 196,300.18	\$ 154,739.39	\$ 176,110.41	\$ 154,739.39	\$ 154,739.39	\$ 154,739.39	\$ 176,110.41
Annual	\$ 1,622,575.92	\$ 2,061,467.04	\$ 2,262,477.48	\$ 2,355,602.16	\$ 1,856,872.68	\$ 2,113,324.92	\$ 1,856,872.68	\$ 1,856,872.68	\$ 1,856,872.68	\$ 2,113,324.92
Percentage of increase over current		27.05%	39.44%	45.18%	14.44%	30.25%	14.44%	14.44%	14.44%	30.25%
PROJECTED ADMINISTRATION COSTS										
TPA Claims Administration Fee - EBSO Fees	263 \$ 24.50	\$ 24.50	142 \$ 24.50	\$ 24.50	\$ 24.50	\$ 24.50	\$ 24.50	\$ 24.50	\$ 24.50	\$ 24.50
Dental Claims Administration US EBSO Fees	263 \$ 3.00	\$ 3.00	12 \$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
ACA 1095/1094 Reporting (Estimate)	572 \$ 3.00	\$ 3.00	46 \$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00	\$ 3.00
PPO Medical Access Fee - BCBS	142 \$ 17.50	\$ 19.25	63 \$ 19.25	\$ 19.25	\$ 19.25	\$ 19.25	\$ 19.25	\$ 19.25	\$ 19.25	\$ 19.25
Mexico Starmed/SSA Medical and Dental Claims Admin.	263 \$ 4.25	\$ 4.25	263 \$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25	\$ 4.25
Total Monthly Administration	\$ 12,551.25	\$ 12,799.75	\$ 5,983.50	\$ 5,983.50	\$ 5,873.25	\$ 5,873.25	\$ 5,873.25	\$ 5,873.25	\$ 5,873.25	\$ 5,873.25
Total Annual Administration	\$ 150,615.00	\$ 153,597.00	\$ 71,802.00	\$ 71,802.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00
Total Annual Administration Fees With Reinsurance	\$ 150,615.00	\$ 153,597.00	\$ 71,802.00	\$ 71,802.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00	\$ 70,479.00
Percentage of Increase/Decrease Over Current		1.98%	-52.33%	-52.33%	-53.21%	-53.21%	-53.21%	-53.21%	-53.21%	-53.21%
TOTAL PROJECTED PREMIUM, CLAIMS FUNDING & ADMINISTRATION COSTS										
Monthly	\$ 200,048.09	\$ 207,641.94	\$ 112,353.36	\$ 104,778.48	\$ 128,835.58	\$ 118,880.53	\$ 128,835.58	\$ 128,835.58	\$ 128,835.58	\$ 118,880.53
Annual	\$ 2,400,577.08	\$ 2,893,603.32	\$ 1,348,240.32	\$ 1,257,341.76	\$ 1,546,026.96	\$ 1,426,326.36	\$ 1,546,026.96	\$ 1,546,026.96	\$ 1,546,026.96	\$ 1,426,326.36
Percentage of Increase Over Current		19.29%	-43.84%	-47.62%	-35.60%	-40.58%	-35.60%	-35.60%	-35.60%	-40.58%

Rates for the Stop Loss and Aggregate must be confirmed by May 14, 2021

Employee Benefit Trust Board Meeting

3. B.

Meeting Date: 05/05/2021

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 Broker agreement renewal which expires on June 30, 2021. **(Susan Posada, Broker and Consultant)**

SUMMARY:

Ms. Posada will present her Amendment renewal which expires on June 30, 2021. New proposed contract is to be extended to July 1, 2024.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO _____

(Note: If the Trustees desire to hold an executive session on this item, an executive session is the next item. The suggested motion for an executive session is in the next item).

Attachments

Meeting presentation



**CITY OF SAN LUIS
EMPLOYEE BENEFIT TRUST MEETING
2021 RENEWAL PRESENTATION
FOR JULY 1, 2021, TO JUNE 30, 2022**

MAY 5, 2021



STOP LOSS COVERAGE ELEMENTS

Specific Coverage

- Coverage of claims per approved plan document
- Coverage Unlimited
- Specific Deductible \$50,000
- Coverage of RX

Aggregate Coverage

- Protects for the entire group to limit overall claims cost
- 125% Corridor
- Maximum Annual Reimbursement \$1,000,000

Projected Maximum Funding

- Calculated Monthly
- Calculation to determine Aggregate Coverage

**CITY OF SAN LUIS
STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE JULY 1, 2021**

DESCRIPTION	2020-2021		Firm Until 5/7/2021		Firm Until 5/7/2021		Firm Until 5/7/2021		2021-2022		2021-2022	
	Current	Symetra	Renewal - Option 1	Symetra	Renewal - Option 2	Symetra	Renewal - Option 3	Symetra	Option 4	HM Life Insurance	Option 5	IAT
STOP LOSS POLICY TERMS		\$50,000	\$50,000		\$75,000	\$100,000		\$50,000		\$75,000		
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		
Specific Contract Basis		Paid	Paid		Paid	Paid		Paid		Paid		Paid
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	142	\$ 97.83	\$ 108.05	142	\$ 78.80	\$ 61.55		\$ 119.03		\$ 109.24		
Employee + Spouse Rate	12	\$ 286.10	\$ 311.46	12	\$ 232.40	\$ 188.52		\$ 333.86		\$ 264.28		
Employee + Child(ren) Rate	46	\$ 286.10	\$ 311.46	46	\$ 232.40	\$ 188.52		\$ 333.86		\$ 264.28		
Employee + Spouse & Children Rate	63	\$ 286.10	\$ 311.46	63	\$ 232.40	\$ 188.52		\$ 333.86		\$ 264.28		
Projected Total Monthly Specific Premium	263	\$ 48,509.96	\$ 53,029.76	263	\$ 39,310.00	\$ 31,551.02		\$ 57,299.32		\$ 47,489.96		
Aggregate Rate PEPM	263	\$ 3.51	\$ 3.86	263	\$ 4.72	\$ 5.42		\$ 4.02		\$ 3.39		
Projected Monthly Aggregate Premium		\$ 923.13	\$ 1,015.18		\$ 1,241.36	\$ 1,425.46		\$ 1,057.26		\$ 891.57		
TOTAL PROJECTED PREMIUM												
Monthly		\$ 49,433.09	\$ 54,044.94		\$ 40,551.36	\$ 32,976.48		\$ 58,356.58		\$ 48,381.53		
Annual		\$ 593,197.08	\$ 648,539.28		\$ 486,616.32	\$ 395,717.76		\$ 700,278.96		\$ 580,578.36		
Percentage of increase over current			9.33%		-17.97%	-33.29%		18.05%		-2.13%		
MAXIMUM CLAIM FUNDING FACTORS												
Employee	142	\$ 279.49	\$ 360.31	142	\$ 395.44	\$ 411.72		\$ 357.86		\$ 371.17		
Employee + Spouse	12	\$ 789.48	\$ 996.90	12	\$ 1,094.11	\$ 1,139.14		\$ 858.87		\$ 1,019.87		
Employee + Children	46	\$ 789.48	\$ 996.90	46	\$ 1,094.11	\$ 1,139.14		\$ 858.87		\$ 1,019.87		
Employee + Spouse + Child(ren)	63	\$ 789.48	\$ 996.90	63	\$ 1,094.11	\$ 1,139.14		\$ 858.87		\$ 1,019.87		
TOTAL PROJECTED MAXIMUM FUNDING	263			263								
Monthly		\$ 135,214.66	\$ 171,788.92		\$ 188,539.79	\$ 196,300.18		\$ 154,739.39		\$ 176,110.41		
Annual		\$ 1,622,575.92	\$ 2,061,467.04		\$ 2,262,477.48	\$ 2,355,602.16		\$ 1,856,872.68		\$ 2,113,324.92		
Percentage of increase over current			27.05%		39.44%	45.18%		14.44%		30.25%		
PROJECTED ADMINISTRATION COSTS												
TPA Claims Administration Fee - EBSO Fees	263	\$ 24.50	\$ 24.50	142	\$ 24.50	\$ 24.50		\$ 24.50		\$ 24.50		\$ 24.50
Dental Claims Administration US EBSO Fees	263	\$ 3.00	\$ 3.00	12	\$ 3.00	\$ 3.00		\$ 3.00		\$ 3.00		\$ 3.00
ACA 1095/1094 Reporting (Estimate)	572	\$ 3.00	\$ 3.00	46	\$ 3.00	\$ 3.00		\$ 3.00		\$ 3.00		\$ 3.00
PPO Medical Access Fee - BCBS	142	\$ 17.50	\$ 19.25	63	\$ 19.25	\$ 19.25		\$ 17.50		\$ 17.50		\$ 17.50
Mexico Siarmed/SSA Medical and Dental Claims Admin.	263	\$ 4.25	\$ 4.25	263	\$ 4.25	\$ 4.25		\$ 4.25		\$ 4.25		\$ 4.25
Total Monthly Administration		\$ 12,551.25	\$ 12,799.75		\$ 5,983.50	\$ 5,983.50		\$ 5,873.25		\$ 5,873.25		\$ 5,873.25
Total Annual Administration		\$ 150,615.00	\$ 153,597.00		\$ 71,802.00	\$ 71,802.00		\$ 70,479.00		\$ 70,479.00		\$ 70,479.00
Total Annual Administration Fees With Reinsurance		\$ 150,615.00	\$ 153,597.00		\$ 71,802.00	\$ 71,802.00		\$ 70,479.00		\$ 70,479.00		\$ 70,479.00
Percentage of Increase/Decrease Over Current			1.98%		-52.33%	-52.33%		-53.21%		-53.21%		
TOTAL PROJECTED PREMIUM, CLAIMS FUNDING & ADMINISTRATION COSTS												
Monthly		\$ 200,048.09	\$ 207,641.94		\$ 112,353.36	\$ 104,778.48		\$ 128,835.58		\$ 118,860.53		
Annual		\$ 2,400,577.08	\$ 2,863,603.32		\$ 1,348,240.32	\$ 1,257,341.76		\$ 1,546,026.96		\$ 1,426,326.36		
Percentage of Increase Over Current			19.29%		-43.84%	-47.62%		-35.60%		-40.58%		

TELEDOC – HEALTHIEST YOU

TeleDoc Healthiest You						
	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	\$13	\$3,328	\$39,936	\$116,225	
Cost Difference to add Bundle/Savings				(\$15,360)	\$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. **Spanish Speaking Providers Available**

Mental Health: Members have on-going virtual visits with licensed psychiatrist, psychologist, or therapist of their choice. **Spanish Speaking Providers Available**

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

Access through App. Only. TeleDoc working on adding Spanish Speaking Providers

Neck/Back Care: Virtual exercise-based treatment plan coupled with access to certified health coach consultations. **Spanish Speaking Providers Available**

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. **TeleDoc working on providing Spanish Speaking Providers**

* 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

EAP Preferred 6 visits per employee renewal is 7/1/2023. Rate \$2.28 PEPM 243 Enrolled \$6,648 Cost per year.

Broker Renewal

- Trust Fund Increased \$1,200,000 to over \$4,000,000 – even with continued claims
- Account preserved from Summit from their General Account
- Added Mayo Network
- Added – Out of State Network
- TPA added Mayo and EBSO who allowed Mexico Network
- Stop Loss Carrier – Best carrier and contract
- Negotiate Contracts
- Prepared Budge for Accounting
- Mexico Network – as an ACA account (others added as an additional benefit)
- Monitor account closely
- Assist HR with HR Employee Turner –stand by
- Added Healthiest You
- Added Wellness Budget
- Recommended Audit for Siarmed
- Training Video's for Supervisor's and Employees such as Sexual Harassment and Safety 7/1/2021
- HR Connection Website, plan documents, forms, communication for employees
- COVID – Testing made available to Mexico plan and arrange with San Luis Clinic for Vaccine and testing
- COVID Vaccine – First to make available to Public Safety and Public Works department
- Teledoc for both medical plans

CONTRIBUTION SHEET

Benefit Type	Coverage	Premium	Employer Cost	Employee Cost	
Benefit	Who's Covered	Monthly	Monthly	Monthly	Per Pay Check (24)
Medical– US & Mexico (EBSO/ BCBS)	Employee Only	\$604.84	\$604.84	\$0.00	\$0.00
	Employee & Spouse	\$1,255.16	\$970.49	\$284.67	\$142.34
	Employee & Child(ren)	\$1,255.16	\$970.49	\$284.67	\$142.34
	Family	\$1,920.04	\$1,484.57	\$435.47	\$217.73
Medical– Mexico Only	Employee Only	\$220.40	\$220.40	\$0.00	\$0.00
	Employee & Spouse	\$457.32	\$353.60	\$103.72	\$51.86
	Employee & Child(ren)	\$457.32	\$353.60	\$103.72	\$51.86
	Family	\$667.80	\$516.34	\$151.46	\$75.73
Dental– US & Mexico	Employee Only	\$36.47	\$36.47	\$0.00	\$0.00
	Employee & Spouse	\$72.93	\$31.88	\$41.05	\$20.52
	Employee & Child(ren)	\$72.93	\$31.88	\$41.05	\$20.52
	Family	\$91.03	\$39.79	\$51.24	\$25.62
Dental – Mexico Only (Siarmed)	Employee Only	\$16.28	\$16.28	\$0.00	\$0.00
	Employee & Spouse	\$32.54	\$14.23	\$18.31	\$9.16
	Employee & Child(ren)	\$32.54	\$14.23	\$18.31	\$9.16
	Family	\$43.39	\$18.97	\$24.42	\$12.21
Vision Plan - VSP	Employee Only	\$11.29	\$11.29	\$0.00	\$0.00
	Family	\$24.26	\$11.29	\$12.97	\$6.49
Teledoc - Healthiest You	Employee	\$15.00	\$15.00	\$0.00	\$0.00
	Family	\$0.00	\$0.00	\$0.00	\$0.00
Short-term Disability - Standard	All Employees	\$ 0.58 per \$10 of annual salary	\$ 0.58 per \$10 of annual salary	\$0.00	\$0.00
Long-term Disability - Standard	Public Safety Employees	\$0.25 per \$100 of monthly salary	\$0.25 per \$100 of monthly salary	\$0.00	\$0.00
Basic Life & AD&D - Standard \$50,000 Flat Coverage	All Employees	\$9.50	\$9.50	\$0.00	\$0.00
Transwestern Voluntary MX Medical Insurance	Family	\$97.00	\$0.00	\$97.00	\$48.50
Employee Assistance Program	Public Safety	Included with	\$0.00	\$0.00	\$0.00
EAP Preferred	All Employees	\$2.28	\$2.28	\$0.00	\$0.00

Employer & Employee Contribution Calculations - Renewal Plan Medical, Dental and Vision

Proposed rates for 7/1/2021 - 6/30/2022

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	\$ 604.84	\$ 86,492.12	\$ 86,492.12	\$ -	\$ 36.47	\$ 5,105.80	\$ 5,105.80	\$ -	\$ 11.29	\$ 1,987.04	\$ 1,987.04	\$ -
Medical, Dental & Vision	US & Mexico-Spouse Cost	\$ 1,255.16	\$ 7,530.96	\$ 5,822.94	\$ 1,708.02	\$ 72.93	\$ 291.72	\$ 127.54	\$ 164.18				
Medical, Dental & Vision	US & Mexico-Child(ren) Cost	\$ 1,255.16	\$ 47,696.08	\$ 36,878.61	\$ 10,817.47	\$ 72.93	\$ 2,260.83	\$ 988.43	\$ 1,272.40				
Medical, Dental & Vision	Us & Mexico-Spouse & Child(ren) Cost	\$ 1,920.04	\$ 69,121.44	\$ 53,444.70	\$ 15,676.74	\$ 91.03	\$ 2,821.93	\$ 1,233.47	\$ 1,588.46	\$ 24.26	\$ 2,110.62	\$ 981.86	\$ 1,128.76
Medical, Dental & Vision	Mexico-Employee	\$ 220.40	\$ 440.80	\$ 440.80	\$ -	\$ 16.28	\$ 32.56	\$ 32.56	\$ -				
Medical, Dental & Vision	Mexico-Employee & Spouse	\$ 457.32	\$ 2,743.92	\$ 2,121.60	\$ 622.32	\$ 32.54	\$ 357.94	\$ 156.49	\$ 201.45				
Medical, Dental & Vision	Mexico-Employee & Children	\$ 457.32	\$ 3,658.56	\$ 2,828.80	\$ 829.76	\$ 32.54	\$ 455.56	\$ 199.17	\$ 256.39				
Medical, Dental & Vision	Mexico-Emp, Spouse & Child(ren) Cost	\$ 667.80	\$ 17,362.80	\$ 13,424.92	\$ 3,937.88	\$ 43.39	\$ 1,345.09	\$ 587.94	\$ 757.15				
	Monthly Premium Totals		\$ 235,046.68	\$ 201,454.48	\$ 33,592.20		\$ 12,671.43	\$ 8,431.40	\$ 4,240.03		\$ 4,097.66	\$ 1,906.23	\$ 2,191.43
	Annual Premium Totals		\$ 2,820,560.16	\$ 2,417,453.75	\$ 403,106.41		\$ 152,057.16	\$101,176.82	\$ 50,880.34		\$ 49,171.92	\$ 22,874.78	\$ 26,297.14

Combined Monthly Total	\$ 251,815.77
Employer Contribution Monthly	\$ 211,792.11
Other Expenses	\$ 200,469.40
Annual Total	\$ 3,222,258.64
Changes from Current:	
Dollar Change	\$27,870.44
Percent Change	0.87%

2021-2022 Contribution Assumptions					
	MEDICAL	EE Only	EE/Spouse	EE/Children	Family
US & Mexico					
Employer %	100.00%	77.32%	77.32%	77.32%	77.32%
Employee %	0.00%	22.68%	22.68%	22.68%	22.68%
Mexico					
Employer %	100.00%	77.32%	77.32%	77.32%	77.32%
Employee %	0.00%	22.68%	22.68%	22.68%	22.68%
DENTAL					
US & Mexico					
Employer %	100.00%	43.72%	43.72%	43.71%	43.71%
Employee %	0.00%	56.28%	56.28%	56.29%	56.29%
Mexico					
Employer %	100.00%	43.72%	43.72%	43.71%	43.71%
Employee %	0.00%	56.28%	56.28%	56.29%	56.29%
VISION					
Employer %	100.00%	N/A	N/A	46.52%	
Employee %	0.00%	N/A	N/A	53.48%	

	Enrollment Counts	Medical	Dental	Healthiest You	Vision
	US-Single	143	140	256	176
	US-Employee + Spouse	6	4		
	US-Employee + Child(ren)	38	31		
	US-Family	36	31		87
	MX-Single	2	2		
	MX-Employee + Spouse	6	11		
	MX-Employee + Child(ren)	8	14		
	MX-Family	26	31		
		265	264	256	263
EAP		\$7,004.16			
Healthiest You \$15.00 PEP (256EE's)		\$46,080			
Short Term Disability		\$ 109,979.04			
Long Term Disability		\$ 7,732.00			
Basic Life Insurance		\$29,674.20			
	Total	\$200,469.40			

Current Premium Rates 07-01-2020 to 6-30-2021

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	\$ 604.84	\$ 86,492.12	\$ 86,492.12	\$ -	\$ 36.47	\$ 5,105.80	\$ 5,105.80	\$ -	\$ 11.29	\$ 1,987.04	\$ 1,987.04	\$ -
Medical, Dental & Vision	US & Mexico-Spouse Cost	\$ 1,255.16	\$ 7,530.96	\$ 5,822.94	\$ 1,708.02	\$ 72.93	\$ 291.72	\$ 127.54	\$ 164.18				
Medical, Dental & Vision	US & Mexico-Child(ren) Cost	\$ 1,255.16	\$ 47,696.08	\$ 36,878.61	\$ 10,817.47	\$ 72.93	\$ 2,260.83	\$ 988.43	\$ 1,272.40				
Medical, Dental & Vision	Us & Mexico-Spouse & Child(ren) Cost	\$ 1,920.04	\$ 69,121.44	\$ 53,444.70	\$ 15,676.74	\$ 91.03	\$ 2,821.93	\$ 1,233.47	\$ 1,588.46	\$ 24.26	\$ 2,110.62	\$ 981.86	\$ 1,128.76
Medical, Dental & Vision	Mexico-Employee	\$ 220.40	\$ 440.80	\$ 440.80	\$ -	\$ 16.28	\$ 32.56	\$ 32.56	\$ -				
Medical, Dental & Vision	Mexico-Employee & Spouse	\$ 457.32	\$ 2,743.92	\$ 2,121.60	\$ 622.32	\$ 32.54	\$ 357.94	\$ 156.49	\$ 201.45				
Medical, Dental & Vision	Mexico-Employee & Children	\$ 457.32	\$ 3,658.56	\$ 2,828.80	\$ 829.76	\$ 32.54	\$ 455.56	\$ 199.17	\$ 256.39				
Medical, Dental & Vision	Mexico-Emp, Spouse & Child(ren) Cost	\$ 667.80	\$ 17,362.80	\$ 13,424.92	\$ 3,937.88	\$ 43.39	\$ 1,345.09	\$ 587.94	\$ 757.15				
	Monthly Premium Totals		\$ 235,046.68	\$ 201,454.48	\$ 33,592.20		\$ 12,671.43	\$ 8,431.40	\$ 4,240.03		\$ 4,097.66	\$ 1,906.23	\$ 2,191.43
	Annual Premium Totals		\$ 2,820,560.16	\$ 2,417,453.75	\$ 403,106.41		\$ 152,057.16	\$101,176.82	\$ 50,880.34		\$ 49,171.92	\$ 22,874.78	\$ 26,297.14

Combined Monthly Total	\$ 251,815.77
Employer Contribution Monthly	\$ 211,792.11
Other (see below)	\$ 172,598.96
Annual Total	\$ 3,194,388.20

Changes from Current:	
Dollar Change	
Percent Change	

Enrollment Counts	Medical	Dental	Healthiest You	Vision
US-Single	143	140	256	176
US-Employee + Spouse	6	4		
US-Employee + Child(ren)	38	31		
US-Family	36	31		87
MX-Single	2	2		
MX-Employee + Spouse	6	11		
MX-Employee + Child(ren)	8	14		
MX-Family	26	31		
	265	264	256	263

EAP	\$ 7,004.16
Healthiest You \$8.00 PEPM (256EE's)	\$ 24,576.00
Short Term Disability	\$ 109,979.04
Long Term Disability	\$ 7,732.00
Basic Life Insurance	\$ 23,307.76

Total **\$ 172,598.96**

2020-2021 Contribution Assumptions				
MEDICAL	EE Only	EE/Spouse	EE/Children	Family
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%	43.72%	43.72%	43.71%
Employee %	0.00%	56.28%	56.28%	56.29%
VISION				
US & Mexico				
Employer %	100.00%	N/A	N/A	46.52%
Mexico				
Employee %	0.00%	N/A	N/A	53.48%

Contribution Comparison 2020-2021 - 2021 - 2022

Proposed rates for 7/1/2021 - 6/30/2022

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

	Current Plan			Renewal Option			ER Difference Contribution	% Change
	2020-2021 Total Premium	2020-2021 ER Contribution	2020-2021 EE Contribution	2021-2022 Total Premium	2021-2022 ER Contribution	2021-2022 EE Contribution		
Medical (US & Mex)	\$ 2,820,560.16	\$ 2,417,453.75	\$ 403,106.41	\$ 2,820,560.16	\$ 2,417,453.75	\$ 403,106.41	\$ -	0.00%
Dental (US & Mex)	\$ 152,057.16	\$ 101,176.82	\$ 50,880.34	\$ 152,057.16	\$ 101,176.82	\$ 50,880.34	\$ -	0.00%
Vision	\$ 49,171.92	\$ 22,874.78	\$ 26,297.14	\$ 49,171.92	\$ 22,874.78	\$ 26,297.14	\$ -	0.00%
Short Term Disability	\$ 109,979.04	\$ 109,979.04	\$ -	\$ 109,979.04	\$ 109,979.04	\$ -	\$ -	0.00%
Long Term Disability	\$ 7,732.00	\$ 7,732.00	\$ -	\$ 7,732.00	\$ 7,732.00	\$ -	\$ -	0.00%
Basic Life	\$ 23,307.76	\$ 23,307.76	\$ -	\$ 29,674.20	\$ 29,674.20	\$ -	\$ 6,366.44	27.31%
Healthiestyou	\$24,576	\$24,576		\$ 46,080.00	\$ 46,080.00			0.00%
EAP Preferred	\$7,004.16	\$7,004.16		\$7,004.16	\$7,004.16			
Total Budget Requirements	\$ 3,194,388.20	\$ 2,714,104.31	\$ 480,283.89	\$ 3,222,258.64	\$ 2,741,974.75	\$ 480,283.89	\$ 6,366.44	1.02%

Premium Increases	\$	%
Medical Premium (US & Mexico)	\$0.00	0.00%
Dental Premium	\$0.00	0.00%
Life, STD, LTD Premium	\$6,366.44	4.51%

Summary

Medical	Increase in Total Premium	\$0.00
	Employer Portion	\$0.00
	Employee Portion	\$0.00
Dental	Increase in Total Premium	\$0.00
	Employer Portion	\$0.00
	Employee Portion	\$0.00
Total Changes:	All Benefits	\$27,870.44
	ER	\$27,870.44
	EE	\$0.00



Medical and Dental Membership	July	August	September	October	November	December	January	February	March	April	May	June	2021 Yr to Date	2021 Monthly Avg	2021 Annualized	2020 Comparison	% Change
US & Mexico Med - Employees	139	138	138	141	142	142	143	142	140								1608
US & Mexico Med - Spouse	6	7	7	4	5	7	8	6	8								72
US & Mexico Med - Children	42	37	36	40	40	38	38	38	38								492
US & Mexico Med - Family	27	34	34	33	33	34	34	34	34								285
Mexico Med - Employee	4	2	2	2	2	2	2	2	2								48
Mexico Med - EE + Spouse	7	7	6	7	7	7	6	6	6								75
Mexico Med - Child(ren)	8	7	9	9	9	9	9	9	9								99
Mexico Med - Family	23	24	24	23	25	24	26	25	25								303
Dental US & Mexico - Employees	137	134	132	133	136	138	140	140	138								1627
Dental US & Mexico - Spouse	3	5	7	4	6	6	6	6	6								38
Dental US & Mexico - Children	33	31	32	34	31	31	31	30	30								375
Dental US & MX - Family	26	29	27	29	29	29	29	29	29								294
Dental Mexico Only - Employee	2	3	3	3	2	2	2	2	2								14
Dental Mexico Only - EE + Spouse	12	12	12	12	11	9	11	11	11								138
Dental Mexico Only - Child(ren)	16	14	14	14	16	15	14	14	14								187
Dental Mexico Only - Family	28	30	29	29	31	32	31	31	31								346
Plan Contributions																	
Medical																	
US & M - EE \$604.84	\$84,072.76	\$83,467.92	\$83,467.92	\$85,282.44	\$85,887.28	\$85,887.28	\$86,492.12	\$85,887.28	\$84,677.60				\$765,122.60	\$85,013.62	\$1,020,163.47	\$1,023,765.36	
US & M - SP \$1255.16	\$7,530.96	\$8,786.12	\$8,786.12	\$8,786.12	\$5,020.64	\$6,275.80	\$10,041.28	\$10,041.28	\$10,041.28				\$75,309.60	\$8,367.73	\$100,412.80	\$95,127.84	
US & M Child(ren) \$1255.16	\$52,716.72	\$46,440.92	\$45,185.76	\$50,206.40	\$50,206.40	\$47,696.08	\$47,696.08	\$47,696.08	\$47,696.08				\$435,540.52	\$48,393.39	\$580,720.69	\$650,040.24	
USM Sp Child(ren) \$1920.04	\$51,841.08	\$65,281.36	\$65,281.36	\$63,361.32	\$63,361.32	\$65,281.36	\$65,281.36	\$65,281.36	\$65,281.36				\$570,251.88	\$63,361.32	\$760,335.84	\$576,010.65	
Mexico Med EE \$220.40	\$881.60	\$440.80	\$440.80	\$440.80	\$440.80	\$440.80	\$440.80	\$440.80	\$440.80				\$4,408.00	\$489.78	\$5,877.33	\$11,136.00	
Mexico Med - SP \$457.32	\$3,201.24	\$3,201.24	\$2,743.92	\$3,201.24	\$3,201.24	\$3,201.24	\$2,743.92	\$2,743.92	\$2,743.92				\$26,981.88	\$2,997.99	\$35,975.84	\$36,104.25	
Mexico Med - Child(ren) - \$457.32	\$3,658.56	\$4,115.88	\$4,115.88	\$4,115.88	\$4,115.88	\$4,115.88	\$3,658.56	\$4,115.88	\$4,115.88				\$36,128.28	\$4,014.25	\$48,171.04	\$47,657.61	
Mexico Family - \$667.80	\$15,359.40	\$16,027.20	\$16,027.20	\$15,359.40	\$16,695.00	\$16,027.20	\$17,362.80	\$16,695.00	\$16,695.00				\$146,248.20	\$16,249.80	\$194,997.60	\$212,993.85	
Dental																	
Dental US & Mexico EE \$36.47	\$4,996.39	\$4,886.98	\$4,814.04	\$4,850.51	\$4,959.92	\$5,032.86	\$5,105.80	\$5,105.80	\$5,032.86				\$44,785.16	\$4,976.13	\$59,713.55	\$61,175.20	
Dental US & Mexico SP \$72.93	\$218.79	\$364.65	\$510.51	\$291.72	\$437.58	\$437.58	\$437.58	\$437.58	\$437.58				\$3,573.57	\$397.06	\$4,764.76	\$2,857.22	
Dental US & Mexico Ch \$72.93	\$2,406.69	\$2,260.83	\$2,333.76	\$2,479.62	\$2,260.83	\$2,260.83	\$2,260.83	\$2,187.90	\$2,187.90				\$20,639.19	\$2,293.24	\$27,518.92	\$28,196.25	
Dental US & Mexico Fam \$91.03	\$2,366.78	\$2,639.87	\$2,457.81	\$2,639.87	\$2,639.87	\$2,639.87	\$2,639.87	\$2,639.87	\$2,639.87				\$23,303.68	\$2,589.30	\$31,071.57	\$27,591.90	
Dental Mexico Only EE \$16.28	\$32.56	\$48.84	\$48.84	\$48.84	\$32.56	\$32.56	\$32.56	\$32.56	\$32.56				\$341.88	\$37.99	\$455.84	\$234.92	
Dental Mexico Only SP \$32.54	\$390.48	\$390.48	\$390.48	\$390.48	\$357.94	\$292.86	\$357.94	\$357.94	\$357.94				\$3,286.54	\$365.17	\$4,382.05	\$4,629.90	
Dental Mexico Only Ch \$32.54	\$520.64	\$455.56	\$455.56	\$455.56	\$520.64	\$488.10	\$455.56	\$455.56	\$455.56				\$4,262.74	\$473.64	\$5,683.65	\$6,273.85	
Dental Mexico Only Fam \$43.39	\$1,214.92	\$1,301.70	\$1,258.31	\$1,258.31	\$1,345.09	\$1,388.48	\$1,345.09	\$1,345.09	\$1,345.09				\$11,802.08	\$1,311.34	\$15,736.11	\$15,476.58	
Actual Contributions	\$231,409.57	\$240,110.35	\$238,318.27	\$239,403.03	\$242,738.15	\$244,009.10	\$246,352.15	\$245,463.90	\$244,181.28				\$2,171,985.80	\$241,331.76	\$2,895,981.07	\$2,799,271.62	
Plan Distributions																	
Medical Claims US & MX	-\$29,204.30	-\$110,803.51	-\$122,741.32	-\$74,512.74	-\$100,739.87	-\$40,620.07	-\$92,773.52	-\$97,474.76	-\$82,066.94				-\$750,937.03	-\$83,437.45	-\$1,001,249.37	-\$614,947.74	62.82%
Medical Claims Mexico Only	-\$369.42	-\$7,473.59	-\$6,938.08	-\$6,793.58	-\$4,181.72	-\$12,510.03	-\$9,001.45	-\$9,019.34	-\$15,532.77				-\$71,819.98	-\$7,980.00	-\$95,759.97	-\$201,468.09	-52.47%
RX US & MX	-\$27,443.59	-\$38,158.74	-\$37,099.94	-\$25,025.32	-\$33,451.94	-\$30,128.30	-\$41,103.35	-\$32,418.62	-\$42,343.82				-\$307,173.62	-\$34,130.40	-\$409,564.83	-\$219,013.95	87.00%
RX Mexico Only	-\$12,471.55	-\$2,832.91	-\$9,275.09	-\$3,574.79	-\$1,515.54	-\$11,820.59	-\$11,615.54	-\$11,615.54	-\$11,615.54				-\$61,026.21	-\$6,780.69	-\$81,368.28	-\$94,554.00	
Dental US	-\$5,873.98	-\$5,269.13	-\$6,427.19	-\$2,384.85	-\$5,424.34	-\$2,978.61	-\$904.17	-\$2,925.36	-\$2,042.42				-\$34,348.05	-\$3,816.45	-\$45,797.40	-\$41,048.73	11.57%
Dental Mexico	-\$1,437.70	-\$3,027.65	-\$2,101.00	-\$5,652.60	-\$3,661.06	-\$10,381.79	-\$1,356.00	-\$9,474.06	-\$13,349.19				-\$50,441.05	-\$5,604.56	-\$67,254.73	-\$49,813.85	35.01%
Total Claims Paid	-\$64,328.99	-\$177,204.17	-\$178,140.44	-\$123,644.18	-\$151,151.72	-\$104,503.16	-\$146,654.03	-\$163,132.73	-\$166,986.52				-\$1,275,745.94	-\$141,749.55	-\$1,700,994.59	-\$1,220,846.36	39.33%
EBSO TPA Medical fee \$24.50	-\$6,296.50	-\$6,492.50	-\$6,198.50	-\$6,419.00	-\$6,664.00	-\$6,370.00	-\$6,615.00	-\$6,443.50	-\$6,394.50				-\$57,893.50	-\$6,432.61	-\$77,191.33	-\$73,696.00	4.74%
EBSO Dental Admin \$3.00	-\$774.00	-\$792.00	-\$759.00	-\$780.00	-\$813.00	-\$777.00	-\$807.00	-\$786.00	-\$780.00				-\$71,819.98	-\$7,980.00	-\$95,759.97	-\$9,105.00	3.50%
BCBS Network Fee \$16	-\$3,762.50	-\$3,902.50	-\$3,710.00	-\$3,867.50	-\$3,902.50	-\$3,867.50	-\$3,990.00	-\$3,867.50	-\$3,832.50				-\$34,702.50	-\$3,855.83	-\$46,270.00	-\$43,452.50	6.48%
Siamed Admin Fee \$4.25	-\$1,100.75	-\$1,134.75	-\$1,083.75	-\$1,122.00	-\$1,164.50	-\$1,113.50	-\$1,156.00	-\$1,126.25	-\$1,117.75				-\$10,119.25	-\$1,124.36	-\$13,492.33	-\$12,898.75	4.60%
ACA Reporting \$3.00	-\$771.00	-\$795.00	-\$759.00	-\$786.00	-\$816.00	-\$780.00	-\$810.00	-\$789.00	-\$783.00				-\$7,089.00	-\$787.67	-\$9,452.00	-\$9,024.00	
Stop Loss/Reinsurance Premium	-\$47,309.32	-\$49,983.60	-\$47,290.07	-\$48,390.40	-\$51,186.95	-\$47,622.91	-\$49,954.20	-\$49,433.09	-\$49,121.78				-\$440,292.32	-\$48,921.37	-\$587,056.43	-\$513,224.85	14.39%
Reinsurance Fees (PPCORI)																	
Healthiest You	-\$2,024.00	-\$2,024.00	-\$2,032.00	-\$2,064.00	-\$2,064.00	-\$2,064.00	-\$2,072.00	-\$2,040.00	-\$2,024.00				-\$18,408.00	-\$2,045.33	-\$24,544.00	-\$20,384.00	20.41%
EAP Preferred	-\$554.04		-\$1,108.08	-\$554.04		-\$554.04	-\$554.04	-\$554.04	-\$1,383.08				-\$4,707.32	-\$523.04	-\$6,276.43	-\$6,089.84	3.06%
Adjustments Prior Period																	
Other	-\$551.13	-\$589.30	-\$981.15	-\$1,114.40	-\$1,093.53	-\$1,057.86	-\$1,185.76	-\$546.48	-\$1,343.73				-\$8,463.34	-\$940.37	-\$11,284.45	-\$10,777.15	
Consultant Comp	-\$9,065.00	-\$9,345.00	-\$8,925.00	-\$9,240.00	-\$9,590.00	-\$9,170.00	-\$9,520.00	-\$9,275.00	-\$9,200.00				-\$83,335.00	-\$9,259.44	-\$111,113.33	-\$106,225.00	4.60%
Total Fixed Costs	-\$72,208.24	-\$75,058.65	-\$72,846.55	-\$74,337.34	-\$77,294.48	-\$73,376.81	-\$76,664.00	-\$74,306.82	-\$75,985.34				-\$672,078.23	-\$74,675.36	-\$896,104.31	-\$804,877.09	11.33%
Total Claims & Fixed Costs	-\$136,537.23	-\$252,262.82	-\$250,986.99	-\$197,981.52	-\$228,446.20	-\$177,879.97	-\$223,318.03	-\$237,439.55	-\$242,971.86				-\$1,947,824.17	-\$216,424.91	-\$2,597,098.89	-\$2,025,723.45	28.21%
Plan Recoveries																	
Specific Stop-Loss			\$47,398.11	\$3,131.75			\$20,286.22		\$40,642.95				\$111,459.03	\$12,384.34	\$148,612.04	\$21,055.50	605.81%
Aggregate Stop-Loss																	
Refunds, Subrogation																	#DIV/0!
Cobra																\$649.40	-100.00%
Plan Adjustment																	



- Thank You for your
Business

Employee Benefit Trust Board Meeting

4. A.

Meeting Date: 05/05/2021

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

SUMMARY:

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

RECOMMENDATION / SUGGESTED MOTION:

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

Fiscal Impact

Fiscal Impact:

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

Attachments

- 2013 Broker Agreement
 - 2018 Broker Amendment
 - 2019 Broker Amendment
 - Commission history up to 2019
 - 2021 Broker Amendment Agreement
-

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:

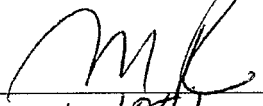
If to Covered Entity:

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): Raula Uly

Title: CITR Mgr

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

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

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

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

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

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

Susan Posada Agency Inc.

Signed: _____

Date: _____

Name (Print): _____

Title: _____

Signed: _____

Date: _____

Name (Print): _____

Title: _____

[Handwritten Signature]

8/1/16

Gerardo Sanchez

Mayor

[Handwritten Signature]

8/23/2018

Susan Posada

Broker

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

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

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: _____

Employee Benefit Trust Board Meeting

6. A.

Meeting Date: 05/05/2021

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. and possible recommendations to City Council. **(Susan Posada, Broker and Consultant)**

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 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. EBSO takes 5% of that total. From that percentage, EBSO determines the rate Per Employee Per Month (PEPM) . The City pays that PEPM for each employee and dependent enrolled each month. EBSO pays the Broker and invoices the City.. The PEPM rate is expected to be less than in prior years. In 2013, the rate was \$34.07. This year it is expected to be \$31.00. Ms. Posada will have the final figure from EBSO before or at the time of the meeting.

RECOMMENDATION / SUGGESTED MOTION:

I MOVE TO _____

Fiscal Impact

Fiscal Impact:

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

Attachments

2018 Broker Amendment
2019 Broker Amendment
2021 Broker Amendment Agreement
2013 Contract
Commission History

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

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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

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.

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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, 2019, Exhibit 1, page 7

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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: _____

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:

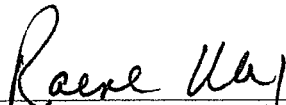
If to Business Associate:

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): Raula Uly
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