

May 9, 2019

SPECIAL MEETING NOTICE

The following meeting will be held on **MONDAY, May 13, 2019**, in the Council Chambers, Virginia City Hall at 9:00 A.M.

1. Review Insurance Plan Options Effective July 1, 2019
2. Quotes for Agent of Record Effective July 1, 2019
3. Discuss Memorandum of Understanding (MOU) for Insurance Changes (This portion of meeting may be closed as per Minn. Stat. § 13D.03, subd. 1.)
4. Other Items of Concern

Pamela LaBine
City Clerk

cc: Mayor & City Council
Department Heads: City Administrator, City Attorney, City Clerk, Police Chief, Fire Chief, Library Director, Engineering Department, Public Works Team Coordinator, Finance/Human Resources/Safety Director, Parks and Recreation Director

(1)

CITY OF VIRGINIA CURRENT PLAN

NORTHEAST SERVICE COOPERATIVE
CCOGA POOL RENEWAL



City of Virginia
Effective January 1, 2019

Plan	Description	Min Value	Coverage	Contracts *	Current rates	New rates 1-1-2019
\$1200 Ded, 100%, Aware		89%	Single Family	99 163	\$828.50 \$2,144.50	\$931.00 \$2,410.50
				Monthly Premium Annual Premium	\$431,575 \$5,178,900	\$485,081 \$5,820,966
\$1200 Ded 100%, Northeast MN Network		89%	Single Family	0 3	\$743.00 \$1,920.50	\$835.00 \$2,158.50
TOTAL ALL PLANS					\$437,337 \$5,248,038	\$491,556 \$5,898,672
				% Annual Adjustment \$ Annual Adjustment		12.4% \$650,634

* Contract enrollment as of 3-1-2018

The new rates described above will become effective 1-1-2019 and will be guaranteed for a one year period through 12-31-2019.

PEIP PROPOSAL

A. Health Coverage Rates - City of Virginia

*Rates are effective 7/1/2019 and guaranteed for 18 months with the renewal on 1/1/2021.

	Monthly Premium for Active Employees		<u>Total Rate</u>
	<u>Rate</u>	<u>Commission*</u>	
Advantage Plan			
Single	\$ 850.52	\$28.06	\$ 878.58
Family	\$2,270.88	\$28.06	\$2,298.94
Value Plan			
Single	\$ 763.82	\$28.06	\$ 791.88
Family	\$2,039.38	\$28.06	\$2,067.44
HSA Plan			
Single	\$ 610.00	\$28.06	\$ 638.06
Family	\$1,628.68	\$28.06	\$1,656.74

*Note: The **Rate** above is quoted net of commission, as standard practice. The requested \$28.06 PEPM for agent **commission** is added as a fixed cost to the rates for the **Total Rate**, as directed.



Please sign below to accept Rates in Financial Section III, pages 9-11 in this proposal.
Return signed sheets with your completed Group Application.

Employer Name

Authorized Signature

Date

City Of Virginia

Proposed Fully Insured Rates

Coverage Effective Date: 07/01/2019

Proposed Months 12

Min Value		Proposed Rates
89%	PLAN 1	
	\$1200 Ded, 100%, Aware	
	Single 96	\$931.00
	Family 159	\$2,410.50
	Annual Total Premium	\$5,671,746
89%	PLAN 2	
	\$1200 Ded 100%, Northeast MN Network	
	Single 1	\$835.00
	Family 3	\$2,158.50
	Annual Total Premium	\$87,726
	Group Total 259	\$5,759,472

- Rates include 0.25% commission



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HEALTHPARTNERS PROPOSAL



City of Virginia

Effective Date: July 1, 2019

National ONE Deductible VEBA	
In Network:	\$1,200x2 ded., 100% after ded. (Formulary only Rx), \$1,200x2 oop max
Out of Network:	\$1,200x2 ded., 80% after ded., \$3,500/\$6,500 oop max
	* Rates assume group will be contributing \$1,200/\$2,400 toward the employee's VEBA.
Rx is Creditable	
	Open Access
	<u>Rates</u>
Single	\$936.89
Family	\$2,425.69

- * Quote will expire on July 1, 2019
- * Quote is contingent upon the Underwriting Requirements and Provisions.
- * Rates include 1.00% Broker Commission.
- * If this group has elected an EAP product; the EAP fee is not included in the medical plan rates and should be billed separately.
- * If selling an EZ plan, please refer to EZ plan summaries to determine creditable coverage.

Table 1 Guaranteed Rates

	Plan Year 2019	Plan Year 2020	Plan Year 2021
\$1200-100% VEBA			
Single	\$936.89	\$1021.21	\$1133.54
Family	\$2425.69	\$2644.00	\$2934.84

AGENT OF RECORD QUOTES

AGENCY	COMMISSION RATE FOR CONVENTIONAL HEALTH PLANS <small>(BC/BS, HEALTH PARTNERS, NESC PLANS)</small>	COMMISSION RATE FOR PEIP PLAN
Greater MN Agency	\$8.00 per contract/per month	\$15.00 per contract/per month
Range Reliable Agency	\$5.00 per contract/per month	\$5.00 per contract/per month
AT Group*	\$7.54 per contract/per month	\$7.54 per contract/per month

* This contract includes additional services such as COBRA Administration