

Minnehaha Creek Watershed District

REQUEST FOR BOARD ACTION

MEETING DATE: 5-12-16

ITEM TYPE: Action Consent Discussion

TITLE: Recommendation to Renew the District Health Insurance Plan with Health Partners for plan year 2016-2017.

RESOLUTION NUMBER: 16-046

PREPARED BY: David Mandt

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REVIEWED BY: Administrator Counsel Program Mgr. (Name): _____
 Board Committee Engineer Other

WORKSHOP ACTION:

<input type="checkbox"/> Advance to Board mtg. Consent Agenda	<input type="checkbox"/> Advance to Board mtg. Consent Agenda with changes
<input type="checkbox"/> Advance to Board mtg. for more discussion	<input type="checkbox"/> Refer to a future workshop (date): _____
<input type="checkbox"/> Return to staff for additional work	<input type="checkbox"/> Refer to taskforce or committee (date): _____
<input type="checkbox"/> No further action requested.	<input checked="" type="checkbox"/> Other (specify): <u>Approval at the Workshop</u>

PURPOSE or ACTION REQUESTED:

Staff recommends approval from the Board of Managers to renew the District Health Insurance Plan with Health Partners for the 2016-2017 plan year as proposed by Bearence Management Group. The plan is set to renew on June 1, 2016.

PROJECT/PROGRAM LOCATION:

District wide for MCWD staff eligible to receive benefits.

PROJECT TIMELINE:

The district medical benefit plan is renewed on an annual basis with a plan year starting on June 1st of the current calendar year and running until May 31st of the following year. District Staff have worked with Bearence Management group to receive, review and refine the specifics for a high deductible, health savings account blend offering from Health Partners.

PROJECT/PROGRAM COST:

The District annually allocates a 10% budget increase in the general operations budget each year per standard business practice for District staff's Health Benefit plan and is annually approved by the Board. The current renewal presented by Bearence for the Health Partners Plan proposal for the 2016-2017 plan year reflects a 3.14% change and is within the approved budget.

Is a budget amendment requested? No.

Is additional staff requested? No.

PAST BOARD ACTIONS:

- 2-11-2011: Board of Managers approved the change from a Traditional to a High Deductible Blend Plan
- 5-12-2011: Board of Managers approved Update to Health Plan Health Savings Account Contributions
- 9-4-2014: Staff presents Health Plan Budget Number as part of Budget Presentation, Board of Managers approves District Budget
- 10-23-2014: Board of Managers receive and approve Compensation and Classification Study from Springsted, Inc., which includes review of District Benefit offerings
- 12-10-2015: Staff presents Health Plan Budget Number as part of Budget Presentation, Board of Managers approves District Budget

SUMMARY:

In 2011, the District approved a change in its Health Insurance Plan, switching from traditional coverage to a High Deductible Blend health plan. The process included staff directing Bearence Management Group to examine multiple types of health care plans and the creation of a High Deductible Blend plan proposal for the Board of Manager's approval. A high deductible blend plan is designed to reduce monthly premiums for the employer and employee, slow or reduce the amount of increase in annual premiums, promote employee management of their medical funds as well as promote more efficient visits to medical providers. The Board of Managers approved the High Deductible plan on February 10, 2011.

In 2014, the Board of Managers directed Springsted, Inc. to complete a Compensation and Classification Study, including a review of the District Benefits Offering. The Board of Managers Received and approved the Compensation and Classification Study on October 23, 2014.

The MCWD medical plan is renewed on an annual basis, currently set with a renewal date of June 1, 2016. The current benefit provider is Health Partners and they have provided a proposal for an equal in services renewal plan with an increase of 3.14%.

Staff recommends that the Board of Managers accept the renewal of the District Health Plan with Health Partners as proposed by Bearence management.

RESOLUTION

RESOLUTION NUMBER: 16 -046

TITLE: Renewal of the District Health Care Plan from Health Partners as proposed by Bearance Management Group with a renewal of 3.14% for the plan year starting June 1, 2016 to May 31, 2017.

WHEREAS, The MCWD provides medical benefits for eligible staff as a condition of employment defined in the employee letter of hire; and

WHEREAS, The MCWD budgets for medical benefits annually; and

WHEREAS, The MCWD benefit agent Bearance Management Group solicits annual renewal plan proposals from providers, including our current provider and presents a proposal for District staff to review; and

WHEREAS, District staff and Bearance Management Group are providing a recommendation to accept the Health Partners renewal reflecting a 3.14% increase from last year, which is within the allocated budget amount; and

NOW, THEREFORE, BE IT RESOLVED that the Minnehaha Creek Watershed District Board of Managers; accepts the 3.14% plan increase and the 2016-2017 plan renewal of the District Health Care Plan from Health Partners as presented by Bearance Management Group and recommended by staff.

Resolution Number 16-046 was moved by Manager _____, seconded by Manager _____.
Motion to adopt the resolution ___ ayes, ___ nays, ___ abstentions. Date: _____.

_____ Date: _____
Secretary

Bearence Management Group's role as Minnehaha Creek Watershed District's broker is to be your specialist in the risk management. We become your partner to reduce your exposure by redefining risk. "What we mean by 'redefining' risk is we evaluate the entire risk profile with our customers and determine what solutions will fit the situation"- Joe Teeling, Chairman & CEO of Bearence Management Group. Our job is to understand the industry Minnehaha Creek Watershed District is a part of and make sure you are covered for any unexpected events.

With the Affordable Care Act (ACA) upon us, the health insurance industry is changing frequently. Your partners at Bearence stay up to date on the developments of the law to keep Minnehaha abreast of potential impacts such as additional costs due to the Cadillac Tax. This is why Bearence provides you with a renewal booklet every year that contains the amended annual benefits compliance documents. It is our job to keep Minnehaha aware of the compliance rules with the benefits laws.

Bearence provides additional resources to prevent potential claims. These include, but are not limited to, Human Resources Support by sharing e-mail blasts, current articles, and webinars provided by our vendor partners. We can also take the time set up online portal access so the staff at Minnehaha can focus on more pressing matters. Since we receive our compensation from the carriers we help you select, we are able to provide these services to you free of charge.

Your team at Bearence is responsible for being versed in the insurance markets. We use that knowledge to work with Minnehaha to find the best solutions for your business. Part of our job is to review available products throughout the year. Bearence works with the executives at Minnehaha to gather data and then finds available insurance options to ensure appropriate coverage is obtained. In order to do that your brokers at Bearence study trends both in the insurance market as well as Minnehaha's industry. The research provides us with insight to the risks of your business as well as what solutions will help us support your core values.

Bearence has determined that HealthPartners is an excellent health insurance solution for Minnehaha for multiple reasons. HealthPartners offers a large nationwide network in conjunction with Cigna so your employees are covered while traveling outside of Minnesota. HealthPartners also offers lower deductible health savings plans with preventative drug co-pays. This provides your employees with some of the lowest out of pockets available as well as benefits before their deductibles are met.

The role of your broker has become increasingly important since community rates have gone into effect. These rates started affecting small groups as health insurance renewals occurred after January 1, 2014. In the case of Minnehaha, community rates were applied in June of 2014. The community rates removed a great amount of pricing competition from the fully insured small group health insurance market as health underwriting for groups of less than 50 employees. With the rates becoming very similar, small employer have to rely on brokers to find the market and plans that suit their needs.

The role of Bearence as your broker is to be Minnehaha Creek Watershed District's partner who supports your business by managing risk. We accomplish this by being thorough and complete in our research of our markets and your business. By collaborating with the team at Minnehaha, we find innovative solutions to protect you from chance of loss. As your partner, we are driven to serve you.

	2011				2012				2013				2014				2015				2016			
	Current Plan MIC PP MN \$25/100%		Renewal Plan MIC PP MN \$2000-100%(HSA)		Current Plan MIC PP MN \$2000-100%(HSA)		Renewal Plan Medica PP MN 2000- 100% HSA		Current Plan Medica PP MN 2000-100% HSA		Renewal Plan Medica PP MN 2000-100% HSA		Current Plan Medica PP MN 2000- 100% HSA		Renewal Plan Health Partners Empower HSA 2000-100 Open Access		Current Plan Health Partners Empower HSA 2000-100 Open Access		Renewal Plan HealthPartners Empower HSA Rx Plus Rx Plus 2000- 100 Open Access Non Tobacco		Current Plan HealthPartners Empower HSA Rx Plus Rx Plus 2000- 100 Open Access Non Tobacco		Renewal Plan HealthPartners Empower HSA 2000- 100 Open Access	
<i>Employee Only and Average Premium</i>	17	\$365	13	\$292	13	\$292	18	\$333	18	\$333	16	\$396	16	\$396	22	\$360	22	\$360	25	\$366	25	\$366	25	\$390
<i>Number of Spouses and Average Premium</i>	5	\$419	6	\$303	6	\$303	10	\$298	10	\$298	11	\$400	11	\$400	12	\$415	12	\$415	12	\$436	12	\$436	12	\$465
<i>Number of Children and Average Premium</i>	9	\$256	7	\$202	7	\$202	15	\$215	15	\$215	19	\$220	19	\$220	25	\$222	25	\$222	25	\$235	25	\$235	23	\$242
<i>Number of Staff on Payment in Leau</i>	4	\$1,877	monthly	average	4	\$1,688	monthly	average	3	\$942	monthly	average	3	\$950	monthly	average	2	\$611	monthly	average	1	\$415	per	month
Total Staff:	21		17		17		22		21		19		19		25		24		27		26		26	
% of change at renewal					3.00%		12.50%				5.44%				0.87%				5.30%				3.14%	

	HSA Contributions	HRA Contributions
2011-2012	\$15,600.00	\$1,564.73
2012-2013		\$5,676.11
2013-2014		\$7,277.81
2014-2015		\$7,500.00
YTD 2015-2016		\$5,440.66