



PERSONNEL AND BENEFITS

Wednesday, August 25, 2021 at 7:30 a.m.
Memorandum

Mr. Kimbell called the meeting to order at 7:30 a.m.

Members Present: Committee Chair Jeff Kimbell, member Eric Hand and Board President Carl Mills. Others in attendance were Utility Director Andrew Williams, Controller Cindy Sheeks, Administrative Assistant Maggie Crediford and Huntington Insurance Agent Guy Vahle.

Mr. Ryerson was absent

Public Comment

There was no one present from the public.

Safety Update

Mr. Williams said it has been over 200 days without a lost time accident. Staff continues to do routine maintenance around the facility to make sure all safety requirements are being met, including checking fire extinguishers and safety lighting. TriCo recently participated in the Operator's Challenge hosted by the IWEA. TriCo staff members were instructors for the safety section of the challenge. Twelve teams from throughout the state participated.

Health Insurance Options

Mr. Williams said due to the large increase in premiums for 2021 the committee and staff wanted to begin reviewing options earlier this year. Mr. Vahle from Huntington Insurance was invited to give an overview of the different types of insurance plans available.

Mr. Vahle gave a presentation on the different types of coverage and funding options available in the marketplace. From 2014 to 2021 TriCo has seen increases and revised renewals throughout the years. The goal is to keep costs reasonable for the Utility without sacrificing benefits for the employees. Moving to different carriers every year is not good for employees because they may have to adjust doctors or ask their doctor to participate with another insurance carrier. However, it might be a consideration depending on the premium costs for 2022 to keep current benefits. Mr. Kimbell asked how the benefits from 2014 compare to the benefits of 2021. Mr. Vahle said he has been working with TriCo since 2016 and the deductible has hovered around \$1500. In 2021 the deductible was increased to \$2500 but the benefits have remained stable. Mr. Williams said TriCo's plan was grandfathered in for several years so benefits and deductibles remained constant as long as changes were not made to the plan.

Fully insured options are available through Anthem, United Health Care, PHP, Indiana Chamber, and IPEP. Level funded options are provided through All Savers (United Health Care), Cigna, and some standalone Indiana or Chicago based third party administrators. There are also Health Reimbursement Arrangement (HRA) and Post deductible HRA options. Mr. Vahle gave a presentation with examples of the different options available. (see attached slides from the presentation).

With fully insured options, 100% of the premium is paid and if there are fewer claims than expected the insurance provider would keep the profit from the unused premiums; but if there are higher claims, they cover the losses. Level funding options have set administrative costs with stop loss insurance. If claims come in lower than expected the company receives the difference back. Mr. Williams asked if being max rated implies that TriCo's claims are high. Mr. Vahle said he isn't sure because claims change each year, and it depends on the underwriter's perception when reviewing the company. Mr. Hand asked if there is a cap with level funding. Mr. Vahle said if the maximum funding is \$10,000 per month, you won't pay any more than \$120,000 a year even if claims go way above what was anticipated. It is covered by the stop-loss insurance and the carrier providing that policy. Mr. Kimbell asked if self-funded options would be just for TriCo or could TriCo be in a larger pool with other companies. Mr. Vahle said TriCo could be in a pool. There are associations available but TriCo cannot do a multiple employer welfare plan. Mr. Kimbell asked if there are many companies that choose self-funded plans with small numbers of employees. Mr. Vahle said the trend is moving towards self-funded plans. Indiana has one of the highest health care costs and self-funded options were created because costs were becoming so high.

Health Reimbursement Arrangements (HRAs) are account-based health plans offered by employers that reimburse employees for their medical expenses as they arise. Employees are reimbursed tax-free up to the maximum amount the employer will reimburse for health care costs within a certain amount of time. Employers may allow unused funds to roll over from year to year. Employers can extend coverage to both the employee and the employee's household members. HSA and HRA funds can be given at the same time without a tax liability.

TriCo will get health questionnaires out to employees in September so the information can be sent to the insurance companies early this year. Most companies won't start quoting policies until October 15, 2021; however, it generally is much later than that. Companies want to wait until the renewal quote is received by Anthem before issuing their quotes. Once quotes are received from the insurance providers, they are good for 90 days.

Other Business

Mr. Williams revisited the prior Committee discussion regarding the Utility's policy regarding military duty accommodations. The Utility follows State and Federal law regarding employees that take time off for military service. Some employers go above that and provide differential pay for employees. Mr. Williams discussed with the

Committee if this is something the Utility should consider. The Utility is compliant with current law and will leave the policy as it is.

Adjournment

The meeting adjourned at 8:41 a.m.

Respectfully Submitted,



Andrew Williams, Utility Director



2022 Pre-Renewal Discussion

Agenda:

- Introductions
- Medical Plan Renewal History
- Market alternatives
- Questions



2014 – 2020 Renewal History with Anthem



TriCO Regional Sewer Utility Anthem Rate History

	Anthem Renewal	Final	
1/1/2021	21.67%	8.66%	w/plan changes
1/1/2020	5.28%		
1/1/2019	0.00%		
1/1/2018	32.64%		
12/1/2017	0.00%		
12/1/2016	5.64%	3.52%	revised
12/1/2015	6.50%	0.20%	revised
12/1/2014	7.77%		



Market Alternatives



Fully Insured Medical Plan options

- Anthem
- United Healthcare
- PHP
- Indiana Chamber Plan
- IPEP Indiana Public Employers Plan (Anthem)

Level Funded Plan Options

There are a few carriers and third-party administrators that offer Alternate Funded plan.

- United Healthcare (All Savers)
- Cigna's Level Funded option
- A few stand-alone third-party administrators

HRA and Post Deductible HRA Options



Alternate Funding Options



How does alternate funding work?

Traditional insurance is a fixed cost.

With traditional plans, the business pays a fixed premium to the insurance company, and then the insurance company pays the health care claims as well as the administrative costs, sales commissions and taxes.

If the actual health care claims are higher than expected, the insurance company covers them. But if the claims are lower than expected, the insurance company keeps the difference. This means your company doesn't get anything back if your employees have lower-than-expected claims.

Alternate funding plans are different.

With Alternate Funding, if the covered health care claims are lower than expected, your plan may get money back at the end of the year (where allowed by state law). And if the covered claims are higher than expected, your stop-loss insurance policy covers them.

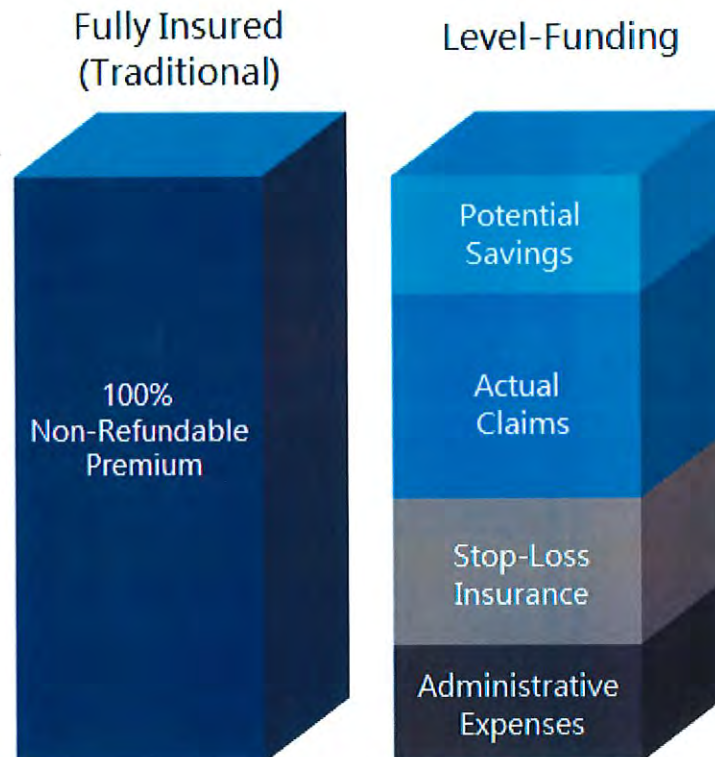
- The plan is a "level-funded" plan, so your company will make the same monthly claims funding payment throughout the plan year. You won't have to pay any more for claims at the end of the plan year, even if you have high claims costs.
- Self-funded medical plans are not subject to most state insurance mandates or state insurance premium taxes, which can mean lower costs throughout the year. (However, stop-loss coverage is still subject to premium tax.



Alternate Funding Options



A level-funded or Alternative funded plans are a **type of self-insurance** that includes monthly cash flow stabilization. That means you pay for the health insurance you use (like all self-insurance plans). But with level-funding, you have a cap on costs. It's also known as "level-funding" or a "partially self-funded" plan.



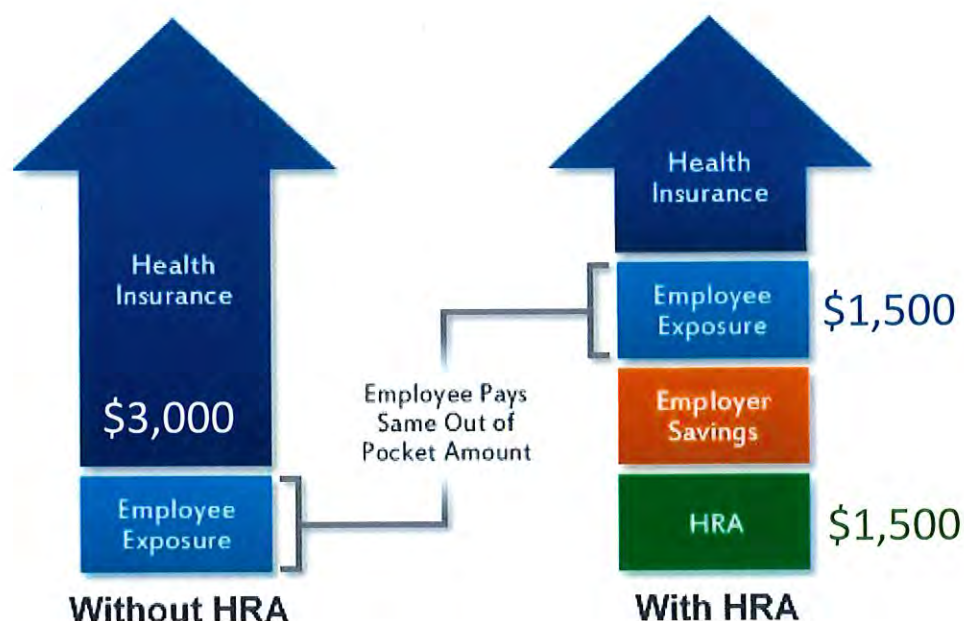


Health Reimbursement Arrangements



Health Reimbursement Arrangements (HRAs) are account-based health plans offered by employers that reimburse employees for their medical expenses:

- Employees are reimbursed tax-free up to the maximum amount the employer will reimburse for health care costs within a certain amount of time.
- Employers may allow unused funds to roll over from year to year.
- Employers can extend coverage to both the employee and the employees' household members.





Health Reimbursement Arrangements



A Post Deductible HRA's allows a company to contribute funds into an individuals HSA account and be reimburse members for medical expenses as long as the plan deductible is at least \$1,400 for self-only coverage or \$2,800 for family coverage for the 2021 plan year. This plan is called a Post-Deductible HRA.

EXAMPLE: Your employer offers a medical plan with a \$3,000 deductible for self-only coverage. The HRA reimburses \$500 of the deductible expenses above \$1,500.

HRA Health Reimbursement Arrangement

Deductible \$3,000

EE	\$1,000
ER HRA	\$500
EE	\$1,500

Employee would still have a \$3,000 annual Exposure but \$500 would be reimbursed by Trico making the annual Deductible feel like \$2,500

Post Deductible HRA with HSA Contributions

Deductible \$3,000

EE	\$1,000
ER HRA	\$500
EE	\$1,500
ER HSA	\$1,000

Employee would still have a \$3,000 annual Exposure but \$500 would be reimbursed by Trico and \$1,000 would be contributed into the members HSA account making the overall annual single deductible feel like \$1,500



Health Reimbursement Arrangements



Carrier Plan Name	Anthem Jan 2020 Anthem Plan	Anthem Jan 2021 Renewal	Anthem Current Plan 2021	Anthem Current Plan with HRA	Anthem Option 1 with HRA	Anthem Option 2 with HRA
	HSA Opt 1 Blue 6	HSA Opt 1 Blue 6	HSA Opt 3 RX5	HSA Opt 3 RX5	Lumenos Option 5	Lumenos Option 6
Single / Family Deductible	\$1,500 / \$3,000	\$1,500 / \$3,000	\$2,500 / \$5,000	\$2,500 / \$5,000	\$3,000 / \$6,000	\$3,000 / \$6,000
Coinsurance	80% / 20%	80% / 20%	100%	100%	100%	80%
Out of Pocket Maximum	\$3,000 / \$6,000	\$3,000 / \$6,000	\$3,500 / \$7,000	\$3,500 / \$7,000	\$4,000 / \$8,000	\$5,950 / \$11,900
Office Visit - PCP	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Office Visit - Specialist	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Virtual Visits	N/A	N/A	N/A	N/A	N/A	N/A
Emergency Room Visit	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Urgent Care Visit	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Diagnostic Lab/X-Ray	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Complex Imaging	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
Inpatient Hospital	Deduct then 20%	Deduct then 20%	Deduct then 0%	Deduct then 0%	Deduct then 0%	Deduct then 20%
	Non-Network	Non-Network	Non-Network	Non-Network	Non-Network	Non-Network
Single / Family Deductible	\$3,000 / \$6,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$10,000 / \$20,000	\$6,000 / \$12,000
Coinsurance	60%/40%	70%	70%	70%	30%	50%
Out of Pocket Maximum ¹	\$6,000 / \$12,000	\$10,000 / \$20,000	\$10,000 / \$20,000	\$10,000 / \$20,000	\$20,000 / \$40,000	\$12,000 / \$24,000
Prescription Drugs:						
Retail Copays	Deduct then 20%	Deduct then \$10 / \$30 / \$60 / 25% \$200 max	Deduct then \$10 / \$30 / \$60 / 25% \$200 max	Deduct then \$10 / \$30 / \$60 / 25% \$200 max	\$10 / \$30 / \$60 / 25% \$300 max	\$10 / \$30 / \$60 / 25% \$300 max
Mail Order Copays	Deduct then 10%	Deduct then \$10 / \$75 / \$180 / 25% \$200 max	Deduct then \$10 / \$75 / \$180 / 25% \$200 max	Deduct then \$10 / \$75 / \$180 / 25% \$200 max	Previe RX No Charge after Ded	Previe RX No Charge after Ded

				Lumenos Option 5	Lumenos Option 6
		2020	2021	2021	2021
Employees		Current Anthem Plan	Renewal	Renewal w/ plan change	Current Plan with HRA
EE	2	\$708.41	\$861.93	\$769.77	\$769.77
ES	1	\$1,487.67	\$1,810.06	\$1,616.53	\$1,616.53
EC	2	\$1,275.14	\$1,551.48	\$1,385.59	\$1,385.59
Family	14	\$2,054.40	\$2,499.60	\$2,232.34	\$2,232.34
Total	19				
Monthly Premium		\$34,216.37	\$41,631.28	\$37,180.01	\$37,180.01
Annual Premium		\$410,596.44	\$499,575.36	\$446,160.12	\$446,160.12
HSA Contributions					\$0.00
HRA Contributions					\$0.00
					\$446,160.12
					\$421,920.96
					\$381,068.88
% Increase			21.67%	8.66%	8.66%
\$ Increase			\$88,978.92	\$35,563.68	\$35,563.68
					\$11,324.52
					-\$29,527.56



Health Reimbursement Arrangements



HRA Exposure Per Tier		HRA Total Exposure		HSA Contributions	
Employee	\$0.00	Employee	\$0.00	Employee	\$0.00
EE + Dep	\$0.00	EE + Dep	\$0.00	Employee + Dep	\$0.00
		Total	\$0.00		
				HSA Contributions	
				Total Employee	\$0.00
				Total Employee + Dep	\$0.00
Utilization %	HRA Utilization %				
25%	Employee	\$0.00			
	EE + Dep	\$0.00			
	Total	\$0.00			
			Total All	\$0.00	

Anthem		Anthem	
Option 1		Option 2	
Lumenos Option 5		Lumenos Option 6	
\$3,000.00	\$6,000.00	\$3,000.00	\$6,000.00
100%		80%	
\$4,000.00	\$8,000.00	\$5,950.00	\$11,900.00
New Deductible Change for EE		New Deductible Change for EE	
\$3,000.00	\$6,000.00	\$3,000.00	\$6,000.00
Savings From Current		Savings from Current Plan	
\$11,324.52		-\$29,527.56	

Savings From Revised Renewal	Savings from Revised Renewal
-\$77,654.40	-\$118,506.48



Questions