

ORDINANCE NO. 181-19

AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO A CONTRACT WITH MEDICAL MUTUAL OF OHIO FOR HEALTH CARE INSURANCE FOR THE EMPLOYEES OF THE CITY OF MEDINA.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MEDINA, OHIO:

- SEC. 1:** That the Mayor is hereby authorized and directed to enter into a contract with Medical Mutual of Ohio to provide health care insurance for the employees of the City of Medina, Ohio for the year 2020.
- SEC. 2:** That a copy of the renewal Contract is marked Exhibit A, attached hereto and incorporated herein.
- SEC. 3:** That it is found and determined that all formal actions of this Council concerning and relating to the passage of this Ordinance were adopted in an open meeting of this Council, and that all deliberations of this Council and any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with the law.
- SEC. 4:** That this Ordinance shall be in full force and effect at the earliest period allowed by law.

PASSED: November 25, 2019

SIGNED: John M. Coyne, III
President of Council

ATTEST: Kathy Patton
Clerk of Council

APPROVED: November 26, 2019

SIGNED: Dennis Hanwell
Mayor

ORD. 186-19
Exh. A



MEDICAL MUTUAL

Prepared For:

CITY OF MEDINA

Effective Date: 1/1/2020
End Date: 12/31/2020
County: Medina
State: Ohio

Quote ID: 0074491-03

Monday, November 4, 2019
8:39 AM



MEDICAL MUTUAL®

As part of the Affordable Care Act, health insurance issuers and group health plans are required to provide a Summary of Benefits and Coverage (SBC) to all participants (and their dependents if they reside at a different address).

The SBC(s) applicable to your current plan(s) will be available on EmployerLink or from your sales representative or broker. As the plan sponsor, you are responsible for distributing SBCs to your participants with other written application materials during open enrollment. An SBC must be provided for each benefit package in which a participant or dependent is eligible. If you do not require a written application from your participants to renew, you must provide each participant with the SBC specific to the plan in which he or she is enrolled no later than 30 days prior to the first day of the new plan or policy year.

Please review your applicable SBC(s) carefully. If you make a change that affects the information in your SBC, please contact your sales representative or broker to initiate the change and ensure new SBCs are available for your open enrollment period.



MEDICAL MUTUAL®

Federal Definitions

Full-Time Employee – Section 4980H provides that full-time employee status is determined on a monthly basis. Under § 4980H, a full-time employee with respect to any month is an employee (including a seasonal employee) who is employed, on average, at least 30 hours of service per week (or, under the rules contemplated to be included in proposed regulations, at least 130 hours of service in the calendar month). An employee who is not a full-time employee under this standard (including a seasonal employee) for a given month is taken into account in the FTE calculation. Section 4980H(c)(2)(E).

Full-Time Equivalent Employee – In determining whether an employer is an applicable large employer for the current calendar year, § 4980H provides that the employer is required to calculate the number of FTEs it employed during the preceding calendar year and count each such FTE as one FT employee for that year. All employees (including seasonal employees) who were not full-time employees for any month in the preceding calendar year are included in calculating the employer's FTEs for that month. The number of FTEs for each calendar month in the preceding calendar year would be determined using the following steps:

- (1) Calculate the aggregate number of hours of service (but not more than 120 hours of service for any employee) for all employees who were not full-time employees for that month.
- (2) Divide the total hours of service in step (1) by 120. This is the number of FTEs for the calendar month.

In determining the number of FTEs for each calendar month, fractions would be taken into account. For example, if in a calendar month employees who are not full-time employees work 1,250 hours, there would be 10.5 FTEs for that month. However, after adding the 12 monthly full-time employee and FTE totals, and dividing by 12 (the amount in Section IV.E, step (4) below), all fractions would be disregarded. For example, 49.9 FT employees for the preceding calendar year would be rounded down to 49 FT employees (and thus the employer would not be an applicable large employer in the current calendar year).

Seasonal Employee – Section 4980H provides that seasonal employees are employees who perform labor or services on a seasonal basis as defined by the Secretary of Labor, including seasonal workers covered by 29 C.F.R. § 500.20(s)(1) and retail workers employed exclusively during holiday seasons. Section 4980H(c)(2)(B)(ii). If an employer's workforce exceeds 50 FT employees for 120 days or fewer during a calendar year, and the employees in excess of 50 who were employed during that period of no more than 120 days were seasonal employees, the employer would not be an applicable large employer. It is contemplated that, for this purpose only, four calendar months would be treated as the equivalent of 120 days.



MEDICAL MUTUAL®
Renewal Form

To comply with various new components of healthcare reform, Medical Mutual needs to gather the following information in order to correctly process your group's renewal. Please review the definitions section before completing the form.
Please complete the following information for the renewing group policy:

Group Information

Group Name: CITY OF MEDINA

Group Number: # 778236

Group Certification

1. Total number of people employed by your company (exclude COBRA/retirees):
 - a. 156 # of full-time
 - b. 199 # of part-time
 - c. — # of FTes (full-time equivalent employees)
2. Total number of covered persons:
 - a. 1 # selecting COBRA
 - b. — # who are retired
3. Minimum work hours per week:
 - a. varies # of employees working 25 or more hours per week
 - b. 40 # of hours an employee must work to be eligible for coverage under this renewing group policy
 - c. 156 # of employees working the minimum number of hours disclosed in statement 3-b
4. Total number of eligible employees residing outside of Ohio: 0
5. Total number of eligible waivers (for employees not applying for coverage): 45
 - Examples of waivers include employees covered:
 - in a spouse's employer sponsored health plan
 - as an active eligible employee or retiree in another health plan sponsored by a second employer
 - covered under a parent's plan
 - covered by Medicare and/or a Medicare Supplement plan
 - in a government-sponsored plan such as: TRICARE, Medicaid or Veteran's Administration (VA) coverage
 - in subsidy-eligible individual coverage
6. Do you offer spousal coverage:
 - a. Yes
 - b. Yes, only if no other coverage is available
 - c. No



MEDICAL MUTUAL®

Renewal Form

Outside Vendor Information

- Health Savings Account (HSA)
 - Not applicable
 - Name of administrator
 - \$ / % Employer contribution toward single coverage
 - \$ / % Employer contribution toward family coverage
- Health Reimbursement Account (HRA)
 - Not applicable
 - Name of administrator
 - \$ Employer contribution toward single coverage
 - \$ Employer contribution toward family coverage
 - Who pays first?

<input type="checkbox"/> Employee	<input type="checkbox"/> Employer	<input type="checkbox"/> Other
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- Name of Pharmacy Benefit Manager (PBM): _____
- Name of Stop Loss Carrier: _____

Employer Contribution

- Employer contribution toward employee coverage: \$ 139.01/wellness or \$ 705.41 without wellness, per month
- Employer contribution toward family/dependent coverage: \$ 1,857.33/wellness or \$ 1772.91 without wellness, per month
- Has your company decreased its level of contributions toward health premium by more than 5 percent below the contribution rate on March 23, 2010, for any tier of coverage and any class of similarly situated individuals?

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Renewal Acceptance

Group Official/Broker/Consultant/Medical Mutual Rep signature: _____
 Title: Denis Howell, Mayor DH Howell
 Date: 11-26-19

This form must be returned no later than five business days before the effective date of the group's renewal



MEDICAL MUTUAL®

CITY OF MEDINA
ALL SECTIONS
INSURED RENEWAL DEVELOPMENT
Effective January 1, 2020, through December 31, 2020

Experience Period:
August 1, 2018, through July 31, 2019

	MEDICAL	DRUG	DENTAL	TOTAL
ESTIMATED INCURRED CLAIMS	\$1,886,699	\$333,929	\$81,818	\$2,302,446
POOLING ADJUSTMENT	(\$276,284)	N/A	N/A	(\$276,284)
CLAIMS TO ANNUALIZE	N/A	N/A	N/A	N/A
BENEFIT/ENROLLMENT CHANGES	N/A	N/A	N/A	N/A
CREDIBILITY & RISK ADJUSTMENTS	(\$16,767)	\$12,763	\$4,878	\$874
APPLICABLE TREND				
# months Annual	1.1446 17.0 10.00%	1.2130 17.0 14.80%	1.0285 17.0 2.00%	1.1513 10.44%
PROJECTED INCURRED CLAIMS	\$1,824,090	\$420,537	\$89,167	\$2,333,794
ADMINISTRATION & COMMISSION	\$277,222	\$27,129	\$11,337	\$315,688
PREMIUM TAX	\$0	\$0	\$0	\$0
MANDATED FEES*	\$76,323	\$0	\$0	\$76,323
RENEWAL PREMIUM	\$2,177,635	\$447,666	\$100,504	\$2,725,805
REVISED RENEWAL PREMIUM	\$1,913,742	\$450,282	\$104,438	\$2,468,462
PREMIUM AT CURRENT RATES	\$1,755,727	\$413,103	\$104,438	\$2,273,268
CHANGE IN PREMIUM	24.03%	8.37%	-3.77%	19.91%
REVISED CHANGE IN PREMIUM	9.00%	9.00%	0.00%	8.59%
Based on Average Enrollment of:				
	Single 33	33	33	
	Family 84	84	84	

Rates reflect the federally mandated fees as listed below. All fees are subject to state premium tax. Fees are subject to change. When a contract period spans more than one calendar year, the fees are averaged over the length of the period. See notes for rate details.

Mandated Fees
PCORI: \$0
Reinsurance: \$0
Market Share: \$76,323
MCO Fee: \$0
Total: \$76,323

MEDICAL MUTUAL®



CITY OF MEDINA
ALL SECTIONS
INSURED RENEWAL RATES

Effective January 1, 2020, through December 31, 2020

			Monthly Enrollment	Current Rates	Renewal Rates
# 778236					
CMM 1	\$500 Ded / 80% Coins / \$1,000 MOOP	Single Family	33 84	\$600.04 \$1,500.11	\$654.04 \$1,635.12
DRUG 1	Retail Copays: \$15 / \$30 / \$50	Single Family	33 84	\$144.18 \$352.96	\$153.89 \$384.73
DENTAL 1	Dental	Single Family	33 84	\$31.84 \$90.74	\$31.84 \$90.74

Rates include PCORI, Reinsurance and Market Share fees, when applicable, which are federally mandated. All fees are subject to premium tax. When a contract spans more than one calendar year, the fees are averaged over the length of the period.

Rate Acceptance

Group Official Initial: DK Please Initial next to the benefits that have been selected by the group.
 Group Official Signature: Dennis Hanwell
 Title: Dennis Hanwell, Mayor
 Date: 1-26-19



CITY OF MEDINA
ALL SECTIONS
DISCLAIMERS AND NOTES

Effective January 1, 2020, through December 31, 2020

- 1 - Rates include broker commission of \$11.00 PEPM based on Medical LOB only.
- 2 - All rates are subject to the terms and conditions specified in the Group Contract.
- 3 - Change in total enrollment or in any one plan of more than 10% or the elimination of a plan may require rates to be adjusted.
- 4 - Medical rates include Essential only.
- 5 - In accordance with respective state laws, coverage for dependents beyond the federal limiting age of 26 may necessitate additional premium on insured plans.
- 6 - Employers must disclose any funding of deductibles or coinsurance provided to employees. If funding is not disclosed, Medical Mutual reserves the right to adjust rates at any time during the contract period. This may result in higher than anticipated rate adjustments.
- 7 - As required by the Affordable Care Act, employees must be notified at least 60 days before the effective date of a material modification (made other than in conjunction with a renewal) if it impacts the contents of the Summary of Benefits and Coverage (SBC). Please be aware of this requirement when considering an off-renewal plan change or a change in carrier.
- 8 - Quote includes Medical Mutual's comprehensive suite of population health programs, which are designed to promote healthy lifestyle behaviors and encourage your employees to get well and stay well. Our programs help your employees understand their health, identify risk factors for disease, manage their conditions and make positive changes to improve their well-being. Covered employees will automatically have access to Medical Mutual's health and wellness initiatives, which may include, but not be limited to, online health resources and Health Assessment, Disease Management programs, 24/7 Nurse Line, tobacco QuitLine, Maternity program, fitness center discounts, and Weight Watchers® discounts.
- 9 - This offer includes wellness funds in the amount of \$3,000. Wellness funds must be spent during this contract period and do not carry-over to subsequent contract periods. Refer to the contract for more specifics regarding the wellness fund.
- 10 - Use of a third party Pharmacy Benefits Manager (PBM) will require additional fees and additional lead time to implement. Please contact your Medical Mutual representative for further details and explanation.
- 11 - If a non-Medical Mutual ancillary carrier, other than Superior Dental, is added for COBRA services, a fee of \$0.34 per employee per month will be charged.
- 12 - The addition of a specialty drug copay of 25% up to a maximum of \$250 to any Rx Card that does not have a specialty drug copay currently would reduce fully-insured rates up to 3.50% for the drug line of business.
- 13 - Products marketed by Medical Mutual may be underwritten by one of its subsidiaries, such as Medical Health Insuring Corporation of Ohio or MedMutual Life.

Rate Acceptance	
Group Official Initial:	<u>DH</u> <i>Please initial next to the benefits that have been selected by the group.</i>
Group Official Signature:	<u>Dennis Hanwell</u>
Title:	<u>Dennis Hanwell, Mayor</u>
Date:	<u>11-26-19</u>



CITY OF MEDINA
ALL SECTIONS
LEGISLATIVE UPDATES

Effective January 1, 2020, through December 31, 2020

- Your rates may be adjusted to account for coverage mandated by federal or state law.
- Pursuant to Ohio House Bill 463, based on your current Autism Spectrum Disorder benefits, your renewal (effective 1/1/18 or later) has been adjusted for compliance with the law, where applicable.
- In order to comply with the United State Preventive Task Force final recommendations effective with plan years beginning 12/1/2017, your renewal has been adjusted to reflect changes to your non-grandfathered plan benefits effective with your next plan year on or after 12/1/2017.
- The rates in this proposal may include Patient-Centered Outcomes Research Institute Fee (PCORI), Reinsurance Fee, Exchange Fee, and Market Share Fee when applicable which are federally mandated. Additionally, this policy, Medical Mutual, or you as a Plan Sponsor may become subject to taxes, fees or other charges imposed by State, Local, or Federal governments (collectively, "fees"). Medical Mutual reserves the right to adjust your premium or funding rate (or add the fees to the invoice) consistent with the effective date of the new fees imposed by the government. Adjustments may or may not be noted in a line item on monthly invoices. All fees are subject to change during the contract period.
- Rates and premiums for periods beginning January 1, 2022 do not include potential or actual exposure due to section 49801 of the Internal Revenue Code -- Excise Tax on High Cost Employer-Sponsored Health Coverage under the Affordable Care Act. Any Excise tax determined to be payable on your plan(s) will be billed separately from health plan premium rates.

Rate Acceptance	
Group Official Initial:	<u>DH</u> Please initial next to the benefits that have been selected by the group.
Group Official Signature:	<u>Dennis Hanwell</u>
Title:	<u>Dennis Hanwell, Mayor</u>
Date:	<u>11-26-19</u>