



2022 Employee Benefits Renewal

City of Northfield | September 27, 2021



Insurance | Risk Management | Consulting

Agenda

- I. Medical Plan Renewal
- II. Dental Plan Renewal
- III. Life & LTD Marketing
- IV. Voluntary Vision – New Offering
- V. Benefits Updates
- VI. Next Steps
- VII. Disclaimers and Disclosures



Insurance | Risk Management | Consulting

Medical Plans

Blue Cross Blue Shield

Medical Premiums:

- City of Northfield 2022 Rate Cap = 13%
- BCBS calculated a needed renewal increase of 10.6%
- Final BCBS renewal increase = 8.6%
 - 8.6% across all plans, no realignment
 - Gallagher negotiated a not to exceed 13% rate cap for 2023

Move to BCBS 1/1/2020

Renewals –	2019	2020	2021	2022	Average
PEIP	2.5%	5.2%	9.7%		5.8%
Northfield	3.1%	-5.7%	3.6%	8.6%	4.0%

HDHP.HSA Single Monthly Rate Compare				
	2019	2020	2021	2022
PEIP	\$605	\$637	\$698	
Northfield	\$605	\$609	\$631	\$686

HDHP.HSA Family Monthly Rate Compare				
	2019	2020	2021	2022
PEIP	\$1,616	\$1,700	\$1,864	
Northfield	\$1,616	\$1,627	\$1,686	\$1,831



Medical Plans 2022 Renewal

Medical | Fully-Insured Renewal Options | Effective 01/01/2022

				CURRENT			RENEWAL OPTION 1		
Carrier Name				BlueCross BlueShield of Minnesota			BlueCross BlueShield of Minnesota		
COST ANALYSIS									
PEPM Rates - Enrollment per Renewal 2022	Plan 1	Plan 2	Plan 3	T22075 \$3000 HSA	T22111 \$1000 PPO	T22032 \$500 PPO	T22075 \$3000 HSA	T22111 \$1000 PPO	T22032 \$500 PPO
Employee (EE) Only	38	3	15	\$631.38	\$682.46	\$784.92	\$685.68	\$741.15	\$852.42
EE + Family	28	0	9	\$1,685.70	\$1,822.10	\$2,095.64	\$1,830.67	\$1,978.80	\$2,275.87
Total Enrollment	66	3	24						
Estimated Annual Premium				\$854,304	\$24,569	\$367,615	\$927,775	\$26,681	\$399,230
Percent Change							8.60%	8.60%	8.60%
Total Combined Annual Cost									
Estimated Annual Premium				\$1,246,488			\$1,353,686		
Dollar Difference							\$107,198		
Percent Change							8.60%		
PLAN PROVISIONS									
Rate Guarantee				Second year rate guarantee 13% (2022)			2 Year rate guarantee ending 12/31/2023 - 13% rate for 2023		
Eligibility				FTE 30HRS/WK			FTE 20HRS/WK		

- Gallagher and City of Northfield reviewed 3 & 4 tier rate structure for 2022
 - Increases cost of family insurance
 - Moving to 3 or 4 tier structure positively effects only 10 -12 employees will negatively effect 25 – 27 employees
- City of Northfield has chosen to remain with a 2 tier (Single/Family) rating structure

Health Insurance Costs

- New for 2022 City Contribution to Medical increased:
 - Single: \$625 + 50/50 split on renewal change
 - Family: \$850 + 50/50 split on renewal change
- PT eligibility for medical plan at 20 – 29 hours per week
 - 50% of Full-Time contribution to premium
 - 50% of Full-Time contribution of HSA

2022 FT Employee Premium Costs			
\$500 Deductible Copay Plan	2021	2022 Current	2022 New
Single	\$117.46	\$151.21	\$113.71
Family	\$772.82	\$862.94	\$712.94

\$3000 HDHP.HSA Plan	2021	2022 Current	2022 New
Single	\$40.69	\$67.84	\$30.34
Family	\$567.85	\$640.34	\$490.34

2022 PT Employee Premium Costs		
	\$500 Deductible Copay Plan	\$3000 HDHP.HSA Plan
Single	\$483.07	\$358.01
Family	\$1494.41	\$1160.51

Blue Cross Blue Shield

Medical Plan Design Changes:

- Gender Confirming Care
 - BCBS fully insured plans currently cover Gender Confirmation Care. Additionally, BCBS has an innovative program that provides guidance for our transgender and nonbinary members to help manage care and navigate insurance at no additional cost to the client.
 - [Gender care and coverage overview | Blue Cross MN](#)
- Gene Therapy Treatment – Travel Benefit
 - If a member lives more than 50 miles from a pre-approved provider, there may be a travel benefit available for expenses directly related to a pre-authorized gene therapy treatment. Travel and lodging benefits have a lifetime maximum of \$5,000.
- Pharmacy Change
 - 2022 Pharmacy Copay structure
 - Preferred Generic Tier 1 \$15 copay
 - Non-Preferred Generic- Tier 2 - \$50 copay
 - **Preferred Brand Tier 3 - \$70 copay** – (Change from \$50 copay)
 - **Non-Preferred Brand Tier 4 - \$120 copay** – (Change from \$100 copay)
 - The Specialty drug copay on non-HSA Turn-Key plans with a pharmacy copay has changed to the member pays medical coinsurance **(20%, 30%) up to the maximum of \$450 per prescription per fill** – (Change from \$400)
- Sharecare Fitness Incentive
 - RealAge Test Completion is required to unlock the Fitness Incentive Program. In 2022 you cannot begin earning for Fitness Incentive, even if you meet the goals, until the month you complete the RealAge Test. Members that want to participate in Fitness Incentive Program challenges, or other health and wellness program challenges will no longer have to click on “join all” to be enrolled in challenges. Members will automatically be enrolled in all the corresponding challenges when their Fitness Incentive, Reward Program that includes challenges, or challenges only program launches



Insurance | Risk Management | Consulting

Non-Medical Plans

Guardian

Dental – Guardian:

- Second year of a 2 year rate hold – No change to rates or plan design
- City contributes Single Low Plan Monthly premium to any dental election

			CURRENT - RENEWAL	
Carrier Name			Guardian	
Plan Name			Base Plan - Low	Buy Up Plan - High
COST ANALYSIS				
PEPM Rates - Enrollment per Renewal document	Plan 1	Plan 2	Base Plan - Low	Buy Up Plan - High
Employee (EE) Only	37	16	\$16.20	\$32.00
EE + Spouse	1	7	\$32.90	\$64.96
EE + Child(ren)	2	2	\$52.80	\$81.10
EE + Family	13	9	\$75.10	\$121.62
Total Enrollment	53	34		

Dental Plan Design – Guardian

	CURRENT - RENEWAL			
Carrier Name	Guardian			
Plan Name	Base Plan - Low		Buy Up Plan - High	
PLAN DESIGN*				
Network	INN [DentalGuard Preferred]	OON	INN [DentalGuard Preferred]	OON
Calendar Year (CY) Deductible (Individual / Family)	\$50 / \$150	\$50 / \$150	\$50 / \$150	\$50 / \$150
Annual Maximum	\$1,000	\$1,000	\$1,000	\$1,000
Annual Maximum Provision	\$1,000	\$1,000	\$1,000	\$1,000
Coinsurance** (member pays after deductible)				
Preventive Services	100%	100%	100%	100%
Cleaning Frequency	1 in 6 months	1 in 6 months	1 in 6 months	1 in 6 months
Deductible Waived?	Yes	Yes	Yes	Yes
Basic	50%	50%	50%	50%
Periodontics	5%	5%	50%	50%
Endodontics	5%	5%	50%	50%
Major	5%	5%	50%	50%
Implants	5%	5%	50%	50%
Orthodontics	Not Covered	Not Covered	Not Covered	Not Covered
OON Reimbursement Level	N/A	90th percentile	N/A	90th percentile

****Exclusions/limitations may apply**



Life & LTD Marketing 2022

- **Life & LTD Marketing for 2022 completed**
 - Responses from Ochs (Incumbent), Lincoln Financial Group, Hartford & Standard
 - City chose to remain with Ochs for 2022 (Life = Securian)
 - 11% decrease to rates
 - 36 month rate guarantee
- **Life Enhancements:**
 - Increased Voluntary Employee Life Option
 - Guarantee Issue on Employee Life
 - One time Open Enrollment Opportunity – \$50,000 increase to Employee Life no the exceed new Guarantee Issue of \$200,000

	CURRENT	NEGOTIATED RENEWAL
PLAN DESIGN*		
Employee Benefit		
Increments	\$5,000	\$5,000
Benefit Maximum	\$300,000	\$500,000
Guarantee Issue	\$150,000	\$200,000
Spouse Benefit		
Increments	\$5,000	\$5,000
Benefit Maximum	\$150,000	\$150,000
Guarantee Issue	\$25,000	\$25,000
Child Benefit (Life/AD&D)	\$10,000 or \$15,000	\$10,000 or \$15,000

Life & LTD Marketing 2022 continued

- **LTD Plan**

- Responses from Ochs (Incumbent), Lincoln Financial Group & Hartford
- City chose to remain with Ochs for 2022 (LTD = Madison National Life)
- 11% decrease to rates
- 36 month rate guarantee

- **LTD Enhancements:**

- Maximum monthly benefit increased to \$6,667 (Covered Annual Salary Maximum = \$160,000)

- **Value Adds:**

- Employee Assistance Program and Claimant Assist
- Identity Theft Services
- Beneficiary Financial Counseling
- Legacy Planning Resources
- Legal, Financial and Grief Resources
- Travel Assistance Services

Avesis Vision Plan – New for 2022

MARKET OPTION 1		
Plan Name	MO Vision Plan	
PLAN DESIGN*		
Network Name	INN	OON
Exam (including eyewear exam)		
Frequency	N/A	N/A
Benefit	N/A	N/A
Lenses		
Materials Copay	\$10 Copay	
Frequency	12 Months	12 Months
Single	\$10 Copay	Reimburse up to \$25
Bifocal	\$10 Copay	Reimburse up to \$40
Trifocal	\$10 Copay	Reimburse up to \$50
Standard Progressive	\$50 allowance plus 20% off	Reimburse up to \$40
Frames		
Frequency	24 Months	24 Months
Allowance	Up to \$150 plus 20% off	Reimburse up to \$50
Contact Lenses	In Lieu of Frames & Lenses	
Frequency	12 Months	12 Months
Allowance	Up to \$150 plus 10% off	Reimburse up to \$128
Medically Necessary	Covered in full	Reimburse up to \$250
Separate Fitting Allowance	Standard: Up to \$50; Custom: Up to \$75	N/A
Lasik	Onetime/lifetime \$150 allowance Provider discount up to 25%	Onetime/lifetime \$150 allowance
COST ANALYSIS		
PEPM Rates	MO Vision Plan	
Employee (EE) Only	\$5.70	
EE + Spouse	\$11.14	
EE + Child(ren)	\$11.62	
EE + Family	\$15.22	

Vision Plan Carrier

- **Avesis**

- Independent Providers
- Retail Providers:
 - Pearle Vision; Target Optical; Costco; Walmart Vision Center, Visionworks, Sam's Club, America's Best
- Within 20 Miles 55057 = Visionworks, Super Target, Wal-Mart, Mayo Clinic Health System, Rahn Optometry, Advanced Family Eyecare, Focused Eye Care, Goldsmith, Eye Care, Sam's Club, Pearle Vision, JC Penney, Preale Vision, Savage Eye Clinic & America's Best

Benefit Updates

Paid Family Parental Leave

- Pending Council approval on 10/5
 - Will no longer be a temporary policy, incorporated as regular policy
 - Moving from “days” to “hours” to provide more flexibility
 - An employee will no longer need to use a complete day, but instead can take 4 hours off to take their father to an appointment
 - Part-Time employees are eligible for this benefit, pro-rated

Next Steps

Next Steps

Council Approval 10/5

Open Enrollment

- EASE online enrollment platform
- Timeline

Disclaimers and Disclosures

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc., a non-investment firm and subsidiary of Arthur J. Gallagher & Co., is a licensed insurance agency that does business in California as "Gallagher Benefit Services of California Insurance Services" and in Massachusetts as "Gallagher Benefit Insurance Services." Investment advisory services and corresponding named fiduciary services may be offered through Gallagher Fiduciary Advisors, LLC, a Registered Investment Adviser. Gallagher Fiduciary Advisors, LLC is a single-member, limited-liability company, with Gallagher Benefit Services, Inc. as its single member. Certain appropriately licensed individuals of Arthur J. Gallagher & Co. subsidiaries or affiliates, excluding Gallagher Fiduciary Advisors, LLC, offer securities through Kestra Investment Services (Kestra IS), member FINRA/SIPC and or investment advisory services through Kestra Advisory Services (Kestra AS), an affiliate of Kestra IS. Neither Kestra IS nor Kestra AS is affiliated with Arthur J. Gallagher & Co., Gallagher Benefit Services, Inc. or Gallagher Fiduciary Advisors, LLC. Neither Kestra AS, Kestra IS, Arthur J. Gallagher & Co., nor their affiliates provide accounting, legal, or tax advice.



Gallagher

Insurance | Risk Management | Consulting

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

Thank you!

Jessica Nikunen | Account Executive
+1 952 356 0714
Jessica_Nikunen@ajg.com

3600 American Blvd. W, Suite 500
Bloomington, MN 55431



Gallagher

Insurance | Risk Management | Consulting