

RESOLUTION NO. 021014-2

A RESOLUTION APPROVING THE 2014 EMPLOYEE BENEFITS PLAN FOR THE CITY OF ABILENE, KANSAS

WHEREAS, the City Commission has adopted an Employee Benefits Plan providing for health insurance for employees of the City of Abilene;

WHEREAS, the City Commission recognizes the value of adopting an Employee Benefits Plan that provides for the well-being of employees and also promotes the recruitment and retention of employees;

WHEREAS, the Employee Health Insurance Committee has reviewed the Employee Benefits Plan and recommended amendments thereto for the City Commission's review and consideration.

NOW, THEREFORE BE IT RESOLVED, by the City Commission of the City of Abilene, as follows:

Section 1. Employee Benefits Plan: Amended. That the Employee Benefits Plan, as prepared by Freedom Claims 101, shall be hereby amended as provided in **Exhibit A**.

Section 2. Implementation. The City Manager is hereby authorized to implement changes to the Employee Benefits Plan as provided in the approved Employee Benefits Plan document and this Resolution as provided in applicable resolutions, ordinances, and laws.

Section 3. Repeal. Adoption of this Resolution supersedes and repeals all previous Employee Benefits Plans adopted by the City of Abilene, Kansas.

Section 4. Effective Date. That the effects of this Resolution shall be in full force and effect as of January 1, 2014.

PASSED AND APPROVED by the Governing Body of the City of Abilene, Kansas this 10th day of February, 2014.



CITY OF ABILENE, KANSAS

By: John F. Ray
John F. Ray, Mayor

ATTEST:

Penny Soukup, CMC
Penny Soukup, CMC
City Clerk

EXHIBIT A

2014 Employee Benefits Plan

for the

City of Abilene, Kansas

February 10, 2014

Health Benefits Plan for the Employees

City of Abilene

Effective Date: March 1, 2014		FreedomChoice	
Base Plan Financial Program "Umbrella Plan" Insurance Carrier PPO Provider Network PPO Network Website		Freedom Claims Management, Inc. Medical Expense Reimbursement Plan Current Carrier Current Carrier Current Carrier	
Base Plan	Amounts Paid By The Member...	PPO Network	Non-Network
		↓	↓
PLAN YEAR Employee Deductible <i>Deductible Restarts every March 1st</i>	Single Family Limitation	\$1,000 \$2,000	\$2,000 \$4,000
Employee Cost Share Percentages after Deductible		50%	60%
Base Plan Out-of-Pocket Maximum after Deductible <i>Before 1st \$5,000 Limit Reached</i>	Single Family Limitation	\$2,000 \$4,000	\$3,200 \$6,400
Copays Paid by Member "Per Visit" <i>"Services performed " are subject to Deductible. Deductible applies after Emergency Room Copayment made.</i>	Primary Care MD Specialist Physician Urgent Care Facility Emergency Room Inpatient Admission Copay Chiropractic	\$20 \$40 \$40 \$150 \$250 \$20	Deductible Deductible Deductible Deductible Deductible
Prescription Drug Card Benefit <i>Prescription Drug Services, administration & Mail Order under the Base Plan are provided by Serve You & their network of pharmacies</i>	Mandatory Generic Generic Drugs Preferred Brand Non-Preferred Brand Specialty	<u>Retail Copays</u> \$3/\$15 \$30 \$55	<u>3 Months Supply</u> \$6.00/\$30.00 \$75.00 \$165.00
Routine Preventive Care	Per Person	Paid by Current Carrier	Deductible
Outpatient Lab / Radiology Expenses	Per Person	100% to \$200 at Facility	Deductible
Physician Office Visit Lab / Radiology	Per Person	Paid by Current Carrier	Deductible
Vision Exam Benefit		Exam Only	Deductible
		(Employee may purchase Vision "Materials" Upgrade - On a Voluntary Basis)	

Base Plan: Member pays their share of the costs. Your Employer pays the balance of these costs until the Insurance Carrier "Umbrella" Threshold is reached (e.g. \$5,000). Base Plan claims are processed by Freedom Claims Management, Inc. your Health Plan Administrator, after first being submitted to Current Carrier, the insurance company, for claim discounting and review.

Please direct ALL questions to → Freedom Claims Management, Inc. at 1-866-792-9151

Umbrella Plan	Applies to Claims Exceeding this Threshold →	\$5,000	\$10,000
Additional Copays Will Apply After Threshold Reached...		...Other Copays Continue Rx Generic Copay Adjustment Ambulance Copay continues at \$100	
Employee Cost Share Percentages after "Umbrella" Level Reached...		0%	30%
"Umbrella" Level Out-of-Pocket Maximum (including deductible, Copayments, and Coinsurance)	Single Family Limitation	\$6,000 2x	\$12,000 2x
Lifetime Maximum		Unlimited	

Umbrella Plan: When claim amounts reach the INSURANCE CARRIER THRESHOLD (e.g. \$5,000), the amounts exceeding the THRESHOLD are paid DIRECTLY by the carrier to the provider or member, with exceptions.

Please refer to the final Schedule of Benefits in the Summary Plan Description for FreedomChoice and the certificate of coverage from your Current Carrier for actual details on cost share amounts and all other eligible or ineligible expenses which supersede this handout. This is not a legal document.

ID CARDS: You will have two ID Cards. Present both of them to your providers and pharmacy. Current Carrier Plan will review the claim first and apply the PPO discount. Freedom Claims Management, Inc. will coordinate your reimbursement as secondary payor.

Maximum benefits are available when services are received from Current Carrier providers. Your financial responsibility is based on the provider network you select. Use of Non-Network providers increases your financial responsibility. Pre-Certification is required with Current Carrier to maximize benefit reimbursement.

Health Benefits Plan for the Employees

City of Abilene

Effective Date:	March 1, 2014	
Dental Plan		
PLAN YEAR Maximum Benefits (Combined for Type 1,2 & 3)	\$1,500	
Benefit Percentages:		
Type 1 - Preventive Services	100%	
Type 2 - Basic and Restorative	50%	
Type 3 - Major Services	50%	
CONTRACT YEAR Deductibles:		
Type 1 - Preventive Services	None	
Type 2 - Basic and Restorative	\$25	\$50 Family
Type 3 - Major Services	\$25	\$50 Family

This is a brief overview of benefits. See your plan booklet for a complete listing of coverages and limitations.



EMPLOYEE BENEFITS PROPOSAL

PRESENTED TO

CITY OF ABILENE



Prepared By: Carla Dallas
Account Manager:

Issue Date: 1/17/2014

Effective Date: 3/1/2014



Proposal Exhibit - Medical

CITY OF ABILENE

County/Region: K510
 Zip Code: 67410
 SIC Code: 9131
 Case Status: UW Approved - Final
 Broker Pass-Through:

Agent: Yarmer, Julie
 Agency: Independent Agent
 Account Manager: Dallas, Carla
 Association: None
 Broker Pass-Through Fee: 3.50%

Quote ID: 220138
 Effective Date: 3/1/2014
 Next Ren. Date: 3/1/2015
 Eligible Employees: 65
 Covered Employees: 56

Option Summary	Option - 2
Segment	1
Package	B
Current Plan	False
Product	PPO Consumer Driven
Medical Plan	WP14SA50060 20
Rx Plan	Rx SA5000 - \$3/\$15/\$30/\$55/20%/30% MO 2-2.5-3
Riders	Tobacco Cessation
Domestic Partner	N/A
Network	CHC of Kansas

In-Network Benefit Summary	
Deductible	\$5000/\$10000
Coinsurance	0%
OOP Max	\$6000/\$12000
PCP/SCP	\$20/\$40 after deductible
HIP	\$250 per admit after deduct
HOP	Ded + Coins
ER/Urgent Care	Ded + \$200 / \$40 after Ded

Enrollment and Tier Ratios	Subscribers	Members	Tier Ratio
EE Only	20	20	1.00
EE/SP	11	22	1.89
EE/Chr	12	32	1.69
Family	13	51	2.81
Total Est. Enrollment	56	125	

Rates + PPACA Fees	Tier Rate	PPACA Fee	Rate + Fee
EE Only	\$360.62	\$15.69	\$376.31
EE/SP	\$682.87	\$29.72	\$712.59
EE/Chr	\$608.14	\$26.47	\$634.61
Family	\$1,013.31	\$44.10	\$1,057.41
Est. Total Monthly Premium	\$35,194.68		
Aggregate Change*	-0.7 %		
Est. Monthly PPACA Fee	\$1,531.66		
Est. Total Monthly Charges	\$36,726.34		
Aggregate Change w/ PPACA*	3.6 %		

*The Aggregate Change is compared to Current Premium Rates.

Subject to attached contingencies and disclaimers.

The PPACA Fees shall apply effective 3/1/2014 and shall be owed by CITY OF ABILENE in addition to the Rates.

Please see your plan documents** for complete benefit descriptions for the above plan.

**Group Policy, Certificate/Evidence of Coverage, Booklet, Group Agreement, Schedule of Benefits, and/or Group Insurance Certificate

Accepted by _____ Title _____ Date _____



Medical Contingencies and Disclaimers

CITY OF ABILENE

County/Region: KS10
 Zip Code: 67410
 SIC Code: 9131
 Case Status: UW Approved - Final
 Broker Pass-Through:

Agent: Yarmer, Julie
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MEDICAL PROPOSAL CONTINGENCIES

1. These rates are approved for sale and are guaranteed for a 12 month period from the effective date of coverage. Final rates may also change based upon actual enrollment, underwriting review, employer group application, and data entry. Coventry retains the right to adjust these rates as necessary in connection with changes in any federal or state requirement(s), including but not limited to the federal Patient Protection and Affordable Care Act, as amended.
2. This quote is offered on a sole medical carrier basis.
3. Minimum employer contribution requirements are: 50% of single rate AND 50% of the total cost of the plan.
4. Minimum participation requirements: 75% of the 65 eligible employees less valid waivers AND 50% of all 65 eligible employees
5. For multiple carrier quotes (if applicable), a minimum of 25% of the eligible employees enrolling is required or the quote may be withdrawn.
6. Group may be re-rated if actual enrolled employees varies from assumed enrolled employees by more than 10% (+/-).
7. The percentage of out-of-area (OOA) enrolled employees cannot exceed 30% of the total number of enrolled employees.
8. If you choose additional Coventry Consumer Choice product options, these will be quoted separately. To get this additional quote, please contact your sales representative.
9. Retirees (pre-65) are eligible for coverage but cannot exceed 10% of the total enrolled subscribers. Temporary employees, seasonal contractors and part-time employees are not eligible for coverage.
10. This quote is valid for a maximum of 90 days from the date released and no later than the proposed effective date.
11. Options are quoted together as a package as indicated by the package letter.
12. The percentage of COBRA subscribers cannot exceed 10% of the total number of enrolled subscribers.
13. These rates assume no deductible, coinsurance or copays will be paid by the group or other third party except as an approved HSA or HRA account contribution. We reserve the right to adjust rates, or terminate the contract if such employer or supplemental coverage funding is in place.
14. SPECIAL NOTE - Although the pricing set forth in this quote is based on health insurance plans currently used by Coventry Health Care of Kansas, Inc., such health insurance plans may not satisfy all requirements set forth in the Patient Protection and Affordable Care Act (PPACA) for effective dates starting January 1, 2014. As Coventry Health Care of Kansas, Inc. finalizes its 2014 health plans so that they are compliant with PPACA, pricing for the new compliant plans will be provided.
15. Additional medical premium discounts are available when the Medical coverage is sold with the addition of one or more of the Aetna Specialty or Voluntary products (Dental, Vision, Life, Disability, etc.). Please ask your Sales Representative for specific details.
16. The premium rates in this quote do not include broker commission, but do include a pass-through fee of 3.50%.
17. When group health plans renew on or after 1/1/2014, they can't have a waiting period of more than 90 days. That means eligible plan participants and beneficiaries (employees and their dependents) must be able to begin health coverage within 90 days. This is a requirement of the Affordable Care Act. It applies both to the group policyholder (Employer) and to the issuer (insurance company). If neither party complies, both the Employer and Coventry Health Care, Inc., or one of its wholly-owned subsidiaries, Coventry Health Care of Kansas, Inc., could be subject to potential penalties.

When renewing its plan(s) with Coventry Health Care, Inc., the Employer represents that:

- It will give Coventry Health Care, Inc. effective dates for its employees and their dependents that take into account all state and federal eligibility conditions and waiting period requirements.
- If this information changes, the Employer will inform Coventry Health Care, Inc. immediately.

Coventry Health Care, Inc. will use this effective date information to enroll eligible employees and dependents into the group plan.

Accepted by _____ Title _____ Date _____



Medical Contingencies and Disclaimers

CITY OF ABILENE

County/Region: KS10
Zip Code: 67410
SIC Code: 9131
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Agency: Independent Agent
Account Manager: Dallas, Carla
Association: None
Broker Pass-Through Fee: 3.50%

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DISCLAIMERS:

HMO and POS products are underwritten and administered by Coventry Health Care of Kansas, Inc.

PPO products are underwritten by Coventry Health and Life Insurance Company and administered by Coventry Health Care of Kansas, Inc.

Accepted by _____ Title _____ Date _____



Medical Census Summary

CITY OF ABILENE

County/Region: KS10
 Zip Code: 67410
 SIC Code: 9131
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Census Summary by Subscriber

Tier Type	EEOnly		EESpOnly		EEChren		EEFamily		Age Range Totals
Age Range	Male	Female	Male	Female	Male	Female	Male	Female	
0-17									0
18-24	1	1							2
25-29	1	1	1		1		1		5
30-34	1				1		4	2	8
35-39			1		2		2		5
40-44		1	1		2	2	2		8
45-49	3	4	1		1		1		10
50-54	1	1	2	2		1			7
55-59	1		1	1	2		1		6
60-64	3		1						4
65+		1							1
Gender Total	11	9	8	3	9	3	11	2	56

Census Summary by Work Status

Work Status	Subscribers	Members
Active	56	125
Total	56	125

Census Summary by Region

Region	Subscribers	Members
KS10	56	125
Total	56	125

City of Abilene
PROJECTION OF COSTS
March 1, 2014

CARRIER:	FreedomChoice				FreedomChoice			
	PHS/Coventry				PHS/Coventry			
CONTRACT:	2013 Rates				March, 2014 Renewal			
SPECIFIC:								
AGGREGATE:								
EMPLOYEES:	SINGLE	EMP/CH	EMP/SP	FAMILY	SINGLE	EMP/CH	EMP/SP	FAMILY
	20	11	12	13	20	11	12	13
UMBRELLA POLICY:	\$363.33	\$688.01	\$612.72	\$1,020.94	\$376.31	\$712.59	\$634.61	\$1,057.41
ADMIN. FEES:								
MEDICAL:	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50	\$21.50
TOTAL FIXED COSTS:	\$384.83	\$709.51	\$634.22	\$1,042.44	\$397.81	\$734.09	\$656.11	\$1,078.91
FUNDING FACTORS:	\$109.39	\$109.64	\$282.84	\$306.28	\$96.41	\$85.06	\$260.95	\$269.81
TOTAL COSTS:	\$494.22	\$819.15	\$917.06	\$1,348.72	\$494.22	\$819.15	\$917.06	\$1,348.72
MONTHLY FIXED COSTS:	\$36,663.57				\$37,930.34			
MONTHLY FUNDING:	\$10,769.56				\$9,502.79			
ANNUAL FUNDING:	\$129,234.72				\$114,033.48			
ANNUAL FIXED COSTS:	\$439,962.84				\$455,164.08			
ANNUAL COSTS:	\$569,197.56				\$569,197.56			

City Rates	\$365.28	\$605.45	\$677.82	\$996.88	\$365.28	\$605.45	\$677.82	\$996.88
Employee Rates	\$128.94	\$213.70	\$239.24	\$351.84	\$128.94	\$213.70	\$239.24	\$351.84
Total	\$494.22	\$819.15	\$917.06	\$1,348.72	\$494.22	\$819.15	\$917.06	\$1,348.72