

RESOLUTION NO. 28-2019

Offered by: All of Council

**A RESOLUTION AUTHORIZING THE MAYOR AND THE FINANCE DIRECTOR TO ENTER INTO AN AGREEMENT WITH ROUNDSTONE MANAGEMENT, LTD. FOR HEALTH INSURANCE FOR FULL-TIME VILLAGE EMPLOYEES FOR JULY 1, 2019 THROUGH JUNE 30, 2020, AND TO INCREASE THE EMPLOYEES CONTRIBUTION TO 12.5% OF THE PREMIUM COSTS, AND DECLARING AN EMERGENCY**

WHEREAS, the Village’s insurance advisor, Associated Underwriters Insurance Inc. has recommended entering into an agreement with Roundstone Management, Ltd. to be the provider for health insurance for full-time Village employees from July 1, 2019 through June 30, 2020, and declaring an emergency.

NOW, THEREFORE, BE IT RESOLVED by the Council of the Village of Richfield, Summit County, State of Ohio:

SECTION 1. That the Mayor and the Finance Director be, and they hereby are, authorized and directed to enter into an agreement with Roundstone Management, Ltd. effective July 1, 2019 not to exceed \$1,419,465 in accordance with the offer from Roundstone, a copy of which offer is attached hereto as Exhibit “A” and incorporated herein fully as if by reference, subject to the final approval of the Law Director.

SECTION 2. That employees will contribute twelve and one-half percent (12.5%) of the premium costs for health insurance.

SECTION 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this Resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action were in meetings open to the public, in compliance with all legal requirements including Section 121.22 of the Ohio Revised Code.

SECTION 4. This Resolution is hereby declared to be an emergency measure necessary for the immediate preservation of the public health, safety and welfare and for the further reason that it is immediately necessary in order to comply with the timing requirements of the program; wherefore, provided this Resolution receives the affirmative vote of two-thirds of the members of Council elected or appointed, it shall take effect immediately upon its passage and execution by the Mayor; otherwise, it shall take effect and be in force from and after the earliest period allowed by law.

PASSED: 6-4-19

Rich Hudak  
President of Council

ATTEST:  
Jeff Aoun  
Clerk of Council

Bohlio Besha  
Mayor

Dated: 6/4/19





**MUTUAL  
HEALTH SERVICES™**

EXHIBIT A

Proposal For:  
**Village of Richfield**  
Effective Date: July 1, 2019

On Behalf Of:  
**Karen Tabeling**



**MUTUAL  
HEALTH SERVICES™**

**Village of Richfield**

**Administrative Renewal**

<b>Administration Fees</b>	<b>Enrollment</b>	<b>Current Rate</b>	<b>Renewal Rate</b>	<b>Notes</b>
Medical Administration	62	\$45.90	\$47.28	
Rx Administration		Included	Included	
PPO Interface Fee		Included	Included	
MMO Network Access Fee		Included	Included	
Mutual Health Services Online		Included	Included	
COBRA Administration Fee		Included	Included	
Broker Fee		\$30.00	\$30.00	
Pre-Cert		Included	Included	SuperWell
Large Case Management		Included	Included	SuperWell
Disease Management		\$2.50	\$2.50	SuperWell
Renewal Fee		\$2,275.00	\$2,275.00	
Banking Fee		\$60.00	\$75.00	
PHCS Travel Network Fee		30% of savings	30% of savings	
Subrogation		25% of recovery	25% of recovery	
<b>Totals</b>				
	<b>Monthly</b>	<b>\$4,920.80</b>	<b>\$5,021.36</b>	
	<b>Annual</b>	<b>\$61,324.60</b>	<b>\$62,531.32</b>	

Accepted by: \_\_\_\_\_

Date: \_\_\_\_\_

Initials: MRC

Review:



**Village of Richfield**  
**Stop Loss Proposals - \$35,000 Specific**

<b>Policy Provisions</b>		<b>Current</b>	<b>Renewal</b>
		<b>Roundstone</b>	<b>Roundstone</b>
Carrier			
Specific Level		\$35,000	\$35,000
Specific Advance		Yes	Yes
Contract Period		24/12	24/12
Coverage Included		Med/Rx	Med/Rx
Spec Annual Maximum		Unlimited	Unlimited
Agg Maximum		\$1,000,000	\$1,000,000
Run-In Limit		N/A	N/A
<b>Specific Premium:</b>	<b>Enrollment</b>		
Composite	62	\$459.63	\$475.31
<b>Aggregate Premium</b>			
Composite	62	\$33.47	\$34.50
<b>Total Premium</b>			
Monthly		\$30,572	\$31,608
Annual		\$366,866	\$379,299
Annual Difference			\$12,432
% of Change from Current			3%
<b>Claim Liability</b>			
Composite	62	\$1,193.06	\$1,226.66
<b>Total Claim Liability</b>			
Monthly		\$73,970	\$76,053
Annual		\$887,637	\$912,635
Annual Difference			\$24,998
% of Change from Current			3%
<b>Firm/Final</b>			

*Commissions are not included in stop loss rates*

*See Contingency page for full conditional laser*

Accepted by: \_\_\_\_\_ Under Med Review \_\_\_\_\_ Option #: \_\_\_\_\_ Date: \_\_\_\_\_



**Village of Richfield**  
**Summary Page - \$35,000 Specific**

	Current MHS Roundstone	Renewal MHS Roundstone
<b>Administrator</b>		
<b>Stop Loss Carrier</b>		
<b>Policy Provisions</b>		
Specific Level	\$35,000	\$35,000
Specific Advance	Yes	Yes
Contract Period	24/12	24/12
Coverage Included	Med/Rx	Med/Rx
Spec Annual Maximum	Unlimited	Unlimited
Agg Maximum	\$1,000,000	\$1,000,000
Run-In Limit	N/A	N/A
<b>Annual Administrative Fee</b>	<b>\$61,325</b>	<b>\$62,531</b>
<b>Annual Stop Loss Premium</b>	<b>\$366,866</b>	<b>\$379,299</b>
<b>Annual Maximum Claim Liability</b>	<b>\$887,637</b>	<b>\$912,635</b>
<b>Total Cost</b>	<b>\$1,315,828</b>	<b>\$1,354,465</b>

Initials: MRC

## Village of Richfield

### CONTINGENCY / POINTS OF INTEREST PAGE

**This proposal is contingent and subject to change upon receipt and review of the following information:**

A completed disclosure statement received at a date not exceeding fifteen days prior to the effective date, and no later than 24 hours prior to the effective date, which discloses and verifies any known, new, suspected or potential claim which may exceed the specific stop loss deductible including diagnosis, prognosis, dates of service and amount paid for the last year and current year to the effective date.

The reinsurance rates will be guaranteed for 12 months, unless a change in risk occurs. Risk changes include: plan changes, TPA or ASO changes, network or cost containment changes, enrollment shifts determined by or identified in the issuing carrier's policy or participation shifts (whether it be an increase or decrease in lives) in each option greater than 10%, addition or deletion of a division, affiliate or associated company.

Disabled individuals and Retirees are not covered unless approved in writing by the reinsurer.

Paid Claims and Enrollment through the effective date. This information will be used to re-evaluate the rates and factors. If the updated information produces rates and factors that differ by more than +/- 5%, adjustments will be made accordingly.

The reinsurance carrier will accept the signed renewal application up to fifteen days prior to the effective date. NOTE: The reinsurance carrier must have the signed documents by the effective date; otherwise the carrier has the right to re-underwrite or void the renewal offer.

Stop loss coverage will not be bound until we are in receipt of the first month's premium. Premium must be received prior to the effective date.

We will not be bound by any typographical errors contained herein.

Mutual Health Services will charge 25% of all recovered funds under subrogation.

The reprinting of the Summary Plan Description Booklets not to exceed 30% of the current enrollment.

If the client decides to utilize a non-preferred PBM vendor, Mutual Health Services will charge an additional fee of \$0.50 per employee, per month.

Specific Advance is included unless the PPO agreement with the provider stipulates that all claims must be paid within 28 days from the date of receipt. If the provision exists in the agreement with the provider, then the contract becomes a reimbursement contract.

Contingent upon final disclosure and medical review of all serious or ongoing conditions (regardless of dollar amount) as well as all claimants at or above 50% of quoted specific deductibles. Separate retentions may be placed on claimants with ongoing conditions. More detailed data (APS, LCM, notes, etc.) is also required on the following:

UNDER MEDICAL REVIEW

Stop Loss rates do not include commissions

### **Affordable Care Act**

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 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 representative or broker to initiate the change and ensure new SBCs are available for your open enrollment period.

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 the requirement when considering an off-renewal plan change or a change in carrier.



## 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, 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 1,260 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, 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.

