



CITY OF NORTH POLE
Regular Meeting June 03, 2019
North Pole Council Chambers
125 Snowman Lane, North Pole, Alaska
www.northpolealaska.com

Monday, June 03, 2019

Work Session: Health Plan Renewal & Committee of the Whole: 6:00 pm.

Regular City Council Meeting – 7:00 p.m.

MAYOR

Michael Welch
488-8584

CITY CLERK

Judy Binkley
488-8583

COUNCIL MEMBERS

Doug Isaacson – Mayor Pro Tem	322-3133
Avery Thompson – Deputy Mayor Pro Tem	388-5351
Perry Walley – Alt Dep Mayor Pro Tem	347-0135
DeJohn Cromer	347-2808
Aino Welch	488-5834
David Skippis	750-5106

- 1. Call to Order/Roll Call**
- 2. Pledge of Allegiance to the US Flag**
- 3. Invocation**
- 4. Approval of the Agenda**
- 5. Approval of the Minutes**
 - a. May 13, 2019
- 6. Communications from the Mayor**
- 7. Council Member Questions of the Mayor**
- 8. Communications from Department Heads, Borough Representative and the City Clerk**
- 9. Ongoing Projects Report**

10. Citizens Comments (Limited to Five (5) minutes per Citizen)

11. Old Business

12. New Business

- a. Request for Approval of the Renewal of the 2019-2020 City of North Pole Healthcare Plan.
- b. Request for Approval of the City of North Pole Advertising Contract with the Fairbanks Daily Newsminer.
- c. Request to Approve Two Authorized Signers on Behalf of the City to Create an Interest-Earning Bank Account with Mount McKinley Bank to Hold Advance Payments to the City in Support of the Moose Creek Water System Expansion Project. Further, Authorize Ms. Fogarty to Transfer the Funds to-and-from the Bank Account to Pay Project Expenses Thru the City's Central Treasury Account.

13. Council Comments

14. Adjournment

Detailed information and copies of agenda documents may be obtained at the Office of the City Clerk, 125 Snowman Lane or on the City website www.northpolealaska.com . Notice of Council Action is available at City Hall and on the City website following the meeting. Council Meetings are aired live via audio streaming from the City's website. Inquiries concerning ADA compliance or accommodations should be directed to the City Clerk.



Committee of the Whole – 6:30 P.M.
Regular City Council Meeting – 7:00 P.M.

A regular meeting of the North Pole City Council was held on Monday, May 13, 2019 in the Council Chambers of City Hall, 125 Snowman Lane, North Pole, Alaska.

CALL TO ORDER/ROLL CALL

Mayor Welch called the regular City Council meeting of Monday, May 13, 2019 to order at 7:00 p.m.

There were present:

Doug Isaacson – Mayor Pro Tem
Avery Thompson – Deputy Mayor Pro Tem
Perry Walley – Alt Dep Mayor Pro Tem
DeJohn Cromer
Aino Welch
David Skipps
Mayor Welch

Absent/Excused

PLEDGE OF ALLEGIANCE TO THE U.S. FLAG

Led by Mayor Welch

INVOCATION

Invocation was given by Mr. Walley

APPROVAL OF AGENDA

Mr. Isaacson moved to approve the agenda of May 13, 2019

Seconded by Mr. Skipps

DISCUSSION

Mr. Isaacson moved to consent the following items:

New Business:

- a.** Request to Approve Gifting of Retirement Pistol to Sgt. Stevenson.

Seconded by Mr. Cromer

Discussion

None

On the amendment

PASSED

Yes: 7 – Skipps, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

On the Agenda as amended

Discussion

None

PASSED

Yes: 7 – Skipps, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

APPROVAL OF MINUTES

Mr. Isaacson moved to approve the Minutes of May 06, 2019

Seconded by Ms. Welch

Discussion

None

PASSED

Yes: 7 – Skipps, Thompson, Isaacson, Cromer, Walley, Welch, Welch

No: 0

Absent: 0

COMMUNICATIONS FROM THE MAYOR (Audio 3:33)

- May 10th – Signed proclamations at the Borough and met with the Planning Division and discussed everything from JeriKo's property to Pagoda.
- Working on getting all the requirements down for a possible selection for someone on the Planning Commission from the City of North Pole. We have a citizen who wants to see what's required of him before he commits.
- We will be appointing Mike Miller to the IGU.

COUNCIL MEMBER QUESTIONS OF THE MAYOR

None

**COMMUNICATIONS FROM DEPARTMENT HEADS, BOROUGH
REPRESENTATIVE AND THE CITY CLERK**

Finance, Tricia Fogarty (Audio 11:07)

- Our collateral at Mt. McKinley Bank was increased from \$4 million to \$5 million due to the fact that we have an average balance of \$4.5 million and that is expected to increase with the Moose Creek project. It does not cost the City anything to increase the coverage.
- On April 30th, we turned our books over to KSH which means they are starting to do our audit and are drafting our financial statement. We have a meeting with Gary and Charles on Thursday.
- We received a bank statement in the mail while I was gone last week so I will email financials to you probably early next week.
- **Mr. Isaacson** asked if everything was turned over to the auditors early. Ms. Fogarty replied that every year, she tries to get everything in earlier and earlier, but this year is about 10 days later than last year. However, there were more entries on our side. Ms. Fogarty also stated she was able to set Charles up with Connect Online so he can view anything he needs to view.
- **Mayor Welch** asked if anything attributed to the smoothness of the audit this year. Ms. Fogarty replied that it has been helpful having the temporary assistant take on payroll and the bank reconciliation.

Fire Dept., Chief Coon (Audio 15:05)

- The Department donated some radios to be surplussed to the Glen Rich Fire Department.
- This year's open house will be May 18th from 10-4.
- Burn Permits are required. They are available online at www.forestry.alaska.gov/burn
- Dry windy conditions have kept the fire danger at a "HIGH" level in the North Pole area.
- On May 9th, the Interior Fire Chiefs, Rotary Club of Fairbanks, and Foundation Health Partners launched the community app, Pulsepoint. www.pulsepoint.org
- Training:
 - EMT III class finished last weekend.
 - Fire Officer II started today.
- Maintenance Report:
 - The third out ambulance is in the shop for a major oil leak. Estimate on the repairs are \$1500.
 - No additional work has been done on the replacement vehicle for the Suburban. We expect to get quotes in July.
 - Hose testing continues.
- **Mayor Welch** asked if there was any objection to Sommers in Alaska videoing everyone in action during the open house. Chief Coon replied there was no objection and that it sounded great.

Police Dept., Chief Dutra (Audio 20:40)

- I sent in a letter of support so that we can get the senate to pass the crime bill that's currently circulating.
- Funding for the interior training facility is still in the budget and is only one of two projects for the interior.
- I want to officially welcome Chief Reeder to the chief ranks in the interior.
- We had an attempted abduction last weekend and have suspect vehicles and information.

Director of City Services, Bill Butler

None

Borough Representative

None

City Clerk's Office, Judy Binkley

None

ONGOING PROJECTS (Audio 25:15)

- On Thursday the 9th at 6:00 pm, I was at the Mt. McKinley Bank with the North Pole Community Chamber of Commerce. I'm trying to engage them to do things with us and let us know what they're trying to do. On May 23rd, at the Borough, we are going to be putting a committee together of how we are going to welcome Eielson Air Force to this community next summer. The North Pole Community Chamber of Commerce will open their visitor's cabin on Memorial Day. I've also asked them to help us with the North Pole parade. The festival committee will meet again in Council Chambers at 6:00 pm on the 20th of May.

CITIZENS COMMENTS – (Limited to Five (5) minutes per Citizen)

None

OLD BUSINESS

None

Public Comment

None

NEW BUSINESS

Consented

Public Comment

None

COUNCIL COMMENTS

None

Mr. Isaacson *moved to adjourn the meeting at 7:29 p.m.*

Seconded by Ms. Welch

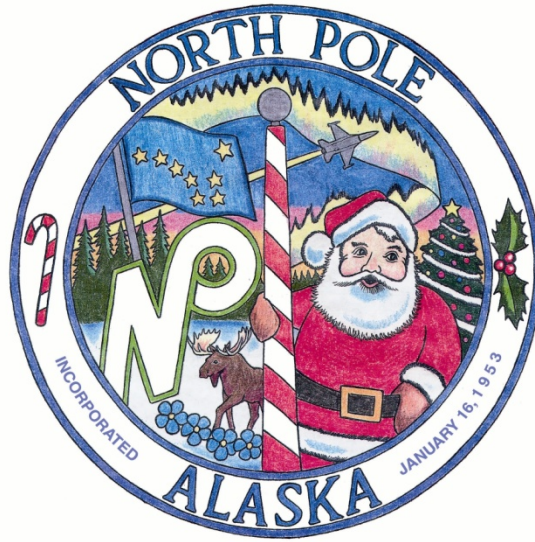
The regular meeting of Monday, May 13, 2019 adjourned at 7:30 p.m.

These minutes passed and approved by a duly constituted quorum of the North Pole City Council on Monday, June 03, 2019.

Michael W. Welch, Mayor

ATTEST:

Judy L. Binkley, City Clerk



CITY OF NORTH POLE 2019 RENEWAL MEETING

**125 Snowman Lane
North Pole, AK 99705**

June 3, 2019

Presented by:
Craig Kestran
Employee Benefits Manager

Diana Stewart, RHU, CEBS
Executive Account Manager

City of North Pole

Agenda

Section I.	General Overview
Section II.	Current Trends in Healthcare
Section III.	Legislative Update
Section IV.	Summary of Current Programs
Section V.	Renewal Presentation
Section VI.	Reports & Exhibits

City of North Pole:	Risq Consulting:
Michael Welch, Mayor	Craig Kestran
Judy Binkley, City Clerk	Diana Stewart

Individual	Functional Position
Craig Kestran 907-365-5106 ckestran@risqconsulting.com	Sr. Employee Benefits Consultant: Responsible for managing all strategic aspects of client relationship, including planning, plan design, financial evaluation, claims analysis, insurer negotiations and compliance.
Diana Stewart, RHU, CEBS 907-365-5154 dstewart@risqconsulting.com	Account Manager: Responsible for analyzing carrier proposals, assisting with the preparation of financial evaluations (renewals) and daily service/policy issues and plan execution.

I. General Overview

Our Commitment to Service

We appreciate the opportunity to work with City of North Pole, and help you meet your insurance and employee benefits objectives. In order to adapt to the changing needs of your organization, Risq Consulting has invested in top-notch talent and leading-edge technology. We take nothing for granted, and will always work in the best interest of City of North Pole.

Thank you for your business. We look forward to nurturing an ongoing relationship that brings you the best solutions in the business. We will continue to build our relationship through hard work, creativity, and assertiveness that effectively meets the needs of your business.

Risq Consulting Account Service Team

All Risq Consulting clients are assigned to a team of specialists who are dedicated to providing a wealth of resources to serve their needs. Our professionals pride themselves on excellent service, and are dedicated to using their experience and expertise to meet our clients' benefits objectives. Your account team's goal is to help City of North Pole save money through proper implementation and management of your benefits programs, and they are committed to anticipating and fulfilling your needs and concerns.

In addition to our own talented professionals and specialized value-added services, Risq Consulting has a wealth of resources available to us through our national affiliation with Acrisure. The resources available to us through these affiliations let us gain access to regional expertise and market clout.

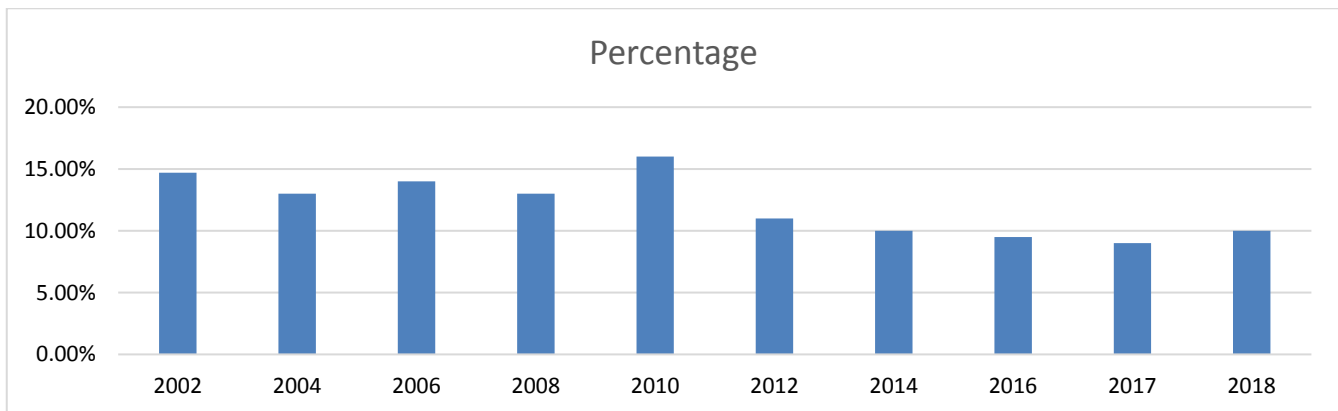
Final accountability for your programs is the responsibility of Craig Kestran, your lead Advisor. While a number of our professional staff will be active with your account, either on a day-to-day or project-specific basis, Craig is ultimately responsible for meeting your expectations.

II. Current Trends in Healthcare

2017-2019 Trends

Health Care costs remain high, rising well above the national CPI each year. Increases have been in the double digits now for over 15 consecutive years. 2016 & 2017 saw a slight decrease and stabilization, however with the rising cost of prescriptions as well as the uncertainty with regards to health care reform trends are beginning to rise again.

Health care costs in Alaska continue to exceed those of the lower 48 by 20% to 30% on average.



Cost Drivers:

- Health Care Reform continues to play a role as government regulations change and additional services are required by non-grandfathered plans.
- Increased incidence of chronic diseases – due to increase in age of the overall population and in part due to unhealthy lifestyle choices.
- Specialty Drugs are creating double digit increases in pharmacy spend as more new drugs receive FDA approval. Often new drugs can cure past chronic conditions or prolong life, however this comes with a significant cost.
- Increase use of technology to treat illnesses, by detecting disease sooner and providing better surgical outcomes. This also adds to the cost of healthcare for an aging population as we continue to live longer lives.
- Inefficient care – only 55% of all patients receive care in accordance with Best Practices. This includes defensive medicine – additional tests and procedures ordered as precautions, when the results do not change the course of treatment.
- Addition of new provider locations and local clinics, as hospitals branch out into the traditional independent provider areas.

Cost Saving Considerations:

- Cost shifting:
 - Increase employee contributions
 - Tiered employee contributions – charging employees a percentage of pay, charging employees whose dependents have access to other insurance more than those that do not
 - Spousal carve out
 - Offer “Wellness Rebates to offset employee contribution increases
- Change plan designs – especially increasing the prescription drug co-payments to keep pace with prescription drug cost increases.
 - Although minimum changes can be made within a Grandfathered plan, major changes to benefits will cause the loss of Grandfather Status and an overall increase in plan costs.
- Focus on Employee Communications – as the need to implement more drastic cost savings increases, it is critical to engage employees. Comprehensive communications are needed to build awareness of the actual cost of their care, to arm them with decision making tools to help them to be more involved in the course of their medical treatment to improve outcomes, (which reduce cost) and to educate them on the connection between health, prevention, the quality of life and cost.

Other Trends:

Comprehensive Wellness Programs:

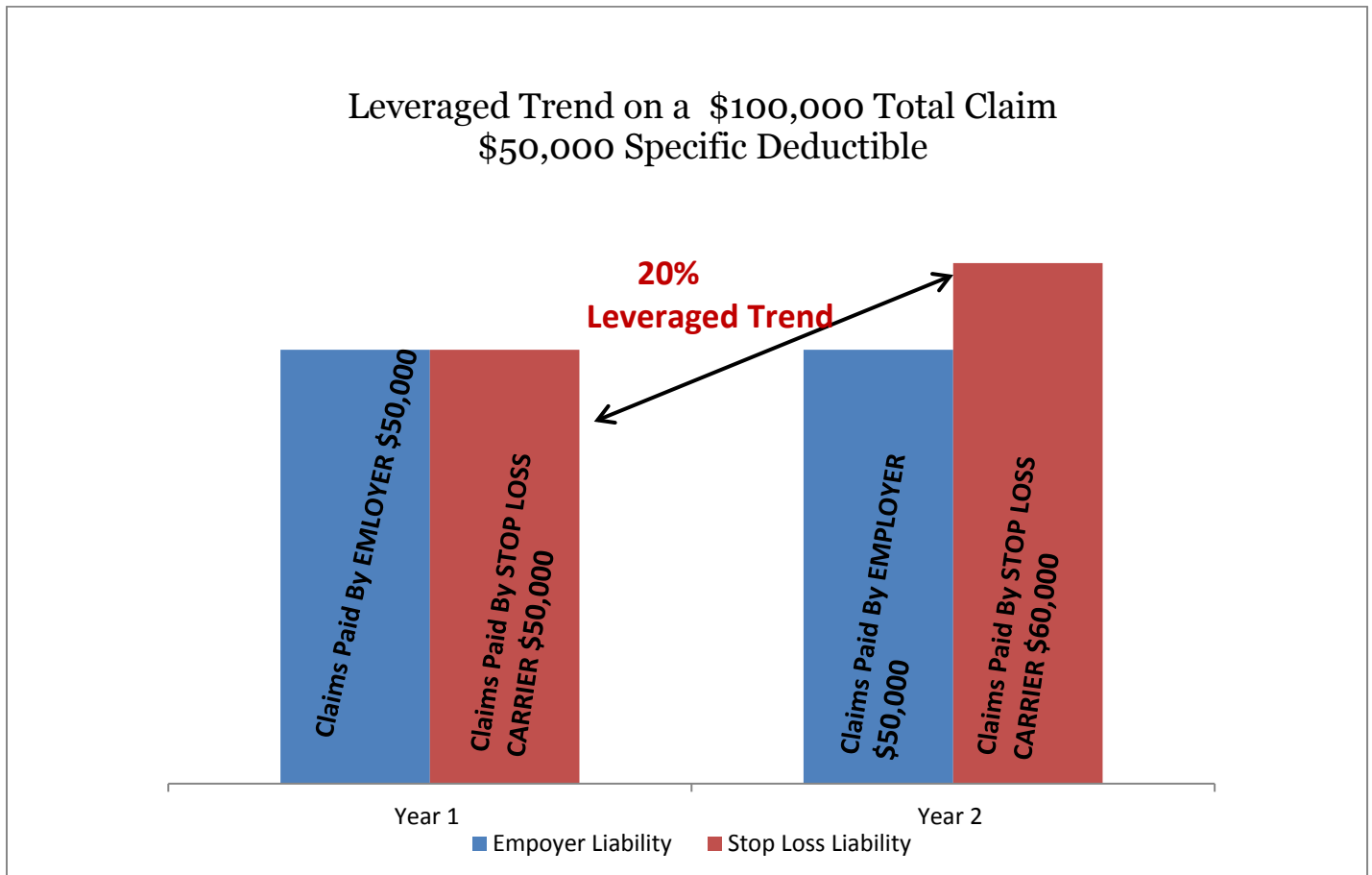
- Employer-paid smoking cessation classes
- Smoker/Non-smoker employee medical contributions
- Wellness “rebates” based on participation in an established wellness program
- Third party health advocate to assist employees in managing chronic health conditions
- Incentives for health risk assessments to assist employees in maintaining or improving health conditions year over year
- Biometric screenings: Know your numbers, BP, Cholesterol, Glucose Blood Sugar, Triglycerides.

Stop Loss and Leveraged Trend:

As plans budget for the next fiscal year, medical cost inflation is undoubtedly a critical element of the planning process. New medical Technologies, rising provider charges, and pharmaceutical costs continue to cause health coverage expenses and premium to rise faster than general inflation. Medical inflation along with deductible erosion are the two factors that create leveraged trend, and unfortunately, medical stop loss insurance is not immune to these forces.

HOW DOES LEVERAGED TREND AFFECT STOP LOSS RATES?

The Self-funded plan in this example has a \$50,000 specific stop loss deductible. In year 1, an employee has \$100,000 in claims. The first \$50,000 of the claims are paid through the self-funded plan. The remaining \$50,000 is reimbursed by the medical stop loss policy. Assuming the medical trend in year 2 is 10%, the employee's claims would increase to \$110,000. At the same specific deductible, the self-funded plan pays the First \$50,000 of the claims and the medical stop loss policy reimburses the remaining \$60,000 in claims – a 20% leveraged trend increase from the preceding year. This increase may result in higher premium.



III. Legislative Update

PPACA – Taxes and Fees

PICORI Fee: Fully Insured & Self-Funded Plans. The Fee is based on the average covered lives (including dependents) during the plan year. The fee changes on October 2 each year. The fee is based on covered lives, including dependents. The first year the fee was \$1 and the second year was \$2 it has continued to grow from there. **The Fee due July 1, 2019 is \$2.39 per life for a total of \$185.67.** There is one more year remaining for this particular tax.

Employer Shared Responsibility Reporting – Forms 1094 & 1095 B&C

Employer reporting under Internal Revenue Code Sections 6055 and 6056 began in January 2016 based on 2015 plan enrollment. The Affordable Care Act requires ALE's (Applicable large employers, generally those with 50 or more Full Time Employees), all self-funded plans and health coverage providers (carriers) to report information about the health coverage they offered or provided during the year to covered employees (full and part-time employees), beginning for coverage offered or provided in 2015.

The IRS will use this information to administer the employer shared responsibility provisions and the premium tax credit. ALE's must provide employees a statement (1095) that includes the same information provided to the IRS.

Cadillac Tax: Remains in limbo, currently postponed to 2022, is a 40% excise tax on health plans with values exceeding a specific threshold. Congress continues to target this section of the ACA for repeal as the new administration moves forward.

ALASKA VACCINE ASSESSMENT PLAN (AVAP): 2015

The Alaska Legislature has passed an act that will affect every insured and self-insured group health plan in Alaska. In summary, under the AVAP, the State of Alaska will purchase certain vaccines in bulk and distribute them to medical providers for administration. Under this program the health care provider may not charge the patient for the vaccine but may make a charge for the administration of the vaccine.

However since the AVAP requires the patient to incur a doctor's visit to obtain the vaccine, this act will increase costs to plans.

The AVAP establishes a commission under HSS of 8 members which will be responsible for determining the cost and therefore the assessment to be made each year for each vaccine included under the program. They will also be responsible for collecting data from assessable entities (group health plans) and the fees which among other things will be used to pay for the vaccines and the administration of the program and monitor compliance.

The rates for 2019 under the AVAP to be paid quarterly are:

- \$8.61 up from \$6.85 per child (participant under 19 years of age)
- \$0.88 down from \$0.98 per adult (participant 19 years of age or older)

2019 Estimated Vaccine Tax for the City of North Pole is \$3,603.60.

IV. Summary of Current Programs

	Carrier	Renewal Date
Health	Self-Funded - AW Rehn	7/1/19
Dental	Self-Funded - AW Rehn	7/1/19
COBRA	AW Rehn	7/1/19
FSA	Eflex Group	1/1/19
Life/AD&D	Lincoln Financial	7/1/19
Short Term Disability	Lincoln Financial	7/1/19
Group Voluntary Life /AD&D	Lincoln Financial	7/1/19

Note: Detailed plan information is located in the **Reports & Exhibits** section of this report.

Plan: Life & AD&D

Carrier: Lincoln Financial

Renewal Date: 7/1/19

		Benefit
Life	Class I – Full Time Employees	\$50,000
AD&D	Class I – Full Time Employees	\$50,000

Plan: Short Term Disability

STD	All Employees working 30+ hrs	60% of weekly earning to a maximum benefit of \$500 per week for 52 weeks
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Plan: Voluntary Life & AD&D

Life	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000 Guaranteed Issue \$100,000
AD&D	All Employees working 30+ hrs	5 x annual salary to a maximum of \$500,000 Guaranteed Issue \$100,000

Summary of Medical, Dental and Vision Benefits

Plan: Medical

TPA: AW Rehn

Renewal Date: 7/1/19

Benefit	In-Network	Out-of-Network
Deductible	\$375 Individual / \$1,125 Family	
Out-of-Pocket (Including Ded)	\$4,225 Individual / \$12,675 Family	
Lifetime Maximum	Unlimited	Unlimited
Coinsurance	80%	80% Providers 60% Hospital
Preventative Services	100%	100%
Physician Office Visit	80% After Ded	80% After Ded
Retail Prescriptions Retail	\$10 / \$28/ \$50 /\$50	Member pays 100% at the time of purchase then reimbursed 50% after the applicable co-pay
Mail Order	\$20 / \$50/ \$100	
Urgent Care	80% After Ded	80% After Ded
Emergency Room	80% After Ded	80% After Ded
Ambulance	90% After Ded	90% After Ded
Office Surgery	80% After Ded	80% After Ded
Outpatient Hospital Serv. <ul style="list-style-type: none"> Outpatient Surgery Anesthesia Requires Pre-Certification Lab & X-Ray based on Facility Network status 	90% After Ded (Providence Hospital)	90% After Ded - Providers 60% After Ded - Hospital (all other Hospitals)
Inpatient Hospital Serv. <ul style="list-style-type: none"> Anesthesia Requires Pre-Certification Lab & X-Ray based on Facility Network status 	90% After Ded (Providence Hospital)	90% After Ded - Providers 60% After Ded - Hospital (all other Hospitals)
Bridge Health Surgery	100% (deductible & Coinsurance Waived) Includes, travel and hotel for you and a companion	

Outpatient Lab & X-ray	80% After Ded	80% After Ded
Outpatient Advanced Radiology <ul style="list-style-type: none"> MRI, MRA,PET, CT-Scan & Nuclear Medicine 	80% After Ded	80% After Ded 60% After Ded - In patient
Durable Medical Equip.	80% After Ded	80% After Ded
Skilled Nursing Facility <ul style="list-style-type: none"> 100 visits PCY 	80% After Ded	80% After Ded
Hospice Care	80% After Ded	80% After Ded
Home Health Care <ul style="list-style-type: none"> 100 visits PCY 	80% After Ded	80% After Ded
Organ Transplant	90% After Ded	Not Covered

Plan: Dental

Benefit	In or Out of Network
Deductible	\$50 / \$150
Waived For Preventive	YES
Type A Expenses	100%
Type B Expenses	80%
Type C Expenses	50%
Calendar Year Max	\$1,000

Plan: Vision

Benefit	In or Out of Network
Deductible	None
Eye Exams	Plan pays 100% up to \$60
Lenses, Contacts and Frames	Plan pays 100% up to \$120
Benefit Period	24 months

V. Renewal Presentation

Life & AD&D

Rate changes for 7/1/2019, are guaranteed until 7/1/2021.

Coverage	Rate Base	Current Rate	Renewal Rate	Current Monthly Premium	Renewal Monthly Premium	Monthly Change
Life	Per \$1,000	\$ 0.133	\$0.153	\$ 266.00	\$306.00	\$40.00
AD&D	Per \$1,000	\$ 0.045	\$0.045	\$ 90.00	\$ 90.00	\$0.00
Short Term Disability	Per \$10 of weekly benefit	\$ 0.39	\$0.41	\$ 773.84	\$ 813.52	\$39.68
Totals				\$ 1,138.74	\$ 1,209.52	\$79.68
Annual Change						956.21

Based on the renewal rate from Lincoln we requested rates from other carriers. Many declined to quote the plan based on the high volume of Police and Fire employees. Those who declined to quote are; Guardian, Hartford, Principal, Sun Life and UNUM. Mututal of Omaha did present a quote matching your current benefits. The Annual cost of all employer paid benefits would be \$13,606.06 which is an annual savings of \$908.21 compared to the Lincoln renewal rates. These rates are shown on page 38.

For the Voluntary Life, Mututal of Omaha has provided a similar plan, matching the rates, but has a 32% participation requirement (12) lives. Currently there are only 8 employees enrolled in Voluntary Life. We are checking to see if Mututal of Omaha will guarantee coverage with only 8 lives, but at this time a switch in carriers could cause the loss of Voluntary Life coverage.

Mututal of Omaha has also provided a quote which shortens the Short Term Disability benefit from 52 weeks to 12 weeks and pairs it with a Long Term Disability benefit to normal retirement age. The annual cost of this plan combination is \$18,655.12, an increase of \$4,150.86 over the current benefit plan.

Pages 18-23 show the Year to Date experience for the Plan. The Population has dropped slightly this year, however claims are running slightly better than last year at this time with an Expected Loss Ratio of 102% (107%) and a Maximum Loss Ratio of 88% (94%) after 10 months of experience. The numbers in parentheses reflect the prior years experience. Typically the plan runs at 100% of expected or less. The 2016-2017 plan year was 83% of expected.

The City has set the Plan funding at 110% of expected claims. We have added a second graph to this report showing how the funding level is matching up to actual costs. At this time funding is still outpacing actual cost, by 7% (3%) resulting in a small reserve for the plan year to date.

Page 24 shows the number of BridgeHealth claims processed in the last few years. There have been 3 completed procedures which have totaled savings of \$65,460.48. This is a ROI of \$23.46/\$1.

Page 25 shows the number of large claims year to date is 5 totaling \$408,854.28, although the number of claims is lower than the 8 reported last year totaling 278,663.51 the three which have exceeded stop loss are higher with \$216,972.57 paid by the carrier. However many of these are not projected to be an issue going forward. Of the 5 Large Claims year to date only 1 appears to be on going.

Page 26 shows the plans Large Claims Experience and loss ratios in relationship to the Specific Deductible and Large Claims activity. Since moving to HCC life in July 2013 the Average Stop Loss Ratio of claims to premium has been a very favorable, averaging 28%. The 2018-2019 Stop Loss Ratio is 92%, higher than the 75% the carrier would like to see to remain within their profit corridor.

Page 28 The Projections report reflects claims over the past 24 months. We use this to determine the rate of increase in claims year over year. We compare this to the claim factors presented by the Stop Loss Carrier to determine if the rates they are setting are reflective of the group's actual experience and fair.

MEDICAL PLAN RENEWAL: Pages 29-37. Pages 29-31 show a summary of the costs for each of 3 stop loss levels, and pages 32-36 are the line item breakouts for these rates. Page 37 shows the fully insured plans.

FIXED COSTS:

Administration: AW Rehn is in year 2 of a 2 year contract so will renew with no rate increase at \$24.32 PEPM until 7/1/2020.

Bridge Health: Fees will increase to \$2.70 PEPM. We are beginning to see utilization of this benefit. There have been 3 completed procedures which have totaled savings of \$65,460.48. This is a ROI of \$23.46/\$1.

Utilization Review: Medical Rehabilitation Consultants is proposing no increase for the 2019-2020 plan year in the \$3.00 PEPM. Their hourly fee for Case Management however will increase to \$160 per hour.

Consulting Fees: Risq Consulting is also in year 2 of a 2 year agreement for an annual consulting fee of \$22,579.

PCORI Fees: are also included in the renewal line items on page 32. The PCORI taxes projected for 2018 average \$0.19 PEPM or \$185.67 annually and are due in July 2019.

Alaska Vaccine Fees: also shown in the renewal line items, the Alaska State Legislature passed this tax in July 2014 and began collecting the tax in February 2015. This is collected quarterly, the rates are adjusted annually based on the cost of the program. For 2019 we estimate the cost to average \$7.15 PEPM or \$3,603.60 annually.

Individual Stop Loss Premium: HCC Life has reviewed the plans experience over the last 24 months and has determined that claims have increased significantly in the last 12 months. Currently there are 3 participants who have exceed the Specific Stop Loss Deductible of \$40,000 as well as the Aggregating Specific of \$15,000. The Specific Stop Loss Deductible was increased from \$35,000 to \$40,000 in July 2016.

The Aggregating Specific Policy reduces the annual Stop Loss premium by \$15,000. If no claims exceed the Specific Deductible the plan saves \$15,000 in premium. If claims exceed the Specific Deductible then the plan pays the \$15,000 premium savings in claims before the Individual Stop Loss kicks in.

Of the 5 large claims listed 1 is expected to continue into the coming year. **Based on this HCC has placed a laser on this participant of \$80,000.** This means that the stop loss will not reimburse claims on that participant until the City has paid \$80,000 in claims in the next plan year. All other participants will remain at the \$40,000 Specific Stop Loss Level unless the City changes the Stop Loss deductible level.

HCC has become a bit more conservative in their underwriting of risk, so we sent your Stop Loss policy to market. We had several companies decline to quote, either based on the size of your group, under 50, or the fact they felt they could not compete with the current rates.

QBE is one carrier who did provide us with a quote. Both QBE and HCC have provided us with three levels of Stop Loss, the current \$40,000 as well as a \$45,000 and a \$50,000 specific deductible all with a \$15,000 aggregating specific. **Both QBE and HCC will require a \$80,000 laser on 1 participant on all stop loss levels.**

Aggregate Stop Loss Premium: HCC also requested an Aggregate Premium increase of 6% for this renewal. With this the Aggregate premium will increase from \$21.20 PEPM to \$22.40 PEPM, an increase of \$1.20 PEPM month or \$604.80 annually.

These combined changes create an overall increase in Fixed Costs of 9% resulting in a monthly increase of \$2,660.98 and an annual increase of \$32,032.56.

Claim Factors: Although the volume of large claims has increased in past year the overall volume of claims has decreased resulting in a loss ratio of 88% of maximum cost year to date. HCC has proposed a reduction in the claim factor of -7% for a monthly reduction in projected claims of \$4,145.96 and an annual claims reduction of \$49,751.52.

The maximum claim factor is set 25% above expected claims. With the Maximum claims at \$631,837.92, the expected claims for the plan year would be \$505,470.34.

Claims are currently running at 102% of expected for the 2018-2019 plan year which is lower than the 108% expected loss ratio at this same time last year.

When the claim factors are combined with the Fixed Costs the overall increase to the plan with HCC at the \$40,000 Stop Loss level is -2% resulting in an annual decrease of \$17,718.96 at Maximum Cost or \$7,768.66 at Expected cost. This is well below a Trend Increase of 10%.

Based on the above with no changes in administration, HCC provides a slightly higher stop loss premium than QBE, however HCC's claim factor is lower. Overall HCC can be renewed with a -1% to -2% cost reduction at all levels of Stop Loss. QBE would result in an increase of 3% in overall cost at all levels of Stop Loss.

TPA Marketing: We have also marketed the TPA services, although AW Rehn provides good service at a very reasonable rate of \$24.32 PEPM they are not able to provide the plan with a quality network in the North Pole and Fairbanks area.

Meritain has access to the AETNA network, which will provide discounts from over 308 providers in the North Pole and Fairbanks area. In addition to a reduction in claims HCC has provided a discount to the Stop Loss Premiums as well as the claims factor because of the AETNA network savings potential.

History of claims: The number of larger claims which has been a driving factor in costs over the last few years has slowed this year with only 5 claims year to date compared to 8 last year. Currently 3 claims have exceeded the Specific Deductible this year, with one anticipated to continue into the next plan year. **This claim has been lasered by HCC & QBE at \$80,000.**

The City of North Pole continues to have a Grandfathered plan. Although some changes were made in 2015, they were within the allowed ACA limits. With the ACA restrictions on plan changes, it becomes a challenge to control costs without reducing benefits, or cost shifting to employees.

Program Options:

Network Options: There is a definite need to reduce plan utilization and the increase in high dollar claims. We have been reviewing Network options available in the North Pole, Fairbanks area. Preferred Provider Networks in Alaska are very limited;

- **Premiera** – does not allow others to rent their network. Premiera does not offer Self-funding for groups under 50 employees. Groups under 50 are quoted as fully insured.

- **AETNA** – requires Meritain, as the TPA for either a % of savings or a PEPM cost if the network is directed and the benefit differential is 20% between in and out of network.
- **CIGNA** – works with multiple TPA's including AW Rehn, for a set PEPM rate. CIGNA is the least flexible and has multiple requirements tied to their network utilization; CIGNA must provide Pre-Cert and Case Management Services for the plan, as well as a directed network differential of 20%,
Cigna does not allow a plan to utilize Bridge Health, Teladoc or Dialysis networks.
- **First Choice** – is a rental network that can be passive or directed, available with multiple TPA's.
- **Multiplan** - is a rental network that can be passive or directed, available with multiple TPA's.

By moving TPA services to Meritain Administrative Fees will go up \$24.43 PEPM for an annual increase of \$12,312.72. This increase would be offset by a reduction in the stop loss premium of \$59.18 PEPM or \$29,830.81 for a net savings of \$17,694.49. The annual claim factor would also be reduced by \$20,756.40 per year for a total net reduction in cost of \$38,450.89.

QBE was not able to match this reduction in stop loss or claim factors.

We have also provided fully insured options with Premiera or the AETNA Poli-Sub pool. Both of these options result in an increase in cost and lower benefits for the participants.

Plan Recommendations:

Based on the renewal options provided we recommend;

- Move TPA Services from AW Rehn to Meritain and utilize the AETNA network.
- Continue the Bridge Health Surgical Benefit.
- Continue Teladoc Services for \$1.55 PEPM.
- Renew with MRC for Utilization Review Services with no increase in monthly fees.
- Renew Consulting Services with Risk Consulting with no increase.
- Renew Stop Loss coverage with HCC Life utilizing the \$40,000 Specific Deductible currently in place **including the \$80,000 laser.**
- Wellness Incentives; Continue to partner with Alaska Health Fairs for biometric blood screenings for employees.

The Maximum overall plan increase is -5% using the Meritain/AETNA network.

VI - Exhibits

Page 18-23: 2018-2019 Monthly Experience Report

Page 24: Bridge Health Experience

Page 25- 26: Large Claims Report

- **2013-2019 HCC Life**

Page 27:- Renewal Projection

Page 28-39: Summary of Renewal

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ELIGIBILITY REPORT
PLAN YEAR: JULY 1, 2018 THROUGH JUNE 30, 2019**

**PPACA
covered lives**

Month	Single Employees	Employees with Dependents	Total Employees	Total Covered lives
July	11	30	41	111
August	11	28	39	114
September	12	27	39	114
October	12	27	39	114
November	12	26	38	110
December	12	25	37	108
January	14	26	40	116
February	14	29	43	126
March	10	31	41	122
April	10	32	42	125
May				
June				
Total	118	281	399	1160

**CITY OF NORTH POLE
GROUP HEALTH PLAN
AVERAGE COST PER EMPLOYEE
PLAN YEAR: JULY 1, 2018 THROUGH JUNE 30, 2019
Claims in excess of the Specific Stop Loss of \$40,000 EXCLUDED**

Month	Med / Vis Claims	Rx Claims	Dental Claims	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Eligible Employees	Avg Cost Per EE
July	\$94,630	\$1,664	\$2,879	\$99,173	\$24,858	\$3,149	\$127,181	41	3101.97
August	\$45,863	\$4,176	\$2,353	\$52,392	\$23,400	\$3,087	\$78,879	39	2022.54
September	\$8,418	\$548	\$1,605	\$10,570	\$22,943	\$3,087	\$36,601	39	938.49
October	\$26,816	\$2,138	\$7,189	\$36,143	\$22,943	\$3,087	\$62,174	39	1594.20
November	\$21,176	\$1,432	\$2,220	\$24,827	\$22,214	\$3,057	\$50,098	38	1318.37
December	\$18,078	\$1,646	\$1,273	\$20,997	\$21,486	\$3,026	\$45,508	37	1229.95
January	\$31,127	\$2,731	\$1,434	\$35,292	\$22,759	\$3,118	\$61,169	40	1529.23
February	\$76,228	\$1,667	\$3,368	\$81,262	\$24,945	\$3,211	\$109,419	43	2544.62
March	\$56,619	\$1,838	\$9,979	\$68,435	\$25,315	\$3,149	\$96,899	41	2363.40
April	\$17,518	\$3,327	\$6,871	\$27,715	\$26,044	\$3,180	\$56,939	42	1355.69
May									
June									
Total	\$396,472	\$21,166	\$39,170	\$456,808	\$236,906	\$31,153	\$724,867	399	1816.71

**CITY OF NORTH POLE
GROUP HEALTH PLAN
ACTUAL COST COMPARED TO EXPECTED COST
PLAN YEAR: JULY 1, 2018 THROUGH JUNE 30, 2019
Claims in excess of the Specific Stop Loss of \$40,000 EXCLUDED**

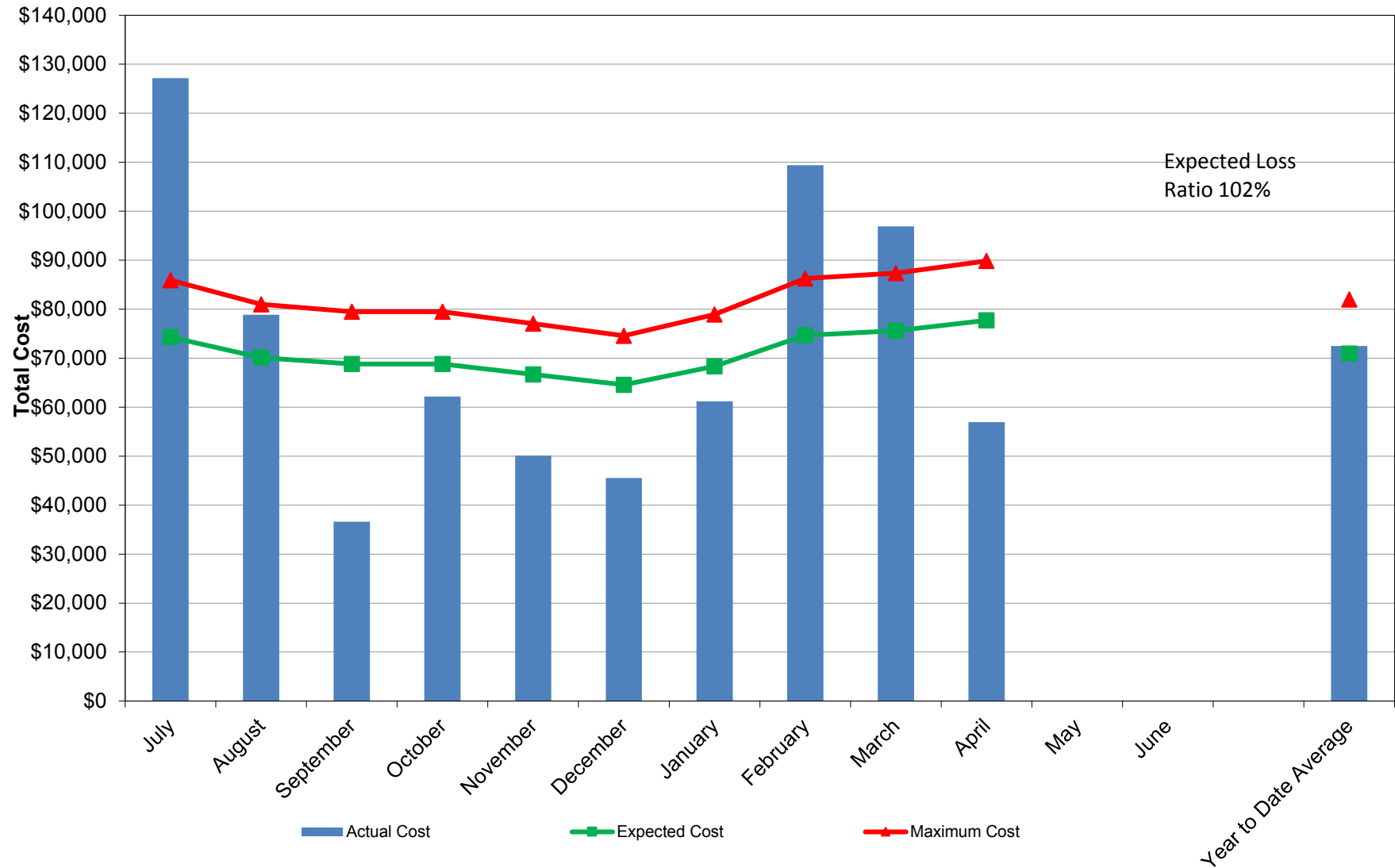
Month	Total Claims	Stop-Loss Premium	Admin & U/R	Actual Cost	Expected Claims	Expected Cost	Loss Ratio	Amounts Over \$40,000
July	\$99,173	\$24,858	\$3,149	\$127,181	\$46,304	\$74,311	171%	\$33,355.04
August	\$52,392	\$23,400	\$3,087	\$78,879	\$43,597	\$70,085	113%	\$714.40
September	\$10,570	\$22,943	\$3,087	\$36,601	\$42,761	\$68,792	53%	\$1,934.66
October	\$36,143	\$22,943	\$3,087	\$62,174	\$42,761	\$68,792	90%	\$55,121.87
November	\$24,827	\$22,214	\$3,057	\$50,098	\$41,408	\$66,679	75%	\$5,339.57
December	\$20,997	\$21,486	\$3,026	\$45,508	\$40,054	\$64,566	70%	\$8,463.66
January	\$35,292	\$22,759	\$3,118	\$61,169	\$42,444	\$68,321	90%	\$52,896
February	\$81,262	\$24,945	\$3,211	\$109,419	\$46,504	\$74,661	147%	\$2,119
March	\$68,435	\$25,315	\$3,149	\$96,899	\$47,140	\$75,604	128%	\$47,383
April	\$27,715	\$26,044	\$3,180	\$56,939	\$48,493	\$77,717	73%	\$9,645
May								
June								
Total	\$456,808	\$236,906	\$31,153	\$724,867	\$441,467	\$709,527	102%	\$216,973

PLAN YEAR: JULY 1, 2018 THROUGH JUNE 30, 2019
Claims in excess of the Specific Stop Loss of \$40,000 EXCLUDED

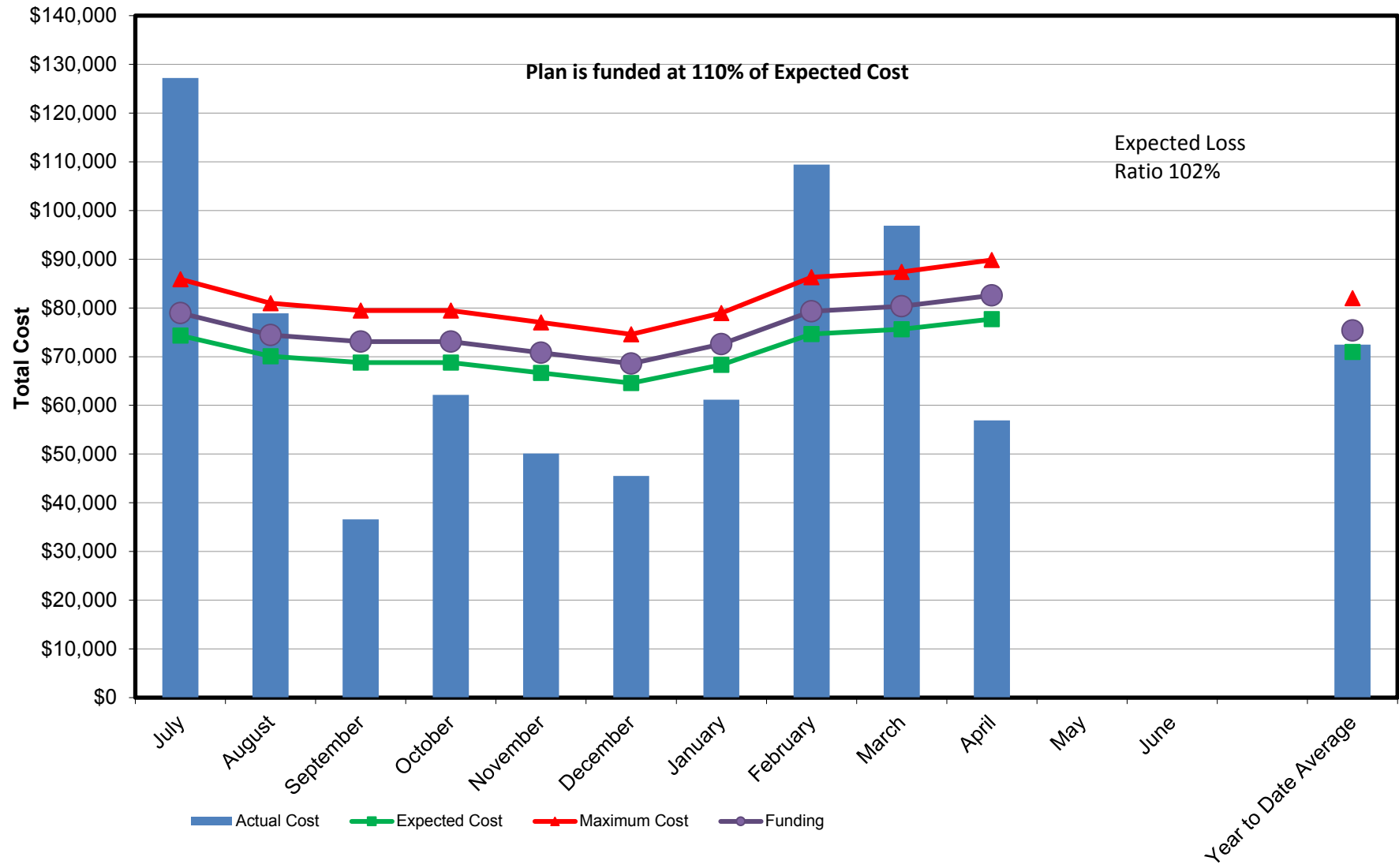
Month	Total Paid Health Claims	Stop-Loss	Admin & U/R	Actual Cost	Maximum Claims	Maximum Cost	SURPLUS (deficit)	Ratio	Amounts Over \$40,000
July	\$99,173	\$24,858	\$3,149	\$127,181	\$57,880	\$85,887	-\$41,293	148%	\$33,355
August	\$52,392	\$23,400	\$3,087	\$78,879	\$54,496	\$80,984	\$2,105	97%	\$714
September	\$10,570	\$22,943	\$3,087	\$36,601	\$53,452	\$79,483	\$42,881	46%	\$1,935
October	\$36,143	\$22,943	\$3,087	\$62,174	\$53,452	\$79,483	\$17,309	78%	\$55,122
November	\$24,827	\$22,214	\$3,057	\$50,098	\$51,760	\$77,031	\$26,933	65%	\$5,340
December	\$20,997	\$21,486	\$3,026	\$45,508	\$50,068	\$74,579	\$29,071	61%	\$8,464
January	\$35,292	\$22,759	\$3,118	\$61,169	\$53,055	\$78,932	\$17,763	77%	\$52,896
February	\$81,262	\$24,945	\$3,211	\$109,419	\$58,131	\$86,287	-\$23,132	127%	\$2,119
March	\$68,435	\$25,315	\$3,149	\$96,899	\$58,925	\$87,389	-\$9,511	111%	\$47,383
April	\$27,715	\$26,044	\$3,180	\$56,939	\$60,617	\$89,840	\$32,901	63%	\$9,645
May									
June									
Total	\$456,808	\$236,906	\$31,153	\$724,867	\$551,834	\$819,894	\$95,027	88%	\$216,973

* Claim in excess of \$40,000 Specific Deductible plus \$15,000 Aggregating Specific

**City of North Pole
Group Health Plan
July 1, 2018 to June 30, 2019**



City of North Pole Group Health Plan Funding July 1, 2018 to June 30, 2019



**City of North Pole
Bridge Health Experience**

Opened Date	Procedure Area	Surgery Date	Regionally Adjusted Average	Paid Case Rate	Case Management Fee	Travel Expenses	Total MI&G	Case Total Cost	Savings
3/21/2017	Orthopedic	5/19/2017	\$35,339.00	\$10,216.00	\$2,043.20	\$2,846.61	\$700.00	\$15,805.81	\$19,533.19
2018 Completed Surgeries									
11/14/2017	General Surgery	1/30/2018	\$17,766.84	\$8,500.00	\$1,700.00	\$2,187.94	\$500.00	\$12,887.94	\$4,878.90
2019 Completed Surgeries									
2/1/2018	Orthopedic	1/29/2019	\$72,819.59	\$24,000.00	\$4,800.00	\$2,121.20	\$850.00	\$31,771.20	\$41,048.39

\$125,925.43

Total Case Savings **\$65,460.48**

Average Savings 52%

City of North Pole Savings Report

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BridgeHealth Medical

City of North Pole
Claims in Excess of \$20,000
July 1, 2018 - April 30, 2019

Claim #	Insured	Condition	Year to Date Claims	Paid by City	Paid By Carrier
1	CH	Resolved	\$26,944.43	\$26,944.43	\$0.00
2	EE	Slowing	\$29,937.28	\$29,937.28	\$0.00
3	EE	Ongoing	\$93,958.72	\$40,000.00	\$53,958.72
4	EE	Slowing	\$154,605.56	\$40,000.00	\$114,605.56
5	SP	Slowing	\$103,408.29	\$55,000.00	\$48,408.29
Total:			\$408,854.28	\$191,881.71	\$216,972.57

City of North Pole Stop Loss History

Plan Year	SL Claims	Specific SL Limit	Agg Specific Used	Claims in Excess of SL	Stop Loss Premium	Loss Ratio	Net Premium Savings
2013-2014	1	\$35,000	\$15,000	\$6,148	\$217,173	3%	\$0
2014-2015	4	\$35,000	\$15,000	\$52,269	\$214,236	24%	\$0
2015-2016	3	\$35,000	\$15,000	\$56,000	\$240,148	23%	\$0
2016-2017	1	\$40,000	\$15,000	\$442	\$258,538	0%	\$0
2017 - 2018	2	\$40,000	\$15,000	\$59,349	\$215,353	28%	\$0
2018 - 2019 YTD	3	\$40,000	\$15,000	\$216,973	\$236,906	92%	\$0
Totals	14			\$391,181	\$1,382,354	28%	\$0

Risq Constulting Renewal Projection for:
CITY OF NORTH POLE
Effective July 1, 2019

Latest 12 Months April 18 - March 19				Latest 12 Months April 17 - March 18			
Months	Employees	Med/Rx/Vis	Dental	Employees	Med/Rx/Vis	Dental	
May	38	54973	2915	39	61938	3241	
June	38	55189	2589	40	51376	6138	
July	41	96294	2879	39	8939	3348	
August	39	50039	2353	39	64317	4808	
September	39	8966	1605	39	33164	1863	
October	39	28954	7189	39	24017	1397	
November	38	22608	2220	38	34411	1832	
December	37	19724	1273	37	59952	1375	
January	40	33858	1434	40	53296	5176	
February	43	77895	3368	43	39934	4398	
March	41	58457	9,979	42	50939	5,153	
April	42	20845	6,871	38	59361	2284	
Total	475	527,802	44,675	473	541,644	41,013	
Monthly Average	40	43,984	3,723	39	45,137	3,418	

	Med/Rx/Vis	Dental		Med/Rx/Vis	Dental	Med incre:
Ave. Claims Per EE Per Month	1,111.16	94.05		1,145.12	86.71	-3%
Weighted Average (Med & Rx)	1111.16 (.75) + 1145.12 (.25) =		1,119.65	Projection for 2019- 2020	18-19	
Trend 10% Annually over 14 mos	x 1.1167			Projected		
Exp. Clm. Factor (Med & Rx)			1,250.32	Expected Claims	Medical & Rx	1,250.32 1,115.83
					Dental	98.67 90.75
Weighted Average (Dental)	94.05 (.75) + 86.71 (.25) =		92.22		Total	1,250.32 1,115.83
Trend 6% Annually over 14 mos	x 1.070					12%
Exp. Clm. Factor (Dental)			98.67			
				Maximum Claims	Medical & Rx	1562.90 1,394.79
				(125% of Exp.)	Dental	98.67 90.75
					Total	1,562.90 1,394.79

City Council Agenda Packet - June 03, 2019

27

34 of 57 12%

**City of North Pole
2019-2020 Renewal
Summary at \$40,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$40,000 Spec		\$40,000 Spec		\$40,000 Spec		\$40,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$27,398.00	11%	\$26,309.50	6%	\$24,912.10	1%	\$26,309.50	6%
Total Monthly Fixed Costs		\$28,254.87	\$30,924.25	9%	\$29,835.75	6%	\$29,449.71	4%	\$30,847.11	9%
Total Annual Fixed Costs		\$339,058.44	\$371,091.00		\$358,029.00		\$353,396.51		\$370,165.32	
Claim Factors										
Employee Only	14	\$651.58	\$608.12	-7%	\$552.18	-15%	\$589.35	-10%	\$552.18	-15%
Family	28	\$1,702.75	\$1,576.41	-7%	\$1,795.16	5%	\$1,524.02	-10%	\$1,795.16	5%
Maximum Monthly Claims Cost		\$56,799.12	\$52,653.16	-7%	\$57,995.00	2%	\$50,923.46	-10%	\$57,995.00	2%
		\$681,589.44	\$631,837.92		\$695,940.00		\$611,081.52		\$695,940.00	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,577.41	-2%	\$87,830.75	3%	\$80,373.17	-6%	\$88,842.11	4%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,002,928.92		\$1,053,969.00		\$964,478.03		\$1,066,105.32	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$73,046.78	-1%	\$76,231.75	3%	\$70,188.48	-5%	\$77,243.11	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$876,561.34		\$914,781.00		\$842,261.73		\$926,917.32	

			\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser	
Total Increase (Maximum Cost)			\$ (17,718.96)		\$ 33,321.12		\$ (56,169.85)		\$ 45,457.44	
Employee Only		\$1,038.35	\$1,027.52		\$910.56		\$1,014.55		\$934.64	
Employee + Family		\$2,518.47	\$2,471.18		\$2,712.33		\$2,396.83		\$2,736.41	

**City of North Pole
2019-2020 Renewal
Summary at \$45,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$45,000 Spec		\$45,000 Spec		\$45,000 Spec		\$45,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$25,813.34	4%	\$24,953.74	1%	\$23,413.26	-5%	\$24,953.74	1%
Total Monthly Fixed Costs		\$28,254.87	\$29,339.59	4%	\$28,479.99	1%	\$27,950.87	-1%	\$29,491.35	4%
Total Annual Fixed Costs		\$339,058.44	\$352,075.08		\$341,759.88		\$335,410.45		\$353,896.20	
Claim Factors										
Employee Only	14	\$651.58	\$627.39	-4%	\$566.40	-13%	\$607.91	-7%	\$566.40	-13%
Family	28	\$1,702.75	\$1,618.99	-5%	\$1,841.41	8%	\$1,565.22	-8%	\$1,841.41	8%
Maximum Monthly Claims Cost		\$56,799.12	\$54,115.18	-5%	\$59,489.08	5%	\$52,336.90	-8%	\$59,489.08	5%
		\$681,589.44	\$649,382.16		\$713,868.96		\$628,042.80		\$713,868.96	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,454.77	-2%	\$87,969.07	3%	\$80,287.77	-6%	\$88,980.43	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,001,457.24		\$1,055,628.84		\$963,453.25		\$1,067,765.16	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,631.73	-1%	\$76,071.25	3%	\$69,820.39	-5%	\$77,082.61	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$871,580.81		\$912,855.05		\$837,844.69		\$924,991.37	

		\$80 K Laser	\$80 K Laser	\$80 K Laser	\$80 K Laser
Total Increase (Maximum Cost)		\$ (19,190.64)	\$ 34,980.96	\$ (57,194.63)	\$ 47,117.28
Employee Only	\$1,038.35	\$1,026.34	\$912.82	\$1,013.86	\$936.90
Employee + Family	\$2,518.47	\$2,467.42	\$2,720.04	\$2,394.40	\$2,744.12

**City of North Pole
2019-2020 Renewal
Summary at \$50,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$50,000 Spec		\$50,000 Spec		\$50,000 Spec		\$50,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0.2%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$24,569.30	-1%	\$23,488.50	-5%	\$22,235.15	-10%	\$23,488.50	-5%
Total Monthly Fixed Costs		\$28,254.87	\$28,095.55	-1%	\$27,014.75	-4%	\$26,772.76	-5%	\$28,026.11	-1%
Total Annual Fixed Costs		\$339,058.44	\$337,146.60		\$324,177.00		\$321,273.11		\$336,313.32	
Claim Factors										
Employee Only	14	\$651.58	\$647.42	-1%	\$580.63	-11%	\$627.17	-4%	\$580.63	-11%
Family	28	\$1,702.75	\$1,661.33	-2%	\$1,887.65	11%	\$1,606.17	-6%	\$1,887.65	11%
Maximum Monthly Claims Cost		\$56,799.12	\$55,581.12	-2%	\$60,983.02	7%	\$53,753.14	-5%	\$60,983.02	7%
		\$681,589.44	\$666,973.44		\$731,796.24		\$645,037.68		\$731,796.24	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,676.67	-2%	\$87,997.77	3%	\$80,525.90	-5%	\$89,009.13	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,004,120.04		\$1,055,973.24		\$966,310.79		\$1,068,109.56	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,560.45	-2%	\$75,801.17	3%	\$69,775.27	-5%	\$76,812.53	4%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$870,725.35		\$909,613.99		\$837,303.26		\$921,750.31	

		\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser	
Total Increase (Maximum Cost)		\$	(16,527.84)	\$	35,325.36	\$	(54,337.09)	\$	47,461.68
Employee Only		\$1,038.35	\$1,029.31		\$914.29		\$1,017.07		\$938.37
Employee + Family		\$2,518.47	\$2,473.89		\$2,724.35		\$2,401.59		\$2,748.43

**City of North Pole
2019-2020 Renewal
\$40,000 Specific**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$40,000 Spec		\$40,000 Spec		\$40,000 Spec		\$40,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
AW Rehn	42	\$24.32	\$24.32	0%	\$24.32	0%	\$48.75	100%	\$48.75	100%
Bridge Health		\$2.50	\$2.70	8%	\$2.70	8%	\$2.70	8%	\$2.70	8%
MRC	42	\$2.90	\$2.90	0%	\$2.90	0%	\$2.90	0%	\$2.90	0%
Teladoc		\$1.90	\$1.90	0%	\$1.90	0%	\$1.55	0%	\$1.55	0%
Risq (\$1792/mo 7/1/19)	42	\$44.80	\$44.80	0%	\$44.80	0%	\$44.80	0%	\$44.80	0%
ACA PCORI Fee	42	\$0.19	\$0.19	0%	\$0.19	0%	\$0.19	0%	\$0.19	0%
AK Vacine	42	\$7.15	\$7.15	0%	\$7.15	0%	\$7.15	0%	\$7.15	0%
		\$83.76	\$83.96		\$83.96		\$108.04		\$108.04	
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Employee Only	14	\$281.81	\$313.02	11%	\$253.89	-10%	\$294.74	5%	\$253.89	-10%
Family	28	\$710.76	\$788.39	11%	\$812.68	14%	\$742.35	4%	\$812.68	14%
Aggregate Premium	42	\$21.20	\$22.40	6%	\$20.53	-3%	\$22.21		\$20.53	
Total Monthly Stop Loss Premium		\$24,737.02	\$27,398.00	11%	\$26,309.50	6%	\$24,912.10	1%	\$26,309.50	6%
Total Monthly Fixed Costs		\$28,254.87	\$30,924.25	9%	\$29,835.75	6%	\$29,449.71	4%	\$30,847.11	9%
Total Annual Fixed Costs		\$339,058.44	\$371,091.00		\$358,029.00		\$353,396.51		\$370,165.32	

**City of North Pole
2019-2020 Renewal
\$40,000 Specific**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$40,000 Spec		\$40,000 Spec		\$40,000 Spec		\$40,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Claim Factors										
Employee Only	14	\$651.58	\$608.12	-7%	\$552.18	-15%	\$589.35	-10%	\$552.18	-15%
Family	28	\$1,702.75	\$1,576.41	-7%	\$1,795.16	5%	\$1,524.02	-10%	\$1,795.16	5%
Maximum Monthly Claims Cost		\$56,799.12	\$52,653.16	-7%	\$57,995.00	2%	\$50,923.46	-10%	\$57,995.00	2%
		\$681,589.44	\$631,837.92		\$695,940.00		\$611,081.52		\$695,940.00	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,577.41	-2%	\$87,830.75	3%	\$80,373.17	-6%	\$88,842.11	4%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,002,928.92		\$1,053,969.00		\$964,478.03		\$1,066,105.32	
\$505,470.34										
TOTAL MONTHLY Expected Cost		\$73,694.17	\$73,046.78	-1%	\$76,231.75	3%	\$70,188.48	-5%	\$77,243.11	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$876,561.34		\$914,781.00		\$842,261.73		\$926,917.32	

		\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser	
Total Increase (Maximum Cost)		\$ (17,718.96)		\$ 33,321.12		\$ (56,169.85)		\$ 45,457.44	

**City of North Pole
2019-2020 Renewal
\$45,000 Specific**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$45,000 Spec		\$45,000 Spec		\$45,000 Spec		\$45,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
AW Rehn	42	\$24.32	\$24.32	0%	\$24.32	0%	\$48.75	100%	\$48.75	100%
Bridge Health		\$2.50	\$2.70	8%	\$2.70	8%	\$2.70	8%	\$2.70	8%
MRC	42	\$2.90	\$2.90	0%	\$2.90	0%	\$2.90	0%	\$2.90	0%
Teladoc		\$1.90	\$1.90	0%	\$1.90	0%	\$1.55	0%	\$1.55	0%
Risq (\$1792/mo 7/1/19)	42	\$44.80	\$44.80	0%	\$44.80	0%	\$44.80	0%	\$44.80	0%
ACA PCORI Fee	42	\$0.19	\$0.19	0%	\$0.19	0%	\$0.19	0%	\$0.19	0%
AK Vacine	42	\$7.15	\$7.15	0%	\$7.15	0%	\$7.15	0%	\$7.15	0%
		\$83.76	\$83.96		\$83.96		\$108.04		\$108.04	
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Employee Only	14	\$281.81	\$292.38	4%	\$239.33	-15%	\$275.31	-2%	\$239.33	-15%
Family	28	\$710.76	\$741.86	4%	\$771.54	9%	\$698.54	-2%	\$771.54	9%
Aggregate Premium	42	\$21.20	\$22.57		\$23.13		\$22.37		\$23.13	
Total Monthly Stop Loss Premium		\$24,737.02	\$25,813.34	4%	\$24,953.74	1%	\$23,413.26	-5%	\$24,953.74	1%
Total Monthly Fixed Costs		\$28,254.87	\$29,339.59	4%	\$28,479.99	1%	\$27,950.87	-1%	\$29,491.35	4%
Total Annual Fixed Costs		\$339,058.44	\$352,075.08		\$341,759.88		\$335,410.45		\$353,896.20	

**City of North Pole
2019-2020 Renewal
\$45,000 Specific**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$45,000 Spec		\$45,000 Spec		\$45,000 Spec		\$45,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Claim Factors										
Employee Only	14	\$651.58	\$627.39	-4%	\$566.40	-13%	\$607.91	-7%	\$566.40	-13%
Family	28	\$1,702.75	\$1,618.99	-5%	\$1,841.41	8%	\$1,565.22	-8%	\$1,841.41	8%
Maximum Monthly Claims Cost		\$56,799.12	\$54,115.18	-5%	\$59,489.08	5%	\$52,336.90	-8%	\$59,489.08	5%
		\$681,589.44	\$649,382.16		\$713,868.96		\$628,042.80		\$713,868.96	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,454.77	-2%	\$87,969.07	3%	\$80,287.77	-6%	\$88,980.43	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,001,457.24		\$1,055,628.84		\$963,453.25		\$1,067,765.16	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,631.73	-1%	\$76,071.25	3%	\$69,820.39	-5%	\$77,082.61	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$871,580.81		\$912,855.05		\$837,844.69		\$924,991.37	

		\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser	
Total Increase (Maximum Cost)		\$ (19,190.64)		\$ 34,980.96		\$ (57,194.63)		\$ 47,117.28	

**City of North Pole
2019-2020 Renewal
\$50,000 Specific**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$50,000 Spec		\$50,000 Spec		\$50,000 Spec		\$50,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
AW Rehn	42	\$24.32	\$24.32	0%	\$24.32	0%	\$48.75	100%	\$48.75	100%
Bridge Health		\$2.50	\$2.70	8%	\$2.70	8.0%	\$2.70	8.0%	\$2.70	8%
MRC	42	\$2.90	\$2.90	0%	\$2.90	0.0%	\$2.90	0.0%	\$2.90	0%
Teladoc		\$1.90	\$1.90	0%	\$1.90	0.0%	\$1.55	0.0%	\$1.55	0%
Risq (\$1792/mo 7/1/19)	42	\$44.80	\$44.80	0%	\$44.80	0.0%	\$44.80	0.0%	\$44.80	0%
ACA PCORI Fee	42	\$0.19	\$0.19	0%	\$0.19	0.0%	\$0.19	0.0%	\$0.19	0%
AK Vacine	42	\$7.15	\$7.15	0%	\$7.15	0.0%	\$7.15	0.0%	\$7.15	0%
		\$83.76	\$83.96		\$83.96		\$108.04		\$108.04	
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0.2%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Employee Only	14	\$281.81	\$275.13	-2%	\$223.89	-21%	\$259.06	-8%	\$223.89	-21%
Family	28	\$710.76	\$705.80	-1%	\$726.93	2%	\$664.58	-6%	\$726.93	2%
Aggregate Premium	42	\$21.20	\$22.74		\$25.81		\$22.52		\$25.81	
Total Monthly Stop Loss Premium		\$24,737.02	\$24,569.30	-1%	\$23,488.50	-5%	\$22,235.15	-10%	\$23,488.50	-5%
Total Monthly Fixed Costs		\$28,254.87	\$28,095.55	-1%	\$27,014.75	-4%	\$26,772.76	-5%	\$28,026.11	-1%
Total Annual Fixed Costs		\$339,058.44	\$337,146.60		\$324,177.00		\$321,273.11		\$336,313.32	

**City of North Pole
2019-2020 Renewal**

\$50,000 Specific

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$50,000 Spec		\$50,000 Spec		\$50,000 Spec		\$50,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Claim Factors										
Employee Only	14	\$651.58	\$647.42	-1%	\$580.63	-11%	\$627.17	-4%	\$580.63	-11%
Family	28	\$1,702.75	\$1,661.33	-2%	\$1,887.65	11%	\$1,606.17	-6%	\$1,887.65	11%
Maximum Monthly Claims Cost		\$56,799.12	\$55,581.12	-2%	\$60,983.02	7%	\$53,753.14	-5%	\$60,983.02	7%
		\$681,589.44	\$666,973.44		\$731,796.24		\$645,037.68		\$731,796.24	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,676.67	-2%	\$87,997.77	3%	\$80,525.90	-5%	\$89,009.13	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,004,120.04		\$1,055,973.24		\$966,310.79		\$1,068,109.56	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,560.45	-2%	\$75,801.17	3%	\$69,775.27	-5%	\$76,812.53	4%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$870,725.35		\$909,613.99		\$837,303.26		\$921,750.31	

		\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser
Total Increase (Maximum Cost)		\$ (16,527.84)		\$ 35,325.36		\$ (54,337.09)		\$ 47,461.68

CITY OF NORTH POLE

Plan Comparison

	Current Benefits		Prermera Preferred Choice \$500			AETNA Poli Sub Plan II		AETNA Poli Sub Plan III	
COST SHARING OPTIONS (PCY = Per Calendar Year)	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	NON PREFERRED	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
Individual/Family Deductible	\$375 / \$1,125		\$500 / \$1,000	\$1,000 / \$2,000		\$500 / \$1500		\$750 / \$2250	
Hospital Co Pay	None	\$250	None	None		None	\$500 Per Admit	None	\$500 Per Admit
Individual/Family Coinsurance	\$3,850 / \$11,550		\$5,500/\$11,000	\$44,000 / \$88,000		\$1,000 / \$3,000		\$2,000 / \$7,000	
Individual/Family Out-of-Pocket	\$4,225 / \$12,675		\$6,000/\$12,000	\$45,000 / \$90,000		\$1500 / \$4500		\$2750 / \$8250	
Pre-Authorization Penalty	\$250 (per claim)		None	None		None	\$250 Per Claim	None	\$250 Per Claim
PHARMACY									
Retail Pharmacy Up to 30 day supply	\$10 / \$28 / \$50 / \$50		\$20 / \$40 / \$100			Generics 0% Formulary 20% Non-Formulary 30%	20% after Rx Ded	Generics 0% Formulary 20% Non-Formulary 30%	20% after Rx Ded
Mail Order 90-day supply	\$20 / \$50 / \$100		\$60 / \$120 / \$300			Gen \$10 / Brand \$30	N/A	Gen \$10 / Brand \$30	N/A
VISION									
Exam - 1 visit per 24 months from the most recent date of service	Covered at 100% up to \$60 Maximum		Covered at 100% 1 PCY			Covered at 100% 1 PCY		Covered at 100% 1 PCY	
Hardware - Every 24 months from the most recent date of service	Covered at 100% up to \$120 Maximum		Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)			Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)		Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)	
DENTAL									
Individual/Family Deductible PCY	\$50 / \$150		\$50 / \$150			\$50 / \$150		\$50 / \$150	
Benefit Maximum PCY	\$1,000 per participant		\$1,000 per participant			\$1,500 per participant		\$1,500 per participant	
Preventive Care	Deductible then Covered at 100% of UCR		Covered at 100%	Deductible then 10%		20% Ded Waived		20% Ded Waived	
Basic Care	Deductible then 20% of UCR		Deductible then 30%	Deductible then 50%		20% After Ded		20% After Ded	
Major Care	Deductible then 50% of UCR		Deductible then 50%	Deductible then 50%		50% After Ded		50% After Ded	
RATES			Premera Preferred Choice \$500			Plan II \$500		Plan III \$750	
Employee Only			\$1,101.20			\$1,475.17		\$1,156.23	
Employee & Spouse			\$2,204.57			\$2,733.42		\$2,213.94	
Employee & Child			\$2,037.22			\$3,325.22		\$2,700.05	
Employee & Family			\$3,031.56			\$4,582.63		\$3,757.47	
MONTHLY COST			\$96,266.95			\$140,906.93		\$114,652.11	
ANNUAL COST			\$1,155,203.40			\$1,690,883.16		\$1,375,825.32	

City of North Pole

Life Quotes Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
	Current	Renewal	Match	Alternative
Life Volume \$50,000/EE	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Life Rate / \$1000	0.133	0.153	0.13	0.13
AD&D Rate	0.045	0.045	0.05	0.05
	\$356.00	\$396.00	\$360.00	\$360.00
Dep Life Enrolled	40	40	40	40
Total Monthly	\$356.00	\$396.00	\$360.00	\$360.00
Total Annual	\$4,272.00	\$4,752.00	\$4,320.00	\$4,320.00

Short Term Disabilitys Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
	Current	Renewal	Match	Alternative
STD Weekly Benefit	Max \$500/Week for 52 Weeks	Max \$500/Week for 52 Weeks	Max \$500/Week for 52 Weeks	Max \$500/Week for 12 Weeks
STD Volume	\$ 19,842	\$ 19,842	\$ 19,842	\$ 19,842
STD Rate / \$10	0.39	0.41	0.39	0.24
Total Monthly	\$773.84	\$813.52	\$773.84	\$476.21
Total Annual	\$9,286.06	\$9,762.26	\$9,286.06	\$5,714.50

Long Term Disability - Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
			Match	Alternative
LTD Monthly Benefit	N/A	N/A	N/A	60% to \$6000/Mo
LTD Volume	\$232,006	\$232,006	\$232,006	\$232,006
LTD Rate / \$100	0	0	0	0.31
Total Monthly	\$0.00	\$0.00	\$0.00	\$719.22
Total Annual	\$0.00	\$0.00	\$0.00	\$8,630.62

Total Annual Cost	\$13,558.06	\$14,514.26	\$13,606.06	\$18,665.12
Annual Difference		\$956.21	-\$908.21	\$4,150.86

City of North Pole

Voluntary Life			
	Lincoln		Mut Of Omaha
	Current	Renewal	
Eligibility	All-Full Time Employee working a minimum of 30 hours per week.		All-Full Time Employee working a minimum of 30 hours per week.
Employee Benefit	\$10,000 Increments to 5 x earnings max \$300,000		\$10,000 Increments to 5 x earnings max \$300,000
Guarantee issue	\$100,000		\$100,000
AD&D	Equal to Life Benefit		Equal to Life Benefit
Spouse Benefit	\$5,000 increments to \$250,000 or 50% of EE Life		\$5,000 increments to \$150,000 or 100% of EE Life
Spouse IG	\$10,000		\$25,000
Child Benefit	14 days - 6 Mo \$500 6 mo to 19 \$10,000 (25 student)		15 days - 6 Mo \$500 6 mo to 19 \$10,000 (25 student)
Age Reduction	35% @ 65, 50% @ 70, 75% @ 75,		65% @ 65 60% @ 70 25% @ 75
Premium Waiver	9 mo		9 mo
Accelerated Benefit	75%		75%
Portability	Yes		Yes
Conversion	Yes		Yes
Rate Guarantee	2 Yrs		2 Yrs
Participant Requirement	25%		34%
Rate Per \$1,000			
Under 25	\$0.08		\$0.08
25-29	\$0.08		\$0.08
30-34	\$0.10		\$0.10
35-39	\$0.12		\$0.12
40-44	\$0.19		\$0.19
45-49	\$0.31		\$0.31
50-54	\$0.59		\$0.59
55-59	\$0.94		\$0.94
60-64	\$1.11		\$1.11
65-69	\$1.99		\$1.99
70-74	\$3.87		\$3.87
75+	\$10.28		\$10.28
ADD	\$0.045		\$0.05
Child Life & ADD	\$.20 / \$1,000		\$.20 / \$1,000
			Sp Prem based on EE Age

City of North Pole Renewal 7-1-2019

Self Funding Stop Loss Carrier & Deductible		\$40,000 Spec Ded		\$45,000 Spec Ded		\$50,000 Spec Ded	
		HCC	QBE	HCC	QBE	HCC	QBE
AW REHN							
At Maximum		\$1,002,929	\$1,053,969	\$1,001,457	\$963,453	\$1,004,120	\$1,055,973
At Expected		\$876,561	\$914,781	\$871,581	\$912,855	\$870,725	\$909,614
Meritain							
At Maximum		\$964,478	\$1,066,105	\$1,055,629	\$1,067,765	\$966,311	\$1,068,110
At Expected		\$842,262	\$926,917	\$837,845	\$924,991	\$837,303	\$921,750
		Includes 1 \$80,000 Laser		Includes 1 \$80,000 Laser		Includes 1 \$80,000 Laser	

Fully Insured		Premera Blue Cross Preferred Choice \$500	AETNA Poli-Sub Plan II \$500	AETNA Poli-Sub Plan III \$750
Annual Premium		\$1,155,203	\$1,690,883	\$1,375,825
Deductible		\$500.00	\$500.00	\$750.00
Coinsurance		\$5,500.00	\$1,000.00	\$2,000.00
Benefit %		80% / 60% / 40%	80% / 20%	80% / 20%

Life & Disability	Lincoln		Mutual of Omaha	
	Current	Renewal	Match	Alternative
Life & AD&D	\$4,272.00	\$4,752.00	\$4,320.00	\$4,320.00
Short Term Disability	\$9,286.06	\$9,762.26	\$9,286.06	\$5,714.50
Long Term Disability	\$0.00	\$0.00	\$0.00	\$8,630.62
Annual Total	\$13,558.06	\$14,514.26	\$13,606.06	\$18,665.12

**City of North Pole
2019-2020 Renewal
Summary at \$40,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$40,000 Spec		\$40,000 Spec		\$40,000 Spec		\$40,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$27,398.00	11%	\$26,309.50	6%	\$24,912.10	1%	\$26,309.50	6%
Total Monthly Fixed Costs		\$28,254.87	\$30,924.25	9%	\$29,835.75	6%	\$29,449.71	4%	\$30,847.11	9%
Total Annual Fixed Costs		\$339,058.44	\$371,091.00		\$358,029.00		\$353,396.51		\$370,165.32	
Claim Factors										
Employee Only	14	\$651.58	\$608.12	-7%	\$552.18	-15%	\$589.35	-10%	\$552.18	-15%
Family	28	\$1,702.75	\$1,576.41	-7%	\$1,795.16	5%	\$1,524.02	-10%	\$1,795.16	5%
Maximum Monthly Claims Cost		\$56,799.12	\$52,653.16	-7%	\$57,995.00	2%	\$50,923.46	-10%	\$57,995.00	2%
		\$681,589.44	\$631,837.92		\$695,940.00		\$611,081.52		\$695,940.00	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,577.41	-2%	\$87,830.75	3%	\$80,373.17	-6%	\$88,842.11	4%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,002,928.92		\$1,053,969.00		\$964,478.03		\$1,066,105.32	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$73,046.78	-1%	\$76,231.75	3%	\$70,188.48	-5%	\$77,243.11	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$876,561.34		\$914,781.00		\$842,261.73		\$926,917.32	

			\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser	
Total Increase (Maximum Cost)			\$ (17,718.96)		\$ 33,321.12		\$ (56,169.85)		\$ 45,457.44	
Employee Only		\$1,038.35	\$1,027.52		\$910.56		\$1,014.55		\$934.64	
Employee + Family		\$2,518.47	\$2,471.18		\$2,712.33		\$2,396.83		\$2,736.41	

**City of North Pole
2019-2020 Renewal
Summary at \$45,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$45,000 Spec		\$45,000 Spec		\$45,000 Spec		\$45,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$25,813.34	4%	\$24,953.74	1%	\$23,413.26	-5%	\$24,953.74	1%
Total Monthly Fixed Costs		\$28,254.87	\$29,339.59	4%	\$28,479.99	1%	\$27,950.87	-1%	\$29,491.35	4%
Total Annual Fixed Costs		\$339,058.44	\$352,075.08		\$341,759.88		\$335,410.45		\$353,896.20	
Claim Factors										
Employee Only	14	\$651.58	\$627.39	-4%	\$566.40	-13%	\$607.91	-7%	\$566.40	-13%
Family	28	\$1,702.75	\$1,618.99	-5%	\$1,841.41	8%	\$1,565.22	-8%	\$1,841.41	8%
Maximum Monthly Claims Cost		\$56,799.12	\$54,115.18	-5%	\$59,489.08	5%	\$52,336.90	-8%	\$59,489.08	5%
		\$681,589.44	\$649,382.16		\$713,868.96		\$628,042.80		\$713,868.96	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,454.77	-2%	\$87,969.07	3%	\$80,287.77	-6%	\$88,980.43	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,001,457.24		\$1,055,628.84		\$963,453.25		\$1,067,765.16	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,631.73	-1%	\$76,071.25	3%	\$69,820.39	-5%	\$77,082.61	5%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$871,580.81		\$912,855.05		\$837,844.69		\$924,991.37	

		\$80 K Laser	\$80 K Laser	\$80 K Laser	\$80 K Laser
Total Increase (Maximum Cost)		\$ (19,190.64)	\$ 34,980.96	\$ (57,194.63)	\$ 47,117.28
Employee Only	\$1,038.35	\$1,026.34	\$912.82	\$1,013.86	\$936.90
Employee + Family	\$2,518.47	\$2,467.42	\$2,720.04	\$2,394.40	\$2,744.12

**City of North Pole
2019-2020 Renewal
Summary at \$50,000 Specific Stop Loss**

		HCC Life	HCC Life		QBE Life		HCC Life		QBE Life	
Aggregating Secific \$15,000		\$40,000 Specific	\$50,000 Spec		\$50,000 Spec		\$50,000 Spec		\$50,000 Spec	
		2018-2019 AW Rehn	2019-2020 AW Rehn	Chg	2019-2020 AW Rehn		2019- 2020 Meritain		2019- 2020 Meritain	
Administrative Fee										
Total Monthly Admin Fee		\$3,517.85	\$3,526.25	0%	\$3,526.25	0.2%	\$4,537.61	29%	\$4,537.61	29%
Specific Premium										
Total Monthly Stop Loss Premium		\$24,737.02	\$24,569.30	-1%	\$23,488.50	-5%	\$22,235.15	-10%	\$23,488.50	-5%
Total Monthly Fixed Costs		\$28,254.87	\$28,095.55	-1%	\$27,014.75	-4%	\$26,772.76	-5%	\$28,026.11	-1%
Total Annual Fixed Costs		\$339,058.44	\$337,146.60		\$324,177.00		\$321,273.11		\$336,313.32	
Claim Factors										
Employee Only	14	\$651.58	\$647.42	-1%	\$580.63	-11%	\$627.17	-4%	\$580.63	-11%
Family	28	\$1,702.75	\$1,661.33	-2%	\$1,887.65	11%	\$1,606.17	-6%	\$1,887.65	11%
Maximum Monthly Claims Cost		\$56,799.12	\$55,581.12	-2%	\$60,983.02	7%	\$53,753.14	-5%	\$60,983.02	7%
		\$681,589.44	\$666,973.44		\$731,796.24		\$645,037.68		\$731,796.24	
TOTAL MONTHLY Maximum Cost		\$85,053.99	\$83,676.67	-2%	\$87,997.77	3%	\$80,525.90	-5%	\$89,009.13	5%
TOTAL ANNUAL Maximum Cost		\$1,020,647.88	\$1,004,120.04		\$1,055,973.24		\$966,310.79		\$1,068,109.56	
TOTAL MONTHLY Expected Cost		\$73,694.17	\$72,560.45	-2%	\$75,801.17	3%	\$69,775.27	-5%	\$76,812.53	4%
TOTAL ANNUAL Expected Cost		\$884,329.99	\$870,725.35		\$909,613.99		\$837,303.26		\$921,750.31	

		\$80 K Laser		\$80 K Laser		\$80 K Laser		\$80 K Laser
Total Increase (Maximum Cost)		\$ (16,527.84)		\$ 35,325.36		\$ (54,337.09)		\$ 47,461.68
Employee Only		\$1,038.35	\$1,029.31	\$914.29		\$1,017.07		\$938.37
Employee + Family		\$2,518.47	\$2,473.89	\$2,724.35		\$2,401.59		\$2,748.43

CITY OF NORTH POLE

Plan Comparison

	Current Benefits		Prermera Preferred Choice \$500			AETNA Poli Sub Plan II		AETNA Poli Sub Plan III	
COST SHARING OPTIONS (PCY = Per Calendar Year)	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	NON PREFERRED	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
Individual/Family Deductible	\$375 / \$1,125		\$500 / \$1,000	\$1,000 / \$2,000		\$500 / \$1500		\$750 / \$2250	
Hospital Co Pay	None	\$250	None	None		None	\$500 Per Admit	None	\$500 Per Admit
Individual/Family Coinsurance	\$3,850 / \$11,550		\$5,500/\$11,000	\$44,000 / \$88,000		\$1,000 / \$3,000		\$2,000 / \$7,000	
Individual/Family Out-of-Pocket	\$4,225 / \$12,675		\$6,000/\$12,000	\$45,000 / \$90,000		\$1500 / \$4500		\$2750 / \$8250	
Pre-Authorization Penalty	\$250 (per claim)		None	None		None	\$250 Per Claim	None	\$250 Per Claim
PHARMACY									
Retail Pharmacy Up to 30 day supply	\$10 / \$28 / \$50 / \$50		\$20 / \$40 / \$100			Generics 0% Formulary 20% Non-Formulary 30%	20% after Rx Ded	Generics 0% Formulary 20% Non-Formulary 30%	20% after Rx Ded
Mail Order 90-day supply	\$20 / \$50 / \$100		\$60 / \$120 / \$300			Gen \$10 / Brand \$30	N/A	Gen \$10 / Brand \$30	N/A
VISION									
Exam - 1 visit per 24 months from the most recent date of service	Covered at 100% up to \$60 Maximum		Covered at 100% 1 PCY			Covered at 100% 1 PCY		Covered at 100% 1 PCY	
Hardware - Every 24 months from the most recent date of service	Covered at 100% up to \$120 Maximum		Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)			Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)		Covered at 100% up to Combined Max \$350 PCY (frames 1 each 2 CY)	
DENTAL									
Individual/Family Deductible PCY	\$50 / \$150		\$50 / \$150			\$50 / \$150		\$50 / \$150	
Benefit Maximum PCY	\$1,000 per participant		\$1,000 per participant			\$1,500 per participant		\$1,500 per participant	
Preventive Care	Deductible then Covered at 100% of UCR		Covered at 100%	Deductible then 10%		20% Ded Waived		20% Ded Waived	
Basic Care	Deductible then 20% of UCR		Deductible then 30%	Deductible then 50%		20% After Ded		20% After Ded	
Major Care	Deductible then 50% of UCR		Deductible then 50%	Deductible then 50%		50% After Ded		50% After Ded	
RATES			Premera Preferred Choice \$500			Plan II \$500		Plan III \$750	
Employee Only			\$1,101.20			\$1,475.17		\$1,156.23	
Employee & Spouse			\$2,204.57			\$2,733.42		\$2,213.94	
Employee & Child			\$2,037.22			\$3,325.22		\$2,700.05	
Employee & Family			\$3,031.56			\$4,582.63		\$3,757.47	
MONTHLY COST			\$96,266.95			\$140,906.93		\$114,652.11	
ANNUAL COST			\$1,155,203.40			\$1,690,883.16		\$1,375,825.32	

City of North Pole

Life Quotes Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
	Current	Renewal	Match	Alternative
Life Volume \$50,000/EE	\$2,000,000	\$2,000,000	\$2,000,000	\$2,000,000
Life Rate / \$1000	0.133	0.153	0.13	0.13
AD&D Rate	0.045	0.045	0.05	0.05
	\$356.00	\$396.00	\$360.00	\$360.00
Dep Life Enrolled	40	40	40	40
Total Monthly	\$356.00	\$396.00	\$360.00	\$360.00
Total Annual	\$4,272.00	\$4,752.00	\$4,320.00	\$4,320.00

Short Term Disabilitys Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
	Current	Renewal	Match	Alternative
STD Weekly Benefit	Max \$500/Week for 52 Weeks	Max \$500/Week for 52 Weeks	Max \$500/Week for 52 Weeks	Max \$500/Week for 12 Weeks
STD Volume	\$ 19,842	\$ 19,842	\$ 19,842	\$ 19,842
STD Rate / \$10	0.39	0.41	0.39	0.24
Total Monthly	\$773.84	\$813.52	\$773.84	\$476.21
Total Annual	\$9,286.06	\$9,762.26	\$9,286.06	\$5,714.50

Long Term Disability - Effective 7/1/2019

	Lincoln		Mut Of Omaha	Mut Of Omaha
			Match	Alternative
LTD Monthly Benefit	N/A	N/A	N/A	60% to \$6000/Mo
LTD Volume	\$232,006	\$232,006	\$232,006	\$232,006
LTD Rate / \$100	0	0	0	0.31
Total Monthly	\$0.00	\$0.00	\$0.00	\$719.22
Total Annual	\$0.00	\$0.00	\$0.00	\$8,630.62

Total Annual Cost	\$13,558.06	\$14,514.26	\$13,606.06	\$18,665.12
Annual Difference		\$956.21	-\$908.21	\$4,150.86

Judy Binkley

From: Rene Broker <reneb@alaskalaw.com>
Sent: Tuesday, May 28, 2019 9:22 AM
To: Judy Binkley
Subject: RE: New advertising agreement

Yes

From: Judy Binkley <jbinkley@np-ak.com>
Sent: Tuesday, May 28, 2019 9:21 AM
To: Rene Broker <reneb@alaskalaw.com>
Subject: RE: New advertising agreement

Hi Rene,

Here's the response I got from the Newsminer:

Please have the strikethrough initialed, and add any additional strikethrough that may be needed.

Is this sufficient?

Judy Binkley
City Clerk/HR Manager | City of North Pole
125 Snowman Lane | North Pole, AK 99705
P 907.488.8583 | F 907.488.3002
judy.binkley@northpolealaska.org

From: Rene Broker [<mailto:reneb@alaskalaw.com>]
Sent: Tuesday, May 28, 2019 8:48 AM
To: Judy Binkley <jbinkley@np-ak.com>; Zane Wilson <zane@alaskalaw.com>
Cc: Niki Lightly <nikil@alaskalaw.com>
Subject: RE: New advertising agreement

Judy,

Both 6 and 11 have indemnification language that we cannot agree to as a matter of law. [Governmental entities cannot enter into contracts obligating them to pay amounts not appropriated by the governing body.]

Rene

From: Judy Binkley <jbinkley@np-ak.com>
Sent: Tuesday, May 28, 2019 8:22 AM
To: Zane Wilson <zane@alaskalaw.com>
Subject: FW: New advertising agreement

Hi Zane,

Here's our Newsminer contract that's up for renewal. Please let me know if we are good to go with it – I need it by tomorrow so I can get it in the Council packet for next Monday's meeting.

Thanks!

Judy Binkley

City Clerk/HR Manager | City of North Pole
125 Snowman Lane | North Pole, AK 99705
P 907.488.8583 | F 907.488.3002
judy.binkley@northpolealaska.org

From: Linda Ness [<mailto:lness@newsminer.com>]

Sent: Monday, May 20, 2019 11:12 AM

To: Judy Binkley <jbinkley@np-ak.com>

Subject: New advertising agreement

Hi Judy

I'm just a bit ahead of the game this year...

Your current advertising agreement expires the end of June.

Attached please find a new one for the upcoming year, 7/1/19 - 6/30/20.

I know you need to have this go before the council, so thought it would be good to get it started now.

There is a very slight rate change — .5 percent.

No too bad.

Please let me know if you have any questions or need any additional information.

When this is approved, please send a signed copy back to me.

Thanks a bunch!

Linda Ness

Marketing Consultant

Fairbanks Daily News-Miner

P: (907) 459-7524

F: (907) 451-8962

lness@newsminer.com

www.newsminer.com

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PO Box 70710
Fairbanks, AK 99707-9989

104650

Account Number

Advertising Agreement

THIS ADVERTISING AGREEMENT ("Agreement"), made on this 20th day of May, 2019, by and between the Fairbanks Daily News-Miner (hereinafter the "Newspaper") and City of North Pole (hereinafter the "Advertiser"), located at 125 Snowman Lane, North Pole, AK 99705

WHEREAS Newspaper is the publisher of the Fairbanks Daily News-Miner and its affiliates and Advertiser wishes to purchase advertising space in said newspaper, Newspaper and Advertiser agree as follows:

1. Advertiser shall purchase a minimum of \$10,000.00 (ten thousand dollars) RATES: \$17.84 Daily / \$19.85 Sunday at the rates indicated in the Newspaper's rate schedule, which is incorporated herein by reference and made a part of this Agreement, subject to the rate revision provisions of Paragraph (4) below.
2. The term of this Agreement shall be 12 months (07/01/19 — 06/30/20) from the date of the first insertion. Upon contract expiration, the rate will default to the open rate unless a new contract has been signed. New contracts will not be retroactive.
3. If, after the contract period is completed the Advertiser shall have used less space than agreed to in Paragraph (1) above, Advertiser's rate for all space used during the contract term shall be adjusted to the appropriate rate indicated on the Newspaper's current rate schedule, and Advertiser shall pay the difference.
4. The terms and conditions of the Newspaper's rate card, a copy of which has been provided to the Advertiser, are incorporated herein by reference. If any terms or conditions of the rate card conflict with the terms of this Agreement, the terms of this Agreement shall govern. The Newspaper may revise its advertising rate schedule at any time upon 30 days' written notice to Advertiser, and Advertiser may, without penalty, cancel this Agreement at any time prior to the time the new rates become effective upon prior written notice to the Newspaper.
5. Newspaper may, in its sole discretion, edit, classify, or reject at any time any advertising copy submitted by Advertiser.
6. Advertiser shall make payment within 30 days of the billing date indicated on Newspaper's statement, and, in the event that it fails to make payment within such time, Newspaper may reject advertising copy and/or immediately cancel this Agreement and Advertiser agrees to indemnify Newspaper for all expenses incurred in connection with the collection of amounts payable under this agreement, including court costs, collection fees, attorney's fees and applicable interest. If this agreement is cancelled due to advertiser's failure to make timely payment, Newspaper may rebill Advertiser for the outstanding balance due at the open or earned contract rate, whichever is applicable. Advertiser agrees to pay a service charge of 1.5% per billing cycle (18% per annum) if account is not paid according to the terms outlined in this paragraph.
7. If Advertiser utilizes an agency ("Agency"), Advertiser and Agency shall be jointly and severally liable for complying with all the terms of this Agreement, including payment for all advertising. Agency commissions, if any, shall apply to all space charges and adjustments under this Agreement.
8. This Agreement renders void any statements concerning liability which appear on correspondence from Agency or Advertiser and is irrevocable without the written consent of the Newspaper's Credit Department. It is further agreed that the Newspaper does not accept advertising orders or space reservations claiming sequential liability.
9. When orders are forwarded by Advertiser or its Agency which contain incorrect rates or conditions, the advertising called for will be inserted and charged at the correct rate in force governing such advertising as provided for in the Newspaper's rate schedule, as may be revised pursuant to Paragraph (4) above, and in accordance with the conditions contained herein.
10. This Agreement cannot be invalidated for typographical errors, incorrect insertions or omissions in advertising published. The Newspaper agrees to run a corrective advertisement for that portion of the first insertion which may have been rendered valueless by such typographical error, wrong insertion or omission, if not the fault of the advertiser. Advertiser shall notify the Newspaper of such errors in time for correction before the second insertion. The Newspaper shall not be liable to Advertiser for any loss that results from the incorrect publication (including, without limitation, typographical errors), incorrect insertion or omission of Advertiser's advertisements.
11. ~~Advertiser agrees to indemnify, defend and hold harmless the Newspaper from all claims (whether valid or invalid), suits, judgments, proceedings, losses, damages, costs and expenses, of any nature whatsoever (including reasonable attorneys' fees), for which the Newspaper or any of its affiliates may become liable by reason of Newspaper's publication of Advertiser's advertising.~~
12. All advertising copy which represents the creative effort of the Newspaper and/or the utilization of creativity, illustrations, labor, composition or material furnished by it, is and remains the property of the Newspaper, including all rights of copyright therein. Advertiser understands and agrees that it cannot authorize photographic or other reproduction, in whole or in part, of any such advertising copy for use in any other medium without the Newspaper's prior written consent.
13. If any federal, state or local taxes are imposed on the printing of advertising material or on the sale of advertising space, such taxes shall be assumed and paid by Advertiser.
14. This Agreement may not be assigned or transferred by Advertiser or Agency.
15. The effectiveness of this Agreement is subject to a satisfactory credit check on Advertiser and/or Agency. Newspaper requires a completed credit application on all new Advertisers and Agencies. Advertiser and Agency agree to prepay for advertising if credit application is not approved. If credit application is not submitted, Advertiser or Agency agree to prepay for all advertising until credit application is received and approved. Advertiser or Agency agree to provide an updated credit application if Newspaper requests one. Advertiser and/or Agency give Newspaper permission to request a credit bureau report on Advertiser and/or personal guarantor of this Agreement.
16. Any claim by Advertiser for a credit related to rates incorrectly invoiced or paid must be submitted in writing to the Newspaper within twenty-five (25) days of the invoice date or the claim will be waived.
17. Advertisements cancelled after the space deadline will be billed at 50%; advertisements cancelled after the materials deadline will be billed at 100%.
18. Advertiser agrees to accept Electronic tearsheets from Newspaper. If Advertiser requests paper tearsheets, the Advertiser agrees to pay \$25 per tearsheet.
19. The parties agree that a signature transmitted by any electronic means shall be deemed original for all purposes hereunder.
20. This Agreement is conditional on strikes, fires, acts of God or the public enemy, war, acts of terrorism, or any cause not subject to the control of the Newspaper, excluding the Advertiser's failure and/or inability to perform.
21. This Agreement constitutes the complete understanding of the parties and supersedes all prior agreements, understandings, negotiations and/or arrangements between the parties and cannot be amended except in writing and signed by an authorized representative of each party. The Newspaper's advertising sales or customer representatives are not authorized to amend or modify the terms of this Agreement and/or the Newspaper's Rate Card terms, either orally or in writing.
22. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date noted above.

Advertiser: CITY OF NORTH POLE

By: _____ Date: _____

Signature: _____

Fairbanks Daily News-Miner

By: Linda Ness Date: 05/20/19

Signature: Linda Ness

Memo

To: North Pole City Council
From: Bill Butler
Date: May 29, 2019
Subject: Bank account for Moose Creek Project advance payments

Recommendation

Approve two authorized signers on behalf of the City create an interest-earning bank account with Mount McKinley Bank to hold advance payments to the City in support of the Moose Creek Water System Expansion Project. Further, authorize Ms. Fogarty to transfer the funds to and from the bank account to pay project expense thru the City's central treasury account.

Background

The cooperative agreement between the City and the US Army Corps of Engineers (USACE) requires advance payments be held in an interest bearing account as follows:

- (8) *The non-Federal entity must maintain advance payments of Federal awards in interest-bearing accounts, unless the following apply.*
- (i) *The non-Federal entity receives less than \$120,000 in Federal awards per year.*
 - (ii) *The best reasonably available interest-bearing account would not be expected to earn interest in excess of \$500 per year on Federal cash balances.*
 - (iii) *The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.*
 - (iv) *A foreign government or banking system prohibits or precludes interest bearing accounts.*
- (9) *Interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services, Payment Management System, Rockville, MD 20852. Interest amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense.*

Ms. Fogarty and I discussed, with advice from Kathleen Thompson, CPA Cook & Haugeberg, different options to satisfy the cooperative agreement requirements while placing the least burden upon the accounting department and ensuring adherence to City policies and procedures. One option

we discussed was holding the advance payments as part of the City's bank account would require the City to calculate on an ongoing basis the share of interest earned by the project funds separate from the City's share of the account's funds. The accounting department would also need to generate an annual report of interest earned by project funds.

The other option we discussed and we recommend is to receive the funds by electronic transfer from the USACE to the City's "sweep account", electronically transfer the funds to a separate interest-earning project bank account and then transfer the funds to the central treasury account when making payments to contractors. The bank statements would report account activity and interest earned by the project funds. The bank's statements would be a "paper trail" and the basis of the report to the USACE of interest earned on project funds. Making payments to contractors and to fund City project-related expenses would be subject to all the City's standard operating procedures and processes to ensure oversight and accountability.