

**Town of Andes**  
**Special Meeting: Health Insurance**  
**October 8<sup>th</sup>, 2017 at 7PM**  
**Andes Town Hall**

**Present:**

Councilman Shayne Moshier  
Councilman Dale Cole  
Supervisor Wayland 'Bud' Gladstone

Councilman Thomas Hall  
Councilman Thomas Joyce  
Town Clerk Kimberly Tosi

**Others:**

Roger Robson  
Brian McIntosh  
John Bouton  
Deb Weaver  
Kevin Morse, Kaatirondack Benefit Planning

Tim Moretti, CSEA  
Gregory Montminy  
Mike Terry  
Dan Melvin

**Call to Order:**

The meeting was called to order at 7:00PM by Supervisor Gladstone.

**New Health Insurance:**

Kevin Morse, from Kaatirondack presented the board with a spreadsheet of the current options available to the Town and reviewed the savings that may be available.

The options will be discussed in union negotiations.

**Adjourn:**

Motion to adjourn made by Councilman Hall, Seconded by Councilman Moshier. All in favor, motion carried. 8:34PM.

# Group Health Plan 1/1/2018 Worksheet- Town of Andes

	NYSHIP Plan	Excelsus Small Group Community Rated Option- Platinum	Excelsus Small Group Community Rated Option- Bronze w. HRA	CDPHP Small Group Community Rated Option- Platinum	MVP Small Group Community Rated Option-Platinum	MVP Small Group Community Rated Option- Bronze w. HRA
<b>Office</b>	NYSHIP Plan	ExcelsusBCBS Platinum 2	ExcelsusBCBS-SB-Plus Bronze 4	CDPHP EPO Platinum 120	MVP Platinum 1	MVP Bronze 5
<b>Specialist</b>	\$20 Copayment \$20 Copayment	\$15 Copayment \$25 Copayment	Ded-Covered in FULL Ded-Covered in FULL	\$15 Copayment \$15 Copayment	\$0-1st Then \$5 Copayment \$45 Copayment	Ded-Covered in FULL Ded-Covered in FULL
<b>Preventive</b>	Covered	Covered	Covered	Covered	Covered	Covered
<b>Network</b>	BlueCard-PPO	BlueCard PPO	BlueCard PPO	MagnaCare EPO	Cigna EPO	Cigna EPO
<b>Deductible(In net)</b>	N/A	N/A	\$6550(S)/\$13100(F) EMBEDDED	N/A	N/A	\$6550(S)/\$13100(F) EMBEDDED
<b>Coinsurance</b>	N/A	N/A	N/A	N/A	N/A	N/A
<b>Out-of Pocket</b>	\$7150(S)/\$14300(2p/F)	\$6350(S)/\$12700(2p/F) EMBEDDED	\$6550(S)/\$13100(F) EMBEDDED	\$7350(S)/\$14700(2p/F) EMBEDDED	\$2450(S)/\$4900(F) EMBEDDED	\$6550(S)/\$13100(F) EMBEDDED
<b>Inpatient Hospital</b>	\$0-Precent Required	\$250 Copayment	Ded-Covered in FULL	\$500 Copayment	\$300 Copayment	Ded-Covered in FULL
<b>Outpatient Surgery</b>	\$60 Copayment	\$150 Copayment	Ded-Covered in FULL	\$100 Copayment	\$100 Copayment	Ded-Covered in FULL
<b>ER</b>	\$70 Copayment	\$150 Copayment	Ded-Covered in FULL	\$100 Copayment	\$100 Copayment	Ded-Covered in FULL
<b>Dependent/Student</b>	??	26/26	26/26	26/26	26/26	26/26
<b>Prescription Drug</b>	\$5/\$25/\$45	\$5/\$25/\$50	Ded-Covered in FULL	\$4/\$30/\$60	\$5/\$30/\$50	Ded-Covered in FULL
<b>Tiering</b>	2 Tier	Mandated 4 Tier	Mandated 4 Tier	Mandated 4 Tier	Mandated 4 Tier	Mandated 4 Tier
	1/1/2018- Estimated* Increase from 2017)	1/1/2018	1/1/2018	1/1/2018	1/1/2018	1/1/2018
<b>Single-3</b>	\$1,038.73	\$843.39	\$407.62	\$1,136.52	\$956.49	\$591.14
<b>Sub &amp; Spouse-3</b>	\$2,376.66	\$1,686.78	\$815.23	\$2,273.03	\$1,912.98	\$1,182.28
<b>Sub &amp; Child(ren)-0</b>	\$2,376.66	\$1,433.76	\$692.95	\$1,932.08	\$1,626.03	\$1,004.94
<b>Family-3</b>	\$2,376.66	\$2,403.66	\$1,161.70	\$3,239.07	\$2,726.00	\$1,684.75
<b>Total Monthly Cost</b>	\$17,376.15	\$14,801.49	\$7,153.65	\$19,945.86	\$16,786.41	\$10,374.51
<b>Total annual Cost</b>	\$208,513.80	\$177,617.88	\$85,843.80	\$239,350.32	\$201,436.92	\$124,494.12
<b>Percentage of Increase vs. Current</b>	N/A	-14.82%	-58.83%	14.79%	-3.39%	-40.29%
<b>Total Additional Premium Cost Vs. Current- Annually</b>	N/A	-\$30,895.92	-\$122,670.00	\$30,836.52	-\$7,076.88	-\$84,019.68
<b>HRA T.P.A.</b>	N/A	N/A	LBS	N/A	N/A	MVP
<b>Estimated HRA T.P.A Annual Cost</b>	\$0.00	\$0.00	\$1,788.00	\$0.00	\$0.00	\$1,230.00
<b>Maximum HRA Risk-9 Employees</b>	\$0.00	\$0.00	\$98,250.00	\$0.00	\$0.00	\$98,250.00
<b>Total Annual Premium &amp; MAXIMUM 100% HRA RISK- (HRA BUDGET)</b>	\$208,513.80	\$177,617.88	\$185,881.80	\$239,350.32	\$201,436.92	\$223,974.12
<b>Percentage of Increase vs. Current (MAXIMUM 100% HRA RISK)</b>	N/A	-14.82%	-10.85%	14.79%	-3.39%	7.41%
<b>Estimated HRA Utilization @70% 9 Employees</b>	\$0.00	\$0.00	\$68,775.00	\$0.00	\$0.00	\$68,950.00
<b>Total Annual Premium &amp; Estimated HRA Utilization @70%</b>	\$208,513.80	\$177,617.88	\$156,406.80	\$239,350.32	\$201,436.92	\$184,674.12
<b>Percentage of Increase vs. Current</b>	N/A	-14.82%	-24.99%	14.79%	-3.39%	-11.43%
<b>Estimated HRA Utilization @80% 9 Ees</b>	\$0.00	\$0.00	\$58,950.00	\$0.00	\$0.00	\$44,212.50
<b>Total Annual Premium &amp; Estimated HRA Utilization @ 80%</b>	\$208,513.80	\$177,617.88	\$146,581.80	\$239,350.32	\$201,436.92	\$169,936.62
<b>Percentage of Increase vs. Current</b>	N/A	-14.82%	-29.70%	14.79%	-3.39%	-18.50%



## HRA Overview

A health reimbursement arrangement (HRA) is funded solely by an employer. The contribution cannot be paid through a voluntary salary reduction agreement on the part of an employee. Employees are reimbursed tax free for qualified medical expenses up to a maximum dollar amount for a coverage period.

### Benefits on an HRA

- Contributions made by the employer can be excluded from an employee's gross income.
- Reimbursements may be tax free if the employee pays **qualified medical expenses**.
- Any unused amounts in the HRA can be carried forward for reimbursements in later years.

### Qualifying for an HRA

HRAs are employer-established benefit plans. These may be offered in conjunction with other employer-provided health benefits. Employers generally have complete flexibility to offer various combinations of benefits in designing their plan, subject to the Affordable Care Act rules discussed below. Certain limitations may apply to highly compensated participants.

### Contributions to an HRA

HRAs are funded solely through employer contributions and may not be funded through employee salary deferrals under a cafeteria plan. These contributions are not included in the employee's income. Employees do not pay federal income taxes or employment taxes on amounts the employer contributes to the HRA.

### Amount of Contribution

There is no limit on the amount of money an employer can contribute to the accounts. Additionally, the maximum reimbursement amount credited under the HRA in the future may be increased or decreased by amounts not previously used.

### Distributions from an HRA

Generally, distributions from an HRA must be paid to reimburse participants for qualified medical expenses they have incurred. The expense must have been incurred on or after the date of enrollment in the HRA.

Health  
Reimbursement  
Account  
(HRA)



Proposal created for:  
Town of Andes

**Presented By: CJ Graham, CPP, SHRM-CP**

115 Continuum Drive / Liverpool, NY 13088

[LifetimeBenefitSolutions.com](http://LifetimeBenefitSolutions.com)

**Effective Date:** January 1, 2018



The cure for benefits as usual.

# Who We Are

**Flexible. Creative. Affordable. That's Lifetime Benefit Solutions.** We offer employers administrative services with a laser-focus on the critical elements of any successful benefit program – effective design; clear, concise communication; and dependable, ongoing administration and compliance. Our benefits and workforce management offerings include:

- Self-Funded Medical
- Self-Funded Dental
- Reimbursement Account Administration (FSA/HRA/QTB/HSA)
- Compliance Services
- COBRA Administration
- Payroll
  - Human Resources
  - Timekeeping
  - Affordable Care Act (ACA) Monitor
  - Online Benefit Enrollment Options
- 401(k) TPA

Possessing a successful track record that stretches back to 1974, Lifetime Benefit Solutions was formed through the merger of EBS-RMSCO, Inc. and Support Services Alliance, Inc. As a full-service third party administrator, we facilitate the insurance, self-funding and consulting needs of thousands of clients throughout the United States, leveraging our experience, native flexibility and practical creativity to generate solutions beyond what our customers expect.

## HRA Basics

Looking for ideas to create a balance between the rising costs of benefits and an attractive set of benefit offerings for your employees? Lifetime Benefit Solutions has the answer for you. A Health Reimbursement Account (HRA) is an employee benefit plan established under IRC Section 105 that allows participants to pay for certain health care expenses that are not covered by insurance.

**Who benefits from an HRA?** Both participants and plan sponsors benefit from an HRA plan. An HRA provides participants the means to pay for eligible health care expenses, and offers them the incentive to control the costs associated with their own health care. For the plan sponsor, an HRA allows design flexibility to enhance employee benefits, and the opportunity to reduce the impact of increased medical, dental or vision cost sharing, deductibles and/or copayments.

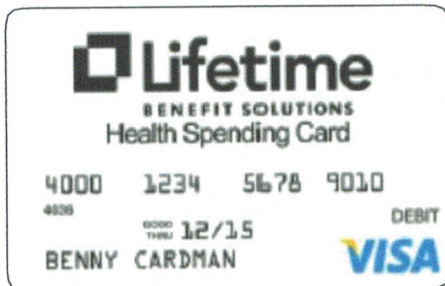
**How does it work?** HRA accounts are funded periodically by the plan sponsor. The amount funded is not included in the participants' taxable income. HRAs can be designed to be "stand alone," covering all IRC Section 213 expenses or set up as "Deductible Only," "Restricted," "Retiree," "Co-Payment" or in other ways to cover selected expenses. The plan sponsor decides in advance what happens to funds remaining in the HRA at the end of the plan year. Balances can be "rolled" into the next plan year or unclaimed funds can revert back to the plan sponsor. HRAs also can be designed to complement an FSA plan. Lifetime Benefit Solutions maintains account balances for each participant. When a participant purchases eligible items or receives eligible services, a claim is filed and Lifetime Benefit Solutions makes the payment from their account.



# HRA Basics

**What about HRA Plans and Health Care Reform?** Health Care Reform states that group health plans, such as HRAs, cannot limit the reimbursement amount on “essential health benefits.” There are exceptions; for example HRAs integrated with medical plans can continue to allow reimbursement limits, as can retiree-only HRAs and HRAs that provide only certain “excepted” benefits such as vision and dental. Be sure to discuss how Health Care Reform may impact your plan design with a specialist from Lifetime Benefit Solutions.

**What’s covered?** Eligible health care expenses include copays and deductibles, prescription drugs, vision expenses, hearing aids, diabetic supplies, dental services, orthodontics and more.



**The Health Spending Card.** Lifetime Benefit Solutions offers participants the convenience of paying for eligible expenses with the Health Spending Card. With just a swipe of the card, eligible expenses can be paid for at the point of service (in some instances, participants may be asked to submit documentation to certify the eligibility of a purchase). Behind the scenes, we'll pay the provider and debit the appropriate amount from the participant account. It's that easy!

"I love my debit card! It's so easy to use and I'm thrilled that I don't have to file any more claims!"

- Participant Testimonial

# Health Reimbursement Accounts



Lifetime Benefit Solutions helps you define and prioritize competing corporate goals and translate them into a cohesive set of plan design features. Our flexible design process helps avoid potential missteps by first determining the ideal plan features that will best meet your needs.

Once your plan is designed, we then help you easily navigate the many legal and administrative requirements that are part of the implementation process. Lifetime Benefit Solutions can assist you in coordinating all aspects of this process to ensure successful implementation of your plan.

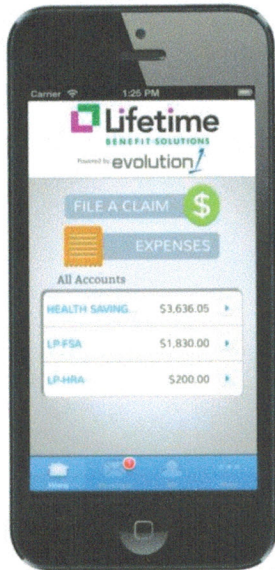
Our implementation, administration and compliance services include:

- Plan document and SPD preparation, and Plan amendments as needed
- Plan Sponsor and participant communications
- Plan Sponsor guidebook
- Plan Sponsor and participant websites
- Dedicated customer service center
- Dedicated Lifetime Benefit Solutions HRA administrator and compliance specialist
- Claims processing, with EFT
- Automatic claims transfer
- Health Spending Card processing
- Governmental filing preparation
- Mandatory Second Payer reporting
- 24/7 web access

Let Lifetime Benefit Solutions help you implement one of the most talked about and competitive benefits offered today...your participants will thank you!

# Feature Overview

## Consumer Tools



### Mobile App

- Check account balance
- View account activity
- File new claims

### Automated Communications

Statements and notifications – accessible via e-mail, consumer portal and mail

### Consumer Portal

Robust portal empowers consumers, providing everything they need to know about their account, with an industry-leading design that enables quick and easy navigation of content

### Flexible Payment Options

Depending on plan design, consumers can choose from:

- Health Spending Card, which increases consumer satisfaction by reducing paperwork
- Consumer-initiated payment on consumer portal
- Claims exchange with auto-pay or expense tracker

## Employer Tools

### Employee Management

Online lookup helps employers respond to employees' questions and issues

### Enrollment and Eligibility Management

Use the Consumer Data Exchange to integrate with 1Cloud for exchanging eligibility files, or enroll employees through the Employer Portal

### Reporting

Over 50 standard employer reports and notifications, as well as custom reports, if available, are accessible via email and/or secure, self-service Employer Portal

### Account Funding

Multiple options available for funding accounts, including scheduled contributions, ACH funding and file-based contribution submission



# Implementation

Date	Responsibility	Action
Day 1	Company	Lifetime Benefit Solutions selected
Day 2	Company and Lifetime Benefit Solutions	Lifetime Benefit Solutions provides service agreement and implementation paperwork
Day 10	Company & Consultant	Schedule HRA meetings and communications
Day 15	Company and Lifetime Benefit Solutions	Complete company level system set-up including EFT funding, payroll and contact information
Day 20-25	Company and Lifetime Benefit Solutions	Distribute enrollment material to eligible employees and conduct employee meetings
Day 30	Company	Send all enrollment data to Lifetime Benefit Solutions
Day 35-45	Lifetime Benefit Solutions	Enter all participant enrollment data into system. If Health Spending Card is offered, cards will be issued directly to employees within 15 business days of completed enrollment.
Day 60	Company	HRA plan is effective. Plan sponsor and participant websites are activated.

## Suggested Implementation Timeframe

To ensure an efficient plan implementation, please allow approximately 60 business days to effectively educate and enroll your employees into the HRA plan.

## Administration Fees: HRA

### Description of Services

#### Start-Up Costs

##### Plan Implementation Services

\$450.00

One-time implementation fee

- Initial plan design review and system set-up
- Plan document
- Summary Plan Description (SPD)

#### Annual Costs

##### Claims Administration Services

##### Health Spending Card or Manual Reimbursement

- Accounts maintained for participants
- Initial communications materials
- Enrollment and reimbursement forms
- Reimbursement checks mailed directly to participants
- Management reports
- 24/7 online account access including mobile app
- Live customer service call center

\$4.45 per enrolled HRA participant per month (\$99.00 monthly minimum)

##### Additional Health Spending Card Services

- Two cards issued per participant
- Unlimited card swipes
- Routine auditing of purchases
- Insurance carrier file auto-substantiation

##### Additional Services & Fees

- Insufficient EFT funds charge
- Customized changes/programming/files/corrections

\$50.00 per occurrence

\$100.00 per hour

### Optional Services

##### Compliance Services (Includes a dedicated compliance professional for routine support)

- Annual discrimination testing per HRA
- Preparation of Form 5500 (if required)
- Plan amendments and/or restatements, as needed

Fees are available upon request

\$300.00 per plan

\$300.00 per plan

**COMPLEX HRA PLANS MAY REQUIRE ADDITIONAL FEES.**

Fees are valid for 90 days from date of proposal.



**The cure for benefits as usual.**

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