

Agenda

- Three Items to Present:
 - Update on Medical Self-funding account
 - Authorize move to self-funding dental plan
 - Amend contract with HealthPartners for dental plan administration through 2014

Medical Self-funding Update

- Moved to self-funding January 2013
- Year-to-date claims and expenses are tracking at (or slightly better) than expected
- On track to build \$7.2 Million reserve as originally projected
- Deloitte analysis supports no premium increase for 2014 plan year

Dental Self-funding for 2014

- Minimal risk to self-insuring due to maximum benefit
 - No need for stop loss coverage
- Avoid some state taxes and Federal ACA fees
- At current rates we should accrue \$230,000+ in reserves in the first year
- Finance reserve model same as medical – separate reserve account

2014 Dental Self Insurance Savings Projections

- 2014 fully insured total premiums: \$4,590,000
- Less total “expected” claims: (\$4,172,000)
- Less external (HP) admin costs: (\$ 186,000)
- Expected SI net savings: **\$ 232,000**

* Contingency reserve target set at 10% of expected plan cost

* All 2014 savings and a portion of 2015 savings used to fully fund target reserves by 2015



Amend Contract with HealthPartners

- Current contract expires December 31, 2013
- Need to bid medical and dental insurance for 2015
- Extending contract with HealthPartners through 12/31/14 will provide continuity of dental care for employees
- Amend contract to provide dental administrative services for 2014