CBIZ Employee Benefits Consulting Services

November 20, 2020

City of Independence

INDEPENDENCE
MISSOURI
A GREAT AMERICAN STORY

Eric Munninghoff
Consultant & Co-Team Lead
700 W. 47th St. #1100
Kansas City, MO 64112
816.945.5247 | EMunninghoff@cbiz.com

Caitlin O'Byrne Waters
Consultant & Co-Team Lead
700 W. 47th St. #1100
Kansas City, MO 64112
816.945.5559 | Caitlin.Waters@cbiz.com

CBIZ

TABLE OF CONTENTS

A. COVER LETTER 3

B. EXECUTIVE SUMMARY 5

C. DESCRIPTION OF WORK PROGRAM & SCOPE OF SERVICES 7

A. Analysis & Reporting.....7

B.Liaison and Problem Intervention.....14

C. Compliance.....17

D.Annual Renewal Process and Evaluation.....20

E.Other Service Requirements.....30

D.QUALIFICATIONS & EXPERIENCE OF FIRM..... 37

E.PROGRAM COSTS..... 43

F.REFERENCES..... 45

EXHIBITS 46

A. COVER LETTER

City of Independence, Missouri
Procurement Division
111E Maple, PO Box 1019
Independence, MO 64051-0519
Re: Request for Proposal #20087-A

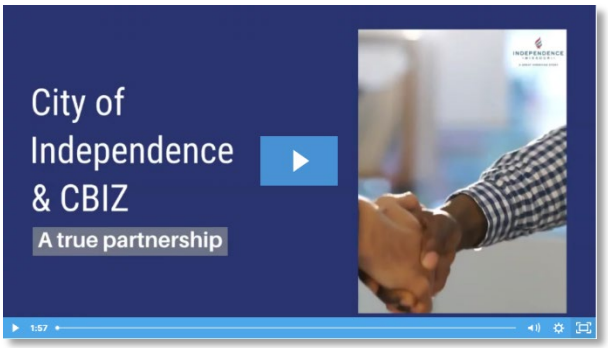
November 20, 2020

Dear members of the evaluation committee,

Thank you for providing CBIZ Benefits & Insurance Services, Inc. (CBIZ) the opportunity to offer the City of Independence, Missouri (the City) employee benefits brokerage and consulting services. The impact related to COVID-19, social unrest and economic pressures will no doubt continue in the months and years to come, making it **more important than ever to select an advisor with a broad range of expertise** in benefits, retirement, recruiting, compensation, wellbeing, insurance, accounting, tax, HR, and more.

Our Kansas City office includes all these services, with the benefits consulting practice based in our Kansas City, Missouri office. Our office was founded as Robert D. O'Byrne & Associates more than 50 years ago, and it has long been recognized as one of the top employee benefit consulting firms in the Midwest. While we have grown and expanded our offerings and resourced available to our clients, **we have remained committed to this community.**

At CBIZ, we offer a **fresh approach for the growing complexity of the insurance industry**, providing innovative solutions, unique to each client. We have enjoyed getting to know the City of Independence's team the last few years through multiple meetings, where we have **listened to your challenges, your hopes and your goals for the City** and its staff. To hear more from the City's two lead consultants, please view the video or click here.



This proposal highlights how we can help the City achieve its goals by:

- Pivoting quickly as challenges emerge to help minimize uncertainty, while maximizing health and welfare-plan dollars
- Creating administrative efficiencies within your HR team so you can spend more time focusing on the City's employees
- Analyzing opportunity and risk related to cost, compliance, communication and administration utilizing data analytics, financial reporting, benchmarking tools and other resources
- Providing consistency and engagement through a comprehensive communications strategy
- Tailoring multi-year strategy solutions to desired outcomes with proactive client service

As you evaluate our proposal please consider a few key points:

- We serve more than 1,400 public entity clients nationally and more than 200 locally
- Our KC division has organized consulting and service teams of specialists dedicated to our public entity clients
- Your dedicated team includes in-house experts in actuarial, compliance, pharmacy, communications, health innovations and more

Simply put, **we're in this together**. When you work with a CBIZ engagement team, you are backed by the knowledge and experience of our entire team, as well as the resources of a national organization. Our specialists are engaged with our clients from start to finish, **working together at every turn.** Our process is deep and comprehensive to ensure our clients reach their goals.

We know you have options when it comes to choosing an employee benefits consultant. While any broker can run the numbers and market your plans, **it takes an innovative partner to execute a collaborative strategy that fits your culture.** After reviewing your Request for Proposal, we are excited to explore the opportunity of a partnership that offers an innovative benefits solution. We look forward to sharing a range of accessible program services that meet your needs.

Best regards,

Eric Munninghoff
Consultant

Caitlin O'Byrne Waters
Consultant

B. EXECUTIVE SUMMARY

Executive Summary – The Consultant presenting the proposal shall provide a statement of the prominent features of the proposal including any recommendations to enhance the value, effectiveness, and/or reduce the cost of the overall project.

We are honored to submit this response to the City of Independence's benefits consultant RFP. The questions posed give us the chance to highlight in detail our approach, expertise, and resources to assist our clients' in implementing their total rewards strategies. Thus, this Executive Summary *looks forward* – anticipating the words the City's team will use to describe this partnership if CBIZ is engaged as your employee benefits consultant:

UNIQUE

The City has a unique history and sense of place, according to its vision statement. Therefore, it needs a consulting partner who understands its history and current culture, and is unique in itself. With our work with the Independence School District, we have gotten to know your community. **We understand the values and diversity that make your city special.** While we work with many municipalities and public entity clients, we understand that no two organizations are the same. The City has unique challenges and needs a custom approach. We do not have a one-size-fits-all model. We take the time to get to know you and your organization so that we can build together a collaborative strategy that honors your history, while moving you towards your goals.

INNOVATIVE

We recognize that salaries and benefits costs account for a significant portion of the City's expense growth. As such, it is our mutual responsibility to drive down employer/employee costs, improve health outcomes and enhance your employee's experience. **Better outcomes at lower cost requires innovation.** Clients routinely adopting our health innovation strategies lower healthcare costs by 10% to 30% through creative plan design, establishing centers of excellence, carving out specialty high dollar services and medications, utilizing high performing and quality-based networks, and other initiatives.

EMPOWERED

Our intention is to develop a strategic partnership with the City built upon mutual trust, solid data and candor. Our process will begin by conducting an analysis of your comprehensive benefits offerings – medical, dental, vision, disability, voluntary, etc. and historical data to identify areas for improvement. We will measure the impact of initiatives, provide feedback, respectfully challenge your thinking, and empower your team to make informed decisions based on a collective understanding of company culture, expected outcomes, long term goals, short term objectives and financial considerations.

ENGAGED/INCLUSIVE

The City invests millions in employee benefits each year, and it is important that the organization receives value for this spend through enhanced recruiting and retention as well as overall employee engagement and wellbeing. In addition to ensuring that your employee benefits plans meet the needs of your diverse workforce (income levels, educational attainment, age, race, gender, etc.), **CBIZ has developed communication methodologies so that employees and their families understand their benefits and appreciate the investment the City has made in each employees' health and wellbeing.** Further, the five key drivers of our wellbeing initiatives – purpose, social, financial, emotional & physical, community – support a thriving workplace culture.

SUPPORTED

Supporting your HR team and Benefits Committee is a priority for CBIZ. **Your consultants, Eric and Caitlin, will be intimately involved in strategy creation, and all members of the City's proposed engagement team have been selected due to their strong customer-service orientation and expertise with public entities.** The capabilities of your CBIZ Kansas City-based project team are enhanced by resources from across the country with specialties in pharmacy consulting, health innovations, wellbeing, regulatory/compliance, employee communications and more.

PROTECTED

As a public entity, security and compliance are of utmost importance. **CBIZ has extensive in-house resources to help clients navigate regulatory affairs and compliance requirements that are always changing and impact employee benefits plans.** As a comprehensive consulting firm offering resources in payroll, human resources, tax and advisory services, our guidance is the most comprehensive available.

TRANSPARENT

CBIZ offers the flexibility to work on a direct fee and/or commission arrangement, depending on your preference. **Unlike other brokers who receive payment/commissions that are not fully disclosed to clients, CBIZ adheres to a philosophy of full transparency that we review annually, or more frequently if preferred.** We believe that this is the only way for the City to fully evaluate the value of the financial investment you are making in this partnership.

Our approach aligns with the City's goals and we will live up to the high standards you will come to expect from our firm. The City of Independence would be a very important client for CBIZ, and **we look forward to exceeding your expectations.**

C. DESCRIPTION OF WORK PROGRAM & SCOPE OF SERVICES

Description of Work Program and Scope of Services – The Consultant shall describe the proposed work program, methodology, time-frames, proposed interaction with City staff as well as other project components and features. Proposals should also include sample reports and analyses illustrating the cost reduction analyses; managed health care and third-party administrator cost analyses; and claims processing, review, and utilization data.

Understanding Your Needs

In the following pages, we have provided detailed our approach to performing all services outlined in the Scope of Services of the RFP on pages 4-6. For an overview of these services, please see **Section E: Program Costs**.

A. ANALYSIS AND REPORTING

1. Analyze existing coverage and identify or develop cost-saving alternative benefit strategies and plans.

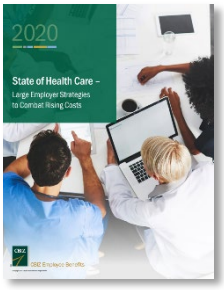
Detailed Benefit Plan Review

CBIZ has been transitioning new clients to our firm for decades. We have crafted a process that we have down to a science that ensures a streamlined and efficient onboarding. After we have collected all the data through our data request, we will conduct a Detailed Benefit Plan Review that will benchmark, review and offer recommendations based on your current total rewards program. This meeting lays the foundation for your strategies moving forward as it provides our team a better understanding of your current state and where you hope to go. For a sample of this presentation, please see **Exhibit A.**

Ongoing Cost Containment Strategies

We are consistently researching the next innovations and creative solutions in employee benefits to stay ahead of the curve. With these values in mind, we believe in researching and testing solutions to drive down employee costs and retain value. We have a dedicated Health Innovations team whose sole focus is on testing and understanding emerging cost containment strategies. CBIZ's strategic process will utilize analytic tools which measure controllable costs as identified in drill down reports. Once trends are identified, actionable plans will be put in place to engage employees. The key to success is having all stakeholders involved in the development and execution of the programs. Stakeholders should include all vendors, (medical, Rx, disability, EAP, vision, dental), clinic professionals and resources, community resources, corporate leadership and employee representation. Our clients have benefited from our consulting expertise in managing health care costs. Several have sustained multiple years of cost containment or zero trend, due to the recommendations and strategies we have implemented.

The placement or "brokering" of insurance is the easy part of any engagement. **Our value comes from knowing how to execute the right cost containment tools to achieve the best possible outcomes.** This combined with solid actuarial services allows our clients the best chance to predict and project financial outcomes.



As mentioned, we will identify initial recommendation in our Benefit Plan Review presentation and moving forward use our Annual Performance Review.

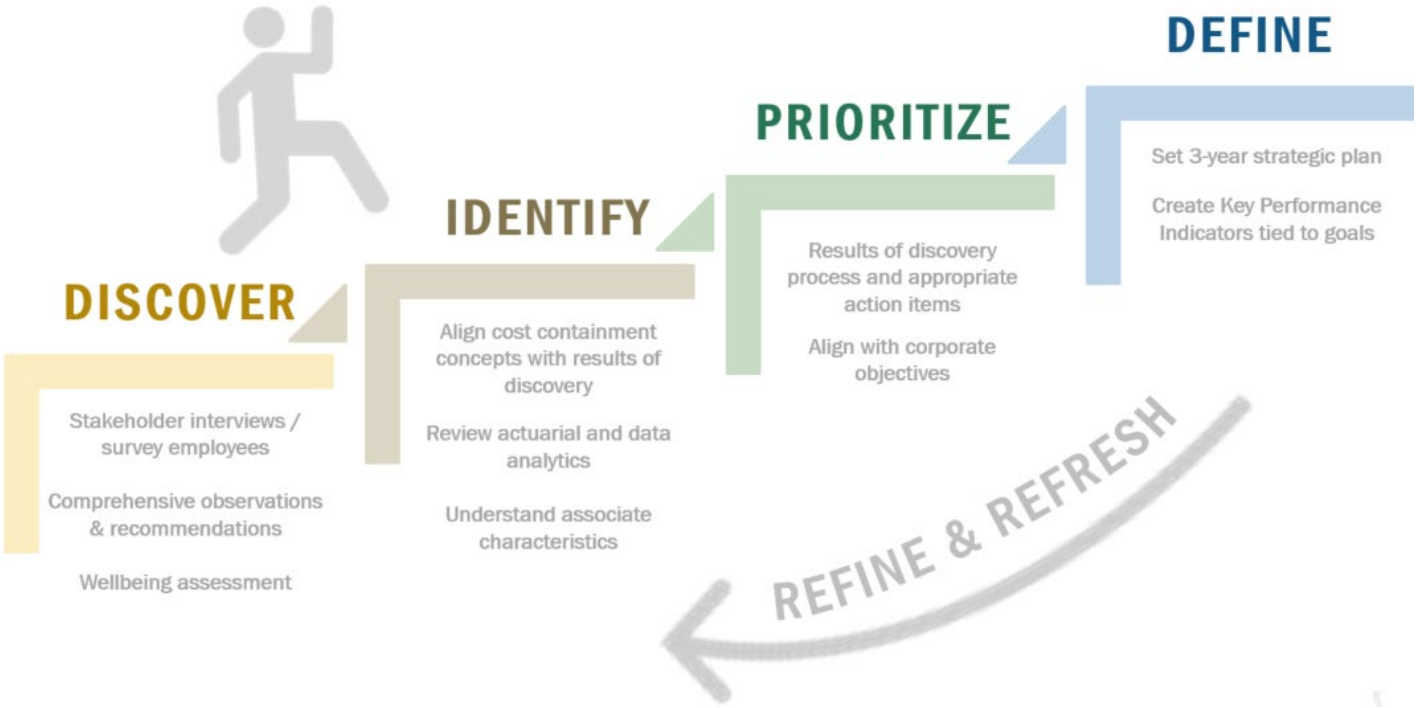
Please click here for our 2020 State of Health Care Guide that our Health Innovations Practice curated recently.

2. Assist in the development of long-range goals and strategies, including making projections of potential savings.

Strategic planning is a hallmark of our partnership, and developing a well-documented strategy is the blueprint for success. Typically for a new engagement CBIZ will work closely with your human resources and finance team to document a three to five-year strategy. Our focus is to help you align employee benefits with organizational goals, legislative mandates, obtain the best pricing, manage compliance liability, and maximize employee satisfaction.

Please see **Exhibit B** for sample slides within our Annual Performance Review meeting. For more on our strategic process, please see **Section D, Question 1.**

STRATEGIC PLANNING



3. Assist the City in monitoring and analyzing experience trends and providing timely alerts on changing patterns and appropriate recommendations.

CBIZ will utilize our in-house actuarial team, carrier reporting and our analytics to monitor and analyze the City's experience trends. Our proposal includes tools with retrospective analysis and predictive modeling capabilities. Using these tools allows us to coordinate medical claims, biometric screenings and disability data. This enables to make the most informed benefits decisions, effectively measure return on investment, and monitor plan budget in real-time.

The key differentiator with our approach is how we use the analysis to help you make meaningful benefits modifications. The CBIZ strategic process will utilize analytic tools which measure controllable costs as identified in drill down reports. Once trends are identified, actionable plans will be put in place to engage employees and potential plan designs to improve high-cost drivers will be presented. The key to success is having all stakeholders involved in the development and execution of the programs. Stakeholders should include all vendors (Medical, Rx, Disability, Vision, and Dental) and relevant committee members.

Analytics Capabilities

CBIZ clients are provided access to NavMD Analytics which allows the City to maintain claims history in the event of a carrier change. NavMD is a predictive analytics application delivering actionable insight for better decisions about managing the health of a given population. The CBIZ team uses this data to review of all claims activity to identify trends and clinical areas that may be positively impacted by plan design changes or other wellbeing strategies.

NavMD consists of three main components:

1. Analytics & Reporting
2. "What If" Plan Modeling
3. Performance Tracking & Monitoring

Unlike other systems that simply combine medical and pharmacy claims to give a total cost, NavMD intelligently groups different types of claims and associates them to underlying medical conditions exposing the source of claims related activity. NavMD also provides a standard of care measurements including age-appropriate preventive measures such as mammograms, colonoscopies, and other preventative care procedures.

These features allow the City to see the whole truth about the prevalence and cost of real-world chronic conditions impacting their populations, and in turn, their bottom line.

This service is included in our proposal at no additional cost, sample reports are included in **Exhibit D**.

4. Provide, maintain and update comparison reports of other public and private companies' benefit plan offerings and costs to determine their competitiveness with the City's programs.

Benchmarking is critical to understanding how your benefits plan ranks against your industry competitors. Each year, CBIZ compiles its annual benchmark report providing detailed information on key trends including health plan usage, Rx strategies, voluntary benefits and more. Click here for our 2020 report. We provide benchmarking in our strategy meetings including ways to control benefits costs, best practices, and ways to assess the competition. To ensure you receive the best plan for your unique benefits needs, we're constantly refining our best practices regarding data utilization.

Public Entity Benchmarking

Due to our large book of public entity business, CBIZ provides specific benchmarking so our public entity clients can compare their standing in the marketplace. This information also enables the City to leverage the best possible deals with carrier partners. We can sort by group size, carrier, state in which they're located, and by features of their wellness initiatives. This reporting enables the City to understand where they benchmark against other municipalities and utilizing this information aids the City in attracting and retaining top talent.

Additional Benchmarking Resources

Additionally, we have access to a benchmarking application called "Companies Like Me". This software is populated with employers from across the country. The application is able to benchmark information across over 200,000 plans and represents over 20 million member lives. This tool provides drill down reports to compare industry, employer size and more.

Through NavMD analytics, CBIZ provides benchmarking of the top conditions found within your plan as well as compliance measures. Many of our competitors can provide the same data; however, it is the thoughtful analysis and tactical implementation of benefits initiatives you receive from CBIZ that is second to none. We will ensure your employee benefits plans are competitive in the marketplace and economical for your business.

5. Provide financial and/or performance reviews of self-funded or fully insured plans and programs including analyzing the cost/benefits of an onsite Health & Wellness Center.

Financial Performance

CBIZ provides periodic (monthly, quarterly, semi-annual) and year-end historical comparisons and financial/utilization reports and analysis for all lines of coverage. These reports are independently created and validated by our actuarial team. Specific to plan funding and stop loss our actuarial team completes an independent funding projection which is then compared to actual results on a monthly basis. Each renewal our actuaries also run a stop loss analysis called a Monte Carlo analysis to assist the City in determining what specific stop loss level is optimal considering claims and premium. CBIZ will also accommodate special reports as needed or requested.

Please see **Question 9** below for a review of our robust reporting capabilities.

Alternative Cost Savings Programs

We analyze and evaluate a variety of cost containment strategies that are right for your organization. We take a proactive approach to bring innovative and forward-thinking strategies to the table and outline the pros and cons of each idea. More than just a brainstorming session, our team will help the City implement and manage the strategy selected.

The City's service team includes our Health Innovations Practice and our National Clinic Consulting Practice, which has vast experience bringing these ideas to life for our clients, whether its operating an onsite clinic or managing strategies like Direct Primary Care and Care Coordination, that provide similar benefits at a lower cost. Please see our 2020 State of Health Care Guide that our Health Innovations Practice curated recently for additional case studies.

We understand that the City previously had an onsite health and wellness clinic for its employees that is no longer in operation. While it may not be a need today, CBIZ has a full team that assists in the full continuum of employer-sponsored healthcare, including feasibility analysis, vendor selection, implementation and optimization.

Our team has completed more than 130 projects pertaining to onsite / near-site health centers for over 40 organizations and have over 24 years of clinical consulting experience. Should the City decide to evaluate the clinic option again, CBIZ has all the resources needed to evaluate, execute and manage.

6. Meet regularly with the City's Finance and Administration Human Resources team.

CBIZ will attend all live/virtual meetings and calls called by the City. In conjunction with the City's needs, the CBIZ team defines the frequency of client interaction in the early stages of partnership. We know understanding key stakeholders' motivation and direction provides great insight into how we work together. Every client engagement is different and we will work collaboratively to create an engagement that works best for the City.

We understand great customer service is critical to a successful partnership. CBIZ offers a comprehensive yet flexible service model unique to each client. We have the ability to support and augment your HR department with a wide range of services.

We expect to have regular visits with your team to identify strategy, review reporting, deliver renewals and prepare employee communication. For other similar clients, we have provided monthly financial overview reports with additional large claims analysis. This is supplemented with our actuarial reporting and NavMD reporting. While this data is a good start, we want to make sure this data is presented in a relevant and meaningful way.

Supporting Your Programs Year-Round

Common meetings include, but are not limited to:

- Strategy development sessions
- Monthly client service meetings
- Claims scorecard tracking
- Pre-renewal objectives
- Renewal presentation
- Vendor presentations
- Open enrollment sessions and education
- Engagement planning meetings
- Benefits committee meetings
- Wellness topics
- Financial reporting
- Implementation management and check-ins
- Annual Performance Review meeting

In the Annual Performance Review meeting listed above, the City and CBIZ will review the past and also look forward three years to jointly create goals and strategic plans. For more on our client-centric service model, please see **Question 3 in Section B**.

7. Prepare and make presentations at meetings of the City's Executive Leadership Team and the City Council.

Your CBIZ team will prepare and present at meetings for the City's Executive Leadership Team and the City Council. Given our vast experience with public entities, this is a service that we provide for many of our other clients.

It is our goal to work with the Finance and HR team to put together a meaningful report for these key stakeholders so we can report updates on a periodic basis. Our team will develop the presentations for your review and feedback and we will be available to join any leadership meetings to present and answer any questions. With our extensive experience in the public sector, we understand the importance of these meetings and the skill needed to do so successfully.

8. Attend monthly meetings of the Stay Well Health Plan Committee to present quarterly or more often as required analysis of plan expenses including an analysis of claims data, administrative fees, utilization and stop-loss expenses, and utilization of the City's wellness program The Stay Well Health Plan Committee serves in an advisory capacity to the City Manager for the employees' health insurance programs, and is comprised of eight union members, two non-union members and a retiree representative.

In addition to our experience presenting to leadership teams and City Councils, we also often work with clients' health and wellbeing committees. We understand and congratulate the City that you already have a strong and thriving Stay Well committee.

Stay Well Health Plan Committee Support

We have extensive experience with benefit committees. We understand the nuances of having multiple stakeholders involved within the committee, such as union and non-union employees, as well as retirees for the primary purpose of being a tool to understanding the needs and desires of the covered population. Our role is to understand the *purpose* of the committee and facilitate the process to achieve the desired objectives. Many of clients often ask us to create the agenda and develop the presentations for their committee meetings. It is also not uncommon for us to take the lead role in educating new committee members on benefit related matters as part of a new member onboarding process.

Through our new client onboarding process, we will review the current state of the Benefits Committee and jointly determine CBIZ's involvement with the committee. After conducting stakeholder interviews, we may come to the City with recommendations for enhancing the structure of the committee and where we best see our role in interacting with the committee. We find our partnership only increases in value when we have a working relationship with our client's established benefits committee as it fosters strategic initiatives that may be more likely to be adopted as they would be better understood.

With our focus on data analytics and transparency, we will provide the requested quarterly (or monthly) financial and claims reporting, as well as utilization reports.

9. Be available to provide various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, or experience reports.

CBIZ will provide all reports listed above and more, the following is a brief overview of reporting capabilities:

Monthly Reporting:

- NavMD Predictive Modeling
- Key Performance Indicator Dashboard
- Monthly Financial Overview and Funding Comparison
- General Plan Performance/Expense Overview
- Large Claim Report
- Lag Reports
- Utilization Data Analysis
- Emerging High Cost Claims
- Pended Claims Summary
- Claim in appeal, when applicable

Quarterly Reports:

- Reserve Valuation (IBNR)
- Top 20 Conditions/Providers
- Case Management Review
- Projected Year-End Forecast

Annual Reports:

- Financial Comparison
- Actuarial Impact of Plan Design Changes
- Alternate Funding Arrangement Analysis
- Benchmark Review & Analysis
- Performance Standard Review
- Network Performance
- Wellbeing Scorecard
- Strategic Review
- Generational Analysis
- Monte Carlo Stop Loss Analysis
- Performance Standard Review – Vendor performance guarantees, if available

Please see **Exhibit E** for our monthly self-funded reporting samples.

10. Regularly monitor and evaluate performance measures and guarantees for providers.

CBIZ takes our responsibility as your advocate and voice very seriously. We will manage, monitor and evaluate the performance of all the City's providers on an ongoing basis. We implement and manage provider guarantees for our clients.

11. Provide analysis of Health Care Reform's impact on the City's health programs.

CBIZ has in-house experts evaluating Health Care Reform legislation from many vantage points. This enables us to lead our clients through the maze of changes. We are uniquely positioned for our industry. With experts in benefits, tax, payroll, compensation and human resources we deliver our clients with comprehensive analysis and advice for implementation. This provides a unique, well-rounded approach to complex Health Reform issues. Our Compliance Practice Team will proactively provide the information and the appropriate application for your business as the details continue to be ironed out by the government. The ability to continue to stay abreast of reporting and administrative requirements will be challenging, but necessary to stay in compliance.

CBIZ keeps your team up to date by our Health Care Reform Bulletin created by Karen McLeese, CBIZ VP of Regulatory Affairs. Your CBIZ team will send that document as well as the high-level points that your organization needs to know.

12. Assist the Finance and Administration Department with GASB reporting.

Our in-house actuaries can prepare a GASB reporting assessing your liability associated with providing retiree benefits at an additional cost. When we conduct an RFP for the medical plan, we include in our analysis the specific providers included in the networks made available to you, in addition to the quality of the negotiated discounts for various categories of care.

It is our understanding that the City of Independence currently uses another firm to complete the study. With our experience and expertise in this reporting, the CBIZ team will be able to assist the City as needed.

13. Annually provide actuarial services for Medicare D Subsidy program application.

Our in-house actuarial team provides Medicare Part D certification for the subsidy program application for many CBIZ clients. This analysis is a small fee ($3,500) for our clients. We are very proud of the depth and variety of services our team provides. Please see **Question 3 in Section D** for more information on our actuarial services and **Exhibit C** for sample reporting.

B. LIAISON AND PROBLEM INTERVENTION

1. Act as liaison between the City and insurance providers as well as the City's wellness providers.

CBIZ is the City's **partner.**

We are dedicated to acting as an advocate and liaison on behalf of our clients and their employees. Our responsibility is to develop these partner relationships to the fullest. CBIZ will enrich the relationships through collaborative development of strategic plans. Activities prior to the renewal negotiations such as Wellbeing Summits, CBIZ/vendor partner development sessions and regularly scheduled partner updates allow CBIZ to aggressively achieve the most cost-effective pricing for all plans and Wellbeing resources at renewal.

2. Provide day-to-day consultation on plan interpretation and problem resolution, including, but not limited to, explanation of plans and assisting employees with selecting plans that meet their needs.

Our office has decades of experience strategically planning public entity employee benefits and our client services model includes dedicated individuals and teams to better serve public entity clients. **This allows us to understand and solve the unique challenges of implementing benefits programs in the public sector.** Our client service team is prepared and ready to help answer any questions from employees. Within our benefits guide, we include our team's direct contact information so that they can reach out at any time.

Some clients require additional decision-making support for its clients, and therefore, we have identified outside vendor partners to assist in filling this gap for employers. This can include an online decision-making tool, a benefits call-center, etc. As an independent consultant, CBIZ can identify the right solution based on the organization's goals and financial resources.

Many organizations turn to CBIZ when they have become frustrated with service inconsistencies created by account team turnover within their current broker. CBIZ mitigates this concern in a number of ways. First, the consultants who are involved in the business development process (i.e., Eric Munninghoff and Caitlin Waters) are intimately engaged in the partnership from onboarding, strategy to ongoing issues management. This stability helps eliminate disruption during any project team member change – whether at CBIZ or the City.

Finally, we have an in-house claim advocate to assist with some of the escalated claim issues for employees. We want to give the City's employees peace of mind that CBIZ is in their corner, helping them navigate through the complex healthcare landscape.

3. Provide timely customer service and assistance to staff, employees and retirees with issues involving provider billing, claims, vendor service issues/problems, advocacy for services, disputes, interpretation of contracts and services, changes and general troubleshooting.

CLIENT-CENTRIC SERVICE MODEL

The City can expect consistent and personalized service from your CBIZ account management team with **almost immediate responses.** Not only does the City have a whole account management team available to handle issues as they arise, but also an employee claims representative on our team ready to advocate for your employees.

With CBIZ as your partner, the City will have high-touch service model that is broader than just benefits. We find that our most successful client relationships are actual partnerships.

To us, a partnership means the City gives us access to stakeholders and benefits committee members so we can adequately educate, inform and challenge the status quo.

Our engagement cycle is a **year-round cycle.** While we know the renewal and open enrollment period require lots of effort and energy, CBIZ is your steady partner throughout the entire year so those large initiatives run smoothly and efficiently.

CLIENT ENGAGEMENT CYCLE

Continuous Feedback

CBIZ relies upon both qualitative and quantitative information to continuously assess the quality of our work and client satisfaction. We build relationships with our clients through consistent, candid dialogue, and a continuous feedback loop develops as a result.

This ongoing assessment ensures that each individual client's needs are met, as our success is measured by how well we understand and address the objectives of each client.

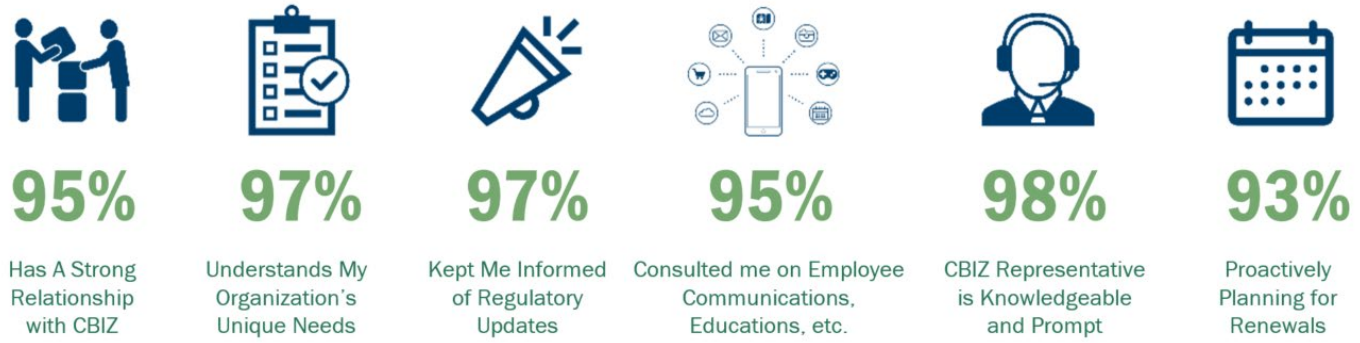
Reliability & Responsiveness: CBIZ personnel are trained to provide succinct and timely information to clients. Professional standards are instilled in training by the Team Managers and Directors.

Professionalism & Creditability: CBIZ provides training and ongoing performance reviews to ensure client satisfaction with the personnel servicing their programs.

Client Survey & Retention

In addition to this individualized approach, CBIZ utilizes our annual Client Satisfaction Survey and retention data to measure the quality of our services and client satisfaction. **Our net promoter score is 82 which is far above the consulting services industry benchmark of 51.**

While the high net promoter score on the 2019 Client Satisfaction Survey demonstrates strong satisfaction from our large group clients, a true measure of satisfaction is client retention. CBIZ's **2019 client retention rate of 96.7%** that greatly surpasses the industry average of 89%.



**Results based on our 2019 Annual Client Satisfaction Survey*

4. **Act as an advocate or ombudsman in appeal, arbitration or court process between the City and the providers on unresolved issues if needed; provide advice when needed to enforce City, employee, retiree or their dependents' network changes.**

CBIZ will act as an advocate in all cases regarding the partnership with the City. Our team has extensive experience resolving issues, providing advice and going above and beyond to ensure your employees, retirees and dependents are taken care of.

In escalated cases, our team will lean on our in-house employee claims advocate, Judy Woods. Judy have over 25 years' experience working with our clients and their claims issues and appeals. Your day-to-day service team will be intimately involved throughout the issue or appeal to ensure a streamlined resolution.

5. **Assist the City in proactive mitigation of negative impacts or disruption of services to employees and retirees from benefit and/or provider network changes.**

With CBIZ as your partner, the City will be aware of any negative impact of disruption of services that benefit plan changes would have. CBIZ anticipates these and will ensure that the City understands any impact of any changes to the City's employee/retiree experience.

Additionally, in the event of introducing new benefits or changes to existing coverages, our expert communications team will assist the City in communication those to the employee/retiree populations. For more on our resources please see **Question 2 in Section E.**

C. COMPLIANCE

1. Assist with ongoing plan administration and ensure that programs are in compliance with local, state, and federal legislation.

CBIZ believes in making an ongoing investment in compliance and regulatory resources. Our in-house compliance team ensures every plan is fully compliant with all state and federal mandates. We can quickly identify issues and then share best practices to relieve the burden of billable hours from traditional legal resources.

Team members receive on-going support from our national attorneys and legal teams within the Regulatory Affairs and Compliance department. This area monitors state and federal regulations impacting employee benefit plans and reviews and interprets laws, court decisions, administrative rulings and pronouncements affecting employee benefits.

Below are a few of our key compliance resources.

ANNUAL COMPLIANCE MANUAL - "FOR YOUR BENEFIT"

CBIZ prepares an annual compliance manual with accompanying sample documents for Federal guidelines. There is a State section for each applicable State. This is provided to each CBIZ client, at no additional cost.

TIME SENSITIVE COMMUNICATION - "AT ISSUE" AND "BENEFIT BEAT"

CBIZ understands the critical nature of ongoing regulatory and legislative updates in our current environment. CBIZ notifies our clients about the most time-sensitive information on an as-needed basis through the "At Issue" and "Benefits Beat" newsletters. These publications can be provided electronically or via a hardcopy.

ACA SUPPORT

The Affordable Care Act (ACA) impacts every facet of a group health plan, including plan design and eligibility, funding and tax issues, reporting and disclosure requirements. The coming years will further define the fate of ACA, and we're ready to guide you through any new modifications or repeals that may occur. CBIZ's National Advisory Council includes experts in benefits, payroll, finance, tax, legal and regulatory issues to handle the complex requirements of health reform.

Please see **Exhibit F** for samples of our compliance communications. Make sure to review the recording of our most popular webinar, *Employer Legislative Update: Year in Review & What's to Come in 2021.*

2. **Provide on-site training to City staff, as needed, regarding regulatory updates and/or Best Practice seminars for the effective administration of benefit plans.**

CBIZ offers constant and relevant training and communications to both our internal team and our clients. We provide information in several ways to ensure that your team understands the impact of regulatory updates.

Webinars

CBIZ hosts a national monthly webinar series that is open to all our clients and provides continuing education credit for Human Resource professionals. In addition, we will provide more customized sessions based on your current personnel needs. Topics include Compliance, Wellness and Wellbeing, Funding Alternatives, Funding Training, Benefit Innovations and Variable Hour Employee Considerations in an ACA Environment. In some cases, webinars are specific to different industries. There is no associated cost with these educational webinars. For articles, recorded webinars and more resources click here.

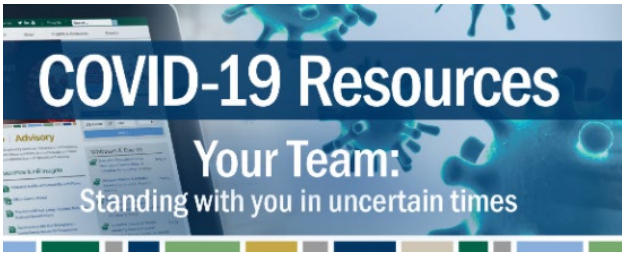
CBIZ ThinkHR

The CBIZ ThinkHR online portal offers **over 200 trainings** of compliance-related courses, including topics like: harassment prevention, safety and OSHA, environmental compliance and wellness.

Biz Tips – Employee Benefits Podcast

The Biz Tips Employee Benefits Podcast aims to simplify all the benefits jargon we know can be confusing to some. Hosted by CBIZ consultant, Danny Ritz, the podcast features discussions with our **national experts on compliance, cost savings strategies, pharmacy considerations, benefit plan strategies, and health insurance 101.**

Our goal here is to educate, to turn the confusing world of health insurance and employee benefits into practical uses, and to have a little fun. Whether you're an HR expert or a benefits novice, this podcast is for you. Click here to listen to our most recent podcasts.



COVID-19 Resource Center

At the onset of the COVID-19 pandemic, our national subject matter experts created webinars, a resource center and delivered our highly valuable, accurate and relevant expertise to our clients addressing not only employee benefit considerations but also tax, payroll and HR considerations.

The resources page addresses the most urgent matters businesses must take action upon to survive and remain in business, **while also supporting their employees and maintaining legal compliance.**

3. **Review and disseminate information to staff on new or revised state and federal legislation that impacts benefits programs.**

Yes, CBIZ will review all legislative updates and disseminate that information to staff in an easy to understand and relevant way.

4. **Assist City staff with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.**

Your CBIZ team, in tandem with the in-house compliance experts, will conduct an annual audit called the Annual Compliance Checklist and we will provide all mandated reporting with reminders in our Chart of Notice Obligations. Please see below for more information.

Annual Compliance Checklist

In addition to the communications, CBIZ provides a "Compliance Checklist" which will be reviewed collaboratively with your staff and the CBIZ service team. The Compliance Checklist is a 50-page checklist of compliance guidelines and necessary actions to mitigate exposure.

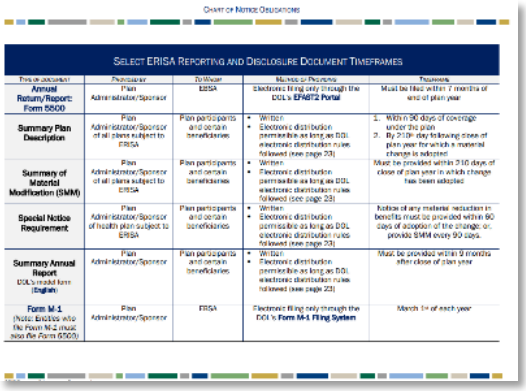


Chart of Notice Obligations

Select ERISA Reporting and Disclosure Document Timeframes

Title of document	Preparer	To Whom	Method of Delivery	Timeframe
Annual Return/Report: Form 5500	Plan Administrator/Sponsor	ERISA	Electronic filing only through the DOL's **EFAST2 Portal**	Must be filed within 7 months of end of plan year
Summary Plan Description	Plan Administrator/Sponsor of all plans subject to ERISA	Plan participants and certain beneficiaries	• Written • Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	1. Within 90 days of coverage under the plan 2. By 210th day following close of plan year for which a material change is adopted
Summary of Material Modification (SMM)	Plan Administrator/Sponsor of all plans subject to ERISA	Plan participants and certain beneficiaries	• Written • Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Must be provided within 210 days of close of plan year in which change has been adopted
Special Notice Requirement	Plan Administrator/Sponsor of health plan subject to ERISA	Plan participants and certain beneficiaries	• Written • Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Notice of any material reduction in benefits must be provided within 60 days of adoption of the change; or, provide SMM every 60 days.
Summary Annual Report DOL's model form (**English**)	Plan Administrator/Sponsor	Plan participants and certain beneficiaries	• Written • Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Must be provided within 9 months after close of plan year
Form M-1 (Note: Entities who file Form M-2 must also file Form 5500)	Plan Administrator/Sponsor	ERISA	Electronic filing only through the DOL's **Form M-1 Filing System**	March 1st of each year

Chart of Notice Obligations

The Chart of Notice Obligations contains an outline of various notices under certain federal laws affecting employee benefits. This publication is updated annually and is used in tandem with the Compliance Checklist and For Your Benefit book to ensure our clients are compliant in all facets of their benefit offerings.

5. **Assist in advisory capacity in reviewing and ruling on appeals from members covered by the Health Plan.**

As mentioned in **Question 4, Section B** your CBIZ team and Senior Claims Advocate, Judy Woods will assist in reviewing and ruling on appeals for the City's members.

6. **Review plan documents to ensure compliance with appropriate laws and regulations and notify of any necessary plan document amendments.**

The City's CBIZ team has decades of experience reviewing plan documents to ensure compliance.

7. **Research legal and technical issues and provide information in response to questions regarding employee benefit issues.**

Our in-house compliance team identifies, researches and analyzes complex legal issues and outlines key areas that need to be addressed to ensure your plan is fully compliant with all state and federal mandates.

8. **Conduct a review of the City's continued compliance with HIPAA, including spot checks and reviewing changes or updates to final regulations as issued by HHS.**

CBIZ will ensure the City continues to be compliant in all aspects, including HIPPA and regulations issued by HHS.

9. **Advise and provide guidance on the Affordable Health Care Act.**

Your engagement team has exceptional experience in guiding organizations through ACA regulations and assisting with adopting compliant policies and procedures. Further, as an organization specializing in tax, benefits, and payroll, we provide a comprehensive view of the ACA, implementing unique strategies for numerous clients to address tax, fee and penalties and other challenges.

D. ANNUAL RENEWAL PROCESS & EVALUATION

1. Establish a strategy for benefits, both annually and three to five years in the future. Consider trends, prospective legislations, new delivery systems and geographic health-care practices to make long-term projections. Work directly with City staff to forecast the long-term health of the Stay Well Fund. Assist the City in preparing the City's annual Stay Well Fund budget

STRATEGIC PROCESS

Employee benefits are a substantial investment affecting multiple facets of your business, from organization morale and employee retention to administrative efficiency and ultimately your bottom line. That is why CBIZ begins each engagement with benefit and human resource objective setting, to ensure that your benefit initiatives support your organization's business and financial objectives. **Rather than supply packaged solutions, we will collaborate with you to develop a customized action plan to achieve the goals you set.** This process typically begins with stakeholder interviews and either conducting or reviewing the City's current employee engagement survey results.

Understanding your prospective and retrospective data trends positions you to build value-oriented and cost-effective benefit plans for your employees. Using the best national and local practices, we'll create a strategic benefit plan that involves all stakeholders to analyze and compare cost and plan designs, employee demographics and similar-sized employers.

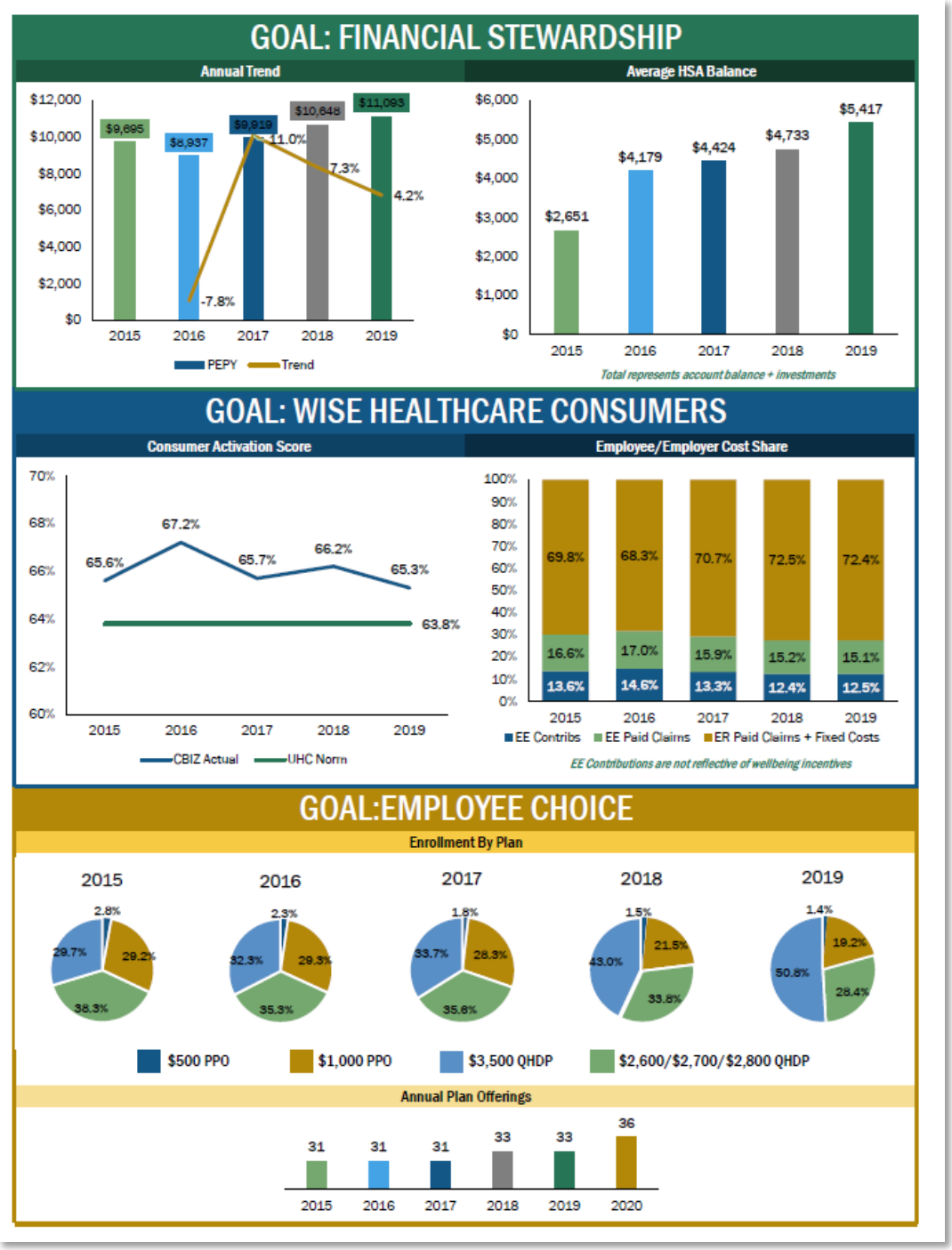
Setting Short Term & Long-Term Objectives

Together we will explore the City's organizational and business objectives, financial objectives and budget constraints, total compensation and benefits philosophy, employee demographics and expectations, senior management concerns and HR initiatives. During our planning sessions, we will listen, ask questions and provide insights. The outcome will be well defined goals and objectives for benefits in the upcoming year and beyond. We will collaborate with you to develop a customized action plan.

Based on our planning sessions, we will create an action plan that clearly defines:

- Your goals and objectives
- A brief description of current benefit plans and possible actions to align benefits with the goals and objectives
- Proposed services including potential renewals and marketing, funding analysis, health and productivity initiatives, communications, compliance activities, etc.
- A timeline showing milestone activities, responsibility and completion dates
- Key performance indicators and dashboard that will measure the progress toward goals and impact of the strategic plan

Sample Key Performance Indicator Dashboard



Stay Well Fund Management

CBIZ will work directly with the City to forecast the long-term health of the City's Stay Well fund. CBIZ will forecast the fund by utilizing our in-house actuarial services. Our team creates custom financial reporting that would be specifically applicable to the City. Please see Question 3 below for more on our robust actuarial services.

2. Review and make cost-saving recommendations regarding the modification of plan design, benefit levels, premiums, communications and quality of current employee benefit plans.

Cost Containment Strategies

We are consistently researching the next innovations and creative solutions in employee benefits to stay ahead of the curve. With these values in mind, we believe in researching and testing solutions to drive down employee costs and retain value. **We have a dedicated Health Innovations team whose sole focus is on testing and understanding emerging cost containment strategies.** CBIZ's strategic process will utilize analytic tools which measure controllable costs as identified in drill down reports. Once trends are identified, actionable plans will be put in place to engage employees. The key to success is having all stakeholders involved in the development and execution of the programs. Stakeholders should include all vendors, (medical, Rx, disability, EAP, vision, dental), clinic professionals and resources, community resources, corporate leadership and employee representation. Our clients have benefited from our consulting expertise in managing health care costs. Several have sustained multiple years of cost containment or zero trend, due to the recommendations and strategies we have implemented.

The placement or "brokering" of insurance is the easy part of any engagement. **Our value comes from knowing how to execute the right cost containment tools to achieve the best possible outcomes.** This combined with solid actuarial services allows our clients the best chance to predict and project financial outcomes.

Plan Design & Contribution Strategy

Our firm excels at the evaluation process because we go beyond simply providing data and instead provide solutions supported by data. Our clients have implemented a variety of alternative strategies based on both the data and solutions we bring.

- Examples include high performing networks, captive arrangements, value-based benefits, patient centered-medical home programs, reference-based pricing, site of care copay or coinsurance differentials and centers of excellence.

Using NavMD and the scorecard of key performance indicators, we determine which plan design changes will result in reinforcing employee health behaviors resulting in optimal plan performance. This tool allows us to measure financial impact and member disruption so that the City can consider all variables before making a decision. Data analytics tools and survey data allow you to benchmark and determine market competitiveness. This tool enables us to also model the financial impact of any plan design changes.

Communications

CBIZ recognized several years ago that the ability to provide effective employee communication was lacking in traditional insurance brokers. We believe that highly customized communication is critical to the management of our client's total rewards offerings. Rather than outsourcing this necessary practice, CBIZ began to invest in customized communication resources with the goal of better educating our clients' employees. **The CBIZ communication practice is a major differentiator in the employee benefits broker marketplace.**

We know that it takes more than a printed benefits guide to spur employees to make informed benefits decisions. While many of our competitors outsource their communications, we continue to invest in in-house resources to make these more accessible for our clients. We will work with the City to create a meaningful, custom communication strategy to best engage your employee population.

Please see **Question 13** below for more on our annual open enrollment employee communication resources that are included in our scope of services. Additionally, see **Question 2 in Section E** for more on our year-round communication support.

3. Recommend appropriate premium rates and reserves to maintain the viability of the plans to ensure that quality and cost-effective benefits are provided by the plans.

Actuarial Services

Our actuarial team helps client's better budget and prepare for health care costs each year including recommending appropriate premium rate and reserves so the City maintains quality and cost-effective benefit plans. Our in-house actuarial services support and supplement our benefit review and analysis.

Preventive, medication and chronic condition compliance

Impact of disease management and case-management initiatives

Health indicator and cost comparison between wellness participants and non-participants

They help analyze current plan costs against the marketplace, develop premium equivalent rates, analyze carrier renewals, and develop an actuarially sound contribution structure. Finally, they identify the issues driving plan costs and recommend responses that are tailored to address the causes. The cost for actuarial services is included at no additional charge in our standard scope of services.

You will have access to experts who can assist with the following items:

- A dedicated financial analyst
- Projecting financials and claims
- Underwriting renewal based upon claims and utilization independent from the health insurance carrier
- Pricing and reserve calculations
- COBRA rate development
- Stop-loss and pooling risk level determination
- Modeling plan design changes, migration studies, and contribution strategies
- Assessing the financial impact of COVID-19 based on employer and employee characteristics
- Medicare Part D certifications
- Financial reviews of healthcare programs including review of underwriting processes and analysis of rate calculations

Please see **Exhibit C** for sample actuarial reporting.

4. Provide annual estimates of renewal rates and cost trends to assist City staff in preparation of budget figures.

CBIZ will provide ongoing reporting that will assist the City in preparation for budgets. Please see **Question 9** in Section C for an overview of our robust reporting capabilities. CBIZ and the City will review cost containment strategies and trends at least annually during our Annual Performance Review. Our plan created in that meeting will be updated and referred back too throughout the entire year.

For more on our strategic planning, please see **Question 1** above.

5. Conduct thorough and applicable market research in preparation for contract renewals and make recommendations for items to negotiate with providers.

While CBIZ is much more than just your partner at renewal time, we have a well-established process that ensures for the most streamlined and smooth renewal period for all your contracts.

Renewal Process

- Review the current benefits strategy and plan design and discuss goals
- Develop a benefits budget and review rates
- Present innovative cost savings ideas based on industry trends
- Identify vendor alternatives
- Evaluate renewals for technical accuracy, completeness, consistency and use of up-to-date trend information
- Negotiate renewal terms, conditions and alternative plan design options

Pre-Renewal Planning (December – March)

Selecting insurance products is secondary to identifying, building, documenting and executing a strategic plan. Traditional insurance brokers will commoditize the census and claims data, while an employee benefits specialist emphasizes the importance of strategy throughout the buying process.

It starts with a comprehensive analysis of our client's business to understand their goals and help us customize a plan for each business case. We benchmark our client's current position, take an assessment, and then work to build a strategic plan with key metrics to deliver on our client's vision.

Renewal Negotiation (March – May)

Rather than rely on the carrier's renewal, our independent actuarial team will underwrite your renewal using the most favorable data set. Using a mathematical approach, we find that we can more favorably negotiate renewals with various carriers. The most competitive pricing is achieved when using this approach combined with creating a partnership between the vendor partner and the City.

Final Negotiation and Selection of New Vendors (June – September)

As discussed above, the final negotiations and/or selection of new vendors is most effective with the appropriate preparation in the renewal planning and strategic planning stages. At the point that final negotiations are appropriate, CBIZ will represent the City to obtain the solution that will best fit the City's needs with the most cost-effective pricing. Once this is accomplished, we remain actively engaged with the vendor/partner to ensure that they deliver according to final negotiated provisions.

6. Represent the City in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels, and plan design, performance measures and guarantees, contractual terms and conditions, and quality assurance standards.

Each CBIZ team member leverages long-term carrier relationships to offer the most competitive rates. Our negotiation power can often mitigate higher renewal increases, which are typically below the market trend for groups of comparable size. As one of the largest purchasers of insurance and related products and services, CBIZ clients benefit from preferred-level pricing and service models from national and regional insurance companies and other vendors. We regularly lead groups through carrier and vendor changes and are ready to advocate in the marketplace on your behalf.

7. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, and return on investment, where applicable.

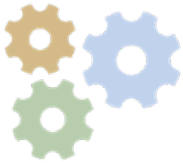
All listed activities will be completed in our Pre-Renewal and Renewal Meetings.

Carrier Partners

In an ongoing effort to ensure we are providing the best possible service to our clients and prospects, CBIZ Benefits & Insurance Services Division has established standards relative to ratings of carriers used to place coverage. CBIZ must be constantly vigilant in providing our clients with quality carriers that hold good financial security ratings. CBIZ will recommend insurance companies of only the highest financial security, and should provide the client with current information about that insurer(s). The CBIZ minimum standard for carrier rating is A- Class VI for AM Best, or B by Weiss Ratings for Managed Care Organizations.

8. Assist with development of Request For Proposals (RFP's) for various vendors in compliance with City purchasing requirements.

CBIZ will provide comprehensive RFP services – from goal setting to a final written report of our findings to the implementation of a new vendor if one is selected. We are with you every step of the way. We draft our RFP documents to reflect your unique goals and objectives and any particular issues that you would like to see resolved. Appropriate markets are based upon your location, census, claim utilization, preferred funding and available vendors. Our written summary of all of the bids and finalist interviews will lead the City to a selected vendor.



Once this is accomplished, we will stay locked in with the carrier or vendor to ensure that they deliver according to final negotiated provisions. **We believe that what gets measured gets managed.** As such, we typically negotiate performance metrics into vendor contracts which define the key success measures, whether those be financial, service or administrative in nature. We believe issue management is important, and therefore utilize an internal tracking system to monitor all contracts, administrative issues, and claim resolution on our client's behalf. The process allows our team to track and validate open items for efficient monitoring of carrier and vendor performance. Protected Health Information (PHI) inquiries are HIPAA protected for confidentiality.

9. Prepare specifications and compile data, obtain quotes and proposals, negotiate rates and analyze and compare proposals.

CBIZ will provide all of the above services to the City.

10. Review rate proposals to ensure underlying assumptions are appropriate and accurate to the City.

CBIZ will utilize our in-house actuarial team and financial reporting tools to review rate proposals to ensure all underlying assumptions are appropriate and accurate to the City.

11. Audit resulting contracts for accuracy of coverage, terms and conditions.

On a daily basis we are reviewing contracts on behalf of our clients that includes accuracy, language and amendments.

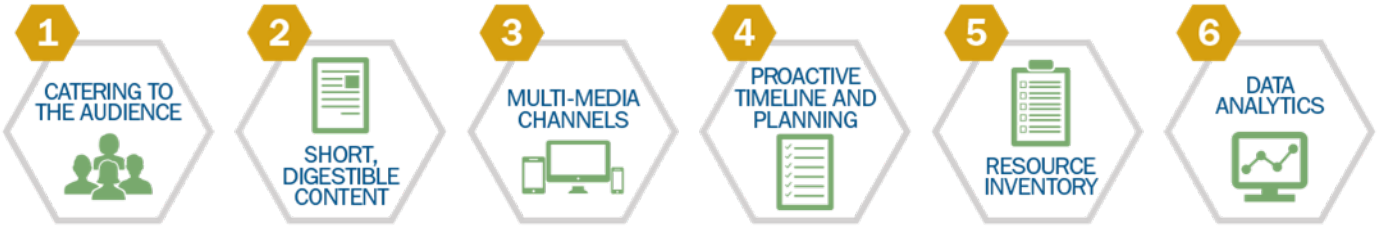
12. Monitor ongoing contracts, including third party administrators, to ensure contract compliance.

CBIZ will monitor contracts that includes all listed.

13. Provide communication development and support for the annual open enrollment period, new benefit offerings and/or changes to the existing benefits offerings.

Communication resources have become increasingly important in an age of expanding technology and information overload. CBIZ utilizes industry-leading best practices and technology resources to track user engagement. This allows us to determine the best strategy for marketing benefits to your geographically dispersed employee population and provide targeted, personalized communication based upon a number of factors including geography, stage of life, demographics, etc.

Our national communication practice was formed to consult with clients and ensure your communication strategy is aligned with your organizational goals. While many of our competitors outsource their communications, we continue **to invest in in-house resources to make these more accessible for our clients.** Developing an employee benefits plan is only the beginning. Successful rollouts require communicating to all employees in a way that clearly defines the responsibilities, deadlines and costs. Issues of geographic reach, language barriers and diverse employee population require consistent and comprehensive messaging. The CBIZ National Communication Practice provides best practices to consider when building a benefit communication strategy. This includes consideration of the following:



We have outlined our communications specific to annual open enrollment, but please see **Question 2 in Section E** to learn more about our year-round communication strategic approach.

Annual Open Enrollment Support

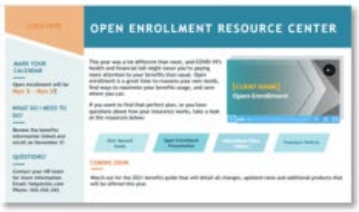
To help with the education process of open enrollment each year, CBIZ provides a **customized employee enrollment guide**. This guide has all pertinent information on eligibility, carrier networks, plan designs and benefits offered, carrier resources, compliance requirements, and contact information. The guide also includes helpful videos about benefits and links to carrier websites.

These booklets become a one-stop-shop for all benefits information and employee needs. **To go along with the enrollment guides and in-person/virtual meetings, CBIZ also provides ongoing resources to continue to help educate employees, see below.** All these resources would be updated to reflect the City's branding guidelines. All benefits communication is reviewed to ensure compliance and all required annual notices are included in your benefits guide. These are frequently reviewed and updated by our in-house compliance team.

Benefit Guide

Open Enrollment Presentation

Resource Center



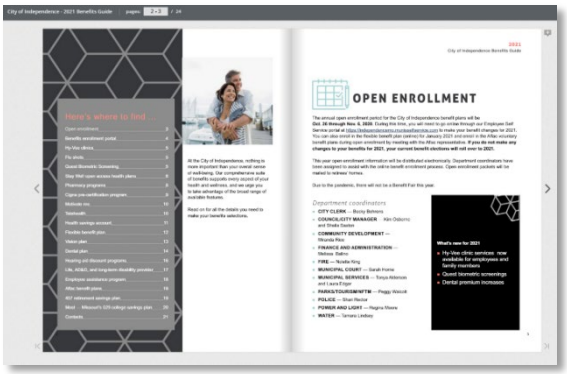
Flyer With QR Code

Custom OE Video

Education Video Library

Online Distribution with Helpful Analytics

CBIZ can also utilize a software called FlippingBook. This interactive online publishing site transforms files into digital, interactive online publications and can be used for employee communication and education. Please see this link to view the City's **2021 Employee Benefits Guide** in this technology.



Sample FlippingBook Projects include:

- Employee Benefit Guide
- Benefits highlight brochure
- Open enrollment materials
- HR/New Hire handbook

The FlippingBook tool allows us to measure the effectiveness of our communication strategy and adjust as necessary. Using Google Analytics, CBIZ has the ability to track interaction and utilization of the guides and materials published on this platform. By understanding the City's employee engagement, we will be better suited to understand what employees view and how we can better target education and engagement. For a sample of this tracking, please see below. We continually keep our clients aware of their analytics as well as benchmark against other similarly situated clients or by industry.

Total Number of Users
2,850

Total Number of Page Views
4,150

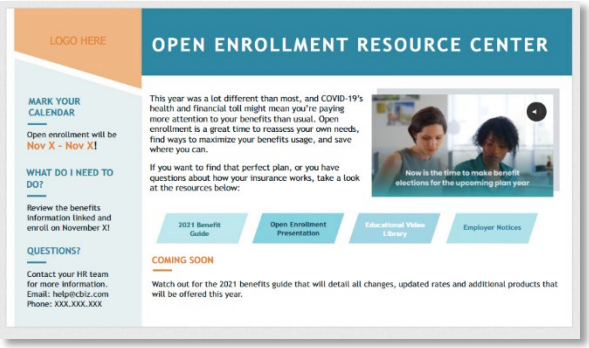
Most Users In a Day
2,200 – October 10th

Most Used Device - Desktop
70.5%

Most Popular Day / Time
Thursdays 1pm - 2pm

Most Viewed Page
Welcome to 2020 Open Enrollment

Open Enrollment Resource Center



CBIZ can provide a one-stop-shop Open Enrollment Resource Center. The resource center will include helpful links like the benefit guide, webinar recording, enrollment site and more! This resource is easy to access and navigate so your employees can stay in the know during open enrollment, additionally this could be shared with spouses/partners so the household can be part of the benefits decisions.

Like all our communications, the Resource Center can be completely customized to the City's branding, look and feel.

Explainer & How-To Videos

With CBIZ' partnership with Flimp, the City will have access to over 50 English and Spanish explainer-videos that can supplement your benefits guide or be a part of an ongoing communication campaign throughout the year. These videos can be another mode of education to your employee population to increase awareness of the benefit package that they are offered. Similar to our analytics we can pull for FlippingBook, we can also pull engagement reports for the training videos that the City selects as beneficial.

CBIZ also partners with Brainshark, a leading cloud-based platform for employer and employee education, to create customizable benefits education presentations or train employees. Presentations can be viewed on-demand at the audience's convenience, "anytime, anywhere," including on mobile devices. Employees can review benefits communications as often as needed and easily share with others in their household.

Promotional Videos

Custom Open Enrollment Video Sample

CBIZ can provide short, simple and informative videos designed with your employees in mind.

These videos can be great to communicate key open enrollment dates and raise awareness on any plan changes and inform employees about steps they must take.

CBIZ Client Example: Public Entity Client with 3,000 employees

A client was set on creating their benefits guide in-house and reluctant to utilize some of CBIZ' robust communication services. Their employee benefits guide was long, contained insurance jargon and took their HR team member a substantial amount of time to update each year. CBIZ challenged the client to trust in our communication and marketing experts to create a guide that was easy to use, jargon-free, incorporated link and video elements and was distributed online. In 2018, the client agreed.

Since then, **CBIZ has built on our recommendations and created an evolving and data driven approach to their communication strategy.** Last year they introduced an online digital postcard that housed all important information about open enrollment on a simple and easy to use website. The site was viewed once or more by almost every employee and the custom open enrollment video was viewed **over 2,500 times**. Additionally, their benefit guide's average session duration was **over 6 minutes long** – which is almost triple duration for our clients.

This year, the client has expanded their communications to be monthly and now include information from their two other CBIZ service lines – **wellbeing and onsite clinic consulting.** As we move through this year we will continue to associate as many metrics as possible to measure the success of the **year-long campaign.**

14. Assistance with coordination of the annual Benefits Fair and Open Enrollment meetings.

While employers make significant investments in their employees' benefits program, communication to employees is often overlooked, leaving a gap between financial commitment from the employer and perceived value from the employee. A good time to offer this communication is during the City' Benefits Fair and Open Enrollment meetings.

CBIZ will assist you with resources and materials for both of these to ensure that your employees understand and appreciate their benefit package. Several of large, public entity clients ask that we provide materials for a booth at the fairs and provide assistance to employees. Additionally, with the current virtual environment, CBIZ can assist evaluating different vendors to assist with an online/virtual benefits fair.

Please see **Question 13** above for more about our in-depth involvement in open enrollment meetings. Additionally, click here for a sample presentation.

E. OTHER SERVICE REQUIREMENTS

1. Assist in the development and implementation of an employee wellness program to improve employee health and reduce employee and retiree healthcare costs, both in the short-term and in the long-term.

CBIZ is a national leader in developing and implementing health and productivity strategies, with more than 20 years of experience in the workplace wellbeing and engagement industry. The mission of the CBIZ Engagement and Wellbeing Consulting practice is to guide employers in creating a thriving workplace culture characterized by high employee wellbeing and engagement. While traditional wellness programs (including biometric screenings, HRAs and incentives) have some benefits such increasing health awareness, have not been shown to directly reduce health care costs. **Our CBIZ Health Innovations Practice has many benefits-related cost containment strategies to reduce healthcare costs, and our CBIZ Engagement and Wellbeing Consulting Practice will focus on ways you can experience value in your efforts, from employee loyalty to community recognition.** The City's efforts can help strengthen your business because your employees are bringing their best selves to work each day.

We encourage our clients to move beyond traditional wellness into wellbeing in order to further enhance the scope and impact of the total benefits strategy. While wellness focuses on the physical health of an individual, wellbeing focuses on the whole person. Wellbeing describes the way a person feels, functions, and perceives life. There are five key drivers:

- **Purpose:** How you occupy your time and liking what you do each day
- **Social:** Having strong relationships and love in your life
- **Financial:** Effectively managing your economic life to reduce stress and increase security
- **Emotional & Physical**: Having ample energy and positive emotions to meet the needs of the day
- **Community**: The sense of engagement and involvement you have with the area in which you live

Wellbeing programs that address the whole-person needs of the employee in a supportive workplace environment can have a positive impact on some many things, including health, productivity, engagement, retention, net promoter scores, and business outcomes.

It's a journey, not a destination! There is no end. There is no magic pill or ingredient that will transform your workplace. **It's the decisions you make each day, it's how employees feel, it's the ongoing commitment to that, that is going to make the difference.**

Your CBIZ team includes two wellbeing team members to help evaluate, recommend and run the City's wellbeing initiatives. As part of the initial assessment, we will inventory and evaluate the current program, then based on collaboratively defined goals, develop a three-year strategy with an action plan. We have both an assessment tool to help benchmark the City's current plan and a scorecard to measure the effectiveness of the programs and interventions. Annual review and refinement are completed to keep the strategic plan up to date.

Employee Wellbeing – Standing With You During Uncertain Times

Our Engagement & Wellbeing team has been continually updating, adapting and innovating in response to the current pandemic and racial equality movement. As depression and anxiety rates among employees continue to rise during these stressful times, it is now more important than ever to support your associates. Please see the below section for more on the tools and resources our CBIZ wellbeing team will provide. For some helpful articles and links curated by our National Wellbeing & Engagement Practice, please click below.

- Attending to Employee Wellbeing: a Must for Retention & Attraction
- Evaluating the Effectiveness of Your Workplace Wellbeing Program
- Biz Tips Employee Benefits Podcast 5th Episode – Well Well Wellbeing in a Time of Crisis

Tools & Resources

The City's designated Wellbeing Consultants, Lacey McCourt and Trisa Nickoley, will utilize several tools to help evaluate program initiatives, identify needs and areas of opportunity, and will help to refine the program over time. Examples of activities include:

- Analysis of claims data for inclusion on an annual scorecard (please see **Exhibit G** for a sample);
- Provide a toolkit of resources for employees who may be struggling during these uncertain times (Pause for Presence campaign);
- Offer sample communications and trainings for managers to better support their team;
- Assist in creating and developing the structure of a wellbeing committee;
- Review of past health risk assessment and biometric screening data;
- Survey of employee needs and interests based on aspects of Wellbeing;
- Organizational Assessment; and
- Benchmarking your program against national resources and our book of business.

To successfully engage employees, CBIZ recommends programs that are supported by managers and supervisors. The program must be personally meaningful to employees, encourage social connectedness and easy to understand. Your CBIZ team will send the monthly Wellbeing Insights newsletter that includes wellbeing tips, recipes, activities and more helpful hints for your employees to take advantage of.

2. Recommend and help develop enhancements and improvements for communication specific to the needs of the City's employees and retirees, including, but not limited to, brochures, pamphlets, matrices, comparison charts, summaries, electronic communications, forms, and employee orientation materials.

Year-Round, Custom Communication Strategy

Please see **Question 13 in Section D** above for more information on our robust communication support and custom strategy development during annual open enrollment. CBIZ can provide all services and resources listed above. While we know that communications during the annual open enrollment are very important, we also know that questions don't end when enrollment does. That is why we bring our clients custom, robust and meaningful communication strategies to deploy ***year-round.***

As part of our onboarding process, we will review your current strategies and offer some immediate considerations. From there, CBIZ would review and update these recommendations throughout the year. These goals will be created in the Annual Performance Review meeting and re-visited during the Pre-Renewal Meetings to ensure that we check-in on the communication goals established. **We use tracking and data as much as we can so we can always be adjusting the strategy to best cater to your employees.**

Year-Round Communication Campaign

We know that benefits questions don't end when open enrollment finishes. A solid benefits communication strategy can ensure that your employees get the right benefits and know how to use them throughout the year. Therefore, we can provide the City with a **comprehensive and ongoing communications campaign toolkit** so you can more easily send valuable and engaging educational resources to your employees. The communications campaign materials include explanation videos, flyers, and sample emails that are designed to provide your employees with year-round education on various benefits topics.

If the City is interested, the CBIZ team will work with you to create a 12-month strategy to send out meaningful communications to your employees year-round. CBIZ also recommends sending out an employee survey to understand the employees' perspectives on current communications and topics they'd like to learn more about.

Benefits Education

Additionally, this strategic campaign would include education on any new benefits as well as any changes to existing coverages. Many times, our clients ask us to help communicate a new network, plan design changes, pharmacy manager switches and anything else that your employees need to understand. Through our local and national communication experts, CBIZ creates communications that can be helpful during the annual open enrollment season, but also throughout the year. Often times, employees are overwhelmed at open enrollment and may not fully take advantage of savings opportunities. **That is why CBIZ takes a proactive approach by educating client's employees year-round to ensure they can be wise healthcare consumers.**

Mobile App Capabilities

While all previously mentioned employee communication services are included in our proposal at no additional cost, we would suggest considering partnering with a third-party due to the City's diverse and geographically dispersed employee population. An app with targeted communications can increase engagement and value of the benefit offerings. The ability to send push notifications can be a powerful resource when it comes to stage of life messaging. The City has a diverse group of employees from demographics, job description to stage of their careers.

It is important to communicate with all the different groups from hire to retire and mobile app capabilities can help streamline that process. CBIZ would evaluate, recommend and manage this relationship in conjunction with the employee communication strategy.

Some of our partners include: Backstitch, Guidespark, Flimp Communications, Strive, Explain My Benefits, and more.

3. Develop and/or assist in developing and evaluating employee/retiree needs and satisfaction surveys.

CBIZ can conduct a variety of surveys. Our most common surveys solicit employee feedback on current benefit options, satisfaction with carrier customer service, likelihood they may purchase a particular option if it were available, and the success of wellness programs. If the City would like to conduct a survey, CBIZ will provide guidance on constructing and administering it to employees. We also have third party resources we may use should it be beneficial for a survey to come directly from CBIZ to the City's employees. CBIZ will also provide thorough results and recommendations based on the survey results. As the City redefines its strategic multi-year benefits and administration plans, any new initiatives which may create significant opportunities, changes or disruptions in benefit offerings to the employees would be good opportunities to use surveys.

4. Review and evaluate current administrative processes related to enrollment and billing. Recommend and assist with implementation of administrative process enhancements.

Whether for a new client or an existing client, **our team reviews opportunities for improving administrative efficiency on an annual basis including enrollment and billing**. That's why CBIZ begins each year with benefit and human resource objective setting, to ensure that your benefit initiatives support your organization's business and financial goals.

CBIZ provides practical benefits administration consulting advice based upon our market research, experience in the industry, and in practice with our clients. Our clients have unique needs, and whether very simple or complex, we have solutions available. Currently, our team works with over 20 different benefit administration solutions. Therefore, we have the skill to help the City select, implement and manage the best partner. CBIZ stays intimately involved in new implementations and will assist in ensuring that the process is smooth.

5. Provide recommendations and sponsor the City to attend particular broker-sponsored seminars, benefit events and educational forums and roundtables.

In addition to our helpful year-round webinars mentioned in **Question 2 in Section C**, CBIZ also offers ongoing and relevant opportunities for the City to attend broker sponsored seminars, event and educational forums.

Client Advisory Council

CBIZ hosts a bi-annual Client Advisory Council. We invite clients to participate in a roundtable discussion about our overall service offerings and specific capabilities. CBIZ Kansas City President, Polly Thomas, and Director of Client Services, Melodie Kelley, facilitate the discussion, incorporating open-ended responses with interactive polling technology. This allows for our clients to network and understand the complexities and solutions that other clients have. We would welcome the City's participation in the Client Advisory Council.

Chief Human Resources Officer (CHRO) Roundtable

In addition to the above, CBIZ facilitates CHRO Roundtables three to four times a year. These sessions, which are reserved specifically for the top human resources professional in each participating company, are a chance for HR leaders to conduct a deep dive into relevant topics with their peers. The Steering Committee, which consists of the CHROs from companies such as Garmin, Kansas City Southern, Terracon select the topics, which have included timely themes such as diversity, equity and inclusion; executive compensation; CEO expectations of an HR leader; performance reviews; assessments for selection and development; and change management among others.

CBIZ Executive Advantage Series

CBIZ KC facilitates a seminar called the Executive Advantage Series (EAS). These quarterly events are designed to address topics that regularly affect our clients. 2019 topics included "Top 4 Things You Need To Know About the KU Cancer Center", "Elements of Design Thinking", and "Not Just A Game: KC Sports Reduce Crime and Drive Economic Growth". This year, we had our first-ever virtual event with Kansas City, Missouri Mayor Quinton Lucas - "Wake Up With Mayor Lucas". Mayor Lucas talked about how KC has responded to the many challenges presented to our city this year.

Industry leaders are invited to give expertise in their designated areas, and questions are encouraged throughout the events. This is also a time that our clients and prospects can mingle and network with each other. We welcome the City to attend these events.

Chief Financial Officer Roundtable

Finally, CBIZ offers roundtables that are specific to our client's Chief Financial Officer positions. This year, these roundtables have been virtual and featured panelists that spoke to the many financial challenges presented this year. For a recording of one of most popular webinars, CFO Roundtable: Navigating COVID-19's Impact on Business, click here. To review other thought leadership curated by CBIZ in the Financial Management space, please click here.

6. Perform other related consultation services as needed or requested.

We understand that the scope of this RFP is focused on employee benefits brokerage/consulting services. However, CBIZ has the resources and technical capabilities available to take a more integrated approach to your total rewards strategy – inclusive of services from retirement to compensation consulting. CBIZ provides a wide array of technical expertise as outlined in the graphic below:

7. Identify any additional services offered by the Consultant.

Due to our breadth of services listed above, we wanted to highlight just a few of those that we believe would be most beneficial to the City.

Property & Casualty Consulting

As one of the largest publicly owned property and casualty insurance brokers in the country; CBIZ Insurance Services provides world-class insurance brokerage and risk management solutions to its clients. Our consultative approach to the development of the most cost-effective insurance and alternative risk transfer solutions for our clients is based on an enterprise risk management framework. Our experience in the public entity market overall gives us industry knowledge that pay dividends for our clients. Our experience working with public entities whose business environment weighs on external factors, like tax payer dollars and political decisions, allows us to understand our clients' unique climate.

We understand the City is currently out to bid for property and casualty services as well. If the City chooses to engage CBIZ Employee Benefits and CBIZ Property & Casualty services, CBIZ would be willing to discuss a discount to the overall fee structure.

CBIZ Internal Audit Services

Efficient and well-constructed internal control processes add significant value to your organization. When functioning properly, they minimize the risk of loss and ensure compliance. Protecting these processes from threats or disruptions is essential for your organization's operational efficiency.

Internal Audit Services CBIZ internal audit (IA) specialists work with you to ensure that your internal controls provide the clearest path to meeting your objectives. Each engagement is customized to your priorities and implemented by managers who average more than 15 years of experience. Our risk and advisory team can provide a number of services to expand your IA capabilities, including:

- Internal audit models that align with your company's strategy and key processes
- Enterprise risk management (ERM) strategies that align with your processes, technology and knowledge
- Staff augmentation and specific subject-matter expertise that expands your existing resources and delivery
- Information technology (IT) vulnerability assessments, vendor risk assessments and other IT audit services
- We are committed to your success, whether we're working as an extension of your existing IA department to conduct specialty assessments or independently to provide the full range of IA services.

HR Consulting & Project Engagement

In addition to our ThinkHR platform mentioned on **Question 2 in Section C**, which is offered at no additional cost to the City, CBIZ also has a team that assists with either project-based or ongoing HR needs. The City has previously worked with this team in the past.

Human Resources can overwhelm an employer, taking significant, critical time away from core business functions. By utilizing a customized outsourcing solution, employers are able to devote their attention to achieving bottom-line results. Our knowledgeable professionals are dedicated to meeting employers' needs with our in-depth resources and extensive experience in providing solutions to businesses like yours.

With our wide array of services and cost-effective solutions, we are confident that your dedicated CBIZ team will provide exceptional human resources services while providing best practice considerations and solutions to support your company. CBIZ Human Resources Outsourcing offers you the unique combination of national resources and personal service.

- Employee Onboarding
- HR Compliance
- Benefits Administration
- Compensation
- Leave of Absence Administration
- Management and Employee Relations
- Performance Management and Training
- Online training through CBIZUniversity (see below)

CBIZ University – Learning Management System

CBIZ University makes it possible to train your employees easily and effectively through a true turnkey training solution that delivers **more than 450 training courses** through its integrated Learning Management Systems (LMS). CBIZ University provides you the ability to easily administer courses, track course status and document participant progress with flexibility to quickly and efficiently schedule and deliver training to employees in multiple locations.

Our comprehensive Learning Management System provides:

- Extensive list of training options: See our course library here
- Full virtual course assignment, tracking, and reporting by employee, course list, location, and department
- Automatic e-mail notification informing with instructions, reminders and certificates of completion
- Individual log-ins for each employee
- Easy start-up with complete implementation support
- Quizzes built into every course
- An online calendar for creating and maintain your training plan
- CBIZ University also offers many customizable options:
- Insert your own company training materials, course, videos, policies, and PowerPoint presentations
- Add your logo, graphics, quiz questions, and answers

8. Conduct at least monthly review meetings with the Finance and Administration Human Resources Team

CBIZ confirms we will conduct at least monthly meetings with the City's Financial and Administration teams. The frequency of these meetings will be determined as part of our onboarding process, please see **Question 6 in Section A** for more about how we support your programs year-round.

D. QUALIFICATIONS & EXPERIENCE OF FIRM

The Consultant presenting the proposal response should describe all qualifications of their firm and experience in performing projects of similar nature and scope. The key personnel to be involved on the project team also should be identified and a description of their qualifications and experience included. A list of similar projects completed by members of the project team.

Who We Are

We are proud of our history of **more than 50 years** in the Kansas City area. Founded as Robert D. O'Byrne & Associates, our organization first started as an employee benefits consulting firm and has long been recognized as one of the top benefit firms in the region. **We were founded on the principles of treating our employees and our clients like family, while constantly striving for innovation in the healthcare and employee benefits space.**

In 1997, CBIZ acquired our growing regional office that allowed us to expand our resources and services to our clients. We continue to help our clients prevent escalating health care costs through a creative benefits strategy, robust services and reasonable fees. We have grown and prospered by acquiring highly successful accounting, benefits, valuation, and other service firms throughout the U.S.

National & Local Experience

Jerry Grisko is our Chief Executive Officer and Director, and currently oversees over 4,000 CBIZ associates in 100 offices across the country. He was appointed CEO of CBIZ, Inc. in March of 2016, and has been with CBIZ since 1998.

While we can leverage our national resources across the country, the Kansas City benefits office is one of the largest and most robust at CBIZ. It is considered the headquarters for our benefits consulting practice and includes over 80 associates focused on employee benefits. Our regional group is led by **Polly Thomas,** who serves as the President of CBIZ Employee Benefits in Kansas City and Denver.

People-Centered Philosophy

We place an emphasis on investing in our employees through ongoing training, allowing time for volunteer opportunities and emphasizing communication throughout the organization. We are constantly on the lookout for ways to refine our offerings for CBIZ employees and the clients we serve. With each interaction, we strive to **communicate our passion to produce the best customer experience.** When we ask our clients to describe their CBIZ team, we hear the words: organized, well-informed, professional, empathetic, reliable, focused, responsive, solutions-driven and customer-focused.

Because CBIZ invests significantly in our employee resources to create industry-leading results, we can build a better future for our staff and the clients they serve. We believe successful education leads to better understanding and healthier, happier employees.

Public Entity Experience

CBIZ Employee Benefits currently services **over 1,400** public employer clients nationally, **with over 200 locally.** We recognize that public employers have unique needs. Many years ago, we restructured our client services model, formally organizing dedicated individuals and teams to better serve public entity clients. This allows us to understand, advocate, mitigate, eliminate and /or solve the unique current and future challenges facing this market. Focusing specifically on matters that impact the public sector, you will receive an unparalleled combination of financial expertise and understanding. Further, working with a large number of clients in the space allows us to provide useful benchmark data, leverage the best possible deals with insurers and third-party administrators while providing the upper hand when working through intricacies of ACA and other industry specific technical issues.

The team assigned to work with the City not only has experience in working with similar institutions, but also experience in working with the carriers the City utilizes. A sampling of our public entity clients can be found below:

Cities

- City of Belton
- City of Blue Springs
- City of Butler
- City of Cape Girardeau
- City of DeSoto
- City of Gardner
- City of Garnett
- City of Grandview
- City of Liberty
- City of Platte City
- City of Prairie Village
- City of St. Joseph
- City of Waukesha

Counties

- Anderson County
- Daviess County
- Dekalb County
- Saline County

School Districts

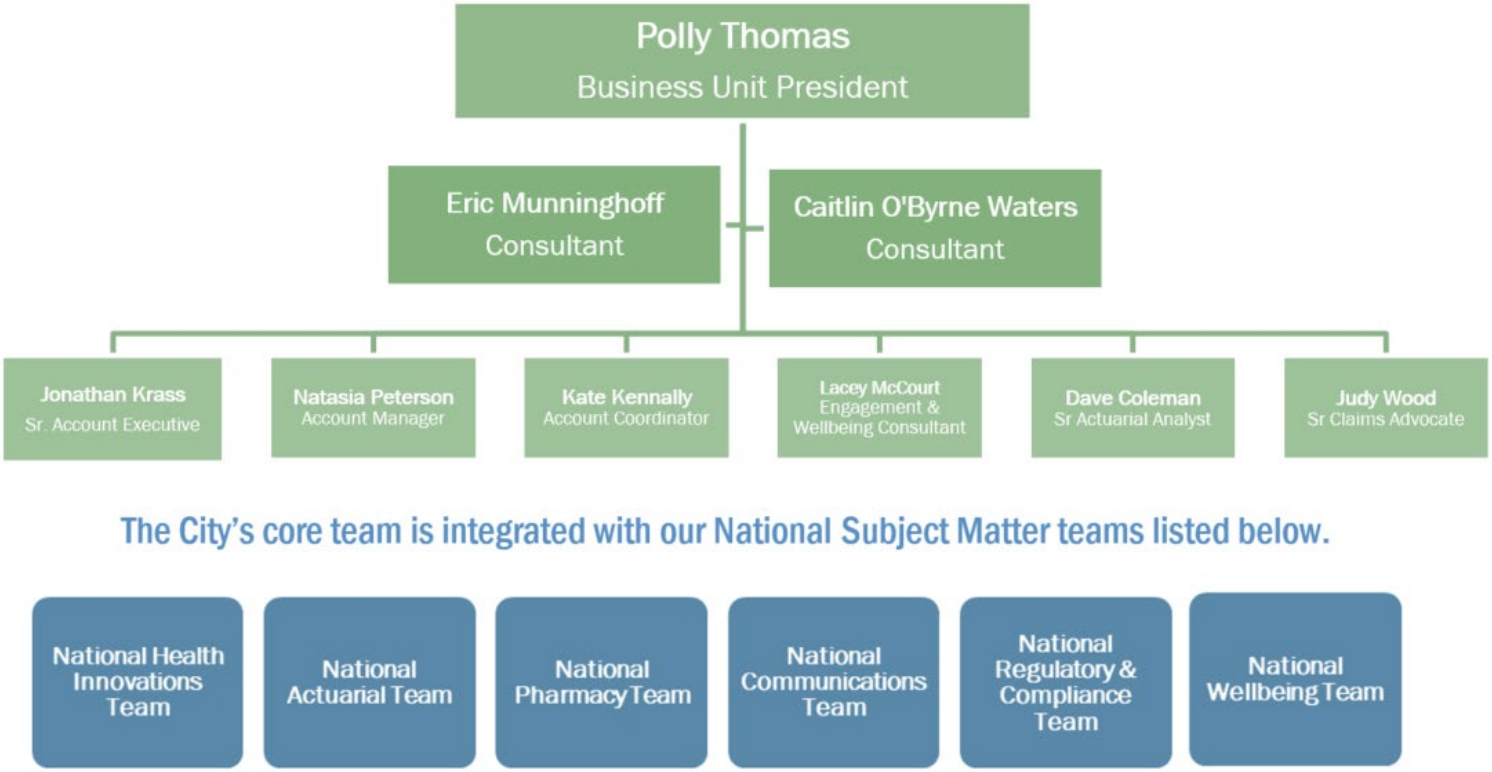
- Atchison USD #409 School District
- Belton School District #124
- Blue Springs School District
- Bonner Springs School District
- Center School District
- Clinton County R-III School District
- Concordia School District
- De Soto School District
- East Buchanan School District
- Fort Dodge Community School District
- Grandview Consolidated School District
- Harrisonville School District
- Holden R-III School District
- Independence School District
- Kansas City, Kansas School District
- Kansas City, Missouri Public Schools
- Lathrop R-II School District
- Lee's Summit R-7 School District
- Mid-Buchanan R-V School District
- Oak Grove R-VI School District
- Park Hill K-12 School District
- Raymore-Peculiar Schools
- Raytown School District
- Shawnee Mission School District
- Tonganoxie School District

Key Personnel – The City's Expert Team

Eric Munninghoff and **Caitlin O'Byrne Waters** will lead the employee benefits partnership, fully engaging the City in strategic discussions and planning sessions. **Jonathan Krass** will be your Senior Account Executive, responsible for strategy implementation and execution. Jonathan has over 20 years' experience and is responsible for day-to-day service, open enrollment, managing the marketing process, employee communications, and general administrative issues. **Natasia Peterson** will serve as the City's backup day-to-day customer service representative. **Kate Kennally,** Account Coordinator, is available for marketing and communication assistance and supports Jonathan and Natasia on other accounts. Finally, **Lacey McCourt** and **Trisa Nickoley** will serve as your wellbeing and engagement advisors.

Your CBIZ team has an average industry experience of **over 14 years** and has complimentary skills to exceed your expectations for customer service, cost containment, risk management, compliance and ACA guidance. Your core team listed below are all located in our Kansas City office at 700 West 47th Street Kansas City MO 64112 with the national experts scattered across the country. Additionally, we specifically want to highlight our **Health Innovations and Pharmacy Consulting practices** as both of these play a large, ongoing role in consulting our clients of similar size and complexity as the City.

Organizational Chart



Eric Munninghoff | Consultant and Co-Team Lead

Industry Tenure: 16 years | CBIZ Tenure: 3 years

Eric has over 16 years of experience in the employee benefits and healthcare technology industry working as a consultant, carrier representative, medical device executive and product manager. Eric will be focused on identifying, building, documenting and executing a strategic plan to deliver on the City of Independence's vision. Eric is a team leader in the CBIZ public entity space and is passionate about partnering with his clients to drive employee satisfaction, retention and recruitment, provide strategic cost savings opportunities and ease administrative burden by leveraging technology. Eric will work closely with Caitlin and the rest of the team.

Caitlin O'Byrne Waters | Consultant and Co-Team Lead

Industry & CBIZ Tenure: 6 years

Caitlin joined CBIZ in 2015, bringing her communications expertise to help employers communicate their benefits strategy to employees in a way that makes sense and clearly articulates the complicated, ever-changing insurance world. Caitlin is passionate about helping her clients find customized solutions that fit the organization's goals, whether it be uncovering some cost-savings or increasing employee engagement. Caitlin brings the knowledge from other industries, such as non-profits and law firms, that offers a fresh perspective and creative solutions the City may not have considered before. Caitlin will work closely with Eric and they will pool their expertise to ensure the City receives the most relevant and innovative options.

Jonathan Krass | Senior Account Executive

Industry Tenure: 15 years | CBIZ Tenure: 3 years

Jonathan brings over 15 years of experience managing benefits and client relationships as a consultant with large group entities, especially with self-funded arrangements. Jonathan has in-depth expertise in developing benefits programs, designing cost containment strategies, analyzing your plan's analytics and communicating to clients and employee groups. For his clients at CBIZ, Jonathan leads annual and multi-year strategy, manages all aspects of client programs with his team, and works with carrier/vendor partners to provide the best, most cost-effective solution to fit clients' needs.

Natasia Peterson | Account Manager

Industry Tenure: 6 years | CBIZ Tenure: 1 year

As an Account Manager, Natasia is responsible for day-to-day service, compliance, open enrollment, managing the marketing process, employee communications and general administrative issues. Natasia works with Jonathan on other large, self-funded clients. Natasia helps create and manage custom financial reports for her clients. Natasia will work closely with Jonathan and Kate to create a meaningful communication strategy.

Kate Kennally | Account Coordinator

Industry & CBIZ Tenure: 3 years

Kate is the backup contact for day-to-day administration and she supports our Account Executive and Account Managers. She is responsible for coordinating and resolving general administrative issues, procedures, and preparing and finalizing employee communications. Kate also specializes in marketing and development of custom employee communication materials.

Lacey McCourt| Wellbeing & Engagement Consultant

Industry Tenure: 10 years | CBIZ Tenure: 6 years

Lacey helps clients develop and implement strategies to build and maintain a culture of total wellbeing. She works collaboratively with clients and vendor partners to develop effective and sustainable wellbeing solutions with the goal of helping individuals live healthier, more productive lives. She plays a significant role in educating clients and key partners about the value of worksite wellbeing programs and the strategies to achieve high levels of employee engagement.

Trisa Nickoley | Wellbeing & Engagement Account Manager

Industry Tenure: 10 years | CBIZ Tenure: 8 years

Trisa provides well-rounded support to the wellbeing consulting team through her many different roles. Working collaboratively with the CBIZ team and vendor partnerships, she helps client organizations implement and maintain a culture of wellbeing. Trisa has worked with various clients across a multitude of industries helping in planning, designing, implementing and evaluating comprehensive corporate health promotion programs.

Dave Coleman | Senior Actuarial Analyst

Industry Tenure: 23 years | CBIZ Tenure: 6 years

Dave joined CBIZ Benefit & Insurance Services as a Senior Actuarial Analyst in 2013. His focus is on conducting quantitative and qualitative research of information affecting claims, plan designs and overall performance of CBIZ's group benefit clients. He also interprets findings, prepares reports and formulates recommendations, as well as presenting the results to clients. Dave will work in tandem with our National Actuarial team to deliver pertinent actuarial reporting to the City.

Judy Wood | Senior Claims Specialist

Industry & CBIZ Tenure: 25 years

Judy is responsible for providing service to clients in reaching claim resolution. Her department performs the role of client advocate, obtaining the proper HIPAA Privacy authorizations and is the liaison with our associates when interfacing with benefit providers and the insurance carrier. Judy is extremely experienced and is always prepared to advocate on behalf of our client's employees.

NATIONAL RESOURCES

Chris Davis | National Health Innovations Practice Lead

Industry Tenure: 10 years | CBIZ Tenure: 1 year

As a Health Rosetta certified advisor, Chris has aided self-funded employers on the strategic design of their benefit plans with a central focus on transparent pharmacy protocols, provider and hospital quality and cost metrics and bringing innovative ideas featuring population health and health care supply-side economics to the forefront. Chris with clients across the country on evaluating and recommending cost containment strategies.

Mike Zucaerlli | National Pharmacy Practice Lead

Industry Tenure: 20 years | CBIZ Tenure: 7 years

Mike joined CBIZ in 2013 and is a practicing pharmacist and serves as the lead pharmacy consultant for clients, providing financial and clinical guidance to optimize a group's pharmacy program and overall benefit strategy that is cost-effective, compliant and sustainable. Mike's approach focuses on client satisfaction with the pharmacy benefit value and PBM relationship. Mike and his team assist clients with financial models, pharmacy program analysis, and clinical evaluation.

Dave Rubadue | National Actuarial Practice Lead

Industry Tenure: 27 years | CBIZ Tenure: 21 years

David serves as the national leader for health insurance and employee benefit actuarial engagements and initiatives. A recognized leader, David is periodically quoted by major publications on Health Care Reform and other issues. David has performed many unique forecasting projects that utilize his actuarial experience and education, and he has more than 27 years of experience.

Alex Lanning | National Employee Communications Practice Lead

Industry & CBIZ Tenure: 5 years

As Director of Communication, Alex works with clients to develop effective benefits communication strategies that drive action and engage employees. Alex and a team of communication professionals work with each client service team to develop custom employee communication materials and multimedia strategies that are tailored to the needs of the specific employee population.

Karen McLeese | Vice President of Regulatory Affairs

Industry & CBIZ Tenure: 25+ years

Karen serves as in-house counsel, with an emphasis on monitoring and interpreting State and Federal employee benefits law. Karen is a member of the Kansas City Bar Association and the Missouri Bar Association. Karen provides information in response to technical questions regarding employee benefits, follows and analyzes trends and monitors case law impacting employee benefits.

Emily Noll | National Engagement & Wellbeing Practice Lead

Industry Tenure: 17 years | CBIZ Tenure: 7 years

As National Director, Emily's role includes consulting with organizations to incorporate health, wellness and wellbeing activities as part of their overall employee benefits plans. Emily facilitates collaboration among medical carriers, third-party administrators, screening and health coaching vendors, and clients' stakeholders to maximize employee engagement.

Erin Eason | National Onsite Clinic Consulting Practice Lead

Industry Tenure: 13 years | CBIZ Tenure: 6 years

Erin assists clients in assessing the feasibility of implementing an onsite clinic through detailed data analysis. Leveraging her knowledge of healthcare trends and requirements, she makes recommendations regarding vendor selection. Throughout the implementation process, Erin utilizes her extensive ambulatory experience to ensure the goals of employers and the best interest of employees and their families are represented to create a quality, cost-effective environment of health and wellness.

E. PROGRAM COSTS

Consultant must include all costs associated with their proposal.

PROPOSED COMPENSATION

At CBIZ, we believe in the value that we provide to our clients. We are committed to providing best-in-class client service, tools and resources to our clients. We are upfront and transparent with our fees because we are confident that our value to our clients far outweighs our fees. Unlike other brokers who receive payment/commissions that are not fully disclosed to clients, CBIZ adheres to a philosophy of full transparency that we review annually, or more frequently if preferred. We believe that this is the only way for the City to fully evaluate the value of the financial investment you are making in this partnership.

We understand it's not a one-size-fits-all approach when it comes to servicing the City, and therefore, we provide flexibility in our compensation model. Whether it's commission, flat fee or a combination, we ultimately will do what's right and in the best interest of the client.

Knowing that the City prefers a direct fee arrangement, **CBIZ would recommend a 3-year contract at an annual fee of $120,000.**

See below for a complete scope of services included in our fee:

Service	Cost
Ongoing Benefit Strategy & Management	
Day-to-Day Servicing & Issue Resolution	Included
Develop Contribution Strategies	Included
Evaluate New Programs & Trends	Included
Resolve Escalated Issues (Eligibility, billing, claims, etc)	Included
Review Carrier Contracts	Included
Compliance Support	Included
Attend and Facilitate Committee Meetings	Included
Plan Management	
3-Year Strategic Plan & Annual Service Timeline	Included
Cost Containment Strategy Review	Included
Annual Performance Review Meeting (including CBIZ compensation disclosure)	Included
Renewal Support	
Detailed Pre-Renewal and Final Renewal Reports (including budget projections)	Included
Renewal Negotiations & Vendor Market Checks	Included
Vendor Review, Selection & Implementation	Included
Request For Proposals – Prepare / Distribute / Analyze / Present / Implement	Included
Ongoing Carrier Performance Management	Included

Service	Cost
Financial Management & Reporting	
Actuarial Support (Monte Carlo Analysis, Funding Rate Development, Alternate Funding Analysis, Healthcare Legislation Modeling, etc)	Included
Support on GASB Reporting	Included
Data Analytics & Plan Forecasting	Included
Health Innovations Practice Trends & Support	Included
Ongoing Pharmacy Consulting by National Practice Team	Included
Monthly Financial Overview and Claims Dashboard	Included
Benchmarking Comparison & Analysis	Included
Employee Contribution Strategy Development	Included
Employee Communications Resources	
Custom Benefit Guide w/ FlippingBook Engagement Technology	Included
Attend & Coordinate Carrier Attendance at Employee Meetings	Included
Custom Open Enrollment Presentation for Employee Meetings	Included
Educational Video Library Access	Included
Communication Strategy Development	Included
Monthly Communication Campaign	Included
Wellbeing & Engagement Consulting	
Access To Wellbeing Account Executives	Included
Initial Opportunity Assessment & Evaluation	Included
Management of Resources Available to Support Wellbeing Program	Included
Ongoing Strategy Development	Included
Vendor Review, Selection & Implementation	Included
Development of Annual Scorecard	Included
Compliance & ACA Reporting	
In-house Regulatory Affairs Team	Included
Ongoing Compliance Guidance & Health Care Reform Education	Included
Enrollment & Administration Compliance Support	Included
ACA Compliance Assistance & Resolution	Included
Ongoing Webinars & Regular Communications	Included
5500 Preparation	Included

If the City is interested in an alternate financial arrangement to what we have presented, we are open and willing to have a discussion around our fee, terms and what arrangement would fit best with the City. First and foremost, we wish to be selected as your partner based on our capabilities, approach and alignment with your objectives. We are confident that a mutually acceptable fee arrangement will result.

F. REFERENCES

Please provide at least three client references including a point of contact and phone number. Local government references are preferred.

We are proud to work and partner with the clients below and know that our clients tell the CBIZ story best. Additionally, we have provided the reason behind choosing these clients and offered some questions we encourage you to ask them. That way, you can get the most relevant information out of these conversations.

REFERENCE #1 | INDEPENDENCE SCHOOL DISTRICT

We selected the Independence School District as a reference as they've been a long-time partner (almost 40 years!) and serve the same community members. We encourage you to ask Dr. Stout about how CBIZ has remained a constant resource (even amongst staff changes) and how we have helped implement cutting-edge cost containment solutions, including an onsite wellness clinic, innovative plan designs and more.

- **Client Contact & Title:** Dr Lance Stout, Deputy Superintendent
- **Phone Number & Email:** 816.521.5300 | lance_stout@isdschools.org

REFERENCE #2 | CITY OF BLUE SPRINGS, MISSOURI

We selected City of Blue Springs as a reference because they can speak to our innovative cost savings and dedicated account management. We encourage you to ask Amy about our robust and streamlined onboarding process.

- **Client Contact & Title**: Amy Willard, Human Resources Manager
- **Phone Number & Email:** 816.228.0138 | awillyard@bluespringsgov.com

REFERENCE #3 | CITY OF GRANDVIEW, MISSOURI

We selected City of Grandview as a reference due to our evolving partnership and history of successes year over year. We encourage you to ask Deb about our comprehensive, multi-channel and year-round communication and engagement strategy.

- **Client Contact & Title:** Deb Angell, Human Resources Manager
- **Phone Number & Email:** 816.336.4807 | dangell@grandview.org

REFERENCE #3 | TERRACON CONSULTANTS, INC.

We selected Terracon as a reference as they are a large, self-funded medical arrangement and always looking to stay innovative, similar to the City. We encourage you to ask John about his experience with CBIZ helping develop their benefits committee, as well as the creative strategies we have continued to implement throughout our partnership.

- **Client Contact & Title:** John Prutsman, Chief People Officer
- **Phone Number & Email:** 913.202.7554 | John.Prutsman@terracon.com

EXHIBITS

EXHIBIT A – BENEFIT PLAN REVIEW

EXHIBIT B – ANNUAL PERFORMANCE REVIEW

EXHIBIT C – SAMPLE ACTUARIAL REPORTING

EXHIBIT D – SAMPLE NAVMD REPORTING

EXHIBIT E – SELF-FUNDED REPORTING

EXHIBIT F – COMPLIANCE COMMUNICATIONS

EXHIBIT G – SAMPLE WELLBEING DASHBOARD

EXHIBIT A

BENEFIT PLAN REVIEW

2019 Total Program Review

Program	Carrier	Plan	Enrollment/ Volume	Total Cost	EE Co
Medical	BCBS of KC	HDHP	13	$149,881	$42,8
	BCBS of KC	HDHP w/Wellness	110	$1,415,916	$339,0
	TOTAL		**123**	**$1,565,797**	**$381,9**
Dental	Delta Dental of KS	Dental	122	$109,187	$27,4
	TOTAL		**122**	**$109,187**	**$27,4**
Vision	VSP	Vision	94	$15,026	$15,0
	TOTAL		**94**	**$15,026**	**$15,0**
Life Insurance	Lincoln Financial	Basic Life/AD&D	$1,404,000	$1,820	$0
	Group	Voluntary Life	$8,681,500	Varies	$21,6
	TOTAL		**$10,085,500**	**Varies**	**$21,6**
Disability	Lincoln Financial	STD	$102,290	$28,355	$0
	Group	Long-Term Disability	$761,859	$18,285	$0
	TOTAL		**$864,149**	**$46,639**	**$0**
EAP	New Directions	EAP	145	$2,992	$0
	TOTAL		**145**	**$2,992**	**$0**
HSA	Commerce Bank	HSA	119	$0	$0
	TOTAL		**119**	**$0**	**$0**
Dependent Care FSA	PRN	Dependent Care FSA	1	$66	$0
	TOTAL		**1**	**$66**	**$0**
Voluntary Benefits	Unum	Voluntary Accident	27	Varies	$618
		Voluntary Critical Illness Benefit 1	28	age-banded	$887
		Voluntary Critical Illness with Cancer			
		Whole Life	18	age-banded	$436
	TOTAL			**Varies**	$1,50
GRAND TOTAL				$1,764,670	$447,5

Generational Analysis

Average Age	46.4	
Gender Breakdown	Male – 31%	Female – 69%
Generational Breakdown	**Total**	**Percentage**
Millennials (22-37)	43	27%
Generation X (38-53)	68	43%
Baby Boomers (54-72)	43	27%
Traditionalists (73+)	1	.6%

MEDICAL

	Enrolled	Waived	% Participating
Millennials - (22-37)	23	8	75%
Generation X - (38-53)	55	9	86%
Baby Boomers - (54-72)	37	5	88%
Traditionalists - (73+)	0	1	0%
Total	115	23	

DENTAL

	Enrolled	Waived	% Participating
Millennials - (22-37)	26	6	81%
Generation X - (38-53)	58	9	87%
Baby Boomers - (54-72)	34	5	87%
Traditionalists - (73+)	1	0	100%
Total	119	20	

VISION

	Enrolled	Waived	% Participating
Millennials - (22-37)	19	13	59%
Generation X - (38-53)	48	19	71%
Baby Boomers - (54-72)	24	15	61%
Traditionalists - (73+)	0	1	0%
Total	91	48	

FLEXIBLE SPENDING ACCOUNT

	Enrolled	Waived	% Participating
Millennials - (22-37)	0	44	0%
Generation X - (38-53)	2	69	2%
Baby Boomers - (54-72)	0	40	0%
Traditionalists - (73+)	0	0	0%
Total	2	153	

HEALTH SPENDING ACCOUNT

	Enrolled	Waived	% Participating
Millennials - (22-37)	19	5	79%
Generation X - (38-53)	54	4	93%
Baby Boomers - (54-72)	30	2	93%
Traditionalists - (73+)	0	0	0%
Total	103	11	

LIFE / VOLUNTARY LIFE

	Life Enrolled	Vol Life Enrolled
Millennials - (22-37)	34	24
Generation X - (38-53)	69	63
Baby Boomers - (54-72)	41	25
Traditionalists - (73+)	1	0
Total	145	112

CRITICAL ILLNESS

	Enrolled	Waived
Millennials - (22-37)	4	40
Generation X - (38-53)	12	59
Baby Boomers - (54-72)	10	40
Traditionalists - (73+)	0	1
Total	26	140

ACCIDENT

	Enrolled	Waived
Millennials - (22-37)	3	41
Generation X - (38-53)	10	61
Baby Boomers - (54-72)	11	29
Traditionalists - (73+)	0	1
Total	24	132

WHOLE LIFE

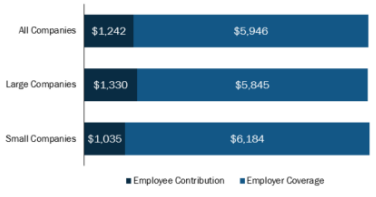
	Enrolled	Waived
Millennials - (22-37)	3	41
Generation X - (38-53)	4	67
Baby Boomers - (54-72)	5	35
Traditionalists - (73+)	0	1
Total	12	144

Employee Contribution Benchmarking

Average Employee Contributions – PPO v. C

	Average Monthly Dollar Amount	Average Co
HSA – eligible CDHP		
Employee – only	$123	
Family	$74	
Employee – only	$174	
Family	$654	

Average Annual Employee and Employer Premium Contributions - Single Coverage



Averag

All Companies

Large Companies

Small Companies

SOURCE: Mercer National Survey of Employer-Sponsored Health Plans, (released in 2019, Benefits, 2019

Medical Observations & Recommendations

OBSERVATIONS

- [ABC COMPANY] plan designs are in line with general benchmarks while qualified plan is richer than norms.
- [ABC COMPANY] subsidizes the HRA Plan to a greater extent than the Spira Care plan from a dollar perspective, yet applies the same percent of premium method to both plans.
- [ABC COMPANY]'s employee only contributions are a richer than benchmarks. However the dependent tier contributions run slightly higher than benchmarks.
- Plans do not contain any cost efficiency tools.

RECOMMENDATIONS

- CBIZ recommends marketing the PBM to evaluate the effectiveness of the current Optum contract. CBIZ has experience with a number of national Rx coalitions.
- CBIZ recommends adopting a defined contribution approach that subsidizes plans based on the same dollar amount. This would be pertinent if choice was brought back into the health plan.
- Consider adding consumerism tools, starting with a transparency tool.

CBIZ

EXHIBIT B

ANNUAL PERFORMANCE REVIEW

Key Accomplishments & Highlights

CBIZ

1	Reviewed the Vision funding and plan to break it out as a stand alone plan. Now Dental, Vision and Hospitalization are all stand alone products.
2	Analyzed and combine the two Short Term Disability Plans to one 14/14 pla lower premium costs to employees.
3	Introduced an employee paid Accident plan. 2,214 enrolled January 1, 201
4	Implemented Aduro as our Wellbeing Partner 4/1/2018.

Cost Containment Strategies

✓ Currently in place ✪ Recommended for Evaluation / Re-evaluatio

	ALL PLANS	SELF-FUNDE
PLAN FINANCING AND NETWORK CONTROLS	✓ Evaluate Narrow Network Savings ✓ Evaluation of Network Efficiencies by Carrier and Region Association Plans	✪ Stop Loss Strategie ✪ Captive Arrangeme Reference-based P Medical and Rx Cla
POPULATION AND MEDICAL MANAGEMENT	✓ Centers of Excellence ✓ High Cost Claim Management ✓ Telemedicine ✓ Prior Authorization Programs ✓ Utilization & Disease Management	Be Si M Se Pe
PLAN DESIGN AND ELIGIBILITY	Gap plan Deductible Financing (MedZero/Coresource) ✓ Defined Contribution Strategy Dependent Eligibility Audits Tobacco Surcharge Spousal Surcharge or Carve Out ✓ Wellbeing Incentives	
PHARMACY MANAGEMENT	✓ Formulary Structure ✓ Utilization Management (Step Therapy, Prior Authorizations) ✓ Consumer Tools – Rx Savings Solutions/Good Rx ✪ Restricted/Preferred Networks	Rx Sp M Dr Rx Rx Sp Li
COMMUNICATION & EDUCATION	✪ Concierge Services ✪ Decision Support Tools – Flimp, Jellyvision, etc ✓ Active enrollment	

5 Year Employee Benefits Landscape

CBIZ

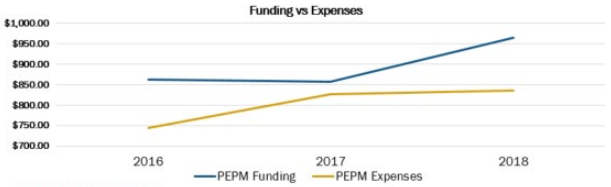
New Definition of Success	Employee Engagement and Corporate Culture Benefits that make an employer "Best Place to Work" will be seen by Companies as worth more than they cost Benefits personalized to fit each population segment
Outsourcing / Flexibility	HR Leave Management Health and Wellbeing functions Unbundled TPA services
Technologies to Increase Employee Engagement	Interactive apps for highly specialized conditions – mental health, musculoskeletal, fertility, etc. Decision Support Concierge approach supported by technology
Decrease	Specialty Rx and Carve-outs

2019 Open Enrollment Review

CBIZ

HEALTH PLAN SHIFT SUMMARY

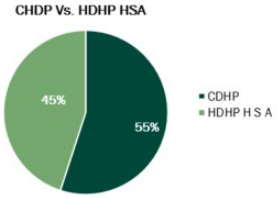
Plan	2016	2017	2018	January 2019
HRA	2,078	1,984	1,703	1,822
HSA 1	N/A	451	464	537
HSA 2	565	674	719	915
Total (as of December)	2,643	3,109	2,886	3,274
PEPM Expenses	$688.38	$614.10	$689.25	$634.02
PEPM Funding	$95	$75		
Total Annual Plan Cost	$7,116	$6,468	$8,271.00	$0



OVERALL ENROLLMENT
- Enrollment increased consistently since 2014 by 5% to 8%
- 2019 enrollment increased by 13% from December 2018

ENROLLMENT BY PLAN
- CDHP enrollment decreased by 6.9% (55.6% of enrolled)
- HSA 1 plan increased by 15.7% (28% of enrolled)
  - Introduced in January 2017
- HSA 2 plan increased by 27.2% (16.4% of enrolled)

ENROLLMENT BY TIER
- Employee Only increased by 19.3%
- Family tiers have increased by an average of 2.73%



Strategic Planning
Working Document

- **ABC COMPANY'S GOALS**
  1. _____
  2. _____
  3. _____
  4. _____
- **IN PROGRESS | CURRENT PROJECTS**
  1. _____
  2. _____
  3. _____
  4. _____
- **SHORT TERM | 2019**
  1. _____
  2. _____
  3. _____
  4. _____
- **LONG TERM | 2020 – 2021**
  1. _____
  2. _____
  3. _____
  4. _____

3 Year Strategic Plan

STRATEGY	2020 / CURRENT STATE	2021	2022
POLICIES AND PROCEDURES	• Clarify new hire wellness incentive policy • Review eligibility on all line for consistency	• Healthy food and vending • Active at work policy • Conduct FMLA training • Compliance checklist • Tobacco policy	• TBD
PLAN DESIGN	• Communicate telemedicine option to employees	• Introduce Consumer Driven Plan with Health Savings Account or health reimbursement account. • Re-evaluate subsidy for not participating in health plan • Evaluate higher orthodontia benefit for buy up dental plan	• Evaluate reference based pricing options for common procedures
PRICING EFFICIENCY	• Conducted Medical and dental RFP	• Review additional funding options • Strongly consider cost plus • FMLA, life and disability RFP including performance guarantees • Negotiate language for self-funding within union contract	• Evaluate PBM carve out • Dental and vision RFP
POPULATION HEALTH STATUS/ WELLBEING PROGRAMMING	• HRA completion and Biometric Screening to earn discount • Education on telemedicine option • Review Health Plan Performance Report • Begin data feeds for NavMD • WELCOA assessment • Healthiest Employer application	• Education on consumer price transparency tools • Voluntary spouse participation in onsite screenings • Negotiate for Spouse participation for discount • Review NavMD Reports • Update wellbeing committee on health indicators • Eddington Next Practice and HE awards	• Employee earns additional discounts with gold and platinum status • Implement tobacco surcharge • Measure risk reduction
CONTRIBUTION STRATEGY	• Current wellbeing incentive is $40 per month • Move towards defined contribution approach	• Consider HSA contributions • Move closer to defined contributions • Evaluate wellbeing premium incentive	• Analyze HSA contributions to drive higher enrollment to HDHP plan design
COMMUNICATION/ OPEN ENROLLMENT	• Communicate Telemedicine benefit • Passive enrollment	• Active open enrollment • New plan designs and incentive requirements • FMLA FAQ	• TBD
ANCILLARY LINES	• Market STD/LTD • Review EAP options	• Add vol. critical illness/accident • Explore onsite enrollment and new HRIS system • Review transparency tools	• TBD
CLIENT STRUCTURE	• Organization Changes • New Locations • Leadership Changes • Other		

EXHIBIT C

SAMPLE ACTUARIAL REPORTING

EXECUTIVE SUMMARY

ACB Company | Medical Plan Financial Performance - Year Over Year Summary

ABC Company
Year over Year Summary

	2014	2015	2016	Current Rolling 12	2017 YTD Linear Projection	% Change from Prior Year
		BCBSKC	BCBSKC	BCBKC	BCBSKC	
	2,269	2,197	2,304	2,520	2,738	
	189	183	192	210	228	
	0,509	$872,889	$1,007,144	$1,081,408	$1,231,932	
	5,393	$273,528	$279,104	$301,741	$252,492	
	N/A	N/A	$7,658	$7,612	$0	
	5,902	$1,146,417	$1,278,590	$1,375,537	$1,484,424	
	,872	$6,265	$6,659	$6,550	$6,505	-2%
	2,342	$2,105,736	$2,401,778	$2,150,278	$1,704,667	
	N/A	($208,697)	($238,812)		N/A	
	2,342	$1,897,039	$2,162,966	$2,150,278	$1,704,667	
	9,003	$10,033	$11,439	$10,239	$7,470	-35%
	110%	54%	53%	52%	52%	

ABC Company | 2016-17 Financial Executive Summary

ABC Company
Monthly Executive Summary
May 2017

Enrollment

Plan	May 2017	Current 12 Months
PPO Partners	7	5
PPO Non-Partners	52	51
HDHP Partners	33	26
HDHP Non-Partners	137	128
Total	229	210

Net Paid Claims vs. Premium

	May 2017	Current 12 Months
	(Net of Large Claimants)	
	Claims	
Medical Claims	$108,082	$1,079,583
Rx Claims	$20,919	$301,269
Total Claims	$129,001	$1,380,852
	Premium	
Premium Paid	$238,006	$2,150,278
Loss Ratio	54%	64%
Loss Ratio Including Premium Holiday		52%

Large Claimants

Claimant	Diagnosis	Relationship	Claims Paid
1	Diseases of the blood and certain disorders involving the immune mechanism	SP	$122,612
2	Diseases of the digestive system	EE	$96,616
3	Diseases of the musculoskeletal system and connective tissue	EE	$90,116
4	Diseases of the musculoskeletal system and connective tissue	EE	$73,113
5	Diseases of the nervous system	SP	$68,239
6	Neoplasms	EE	$66,922
7	Diseases of the circulatory system	SP	$63,063
8	Injury, poisoning and certain other consequences of external causes	SP	$46,054
9	Injury, poisoning and certain other consequences of external causes	EE	$42,193
10	Neoplasms	SP	$41,286
11	Rx disease of Respiratory, Nervous and Genitrouinary System	EE	$39,414
12	Neoplasms	EE	$35,353

RESERVE VALUATION

ABC Company
Medical and Pharmacy Unpaid Claim Reserve Valuation
For a December 31, 2018 Valuation Date

Completed March 2019

ABC Company
Claim Reserve Valuation Estimates as of December 31, 2018
Reserve Developments Using Harm 12/Man 12 Model

ERVE USING HARM12/MAN12 MODEL

Valuation Date	Paid on Incurred	Remaining Reserve	Ultimate Incurred Claims	Per Subscriber
Jan-17	$206,571	$0	$206,571	$434
Feb-17	$336,177	$0	$336,177	$699
Mar-17	$342,775	$0	$342,775	$719
Apr-17	$242,042	$0	$242,042	$594
May-17	$302,015	$0	$302,015	$632
Jun-17	$323,062	$0	$323,062	$677
Jul-17	$230,696	$0	$230,696	$491
Aug-17	$320,384	$623	$321,007	$680
Sep-17	$277,728	$540	$278,268	$548
			$279,557	$550
			$355,366	$700
			$376,540	$740
			$221,516	$441
			$233,124	$463
			$291,388	$576
			$319,601	$635
			$313,448	$623
			$501,726	$999
			$375,013	$764
			$422,392	$862
			$236,469	$460
			$252,325	$493
			$373,151	$727
			$357,484	$694
			$7,491,713	$630

Arithmetic Average	Harmonic Average
0.250	0.146

=> in the illustration, n is 6.

=> in the illustration, n is 6.

ndirectly puts more weight on the .05
e estimated.

Please note that the completion ratio is the portion of ultimate incurred claims completed at a particular time period. For example, after 12 months of Run-Off, the CR generally is equal to 1.0.

If all Completion Ratios are the same, there is no difference between the Arithmetic and Harmonic - see below:

	1	2	3	4	5	6	Arithmetic Average	Harmonic Average
Completion Ratios	0.23	0.23	0.23	0.23	0.23	0.23	0.230	0.230

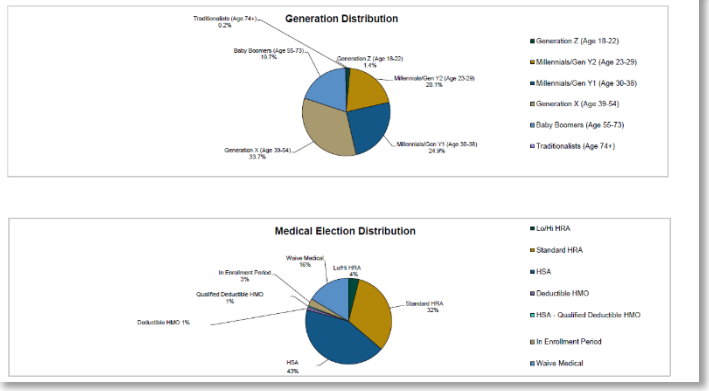
GENERATIONAL ANALYSIS

ABC Company Generational Study
Medical Election by Generation

Part I. Generation distribution by plan:

Generation	Plan 1		Plan 2		Plan 3		Plan 4		Plan 5		Tc
Generation Z (Age 18-22)	0	0%	8	1%	8	0.4%	1	2%	0	0%	17
Millennials/Gen Y2 (Age 23-29)	12	7%	199	13%	441	22%	8	15%	4	20%	664
Millennials/Gen Y1 (Age 30-38)	24	13%	345	23%	576	29%	10	18%	8	40%	963
Generation X (Age 39-54)	74	41%	533	36%	682	34%	23	42%	6	30%	1,31
Baby Boomers (Age 55-73)	71	39%	401	27%	274	14%	13	24%	2	10%	761
Traditionalists (Age 74+)	1	1%	4	0.3%	0	0%	0	0%	0	0%	5
Total	182	100%	1,490	100%	1,981	100%	55	100%	20	100%	3,72
Average age	49.1		44.7		39.8		43.9		39.5		
% Male	87%		81%		77%		82%		95%		
% Female	13%		19%		23%		18%		5%		

Generation	E	ES	EC	F	E	ES	EC	F	E	ES	EC	F	E	ES	EC	F	E	ES	EC	F	E
Generation Z (Age 18-22)	0	0	0	0	7	0	1	0	8	0	0	0	1	0	0	0	0	0	0	0	16
Millennials/Gen Y2 (Age 23-29)	8	1	0	3	142	34	8	15	346	54	15	26	5	1	0	2	3	1	0	0	504
Millennials/Gen Y1 (Age 30-38)	12	4	5	3	162	56	46	81	295	76	50	155	6	1	2	1	4	1	1	2	479
Generation X (Age 39-54)	22	11	14	27	184	67	85	197	190	66	109	317	5	2	8	8	1	1	0	4	402
Baby Boomers (Age 55-73)	[illegible]																			1	288
																				0	3



ABC Company Generational Study
Vision Election by Generation

Part I. Generation distribution by plan:

Generation	Base Vision		Premium Vision	
Generation Z (Age 18-22)	10	1%	9	1%
Millennials/Gen Y2 (Age 23-29)	259	19%	211	13%
Millennials/Gen Y1 (Age 30-38)	356	26%	356	22%
Generation X (Age 39-54)	471	35%	625	39%
Baby Boomers (Age 55-73)	257	19%	415	26%
Traditionalists (Age 74+)	1	0%	6	0%
Total	1,354	100%	1,622	100%
Average age	41.5		44.8	
% Male	78%		79%	
% Female	22%		21%	

Generation	E	ES	EC	F	E	ES	EC	F
Generation Z (Age 18-22)	10	0	0	0	9	0	0	0
Millennials/Gen Y2 (Age 23-29)	196	44	8	11	159	29	8	15
Millennials/Gen Y1 (Age 30-38)	187	78	29	62	179	69	37	71
Generation X (Age 39-54)	173	77	55	166	180	99	109	237
Baby Boomers (Age 55-73)	103	86	12	56	137	182	22	74
Traditionalists (Age 74+)	1	0	0	0	0	6	0	0
Total	1,354				1,622			

FUNDING PROJECTION

ABC Company School District
Medical, Pharmacy and Dental Funding Rate Projection For a July 1, 2018 Effective Date
— Dental Premium Equivalent Rate Change —

a. Current Enrollment (December 2017)

	DPPO	Total
Employee Only	376	376
Family	129	129
Total	505	505

b. Current 2017 Premium Equivalent Rates

	DPPO
Employee Only	$29.17
Family	$107.43

c. Current Funding

	DPPO	Total
PEPM Current Funding:	$45.16	$45.16
Monthly Current Funding:	$24,826	$24,826
Annual Current Funding:	$297,917	$297,917

d. Percent Change in Funding Rates

			Dental Proj.	Admin
PEPM Current Funding:	$45.16		$44.99	$8.50
PEPM Projected Funding:	$53.49	% of Total:	84.11%	15.89%
"Expected" Rate Action:	**8.80%**		$44.99	$8.50
Recommended Rate Action:	**8.80%**		84.11%	15.89%

e. **Projected 2018 Renewal Premium Equivalent Rates**

	DPPO	Total
Employee Only	$31.74	
Family	$116.89	
PEPM Renewal Funding:	$53.49	$53.49
Monthly Renewal Funding:	$27,012	$27,012
Annual Renewal Funding:	$324,140	$324,140
Increase:	8.80%	8.80%

ABC Company School District
Medical, Pharmacy and Dental Funding Rate Projection For a July 1, 2018 Effective Date
— Executive Summary —

Section I: Medical & Rx (Assumes no plan changes)
In this section, we consider the increase or decrease to current premium equivalent rates that is recomended for the 2018 plan year, assuming Fort Dodge Community School District makes no plan changes to their current plans.

1. **Current Enrollment (December 2017)**

	PPO	HDHP	Total
Employee Only	308	99	407
Family	53	47	100
Total	361	146	507

2. **Current 2017 Premium Equivalent Rates**

	PPO	HDHP
Employee Only	$745.00	$572.83
Family	$1,862.51	$1,432.08
PEPM Current Funding:		$891.90
Monthly Current Funding:		$452,191
Annual Current Funding:		$5,426,292

3. **Rate Action**

Recommended:	0.01%	
Central Estimate:	0.01%	Note: a rate pass (0% rate action) falls within the relative range.
Low End of Central:	-4.99%	
High End of Central:	5.01%	
Very High End:	15.97%	

4. **2018 Renewal Rates (Based on Recommended Rate Action)**

	PPO	HDHP
Employee Only	$745.06	$572.87
Family	$1,862.65	$1,432.19
PEPM Renewal Funding:		$891.96
Monthly Renewal Funding:		$452,225
Annual Renewal Funding:		$5,426,702
Increase:		0.01%

BEHAVIORAL CHANGE / MIGRATION ANALYSIS

ABC Company Claims Cost Savings From Behavioral Change After Migration

ABC has the goal to increase participation in its HSA plan design by 15% points. If that goal is met, then there will be some claim cost savings due to subscribers moving into a leaner plan design. Below is an illustrative analysis of those claim savings.

Enrollment Migration Assumptions

Below is the exhibit modeling the migration before and after the 15% point increase in HSA plan participation. Note that yellow-shaded cells are inputs.

15%	Goal Percentage Point Increase in HSA Plan Participation

	Current Average Subscribers	Current Average Subscribers %	Migration Percentage Split	New Average Subscribers	New Average Subscribers %
Value HSA	1,284	37.75%	0.00%	1,794	52.75%
Standard HRA	1,815	53.37%	85.73%	1,378	40.52%
Lo/High HRA	302	8.88%	14.27%	229	6.73%
Total	3,401	100.00%	100.00%	3,401	100.00%

Estimated Total Claim Cost Savings Decrements

Below is the exhibit calculating the estimated decrement for total claim cost savings from behavioral changes due to the migration. Note that this decrement is just representative of the savings from behavioral changes and does not include the savings from plan design changes. Also note that the Standard HRA plan design is relatively similar to that of the HSA for purposes of behavioral change and therefore there is no predicted savings from behavioral change for that plan.

Additionally an illustrative -2% load has been added to the decrement to account for behavioral changes resulting from the shift from an HRA available in its entirety at the beginning of the year to having proportional HSA contributions each pay period throughout the year.

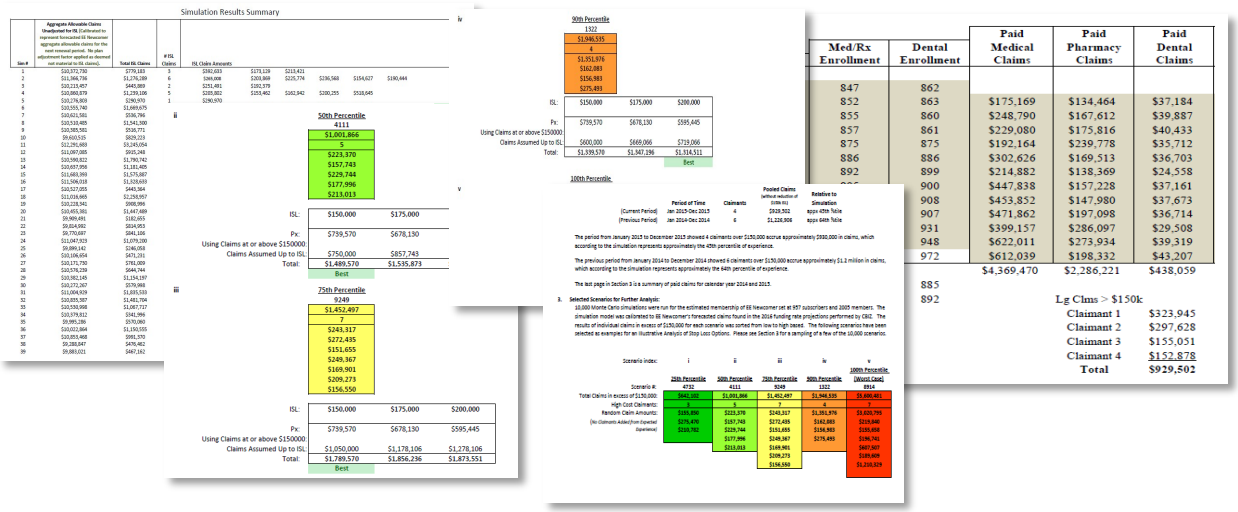
-2%	Decrement Load for HRA-to-HSA Contribution Timing on Member Behavior

	Pessimistic Decrement	Expected Decrement	Optimistic Decrement	Estimated Subscribers Migrating
Standard HRA to HSA*	0.00%	-2.00%	-3.05%	437
Lo/High HRA to HSA	0.00%	-4.98%	-7.59%	73

* *Note that the Standard HRA plan design is too close to the HSA plan design to confidently support any claim cost savings from behavioral changes outside of the previously mentioned decrement load.*

	Pessimistic Decrements	Expected Decrement	Optimistic Decrement
Overall Group-Wide Average Decrement	0.00%	-0.36%	-0.56%

STOP LOSS (MONTE CARLO) ANALYSIS



Simulation Results Summary

Sim #	Aggregate Allowable Claims Unadjusted for EE (Calibrated to represent forecasted EE Newcomer aggregate claim experience for the target renewal period. No plan adjustment factor applied as deemed not material to EE claims).	Total EE Claims	# EE Claims	EE Claim Amounts					
1	$10,372,730	$779,183	3	$382,033	$173,128	$213,421			
2	$11,366,734	$1,276,339	6	$266,008	$203,868	$225,774	$136,568	$154,627	$190,444
3	$10,213,457	$445,889	2	$251,491	$192,379				
4	$10,882,879	$1,239,188	5	$239,002	$153,402	$162,942	$200,255	$316,645	
5	$10,276,809	$290,970	1	$290,970					
6	$10,555,740	$1,669,675							
7	$10,621,581	$536,796							
8	$10,518,485	$1,541,900							
9	$10,585,581	$526,771							
10	$9,610,515	$629,223							
11	$11,291,669	$1,145,054							
12	$11,097,085	$915,248							
13	$10,590,822	$1,790,742							
14	$10,657,958	$1,181,485							
15	$11,683,393	$1,575,687							
16	$11,506,018	$1,328,639							
17	$10,517,055	$445,364							
18	$11,018,665	$1,258,957							
19	$10,128,341	$908,996							
20	$10,455,381	$1,447,689							
21	$9,995,491	$182,655							
22	$9,814,692	$834,953							
23	$9,770,697	$841,166							
24	$11,047,923	$1,079,100							
25	$9,899,142	$246,058							
26	$10,106,654	$471,231							
27	$10,171,730	$781,009							
28	$10,576,239	$644,744							
29	$10,982,145	$1,154,197							
30	$10,272,267	$576,988							
31	$11,004,929	$1,835,533							
32	$10,835,597	$1,481,704							
33	$10,536,998	$1,067,727							
34	$10,379,812	$542,996							
35	$9,995,286	$570,060							
36	$10,022,864	$1,192,555							
37	$10,853,468	$991,570							
38	$9,288,547	$470,462							
39	$9,883,021	$467,162							

50th Percentile
4111

	$1,001,866
	5
	$223,370
	$157,743
	$229,744
	$177,996
	$213,013

ISL:	$150,000	$175,000	
Pv:	$759,570	$678,130	
Using Claims at or above $150000 Claims Assumed Up to ISL:	$750,000	$857,743	
Total:	$1,489,570	$1,535,873	
	Best		

75th Percentile
9249

	$1,452,497
	7
	$243,317
	$272,435
	$151,655
	$249,367
	$169,901
	$209,273
	$156,550

ISL:	$150,000	$175,000	$200,000
Pv:	$759,570	$678,130	$595,445
Using Claims at or above $150000 Claims Assumed Up to ISL:	$1,050,000	$1,178,106	$1,278,106
Total:	$1,789,570	$1,856,236	$1,873,551
	Best		

90th Percentile
1322

$1,946,535
6
$1,351,976
$162,083
$156,983
$275,493

ISL:	$150,000	$175,000	$200,000
Pv:	$759,570	$678,130	$595,445
Using Claims at or above $150000 Claims Assumed Up to ISL:	$600,000	$669,066	$719,066
Total:	$1,339,570	$1,347,196	$1,314,511
			Best

100th Percentile

	Period of Time	Claimants	Pooled Claims (without reduction of $100k EL)	Relative to Simulation
(Current Period)	Jan 2015-Dec 2015	4	$929,502	appx 47th %ile
(Previous Period)	Jan 2014-Dec 2014	6	$1,228,006	appx 64th %ile

The period from January 2015 to December 2015 showed 4 claimants over $150,000 accrue approximately $930,000 in claims, which according to the simulation represents approximately the 47th percentile of experience.

The previous period from January 2014 to December 2014 showed 6 claimants over $150,000 accrue approximately $1.1 million in claims, which according to the simulation represents approximately the 64th percentile of experience.

The last page in Section 3 is a summary of paid claims for calendar year 2014 and 2015.

ii. Selected Scenarios for Further Analysis:

10,000 Monte Carlo simulations were run for the estimated membership of EE Newcomer set at 957 subscribers and 2009 members. The simulation model was calibrated to EE Newcomer's forecasted claims found in the 2014 funding rate projections performed by CBIZ. The results of individual claims in excess of $150,000 for each scenario was sorted from low to high based. The following scenarios have been selected as examples for an illustrative Analysis of Stop Loss Options. Please see Section 3 for a sampling of a few of the 10,000 scenarios.

Scenario Index:	i	ii	iii	iv	v
	25th Percentile	50th Percentile	75th Percentile	90th Percentile	100th Percentile (Worst Case)
Scenario #:	4732	4111	9249	1322	0914
Total Claims in excess of $150,000:	$842,231	$1,001,866	$1,452,497	$1,946,535	$2,600,481
High Cost Claimants:	3	5	7	6	7
Random Claim Amounts: (No Claimants Added from Expected Experience)	$155,850	$223,370	$243,317	$1,351,976	$1,650,795
	$275,470	$157,743	$272,435	$162,083	$219,840
	$210,782	$229,744	$151,655	$156,983	$155,050
		$177,996	$249,367	$275,493	$196,741
		$213,013	$169,901		$667,007
			$209,273		$189,609
			$156,550		$1,210,329

Med/Rx Enrollment	Dental Enrollment	Paid Medical Claims	Paid Pharmacy Claims	Paid Dental Claims
847	862			
852	863	$175,169	$134,464	$37,184
855	860	$248,790	$167,612	$39,887
857	861	$229,080	$175,816	$40,433
875	875	$192,164	$239,778	$35,712
886	886	$302,626	$169,513	$36,703
892	899	$214,882	$138,369	$24,558
	900	$447,838	$157,228	$37,161
	908	$453,852	$147,980	$37,673
	907	$471,862	$197,098	$36,714
	931	$399,157	$286,097	$29,508
	948	$622,011	$273,934	$39,319
	972	$612,039	$198,332	$43,207
		$4,369,470	$2,286,221	$438,059
	885			
	892			

Lg Clms > $150k

Claimant 1	$323,945
Claimant 2	$297,628
Claimant 3	$155,051
Claimant 4	$152,878
Total	$929,502

EXHIBIT D

SAMPLE NAVMD REPORTING

3 YEAR NAVMD REPORTING

FINANCIALS CLAIMS COST	2016 TOTAL	2017 TOTAL	2018 TOTAL	2016 PMPM
Plan Paid				
Medical	$4,491,002	$4,591,652	$4,202,105	$299
Pharmacy	$1,885,387	$1,792,341	$1,579,281	$126
Total	$6,376,389	$6,383,993	$5,781,386	$424
Stop Loss Reimbursements	($655,081)	($139,999)	($482,263)	($43.61)
Plan Paid Grand Total	$5,721,308	$6,243,994	$5,299,123	$381
Member Paid				
Medical	$1,300,292	$1,842,605	$1,798,206	$87
Pharmacy	$290,302	$358,212	$322,936	$19
Total	$1,590,594	$2,200,816	$2,121,141	$106
EE/MBR Premium				$103
Total Paid				

PLAN PAID PER MEMBER	2016	2017	2018	2016	2017	2018
Cost Range	Plan Paid/ % of Plan Paid	Plan Paid/ % of Plan Paid	Plan Paid/ % of Plan Paid	# of Members/ % of Enrolled Members	# of Members/ % of Enrolled Members	# of Members/ % of Enrolled Members
No Claims	$0 0%	$0 0%	$0 0%	263 17.14%	435 21.02%	583 23.88%
$1-$49,999	$3,386,400 53.11%	$3,778,113 59.18%	$3,787,030 56.50%	1232 80.31%	1598 77.24%	1827 74.85%
$50,000-$299,999	$2,224,139 34.88%	$2,317,035 36.30%	$2,507,363 37.41%	26 1.69%	23 1.11%	25 1.02%
$300,000+	$832,843 13.06%	$367,438 5.76%	$435,142 6.49%	2 0.13%	1 0.05%	1 0.04%
Other	-$66,994 -1.05%	-$78,771 -1.23%	-$26,688 -0.40%	11 0.72%	12 0.58%	5 0.20%
Total*	$6,376,389	$6,383,815	$6,702,847	1,534	2,069	2,441

*Stop Loss reimbursements not included

EXHIBIT E

SELF-FUNDED MONTHLY REPORTING

FINANCIAL OVERIVEW

ABC Company Financial Overview

Medical & Rx Cost Plus Overview for: All>All>All starting: Jan 2017

	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Plan YTD
Enrollment													Sum
Employees													
QHDHP-HSA Plan	122	122	122	123	125	125	131	131	125	126	127	127	1,506
Traditional PPO Plan	62	61	61	62	63	63	65	65	62	63	66	66	759
Members													
QHDHP-HSA Plan	-	-	-	-	-	-	-	-	-	-	-	-	0
Traditional PPO Plan	-	-	-	-	-	-	-	-	-	-	-	-	0
Total Employees	184	183	183	185	188	188	196	196	187	189	193	193	2,265
Total Members	484	485	475	478	491	487	501	501	501	495	507	517	5,504
Claims													Sum
Medical Claims													
QHDHP-HSA Plan	$ 47,418.23	$ 96,144.10	$ 38,226.45	$ 62,398.92	$ 63,157.60	$ 71,325.93	$ 89,217.28	$ 88,341.30	$ 156,993.66	$ 136,327.71	$ 73,467.43	$ -	$ 863,018.08
Traditional PPO Plan	$ 45,428.77	$ 51,192.36	$ 13,582.39	$ 19,439.66	$ 15,668.05	$ 33,119.03	$ 31,295.15	$ 27,556.40	$ 21,442.33	$ 63,410.23	$ 43,207.46	$ -	$ 365,541.83
Prescription Claims													Sum
QHDHP-HSA Plan	$ 1,638.18	$ 1,275.83	$ 8,379.19	$ 12,657.96	$ 2,740.10	$ 13,076.42	$ 5,010.62	$ 12,709.18	$ 17,172.66	$ 26,125.71	$ 24,920.12	$ -	$ 125,704.96
Traditional PPO Plan	$ 4,182.15	$ 5,292.10	$ 4,366.41	$ 3,372.30	$ 4,173.54	$ 4,331.74	$ 5,442.99	$ 6,123.99	$ 8,630.01	$ 20,683.16	$ 10,668.51	$ -	$ 77,235.50
Medical Value Payments													
QHDHP-HSA Plan	$ 762.59	$ 739.79	$ 857.79	$ 861.22	$ 913.39	$ 740.82	$ 1,321.53	$ 1,326.27	$ 1,470.76	$ 1,517.93	$ 1,291.89	$ -	$ 11,823.98
Traditional PPO Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Specific Reimbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (815.93)	$ (44,327.67)	$ (38,171.61)	$ -	$ (83,315.21)
Total Claims Paid	$ 99,429.92	$ 114,644.18	$ 65,412.23	$ 98,750.05	$ 86,649.68	$ 122,592.94	$ 132,287.54	$ 136,056.74	$ 204,893.49	$ 203,657.07	$ 115,383.86	$ -	$ 1,379,757.64
Fixed Expenses													Sum
Fixed Expenses													
Admin/Pooling/NAF/ACA	$ 48,572.28	$ 48,685.04	$ 49,535.48	$ 49,188.99	$ 50,507.74	$ 51,800.76	$ 52,297.10	$ 53,372.21	$ 54,044.77	$ 50,201.99	$ 55,316.52	$ -	$ 563,522.88
Total Expenses	$ 48,572.28	$ 48,685.04	$ 49,535.48	$ 49,188.99	$ 50,507.74	$ 51,800.76	$ 52,297.10	$ 53,372.21	$ 54,044.77	$ 50,201.99	$ 55,316.52	$ -	$ 563,522.88
Total Plan Expenses (Claims + Fixed)	$ 148,002.20	$ 163,329.22	$ 114,947.71	$ 147,939.04	$ 137,157.42	$ 174,393.70	$ 184,584.64	$ 189,428.95	$ 258,938.26	$ 253,859.06	$ 170,700.32	$ -	$ 1,943,280.52
Employer and Employee Funding													Sum
Funding Components													
Employer Funding	$ 152,316.52	$ 152,826.54	$ 155,688.88	$ 154,782.71	$ 158,979.19	$ 163,306.65	$ 164,957.60	$ 167,615.37	$ 169,803.92	$ 154,783.84	$ 173,769.59	$ -	$ 1,768,860.81
Employee Funding	$ 36,380.30	$ 36,198.30	$ 36,514.60	$ 35,747.66	$ 37,186.28	$ 38,437.58	$ 38,986.11	$ 40,200.72	$ 42,786.68	$ 38,480.50	$ 43,880.85	$ -	$ 422,799.58
Wellbeing Incentives	$ 12,705.00	$ 12,760.00	$ 13,090.00	$ 13,090.00	$ 13,475.00	$ 14,080.00	$ 14,300.00	$ 14,630.00	$ 14,905.00	$ 10,835.00	$ 15,015.00	$ -	$ 148,885.00
Tobacco/Smoker Surcharge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COBRA Funding	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 1,277.61	$ 1,277.61	$ 1,277.61	$ 851.74	$ -	$ 7,665.66
Total ER and EE Funding	$ 189,122.69	$ 189,450.71	$ 192,629.35	$ 190,956.24	$ 196,591.34	$ 202,200.10	$ 204,369.58	$ 209,093.70	$ 211,868.21	$ 194,541.95	$ 218,502.18	$ -	$ 2,199,326.05
Funding Surplus/(Deficit)	$ 41,120.49	$ 26,121.49	$ 77,681.64	$ 43,017.20	$ 59,433.92	$ 27,806.40	$ 19,784.94	$ 19,664.75	$ (47,070.05)	$ (59,317.11)	$ 47,801.86	$ -	$ 256,045.53
Total Cost to Total Funding	78.26%	86.21%	59.87%	77.47%	69.77%	86.25%	90.32%	90.60%	122.22%	130.49%	78.12%	-	88.36%
Plan Cost Summary PMPM													Avg PMPM
Total Plan Cost PMPM	$ 281.37	$ 308.17	$ 218.12	$ 276.52	$ 252.59	$ 316.50	$ 330.80	$ 334.68	$ 444.15	$ 443.04	$ -	$ -	$ 353.84
Total Claim Cost PMPM	$ 189.03	$ 216.31	$ 124.12	$ 184.98	$ 159.58	$ 222.49	$ 237.07	$ 240.38	$ 351.45	$ 355.42	$ -	$ -	$ 251.23
Maximum Claims Liability													
Maximum Claims Liability	$ 138,782.95	$ 138,995.19	$ 141,293.80	$ 139,982.79	$ 144,246.65	$ 148,509.86	$ 150,163.28	$ 153,766.13	$ 155,844.21	$ 142,522.38	$ 161,144.28	$ -	$ 1,615,253.52
Monthly Aggregate Status	71.64%	82.48%	46.30%	70.54%	60.07%	82.55%	88.10%	88.48%	131.47%	142.89%	71.60%	%	85.42%
Maximum Claim Liability Carry-Over	$ -	$ 39,393.03	$ 63,704.04	$ 139,585.61	$ 180,818.35	$ 238,418.52	$ 264,392.24	$ 282,207.98	$ 299,919.37	$ 292,870.09	$ 189,756.40	$ 235,495.98	$ 235,495.98

YTD Paid Claims vs Expected	100%
YTD Paid Claims vs Aggregate	85%
YTD Plan Cost vs. Budget	88%

2018 ER HSA Contributions	$ 14,199.00	$ 13,058.00	$ 14,549.00	$ 14,566.79	$ 14,790.12	$ 15,075.12	$ 14,950.00	$ 14,929.00	$ 15,303.00	$ 15,100.11	$ 14,900.11	$ -	$ 161,380.25

1.) Employee numbers are based on Paramount system reporting. Actual enrollment numbers may vary.
2.) Employee and Employee funding includes fixed costs, plus 0.00 Maximum Claim Liability
3.) COBRA funding is based on employee + employee funding described in footnote 2 above. It does not include 2% administration fees as these are retained by the administrator.
4.) The Wellbeing Incentive is included in the employer funding rate

2

ABC Company Financial Overview

Medical & Rx Cost Plus Overview for: All>All>All starting: Jan 2018

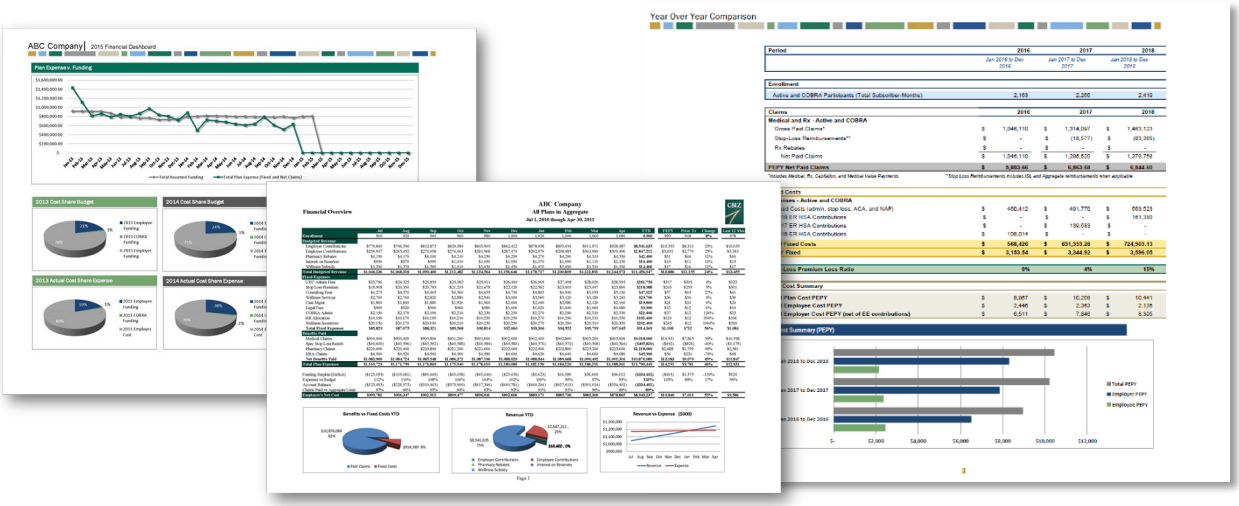
	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Plan YTD
Enrollment													Sum
Employees													
QHDHP-HSA Plan	149	152	156	157	160	163	164	166	166	163	162	-	1,758
Traditional PPO Plan	55	55	56	56	58	62	63	65	67	52	73	-	661
Members													
QHDHP-HSA Plan	399	404	402	409	412	420	414	418	424	418	-	-	4,120
Traditional PPO Plan	127	126	125	126	131	131	144	148	159	155	-	-	1,372
Total Employees	204	207	212	212	218	225	227	231	233	215	235	-	2,419
Total Members	526	530	527	535	543	551	558	566	583	573	-	-	5,492
Claims													Sum
Medical Claims													
QHDHP-HSA Plan	$ 47,418.23	$ 96,144.10	$ 38,226.45	$ 62,398.92	$ 63,157.60	$ 71,325.93	$ 89,217.28	$ 88,341.30	$ 156,993.66	$ 136,327.71	$ 73,467.43	$ -	$ 863,018.08
Traditional PPO Plan	$ 45,428.77	$ 51,192.36	$ 13,582.39	$ 19,439.66	$ 15,668.05	$ 33,119.03	$ 31,295.15	$ 27,556.40	$ 21,442.33	$ 63,410.23	$ 43,207.46	$ -	$ 365,541.83
Prescription Claims													Sum
QHDHP-HSA Plan	$ 1,638.18	$ 1,275.83	$ 8,379.19	$ 12,657.96	$ 2,740.10	$ 13,076.42	$ 5,010.62	$ 12,709.18	$ 17,172.66	$ 26,125.71	$ 24,920.12	$ -	$ 125,704.96
Traditional PPO Plan	$ 4,182.15	$ 5,292.10	$ 4,366.41	$ 3,372.30	$ 4,173.54	$ 4,331.74	$ 5,442.99	$ 6,123.99	$ 8,630.01	$ 20,683.16	$ 10,668.51	$ -	$ 77,235.50
Medical Value Payments													
QHDHP-HSA Plan	$ 762.59	$ 739.79	$ 857.79	$ 861.22	$ 913.39	$ 740.82	$ 1,321.53	$ 1,326.27	$ 1,470.76	$ 1,517.93	$ 1,291.89	$ -	$ 11,823.98
Traditional PPO Plan	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Specific Reimbursements	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (815.93)	$ (44,327.67)	$ (38,171.61)	$ -	$ (83,315.21)
Total Claims Paid	$ 99,429.92	$ 114,644.18	$ 65,412.23	$ 98,750.05	$ 86,649.68	$ 122,592.94	$ 132,287.54	$ 136,056.74	$ 204,893.49	$ 203,657.07	$ 115,383.86	$ -	$ 1,379,757.64
Fixed Expenses													Sum
Fixed Expenses													
Admin/Pooling/NAF/ACA	$ 48,572.28	$ 48,685.04	$ 49,535.48	$ 49,188.99	$ 50,507.74	$ 51,800.76	$ 52,297.10	$ 53,372.21	$ 54,044.77	$ 50,201.99	$ 55,316.52	$ -	$ 563,522.88
Total Expenses	$ 48,572.28	$ 48,685.04	$ 49,535.48	$ 49,188.99	$ 50,507.74	$ 51,800.76	$ 52,297.10	$ 53,372.21	$ 54,044.77	$ 50,201.99	$ 55,316.52	$ -	$ 563,522.88
Total Plan Expenses (Claims + Fixed)	$ 148,002.20	$ 163,329.22	$ 114,947.71	$ 147,939.04	$ 137,157.42	$ 174,393.70	$ 184,584.64	$ 189,428.95	$ 258,938.26	$ 253,859.06	$ 170,700.32	$ -	$ 1,943,280.52
Employer and Employee Funding													Sum
Funding Components													
Employer Funding	$ 152,316.52	$ 152,826.54	$ 155,688.88	$ 154,782.71	$ 158,979.19	$ 163,306.65	$ 164,957.60	$ 167,615.37	$ 169,803.92	$ 154,783.84	$ 173,769.59	$ -	$ 1,768,860.81
Employee Funding	$ 36,380.30	$ 36,198.30	$ 36,514.60	$ 35,747.66	$ 37,186.28	$ 38,437.58	$ 38,986.11	$ 40,200.72	$ 42,786.68	$ 38,480.50	$ 43,880.85	$ -	$ 422,799.58
Wellbeing Incentives	$ 12,705.00	$ 12,760.00	$ 13,090.00	$ 13,090.00	$ 13,475.00	$ 14,080.00	$ 14,300.00	$ 14,630.00	$ 14,905.00	$ 10,835.00	$ 15,015.00	$ -	$ 148,885.00
Tobacco/Smoker Surcharge	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
COBRA Funding	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 425.87	$ 1,277.61	$ 1,277.61	$ 1,277.61	$ 851.74	$ -	$ 7,665.66
Total ER and EE Funding	$ 189,122.69	$ 189,450.71	$ 192,629.35	$ 190,956.24	$ 196,591.34	$ 202,200.10	$ 204,369.58	$ 209,093.70	$ 211,868.21	$ 194,541.95	$ 218,502.18	$ -	$ 2,199,326.05
Funding Surplus/(Deficit)	$ 41,120.49	$ 26,121.49	$ 77,681.64	$ 43,017.20	$ 59,433.92	$ 27,806.40	$ 19,784.94	$ 19,664.75	$ (47,070.05)	$ (59,317.11)	$ 47,801.86	$ -	$ 256,045.53
Total Cost to Total Funding	78.26%	86.21%	59.87%	77.47%	69.77%	86.25%	90.32%	90.60%	122.22%	130.49%	78.12%	-	88.36%
Plan Cost Summary PMPM													Avg PMPM
Total Plan Cost PMPM	$ 281.37	$ 308.17	$ 218.12	$ 276.52	$ 252.59	$ 316.50	$ 330.80	$ 334.68	$ 444.15	$ 443.04	$ -	$ -	$ 353.84
Total Claim Cost PMPM	$ 189.03	$ 216.31	$ 124.12	$ 184.98	$ 159.58	$ 222.49	$ 237.07	$ 240.38	$ 351.45	$ 355.42	$ -	$ -	$ 251.23
Maximum Claims Liability													
Maximum Claims Liability	$ 138,782.95	$ 138,995.19	$ 141,293.80	$ 139,982.79	$ 144,246.65	$ 148,509.86	$ 150,163.28	$ 153,766.13	$ 155,844.21	$ 142,522.38	$ 161,144.28	$ -	$ 1,615,253.52
Monthly Aggregate Status	71.64%	82.48%	46.30%	70.54%	60.07%	82.55%	88.10%	88.48%	131.47%	142.89%	71.60%	%	85.42%
Maximum Claim Liability Carry-Over	$ -	$ 39,393.03	$ 63,704.04	$ 139,585.61	$ 180,818.35	$ 238,418.52	$ 264,392.24	$ 282,207.98	$ 299,919.37	$ 292,870.09	$ 189,756.40	$ 235,495.98	$ 235,495.98

YTD Paid Claims vs Expected	100%
YTD Paid Claims vs Aggregate	85%
YTD Plan Cost vs. Budget	88%

2018 ER HSA Contributions	$ 14,199.00	$ 13,058.00	$ 14,549.00	$ 14,566.79	$ 14,790.12	$ 15,075.12	$ 14,950.00	$ 14,929.00	$ 15,303.00	$ 15,100.11	$ 14,900.11	$ -	$ 161,380.25

1.) Employee numbers are based on Paramount system reporting. Actual enrollment numbers may vary.
2.) Employee and Employee funding includes fixed costs, plus 0.00 Maximum Claim Liability
3.) COBRA funding is based on employee + employee funding described in footnote 2 above. It does not include 2% administration fees as these are retained by the administrator.
4.) The Wellbeing Incentive is included in the employer funding rate

2



36 MONTH LAG REPORT

Incurred Month	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Paid Month	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid
Jan-16	$16,366																		
Feb-16	$25,124	$33,563																	
Mar-16	$778	$49,148	$92,530																
Apr-16	$305	-$349	$74,612	$41,707															
May-16	$42	$162	$20,349	$64,735	$67,839														
Jun-16	-$457	$420	$810	$885	$74,631	$53,591													
Jul-16			-$2,362	$226	$602	$88,752	$69,595												
Aug-16		$465	$138	$30	$1,765	$603	$73,327	$55,625											
Sep-16			$171		$22	$883	$96	$32,996	$45,448										
Oct-16		$118	$570	$324	$66	$316	$0	$1,690	$58,282	$68,410									
Nov-16				$206	$230	$81	$266	$199	$10,750	$43,659	$51,683								
Dec-16		-$201	-$98	-$173	$0	$0	$0	$1,724	$554	$975	$42,161	$69,882							
Jan-17		$136	$99	$145	$141			$126	$12	$1,197	$1,161	$70,514	$26,156						
Feb-17	$0				$0	$3,770		$43	$117	$3	$122	$1,762	$40,088	$42,810					
Mar-17					$18			$40	$152	$132	$85	$268	$3,711	$19,748	$37,863				
Apr-17		$109							$496	$0	$291	$0	$114	$4,292	$41,616	$34,043			
May-17					$78							$9	$105	$53	$5,979	$127,768	$56,267		
Jun-17									$20					$20	$284	$972	$24,178	$43,423	
Jul-17			$10,835				$82		$92						$28	$498	$2,395	$37,143	$45,188
Aug-17														$0	$8	$239	$63	$276	$43,279
Sep-17																$144	$85	$63	$1,250
Oct-17													$8			$109		$161	$232
Nov-17													$45						$227
Dec-17												-$77				-$368		$0	
Jan-18				$45				$17										$95	$204
Feb-18																			$240
Mar-18																	$71	$34	$560
Apr-18																			-$53
May-18																			
Jun-18																			
Jul-18																			
Aug-18																			
Sep-18																			-$139
Oct-18																			
Nov-18																			
Dec-18																$3			
Summary	$42,158	$83,571	$197,654	$108,128	$145,390	$147,996	$143,367	$92,461	$115,922	$114,376	$95,502	$142,358	$70,227	$66,923	$85,778	$163,408	$83,058	$81,194	$90,988

Incurred Month	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Summary
Paid Month	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid
Jan-16										$16,366
Feb-16										$58,687
Mar-16										$142,456
Apr-16										$116,275
May-16										$153,128
Jun-16										$129,879
Jul-16										$156,813
Aug-16										$131,952
Sep-16										$79,616
Oct-16										$129,775
Nov-16										$107,074
Dec-16										$114,824
Jan-17										$99,686
Feb-17										$88,715
Mar-17										$62,017
Apr-17										$80,960
May-17										$190,259
Jun-17										$68,897
Jul-17										$96,260
Aug-17										$89,685
Sep-17										$115,756
Oct-17										$161,692
Nov-17										$154,512
Dec-17										$189,772
Jan-18										$90,679
Feb-18										$33,984
Mar-18										$74,526
Apr-18										$61,935
May-18										$72,616
Jun-18										$164,160
Jul-18										$249,751
Aug-18										$132,197
Sep-18										$89,442
Oct-18										$96,211
Nov-18										$107,867
Dec-18										$220,043
Summary	$32,933	$34,091	$1,022	$136	$1,100	$41	$1,171	$69,241	$194,442	$184,342	$169,791	$95,782	$143,547	$111,293	$145,361	$51,797	$4,128,464

LARGE CLAMAINT & DIAGNOSIS REPORT

Encrypted Member ID	ICD-9 Diagnostic Category	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Management Paid	Paid
SLZH-GXZD-ZHS	Injury & Poisoning	$746,823		$24,680			$771,503
	Blood and Blood-Forming Organs	$607,635		$3,767			$611,402
	Digestive	$129,748	$4,580	$68,890			$203,218
	Infectious and Parasitic	$133,387		$5,808			$139,194
	Health Services	$111,564		$2,561			$114,125
	Nervous System	$34,265		$10,396			$44,661
	Symptoms, Signs & Ill-Defined Conditions			$8,560			$8,560
	Respiratory			$6,888			$6,888
	Circulatory			$2,295			$2,295
	Genitourinary			$1,175			$1,175
	Skin and Subcutaneous Tissue			$566			$566
	Conditions Influencing Health Status			$435			$435
	Acquired Absence of Organs & Tissue			$384			$384
	Endocrine, Nutritional and Metabolic Diseases			$269			$269
	Mental Health			$138			$138
	Musculoskeletal and Connective Tissue			$134			$134
	All Other					$0	$0
	Rx				$0		$0
	Summary	$1,763,421	$4,580	$136,945	$0	$0	$1,904,946
MUZT-OVZF-MHM	Circulatory	$515,046	$22,678	$23,515			$561,239
	Health Services		$88,193	$2,609			$90,802
	Rx				$9,712		$9,712
	Health Services: Medical Exams and Screenings		$3,455	$419			$3,874
	Conditions Influencing Health Status			$3,284			$3,284
	Symptoms, Signs & Ill-Defined Conditions		$1,707	$1,053			$2,761
	Injury & Poisoning		$80	$798			$879
	Genitourinary		$141	$543			$684
	Musculoskeletal and Connective Tissue		$373	$75			$448
	Endocrine, Nutritional and Metabolic Diseases			$401			$401
	Infectious and Parasitic			$289			$289
	Respiratory			$233			$233
	Mental Health			$149			$149
	Skin and Subcutaneous Tissue			$12			$12
	All Other					$0	$0
	Summary	$515,046	$116,628	$33,380	$9,712	$0	$674,766

EXHIBIT F

COMPLIANCE COMMUNICATIONS

BENEFIT BEAT

December 2,

Karen R. McLeese, Esq.

Benefit Beat

In This Edition:

- 2020 Benefit Plan Limits
- 2020 Pension and Retirement Plan Limits
- 2020 Medicare Premiums and Deductibles
- Informational Form 5500 Issued for 2019 Plan Reporting
- HHS Increases Penalties for Compliance Failures
- Nevada's "Leave for Any Purpose" Law Clarified
- Paid Sick Leave Updates in San Antonio and Duluth

CBIZ Benefits & Insurance Services

Our business is growing yours

www.cbiz.com

2020 Benefit Plan Limits

On November 6, 2019, the IRS released the 2020 ir (cost of living) adjustments relating to several types o Below are select highlights of IRS Revenue Proced 44 (also see related IRS News Release, *IRS pr Inflation adjustments for tax year 2020).*

Flexible Spending Account (FSA) Cap. The amount tl contributed to a health flexible spending account (FS voluntary salary reductions for plan years beginnin will increase to $2,750, up from $2,700 in 2019.

Qualified Transportation Fringe Benefits. With transportation expenses reimbursed by an emp excludable from the employee's income under a transportation program, the limits for 2020 slightl from 2019:

	2020
Commuter Highway Vehicle (van pooling) and Any Transit Pass	$270
Qualified Parking	$270

As a reminder, the Tax Cuts and Jobs Act (TCJA) susp employer's deductibility of qualified transportation effective January 1, 2018. The tax exclusion av employees remains applicable. For tax-exempt en unrelated business income tax is assessed amounts. In addition, the TCJA suspended the bicycle commuter benefit from December 31, 201 December 31, 2025. An employer sponsoring a bicycle fringe benefit plan can still take a tax deduct $20 per month, or $240 annually) for reimbursing pa employees who use a bicycle for traveling between their home and place of employment. However, these amounts can no longer be excluded from the employee's income.

page 1

CBIZ Benefit Beat

Continued from Page 1

Qualified Adoption Assistance Reimbursement Program (IRC §137). An employer-provided adoption assistance program that meets the qualifications of IRC §137, allows participants to recover expenses relating to adoption, such as reasonable adoption fees, court costs, attorney's fees and traveling expenses. Below are the exclusion limits and AGI phase-out limits for 2020 and 2019:

	2020	2019
Exclusion Limit	$14,300	$14,080
AGI Phase-out Limits	Between $214,520 and $254,520	Between $211,160 and $251,160

Health Savings Accounts. The 2020 annual limits applicable to health savings accounts were released earlier this year (see *HSA Inflationary Adjustments for 2020, Benefit Beat*, 6/6/19).

Archer Medical Savings Accounts. The Archer MSA pilot project ended on December 31, 2007; therefore, no new MSAs could be established after that date. For existing MSAs, the annual deductible limits of a high deductible health plan used in conjunction with an Archer medical savings account for 2020 are slightly increased:

	2020		2019	
	Single	*Family*	*Single*	*Family*
HDHP Annual Deductible	Between $2,350 and $3,550	Between $4,750 and $7,100	Between $2,350 and $3,500	Between $4,650 and $7,000
Out-of-Pocket Expenses	$4,750	$8,650	$4,650	$8,550

Long-Term Care Premiums. The IRS limitations relating to eligible long-term care premiums includible as medical care, as defined by IRC §213(d) are:

Age at end of tax year	2020 Premium Limit	2019 Premium Limit
<40	$430	$420
>40 but <50	$810	$790
>50 but <60	$1,630	$1,580
>60 but <70	$4,350	$4,220
>70	$5,430	$5,270

Small Business Tax Credit (SBTC). Small businesses and tax-exempt employers who provide health care cove to their employees under a qualified health arrangement are entitled to a tax credit, as establi by the Affordable Care Act. To be eligible for the business tax credit, the employer must employ than 25 full-time equivalent employees whose av annual wages are less than $55,200 (indexed for 2 the wage ceiling in 2019 is $54,200). The tax phases out for eligible small employers when the nu of its full-time employees (FTEs) exceeds 10; or, whe average annual wages for the FTEs exceeds $27,6 the 2020 tax year (the phase-out wage limit in 20 $27,100). As a reminder, only qualified health coverage purchased through a SHOP marketpla available for the tax credit, and only for a 2-consec year period.

QSEHRA Payments and Reimbursements. A qua small employer health reimbursement arrangen known as a "QSEHRA", allows eligible small empl (those employing fewer than 50 employees and wl not offer health coverage) to reimburse health insu premium for individual coverage purchased through or outside the marketplace. Such arrange must meet certain criteria, specifically, the QSEHRA

1. Must be funded solely by the eligible small empl no salary reduction contributions can be made this arrangement; and,
2. Provides, following the employee's proo coverage, for the payment or reimbursemen medical care expenses, as defined in IRC Se 213(d), including premium for health cove through the individual market, incurred by eligible employee or his/her family members 2019, the annual amount of payments reimbursements is capped at $5,150 for empl only, or $10,450 for arrangements that provid payments or reimbursements for the emplo family members. Both of these limits are subje inflationary adjustments. Accordingly, beginni 2020, the total amount of payments reimbursements is increased to $5,250 employee-only; $10,600 for family coverage). reminder, the total amount of permitted be received under a QSEHRA must be reported i 12, using Code FF of the Form W-2.

Increase in Tax Information Reporting Penalties. Th can assess penalties when certain tax information provided on a timely basis.

December 2, 2019

page 2

CBIZ Benefit Beat

For high-income beneficiaries who are married and lived with their spouse at any time during the taxable year, but file a separate return, the Medicare Part B premiums in 2020 are:

Amount of Income	Income-related monthly adjustment amount	Total monthly premium amount
≤ $87,000	$0.00	$144.60
> $87,000 and <$413,000	$318.10	$462.70
≥ $413,000	$347.00	$491.60

The monthly premium for Medicare Advantage (Part C) and Part D coverage vary by the selected plan. For 2020, the estimated Medicare Advantage average monthly premium will decline to $23.00 ($26.87 in 2019). The basic Part D premium is also expected to fall from $32.50 in 2019 to $30.00 in 2020. Additional information about these limits was released earlier this year.

Informational Form 5500 Issued for 2019 Plan Reporting

The Department of Labor (DOL), together with the Internal Revenue Service and Pension Benefit Guaranty Corporation, released advanced informational versions of the 2019 Form 5500 series. As a reminder, plan administrators of welfare benefit and pension plans subject to ERISA, with certain exceptions, must file an annual return/report to the DOL on the Form 5500.

The 2019 information-only version of the 5500 forms, schedules and instructions is available for viewing on the DOL's website. There have been minor changes to the 2019 form; of particular note:

- Business code – *multiemployer plans*. With regard to entering in the appropriate business code for a multiemployer plan in Line 2d of the Form 5500, the instructions clarify that a plan sponsor must use the business code that bests describes the nature of its business and more specifically, the predominant industry in which active participants are employed.
- *Administrative penalties*. The instructions reflect the increase in penalty for plan administrators who fail or refuse to file a complete or accurate Form 5500. Such penalty has been increased to up to $2,194 per day for penalties assessed after January 23, 2019, for violations occurring after November 2, 2015.

The Form 5500s and appropriate schedules are to be completed and filed electronically via DOL's EFAST2 website (http://www.efast.dol.gov). The Form, together with the relevant schedules, must be filed with the DOL's Employee Benefit Security Administration (EBSA) as quickly as possible, but no later than the last day of the seventh month following the close of the plan year.

HHS Increases Penalties for Compliance Failures

Employee benefit plans are subject to oversight by several government regulatory agencies including Health and Human Services (HHS), and the Departments of Labor and Treasury. These governing agencies may adjust certain monetary civil penalties for compliance failures.

HHS released its annual inflationary adjustments for civil penalties relating to violations of the HIPAA privacy, security and breach rules, failure to provide the summary of benefits and coverage to plan participants, as well as violations relating to the Medicare secondary payor rules. Following are highlights of the changes. These penalties became effective on November 5, 2019.

HIPAA Privacy, Security and Breach Violations

HHS regulates entities subject to the HIPAA Administrative Simplification laws; specifically, covered entities, which include health care providers, health care clearinghouses, and health plans, as well as business associates. In the event of a breach of unsecured health information of individuals, one of the obligations of the covered entity is to provide notification of the breach to affected individuals, as well as notify the media and HHS in certain circumstances. Failure to adhere to these rules by a covered entity could result in civil penalties.

There are four tiers of civil penalties that could be imposed; following are the inflation-adjusted amounts of potential penalties:

Violation category	Each violation (minimum to maximum)	All such violations of an identical provision in a calendar year (calendar year cap)
Did not know a violation occurred	$117 to $58,490	$1,754,698
Violation due to reasonable cause and not willful neglect	$1,170 to $58,490	$1,754,698

December 2, 2019

page 4

AT ISSUE

December 13, 2019

An Employee Benefits Regulatory Affairs Bulletin

Karen R. McLeese, Esq.

At Issue

In this Year-End Edition

- Discussion of Benefits
- At-A-Glance Tables and Charts
  - 2020 Inflationary Adjustments applicable to Welfare and Pension Plans
  - Welfare Benefit Plan Reporting Reminders
  - Annual Welfare Benefit Plan Disclosure Reminders
  - Determining Applicable Covered Employer Status of Certain Laws
  - Increased Penalties for Certain Compliance Failures

CBIZ Benefits & Insurance Services

Our business is growing yours

www.cbiz.com

As we are on the cusp of 2020, the view is anythi but 20/20 clear. Presidential election yea historically, but not always, give rise to lots discussion, but significantly less action.

Certainly on the agenda for discussion is t proverbial question of **health care reform**. Should implement a single payer system, such as one of t so-called Medicare-for-all proposals? Or, shou reform be accomplished by incremental change keep and improve the Affordable Care Act?

Also for discussion are the various **state and local pa leave laws**. An interesting twist came about in bo Maine and Nevada as they enacted paid leave la this year wherein employees can use their accru leave for "any purpose".

On the federal level, Congress continues to consic enacting some form of nationwide paid family lea law, such as requiring employers to offer a minim number of compensable leave days per year. One the goals of enacting a federal leave law is supersede state and local provisions except, perha to the extent that the state or local provision is mo generous.

Currently, the following states and local jurisdictio that have enacted a paid sick or family leave law a

page 1

2020 Inflationary Adjustments - Benefit Plans

	2020	2019
FSA Cap Limit on health flexible spending account (FSA) dollars via voluntary salary reductions	$2,750	$2,700
Qualified Transportation Fringe Benefits		
Commuter Highway Vehicle (van pooling) and Any Transit Pass	$270	$265
Qualified Parking	$270	$265
Qualified Adoption Assistance Reimbursement Program (IRC §137)		
Exclusion Limit	$14,300	$14,080
AGI Phase-out Limits	Between $214,520 and $254,520	Between $211,160 and $251,160

Health Savings Accounts	*Individual*	*Family*	*Individual*	*Family*
HDHP Annual Deductible	$1,400	$2,800	$1,350	$2,700
HDHP Annual Out-of-Pocket Limit	$6,900	$13,800	$6,750	$13,500
Contribution Limit	$3,550	$7,100	$3,500	$7,000
ACA Plans - Out-of-Pocket Limits *Applicable to insured plans offered via the marketplace, and insured and self-funded plans offered outside marketplace*	*Self-only*	*Family*	*Self-only*	*Family*
	$8,150	$16,300	$7,900	$15,800
Qualified Small Employer Health Reimbursement Arrangements (QSEHRA)	*Employee-only*	*Employee's Family Members*	*Employee-only*	*Employee's Family Members*
Cap on annual amount of payments and reimbursements	$5,250	$10,600	$5,150	$10,450
Excepted Benefit Health Reimbursement Arrangements (EB-HRA) Beginning 1/1/20, cap on annual amount of payments and reimbursements	$1,800		n/a	
Archer Medical Savings Accounts	*Individual*	*Family*	*Individual*	*Family*
HDHP Annual Deductible	Between $2,350 and $3,550	Between $4,750 and $7,100	Between $2,350 and $3,500	Between $4,650 and $7,000
Out-of-Pocket Expenses	$4,750	$8, 650	$4,650	$8,550

2020 Inflationary Adjustments - Pension and Retirement Plans, cont'd

	2020	2019
• Minimum compensation considered in determining eligibility for a SEP (simplified employee pension)	$600	$600
• Threshold for highly compensated employee (HCE)	$130,000	$125,000
• Key employee compensation limit for top heavy plan purposes	$185,000	$180,000
• Annual compensation limit	$285,000	$280,000

Welfare Benefit Plan Reporting Reminders

Form	*To Whom*	*Due Date*
Form 5500	Department of Labor – Employee Benefit Security Administration (EBSA) http://www.efast.dol.gov	Within 7 months of end of plan year
Form M-1 *(Form M-1 filers must also file Form 5500)*	EBSA http://www.askebsa.dol.gov/mewa/	March 1 of each year
Form W-2 *Welfare benefit plan reporting includes:* • Aggregate cost of health coverage (Box 12, using Code DD). *Note, employers filing <250 Form W-2s per year remain exempt from reporting the aggregate cost of health coverage on the Form W-2 until future IRS guidance is issued.* • HSA employer contributions plus amounts employees elect to contribute via an IRC §125 cafeteria plan (Box 12 - Code W) • Total amount of permitted benefits received under a qualified small employer health reimbursement arrangement (QSEHRA) (Box 12 - Code FF) • Disability income/sick pay benefits received by from third party payer • Amounts reimbursed via dependent care assistance program plus amounts exceeding maximum $5,000 exclusion (include in Boxes 1, 3 and 5) • Cost of group term life insurance over $50,000 (Table I rates) reported in Boxes 1, 3 and 5; and Box 12 - Code C • Additional Medicare tax withholding on earnings exceeding $200,000 per calendar year (Box 6)	Internal Revenue Service (IRS) http://www.irs.gov/ Form W-2 Instructions (2019)	January 31, 2020
Form 1094/1095 File Forms 1094/1095	IRS	• By paper: Feb. 28, 2020 • Efile: March 31, 2020
Furnish Form 1095	Individuals listed in Forms 1094 and 1095	March 2, 2020

SELECT ERISA REPORTING AND DISCLOSURE DOCUMENT TIMEFRAMES

TYPE OF DOCUMENT	*PROVIDED BY*	*TO WHOM*	*METHOD OF PROVIDING*	*TIMEFRAME*
Annual Return/Report: Form 5500	Plan Administrator/Sponsor	EBSA	Electronic filing only through the DOL's **EFAST2 Portal**	Must be filed within 7 months of end of plan year
Summary Plan Description	Plan Administrator/Sponsor of all plans subject to ERISA	Plan participants and certain beneficiaries	◆ Written ◆ Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	1. Within 90 days of coverage under the plan 2. By 210th day following close of plan year for which a material change is adopted
Summary of Material Modification (SMM)	Plan Administrator/Sponsor of all plans subject to ERISA	Plan participants and certain beneficiaries	◆ Written ◆ Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Must be provided within 210 days of close of plan year in which change has been adopted
Special Notice Requirement	Plan Administrator/Sponsor of health plan subject to ERISA	Plan participants and certain beneficiaries	◆ Written ◆ Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Notice of any material reduction in benefits must be provided within 60 days of adoption of the change; or, provide SMM every 90 days.
Summary Annual Report DOL's model form (**English**)	Plan Administrator/Sponsor	Plan participants and certain beneficiaries	◆ Written ◆ Electronic distribution permissible as long as DOL electronic distribution rules followed (see page 23)	Must be provided within 9 months after close of plan year
Form M-1 *(Note: Entities who file Form M-1 must also file Form 5500)*	Plan Administrator/Sponsor	EBSA	Electronic filing only through the DOL's **Form M-1 Filing System**	March 1st of each year

▪ Spanish (**PDF** or **Word**) ◆ Model notice for employers who **do not offer health coverage:** ▪ English (**PDF** or **Word**) ▪ Spanish (**PDF** or **Word**)		◆ *On-going from 10/1/13 forward*: All New Hires		part-time employees, without regard to eligibility status for the health plan

EXHIBIT G

SAMPLE WELLBEING DASHBOARD

ANNUAL DASHBOARD

Focus Area	Key Indicators	2021	2022
PLAN MANAGEMENT	**Program Participation**		
	Benchmark cost and plan design		
	Medication compliance		
	High cost claims and specialty Rx as a % of overall spend		
	Employee engagement rate in benefits		
	Risk Score retrospective/prospective		
	Trend		
	5 year trend PEPY		
	Employer Spend PEPY		
ORGANIZATIONAL ASSESSMENT	**Benchma**		
	Committed & Aligned Leadership		
	Collaboration & Broad Stakeholder Engagement in Suppo Wellness		
	Collecting Data to Evolve a Healthy & Thriving Work Envir Culture		
	Operations Planning to Guide Approach & Achieve Impact		
	Support the Whole Employee with a Broad Approach to W		
	Foster Supportive Health Promoting Environment, Policie		
	Evaluate, Communicate, Celebrate & Iterate		

Focus Area	Key Indicators	2021	2022
Participation in	**Domains of Wellbeing**		
	Physical/Emotional		
	EAP Engagement		
	Self-report measures of stress/burnout via employee survey		
	% of EEs completing mindfulness training, meditation, yoga classes, etc.		
	Self-report measures of meaning/purpose via employee survey		
	% of EEs that participated in biometric screening		
	Preventive exam compliance		
	Social		
	Forfeited or unused vacation days at year end		
	Participation in company sponsored events		
	Community		
	% of employees participating in charitable giving campaigns		
	Participation in community blood drive		
	Career/Purpose		
	Participation in extended learning opportunities		
	Participation in mentorship opportunities		
	Financial		
	% of EEs taking advantage of tuition reimbursement		
	% of EEs that are receiving company retirement plan match		