

Brief History:

1996-2004 - TMCC had a fully funded Insurance Plan under BC/BS

2004-05 - first self-funded plan TMCC entered into with CBSA as 3rd party administrator with Jim Kasper as broker

2005 – Preferred One became the TMCC 3rd party administrator.

June 2006 – Comptroller Dauphinais Memo stating IHS reimbursement. This was reviewed annually by Jim Kasper, broker and Comptroller Dauphinais through 2011 with IHS reimbursement to continue.

2012 – November 2015 – no annual review was conducted with new comptroller regarding IHS reimbursement.

November 5, 2015 – Benefits Committee (Jim Davis, Holly Cahill, Tracy Azure, Debbie Peltier, and Kellie Hall) meet with Jim Kasper, Broker, to review self-funded insurance plan and address catastrophic year implications. Broker suggested discontinuing IHS reimbursement.

Plan:

1. Stop paying claims to I.H.S immediately (effective 12/09/2015)
2. Pay claims at Medicare Like Rates for enrolled members/dependents (brand new to ND-current practice in MN)
3. Add an out of network option (reimbursed at lower rate)
4. Increase employee contributions toward the premium (**Starting at 5%, adding 1% annually up to 10%)

	Current level				Proposed new levels		
	Total Monthly Premium	Employee at flat rate	Employer		Total Monthly Premium	Employee @ 5%	Employer
Single	683	15	668	Single	785.45	39.27	746.18
S+1	1260	15	1245	S+1	1,449.00	72.45	1,376.55
Famil y	1491	15	1476	Famil y	1,766.84	88.34	1,678.50

A benefits consultant will be contracted to perform a study of our benefits annually or as necessary. A search process is in progress at this time.

**Annual review of the self-funded health care plan will be conducted by the benefits committee and determination of total premium levels included employer and employee contributions. Tentative planning includes a projected 1% annual increase in employee contributions up to 10%, contingent upon health fund reserve balances.

Budget Implications:

1. Institutional Operating Budget
 - \$38,251.68 will be needed to cover employer contribution increase (6 months – January 1, to June 30, 2016) – ICCA HEART Savings.
 - Budget process and projections for FY 17 (July 1, 2016 – June 30, 2017) will be made accordingly to plan for possible rate increases.
2. Self-Funded Health Plan Reserves
 - \$500,000 will need to be transferred to the Health Fund Reserves from TMCC Reserves.
 - When Health Fund Reserves return to a minimum of 25% of previous years claims, we can begin to transfer back to TMCC Reserves until full amount is transferred back.