



September 30, 2021

Sheila Dubs
 City Of Marshall
 344 W Main Street
 Marshall, MN 56258

RE: January 1, 2022 PEIP Renewal for City Of Marshall

Dear Sheila:

Thank you for your participation in the Public Employees Insurance Program (PEIP) Pool. We hope that the program has fulfilled your insurance needs.

The January 2022 PEIP renewal of 9.0% is higher than the previous 12 year's average of about 3.5%. Groups being slotted for the first time could be slightly higher or lower than this figure.

While this is higher than the 12 year pool average increase of about 3.6%, we are in the midst of very unique times. COVID has had a large impact on 2021 claims (procedures delayed from 2020). We have also seen some very expensive one-time prescription claims that have reached almost \$2 million dollars. We hope that 2022 will return to more normal claims usage and better renewals next year.

- The goal of the program is to pool all claims from all groups to spread risk over a very large member base. As in the past, groups renewing for the first time may see percentage changes different from the pool average if they are being placed in a premium tier for the first time (one-time event).
- Renewing groups that have experienced much higher claims or much lower claims than other groups in their premium tier for an extended period (3-4 years) may be moved up or down one tier level. Thus, a handful of groups may see rate changes above or below the pool average for the renewal. This will only affect a small number of groups.

As always, the PEIP underwriters will make any changes necessary to protect the financial stability of the pool.

History of PEIP Pool Renewals

July Group Average	January Group Average	<p>By combining all PEIP groups into one pool, the risk is spread over a large group of members (60,000 from 460 groups) , providing more stability of rates (historically below healthcare trends in Minnesota).</p>
July, 2010 = +8.0%		
July, 2011 = -6.6%		
July, 2012 = -3.3%	January, 2013 = +5.0%	
July, 2013 = +6.0%	January, 2014 = +.5%	
July, 2014 = +1.9%	January, 2015 = +2.4%	
July, 2015 = +2.0%	January, 2016 = +5.5%	
July, 2016 = +5.9%	January, 2017 = +3.5%	
July, 2017 = +1.3%	January, 2018 = +.2%	
July, 2018 = +.2%	January, 2019 = +2.5%	
July, 2019 = +3.7%	January, 2020 = +5.2%	
July, 2020 = +10.7%	January, 2021 = +9.7%	
July, 2021 = +7.0%	January, 2022 = +8.96%	
<p>Combined Pool Average = 3.6% *History includes all ACA taxes</p>		

Plan Changes for 2022

There are a few plan changes for 2022. We are happy to announce these positive changes.

1. 3D mammograms may be obtained as preventive care.
2. In addition to an annual routine eye visit (preventive with no copay or coinsurance) an office visit to an in-network eye care provider for eye injury or illness will be covered at the cost level of the member's primary care clinic without needing a referral.
3. Emergency room copayments have increased for cost levels 2 thru 4 but are excluded from the deductible in the High and Value plans.

The PEIP 2022 clinic directory will be available on the PEIP website by October 15, 2021. Please make sure members review their clinics for any cost level changes.

During open enrollment, your insurance eligible employees will have the opportunity to change health plans and carrier networks. Please have the open enrollment completed by November 19, 2021. Updated plan summaries and other enrollment information will be forwarded to you in a separate email. Forms can also be found on PEIP's website at www.innovomn.com. Retirees over age 65, individual Medicare Advantage and Cost policies are available. Please call Innovo Benefits Administration at 1-800-829-5601 or contact your plan administrator for more details or visit our website at www.innovomn.com.

Employees and dependents who wish to change health plans or networks must complete an Enrollment Form (or online enrollment) for the change. A primary care clinic number for each member is required. **Participants staying with the same carrier who wish to change their primary care clinic must contact the carrier directly.** Primary care clinics can be changed at any time by calling the customer service number on the member's ID card.

All completed Enrollments and any changes to your group's eligibility requirements must be submitted to Innovo Benefits Administration, PEIP's administrator, by November 19, 2021 (please plan your open enrollment to meet that deadline).

****** Please send enrollment/changes to Innovo for those employees making a plan, carrier or family changes only. No form is required for those employees maintaining current coverage. ******

As the sponsor of the group insurance, you may change or add additional PEIP product options (e.g. life and dental coverages) and change your eligibility requirements at this time. Eligibility criteria includes number of hours worked per week to be eligible, new employee waiting periods before coverage becomes effective, etc. Any changes made to your current eligibility policy must be made in writing and sent to Innovo.

Participation is automatically renewed for an additional two-year term unless the exclusive representative, or the employer for unrepresented employees gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period.

A PowerPoint presentation that explains the plan choices and instructions on completing the employee enrollment will be sent in a separate email with the enrollment materials.

Please submit all forms via fax, email or mail to:

Innovo Benefits Administration
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
Secure Fax: 952-746-3108
Email: service@innovomn.com

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Please forward the renewal rate information to your COBRA, Minnesota continuation, disabled, and early retiree participants (if any). If PEIP manages your COBRA, Innovo will send out the information to these participants.

If you have any questions, please call 952-746-3101 or 1-800-829-5601 or email shawn@innovomn.com. We look forward to another year of serving you.

Sincerely,

A handwritten signature in cursive script that reads "Shawn Byrne".

Shawn Byrne
Manager

CC: Agent - Bill Chukuske

City Of Marshall
1/1/2022 Renewal Rates
Advantage Plans

In accordance with MN Stat.471.61, renewal rates for retirees who are under age 65 are blended with the rates for active employees. Eligible retirees currently on continuation are included in the rate structure.

2021 vs 2022 MEDICAL RATES

		<i>Current Rates</i>	<i>Renewal Rates 2022</i>
Advantage High Option	Single	\$1023.02	\$1118.94
	Family	\$2714.54	\$2967.30
Advantage Value Option	Single	\$920.58	\$1007.08
	Family	\$2441.14	\$2668.72
Advantage HSA Option	Single	\$718.32	\$786.36
	Family	\$1901.10	\$2079.40

If you work with an agent, please confirm commission amount with them. Rates shown include commission, if Applicable.

2021 VS 2022 DENTAL RATES – PREVENTIVE PLAN (CLOSED TO NEW ENROLLMENT), if applicable

	Current	Renewal
Monthly Rate - Employer Pays 90% or More of Cost	\$11.72	\$11.72
	\$35.57	\$35.57
Monthly Rate - Employer Pays 50-89% Of Cost	\$12.76	\$12.76
	\$39.48	\$39.48

2021 VS 2022 DENTAL RATES – COMPREHENSIVE PLAN, if applicable

	Current	Renewal
Monthly Rate - Employer Pays 90% or More of Cost	\$40.16	\$40.16
	\$95.73	\$95.73
Monthly Rate - Employer Pays 50-89% Of Cost	\$44.43	\$44.43
	\$104.95	\$104.95

2022 LIFE RATES, if applicable

Basic Life/AD&D	\$.18/1,000	
Dependent Life	\$1.18	
Supplemental Life (Per Thousand)	<u>Age</u>	
	<35	\$.11
	35-39	\$.13
	40-44	\$.17
	45-49	\$.26
	50-54	\$.44
	55-59	\$.71
60-64	\$.79	
65-69	\$1.49	

City of Marshall History of Premium Rate Increases

	SWWC Service Cooperative		
2011	10.65%		
2012	1.0%		
2013	6.0%		
2014	6.9%		
2015	0.0%		
2016	17.5%		
2017	6.5%		
2018	7.1%		
2019	12.3%		
2020	<i>renewal at 15.00%</i> <i>2nd offer of 12.30%</i> <i>final offer of 7.44%</i>		first offer elimination of lower deductible plan final offer rejected by the Council
		PEIP	
2020	6.3%		Council approved transition to PEIP
2021	6.6%		Year 2 of 2-year commitment with PEIP

Renewal	2022	+9%	PEIP Single is 9.47% increase PEIP Family is 9.38% increase
Proposed	2022	-12%	BCBS HDHP 12% decrease

City of Marshall 2022/2023 Health Plan Renewal Options

All bidders match current PEIP plan designs and networks without PCC referrals

All numbers are based on current enrollees as of August 2021

All numbers include Broker/Agent fee and all Administrative Fees

	PEIP	SWWC Coop	BCBS	Sourcewell Coop
2022 premium	\$ 2,033,141.00	\$ 1,849,220.00	\$ 1,636,068.00	\$ 1,742,982.00
% increase from 2021	9.40%	-0.50%	-12.00%	-6.20%
2023 rate cap	None	9.50%	11.00%	9.00%
Wellness incentive dollars	None	\$ 58,140.00	None	\$ 46,000.00

Savings using two year max cap and any incentive dollars factored in

2022	\$	183,921.00	\$	397,073.00	\$	290,159.00
2023 (Assuming 10% PEIP increase)	\$	211,560.00	\$	420,420.00	\$	247,726.00
Wellness dollars two years	\$	116,280.00	\$	-	\$	92,000.00
Total Potential Savings over two years	\$	511,761.00	\$	817,493.00	\$	629,885.00

2236455 PEIP

2024895 SWWC

1816035 BCBS

1988729 Sourcewell

Provided by Bill Chukuske

10/5/2021

2022 Health Insurance Cost-Share Options

	(Current) 2021 PEIP		Recommended- Option A 2022 BCBS		Alternate-Option B 2022 BCBS		Alternate-Option C 2022 BCBS	
	Low Plan 1 - HSA/VEBA		\$2,000/\$4000 Deductible Non-Embedded HSA/VEBA		\$2,000/\$4000 Deductible Non-Embedded HSA/VEBA		\$2,000/\$4000 Deductible Non-Embedded HSA/VEBA	
	Single	Family	Single	Family	Single	Family	Single	Family
Monthly Premium	\$718.32	\$1,901.10	\$632.33	\$1,673.51	\$632.33	\$1,673.51	\$632.33	\$1,673.51
Employer Contribution	\$624.84	\$1,618.79	\$550.13	\$1,422.48	\$543.80	\$1,405.75	\$538.85	\$1,391.20
Employee Contribution	\$93.48	\$282.31	\$82.20	\$251.03	\$88.53	\$267.76	\$93.48	\$282.31
ER Annual Premium	\$7,498.08	\$19,425.48	\$6,601.53	\$17,069.80	\$6,525.65	\$16,868.98	\$6,466.20	\$16,694.40
EE Annual Premium	\$1,121.76	\$3,387.72	\$986.43	\$3,012.32	\$1,062.31	\$3,213.14	\$1,121.76	\$3,387.72
ER HSA/VEBA contribution	\$1,500.00	\$2,000.00	\$1,500.00	\$2,000.00	\$1,500.00	\$2,000.00	\$1,500.00	\$2,000.00
Total Annual ER contribution	\$8,998.08	\$21,425.48	\$8,101.53	\$19,069.80	\$8,025.65	\$18,868.98	\$7,966.20	\$18,694.40
Savings to Employer from 2021:			-\$896.55	-\$2,355.68	-\$972.43	-\$2,556.50	-\$1,031.88	-\$2,731.08

- Option A** Cost-sharing of premium rate decrease is consistent with prior approvals from the Council, dating back to 2015. Both the City and the Employees will realize a premium savings with this option---sharing equally in the total premium rate decrease percentage.
- Option B** Additional 1% increase in Employee premium cost-share over Option A. This option starts with the same cost-share model from above (Option A) and then adds an additional 1% of the total premium to the Employee's portion of the premium.
- Option C** No change in Employee premiums for 2022. This option provides the City with the full savings realized from the reduced premium. The premium for Employees will remain flat; that is, Employees will pay the same monthly premium in 2022 as paid in 2021 for the same plan (single or family).

2022 Health Insurance Cost Projections

Recommendation: Option A

Est. Total Employer cost \$ 1,453,043.54
2022 Total Estimated increase in Employer cost \$ (176,992.06)

Increase by Fund

General Fund	\$ (138,299.26)
EDA	\$ (2,355.68)
Red Baron	\$ (5,607.91)
Merit	\$ (2,355.68)
Waste Water	\$ (23,328.20)
Tall Grass Liquor	\$ (5,045.34)

Alternative Option: Option B

Est. Total Employer cost \$ 1,437,968.23
2022 Total Estimated increase in Employer cost \$ (192,067.37)

Increase by Fund

General Fund	\$ (150,080.97)
EDA	\$ (2,556.50)
Red Baron	\$ (6,085.43)
Merit	\$ (2,556.50)
Waste Water	\$ (25,314.17)
Tall Grass Liquor	\$ (5,473.80)

Alternative Option: Option C

Est. Total Employer cost \$ 1,425,019.20
2022 Total Estimated increase in Employer cost \$ (205,016.40)

Increase by Fund

General Fund	\$ (160,225.44)
EDA	\$ (2,731.08)
Red Baron	\$ (6,494.04)
Merit	\$ (2,731.08)
Waste Water	\$ (27,008.04)
Tall Grass Liquor	\$ (5,826.72)

\$2,000 Non-Embedded Deductible Aware Network
January 1, 2022

Coinsurance reflects member responsibility

	In network* MN Network: Aware National Network: BlueCard PPO	Out of network**
Calendar-year deductible The in- and out-of-network deductibles accumulate separately. No fourth quarter deductible carryover	Medical and pharmacy combined \$2,000 single \$4,000 family	Medical and pharmacy combined \$4,000 single \$8,000 family
Coinsurance Level – What the member pays	Deductible then 25% coinsurance	Deductible then 50% coinsurance
Calendar-year out-of-pocket maximum The in- and out-of-network out-of-pocket maximums accumulate separately. Non-covered charges and charges in excess of the allowed amount do not apply to the out-of-pocket maximum.	Medical and pharmacy combined \$3,000 single \$6,000 family	Medical and pharmacy combined \$6,000 single \$12,000 family
Benefit payment levels	Payment for participating network providers as described. Most payments are based on allowed amount.	If nonparticipating provider services are covered, you are responsible for the difference between the billed charges and allowed amount. Most payments are based on allowed amount.
Preventive care <ul style="list-style-type: none"> well-child care to age 6 prenatal care preventive medical evaluations age 6 and older cancer screening preventive hearing and vision exams immunizations and vaccinations 	0% 0% 0% 0% 0% 0%	0% 0% Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance
Omada® <ul style="list-style-type: none"> diabetes and cardiovascular disease prevention program 	0%	No coverage
Physician services <ul style="list-style-type: none"> e-visits* retail health clinic (office visit) physician office visits office and outpatient lab services office and outpatient lab diagnostic imaging allergy injections and serum Urgent Care professional services 	First 5 visits 0%, subsequent visits deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance	Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 25% coinsurance
Other professional services <ul style="list-style-type: none"> chiropractic manipulation (office visit) chiropractic therapy home health care physical therapy, occupational therapy, speech therapy (office visit) physical therapy, occupational therapy, speech therapy (therapy) 	Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance	Deductible then 50% coinsurance Deductible then 50% coinsurance No coverage Deductible then 50% coinsurance Deductible then 50% coinsurance
Hospital Inpatient services	Deductible then 25% coinsurance	Deductible then 50% coinsurance
Hospital Outpatient services <ul style="list-style-type: none"> facility lab services facility diagnostic imaging chemotherapy and radiation therapy scheduled outpatient surgery urgent care services (facility services) 	Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance	Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 25% coinsurance

	In network* MN Network: Aware National Network: BlueCard PPO	Out of network**
Emergency care • emergency room (facility charges) • professional charges • ambulance (medically necessary transport to the nearest facility equipped to treat the condition)		Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance
Durable Medical Equipment	Deductible then 25% coinsurance	Deductible then 50% coinsurance
Bariatric surgery	No coverage	No coverage
Assisted fertilization	No coverage	No coverage
Behavioral health (mental health and substance abuse services) • inpatient professional services • outpatient professional services (office visits) • outpatient hospital/facility services	Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance	Deductible then 50% coinsurance Deductible then 50% coinsurance Deductible then 50% coinsurance
Prescription drugs – Classic Network • retail (31-day limit) KeyRx drug list • Tier 1 • Tier 2 • Tier 3 • Tier 4 • 90dayRx – Mail order pharmacy (90-day limit) KeyRx drug list • Tier 1 • Tier 2 • Tier 3 • Tier 4 • 90dayRx – Retail pharmacy (90-day limit) KeyRx drug list • Tier 1 • Tier 2 • Tier 3 • Tier 4	Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance Deductible then 25% coinsurance	No coverage No coverage No coverage No coverage No coverage No coverage No coverage No coverage No coverage No coverage No coverage No coverage
	90dayRx applies to participating retail and/or mail service pharmacy only. Identified specialty drugs purchased through a specialty pharmacy network supplier are eligible for coverage (no coverage for specialty drugs purchased through a nonparticipating specialty pharmacy supplier). The patient will pay the difference if a brand-name drug is dispensed when a generic drug is available. The drug list uses a step therapy program. Sign in at bluecrossmnonline.com and select "Prescriptions," then see "frequently asked questions."	

Your out-of-pocket costs depend on the network status of your provider. To check status, call Blue Cross customer service or visit bluecrossmnonline.com.

***Lowest out-of-pocket costs:** in-network providers

Highest out-of-pocket costs: out-of-network **nonparticipating** providers (You are responsible for the difference between Blue Cross' allowed amount and the amount billed by nonparticipating providers. This is in addition to any applicable deductible, copay or coinsurance. Benefit payments are calculated on Blue Cross' allowed amount, which is typically lower than the amount billed by the provider.)

Non-embedded deductible – The plan begins paying benefits that require cost sharing when the entire family deductible is met. The deductible can be met by one or a combination of several family members. The individual deductible applies to single coverage only.

This is only a summary. Read your benefit booklet for more information about what is and isn't covered. Services that aren't covered include those that are cosmetic, investigative, not medically necessary or covered by workers' compensation or no-fault insurance.

For more information, visit bluecrossmnonline.com or call Blue Cross customer service at the number on the back of your member ID card.

The Omada program is from Omada Health, Inc., an independent company providing digital intensive behavioral counseling program.

*The inclusion of coverage for five no cost e-visits for HSA plans will be contingent upon the current HSA telehealth exception being extended or being made permanent through additional legislation. The current HSA telehealth exception in the CARES Act is set to expire on 12/31/2021.

