



SPECIAL PERSONNEL COMMITTEE
THURSDAY, JUNE 4, 2015 – 4:00 PM
CITY HALL, COUNCIL CHAMBERS

AGENDA

1. Meeting called to order by Chairman Kupsik
2. Roll Call
3. Comments from the public limited to 5 minutes
4. Discussion/Recommendation on employee compensation.
5. Discussion/Recommendation on health insurance and benefits.
6. Adjourn

*This is a meeting of the Personnel Committee.
No official Council action will be taken; however, a quorum of the Council may be present.*

6/3/2015 1:15pm

cc: Aldermen, Mayor, Administrator, Attorney, Media

June 4, 2015

Good Morning,

First let me start by apologizing for my outburst at last month's city council meeting. My main objective is to politely criticize the communication efforts as it pertains to valuable employees and retirees from the City of Lake Geneva. I certainly should have been more amicable and thought about what I was going to say versus exploding on you and for this I am truly sorry.

I am writing each of you on behalf of my husband, Russ Carstensen, a 30 year veteran to the police force, to ask that you please consider waiting a full year before making a decision on how to handle the health care initiative. In my mind there are issues with the current provider which you are all probably not aware of and this needs to be explored; possibly by the new administrator, Blain Oborn, who can review the current policy and how it will effect current, future and past employees of the City of Lake Geneva.

As a business person I totally understand what is happening in the insurance world. Due to Obamacare we actually had to cancel the insurance altogether here at Harbor Shores! The difference being, I along with my staff are all replaceable. This city cannot survive on employees who go to work just to collect a paycheck. In order to be a police officer you must have a passion for this type of work, to carry a gun and be called out at any given time day or night, to walk up to a car to give a ticket knowing full well that the person driving could potentially pull out a gun on you. Every police officer takes an oath knowing when they walk out of their door at home it could be the last time, especially in the world we live in today.

One pertinent thought I would ask you to consider is that your employees are dedicated to this City! When they took the position to protect the citizens 24/7 they did not do this to get rich....itis in their blood; their aspiration is to serve and protect. At the very least I would hope that as a council you in turn would protect their future as well.

Thank you for your consideration as you review the options put before you as it pertains to the City's health insurance.

Sincerely,

Tammie Carstensen

Tammie Carstensen

**CITY OF LAKE GENEVA
WAGE RAISE HISTORY**

<u>Year</u>	<u>Utility</u>	<u>Library</u>	<u>Council</u>	<u>Police Union</u>
2015	2%			
2014	2%	3%	2%	2%
2013	2%	2.3%	2%	2%
2012	3%	-	Stipend only	1%
2011	2%	-	-	-
2010	-	1%	1%	1%
2009	3.5%	2%	3%	3%
	14.5%	8.3%	8.0%	9.0%

SPECIAL CITY COUNCIL MEETING – BUDGET PUBLIC HEARING

MONDAY, NOVEMBER 17, 2014 – 5:00 PM

COUNCIL CHAMBERS, CITY HALL

Mayor Connors called the meeting to order at 5:02 p.m.

The Pledge of Allegiance was led by City Clerk Waswo.

Roll Call. Present: Mayor Connors, Aldermen Chappell, Wall, Kordus, Hill, Kehoe, Hedlund, Kupsik and Lyon. Also present: City Administrator Jordan, City Attorney Draper, Comptroller Pollitt and City Clerk Waswo.

Public hearing and Adoption of the 2015 Operating and Capital Budget for the City of Lake Geneva.

Administrator Jordan stated there were a couple changes since the budget was published in the paper. In speaking with the auditor, he made a couple recommendations. The first was moving the cemetery from the general property tax and putting it under the cemetery fund. The second was moving the equipment replacement fund from the general property tax into a separate category. There was also \$4,300 put into contingency. Mr. Jordan stated he is concerned about setting aside money for the equipment replacement and thinks money needs to be put aside for it now. At this time, there is \$135,000 in the fund. Mr. Jordan also stated the mill rate did not go up. Mayor Connors stated the cemetery funding had always been in the budget at \$150,000, it just is shown under a separate line item, which Mr. Jordan confirmed.

Public Hearing Comments

Terry O'Neill, 954 George Street, stated his concerns on the budget. He said that most important item is the TIF Fund. He commended Mayor Connors on his letter addressing the capital equipment problem and the steps taken towards a solution. He was also concerned with why the 2014 property tax 9 month actual number is listed at 1½ million dollars higher than the 12 month number at the end. Also stated his concerns with the projected room tax amount and believes the amount listed is optimistic as there has been a steady decline in room tax. He further stated he believes there is a decrease in people visiting and staying overnight in the city.

Kupsik/Kordus motion to close the public hearing. Unanimously carried.

Resolution 14-R44, a resolution approving and adopting the 2015 operating and capital budgets for the City of Lake Geneva

Comptroller Pollitt said the room tax item that Mr. O'Neill referenced did drop in 2013. When the Cove was taken over, the prior entity did not pay their last three quarters of room tax, which the city took a hit on, causing the \$20,000 drop. She stated she feels confident that we will finish the year at \$450,000. Mayor Connors noted we typically under budget and finish the year higher.

Ms. Pollitt commented on the other item Mr. O'Neill referenced about the 9 months being higher. She stated the 9 month figure is higher as the funds have not been segregated out of the general fund, which will be before the end of the year. These amounts are the debt service portion, \$90,000 to capital projects and the Library's portion.

Administrator Jordan stated the money generated for the Equipment Replacement Fund comes from the parking ticket increase, the beach pass increase, the increase in construction in the city and the re-evaluation.

Alderman Hill stated we had a shortage of roughly \$66,000 and through the budget workshops, staff was able to balance the budget by raising parking tickets from \$12 to \$20 and an administrative fee of \$3.00 per beach pass. We have since learned through the annual re-evaluation that our assessed value has gone up, which is what created the revenue of \$130,000 that we didn't know we had before, that is now going into the equipment replacement fund. Mr. Jordan stated the revenues that were increased came to \$115,000 and the assessed value if the difference between that and what we are showing.

Ms. Hill stated she has no problem with the \$3 beach passes. She believes the hike on the parking increase is a little severe. She stated the one thing she is really concerned about is that the budget includes a 1.5% raise for staff. She feels the staff works harder every year with less and by far is our biggest asset. She said the 1.5% does not cover the cost of living and would like to see a 2% increase for staff. She appreciates having a goal for self sufficiency regarding the equipment replacement fund; however, she doesn't believe it is realistic to fully fund a \$871,000 equipment replacement fund. She stated she would rather take care of our most important aspect, our employees, and increase the raise to 2% for staff.

Alderman Jordan stated the equipment replacement fund is not going to be funded immediately, but stated it could be close from the funds from the TIF 4, when it closes, and also when the property sells on Edwards Boulevard. He stated if council chooses to do the 2% raise for employees, the other half percent could come from the contingency.

Alderman Kehoe asked about other permits on the operating budget. Comptroller Pollitt stated those are special event permits, street use permits and banner permits, which has been budgeted at a lower amount with the discussion about the BID requesting waiver of those fees. Mr. Jordan stated all our fees are looked at in the beginning of the year for adjustments either up or down. Alderman Kehoe stated she is in favor of raising event permit fees to bring in revenue.

Alderman Chappell stated beach passes for our residents have always been complimentary and creating a new fee that will only generate \$24,000 is not the best avenue to generate revenue at this time. She understands increasing the fine for parking tickets as it is a fee that already exists, but she is not in favor of creating a whole new fee. She also stated she doesn't feel our residents are aware of the increase. Mayor Connor noted that the beach tag is a user fee and if a person doesn't use the beach, they do not pay anything. He stated page 27 of the budget shows the cost to operate the beach at almost \$150,000 between employees and the Water Safety Patrol.

Alderman Hill stated she doesn't believe a complimentary beach pass is a given right and would like to get creative in creating new fees. She stated the council has to find a way to balance the budget and would prefer to do it conservatively, but the beach is an expensive line item. Alderman Chappell stated she feels this fee is hurting moms with children and believes the beach is another public space, like our parks, that should remain free.

Alderman Kordus stated the beach is not free, as Ms. Hill pointed out, and there is a large budget that is paid for by the taxpayers. He stated the beach tag is not necessarily a user fee; it is a fee that is going to cover the cost of the beach tag and the cost to administer it. The city still is not making a profit off of the beach passes. Mr. Kordus stated we are not balancing the budget; we are just covering a small expense and passing it onto the people who are using it. The City gives out about 9,000 beach passes per year and we don't even have 8,000 residents in the city, which shows there is way more passes being issued than residents in the city. He stated it is only fair to pass the cost of printing the passes and administering the program onto those people who are using it, rather than adding an additional burden onto the taxpayers who are not using it. He stated he doesn't feel this is a consequential amount.

Ms. Chappell stated she is concerned that charging the residents \$3 for a beach tag was to balance the budget and feels this is nickel and diming our residents.

Administrator Jordan stated all other municipalities but one are charging an average of \$8 to \$10 dollars for beach tags. Alderman Kordus stated this was not a willy-nilly fee that was tossed out there to balance the budget. He stated they looked at different items and the cost to administer these items. He stated there are several other items that do not come into play this year that were not addressed, however, the beach was just one of those that was low hanging fruit.

Alderman Hill stated she is curious to see how the rest of the council feels about a 2% increase for our staff and if the monies are available. Ms. Pollitt stated the funds are available in contingency and that the budget was originally presented with a 2% raise, which was knocked down at the finance level to 1.5%. Ms. Hill noted this was lowered back when there was a \$66,000 shortfall, which Ms. Pollitt confirmed. Ms. Pollitt further stated the budget can still be passed today, as taking the funds from contingency and putting them into the department budgets is done through the general fund. She said at the council's direction, she can rework the numbers, which would leave approximately \$65,000 still in contingency. Mayor Connors stated council is still waiting on the compensation study and the increase can be changed at a later date.

Alderman Wall believes we have a pretty good budget and stated it is refreshing to see money set aside for the future.

Wall/Kordus motion to approve Resolution 14-R44. Alderman Wall stated the budget is something the taxpayers can live with as there is a zero percent increase and funds are being set aside for the future.

Roll Call: Wall, Kordus, Hill, Kehoe, Hedlund, Kupsik and Lyon voted "yes." Motion carried 7 to 1 with Alderman Chappell voting "no."

Resolution 14-R45, a resolution approving the 2014 tax levy for the City of Lake Geneva

Hill/Kehoe motion to approve. Administrator Jordan stated there was an additional number in the Linn Joint 4 School column, and it should read as \$1,265.28.

Hill/Kupsik motion an amendment to correct the Linn Joint 4 figure to \$1,265.28. Unanimously Carried.

Roll Call: Chappell, Wall, Kordus, Hill, Kehoe, Hedlund, Kupsik, and Lyon voted "yes." Unanimously approved.

Adjournment

Kordus/Wall motion to adjourn at 5:40 p.m. Unanimously carried.

/s/ Sabrina Waswo, City Clerk

THESE ARE NOT OFFICIAL MINUTES UNTIL APPROVED BY THE COMMON COUNCIL

City of Lake Geneva 2014 Healthcare Costs

(2014 Audit Figures from Comptroller)

\$1,513,000 Healthcare
18.2% of the total budget

\$8,322,000 Total General Fund Spending

Monthly Cost per Employee:

<u>Single</u>		<u>Family</u>	
Health	\$1,042	Health	\$2,335
Dental	\$35	Dental	\$110
<hr/>		<hr/>	
Total	\$1,077	Total	\$2,445

Yearly Total Cost per Employee:

<u>Single</u>	<u>Family</u>
\$12,924	\$29,340

Cost per hour based on 2,080 hours per year:

<u>Single</u>	<u>Family</u>
\$6.21/hour	\$14.11/hour



Cadillac Plan Estimation for 2018 PPO PLAN



Effective January 1, 2018

Single	\$10,200	40% tax on value above \$10,200/single & \$27,500/family. Using the 2014 funding rates for the PPO plan, assuming a 10% trend, the plan would exceed the threshold by 2018 for both Single and Family Coverage. The PPO plan would be subject to Cadillac Plan Tax.
Family	\$27,500	

Current Self Funded PPO Plan

Assumes 10% trend, used current annualized funding rates with no plan design changes

Single	\$12,938.04
Family	\$28,903.32

2015	2016	2017	2018
\$14,232	\$15,655	\$17,221	\$18,943
\$31,794	\$34,973	\$38,470	\$42,317

*Single Premium Excise	\$3,497
*Family Premium Excise	\$5,927
Total Estimated Excise Based on January 2015 Enrollments	\$411,273



Enrollment Count as of 1/1/2015

Single: 21
Family: 57



City of Lake Geneva

2014 Benchmarking – Other WI Municipalities with C&B

	City of Lake Geneva	Municipality A	Municipality B	Municipality C
	PPO	PPO HDHP w/ HSA	HMO w/ HSA	PPO
Self Funded or Fully Insured	Self Funded	Self Funded	Fully Insured	Self Funded
In-Network Deductible	\$500 individual \$1,000 family	\$1,500 individual \$3,000 family	\$6,350 individual \$12,700 family	\$750 individual \$1,500 family
Out-of- Network Deductible	\$500 individual \$1,000 family	\$2,500 individual \$5,000 family	NA	\$1,500 individual \$3,000 family
Coinsurance (In-Network/Out-of-Network)	100% / 80%	100% / 80%	100% / NA	80% / 60%
In-Network Out-of-Pocket Max. (including deductible)	\$500 individual \$1,000 family	\$1,500 individual \$3,000 family	\$6,350 individual \$12,700 family	\$2,250 individual \$4,500 family
Out-of-Network Out-of-Pocket Max. (including deductible)	\$1,000 individual \$2,000 family	\$3,000 individual \$6,000 family	NA	\$4,500 individual \$9,000 family
Office Visit Copay	\$10	Deductible, then covered 100%	Deductible, then covered 100%	\$30
Specialist Copay (37% of Government Plans include)	\$10	Deductible, then covered 100%	Deductible, then covered 100%	\$30
Emergency Room Copay	\$25	Deductible, then covered 100%	Deductible, then covered 100%	Deductible, then covered 100%
Hospital Copay (16% of Government Plans include)	No Charge	Deductible, then covered 100%	Deductible, then covered 100%	Deductible, then covered 100%
Rx – Retail Mercer data represents generic/formulary brand/non-formulary	\$10 / \$20 / \$30 (30 day)	Deductible, then covered 100% (30 day)	Deductible, then covered 100% (30 day)	\$0 / \$20 / \$35 / \$25% (30 day)
EE Contributions	Monthly	Monthly	Monthly	Monthly
Single	\$0	\$98 (12%)	\$45 (11%)	*\$73 (30%)
Family	\$0	\$249 (12%)	\$123 (11%)	*\$180 (56%)
				*Outcome based Wellness Rates
Average Annual Cost/EE	\$25,846 (as of 3/31/15)	\$22,434	\$14,443	\$17,962

NOTE: Municipality A & B both contribute dollars towards the employee's HSA. This was included in the Average Annual Cost per EE.



City of Lake Geneva

Benchmarking – 2013 Mercer National Survey of Employer-Sponsored Health Plans

	City of Lake Geneva	Mercer 2013 PPO Governmental	Mercer 2013 PPO Midwest	Mercer 2013 PPO Small Employers
In-Network Deductible	\$500 individual \$1,000 family	\$400 individual \$900 family	\$500 individual \$1,000 family	\$1,500 individual \$3,000 family
Out-of- Network Deductible	\$500 individual \$1,000 family	\$500 individual \$1,200 family	\$1,000 individual \$2,000 family	\$2,000 individual \$4,500 family
Coinsurance (In-Network/Out-of-Network)	100% / 80%	80% / 70%	80% / 60%	80% / 70%
In-Network Out-of-Pocket Max. (including deductible)	\$500 individual \$1,000 family	\$2,000 individual \$4,000 family	\$2,000 individual \$4,800 family	\$3,000 individual \$6,000 family
Out-of-Network Out-of-Pocket Max. (including deductible)	\$1,000 individual \$2,000 family	\$3,000 individual \$6,000 family	\$4,000 individual \$8,000 family	\$5,000 individual \$10,000 family
Office Visit Copay	\$10	\$20	\$25	\$25
Specialist Copay (37% of Government Plans include)	\$10	\$40	\$40	\$50
Emergency Room Copay	\$25	\$100	\$100	\$100
Hospital Copay (16% of Government Plans include)	No Charge	\$250	\$250	\$250
Rx – Retail Mercer data represents generic/formulary brand/non-formulary	\$10 / \$20 / \$30 (30 day)	\$10 / \$25 / \$42 (30 day)	\$10 / \$30 / \$50 (30 day)	\$10 / \$30 / \$50 (30 day)
EE Contributions	Monthly	Monthly	Monthly	Monthly
Single	\$0	\$89 (15%)	\$110 (21%)	\$144 (30%)
Family	\$0	\$334 (25%)	\$366 (26%)	\$545 (56%)
Employers Requiring No Employee Contribution				
Single		27%	6%	36%
Family		5%	3%	18%
Average Annual Cost/EE	\$25,846 (as of 3/31/15)	\$11,478	\$10,624	\$9,500

NOTE: Mercer Reports Based on the Median

Actuarial Modeling

Model Comparison: \$500 PPO Plan

Total Paid Comparison	Current	1500 PPO 90%	3000 HSA 90%	1500 HSA 90%
Value of Medical Plan Changes		-28%	-35.6%	-25.1%
Value of Rx Plan Changes		n/a	n/a	n/a
Total Value of Plan Changes		-28%	-35.6%	-25.1%
Total Medical Paid	\$915,500.22			
Total Rx Paid	\$354,018.00			
Total Projected Paid	\$1,269,518.22	\$914,053.12	\$817,569.73	\$950,869.15

Members Affected Comparison									
Total Claimants	169								
Total Enrolled	190								
	Current		1500 PPO 90%		3000 HSA 90%		1500 HSA 90%		
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	
Deductible	500	500	1500	4500	3000	6000	1500	4500	
Members affected			-138	-23	-138	-23	-138	-23	
% of total claimants			-81.66%	-13.61%	-81.66%	-13.61%	-81.66%	-13.61%	
% of total enrolled			-72.63%	-12.11%	-72.63%	-12.11%	-72.63%	-12.11%	
Primary Care Copay	10	10	25	25	0	0	0	0	
Members affected			-79	-4	79	4	79	4	
% of total claimants			-46.75%	-2.37%	46.75%	2.37%	46.75%	2.37%	
% of total enrolled			-41.58%	-2.11%	41.58%	2.11%	41.58%	2.11%	
Specialist Copay	10	10	50	50	0	0	0	0	
Members affected			-39	-2	39	2	39	2	
% of total claimants			-23.08%	-1.18%	23.08%	1.18%	23.08%	1.18%	
% of total enrolled			-20.53%	-1.05%	20.53%	1.05%	20.53%	1.05%	
Plan Coinsurance	100	80	90	70	90	70	90	70	
Members affected			-138	-23	-138	-23	-138	-23	
% of total claimants			-81.66%	-13.61%	-81.66%	-13.61%	-81.66%	-13.61%	
% of total enrolled			-72.63%	-12.11%	-72.63%	-12.11%	-72.63%	-12.11%	

Single Out of Pocket Max	500	1000	4500	9000	6000	12000	4500	9000
Members affected			-138	-23	-138	-23	-138	-23
% of total claimants			-81.66%	-13.61%	-81.66%	-13.61%	-81.66%	-13.61%
% of total enrolled			-72.63%	-12.11%	-72.63%	-12.11%	-72.63%	-12.11%
Inpatient Copay	0	0	0	0	0	0	0	0
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a
Outpatient Surgery Copay	0	0	0	0	0	0	0	0
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a
Emergency Room Copay	25	25	100	100	0	0	0	0
Members affected			-24	-2	24	2	24	2
% of total claimants			-14.2%	-1.18%	14.2%	1.18%	14.2%	1.18%
% of total enrolled			-12.63%	-1.05%	12.63%	1.05%	12.63%	1.05%
Urgent Care Copay	10	10	50	50	0	0	0	0
Members affected			-13	0	13	0	13	0
% of total claimants			-7.69%	0%	7.69%	0%	7.69%	0%
% of total enrolled			-6.84%	0%	6.84%	0%	6.84%	0%
Well Child Annual Max	10000	10000	10000	10000	10000	10000	10000	10000
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a
Adult Wellness Annual Max	10000	10000	10000	10000	10000	10000	10000	10000
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a

Medical Plan Comparison	Current		1500 PPO 90%		3000 HSA 90%		1500 HSA 90%	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible	500	500	1500	4500	3000	6000	1500	4500
Family Deductible	1000	1000	3000	9000	6000	12000	3000	9000
HSA Style Family Limit	No	No	No	No	No	No	No	No
Primary Care Copay	10	10	25	25	0	0	0	0
Specialist Copay	10	10	50	50	0	0	0	0
Copay Type	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.
Plan Coinsurance	100%	80%	90%	70%	90%	70%	90%	70%
Single Out of Pocket Max	500	1000	4500	9000	6000	12000	4500	9000
Family Out of Pocket Max	1000	2000	9000	18000	12000	24000	9000	18000
Inpatient Copay	0	0	0	0	0	0	0	0
Outpatient Surgery Copay	0	0	0	0	0	0	0	0
Emergency Room Copay	25	25	100	100	0	0	0	0
Urgent Care Copay	10	10	50	50	0	0	0	0
Plan Psych Chem Dep Coinsurance	0%	0%	0%	0%	0%	0%	0%	0%
Psych Chem Dep Inpatient Limit	0	0	0	0	0	0	0	0
Psych Chem Dep Outpatient Limit	0	0	0	0	0	0	0	0
Well Child Annual Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Adult Wellness Annual Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Percent of Total Care in Network	99%	1%	99%	1%	99%	1%	99%	1%
PCP & SCP Copays Apply After Deductible	No	No	No	No	No	No	No	No
Do Copays Apply to Out of Pocket Max?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Prescription Drug Comparison	Current	1500 PPO 90%	3000 HSA 90%	1500 HSA 90%
Separate Rx Card?	No	No	No	No
Drug Claims as Percent of Total Claims	27.8860%	27.8860%	27.8860%	27.8860%

	Tier 1; Tier 2; Tier 3			
Deductible	0; 0; 0	0; 0; 0	0; 0; 0	0; 0; 0
Plan Coinsurance	100%; 100%; 100%	100%; 100%; 100%	0%; 0%; 0%	0%; 0%; 0%
Employee Coinsurance Minimum	n/a; n/a; n/a	n/a; n/a; n/a	n/a; n/a; n/a	n/a; n/a; n/a

Employee Coinsurance Maximum	Unlimited; Unlimited; Unlimited	Unlimited; Unlimited; Unlimited	0; 0; 0	0; 0; 0
Copay	10; 20; 30	10; 30; 60	0; 0; 0	0; 0; 0
Generic Mandate Options	None	None	None	None
Rx Copays Apply After Medical Deductible	No	No	No	No
Do Copays Apply Against Out of Pocket Max?	Yes	Yes	Yes	Yes

City of Lake Geneva

Contribution Modeling: 5.1.15

Medical only - doesn't include dental

Current Funding Rates

Single	\$	1,041.81
Family	\$	2,334.67

Current Employee Enrollment

Single	19
Family	58

Contribution Modeling	Employee Rates			
	Current	Alternate 1 (Flat Dollar)	Alternate 2 (Flat Dollar)	Alternate 3 (5% Employee Share)
Single	\$0.00	\$50/mo.	\$50/mo.	\$52.09
Family	\$0.00	\$100/mo.	\$150/mo.	\$116.73
Monthly Employee Contributions	\$0.00	\$6,750.00	\$9,650.00	\$7,760.26
Annual Employee Contributions	\$0.00	\$81,000.00	\$115,800.00	\$93,123.15

ACA "Affordability" = Single premium rate cannot exceed 9.5% of gross income.

Example:

Annual Gross Income	\$15,000	\$20,000	\$25,000	\$30,000
Maximum Monthly Rate	\$118.75	\$158.33	\$197.92	\$237.50

*Assumes current total funding rates for Alternate 3. Any change in rates will result in contribution changes.

To help you understand the differences between FSAs, HRAs, and HSAs, please review the chart below. It will assist in deciding which account would complement the health plans your organization offers.

Plan design or compliance issue	Health FSA	HRA	HSA
Who is eligible?	Any employee, subject to employer-designed exclusions. The employer must offer a group health plan to those eligible for the health FSA, though the employee does not have to be enrolled in the health plan in order to be eligible for the health FSA.	Any employee, subject to employer-designed exclusions. HRA eligibility must be tied to enrollment in group health plan or meet other options defined within IRS Notice 2013-54.	Any individual who is covered under an HDHP (as defined in Code §223), is not entitled to Medicare, and cannot be claimed as a tax dependent. With certain exceptions, the individual cannot have any non-HDHP health coverage.
Are self-employed individuals (including more than 2% shareholders of a Subchapter S corporation and partners in a partnership) eligible?	No.	No.	Yes, they are eligible to open an HSA and take the HSA credit on their 1040. They will not be eligible to participate in a cafeteria plan used to fund HSAs in the workplace.
Is funding with cafeteria plan salary reductions permitted?	Yes. Employee salary reductions are limited to \$2,500 per plan year.	Not for an HRA. It is permitted for the health plan.	Yes.
Who can contribute?	Employer or employee (employee salary reductions limited to \$2,500 per plan year). Employer contributions must meet HIPAA excepted benefit rules or will disqualify the health FSA under ACA.	Employer only (except for COBRA premiums and possibly other employee after-tax contributions).	HSA holder or any other person (including holder's employer or family member).
Can unused amounts be carried over to the next year?	Generally no, but an employer may amend their plan to allow a carryover of up to \$500, or a grace period of up to 2-1/2 months during which claims may be incurred.	Yes.	Yes.
What medical expenses are eligible for reimbursement?	Otherwise unreimbursed Code §213(d) medical expenses of employee, spouse, children under age 27 and dependents, incurred during the coverage period. Cannot reimburse insurance premiums. Cannot reimburse qualified long-term care services.	Otherwise unreimbursed Code §213(d) medical expenses of employee, spouse, children under age 27 and dependents, incurred while coverage is in effect, including premiums for eligible health insurance and long-term care insurance, subject to employer-designed limitations. Cannot reimburse qualified long-term care services so long as the HRA is a flexible spending arrangement.	Otherwise unreimbursed Code §213(d) medical expenses of account holder, spouse, and dependents incurred after HSA established, other than insurance premiums (with limited exceptions for COBRA coverage, long-term care insurance, health coverage while drawing unemployment compensation, and, if 65 or older, any health insurance except a Medicare supplemental policy).

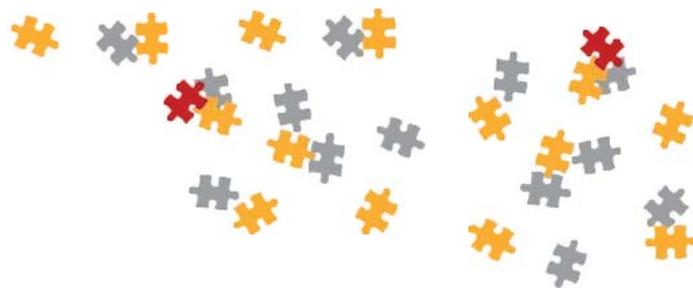
Plan design or compliance issue	Health FSA	HRA	HSA
Are distributions (or cash-outs) for non-medical expenses permitted?	No.	No.	Yes. Distributions cannot be restricted to pay or reimburse only qualified medical expenses. However, distributions for nonmedical expenses are taxable and subject to a 20% excise tax (certain exceptions apply).
Must coverage be elected/provided for a full 12 month period, and are there prohibitions on mid-year changes?	Yes.	Not for an HRA. Yes for health plan funded through a cafeteria plan.	Yes, for health plan funded through a cafeteria plan. Not for an HSA. IRS guidance confirms that the 12-month coverage and election change rules do not apply even for HSAs offered through a cafeteria plan.
Do the uniform coverage rules apply, requiring the annual coverage amount to be available as of the first day of the plan year?	Yes.	No. Coverage may be prorated by plan design (e.g., employee has \$100 credited to a bookkeeping account each month).	No. But IRS guidance indicates that employers may choose to accelerate funding of HSA salary reduction elections under a cafeteria plan, or of employer HSA contributions outside of a cafeteria plan, so long as certain requirements are met.
Can amounts that are unused at termination of active employment continue to be spent down?	Generally no. Cannot use unused amounts to pay for claims incurred after termination (except as COBRA or a plan's grace period may allow).	Yes. HRA can permit unused amounts to be used until depleted to pay for claims incurred after termination (COBRA may also apply).	Yes. HSAs are non-forfeitable and portable.
To be reimbursable, must claims be incurred during current period of coverage?	Yes.	Yes, but there is a big exception. Claims incurred but not reimbursed due to an insufficient HRA balance can be reimbursed in subsequent year if the individual was a participant when the claims were incurred and is still a participant.	No. Distributions for qualifying medical expenses will be tax-free if incurred at any time after the HSA is established. State trust law determines when an HSA is established.
Is expense substantiation required?	Yes.	Yes.	Yes. HSA account holder must retain records.
Is claims adjudication required? That is, must someone other than the covered employee or individual process and approve the claim?	Yes.	Yes.	No.

Plan design or compliance issue	Health FSA	HRA	HSA
Can an individual participate in more than one of these vehicles at the same time?	<p>An employee who is covered by a health FSA may also participate in an HRA.</p> <p>A traditional, general-purpose health FSA will make an individual ineligible for an HSA. But a limited-purpose health FSA or a high-deductible health FSA will not prevent HSA eligibility.</p>	<p>An employee who is covered by an HRA may also participate in a health FSA.</p> <p>A traditional, general-purpose HRA will make an individual ineligible for an HSA. But a limited-purpose HRA, a high-deductible HRA, a suspended HRA or a retirement HRA will not prevent HSA eligibility.</p>	<p>A traditional, general-purpose health FSA or HRA will make an individual ineligible for an HSA. But a specially designed health FSA or HRA will not prevent HSA eligibility.</p>
Are there ordering rules that apply?	<p>Yes. Generally, health FSAs must be payors of last resort vis-a-vis an HRA. But HRAs and health FSAs can be drafted to require that the HRA pays only after health FSA amounts are exhausted.</p> <p>Cannot reimburse expenses that have been reimbursed elsewhere.</p>	<p>Yes. Generally, health FSAs must be payors of last resort vis-a-vis an HRA. But HRAs and health FSAs can be drafted to require that the HRA pays only after health FSA amounts are exhausted.</p> <p>Cannot reimburse expenses that have been reimbursed elsewhere.</p>	<p>No. HRA or health FSA participants do not need to exhaust their HSAs before seeking payment or reimbursement through the HRA or health FSA. (Note: The box above describes the limited HRA or health FSA designs that do not interfere with HSA eligibility.)</p> <p>Cannot reimburse expenses that have been reimbursed elsewhere.</p>
Do Code § 105(h) nondiscrimination requirements apply?	Yes.	Yes.	No, for an HSA, but employer contributions made outside a cafeteria plan are subject to comparability requirements. Yes, for a self-insured HDHP.
Do Code § 125 nondiscrimination requirements apply?	Yes, for health FSAs offered under a cafeteria plan.	No. HRAs cannot be offered under a cafeteria plan. But the nondiscrimination rules will apply to the group health plan offered under a cafeteria plan.	Yes, for an HSA or HDHP offered under a cafeteria plan.
Is a trust account required?	No, not by the Code, but possibly by ERISA (no trust if health FSA complies with ERISA Tech. Rel. 92-01, including that reimbursements are made directly out of the general assets of the employer).	No, not by the Code, but possibly by ERISA (e.g., unclear if trust required for COBRA premiums or any other after-tax contributions).	Yes.
Are account earnings taxable?	If reimbursements are made out of the general assets of the employer and account funds are not set aside in a separate account, there are no earnings to be taxed. If funds are deposited in a VEBA, earnings generally are not taxed.	If reimbursements are made out of the general assets of the employer and account funds are not set aside in a separate account, there are no earnings to be taxed. If funds are deposited in a VEBA, earnings generally are not taxed.	No (except unrelated business income will be taxed under Code § 511).
May debit cards be used?	Yes.	Yes.	Yes.

ERISA for ERISA Covered Employers	Health FSA	HRA	HSA
Is it an ERISA plan? (If a plan is subject to ERISA, various requirements will apply)	Yes, unless plan maintained by governmental entity or church (ERISA does not apply).	Yes, unless plan maintained by governmental entity or church (ERISA does not apply).	Generally no, unless the employer takes action that triggers ERISA under DOL guidance. Employer contributions alone do not trigger ERISA.
Is there a funding requirement?	No. While there is no requirement to set funds aside in a separate account, an employer may choose to do so. But any such funding may invoke ERISA's trust requirement if amounts are segregated from general assets.	No. Employers may decide to fund (i.e. set aside funds) as potential liability increases. Any such funding may invoke ERISA's trust requirement if amounts are segregated from general assets.	The Code requires that HSA contributions be put in trust. ERISA's trust requirements will also apply to an employer-sponsored HSA that is an ERISA plan.
Are there plan assets for ERISA purposes?	Yes. Even for plans that are treated as "unfunded" under ERISA Tech. Rel. 92-1, salary reduction amounts are plan assets for purposes of ERISA's exclusive benefit and fiduciary duty rules.	With no employee contributions, HRAs generally do not have plan assets so long as all reimbursements are paid directly out of general assets of the employer and not from a special fund segregated from the general assets of the employer.	Generally no. But yes for an employer-sponsored HSA that is an ERISA Plan (i.e., employer contributions and employees' pre-tax salary reductions would be plan assets).
Is an ERISA Form 5500 required to be filed?	Yes. Exception for small (fewer than 100 participants) unfunded plan.	Yes. Exception for small (fewer than 100 participants) unfunded plan.	No.
Do ERISA SPD and other disclosures and adherence to ERISA's benefit claims procedures apply?	Yes.	Yes.	No.
Do ERISA fiduciary rules apply?	Yes.	Yes.	Generally, no. Yes for an employer-sponsored HSA that is an ERISA plan.
Is a plan document required?	Yes.	Yes.	Generally, no. Yes for an employer-sponsored HSA that is an ERISA plan.

Other Laws	Health FSA	HRA	HSA
Do HIPAA's portability, certificates of creditable coverage, and health status nondiscrimination provisions apply?	Yes. Exception for most (not all) health FSAs funded with salary reductions.	Yes. Exception for HRAs that fall within the technical definition of a health FSA.	Yes, for an HDHP and for an employer-sponsored HSA that is an ERISA plan. Special rules apply to governmental plans and to church plans.
Do HIPAA's administrative simplification (including privacy) provisions apply?	Yes.	Yes.	Yes, for an HDHP and for an employer-sponsored HSA that is an ERISA plan.
Does COBRA apply?	Yes. There is a special rule for qualifying health FSAs.	Yes. If HRA falls within the technical definition of health FSA, the special rule for qualifying health FSA will apply.	Generally not for HSAs. COBRA may apply to an employer-sponsored HSA that is an ERISA plan and/or to HSAs sponsored by state and local government employers. Yes for HDHP.
Are Creditable Coverage Disclosures required under Medicare Part D?	No.	Yes.	No for HSAs. Yes for HDHP.
Do the Medicare Secondary Payor (MSP) reporting rules apply?	No.	Yes. For HRAs with a balance of \$5,000 or more.	No.

Source: Thomson Reuters "Checkpoint" July 2014



LIST OF SERVICES

Your Patient Care Advocate will:

1. help you navigate the health care system
2. help you become a better health care consumer

Did a confusing medical bill come in the mail today?

Patient Care will:

- Research denied claims to determine if the denial is appropriate and if not, get the claim paid accurately
- Coordinate between the provider and the insurer to make sure claims are received and processed
- Contact providers regarding balance bills that are not legitimate and follow up until they are resolved
- Research and resolve claim problems
- Obtain accident details if needed to get a claim paid
- Determine whether you or your doctor is responsible when a claim is denied for lack of authorization or referral
- Determine if your claim has been adjusted, provider has received adjustment and confirm your balance
- Determine whether services are condition-specific or preventive; resolve claims related to those services
- File your claims for you
- Resolve claims that have been denied because the provider did not file within the limits of insurance company
- Obtain reimbursement from the Flexible Spending Account (FSA) vendor for covered expenses

It's like having a new best friend . . . Who is an expert in the health care system.

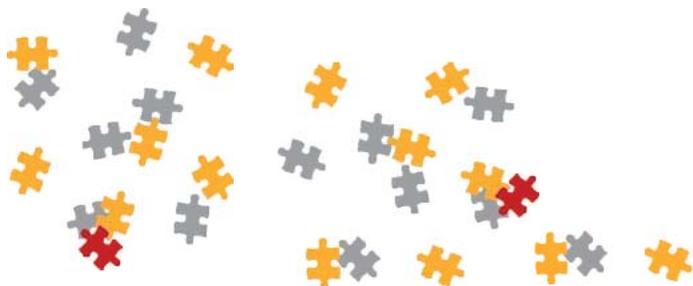
- Educate you about your medical plan and how to use it
- Help you choose the best health plan for you and your family at Open Enrollment (this includes your spouse's plan option)
- Explain the difference between a Flexible Spending Account (FSA), a Health Reimbursement Arrangement (HRA), and a Health Savings Account (HSA)

Technology. We have that covered too.

- Show you how to log on to your insurance company's website
- Explain how to find, read and understand your claim information
- Guide you in finding a doctor or facility on the insurance company's web site
- Help you use your company's internal benefits intranet site
- Assist you with using online enrollment tools
- Communicate with members who are deaf/hard of hearing using chat system

Appealing denied claims isn't fun. Good thing your Advocate rocks at it.

- Review the reasonableness of your request to appeal and explain the possible outcomes to you
- Work with you to write the appeal letter and track the appeal through all levels of the insurance company's process



Authorizations? Referrals?

- Determine if you need a referral or authorization before you have a service or procedure and obtain when needed
- Work with your provider to file the necessary paperwork if your claim is denied due to lack of authorization
- Research and explain if your service will be denied due to medical necessity - if appropriate, appeal the denial
- Assist you and your provider with getting a referral or authorization approved when necessary

Bid prescription drug questions farewell.

- Explain pharmacy benefits to you
- Resolve any payment problems for your prescriptions
- Expedite a refund when you have paid too much for a prescription
- Help you understand the difference between a brand-name and generic drug, and help you identify when a generic medication is available
- Help you understand and use mail order drug benefits
- Find out if the drug you need is on the formulary and, if not, what options are available for you
- Provide you with alternative purchasing options if you do not have prescription drug coverage
- Obtain authorization for speciality drugs
- Provide cost information for drug alternatives
- Coordinate between the pharmacy benefit manager (PBM), pharmacy and the health plan
- Determine benefits and high cost drugs for a transplant or cancer and file claims for approval
- Resolve your questions with the pharmacy regarding the amount of product requested vs. the amount dispensed

Put that dictionary away. We are fluent in medical jargon.

- Review your health plan options, including HSAs, HRAs, and FSAs
- Analyze doctors and hospitals available in each network
- Help you with the enrollment process
- Discuss which plan options are available and how they fit you and your family
- Explain covered expenses under your FSA/HSA/HRA and review how to allocate funds



866-253-2273

633 W. Wisconsin Avenue, Suite 1310

Milwaukee, Wisconsin | 53203

patientcare4u.com |   

You're covered to make sure they're covered.

- Contact the insurance company to complete the enrollment process for a spouse or child recently added to your plan
- Work with you on coverage issues
- Request a letter of creditable coverage to satisfy continuous coverage requirements
- Ensure your eligible college-age children are covered under your plan
- Correct claim payment errors due to eligibility issues
- Help you and your family members obtain correct insurance ID cards

Personal assistants aren't just for celebrities anymore.

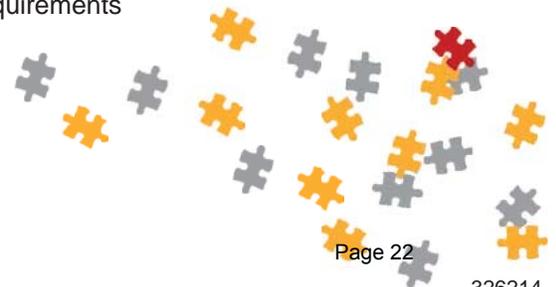
- Schedule an appointment for you when you are having trouble getting in to see a doctor or schedule a test
- Obtain your medical records when necessary
- Ensure services are being coordinated when multiple doctors are involved in your care
- Identify providers who are considered centers of excellence under your insurance plan
- Help you find a doctor for your situation
- Connect you with transportation available through local providers

The search is on!

- Review your specific needs and situation and discuss what options you have
- Explain how network contracting works
- Research network status of providers, particularly pathology, radiology, and anesthesiology
- Find providers for second opinions
- Help you understand how to "interview" a new physician to make sure that you will make a good choice
- Assist you in finding a specialist for your condition or diagnosis

When life gives you lemons . . . Call Patient Care.

- Suggest an EAP program as an alternative when there are benefit coverage issues for mental health
- Facilitate additional coverage of services for mental health through an EAP
- Find a provider of services after coverage limits are exhausted - negotiate payment terms if appropriate
- Resolve denied behavioral health claims due to EAP gatekeeper requirements



Cost & Quality Report Prepared For:

Alan Smith
1234 Main Street
Menomonee Falls, WI 53051

Request Date:	11/19/2013
Procedure:	Removal of Cyst
CPT code:	27347
Physician ordering the procedure:	Dr. Evanich
Date the procedure scheduled:	Not Scheduled
Setting:	Outpatient
Authorization Required:	No
Reference Number:	1-28373024

Provider Cost Comparison

(details on next page)



Please be sure to read entire report before making a decision.

A few things to keep in mind...

- 1. Higher cost does not always equal higher quality.
- 2. It's your decision! This report is compiled to assist you in making an informed decision

WE WANT YOUR FEEDBACK

When you review this report with your Specialist, you'll be entered into a drawing for a \$100 prepaid Visa card!

Physician Information	Evanich, Christopher J MD	Evanich, Christopher J MD	Miller, Paul MD
Provider Address	2323 N Mayfair Rd Ste 300 Milwaukee, WI 53226 PH: (414) 384-6700	2323 N Mayfair Rd Ste 300 Milwaukee, WI 53226 PH: (414) 384-6700	N84 W16889 Menomonee Ave. Menomonee Falls, WI 53051 PH: (262) 532-1555
Network Status	Yes	Yes	Yes
Total Price	\$5,111.00	\$5,111.00	\$4,595.00
Estimated Discount	\$2,708.83	\$2,708.83	\$2,435.35
Discounted Balance Your	\$2,402.17	\$2,402.17	\$2,159.65
Deductible to Meet Your	\$545.86	\$545.86	\$545.86
Coinsurance Payment	\$278.45	\$278.45	\$242.07
Your Estimated Responsibility	\$824.31	\$824.31	\$787.93
Employer Responsibility	\$1,577.86	\$1,577.86	\$1,371.72

Physician Quality Information

<i>Number of Times performed</i>	Weekly	Weekly	Weekly
<i>Electronic Medical Records</i>	No	No	Yes
<i>Electronic Prescription Ordering</i>	No	No	Yes
<i>Years Physician in Practice</i>	10+ years	10+ years	20+
<i>Physician accepts new patients</i>	Yes	Yes	Yes

Facility Information	Wheaton Franciscan Healthcare-Brookfield	Midwest Orthopedic Specialty Hospital	AURORA ADVANCED HEALTHCARE
Facility Address	19333 W. North Avenue Brookfield, WI 53045 PH: (262) 785-2000	10101 S. 27th Street 2nd FL Franklin, WI 53132 PH: (414) 817-5800	2999 N. Mayfair Rd. Milwaukee, WI 53222 PH: (414) 479-7000
Network Status	Yes	Yes	Yes
Total Price	\$9,255.85	\$13,840.00	\$7,645.00
Estimated Discount	\$4,905.60	\$0.00	\$4,051.85
Discounted Balance	\$4,350.25	\$13,840.00	\$3,593.15
Your Deductible to Meet	\$0.00	\$0.00	\$0.00
Your Coinsurance Payment	\$652.54	\$1,321.55	\$538.97
Your Estimated Responsibility	\$652.54	\$1,321.55	\$538.97
Employer Responsibility	\$3,697.71	\$12,518.45	\$3,054.18

*Facility Quality Information - as compared to the national average
* **** for the same category*

<i>Serious Complication Rate</i>	Not Available	Same	Not Applicable
<i>Blood Stream Infection Rate</i>	Not Available	Not Available	Not Applicable
<i>Blood Clot Prevention Rate</i>	Not Available	Better	Not Applicable
<i>Infection Prevention Rate</i>	Not Available		Not Applicable

Total Discounted Balance	\$6,752.42	\$16,242.17	\$5,752.80
Your Estimated Responsibility Grand Total	\$1,476.84	\$2,145.86	\$1,326.90
Employer Responsibility Grand Total	\$5,275.58	\$14,096.31	\$4,425.90

You could save \$818.96 if you choose the lower cost option

Important!

The amounts listed in the chart above are estimates based on the information gathered as a result of your request for assistance. Calculations are based upon the "Total Price" quoted by the medical provider, which may be sourced from a master charge list or reflect claims data averages. The actual price billed when your procedure is performed will determine the amount you will be responsible to pay.

As of the date of this letter you have met \$1,054.14 of your \$1,600.00 deductible. If your deductible has not been met, the charges for your procedure will be your responsibility until the deductible is satisfied. Additionally, your plan coinsurance is 85%. This means that you are responsible for 15% of the total cost of your health care after your deductible has been satisfied and until you reach your out of pocket maximum of \$3,200.00. Your out of pocket maximum does include your deductible. As of the date of this letter, \$1,054.14 has been applied toward your out of pocket maximum.

When diagnostic services, surgeries, and hospitalizations are required, there are multiple pieces involved in your care. This usually means that you will be billed from several service providers, some whose names you'll recognize and some you may not. The estimates we've included in this letter are only for one piece of your total care. Depending on your medical benefits, you may also have some financial responsibility to other providers such as assistant surgeons, anesthesiologists, pathology, and radiology services. If you have any questions, remember that you can call us to clarify your benefits.

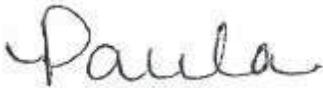
Notes:

All physician quality information was obtained directly from the physician's office. All hospital quality information was obtained from Hospital Compare. Hospital Compare was created through the Centers for Medicare & Medicaid Services (CMS) and with organizations representing consumers, hospitals, doctors, employers and accrediting organizations. Their website is www.hospitalcompare.hhs.gov.

Congratulations! You are now a more informed consumer.

Should you have any questions, please contact me at **866-253-2273 ext. 253**.

Sincerely,



Paula Moran
Transparency Specialist

What does this all mean?

Deductible: Amount of money you are responsible for before your plan's coinsurance starts.

Coinsurance: Amount of money you pay after your deductible has been met.

Out of Pocket Maximum: The maximum amount of money you will have to pay before your plan will pay at 100%.

Estimated Discount: Approximate price reduction that a physician or facility will apply to your procedure or test.

Discounted Balance: Amount of money remaining after the estimated discount is applied to the total price. This is calculated into your deductible and coinsurance.



patientcare

we make sense



The Real Story... **\$46,000 in Savings**

One of Patient Care's members - a 62 year old male - was told by his physician that he would be a candidate to have an aortic valve surgery due to chest pain, shortness of breath and having a "stiff" valve. The member wasn't convinced he really needed the procedure (he was in generally in good health and participated in daily aerobic exercise) and called Patient Care to help find a specialist from whom to get a second opinion.

Instead of just providing the name of a specialist, our Certified Case Manager asked the member a series of questions about the diagnosis of "stiff" valve and what tests were performed, as well as, what his ejection fraction reading was. The member took the list of questions to his cardiologist, the one who indicated he would need aortic valve surgery, and identified his ejection fraction score was stable. Since he was medically stable, it was not medically necessary to have the surgery.

The member will continue to exercise routinely and be monitored medically with his doctor in 6 months. Through Patient Care's coaching, the member avoided a very invasive and expensive procedure and is now being treated conservatively with medical monitoring by his physician.

This client's other "vendors" were not a resource for this member. His Advocate made the difference.

While many vendors talk about "managing health care costs", Patient Care actually does so.



patientcare

we make sense



The Real Story...

\$4,618 in Savings

Mona, a retired school teacher, injured her right shoulder a few years back. She had surgery on it and has had no troubles with it since. This shoulder injury is now considered a pre-existing condition and would not be covered by her insurance plan if she were to have any need to seek treatment.

Then poor Mona fell and injured her left shoulder taking out the garbage on an icy morning. She tore her rotator cuff, needed surgery and extensive physical therapy to heal her shoulder.

Unfortunately for Mona, the insurance company denied every claim from the hospital, surgeon, anesthesiologist, and physical therapists because these routine claims are auto-adjudicated by a computer system instead of a live person. All the computer sees is that Mona is receiving treatment for what the computer thinks is a pre-existing condition. Clearly, her injury is not pre-existing due to the injury occurring to her left shoulder and not the right shoulder.

Thankfully, Mona's insurance company uses Patient Care to help members in situations like these. So Mona called Vic, her Advocate, to help sort out her claims. Vic spent over 22 hours re-adjudicating 14 claims totaling over \$9,370 in claims dollars to date and saved Mona \$4,618.

At Patient Care you have a caring individual on your side that can save you a lot of time and money.

Section 125 Cafeteria Plan - Premium Only Plan

What is Section 125?

The US Congress created Code section 125 in an effort to make benefit programs more affordable for employees.

Section 125 is part of the IRS Code that allows employees to convert a taxable cash benefit (salary) into non-taxable benefits. ***Under a Section 125 program you may choose to pay for qualified benefit premiums before any taxes are deducted from employee paychecks.***

The Section 125 program is a tremendous opportunity for you to enhance your benefits package.

The **Premium Only Plan** is the building block of the Section 125 Plan. It allows for certain employee paid group insurance premiums to be paid with **pre-tax dollars**. The qualified premiums (if offered by employer) are:

- Health
- Prescription
- Dental
- Vision
- Disability (not recommended)
- Employee Group Term Life (up to \$50,000.00)
- Cancer
- Medicare Supplement
- Hospital Indemnity
- Accident

Employee Savings

Employees can save 20 - 40% of their payroll deductions. The savings are on city, state, and federal income taxes, including Social Security and Medicare.

Employer Savings

Employers save the matching Social Security (6.20%) and Medicare (1.45%) taxes, which equates to 7.65% (1.45% for municipalities) of all the dollars put through the plan, a substantial savings.

Actuarial Modeling

Model Comparison: \$500 PPO Plan

Total Paid Comparison	Current	HSA NonEmbedded	1250 Normalized	"Normalized"
Value of Medical Plan Changes		-17.3%	-19.4%	-16%
Value of Rx Plan Changes		n/a	n/a	n/a
Total Value of Plan Changes		-17.3%	-19.4%	-16%
Total Medical Paid	\$915,500.22			
Total Rx Paid	\$354,018.00			
Total Projected Paid	\$1,269,518.22	\$1,049,891.57	\$1,023,231.69	\$1,066,395.30

Members Affected Comparison									
Total Claimants	169								
Total Enrolled	190								
	Current		HSA NonEmbedded		1250 Normalized		"Normalized"		
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	
Deductible	500	500	1300	3000	1250	2500	1000	2000	
Members affected			-138	-23	-129	-23	-129	-23	
% of total claimants			-81.66%	-13.61%	-76.33%	-13.61%	-76.33%	-13.61%	
% of total enrolled			-72.63%	-12.11%	-67.89%	-12.11%	-67.89%	-12.11%	
Primary Care Copay	10	10	0	0	25	0	25	0	
Members affected			79	4	-79	4	-79	4	
% of total claimants			46.75%	2.37%	-46.75%	2.37%	-46.75%	2.37%	
% of total enrolled			41.58%	2.11%	-41.58%	2.11%	-41.58%	2.11%	
Specialist Copay	10	10	0	0	50	0	50	0	
Members affected			39	2	-39	2	-39	2	
% of total claimants			23.08%	1.18%	-23.08%	1.18%	-23.08%	1.18%	
% of total enrolled			20.53%	1.05%	-20.53%	1.05%	-20.53%	1.05%	
Plan Coinsurance	100	80	100	80	100	80	100	80	
Members affected			0	0	0	0	0	0	
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a	
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a	

Single Out of Pocket Max	500	1000	1300	6000	1250	5000	1000	2000
Members affected			-138	-23	-129	-23	-129	-23
% of total claimants			-81.66%	-13.61%	-76.33%	-13.61%	-76.33%	-13.61%
% of total enrolled			-72.63%	-12.11%	-67.89%	-12.11%	-67.89%	-12.11%
Inpatient Copay	0	0	0	0	250	0	250	200
Members affected			0	0	-5	0	-5	0
% of total claimants			n/a	n/a	-2.96%	n/a	-2.96%	0%
% of total enrolled			n/a	n/a	-2.63%	n/a	-2.63%	0%
Outpatient Surgery Copay	0	0	0	0	250	0	250	0
Members affected			0	0	-85	0	-85	0
% of total claimants			n/a	n/a	-50.3%	n/a	-50.3%	n/a
% of total enrolled			n/a	n/a	-44.74%	n/a	-44.74%	n/a
Emergency Room Copay	25	25	0	25	150	150	150	150
Members affected			24	0	-24	-2	-24	-2
% of total claimants			14.2%	n/a	-14.2%	-1.18%	-14.2%	-1.18%
% of total enrolled			12.63%	n/a	-12.63%	-1.05%	-12.63%	-1.05%
Urgent Care Copay	10	10	0	0	50	0	50	50
Members affected			13	0	-13	0	-13	0
% of total claimants			7.69%	0%	-7.69%	0%	-7.69%	0%
% of total enrolled			6.84%	0%	-6.84%	0%	-6.84%	0%
Well Child Annual Max	10000	10000	10000	10000	10000	10000	10000	10000
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a
Adult Wellness Annual Max	10000	10000	10000	10000	10000	10000	10000	10000
Members affected			0	0	0	0	0	0
% of total claimants			n/a	n/a	n/a	n/a	n/a	n/a
% of total enrolled			n/a	n/a	n/a	n/a	n/a	n/a

Medical Plan Comparison	Current		HSA NonEmbedded		1250 Normalized		"Normalized"	
	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network	In-Network	Out-of-Network
Deductible	500	500	1300	3000	1250	2500	1000	2000
Family Deductible	1000	1000	2600	6000	2500	5000	2000	4000
HSA Style Family Limit	No	No	Yes	Yes	No	No	No	No
Primary Care Copay	10	10	0	0	25	0	25	0
Specialist Copay	10	10	0	0	50	0	50	0
Copay Type	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.	Just O.V.
Plan Coinsurance	100%	80%	100%	80%	100%	80%	100%	80%
Single Out of Pocket Max	500	1000	1300	6000	1250	5000	1000	2000
Family Out of Pocket Max	1000	2000	2600	12000	2500	10000	2000	4000
Inpatient Copay	0	0	0	0	250	0	250	200
Outpatient Surgery Copay	0	0	0	0	250	0	250	0
Emergency Room Copay	25	25	0	25	150	150	150	150
Urgent Care Copay	10	10	0	0	50	0	50	50
Plan Psych Chem Dep Coinsurance	0%	0%	0%	0%	0%	0%	0%	0%
Psych Chem Dep Inpatient Limit	0	0	0	0	0	0	0	0
Psych Chem Dep Outpatient Limit	0	0	0	0	0	0	0	0
Well Child Annual Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Adult Wellness Annual Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Max	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Percent of Total Care in Network	99%	1%	99%	1%	99%	1%	99%	1%
PCP & SCP Copays Apply After Deductible	No	No	Yes	Yes	No	No	No	No
Do Copays Apply to Out of Pocket Max?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Prescription Drug Comparison	Current	HSA NonEmbedded	1250 Normalized	"Normalized"
Separate Rx Card?	No	No	No	No
Drug Claims as Percent of Total Claims	27.8860%	27.8860%	27.8860%	27.8860%

	Tier 1; Tier 2; Tier 3			
Deductible	0; 0; 0	0; 0; 0	0; 0; 0	0; 0; 0
Plan Coinsurance	100%; 100%; 100%	100%; 100%; 100%	100%; 100%; 100%	100%; 100%; 100%
Employee Coinsurance Minimum	n/a; n/a; n/a	n/a; n/a; n/a	n/a; n/a; n/a	n/a; n/a; n/a

Employee Coinsurance Maximum	Unlimited; Unlimited; Unlimited	Unlimited; Unlimited; Unlimited	Unlimited; Unlimited; Unlimited	Unlimited; Unlimited; Unlimited
Copay	10; 20; 30	0; 0; 0	10; 25; 50	10; 25; 50
Generic Mandate Options	None	None	None	None
Rx Copays Apply After Medical Deductible	No	Yes	No	No
Do Copays Apply Against Out of Pocket Max?	Yes	Yes	Yes	Yes

Resolution 13-R02

The Common Council of the City of Lake Geneva hereby establishes the following Wages, Salaries and Benefits for the following Non-Represented and Part-time (Non-Seasonal) Employees for the 2013 Budget Year:

Position	2010 Annual or Hourly Rate	11 Holidays Pay	Clothing Allowance	Longevity, Supervisor & School Pay as earned	2010 Total Annual Wage/Salary /Benefit PAID	% Inc	2013 Total Annual Wage/Salary/ Benefit with increase
Full Time Staff:							
City Administrator	91,294.00				91,294.00	2%	93,119.88
City Clerk	50,000.00				50,000.00	2%	51,000.00
Comptroller	60,600.00				60,600.00	2%	61,812.00
Building & Zoning Administrator	65,886.20				65,886.20	2%	67,203.92
Street Superintendent	57,861.50		600.00	250.00	58,711.50	2%	59,868.73
Part-time Staff:							
Emergency Mgmt Deputy Director	15,839.00				15,839.00	2%	16,155.78
Harbormaster	18.18				18.18	2%	18.54
Code Enforcement Officer	16.71				16.71	2%	17.04
Parking Supervisor	18.53				18.53	2%	18.90
Asst. Parking Supervisor	12.12				12.12	2%	12.36
Parking Enforcement Year 1	9.84				9.84	2%	10.04
Parking Enforcement Year 2	10.19				10.19	2%	10.40
Parking Enforcement Year 3	10.55				10.55	2%	10.76
Poll Workers per hour	7.25				7.25	2%	7.40
Poll Workers per day	102.00				102.00	2%	104.00
Chief Inspector poll workers per hour							8.40
Chief Inspector poll workers per day							118.00
As Approved by PFC:							
Fire Chief	23,168.88				23,168.88	2%	23,632.25
Deputy Fire Chief	4,275.25				4,275.25	2%	4,360.75
Assistant Fire Chief	2,508.46				2,508.46	2%	2,558.62
Police Chief	83,097.97	3,515.68	850.00	830.98	88,294.63	2%	90,043.53
Assistant Police Chief	77,148.65	3,263.98	850.00	771.49	82,034.12	2%	83,657.80
Police Sergeants	60,250.81	2,724.11	850.00	1,775.60	65,600.52	2%	66,860.01
Detective Sergeant	60,250.81	2,724.11	850.00	1,334.00	65,158.92	2%	66,418.41
PD Administrative Assistant	50,390.95	2,131.92	375.00	722.00	53,619.87	2%	54,670.33
PD Communications Supervisor	44,513.72	2,012.59	375.00	1,948.40	48,849.71	2%	49,780.23

Adopted this 14th day of January, 2013.

JAMES R. CONNORS, Mayor

ATTEST:

MICHAEL D. HAWES, City Clerk

Resolution 13-R46

The Common Council of the City of Lake Geneva hereby establishes the following Wages for its Part-time and Seasonal Employees for the Year 2013 Budget Year effective **June 3, 2013**:

Position	Current Pay	% Increase	Last Year of raise	New Pay
Beach Supervisor	12.72	5.0%	2009	13.35
Asst Beach Supervisor	12.09	5.0%	2009	12.69
Beach Attendants Year 1	8.99	2.3%	2009	9.20
Beach Attendants Year 2	9.29	2.3%	2009	9.50
Beach Attendants Year 3	9.63	2.3%	2009	9.85
Beach Attendants Year 4		new		10.00
Beach Kiosk Attendant -Lead		new		11.00
Beach Kiosk Attendant		new		10.00
Parking Enforcement Year 4		new		11.15
Street Seasonal Year 1	9.56	1%	2009	9.65
Street Seasonal Year 2	9.90	1%	2009	10.00
Street Seasonal Year 3	10.23	1%	2009	10.30
Street Seasonal Year 4		new		10.60
PD Lakefront Reserve Officers	15.36	6.5%	2011	16.36

Adopted this 22nd day of July, 2013.

James A. Connors, Mayor

ATTEST:

Michael D. Hawes, City Clerk

Resolution 14-R01

The Common Council of the City of Lake Geneva hereby approves the following Wage Rates for the following Non-Represented Employees for the 2014 Budget Year as approved in the 2014 budget process:

Position	2013 Hourly Rate	Clothing Allowance	2014 Hourly Rate
Full Time Staff:			
City Administrator (annual)	93,119.88		94,981.00
Deputy Clerk	18.88		19.23
Accounting Clerk & Municipal Court Clerk	16.67 - 16.79		17.12
Parking Clerk	new		16.00
Building/Zoning Admin Assistant	new		15.50
Street Department:			
Street Dept. Working Foreman	22.30	600.00	22.75
Street Dept. Arborist	21.71	600.00	22.14
Cemetery Sexton	21.04	600.00	21.46
Other Street Workers & City Hall Maint	20.78 - 20.94	600.00	21.31

Adopted this 13th day of January, 2014.

JAMES R. CONNORS, Mayor

ATTEST:

TIM NEUBECK, City Clerk

**CITY OF LAKE GENEVA
POLICE DEPARTMENT**

DISPATCH - work 2068.3 hours/yr	2013 Base Hourly Rate	2% Increase effective 1- 1-14	Hourly rate with the 2% increase	Additional per hour increase effective 3- 13-14 payroll	New 2014 Hourly Rate	2014 Annualized Wage (not including Holiday pay or overtime)	DATA ENTRY - work 2080 hours/yr
start	14.3007	0.2860	14.5867	0.36	14.9467	30,914.26	14.8626
1 year	16.1033	0.3221	16.4254	0.36	16.7854	34,717.24	16.6910
2 year	17.1076	0.3422	17.4498	0.36	17.8098	36,836.01	17.7096
3 year	18.1130	0.3623	18.4753	0.36	18.8353	38,957.05	18.7294
4 year	19.2591	0.3852	19.6443	0.36	20.0043	41,374.89	19.8918