

RESOLUTION NUMBER \_\_\_\_\_

**RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO  
AN AGREEMENT WITH \_\_\_\_\_ TO PROVIDE THIRD PARTY  
ADMINISTRATION AND BE ASSIGNED AGENT OF RECORD**

WHEREAS, the City of Cresco offers a health insurance plan for full-time employees and desires to name \_\_\_\_\_ as the Agent of Record to work on behalf of the City of Cresco with the insurance carrier; and

WHEREAS, the City of Cresco currently maintains a partially self-funded plan in conjunction with the health insurance plan; and

WHEREAS, the City of Cresco also currently offers a flex benefit plan; and

WHEREAS, the City of Cresco requests compliance and consulting services for Human Resources; and

WHEREAS, the Cresco City Council accepted the proposal from \_\_\_\_\_ to be designated the Third Party Administrator to administer all of the above services and other benefit plans for the City of Cresco from July 1, 2015 through November 30, 2017.

NOW, THEREFORE, BE IT RESOLVED THAT the Mayor is authorized and directed to sign the written agreement with \_\_\_\_\_.

Council Person \_\_\_\_\_ moved the adoption of the foregoing Resolution and Council Person \_\_\_\_\_ seconded said Motion. Following discussion, a roll call vote was requested by Mayor and said roll call resulted as follows:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_

Absent: \_\_\_\_\_

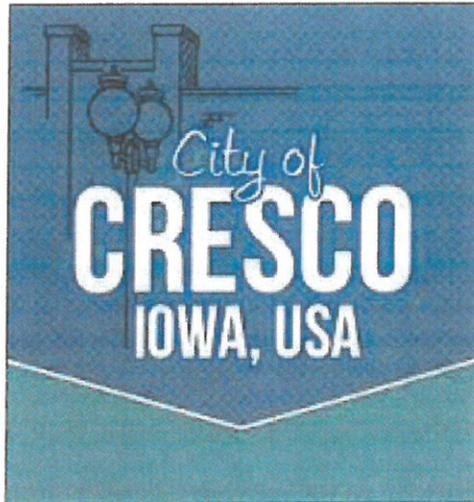
Thereupon, the Mayor declared said Resolution duly passed and announced that the agreement is approved and that the Mayor is authorized to execute the agreement on behalf of the City of Cresco.

PASSED AND APPROVED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2015.

BY: \_\_\_\_\_  
Mayor Mark Bohle

ATTEST: \_\_\_\_\_  
City Clerk Michelle Girolamo

**Proposal For:**



**Third Party Administration Services**

**Flexible Benefit Plan Administration**

**Compliance/Consulting Services**

**Submitted by:**  
**Ranae Warren**  
Group Services Inc.  
3066 Victoria Street  
Bettendorf IA 52722



## Executive Summary

We appreciate the opportunity to explain why we feel Group Services, Inc. is the right choice for the City of Cresco. As an independent consulting firm, we provide our clients with unmatched services in the areas of Partial Self-Funding Administration, Flexible Benefit Plan Administration, and Health Care Reform Compliance Consulting. Our mission statement reads; "We improve the profitability and success of organizations and people." That is our focus 100% of the time and we look forward to the opportunity of serving City of Cresco in that manner.

Our services are unique to the industry so we will provide a detailed breakdown of each and how we provide them. Our goal is to take the confusion out of a confusing process and provide employees with advocates for those instances when they most need someone on their side. This, coupled with our communication tools and services, has proven to increase employee appreciation of the benefits being provided.

Please note by dropping the consulting fee and naming Group Services as the Agent of Record with Wellmark results in a significant savings to the City of Cresco due a recent change in Wellmark's rules. Also, Group Services has a direct relationship with Wellmark . Many TPA's do not, leaving another entity to be involved in your medical plan.

We are available to discuss any aspect of our proposal at your convenience and look forward to the opportunity to do so.

Thank you for this opportunity!

## Third Party Administration Services

Group Services, Inc. has been providing third party administration services for partially self funded health insurance plans since 1981. That's 33 years of service and experience. By properly applying this funding concept we have saved our clients millions of dollars over that period of time. While there are many quality competitors, none can match our experience and the depth of our services. Here is a summary of those services and the benefits to the City of Cresco as well as the employees and families of the City of Cresco.

### 1. Daily Claims Processing

- We receive claims information electronically from Wellmark so there are no extra steps for the employees. They do not need to send us any information.
- We process claims everyday so claims are taken care of quickly, effectively and accurately.
- We process claims in-house so we have a complete record of claims incurred by the members of the City of Cresco. This allows our Client Advocate team to effectively deal with questions or concerns of the employees of City of Cresco. (Please see information below about our dedicated Client Advocate Team).
- **We send plan payments directly to providers so the provider is paid quickly and the employees are not forced to be the "middleman".**
- **The plan is required to annually issue 1099's to all providers receiving more than \$600 from the City of Cresco Self Fund during the year. We track all payments to providers and issue all 1099's at the end of the year.**

### 2. Simple Explanation of Benefits

- We provide an easy to understand explanation of benefits for each claim to both the employee and the provider. The explanation provides a summary, on one page, of how the claim has been handled by both Wellmark and the self fund. It's easy for the employees to understand how the claim was processed and how much they owe.
- **We provide an explanation of benefits for all claims, even those where no payment is made by either Wellmark or the self fund.** This makes it easier for your employees and their providers to know when the processing of a claim has been completed. **Most of our competitors handle only those claims where a payment is due which can create a great deal of confusion regarding the status of a claim. This practice also makes it much more difficult for your employees to track what has happened with each of their claims.**

### 3. Dedicated Client Advocates

- We dedicate a client advocate team to your group. Your employees and benefits administration staff can call our team with all questions regarding your benefits. **Our team is trained to answer questions involving both the self funded portion of the plan as well as the Wellmark coverage; one call for the employees.** In addition, our team acts as a liaison and advocate for your employees with Wellmark and the providers of service (Doctors, Hospitals, Labs...etc.) Your employees benefit from the experience of our team and enjoy the fact that they don't have to deal with Wellmark or the health care system anymore. We'll take care of that hassle for them.
  - Most of our competitors will only answer questions regarding the self funded portion of the plan and won't answer questions about their Wellmark coverage. Your employees are referred to the Wellmark customer service number. More hassle, more confusion for employees.

### 4. Monthly Claims Reports

- We provide a complete set of claims reports each month showing the total claims activity for your group. Our reports include a breakdown by category of claims and the amounts paid by the self fund, Wellmark and the employee. **Since we process all claims we receive, even those with no payment due (see above), our reports provide you with a complete picture of your claims activity.** This isn't available from our competitors who only handle claims when a payment is due.
- Our reports also provide you with a complete monthly reconciliation of all self fund deposits and expenditures.

## Flexible Benefit Plan Administration

We outsource our Flex Plan administration to FlexSystem, a division of TASC based in Madison, WI. We partner with FlexSystem because they are one of the largest FlexSystem administrators in the country. They continue to adopt and offer new technology that makes the administration of your Flex Plan more efficient and less burdensome from a time perspective. FlexSystem also handles all compliance requirements so you can be assured that you are in compliance with the myriad of laws and regulations governing Flex Plans. They back this all up with a guarantee. No one else we have found offers a guarantee.

A summary of the benefits and services offered by FlexSystem follows:

### Enrollment

Annual Enrollment can be completed via paper or online using our user friendly website. Ongoing account management can be handled online to ease the administrative burden.

### Plan Participant Benefits

Multiple Self-Service options for filing claims, checking claim status and/or account balance and activities:

*Website, Interactive Voice Response Phone System, Mobile App and Text Messaging (SMS), Fax or Mail.* Allowing access to your account from anywhere at anytime.

#### MyTASC Mobile Application

- Free download from the Apple® App Store, Google Market, or Amazon for smart phones and tablets
- Check real-time balances on FlexSystem accounts
- Request for Reimbursement Wizard-You can file your claim from your mobile device!
- Submit substantiation (capture receipts with embedded camera)
- View MyCash balance and transactions
- Access plan information and elections
- Secure login with MyTASC username and password; memory recognition

#### MyTASC Mobile Text Messaging

- Participant-activated through MyTASC account online
- Obtain current account balance
- Submit a Request for Reimbursement
- Use 2-way instant communication
- Receive automated reimbursement status alerts
- Streamlined Reimbursement Process

#### TASC Card for eligible purchases.

- Rather than a Participant paying out-of-pocket and waiting to be reimbursed, by using the TASC Card for the qualifying purchase the correct amount is automatically deducted from their FlexSystem FSA balance and paid directly to the authorized healthcare and/or dependent care provider. No further action is required of the employee.

**MyCash** Account option for reimbursement deposits:

- FlexSystem reimbursements are deposited directly into the Participant's MyCash account and are accessible using their TASC Card (unless bank Direct Deposit is elected).
- Flex plan claims are processed daily...24-hour turnaround via MyCash or bank direct deposit

User-friendly website for easy Plan enrollment and ongoing account management (enrollment is available via paper or online)

Toll-free customer service.

**Additional City of Cresco Benefits**

- A flex plan is considered a “qualified plan” with many of the same compliance requirements as a retirement plan. FlexSystem takes care of all of the compliance requirements including:
  - Plan design and review
  - Section 125 Plan Document
  - Annual Non-discrimination testing
  - Carryover administration (optional)
  - **Audit Guarantee** (*unique to TASC*)
- Exclusive **VeriFlex** process to substantiate reimbursement requests.
- **MyService** Center for easy online access to Plan information, activity, and reports.
- Enrollment support with customized election forms and great employee communication tools including educational flyers, posters and payroll stuffers, online tax savings calculator and on demand web video tutorial. All designed to increase participation.
- Money back guarantee

## Consulting Services

The world of managing a benefit plan has become very complicated. The introduction of Health Care Reform and the increased compliance enforcement of both the Department of Labor and the IRS has significantly increased the complexity and financial risk. Annual Reporting, large number of notices to be distributed, managing employee hours & eligibility, and fees & penalties are just a few of the issues that must be dealt with. On top of that it seems there are changes weekly. In response to this increasing complexity, Group Services has developed the expertise and processes needed to help you address these important issues effectively and efficiently.

As the City of Cresco's Consultant we will:

- Develop a multiple year benefit strategy
- Identify your best funding option.
- Provide a total market analysis based on objectives established by you.
- Provide detailed plan of action to address the areas of non-compliance.
- We'll keep the City of Cresco abreast of all Health Care Reform compliance and reporting requirements and the actions necessary to avoid penalties in the following areas:
  - Notices
  - Reporting
  - Fees & Penalties
  - Cadillac Tax
  - Technology
  - Pay or Play Penalty
  - Employee Eligibility and Hours
- As regulations change or are added, we'll ensure the City of Cresco's Team is aware and provide direction to ensure continued compliance

# HR Services

The HR Consulting Team at Group Services will assess your current HR practices to identify compliance concerns. Based on the assessment, we will provide a prioritized plan and review the necessary tools to bring your HR practices into compliance to mitigate your risk of fines and penalties due to non-compliance. We can help you solve your current day compliance issues and guide you through a long term strategic plan.

The HRforU Consulting Includes the Following:

- Assessment Conducted on the following critical areas:
  - Hiring: ADA & Job Descriptions, Advertising, Application, Interviewing
  - Terminations: Pre-Term Checklist, Exit Interview, References
  - Wage & Hour: Employee Classifications, Record Keeping, Vacation Pay
  - Personnel Records: Record Retention, Privacy & Security, Contents
  - Postings: Required Postings by Number of Employees and Type of Organization
  - Health and Welfare Plan Compliance
  - FMLA, COBRA and HIPAA
- Written Report of Needs Assessment Findings
- Prioritized HR Game Plan
- Monthly Conference Call to Review HR Game Plan
- 5 Hotline Calls Per Month
- Monthly Newsletter
- Online HR Tool Kit
  - Personnel Policy Templates
  - HR Process and Templates
  - Audit Templates
  - Handbook Template
  - Job Description Templates



## Your Team

Group Services, Inc. has been in business for 33 years. We have been involved in the administration of partially self insured plans during this entire time. We have handled hundreds of partially self insured plans and currently serve approximately 120 employers using this funding mechanism. We pioneered this concept.

Group Services Inc. is a member of the Benefit Advisors Network (BAN). Partnership in the network is by invitation only; members are carefully screened and credentialed before being invited to join. "BAN" is a national consortium which has more than 50 offices throughout the country and serves more than 10,000 clients employing over 2.5 million employees. Together we manage approximately \$16 billion in medical and drug spend and \$250 million in ancillary premium. Combined we are the 8<sup>th</sup> largest benefits consulting firm in the United States.

Our partnership in "BAN" offers us a broad range of support services, intellectual capital, and best practice methods, which create enormous value for our clients.

In addition we have been involved with COBRA and Flex Plan administration for many years. For several years we handled the administration in house. Recognizing the increasing complexity and the technological advances available through larger national providers, after a thorough and highly demanding search process, we chose to partner with TASC approximately 13 years ago.

TASC has been in business for over 38 years providing quality solutions in highly technical areas. They are a leading national provider of both Flex Plan and COBRA Administration services. In addition they also provide services in the areas of ERISA and Family Medical Leave Act compliance. Through the careful and thoughtful adoption of technology, TASC has consistently improved the efficiency of their services, made it more efficient for employers using their services all while maintaining some of the most competitive pricing in the market today. Others may be slightly cheaper but when you compare the depth and breadth of services, there is no comparison.

The members of Your Team will consist of:

**Ranae Warren:** Co-President of Group Services, Inc.

Ranae has been with Group Services Inc. since 1985, she serves as an advisor and resource for employers throughout the Midwest actively managing their employee benefits plans. Ranae's daily objective is improving the profitability of organizations through the development of benefits strategies, detailed involvement in plan design, funding, administration and communication of employer sponsored group benefits plans, as well as the development and implementation of employee health management programs.

**Cathy Reyna:** Client Advocate

Cathy has 23 years of experience in Client Advocacy. She has recently joined the Group Services Team as a Client Advocate in 2014. She is exceptional at what she does and is a wonderful advocate for your employees and their families.

**Jessica Kelley:** Account Manager –

Jessie has 27 years of experience in the insurance industry. Jessie is currently managing the daily operations of our small and mid-market clients. Her experience in the industry has helped her develop an understanding and the capabilities to explain your benefits and provide you with the tools to help you review them with accuracy.

**Catherine Hughes:** Director of Human Resources Consulting

For 15 years, Catherine was the International Director of Human Resources for a global outsourcer working with Fortune 50 organizations such as UPS, AT&T, and Citibank; she managed Federal Contract Compliance with CMS and Medicare. The experience has provided a great understanding of compliance, the audit process, and enforcement activities. She is a Certified Master Trainer with SPHR and Six Sigma Black Belt Certifications. Catherine provides HR Consulting to Government Entities, Contractors, Not for Profits, Public, and Private Business to help them with HR compliance. She is also a speaker at seminars and a Guest Lecturer at Western Illinois University and Iowa State University.

**Peter Marathas:**

Peter is recognized as one of the leading lawyers in the Nation on Universal Health Care and the requirements of the Patient Protection and Affordable Care Act.

Peter has been published widely and is often quoted in major publications about all employee benefits matters, including national health care reform.

Peter comes to us through our BAN partnership as a Partner in the Employee Benefits, Executive Compensation & ERISA Litigation Practice Center of well-known international law firm, Proskauer Rose LLP

**Stacy H. Barrow:**

Stacy has extensive technical knowledge and experience designing and implementing employee benefits and compensation plans. Stacy uses a practical, business focused approach to counsel his clients on complex employee benefits and executive compensation matters.

Stacy joins us through our BAN partnership as an Associate in the Labor & Employment Law Department and a member of the Employee Benefits, Executive Compensation and ERISA Litigation Practice Center and the Health Care Reform Task Force, also of Proskauer Rose, LLP.

**Jeff Taylor:** Jeff is the Regional Sales Director for TASC.

Jeff has been with TASC for 12 years. Jeff serves as our link to TASC and the products and services they offer. Jeff is a graduate of Wichita State University with a B.A. in Business Administration

## Investment\*

Administrative Services	
Third Party Claim Administration (no set up fee)	\$ 9.25 PEPM
Flex System (no set up fee)	Included above
Annual renewal fee	Included above
(1 debit card for a single, 2 cards per family)	Included above
Replacement or more than 2 cards per family	\$10 per Card

\*The assumptions for this response to the RFP assume that Group Services will be named the Agent of Record (AOR) for the City of Cresco's health plan effective July 1, 2015. Our fee for the services outlined will be \$9.25 per employee per month that is on the medical plan. This covers the Third Party Claims Administration, administration of the Flex and the Consulting and HR services listed on pages 7 and 8 respectively.

This cost will remain constant from July 1, 2015 through November 30, 2015 as well as the years ending November 30, 2016 and November 30, 2017 with us remaining the named Agent of Record for the medical plan for the same time periods.

## References

The following governmental agencies, corporations and organizations are current clients of Group Services. We have noted in parenthesis how long we have worked with each organization. We have also noted the services we provide to them and their contact information.

**Buena Vista County (2014)** Leigh Madsen 712-213-2542

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services, FlexSystem

**Sac County (2004)** Jim Dowling or Jalonna Ehler 712-662-7310

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services, FlexSystem, FMLA Matters and COBRAToday, Compliance Consulting, HIPAA Privacy, Sexual Harassment

**Farmers Mill, Inc. (1993)** Dennis Meirick 563-569-8501

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services

**Palo Alto County (2004)** Therese Geelan 712-852-2924

Services: Partial Self Funding Administration, Strategic Benefit Consulting Services, COBRAToday, HIPAA Privacy Training

**Webster County: (2006)** Amy Porter (515) 573-1148

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services, Health Care Reform Consulting

**City of Decorah (1991)** Wanda Hemesath 563-382-3651

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services, Compliance Consulting

**City of Waukon (1997)** Diane Sweeney 563-568-3492

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services

**City of Mt. Vernon (2003)** Michael Beimer 319-895-8742

Services: Partial Self-Funding Administration, Strategic Benefit Consulting Services, COBRAToday

We have additional governmental agencies, corporations and organizations as clients and can expand this list if you would like more references. Please let us know if this is your desire.





## Our Commitment to Service

We appreciate the opportunity to work with and help you meet your insurance and employee benefits objectives. In order to adapt to the changing needs of your organization, Group Services, has invested in top-notch talent and cutting-edge technology. We take nothing for granted, and will always work in the best interest of City of Cresco.

Thank you for your business. We look forward to nurturing an ongoing relationship that brings you the best solutions in the business. We will continue to build our relationship through hard work, creativity, and assertiveness that effectively meets the needs of your business.

## Group Services Account Service Team

At Group Services, clients are assigned to a team of specialists who are dedicated to providing a wealth of resources to serve their needs. Our professionals pride themselves on excellent service and are dedicated to using their experience and expertise to meet our clients' benefits objectives. Your account team's goal is to help save money through proper implementation and management of your benefits programs and they are committed to anticipating and fulfilling your needs and concerns.

In addition to our own talented professionals and specialized value-added services, Group Services has a wealth of resources available to us through our national affiliations. The resources available to us through these affiliations let us gain access to regional expertise and market clout.

Accountability for your programs is the responsibility of Ranae Warren, your lead Account Manager. While a number of our professional staff will be active with your account, either on a day-to-day or project-specific basis, Ranae is ultimately responsible for meeting your needs.

**Ranae Warren**  
Co President  
Senior Account Manager  
[rwarren@groupservicesinc.com](mailto:rwarren@groupservicesinc.com)

**Jessica Kelley**  
Account Manager  
[jkelly@groupservicesinc.com](mailto:jkelly@groupservicesinc.com)

**Cathy Reyna**  
Client Service Specialist  
[creyna@groupservicesinc.com](mailto:creyna@groupservicesinc.com)

## SUMMARY REVIEW OF SERVICES

Group Services performs the following tasks and services in connection with City of Cresco's Health and Welfare programs:

### Health & Welfare Plan Management

- ✚ Daily support for Human Resources Team on all aspects of Health & Welfare plans, as needed
- ✚ Provide regular plan design review and performance evaluation, particularly with regard to cost containment opportunities
- ✚ Vendor relationship management – act as liaison with all insurance carriers/vendors for issues such as:
  - Review of carrier turn-around time
  - General benefit questions
  - Plan design implementation and clarification
  - Employee meeting plans (preparation & presentation)
  - Assistance with claim problems and/or employee questions
  - Assistance with data integrity concerns, particularly as it relates to vendors
- ✚ Employee Communications:
  - Preparation of, or recommendations on, all employee communications materials, to include drafting and editing of Open Enrollment materials and reenrollment forms
  - Assistance in development of ongoing employee educational initiatives, such as wellness campaigns, employee notices, as requested.

### Health & Welfare Plan Marketing

- ✚ Issue Requests for Proposal, as needed, for all Health & Welfare benefit offerings
- ✚ Review and report on all vendor responses, to include evaluations on:
  - Network adequacy on critical success factors such as: client/vendor relationship, provider panel adequacy, member disruption potential
  - Benefit adequacy and vendor ability to meet client specific requirements
  - All financial aspects, including all rates and fees, striving for multiple year guarantees where appropriate
  - Any alternative plan options proposed
- ✚ Assist in and manage through, as appropriate, implementation of all new vendor programs

### Financial Evaluations/Recommendations

- ✚ Upon plan renewal - review and negotiate annual renewal terms with all vendors to include, as applicable to the plans:
  - Claims/utilization analysis
  - Complete underwriting support
  - Administrative Fee negotiation (Self Insured Programs)

- Premium and/or pooling level negotiations (Insured Programs)
- Negotiate performance guarantees
- Focus or evaluation of risk factors which may be controlled with plan modifications
- Review and price benefit alternatives, as applicable, where trends, utilization and pricing may indicate a benefit change is warranted.
- Review all RFP results, as they compare to the current vendor offering
- ✚ Ongoing – continuous monitoring of plan financials, to include
  - Regular review of claim data reports

## Planning

- ✚ Assistance with strategic review of Health & Welfare plans, including:
  - Evaluation of marketplace trends
  - Review of emerging benefit alternatives
  - Assessing short and long term impact of plan changes
  - Providing recommendations, based on statistical analysis, for Health & Welfare programs
- ✚ Assistance with annual budgeting, employee cost share strategies, reserve setting and COBRA rates
- ✚ Regular reporting of plan performances against budget projections

## Health & Welfare Plan Compliance/ Health Care Reform

- ✚ Upon request, provide client specific assistance and/or guidance on regulatory compliance, including:
  - HIPAA
  - COBRA
  - FMLA
  - Section 125
  -
- ✚ Offer seminars & webinars, as appropriate, to assist client in evaluating any legislative initiatives
- ✚ Analysis of “Pay or Play” scenarios for HCR decisions and strategy for benefit offerings

## 2014-15 SERVICE TIMELINE

- ⌄ January – created new hire checklist to use internally
- ⌄ March 18 – 3 month Safe-T fund review
- ⌄ May 23 – provided updates flex summary plan description and flex plan documents
- ⌄ June 16 – 6 month Safe-T fund review
- ⌄ July 15 – compilation of information for 509a filing
- ⌄ July 23 – PCORI fee calculation and guidance for submission
- ⌄ September – Medicare Part D notification/samples and filing instructions
  - provide benchmark information regarding medical plan
  - went to market with medical plan to find best solution for the City plan
  - guidance regarding ACA plans and exposure to City and insured's composite rates versus age rates
  - design and propose funding alternatives for ACA compliant plans to reduce renewal increase to plan
  - final proposal for ACA compliant plan with necessary buy downs
  - flex fee discussion
- ⌄ October 16 – prepare SBC for new plan design
- ⌄ December – calculate and update COBRA rates
- ⌄ December 5 – 509a filing assistance
- ⌄ January 15, 2015 – review renewal information to help with budgeting process
- ⌄ February – Safe-T fund review
- ⌄ February 12 – review, calculate and summarize rates for retirees
  - review code 509A.13 continuation for retirees
- ⌄ Ongoing monthly webinars

## REVIEW OF ADDITIONAL BENEFITS & SERVICES

- ✚ Data Analytics/Navigator MD\*\*
- ✚ Individual Specialist
  - Individual, Private & Exchange
  - Medicare, Med Supp & Part D
- ✚ Safe T Fund\*\*
  - Health, Dental and Vision
- ✚ Client Service Advocates
  - Member Service
  - Carrier Enrollments
  - New Hire Packets
- ✚ Human Resource Assistance\*\*
  - HR for U
  - Onsite HR Expert
- ✚ Technology Assessment through Benefit Technology Resources (BTR)
- ✚ Medical director providing dedicated expertise when needed\*\*
- ✚ Compliance Director to answer ERISA compliance questions\*\* and provide regular legislative updates, timely notices and alerts
- ✚ Pharmacy Director to assist in developing RX strategy and vendor negotiations\*\*
- ✚ Unique enrollment process offering various forms of communication:
  - Written benefit briefs
  - Management meetings
  - Group meetings
  - One-on-one access to advisors
- ✚ We act as the intermediary between employee problems and HR, allowing your HR personnel to focus on the more proactive aspect of their role in your company
- ✚ We stay cutting edge on the latest funding techniques and plan designs as well as legislative issues that affect you and your employees
- ✚ Monthly Benefit Advisors Network (BAN) Webinars

\*\*additional fees may apply



City of Cresco RFP  
Midwest Group Benefits/Cresco Insurance Agency

To Whom It May Concern:

Thank you for considering Midwest Group Benefits, Inc & Cresco Insurance Agency to serve as the full service TPA, Broker, and consultant for the city of Cresco employees. Included is our proposal for partial funding, flex/dependent care, and consulting/broker services.

Broker/Consulting Services

- Plan design analysis, (H.S.A. options, multiple plan options, compare fully insured with partial self-funding)
- Local, face-to-face customer services and employee meetings
- Stable self-funding options with Assurant or Coventry
- Heartland Transitional Services included at no charge (we assist part-time, terminated employees, children turning 26, and children no longer claimed as dependents with exchange options)
- All broker/consultant fees are included in Wellmark rates (same for all groups under 50 employees)
- Wellness programs available, Online enrollment available

Sincerely,

A handwritten signature in black ink, appearing to read 'BH'.

Brian Huinker

A handwritten signature in black ink, appearing to read 'Brian Midthus'.

Brian Midthus





**Midwest Group Benefits**  
*"specializing in employee benefits"*

Fee Proposal for Partial Funding City of Cresco 2016:

**Proposal for:**

City of Cresco  
Attn: Insurance Committee  
227 North Elm Street  
Cresco, IA 52136

Eligible Employees: To Be Determined

Plan Type: Partial Funding

To Whom It May Concern:

Thank you for considering Midwest Group Benefits, Inc. to administer the Partial Funding for the City of Cresco. When you choose Midwest Group Benefits, Inc. as your Administrator, you get:

- Over three decades of experience administrating benefit plans
- Experts in the field who keep abreast of the most updated information on tax and other changes
- State of the art tracking software. You and your employees can go on-line to check claim status
- **Weekly processing** of claims

Cost per **participating** employee:  
 \$4.50 per participating employee, per month  
 Annual Compliance Fee - \$250.00  
 Waived Year One

This plan is for "Complete Service"

- There are no up front products that need to be purchased
- Research on specific situations available

Midwest Group Benefits, Inc. is a locally owned company who is committed to honesty and integrity. We pride ourselves on an unsurpassed level of personalized service and a commitment to plan compliance.

I understand and agree to the terms as outlined above.

Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Midwest Group Benefits, Inc.  
Flex Plan Administration Proposal 2016  
City of Cresco

Fee Schedule

Per Participant Per Month

Reimbursement Checks and Direct Deposit Stubs batch mailed to the Employer	\$ 2.75	per participant per month
Checks sent to participants home add \$0.25 ppm	\$ 0.25	per participant per month

Go Green - No checks or stubs ALL Employees - less \$0.75 ppm	\$ (0.75)	per participant per month
Debit Card 12.00 per year		

Set-Up Fee - <b>Waived</b>	\$250.00
Annual Compliance Fee - <b>Waived Year One</b>	\$250.00

Administrative fees based on:  
The number of participants the first day of the plan year



# Heartland Transitional Services

## Your HR Department

### Open Enrollment Meetings

November 1, 2015 – January 31, 2016

**Part-Time Employees**  
(non-benefit)

*November 1, 2015 – January 31, 2016*

HTS will meet one-on-one with part-time employees during open enrollment to review health insurance options.

**Terminated Employees**

HTS will guide former employees through their options upon termination, including a private insurance plan, shopping on the Marketplace, Medicaid, or COBRA. COBRA should be their last resort.

Private Insurance Plan

Shopping on the Marketplace

Medicaid

COBRA

**Special Enrollment Period**

HTS can assist employees/families with life-changing, qualified events, such as marriage, divorce, birth, adoption, turning-26, and more.



Contact Us Today!

Heartland Transitional Services – Brian Huinker (800) 344-3766

# Introducing Heartland Transitional Services

**A cutting-edge way to help your employees during times of change.**

**Health insurance is complicated – for you and your employees.**  
What if you could do the right thing for your employees and it helped your business?  
Now you can. It's time to meet **Heartland Transitional Services (HTS)**.

## >> **About Heartland Transitional Services.**

The HTS program is two-fold and takes advantage of ACA options for terminated and part-time, non-benefit eligible, employees.

## >> **Why Do I Need Heartland Transitional Services?**

Based on our experience, four out of five people will receive better insurance coverage at a lower cost through the Marketplace, private markets, Hawk-I, or Medicaid. By terminated employees not exercising COBRA, it may save former employees money on premiums, and benefit your company's renewal rates by decreasing the risk of high claimants.

**If you are self-funded, this program will save you money. In some instances, the savings could be in the hundreds of thousands of dollars.**

## >> **We rarely have former employees elect COBRA, so I'm not sure if HTS is right for my business.**

With the new ACA age rates, the most common COBRA enrollee will be someone in their mid-50s to 64. These former employees also have the greatest chance for high claims. If these employees simply get a quote for private, age-rated insurance, they will likely end up on COBRA. If they have a HTS representative explain and help them enroll on the Marketplace, many will find better coverage at a lower price.

The second component of the service may be more valuable than the options for terminated employees. **We will assist all part-time, non-eligible employees with their options during open enrollment (November 1, 2015 - January 31, 2016).** Based on our experience, we will often find affordable coverage with great benefits for your part-time employees. This will reduce turnover, and save your company significant time and money.

## >> **Is There a Fee? Where Is the Value?**

The cost is only \$1/employee/month paid by the employer, and costs the employee nothing

- The value is in the win-win for the employee and employer. We can often save terminated employees money and eliminate high claims risk of COBRA employees.
- Assisting part-time employees with exchange options will increase the likelihood of part-time employees gaining good coverage at an affordable price.

Healthcare.gov is known for subpar customer service. Most of your former employees will get frustrated and give up, and then they are more likely to enroll in COBRA.

- The employees may also sign up for a plan that does not have the proper network with local providers.

With us, you can call an Iowa-based agent and also get called back. In many instances, a face-to-face enrollment may take place. **We know Iowa insurance.**

## >> **Do You Provide Any Other Valuable Services?**

Heartland Transitional Services can also help you with any of the following services:

- Assisting new hires with options during employer waiting period
- Hawk-I and Medicaid information
- Help with spouses/dependent coverage
- Children turning-26
- Dependents no longer being claimed on taxes are eligible for the Marketplace and can often receive tax credits and cost share reduction plans.
- Life changing events, such as birth, adoption, death of a spouse, etc.

**Contact us today for more information!**

**Heartland Transitional Services – Brian Huinker (800) 344-3766**

# Advantage<sup>TM</sup>

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## ADMINISTRATORS

March 23, 2015

City of Cresco, City Clerk  
130 N Park Place  
Cresco, IA 52136

Dear Michelle;

Thank you for the opportunity to bid for the third party administration for the partial self-funding of the City's health plan and administration of the City's flex benefit plan. The prices in this quote are valid for the partial year balance of 2015, and two subsequent years following, ending on November 30, 2017.

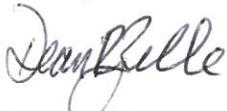
Advantage Administrators is a leading third party administrator in Iowa, serving a variety of clients, including city entities, like Cresco. We are currently serving over 750 clients, representing approximately 40,000 lives monthly. We use cutting edge technology for fast, easy and convenient claims processing. We process and pay claims daily, Monday through Friday in our offices in Waverly, Iowa.

In addition to flex benefit and partial self-funding administration, we also administer COBRA, HSA plans, pension plans and a full line of health insurance products through our sister company, Fortress Benefit Services Corporation. We have an ERISA attorney with 28 years of experience on staff to answer all compliance questions that may arise. We offer free debit cards for flex accounts, free on-line 24/7 claims filing, a free mobile app to file claims or check account balances, cutting edge technology based enrollments tools, all required plan documentation (including new enforcement rules regarding the required Wrap document) and compliance testing and consulting; all included in our fee schedule. We strongly believe in one-on-one consultation with employees at enrollment time, so they fully understand the benefits they are entitled to as part of your plan, for the highest possible employee satisfaction rate.

We welcome the opportunity to make a presentation our services to you and answer any questions you may have of us, in person, at your convenience, prior to making your final decision on which provider to use.

We look forward to working with the City of Cresco and creating a long and lasting relationship.

Best regards.



Dean R. Zelle, Business Sales & Marketing Representative  
Advantage Administrators

# COMPREHENSIVE FEE SCHEDULE FOR FORTRESS BENEFITS

For Plan Years beginning on or after November 1, 2014

## CAFETERIA/SECTION 125 PLANS

### Administration Fees

Health and/or Dependent Care Flex Account Administration Fees	\$0/participating employee/month (Minimum fee of \$0 per year)
- Plans with 10 or Fewer Participating Employees	
- Plans with More than 10 Participating Employees	\$0/participating employee/month

### Miscellaneous Fees

Compliance Testing Fee	Included
Check Issue or Reissue Fee	Included
Stop Payment Fee on Reissued Checks (Paid by the employee)	\$25
Debit Card Fee (2 cards)	Included
Reissue of Lost/Stolen Debit Card (charged to the employee's account)	\$10
Mobile App	Included
Plan Document Fee	Nominal Fee
Employer Initiated Plan Amendments	\$75 to \$150/Amendment
Printing of Additional Summary Plan Descriptions	\$1/SPD with \$10 Minimum

## HEALTH REIMBURSEMENT ACCOUNTS

NOTE: The Employer is responsible for paying any fees charged by the insurance carrier for issuing duplicate EOBs.

### Partially Self-Funded HRA Basic Plan

Account Administration Fees \$0/participant/month

### Partially Self-Funded HRA Extreme Plan

Account Administration Fees \$0/participant/month

### HRA Comprehensive Plan

Account Administration Fees \$0/participant/month

## HEALTH SAVINGS ACCOUNTS

NOTE: Health Savings Account fees are normally paid from the Employee's Health Savings Account and are not paid by the Employer.

Monthly Account Fee	\$0
Paper or ACH Withdrawal/Electronic Statements/Internet Access	Included
Mutual Fund Investment Options	Included

### Additional/Optional Services (Paid by Employee)

Stop Payment Fee	\$30
Return Items (Electric or Paper)	\$5

## ELECTRONIC ENROLLMENT PLATFORMS

NOTE: All Fees other than the One Time Set Up Fee are normally paid from the Employee's account and are not paid by the Employer.

FSA, DCAP and HSA only	No Fee
All Employee Benefits - Basic Platform	\$0/Month/Employee on System
All Employee Benefit - Advanced Platform (All of the above Health FSA, DCAP, HRA and HSA administration fees are included in this "wrap" fee)	One Time Set Up Fee of \$0 \$0/Month/Employee on System

## COBRA ADMINISTRATION

Records Transfer Fee	None																																				
Annual Fee	None																																				
Monthly Administration Fee																																					
<table border="0" style="width: 100%;"> <tr> <th style="text-align: left;"># of Eligible Employees</th> <th style="text-align: left;">Base Fee</th> <th style="text-align: left;"># of Eligible Employees</th> <th style="text-align: left;">Base Fee</th> <th style="text-align: left;"># of Eligible Employees</th> <th style="text-align: left;">Base Fee</th> </tr> <tr> <td>&lt;30</td> <td>\$0</td> <td>200 - 299</td> <td>\$0</td> <td>800 - 899</td> <td>\$0</td> </tr> <tr> <td>30 -39</td> <td>\$0</td> <td>300 - 399</td> <td>\$0</td> <td>900 - 999</td> <td>\$0</td> </tr> <tr> <td>50 - 69</td> <td>\$0</td> <td>400 - 499</td> <td>\$0</td> <td>1,000 +</td> <td>Flat Fee Based on 0¢/Employee</td> </tr> <tr> <td>70 - 99</td> <td>\$0</td> <td>600 - 699</td> <td>\$0</td> <td></td> <td></td> </tr> <tr> <td>100 - 149</td> <td>\$0</td> <td>700 - 799</td> <td>\$0</td> <td></td> <td></td> </tr> </table>	# of Eligible Employees	Base Fee	# of Eligible Employees	Base Fee	# of Eligible Employees	Base Fee	<30	\$0	200 - 299	\$0	800 - 899	\$0	30 -39	\$0	300 - 399	\$0	900 - 999	\$0	50 - 69	\$0	400 - 499	\$0	1,000 +	Flat Fee Based on 0¢/Employee	70 - 99	\$0	600 - 699	\$0			100 - 149	\$0	700 - 799	\$0			
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100 - 149	\$0	700 - 799	\$0																																		

COBRA Administration Fee (paid by the individual electing COBRA coverage) 2% of premium

### Additional/Optional Services

Payment of COBRA Premiums to Carrier and Eligibility Maintenance	\$75 hr/Set-Up + \$30/Per Bill (<100) +\$50/Per Bill(=> 100)
NOTE: The carrier must be able to meet all four conditions specified in the explanation of services	
One-Time Blanket Mailing of DOL General Notice or other notice to all Participants	\$3/notice mailed
Open-Enrollment Processing	Included
NOTE: Includes up to 11 pages printed (22 sides) per packet, standard mailing costs, assisting plan participants with forms and distributing completed forms as necessary - packets larger than 11 pages will be charged a fee of \$12/per packet + printing and handling	
HIPAA Certifications (limited to COBRA events - not recommended)	\$10/Month included
HIPAA Initial Notifications to Employees Who Waive Coverage	
"Mass Layoff" Fee (Additional charge if the employer lays off or terminates 15% of more employees during any 30 day period)	\$6 per qualifying event
Multiple Reimbursement Checks	\$10/Month/Additional Check
(Employers are reimbursed each month for all premiums received for the prior month. Additional charges apply if an employer wants their reimbursement split into multiple checks (e.g. a separate check for each Division)	
Assistance with Retroactive Compliance	\$75/hour
(i.e. assistance with responsibilities/issues/compliance occurring prior to the date of our engagement)	

## ERISA /WRAP DOCUMENTS

### Document Fees

Group Size	1-50	51-100	101-200	200+
Price	\$0	\$0	\$0	\$0

# Advantage<sup>TM</sup>

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## ADMINISTRATORS

Proposal to provide  
Flex Advantage Plan Administration Services  
Cafeteria Plan (IRC 125)  
for  
**City of Cresco**  
Prepared: March 2015

*Plan administration is not a side business. It is our only business.*

100 2nd St. SW | Waverly, IA 50677 • [www.AdvantageAdmin.com](http://www.AdvantageAdmin.com)  
PH: 1-800-383-1623 • FX: 319-352-4018 or 319-352-2610

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## What is a Flex Advantage Plan?

A Flex Advantage Plan allows a participant to set aside pre-tax dollars each year from their paycheck to pay for qualified health and dependent care expenses through a Section 125 Cafeteria Account along with pre-tax treatment of qualified insurance premiums. These dollars are deducted from wages before any income or social security taxes are paid. By using this tax savings plan, participants will notice an increase in take home pay after expenses versus post-tax payments and have access to a reimbursement account throughout the year to pay for qualified medical and dependent care expenses. Employers will not have to pay FICA or FUTA taxes on dollars run through the plan. Additionally, employers have the option of using a defined contribution plan design with the online enrollment tool.

## Elected Benefits in a Flex Advantage Plan

- **Insurance Premiums** allows participants to have any eligible insurance premium deducted from their paycheck pre-tax and pre-tax treatment of any employer contribution to eligible insurance premiums.
- **Health Flexible Spending Accounts (Health FSA)** allows participants to set aside pre-tax dollars for qualified out-of-pocket health care expenses, up to a maximum annual contribution amount of \$2550 set by federal limits.
- **Dependent Care Assistance Program (DCAP)** allows participants to set aside pre-tax dollars for children (under age 13) or adult day care so that the participant may work. The IRS sets the annual maximum contribution amount for the DCAP account, currently at \$5000 maximum per family annually.
- **Health Savings Account (HSA)** allow participants to set aside pre-tax dollars for qualified out-of-pocket health care expenses, up to a maximum contribution amount set by federal limits, currently for 2015: \$3,350 single/\$6,650 family. It can only be used with a qualified High Deductible Healthcare Insurance Plan (HDHP).
- **Limited Health Flexible Spending Accounts (Health LFSA)** allow participants to set aside pre-tax dollars for qualified out-of-pocket health care expenses up to a maximum contribution of \$2,550 for Dental and Vision ONLY. It can only be used in conjunction with an HSA that is tied to a HDHP health plan.

## Defined Contribution

A **Defined Contribution** is an option that can be added on to the Flex Advantage Plan, and is an effective and simple way for an employer to take control of employee benefit costs. The employer selects a set amount of money called a **Defined Contribution** that employees can use to enroll in any eligible group health insurance, ancillary insurance, medical FSA or dependent care reimbursement account. Any amount elected above the **Defined Contribution** is payroll deducted pre-tax from the employee's payroll. By offering a **Defined Contribution** Plan, employers will be able to lower and fix their employee benefits costs while providing a customizable health plan for each individual employee. Employees are free to choose a healthcare plan that best fits their individual or family needs from a menu of several choices. Employers are no longer required to select a "one-size fits all" benefits plan for their employees.

## Online Enrollment Platform

We use a technology based enrollment solution for employee benefit enrollments. Employees are able to enroll on our web-based system for group insurance policies both with and without the defined contribution option. The platform uses the employer's chosen policies and has the ability to show and enroll group health insurance, ancillary products, health and dependent care reimbursement flexible spending accounts as well. After selecting their insurance products, the employee will be directed to enroll in applicable reimbursement accounts dependent upon the health policy chosen. A calculator will monitor and update the employee elections during their enrollment. Their own individual payroll contribution and their remaining eligible defined contribution amount (if that option is selected) will be displayed as elections are chosen. After enrollment is completed, a comprehensive report will be sent to the employer for the selected health insurance policy and voluntary products chosen by the employee for payroll information.

## Administration Services

Any administrator can propose a plan, but we take our administration the extra mile for you and your employees by providing superior customer service. Advantage Administrators provides the following services for our Flex Advantage plans:

- Documents – SPD, Plan Documents, and required notices and forms
- On-Site Employee Education and Participant Enrollment Meetings
- On-line and Electronic Enrollment Platform and Assistance with employees
- Plan Extensions - 90 Day Run-Out Period with optional Grace Period OR \$500 FSA Rollover administration
- Claims Administration:
  - Claims submission: via free Mobile App, Online Portal, E-mail, Fax, Mail or Drop-Off of receipts
  - Reimbursements processed daily
  - Reimbursement by Direct Deposit, Check, or Debit Card
  - E-Mail and text notices of account activity and monthly statements
- Employee Account Access
  - Available 24/7/365 via Online Portal
  - Available 24/7/365 via Mobile App
  - Customer Care Department Mon-Fri 8:00-5:00 central time
- Discrimination and Compliance Testing and Form 5500 if required
- Plan Amendments
  - Required by Law – Free of Charge
  - Employer Requested – Nominal Fee
- Legal and Legislative Issues
  - Special Memos, Seminars, Webinars and Roundtables as required
- Free flexible spending account debit cards (2 per account)

## Options for Benefit Administration Services from Advantage Administrators

### **Option 1: Section 125/105 Services only**

#### Cafeteria/Section 125 Plans

##### Health and/or Dependent Care Flex Spending Accounts

- Plans with 10 or fewer participating employees \$9.00/participant/month
- Plans with 11 or more participating employees \$45/month + \$4.90/participant/month

#### Health Reimbursement Account Administration Section 105 Plans

##### Partially Self-funded HRA Basic Plan

- Account Administration fees \$4.90/participant/month

Note: Employer is responsible for any fees charged from the insurance carrier for issuing duplicate EOB statements.

Optional electronic enrollment on basic platform \$1.50/month eligible employee

#### Health Savings Accounts

- Monthly service fee, usually paid by the employee \$2.00/participant/month

### **Option 2: Section 125/105 Services AOR Current Wellmark Health Plan to Fortress Benefit Service Corporation\***

#### Cafeteria/Section 125 Plans

##### Health and/or Dependent Care Flex Spending Accounts

- Plans with 10 or fewer participating employees \$0.00/participant/month
- Plans with 11 or more participating employees \$0/month + \$0.00/participant/month

#### Health Reimbursement Account Administration Section 105 Plans

##### Partially Self-funded HRA Basic Plan

- Account Administration fees \$0.00/participant/month

Note: Employer is responsible for any fees charged from the insurance carrier for issuing duplicate EOB statements.

Optional electronic enrollment on enhanced platform \$0.00/month eligible employee

#### Health Savings Accounts

- Monthly service fee, usually paid by the employee \$0.00/participant/month

#### COBRA Administration Services

- 30-49 eligible employees normally \$50.00/month \$0.00/month

Compliance; consultation; plan design; enrollment assistance;

HR 360 enrollment for City use; one-on-one employee

Consultation; all required plan document (including Wrap docs.) \$0.00/month, broker services included

\*Agent of Record change form is available to the City of Cresco to make Fortress Benefit Services Corporation, Waverly, Iowa the Agent of Record for your current Wellmark health insurance policy. Fortress Benefits would then be the agent for all further servicing of your account with NO CHANGE in your current premium from Wellmark.

**Advantage**<sup>TM</sup>  
ADMINISTRATORS