CITY OF KERRVILLE EMPLOYEE BENEFITS TRUST AGENDA

TUESDAY, JULY 24, 2018, 6:10 P.M. (approximately)

KERRVILLE CITY HALL COUNCIL CHAMBERS

701 MAIN STREET, KERRVILLE, TEXAS

1. **CALL TO ORDER**

2. **CONSIDERATION AND POSSIBLE ACTION**:

2A. Approval of the Fiscal Year 2019 employee benefit plans and rates.

3. **ADJOURNMENT.**

The facility is wheelchair accessible and accessible parking spaces are available. Requests for accommodations or interpretive services must be made 48 hours prior to this event. Please contact the City Secretary's Office at 830-257-8000 for further information.

I do hereby certify that this notice of meeting was posted on the bulletin board at the city hall of the city of Kerrville, Texas, and said notice was posted on the following date and time: July 20, 2018 at 6:00 p.m., and remained posted continuously for at least 72 hours preceding the scheduled time of the meeting.

Brenda Craig

Brenda Craig
City Secretary, City of Kerrville, Texas

TO BE CONSIDERED BY THE CITY COUNCIL
CITY OF KERRVILLE, TEXAS

SUBJECT: Approval of the Fiscal Year 2019 Employee Benefit Plans and Rates.

AGENDA DATE OF: 7/24/2018 **DATE SUBMITTED:** 6/18/2018

SUBMITTED BY: Kimberly Meismer, Executive Director for General Operations

EXHIBITS: PowerPoint Presentation
Benefit Spreadsheets
Blue Cross Blue Shield of Texas Contract

Expenditure Required:	Current Balance in Account:	Amount Budgeted:	Account Number:
$0	N/A	N/A	N/A

PAYMENT TO BE MADE TO: N/A

Kerrville 2050 Item?	Yes: ☐	No: ☒
Key Priority Area	N/A	
Guiding Principle	N/A	
Action Item	N/A	

SUMMARY STATEMENT:

Kerrville established the Employee Benefit Trust in 2008 in order to qualify for the tax exemptions pursuant to Chapter 222.002 of the Texas Insurance Code. Chapter 222.022 creates an annual tax that is imposed on insurers for gross premiums received from their policyholders. Gross premiums paid by a municipality, county, or hospital district are **exempt** from the tax being collected by their insurer, if the municipality, county, or hospital district establishes either a single entity benefit trust or establishes or participates in a Chapter 172 risk pool. Since 2008, the City has saved over $450,000 utilizing this strategy.

Kerrville has secured a comprehensive, cost effective, quality benefits package for City employees.

Medical

BCBSTX provided the City with a renewal of a 2.5% increase in premiums. Our claims cost increased along with our RX costs. BCBS has a high satisfaction rate among our plan members. They perform very well with plan administration, customer service, quality of coverage, and are well received by the area medical community. After negotiations, BCBSTX agreed to a 1% increase for our FY2019 plan year. The upcoming plan year will be the 6th year with BCBS.

For FY2018, the City contributes $6,500 per employee per year and Council approved an additional amount from the Employee Benefit Reserve account that we anticipated would be $215,350. As of 05/22/2018, we have only used $66,782 and we are eight months into the plan year. For FY2019, the City will continue to budget $6,500 per employee per year and will need Council to approve up to an additional $270,900 from the Employee Benefit Reserve account, however, due to changes in employee coverage we do not expect to use the total amount. As of 05/22/2018, the Employee Benefit Reserve account had $475,692 available and those funds can only be used for employee benefits.

When we determine the "per employee per year" amount, we are estimating the tier of coverage that an employee will have throughout the year. That fluctuates throughout the year due to marriage, divorce, death, new babies, new hires, or terminations throughout the fiscal year. When these changes occur, the budgeted amount does not change and therefore, the change directly affects the Employee Benefit Reserve.

The City contributes 100% of the cost for the employee only coverage. The employee contribution for dependent coverage would remain the same as it is for FY2018 and the rate increase can be absorbed by the City by allocating funds from the Employee Benefit Reserve account as detailed above.

Staff is recommending that the City continue our relationship with BCBS for our FY2019 medical benefits.

Dental, Vision, Group Life & AD&D, Voluntary Life & AD&D, and Short Term Disability

In FY2018, we negotiated rate guarantees with Standard Life for all of our other benefits. The contracts were approved by Council in July 2017 for the FY2018 plan year. The rate guarantees are as follows:

- Dental – two year rate guarantee
- Vision – two year rate guarantee
- Group Life & AD&D – three year rate guarantee
- Voluntary Life & AD&D – three year rate guarantee
- Voluntary Short Term Disability – three year rate guarantee

RECOMMENDED ACTION:

Staff recommends Council (acting as the Trustees of the Employee Benefit Trust) approve the plans and rates for the FY2019 employee benefit plans as presented and authorize the City Manager to sign the contracts with the providers.

FY2019 MEDICAL (24 Pay Periods)

1% INCREASE - SAME PLAN DESIGN

BCBS PPO

FY2019 PPO Plan

$2,500 Deductible, Office Visit $35/$50, RX $15/$40/$70

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only (90)	245	0.00	0.00	368.42	368.42	100%	$ 1,083,155	368.42	$402,315
Spouse	20	94.00	188.00	290.96	478.96	61%	$ 69,830	847.38	$203,371
Child(ren)	46	81.50	163.00	249.64	412.64	60%	$ 137,801	781.06	$431,145
Family	90	156.00	312.00	494.87	806.87	61%	$ 534,460	1175.29	$1,269,313
	245						**$ 1,825,246**		**$2,306,144**

BCBS HRA

FY2019 HRA Plan

HRA, $2,500 Deductible, RX $15/$40/$70

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only (35)	56	0.00	0.00	338.95	338.95	100%	$ 227,774	338.95	$134,224
Spouse	4	87.00	174.00	266.63	440.63	61%	$ 12,798	779.58	$37,420
Child(ren)	3	74.50	149.00	230.63	379.63	61%	$ 8,303	718.58	$25,869
Family	8	146.50	293.00	449.32	742.32	61%	$ 43,135	1081.27	$103,802
	56						**$ 292,010**		**$301,315**
	301		PEPY	$7,034			$ 2,117,256		**$2,607,459**

Notes for FY2019
1% Increase from FY2018
Same Plan Design
6th Year with BCBSTX

Prepared by Kim Meismer 7/18/2018

FY2018 MEDICAL (24 Pay Periods)

1.5% INCREASE - SAME PLAN DESIGN

BCBS PPO

FY2018 PPO Plan

$2,500 Deductible, Office Visit $35/$50, RX $15/$40/$70

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only (90)	237	0.00	0.00	364.77	364.77	100%	$ 1,037,406	364.77	$398,329
Spouse	21	94.00	188.00	286.22	474.22	60%	$ 72,127	838.99	$211,425
Child(ren)	50	81.50	163.00	245.56	408.56	60%	$ 147,336	773.33	$463,998
Family	80	156.00	312.00	486.88	798.88	61%	$ 467,405	1163.65	$1,117,104
	237						**$ 1,724,274**		**$2,190,856**

BCBS HRA

FY2018 HRA Plan

HRA, $2,500 Deductible, RX $15/$40/$70

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only (35)	58	0.00	0.00	335.59	335.59	100%	$ 233,571	335.59	$132,894
Spouse	6	87.00	174.00	262.27	436.27	60%	$ 18,883	771.86	$55,574
Child(ren)	6	74.50	149.00	226.88	375.88	60%	$ 16,335	711.47	$51,226
Family	6	146.50	293.00	441.97	734.97	60%	$ 31,822	1070.56	$77,080
	58						**$ 300,611**		**$316,774**
	295		PEPY	**$6,864**			**$ 2,024,885**		**$2,507,630**

Notes for FY2018

1.5% Increase from FY17

Same Plan Design

5th Year with BCBSTX

FY2019 DENTAL - 24 Pay Periods

SAME PLAN DESIGN

Standard — FY2019 Dental - Annual Maximum $1,500 - Orthodontics Included

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only	290	0.00	0.00	21.98	21.98	100%	$ 76,490	21.98	$25,848
Spouse	45	9.30	18.60	2.54	21.14	12%	$ 1,372	43.12	$23,285
Child(ren)	41	17.81	35.61	4.85	40.46	12%	$ 2,386	62.44	$30,720
Family	88	27.76	55.51	7.58	63.09	12%	$ 8,004	85.07	$89,834
	290		PEPY	$304			$ 88,253		$169,688

Standard — FY2018 Dental - Annual Maximum $1,500 - Orthodontics Included
(3% Rate Increase)

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only	290	0.00	0.00	21.98	21.98	100%	$ 76,490	21.98	$25,848
Spouse	45	9.30	18.60	2.54	21.14	12%	$ 1,372	43.12	$23,285
Child(ren)	41	17.81	35.61	4.85	40.46	12%	$ 2,386	62.44	$30,720
Family	88	27.76	55.51	7.58	63.09	12%	$ 8,004	85.07	$89,834
	290		PEPY	$304			$ 88,253		$169,688

MetLife — FY2017 Dental - Annual Maximum $1,500 - Orthodontics Included
(3% Rate Increase)

Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total EE + CITY Rates	Total EE + CITY Burden
Emp Only	299	0.00	0.00	21.34	21.34	100%	$ 76,574	21.34	$25,098
Spouse	46	9.30	18.60	1.92	20.52	9%	$ 1,059	41.86	$23,106
Child(ren)	46	17.81	35.61	3.66	39.27	9%	$ 2,022	60.62	$33,460
Family	91	27.76	55.51	5.73	61.24	9%	$ 6,261	82.59	$90,183
	299		PEPY	$287			$ 85,916		$171,847

Notes for FY2019

Rates remain the same
Same Plan Design
City Contributes 100% for Employees & 12% for Dependents
Two Year Rate Guarantee through 10/1/2019

Prepared by Kim Meismer 7/18/2018

FY2019 VISION - 24 Pay Periods

NO INCREASE - SAME PLAN DESIGN

Standard (VSP)		FY2019 Vision - 12/12/24, Exam Copay $10, Materials Copay $20							
Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total Rates	Total EE Burden
Emp Only	246	3.09	6.17	0.00	6.17	0%	$ -	6.17	$18,214
Spouse	45	6.18	12.36	0.00	12.36	0%	$ -	12.36	$6,674
Child(ren)	37	5.80	11.59	0.00	11.59	0%	$ -	11.59	$5,146
Family	71	8.88	17.75	0.00	17.75	0%	$ -	17.75	$15,123
	246		PEPY	$0			$ -		$45,157

Standard (VSP)		FY2018 Vision - 12/12/24, Exam Copay $10, Materials Copay $20							
Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total Rates	Total EE Burden
Emp Only	246	3.09	6.17	0.00	6.17	0%	$ -	6.17	$18,214
Spouse	45	6.18	12.36	0.00	12.36	0%	$ -	12.36	$6,674
Child(ren)	37	5.80	11.59	0.00	11.59	0%	$ -	11.59	$5,146
Family	71	8.88	17.75	0.00	17.75	0%	$ -	17.75	$15,123
	246		PEPY	$0			$ -		$45,157

MetLife (VSP)		FY2017 Vision - 12/12/24, Exam Copay $10, Materials Copay $20							
Tier of Coverage	Count	Employee Bi-Weekly Cost	Employee Monthly Cost	CITY Cost Per EE/Mo.	Total PEPM	% Paid by CITY	CITY Total Annual Cost	Total Rates	Total EE Burden
Emp Only	246	3.09	6.17	0.00	6.17	0%	$ -	6.17	$18,214
Spouse	45	6.18	12.36	0.00	12.36	0%	$ -	12.36	$6,674
Child(ren)	37	5.80	11.59	0.00	11.59	0%	$ -	11.59	$5,146
Family	71	8.88	17.75	0.00	17.75	0%	$ -	17.75	$15,123
	246		PEPY	$0			$ -		$45,157

Notes for FY2019

Rates Remain the Same
Same Plan Design
Voluntary Plan - No Impact to City
Two Year Rate Guarantee through 10/1/2019

Prepared by Kim Meismer 7/18/2018

BUDGET ANALYSIS CITY CONTRIBUTION (PEPY)

	Medical	Dental	Life/ADD	Total	Budget
FY2019	$7,034	$304	$62	$7,400	$6,500
FY2018	$6,864	$304	$62	$7,230	$6,500
FY2017	$6,649	$287	$75	$7,011	$6,500
FY2016	$6,655	$269	$75	$6,999	$7,000
FY2015	$6,907	$248	$75	$7,230	$7,500
FY2014	$7,159	$232	$60	$7,451	$7,500
FY2013	$6,767	$271	$60	$7,098	$7,100
FY2012	$6,518	$207	$60	$6,785	$6,800
FY2011	$7,117	$385	$106	$7,608	$7,800
FY2010	$7,666	$504	$106	$8,428	$8,950
FY2009	$7,686	$408	$118	$8,212	$8,950
FY2008	$7,770	$408	$118	$8,296	$8,920

Prepared by Kim Meismer 7/18/2018

FY2019 Employee Benefits

Tuesday, July 24, 2018

Employee Benefit Trust

- **Chapter 222.002 of the Texas Insurance Code**
  - **There is an annual tax in the amount of 1.75% that is imposed on insurers for gross premiums received from their policyholders.**
  - **Gross premiums paid by a municipality, county, or hospital district are <u>exempt</u> from the tax being collected by their insurer, if the municipality, county, or hospital district <u>establishes either a single entity benefit trust or establishes or participates in a Chapter 172 risk pool.</u>**
  - **In July 2008, City Council approved a resolution to create the Employee Benefit Trust.**

Employee Benefit Trust

- Savings to Date:
  - 1.75% Savings Per Year (Total $450,665)
    - FY 2009 = $49,815
    - FY 2010 = $49,823
    - FY 2011 = $41,986
    - FY 2012 = $48,300
    - FY 2013 = $45,687
    - FY 2014 = $43,544
    - FY 2015 = $41,376
    - FY 2016 = $43,350
    - FY 2017 = $42,900
    - FY 2018 = $43,884

BCBSTX Medical

- BCBSTX Medical (6th year)
  - FY2019 = 1% increase
    - Rate History
      - FY2018 = 1.5% increase
      - FY2017 = Flat (no increase, no decrease)
      - FY2016 = 5% decrease
      - FY2015 = 3.7% decrease
      - FY2014 = 7% increase
        - Moved to BCBSTX from United Healthcare in FY2014
          - UHC Renewal came in at 15% increase

BCBSTX Medical

- Two plans, same plan design since FY2014
  - PPO
    - $2,500 deductible
    - Office visit copay $35/$50,
    - RX $100 deductible + $15/$40/$70
  - HRA
    - $2,500 deductible,
    - RX $100 deductible + $15/$40/$70
    - HRA contribution
      - up to $1,000 individual or $2,000 family
- City contribution per employee per year (PEPY)
  - FY2019 = $7,034 PEPY
- One year rate guarantee

FY2019 Proposed Budget

- $6,500 PEPY for benefits
  - Medical, Dental, Voluntary Life and AD&D
    - Employee Only – 100% paid by City
    - Dependent coverage
      - Medical – 60-61% paid by City
      - Dental – 12% paid by City
  - Voluntary Benefits
    - No City contribution for employee or dependents
      - Vision
      - Supplemental Life and AD&D
      - Short Term Disability
- Request authorization to use Benefit Reserve, if needed

FY2019 Proposed Budget

BCBSTX

- BCBSTX Medical - $7,034 PEPY
- Dental - $304 PEPY
- Group Life and AD&D - $62 PEPY
- Total - $7,400 PEPY

- Anticipated Benefit Reserve
  - $7,400 - $6,500 = $900 x 301 employees = $270,900
  - Benefit Reserve balance as of 6/30/2018 = $462,325
  - Benefit Reserve used as of 6/30/2018 (9 months into fiscal year) = $79,821
    - For FY2018, we estimated using $215,350
- 6th year with BCBSTX
- High satisfaction rate among our plan members
- Well received by the area medical community

Standard Life - "Package Deal"

- Standard Life offered a "package deal" beginning in FY2018 for the remainder of our benefits
  - These include:
    - Dental (two year rate guarantee – 10/1/2019)
    - Vision (two year rate guarantee – 10/1/2019)
    - Group Life & AD&D (three year rate guarantee – 10/1/2020)
    - Voluntary Life & AD&D (three year rate guarantee – 10/1/2020)
    - Voluntary Short Term Disability (three year rate guarantee – 10/1/2020)

Dental

- Dental
  - Standard Life
    - Same plan, same rates
    - City contribution toward the cost of dependent coverage
      - 12% = $304 PEPY
    - Employee contribution stays the same
    - Standard Life "package deal"
    - Two year rate guarantee – 10/1/2019

Vision

- Vision
  - Standard Life
    - Same plan, same rates
    - VSP network
    - Voluntary plan (no city contribution)
    - Standard Life “package deal”
    - Two year rate guarantee – 10/1/2019

Ancillary Benefits

- Standard Life – "Package Deal"
  - Group Life & AD&D – 20% Decrease (FY2018)
  - Voluntary Life – No change
  - Voluntary AD&D – No change
  - Voluntary Short Term Disability – 9.09% Decrease (FY2018)
  - Three year rate guarantee for all ancillary benefits with Standard Life – 10/1/2020

BUDGET ANALYSIS CITY CONTRIBUTION (PEPY)

	Medical	Dental	Life/ADD	Total	Budget
FY2019	$7,034	$304	$62	$7,400	$6,500
FY2018	$6,864	$304	$62	$7,230	$6,500
FY2017	$6,649	$287	$75	$7,011	$6,500
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FY2011	$7,117	$385	$106	$7,608	$7,800
FY2010	$7,666	$504	$106	$8,428	$8,950
FY2009	$7,686	$408	$118	$8,212	$8,950
FY2008	$7,770	$408	$118	$8,296	$8,920

Council Action

- **Staff recommends Council (acting as the Trustees of the Employee Benefit Trust) approve the plans and rates for the FY2019 employee benefit plans as presented and authorize the City Manager to sign the contracts with the providers.**

Questions?

BlueCross BlueShield of Texas

06/14/2018

The City Of Kerrville Employee Benefit Trust

Prospective Premium Projection
for the period
October 1, 2018 - September 30, 2019

2018 FI Renewal - Updated Rates

Presented by:

Jessica West

A Division of Health Care Service Corporation, a Mutual Legal Reserve Company, an Independent Licensee of the Blue Cross and Blue Shield Association

BlueCross BlueShield of Texas

The City Of Kerrville Employee Benefit Trust

Prospective Premium Projection
October 1, 2018 - September 30, 2019
2018 FI Renewal - Updated Rates

Affordable Care Act (ACA) Disclaimer

If your existing group health plan or group health insurance coverage (each "plan") was in effect on March 23, 2010, it may be a "grandfathered health plan" as that term is " defined in the Affordable Care Act and related regulations (currently 75 Fed. Reg. 34538). "

Federal regulations have been published regarding the maintenance and loss of grandfathered health plan status. We encourage you to confer with your own legal counsel to determine what benefit changes or other events may cause the loss of grandfathered health plan status and to evaluate the benefit options that are most suitable for you.

The following proposed benefit programs are not considered "grandfathered health plans".

BlueCross BlueShield of Texas

The City Of Kerrville Employee Benefit Trust

Prospective Premium Projection
for the period
October 1, 2018 - September 30, 2019
2018 FI Renewal - Updated Rates

RATE DEVELOPMENT

Please refer to the ACA Disclaimer regarding benefits and final pricing.

			HCA			PPO
Premium at Current Rates			$330,546			$2,284,139
Rate Action			1.0 %			1.0 %
Requested Premium at Renewal Rates *			$333,854			$2,306,985
Allocated Taxes and Fees			$1,930			$13,330
	Lives	Current	Renewal *	Lives	Current	Renewal *
HCSC Primary						
Single	41	$335.59	$338.95	88	$364.77	$368.42
Single + Spouse	4	$771.86	$779.58	20	$838.99	$847.38
Single + Child(ren)	3	$711.47	$718.58	46	$773.33	$781.06
Family	8	$1,070.56	$1,081.27	90	$1,163.65	$1,175.29
HCSC Total	56			245		

**Total premium due includes the effects of Health Insurer Fees and Reinsurance Fees (including but not limited to successor or alternate programs), if any, plus any federal and state taxes applicable to the fees for (BCBSTX) products/services.*

Accepted: ______________________ Date: ______________________

Mark McDaniel, City Manager
City of Kerrville

BlueCross BlueShield of Texas

The City Of Kerrville Employee Benefit Trust

Prospective Premium Projection
October 1, 2018 - September 30, 2019
2018 FI Renewal - Updated Rates

CONDITIONS AND CAVEATS

Please refer to the ACA Disclaimer regarding benefits and final pricing.

Notwithstanding anything in the renewal or proposal to the contrary, BCBSTX reserves the right to revise or withdraw our offer or to change our charge for the cost of coverage (premium or other amounts) at any time before or during the contract period if any local, state or federal legislation, regulation, rule or guidance (or amendment or clarification thereto) is enacted or becomes effective/implemented, which would require BCBSTX to pay, submit or forward, on its own behalf or on the Employer Group's behalf, any additional tax, surcharge, fee, or other amount (all of which may be estimated, allocated or pro-rated amounts).

NOTICE: AFFORDABLE CARE ACT (ACA) FEES

ACA established a number of taxes and fees that will affect our customers and their benefit plans. Two of those fees are: (1) the Annual Fee on Health Insurers or "Health Insurer Fee"; and (2) the Transitional Reinsurance Program Contribution Fee or "Reinsurance Fee." Both the Reinsurance Fee and Health Insurer Fee began in 2014.

Section 9010(a) of ACA requires that "covered entities" providing health insurance ("health insurers") pay an annual fee to the federal government, commonly referred to as the Health Insurer Fee. The amount of this fee for a given calendar year is determined by the federal government and involves a formula based in part on a health insurer's net premiums written with respect to health insurance on certain health risk during the preceding calendar year. This fee helps fund premium tax credits and cost-sharing subsidies offered to certain individuals who purchase coverage on health insurance exchanges.

In addition, ACA Section 1341 provides for the establishment of a temporary reinsurance program(s) (for a three (3) year period (2014-2016)) which is funded by Reinsurance Fees collected from health insurance issuers and self-funded group health plans. Federal and state governments provide information as to how these fees are calculated. Federal regulations establish a flat, per member, per month fee. The temporary reinsurance programs, funded by these Reinsurance Fees, help to stabilize premiums in the individual market.

Your premium, which already accounts for current applicable federal and state taxes, includes the effects of the Health Insurer and Reinsurance Fees. These rates may be adjusted on an annual basis for any incremental changes in Health Insurer Fees and Reinsurance Fees.

The Affordable Care Act establishes a minimum value standard of benefits of a health plan. The minimum value standard is 60% (actuarial value). This health coverage does meet the minimum value standard for the benefits it provides.

After the initial benefit plan design(s) is quoted, HCSC will not be providing a Minimum Value determination for any requested alternative benefit plan design(s). After you have notified HCSC of your final benefit plan design selection(s) for the upcoming policy year or renewal period, a statement indicating whether each selected benefit plan design meets/does not meet Minimum Value standards will be included in the corresponding Summary of Benefits and Coverage document(s) provided by HCSC.

Rates are projected to be effective for the 12-month period beginning on the effective date indicated.
Final rates may vary based on actual enrollment results.

This renewal offer assumes BCBSTX will remain the exclusive carrier.

The total annual premiums are based upon the total current enrollment and contract distribution as indicated.

If the enrollment or contract distribution varies by more than 10% in total or in each coverage independently, we reserve the right to re-rate.

The minimum participation requirement is 75% without waivers and 65% with valid waivers in order for coverages to be issued.

The employer maintaining the current contribution schedule.

Annual open enrollment.

Upon inquiry from employer groups, BCBSTX will provide information to the employer group regarding commissions and other compensation paid to the employer's agent by BCBSTX in connection with the employer's policy or contract with BCBSTX.

Blue Care Connection (Healthcare Management program) is included in the quoted administration fee.