The City of Durant encourages participation from all its citizens. If participation at any public meeting is not possible due to a disability, notification to the City Clerk at least 48 hours prior to the scheduled meeting is encouraged in order to make the necessary accommodations. The City of Durant may waive the 48-hour rule if interpreters for the deaf (signing) or translation services for limited English proficient (LEP) individuals are not the necessary accommodation.

DURANT CITY COUNCIL

5:30 PM | **Roscoe J. Hatfield Council Chambers, 300 West Evergreen, Durant, Oklahoma** | **October 4, 2017**

SPECIAL AGENDA

DURANT CITY HALL
300 W. EVERGREEN, DURANT, OK
ROSCOE J. HATFIELD COUNCIL CHAMBERS

CALL TO ORDER

INVOCATION/FLAG SALUTE

ROLL CALL

ORDER OF BUSINESS

1. Enter into Consulting/Business Agreement with Insurica for Benefit Planning, Design, Funding, Administration, and Communication Services for the purposes of administrating a Blue Cross Health Insurance plan.

2. **Executive Session**

   a. Consider Executive Session for Confidential Communication with Attorney Concerning Pending Claim Against the City of Durant by Former Employee Keach Ballard (This Executive Session Authorized by Title 25, Section 307 B(4) of the Oklahoma State Statutes)

   b. Consider Action Pursuant to 2(a) Above

   c. Consider Executive Session for Confidential Communication with Attorney Concerning Pending Claim by the City of Durant Against Resource One (This Executive Session Authorized by Title 25, Section 307 B(4) of the Oklahoma State Statutes)

   d. Consider Action Pursuant to 2(c) Above

   e. Consider Executive Session to Discuss the Employment and Performance Review of City Manager (This Executive Session Authorized by Title 25, Section 307 B(1) of the Oklahoma State

Statutes)

f. Consider Action Pursuant to 2(e) Above

ADJOURNMENT

CERTIFICATE

This is to certify that in conformity with the Oklahoma Open Meeting Act, public notice of the date, time and place of this meeting was filed with the City Clerk of Durant on the 2nd day of October, 2017 and that an agenda of said meeting was posted at the place of such meeting at 5:00 p.m. on the 3rd day of October, 2017.

_____

Cynthia J. Price, City of Durant

The City of Durant

Office of City Manager

Memorandum

Date: 10/3/2017
To: Mayor and City Council
From: Tim Rundel, City Manager
Re: Enter into Consulting/Business Agreement with Insurica for Benefit Planning, Design, Funding, Administration, and Communication Services for the purposes of administrating a Blue Cross Health Insurance plan.

Honorable Mayor and Council,

As you know, the City of Durant has had a self-funded health insurance plan for several years. Our last plan year runs from Nov. 1, 2016 - October 31, 2017.

Our average year under the self-funded plan was approximately $3,000,0000. This last plan year, our claims and administrative fees are projected (by the end of this month) to finish between $5,000,000 to $5,500,000. In the spring of this year when it was discovered that the City would be facing some catastrophic claims, the City immediately had to cut several capital projects and institute a hiring and spending freeze.

As we were awaiting to see how much our renewal with Resource One was quickly approaching, staff reached out to one of the top independent brokerage consulting firms in the state of Oklahoma (Insurica).

We had been utilizing the services of EPS (who was bought out by Resource One in 2016) for well over a decade without shopping the plan or third party administrators.

I felt it was important to get an outside and independent review of our current plan and shop for fully funded options as well. Insurica took to the market and was able to secure a very competitive package from Blue Cross. They also shopped Aetna and United Healthcare.

The Blue Cross quote would lock us in at $3,002,624 with a fully insured plan. This PPO plan would give our employees the same co-pays, and deductibles without (more importantly) raising their premiums.

We would also be providing Blue Cross for their dental needs and offering a vision plan for our employees (that does not currently exist).

In order for our City to have financial stability (without having to slash expenses for infrastructure improvements, instituting hiring and spending freezes during a catastrophic year), I am recommending that we enter into this agreement with Insurica..

Council Information / Action Requested

Approve entering into Consulting/Business Agreement with Insurica for Benefit Planning, Design, Funding, Administration, and Employee Communication Services for the purposes of administrating a Blue Cross Health Insurance plan.

City Staff Information / Action Follow-up, if Council authorizes this action:

ATTACHMENTS:

Description	Type	Upload Date
Consulting Agreement	Cover Memo	10/3/2017
Executive Summary	Cover Memo	10/3/2017

Consulting Agreement

This Consulting Agreement (Agreement) is between City of Durant (Client) and INSURICA (Consultant), effective as of October 4, 2017.

WHEREAS, Client wishes to obtain the assistance of Consultant with strategic benefit planning, design, funding, administration and communication with respect to its employee benefit programs;

WHEREAS, Consultant has superior knowledge and expertise in assisting employers with designing and servicing employee benefit plans; and

WHEREAS, the parties wish to set forth their respective expectations;

Now, therefore, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the parties hereby agree as follows:

1. **Scope of Services to be Provided by Consultant**

   Consultant will provide Client with the consulting and brokerage services listed below:

   A. **Renewal Services.**

   - Underwriting analysis of renewal
   - Claims analysis to isolate problematic areas
   - Interpret claims data and develop strategic action plan
   - Insurance carrier contract renewal
   - Carrier evaluation
   - Voluntary needs analysis and market study
   - RFP creation
   - Plan design modeling
   - Ancillary lines of coverage renewal

   B. **Strategic Services.**

   - Employee questionnaire (Provided annually upon client's request)
   - Creation of employee benefits strategic plan
   - Benchmark plan design for comparison
   - New employee administration
   - Ongoing service with carrier

   C. **Enrollment.**

   - Employee enrollment meetings
   - Collection and review of enrollment materials
   - Enrollment communication to carrier

- Enrollment communication campaign

D. Employee Communication.

- Employee newsletters
- Benefits education campaign
- Wellness campaign (Provided at client's request)
- Develop annual Open Enrollment Guide which is customized to client's own employee benefits program

E. Compliance Resources.

- Health Care Reform news and information
- Health Care Reform penalty modeling
- Information on compliance with federal and/or state laws including:
  - COBRA
  - HIPAA
  - FMLA
  - Internal Revenue Code Section 125
  - Medicare Part D
  - Additional employment laws

F. Human Resources.

- Employee handbook template
- Access to professional community
- Benchmark survey data
- HR library of forms

2. Client's Responsibilities

Client will make available such reasonable information as required for Consultant to conduct its services. Such data will be made available as promptly as possible. It is understood by Consultant that the time of Client's personnel is limited, and judicious use of that time is a requirement of this Agreement.

3. Disclosure and Recordkeeping

A. Full Disclosure.

Client has the right to approve any arrangements and/or the utilization of any intermediaries in connection with, or arising out of, or in any way related to Client's insurance and risk management program. Consultant must seek approval from Client prior to the use of any of the above in connection with the Client's insurance and risk management program.

B. Recordkeeping.

Consultant will maintain accurate and current files including, but not limited to, insurance policies and correspondence with insurers or brokers in accordance with industry standard record retention practice or as otherwise directed by Client.

4. Term & Termination

A. Term.

The initial term of this Agreement shall be one year, commencing on October 4, 2017 and ending October 3, 2018 (Initial Term). Thereafter, this Agreement will remain in effect until terminated as described below.

B. Termination.

This Agreement may be terminated by either party only as follows:

a) Effective upon thirty (30) days' advance written notice to the other party stating that such other party is in breach of any of the provisions of this Agreement, provided such breach (if able to be cured) is not cured within fifteen (15) days after the notice is received;

b) effective upon six (60) days' advance written notice to the other party given with or without reason; provided such notice is given after the Initial Term; or

c) By mutual written agreement of the parties.

5. Cost of Services

Consultant's Professional compensation is based upon time expended by specific individuals, and additional resources Consultant provides to Client. Client agrees to assign available commissions which are already filed with the fully-insured rate structure by the writing carriers' policy to Consultant. In turn, Consultant agrees to not bill Client additional Professional fees above and beyond the policy commissions.

Additional programs and services will be provided on a project basis for an additional fee to be disclosed in writing and shall be undertaken upon mutual agreement between Consultant and Client. Such programs and services may include, but not be limited to, actuarial consulting, retirement benefit planning or long-term care insurance.

6. Personnel

Consultant will assign its personnel according to the needs of Client and according to the disciplines required to complete the appointed task in a professional manner. Consultant retains the right to substitute personnel with reasonable cause. The Account Management Team consists of the following individuals:

Primary Service Team:	Dustin Brand, Sr. Consultant & Manager
	Kelley Speck, Consultant
	Julie Mitchell, Account Executive
Additional Key Resources:	Sherry Kettner, Account Manager
	Heather Carpenter, Enrollment Coordinator

7. **Records and Information**

Consultant agrees to keep any information provided by Client confidential and to exercise reasonable and prudent cautions in protecting the confidentiality of such information. If the services provided by Consultant involve the use of protected health information, Client and Consultant agree to enter into an appropriate business associate agreement.

8. **Independent Contractor**.

It is understood and agreed that Consultant is engaged by Client to perform services under this Agreement as an independent contractor. Consultant shall use its best efforts to follow written, oral or electronically transmitted (i.e., sent via facsimile or email) instructions from Client as to policy and procedure.

9. **Fiduciary Responsibility.**

Client acknowledges that: (i) Consultant shall have no discretionary authority or discretionary control respecting the management of any of the employee benefit plans; (ii) Consultant shall exercise no authority or control with respect to management or disposition of the assets of Client's employee benefit plans; and (iii) Consultant shall perform services pursuant to this Agreement in a non-fiduciary capacity.

Client agrees to notify Consultant as soon as possible of any proposed amendments to the plans' legal documents to the extent that the amendments would affect Consultant in the performance of its obligations under this Agreement. Client agrees to submit (or cause its agent, consultants or vendors to submit) all information in its (or their) control reasonably necessary for Consultant to perform the services covered by this Agreement.

10. **Entire Agreement**

This constitutes the entire Agreement between the parties, and any other warranties or agreements are hereby superseded.

Subsequent amendments to this Agreement shall only be in writing signed by both parties.

City of Durant

Signature	*Date*
Title	

INSURICA

Timothy R McDade	10-2-17
Signature	*Date*
Vice President	
Title	

Instructions

Please

- ☐ **SIGN** the last page of the Business Associate Contract
- ☐ **RETURN THE ENTIRE CONTRACT** by one of the following ways:
  - ✓ Fax
    405.556.2394
  - ✓ Mail
    INSURICA
    5100 N. Classen Blvd., Suite 300
    Oklahoma City, OK 73118

Please contact your INSURICA representative with any questions.

Thank you.

BUSINESS ASSOCIATE CONTRACT

This Business Associate Contract (Agreement) is entered into by and between City of Durant and INSURICA, effective as of October 4, 2017.

WHEREAS, Covered Entity is a group health plan as defined in the administrative simplification provisions within the Health Insurance Portability and Accountability Act of 1996 (HIPAA Privacy and Security Rules).

WHEREAS, Business Associate is an insurance broker that provides consulting services to plan sponsors and group health plans on matters related to employee benefits.

WHEREAS, Business Associate has been retained by the Covered Entity and/or broker to perform a function or activity on behalf of the Covered Entity that requires that the Business Associate have access to Protected Health Information (PHI).

WHEREAS, Covered Entity desires to receive satisfactory assurances from the Business Associate that it will comply with the obligations required of business associates by the HIPAA Privacy and Security Rules.

WHEREAS, the parties wish to set forth their understandings with regard to the use and disclosure of PHI by the Business Associate in performance of its obligations.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties hereby agree as follows:

A. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Privacy, Security, Breach Notification and Enforcement Rules at 45 CFR Part 160 and 164.

B. USE AND DISCLOSURE OF PHI

Covered Entity hereby grants Business Associate permission to use, disclose, and request from third parties PHI on behalf of Covered Entity or an organized health care arrangement in which the Covered Entity is a member in order to:

1. Perform or assist in performing a function or activity regulated by the HIPAA Privacy or Security Rules, including, but not limited to, claims processing or administration, data analysis, utilization review, quality assurance, billing, benefit management, practice management, repricing, renewal or replacement of a contract, conducting planning-related analysis related to managing the employee benefit plans, and customer service.
2. Assist the Covered Entity's other business associates retained to provide legal advice, accounting, actuarial, consulting, data aggregation, management, administration, accreditation, or financial services to the Covered Entity or to an organized health care arrangement in which the Covered Entity participates.
3. Allow Business Associate to properly manage and administer the Business Associate's organization or to carry out the legal responsibilities of the Business Associate.
4. Perform functions, activities, or services for, or on behalf of, Covered Entity as specified above, except as otherwise limited by this Agreement or if such use or disclosure would violate the HIPAA Privacy or Security Rules if done by the Covered Entity.

C. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Use and Disclosure of PHI. Business Associate shall not use or further disclose PHI other than as permitted by this Agreement or as required by law. To the extent practicable, Business Associate shall limit its use or disclosure of PHI or requests for PHI to a limited data set, or if necessary, to the minimum necessary to accomplish the intended purpose of such use, disclosure or request.
2. Safeguards. Business Associate shall use appropriate safeguards to prevent the use or disclosure of PHI other than pursuant to the terms and conditions of this Agreement, including establishing procedures that limit access to PHI within its organization to those employees with a need to know the information. Business Associate agrees that it will implement appropriate administrative, physical and technical safeguards to protect the confidentiality, integrity and availability of electronic PHI that it creates, receives, maintains or transmits on behalf of the Covered Entity, as required by the HIPAA Security Rule.

   Business Associate acknowledges that the requirements of 45 C.F.R. Sections 164.308, 164.310 and 164.312 applicable to such administrative, physical and technical safeguards apply to Business Associate in the same manner that such sections apply to Covered Entity. Further, Business Associate shall implement, and maintain in written form, reasonable and appropriate policies and procedures to comply with the standards, implementation specifications or other requirements of the HIPAA Security Rule, in accordance

with 45 C.F.R. Section 164.316, which applies to Business Associate in the same manner that such section applies to Covered Entity.

3. Unauthorized Disclosures of PHI. Business Associate shall, within ten (10) business days of becoming aware of a disclosure of PHI in violation of this Agreement by Business Associate, its officers, directors, employees, contractors, or agents or by a third party to which Business Associate disclosed PHI (including a subcontractor), report to Covered Entity any such disclosure. Business Associate agrees to mitigate, to the extent practicable, any harmful effect of the unauthorized disclosure.

   This section shall also apply to any breach of unsecured PHI, as defined by the applicable regulations. Notice of any such breach shall include the identification of any individual whose unsecured PHI has been, or is reasonably believed by Business Associate, to have been accessed, acquired or disclosed during such breach and any other information required by the applicable regulations.
4. Security Incidents. Business Associate shall promptly report to Covered Entity any Security Incident of which it becomes aware, in accordance with the HIPAA Security Rule.
5. Agreements With Third Parties. Business Associate agrees to ensure that any agents and subcontractors that create, receive, maintain or transmit PHI on behalf of Business Associate with respect to Business Associate's relationship with Covered Entity agree to the same restrictions and conditions that apply to Business Associate with respect to such information.
6. Access to Information. Within ten (10) business days of a request by the Covered Entity for access to PHI about an individual contained in a Designated Record Set, Business Associate shall make available to the Covered Entity such PHI for so long as such information is maintained in a Designated Record Set and in accordance with the requirements of 45 C.F.R. Section 164.524. In the event any individual requests access to PHI directly from the Business Associate, Business Associate shall respond to the request for PHI within ten (10) business days. Any denials of access to the PHI requested shall be the responsibility of the Business Associate.
7. Availability of PHI for Amendment. Business Associate agrees to make any amendments to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR Section 164.526 at the request of the Covered Entity or an individual, and in the time and manner designated by Covered Entity.
8. Inspection of Books and Records. Business Associate agrees to make its internal practices, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available to the Covered Entity, or at the request of the Covered Entity, to the Secretary of the U.S. Department of Health and Human Services or its designee (the "Secretary"), in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with HIPAA.
9. Accounting of Disclosures. Business Associate agrees to maintain and make available to the Covered Entity an accounting of disclosures of PHI as would be required for Covered Entity to respond to a request by an individual made in accordance with 45 CFR Section 164.528. Business Associate shall provide an accounting of disclosures made during the six (6) years prior to the date on which the accounting is requested (or during the three (3) years prior to the date the accounting is requested for PHI maintained in an electronic health record, beginning on the applicable effective date pursuant to the American Recovery and Reinvestment Act of 2009). At a minimum, the accounting of disclosures shall include the following information:
   a. Date of disclosure,
   b. The name of the person or entity who received the PHI, and if known, the address of such entity or person,
   c. A brief description of the PHI disclosed, and
   d. A brief statement of the purpose of such disclosure which includes an explanation of the basis of such disclosure.

   In the event the request for an accounting is delivered directly to the Business Associate, the Business Associate shall respond to the request within ten (10) business days. Any denials of a request for an accounting shall be the responsibility of the Business Associate. Business Associate agrees to implement an appropriate recordkeeping process to enable it to comply with the requirements of this section.
10. Remuneration in Exchange for PHI. Effective Sept. 23, 2013, the effective date of the final HIPAA regulations pursuant to the American Recovery and Reinvestment Act of 2009, and subject to the transition provision of 45 CFR Section 164.532 regarding prior data use agreements, Business Associate shall not

directly or indirectly receive remuneration in exchange for any PHI without a valid authorization permitting such remuneration, except as permitted by law.

D. OBLIGATIONS OF COVERED ENTITY

1. Covered Entity shall comply with each applicable requirement of the HIPAA Privacy and Security Rules.
2. Covered Entity shall provide Business Associate with the notice of privacy practices that Covered Entity produces in accordance with 45 CFR Section 164.520, as well as any changes to such notice.
3. Covered Entity shall provide Business Associate with any changes in, or revocation of, permission by individual to use or disclose PHI, if such changes affect Business Associate's permitted or required uses and disclosures.
4. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR Section 164.522.

E. PERMISSIBLE REQUESTS BY COVERED ENTITY

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under HIPAA if done by the Covered Entity.

F. TERMINATION

1. Term. The term of this Agreement shall begin on the Effective Date and shall remain in effect until terminated under Section F(2) of this Agreement.
2. Termination. This Agreement shall be terminated only as follows:
   a. Termination for Cause by Covered Entity

      This Agreement may be terminated by the Covered Entity upon fifteen (15) business days written notice to the Business Associate in the event that the Business Associate breaches any provision contained in Paragraph C of this Agreement and such breach is not cured within such fifteen (15) day period.

   b. Termination for Cause by Business Associate

      This Agreement may be terminated by the Business Associate upon fifteen (15) business days written notice to the Covered Entity in the event that the Covered Entity breaches any provision contained in Paragraphs D or E of this Agreement and such breach is not cured within such fifteen (15) day period..

   c. Termination Due To Change in Law

      Either party may terminate this Agreement effective upon thirty (30) days advance written notice to the other party in the event that the terminating party has sought amendment of this Agreement pursuant to Paragraph G(1) and no amendment has been agreed upon.

   d. Termination Without Cause

      Either may terminate this Agreement effective upon ninety (90) days advance written notice to the other party given with or without any reason.

3. Return or Destruction of PHI

   Upon termination of this Agreement, Business Associate shall return or destroy all PHI received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity that the Business Associate maintains in any form. Business Associate shall retain no copies of the PHI.

   Notwithstanding the above, to the extent that the Business Associate determines that it is not feasible to return or destroy such PHI, the terms and provisions of Paragraphs A, B, C and D shall survive termination of this Agreement and such PHI shall be used or disclosed solely for such purpose or purposes which prevented the return or destruction of such PHI. When the PHI is no longer needed by the Business Associate, the Business associate shall return the PHI to Covered Entity or shall destroy it.

G. GENERAL PROVISIONS

1. Amendment. This Agreement may be amended only by the mutual written agreement of the parties. The parties agree to take such action to amend this Agreement from time to time as is necessary for the Covered Entity or Business Associate to comply with the requirements of HIPAA.
2. Indemnification. Business Associate shall release, indemnify and hold Covered Entity harmless from and against any claims, fees, and costs, including, without limitation, reasonable attorneys' fees and costs, which are related to Business Associate's failure to perform its obligations under this Agreement. Covered Entity shall release, indemnify and hold Business Associate harmless from and against any claims, fees, and costs, including without limitation, reasonable attorneys' fees and costs, which are related to Covered Entity's alleged improper use or disclosure of PHI or other breach of this Agreement.

3. Remedies. The parties acknowledge that breach of Paragraphs B, C, D or E of this Agreement may cause irreparable harm for which there is no adequate remedy at law. In the event of a breach, or if either party has actual notice of an intended breach, such party shall be entitled to a remedy of specific performance and/or injunction enjoining the other party from violating or further violating this Agreement. The parties agree the election of the party to seek injunctive relief and or specific performance of this Agreement does not foreclose or have any effect on any right such party may have to recover damages.
4. Survival. Business Associate's obligation to limit its use and disclosure of PHI as set out in Paragraph C survive the termination of this Agreement so long as Business Associate has PHI received during the performance of its services as described in this Agreement.
5. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Oklahoma.
6. Assigns. Neither this Agreement nor any of the rights, benefits, duties, or obligations provided herein may be assigned by any party to this Agreement without the prior written consent of the other party.
7. Third Party Beneficiaries. Nothing in this Agreement shall be deemed to create any rights or remedies in any third party.
8. Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits the Covered Entity and/or Business Associate, as applicable, to comply with HIPAA.
9. Notices. Any notice given under this Agreement must be in writing and delivered via first class mail, via reputable overnight courier service, or in person to the parties' respective addresses as first written above or to such other address as the parties may from time to time designate in writing.

IN WITNESS WHEREOF, the undersigned have executed this Agreement.

"COVERED ENTITY"	"BUSINESS ASSOCIATE"
City of Durant	INSURICA
Signed: _____	Signed: Timothy R McFall
Date: _____	Date: 10-25-17
Name: Tim Rundel	Name: Timothy R. McFall
Title: City Manager	Title: Vice President
Address: 300 W. Evergreen Room 121	Address: 5100 N. Classen Blvd., Ste 300
Durant, OK 74701	Oklahoma City, OK 73118

02/13

INSURICA INSURANCE MANAGEMENT NETWORK

October 3, 2017

Tim Rundel
City Manager
City of Durant
300 W. Evergreen Street
City Hall Room 121
Durant, OK 74701

Dear Tim:

I'd like to start by again thanking you and the City for allowing INSURICA an opportunity to review, remarket and to last develop a recommended strategic plan of action for the upcoming November 1, 2017 renewal.

In recapping INSURICA's analysis, I'd like to first stat with the medical plan. I've outlined the findings below:

- ✓ City of Durant's current self-funded health plan is stuck in a claims spiral which is proven by the increased exposure the City encountered this past year in additional claims cost!
  - INSURICA has estimated the City's self-funded health plan is on track to have an annualized cost that'll likely exceed $5,427,427 by end of the contract period.
  - As a result the City is working in emergency mode to control costs and now is faced with the dilemma of increased cost shift for the upcoming plan year that begins November 1, 2017.
  - The additional risk has the reinsurance carrier recommending a 70% shift in risk to the employer for the upcoming plan year.
- ✓ SOLUTION – INSURICA's recommended solution is to consider capping the threat of significant ongoing risk by purchasing a fully-insured health plan which is proposed with Blue Cross & Blue Shield of Oklahoma.
  - This plan comes with an expected annual cost of $3,002,624, which is below the cost of today's program.
  - In addition, City of Durant would not be expose to having additional layers of risk transitioned onto the City's health plan through additional LASERS, and with Blue's large provider networks members will benefit from gaining access to what we believe are competitive provider discounts!

I've outlined the annual cost comparison of your current self-funded plan as compared to the security of purchasing a fully-insured contract with Blue Cross below:

5100 North Classen Boulevard, #300
P.O. Box 25928
Oklahoma City, Oklahoma 73125-0928
P : 405.523.2100
F : 405.556.2332
W: Insurica.com

	Self-Funded Plan	Blue Cross
Annual Premium	$5,427,427	$3,002,624

Additional advantages of purchasing a fully-insured health plan are:

- ✓ Brand loyalty, Blue Cross is a leading carrier in the industry having strong clout needed to negotiate the deepest provider discounts for members!
- ✓ INSURICA negotiated a plan design that's slightly richer than the current self-funded plan, because it's our goal to help the City offset its' inflated plan cost by implementing a program that'll offer additional premium subsidies to those members who'd qualify. The program is INSURE OKLAHOMA.

There is cost associated that would be required to transition from the current self-insured health plan over to fully-insured. The cost would be for payment of claims administration to manage the run-out, and we've estimated that cost to be approximately $27,000. Plus, City of Durant would be required to fund additional run-out claims for claims that were incurred under the current contract period which we've estimated could exceed $925,000.

Again, the security and reduced costs associated with the proposed fully-insured Blue Cross health plan appear to far outweigh the proposed financial threat involved with continuing the City's self-funded program.

Additional efforts to offset skyrocketing health plan costs would be to implement Insure Oklahoma which is designed to offset premium expenses through subsidies the program pays to the employer. More details about this program are outlined below:

INSURE OKLAHOMA

The Insure Oklahoma program is administered by the Oklahoma Healthcare Authority and designed to help qualified Oklahomans afford better care. The program is income based using the following income guideline grid our team will manage the "heavy lifting" involved with the onboarding of the program:

Family Size	Monthly Income	Annual Income
1	$2,281	$27,372
2	$3,071	$36,854
3	$3,864	$46,368
4	$4,654	$55,848
5	$5,443	$65,316
6	$6,236	$74,832

For each individual INSURICA is successful in qualifying for Insure Oklahoma, City of Durant will receive $470.53 in premium subsidy to help offset the cost of their insurance with the City's fully-insured Blue Cross health plan. In addition, spouses who qualify would receive an

additional 85% premium subsidy which would bring in an additional $799.91 in premium subsidy per month.

INSURICA's experience in implementing this similar program for other cities here in Oklahoma have resulted in great WINS!! Just two months ago, INSURICA implemented the Insure Oklahoma program for a City located in the Southwestern part of the City who had a similar size and poverty level and the results of this program generated over $200,000 in subsidies being paid to the City to help offset the cost of the employee benefit health plan!

DENTAL – City of Durant's dental plan is filed in the same self-funded plan document as the City's medical plan. So if that plan ended, City of Durant would also lose its' dental plan too!

To negate this disruption, INSURICA is recommending the City package the fully-insured medical with Blue Cross again offering ease of administration for the City's members participating in the program. Blue offers a competitive benefit coupled with an affordable price-point. By using Blue Cross, members using the dental plan would gain access to contracted network dentists who again have agreed to deep discounts off their billed charges!

An illustration of the City's current self-funded dental cost as compared to the proposed Blue Cross dental plan are outlined below:

	Self-Funded Plan	Blue Cross
Annual Premium	$142,560	$149,060

GROUP LIFE/AD&D- Standard Life currently insures the City's benefit eligible employees for life and AD&D coverage, and while this cost is relatively inexpensive it is paid 100% by the City.

In remarketing the benefit, INSURICA identified a proposal with Dearborn National which lowers the annual cost by 17%, thus it saves the City an additional $1,983 per year. Dearborn's policy matches the policy offered by Standard, so there is little to no disruption for plan members for the City making this change!

The proposed annual life insurance cost is outlined below:

	Standard Life	Dearborn National
Annual Premium	$11,155	$9,172

Last, INSURICA reviewed the City's plan to identify other areas of exposure the City's employees might have with the benefit program and found the City's plan did not adequately cover vision exams and correction. For this level of care, INSURICA recommends VSP who is the leading vision provider in the Nation!

Our team recommends the benefit be offered on a voluntary basis, which allows the City to provide its' employees access to a comprehensive benefit offering while not taking on additional expense for the benefit. The cost instead is that of the employee, and you'll find the premiums for the vision insurance cost an employee less than $4 per paycheck! This would provide the insured:

- ✓ Access to a large network of contracted Optometrists who will electronically file the members' claims with VSP for payment.
- ✓ The member would receive an annual eye exam which is paid in full following a $10 copayment.
- ✓ If vision correction is necessary the member would have an additional $25 copayment to help cover the cost of hardware. The hardware copay covers:
    - Single vision, lined bifocal, lined trifocal and lenticular lenses in full each year!
    - Frames every 24-months covering the first $130 of the frame cost, plus it provides an additional 20% discount off the price of the frames that exceeds the $130 allowance.
    - Contacts are also provided in lieu of frames

In closing, INSURICA is confident in this strategic action plan and as your independent Consultant our team will work as an extension of the City to help install, implement and then assist with claims issues throughout the year.

We look forward to tomorrow evening's meeting with you and the City Council, and look forward to continued discussion.

Sincerely,

Dustin Brand

Dustin Brand
Sr. Consultant & Manager

Agenda Item: 2.a.

The City of Durant

Office of City Clerk

Memorandum

Date:	10/2/2017
To:	Mayor and City Council
From:	Cynthia J. Price, City Clerk
Re:	Consider Executive Session for Confidential Communication with Attorney Concerning Pending Claim Against the City of Durant by Former Employee Keach Ballard (This Executive Session Authorized by Title 25, Section 307 B(4) of the Oklahoma State Statutes)

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

Agenda Item: 2.b.

The City of Durant

Office of City Clerk

Memorandum

Date: 10/2/2017
To: Mayor and City Council
From: Cynthia J. Price, City Clerk
Re: Consider Action Pursuant to 2(a) Above

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

Agenda Item: 2.c.

The City of Durant

Office of City Clerk

Memorandum

Date:	10/2/2017
To:	Mayor and City Council
From:	Cynthia J. Price, City Clerk
Re:	Consider Executive Session for Confidential Communication with Attorney Concerning Pending Claim by the City of Durant Against Resource One (This Executive Session Authorized by Title 25, Section 307 B(4) of the Oklahoma State Statutes)

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

Agenda Item: 2.d.

The City of Durant

Office of City Clerk

Memorandum

Date: 10/2/2017
To: Mayor and City Council
From: Cynthia J. Price, City Clerk
Re: Consider Action Pursuant to 2(c) Above

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

Agenda Item: 2.e.

The City of Durant

Office of City Clerk

Memorandum

Date:	10/2/2017
To:	Mayor and City Council
From:	Cynthia J. Price, City Clerk
Re:	Consider Executive Session to Discuss the Employment and Performance Review of City Manager (This Executive Session Authorized by Title 25, Section 307 B(1) of the Oklahoma State Statutes)

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action:

Agenda Item: 2.f.

The City of Durant

Office of City Clerk

Memorandum

Date: 10/2/2017
To: Mayor and City Council
From: Cynthia J. Price, City Clerk
Re: Consider Action Pursuant to 2(e) Above

Council Information / Action Requested

City Staff Information / Action Follow-up, if Council authorizes this action: