

VILLAGE OF DOWNERS GROVE
Report for the Village
5/18/2021

SUBJECT:	SUBMITTED BY:
Contract Extension for Health Plan Consulting	Enza Petarca Village Attorney

SYNOPSIS

A resolution has been prepared to authorize a three-year contract extension effective July 1, 2021 with The Horton Group of Orland Park, IL for Plan Consulting Services for a total not-to-exceed \$116,100 over the term of the three year contract.

STRATEGIC PLAN ALIGNMENT

The goals for 2019-2021 includes *Steward of Financial, Environmental and Neighborhood Sustainability*.

FISCAL IMPACT

The cost for FY21 is \$38,700. The FY21 Budget includes \$38,700 in the Health Insurance Fund.

RECOMMENDATION

Approval on the May 18, 2021 consent agenda.

BACKGROUND

In 2012, the Village received proposals to provide employee benefits consulting services. After interviewing several providers, the Village entered into a three-year contract with The Horton Group. The Horton Group has provided the following services:

- Health care reform compliance
- Employee communications
- Financial analytics
- Work site wellness
- Negotiated various insurance products and alternatives.

The Horton Group has provided excellent services. In 2015, the Village executed an extension of the contract for three years and extended the contract in 2018 for an additional three years. Staff has worked closely over the past nine years with the Horton Group and been pleased with the services provided. Additionally, the proposed contract price of \$38,700 is within budget and reflects no increase in cost for the service. Staff is recommending approval of an extension to the contract through June 30, 2024.

ATTACHMENTS

Resolution
Third Extension

RESOLUTION NO. _____**A RESOLUTION AUTHORIZING A
THIRD EXTENSION TO THE AGREEMENT
BETWEEN THE VILLAGE OF DOWNERS GROVE
AND THE HORTON GROUP**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Third Extension (the "Agreement"), between the Village of Downers Grove (the "Village") and The Horton Group ("THG") for certain employee benefits consulting services, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Village Manager and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk

**THIRD EXTENSION TO THE AGREEMENT BETWEEN
THE VILLAGE OF DOWNERS GROVE AND
THE HORTON GROUP**

The Village of Downers Grove, Illinois and The Horton Group entered into an Agreement for employee benefit consulting services on June 12, 2012, which was extended on February 17, 2015, and extended and amended on June 17, 2018. Pursuant to the terms stated therein, the parties desire to again extend that Agreement for a three-year period under the following terms:

1. The third extension shall continue for a three-year period ending June 30, 2024.
2. The annual fee shall remain the same at \$38,700.00, with a total not-to-exceed price of \$116,100.00 for the entire three-year term.
3. The terms and conditions of the Agreement shall be amended as provided for in the attached Exhibit A.
4. All other terms from the 2012 Agreement, 2015 Extension, and 2018 Extension and Amendment shall remain in full force and effect.

VILLAGE OF DOWNERS GROVE

THE HORTON GROUP

Village Manager

Michael E. Wojcik

Attest:

Title: Senior Vice President
The Horton Group

Village Clerk

Date: 6-13-2021

Date: _____

The Horton Group

Core Consulting Services

Service Categories	Compensation Structure
Strategic Planning and Market Insight; Financial and Benefit Analytics; Employee Benefit Compliance Support; Human Resource Assistance; Worksite Wellness Initiatives.	
Lines of Coverage: Medical, Prescription, Dental, Section 125 Flexible Spending, Employee Assistance Program (EAP)	\$3,225 per month fee* paid in lieu of standard agent commission. Guaranteed for 3 years.
Post 65 – Retiree Carve-out	Standard Carrier Commission
Vision, Life & AD&D, Long Term Disability	Horton will have the ability to earn standard commissions provided The Horton Group is able to negotiate the Village's costs on these lines of coverage to remain flat based on 2021 rates.
<i>*This fee represents compensation for services rendered under this proposal. Each and any <u>new</u> Benefit Programs established through our engagement (Ancillary, Voluntary Benefits, Retirement, Retiree Carve Out Benefit, etc.) will be subject to standard commissions.</i>	Exhibit A

Insurance / Risk Advisory / Employee Benefits

HORTON

The Horton Group

Core Consulting Services

Strategic Planning and Market Insight	Included
Because of our multifaceted involvement in Health Care, we are proud of the insight we can bring to the Board Room for intermediate and long term planning in the following areas: • Health Care Reform (ACA) Impact Study: Compliance and Tax Impacts • DOL Audit Checklist Review • Affordable Care Act (ACA) "Pay or Play" Options and Strategies • Market Trends and Forecasting • Benefit Philosophy Development • Benefit Design and Cost Sharing Benchmark: Industry and Employer Size • Exploration of Defined Contribution Cost Sharing Model • Eligibility Management: Working Spouse Carve-Out Provision, Eligibility Audits • Private Health Insurance Exchange Options • "Bend The Trend" Best Practices • High Deductible Health Plan Strategies (HSA, HRA, Gap Planning) • Engagement Strategies for Worksite Wellness / Early Detection • Development and Promotion of Consumer Centric Cost Transparency Tools • Voluntary Worksite Benefit Strategies • Alternate Funding Techniques (Self- Funding, Captives)	
Financial and Benefit Analytics	Included
Initial Assessment • Executive Healthcare Summary • Review Benefit Plan Strategy • Plan Performance & Financial Benchmarking • Provider Network Utilization - Discount Analysis • PBM Carve Out and Supplement Analysis • Contribution Modeling and ACA Compliance • Medical Utilization Containment Strategies • Rx Utilization and Containment Strategies • Shock Claim Review • Plan Design Benchmark and Analytics • Plan Design Alternatives - Cost Modeling • Renewal Forecast • Actuarial Evaluation of Plan Designs using HHS AV Calculator	

Insurance / Risk Advisory / Employee Benefits

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Core Consulting Services

Report Plan Performance After Each Quarter – Electronic Delivery

- Key Performance Indicators
- Network Utilization and Discounts
- High Cost Claimants
- Overall Plan Performance: Quarterly Aggregate – Loss Information

After Second Quarter of Plan Year – Pre Renewal Strategy Meeting – Site Visit

- Key Performance Indicators
- Network Utilization and Discounts
- High Cost Claimants
- Overall Plan Performance
- Decision Master Warehouse or Carrier Equivalent
- Renewal Forecasting and Suggested Plan Alternatives
- Plan Design and Cost Benchmarking
- Retiree Carve Out Analysis
- PBM Carve Out Analysis (depending on carrier tolerance)
- Strategy Recommendations for Renewal
 - plan design, employee cost sharing, product, carrier, network

Renewal Market Analysis

- Prepare Renewal Specifications – ACA Compliant
- Seek Quotes to Analyze and Compare Market
- Negotiate Renewal and Market Pricing with Carriers/Vendors
- Calculate Contribution Cost-Sharing Projections
- Present Findings to Client

After Fourth Quarter - Plan Year End - Site Visit

- Executive Healthcare Cost Analysis (year-end close out showing plan performance plus
 - Decision Master Warehouse Report: Medical, Rx
 - Demographic Review
 - Plan Costs vs. Expected vs. Maximum (per capita)
 - Industry or carrier benchmarks (where available)
 - Plan administrative costs (per capita)
 - High cost claimants
 - Utilization by service type (professional, in-patient, out-patient, pharmacy and specialty pharmacy)
 - Office visits per thousand
 - Emergency room visits per thousand and cost
 - Medical diagnostic categories

Insurance / Risk Advisory / Employee Benefits

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Core Consulting Services

• Top 10 pharmacy charges • RX review – generic, mail order, specialty drug usage • Year-end summary of plan and contribution changes • Summary of open enrollment migration and cost impact • Utilization Containment Strategies ACA Impact Analysis -- Midterm (TBD) Site Visit • Penalty 4980H (a) and (b) Impact • Patient Centered Effectiveness Research Tax (PCORI) • Insurance Reinsurance Exchange Tax • Employee Eligibility Determination • Strategies to Mitigate Rising Cost Wellness Screening Reports • Wellness Screening Summary and Forecast • Horton Health Initiatives Integration Report • ROI of Wellness Efforts	
Additional Services – Financial	TBD
Third Party Services • Third Party Services	
Compliance Support	Included
Designated Account Executive to assist with Health Care Reform News, Review of Compliance Requirements and Support Questions as requested: • COBRA Assistance • PCORI Tax Calculation • FMLA • HIPAA • HIPAA Privacy • ADA • Section 125 • Medicare Part D • CHIPRA • ACA	

Insurance / Risk Advisory / Employee Benefits

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Core Consulting Services

Administrative Services – Compliance	
• Plan Document and Group Policy/SPD/Certificate Review • DOL Audit Checklist Review • Agency Engagement in Health Care Legislation on State and Federal Level • Model Notices (including ACA) • FMLA Administration • FSA Administration	Included Included Included Included TBD TBD
Other Services	Included
<u>Eligibility Management Assistance</u> • Determining Full-Time Status (per ACA) • Vetting of Online Enrollment and Communication Systems • Developing Participation Guidelines: Working Spouse Waiver Rules, Eligibility • Documentation Requirements • Contribution Strategies	
<u>Employee Communication and Services:</u> Onsite or Webcast Open Enrollment Meetings • Custom PowerPoint Presentations with voice over • Benefit Summary Guides	
Employee Benefit Website Portal – Employee Navigator • An easy way to provide information to your employees • This Portal is a complete employee communication system that helps you streamline processes, and improve communication • Online Enrollment Capabilities (Employee Navigator) • Carrier Resources and Tools • HR Forms and Tools • Employee Benefit Learning Center	
Custom Employee Compensation Benefit Statement Designated Horton Employee Claims Advocate / Product Support	
<u>Affordable Care Act Enrollment Options for Part-Time and Employees not eligible for Core Benefits</u>	
<u>Employer Services:</u> Think HR Benefits Portal • HR-related articles • Access to a community of HR Professionals • Training programs	
Claims, Billing, Eligibility Assistance, Benefit Administration Assistance	

Insurance / Risk Advisory / Employee Benefits

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Benefit Education and Communication - Healthcare Literacy - Benefit Alerts - Compliance – Legislative Alerts - Horton Health Initiatives Newsletter Horton Learning Center - Think Hr - Employee Focused “Know Your Benefits” and “Consumerism” Education Webinars	
Workplace Wellness – Horton Health Initiatives	Included
Initial Workplace Wellness Assessment Implementing The Fundamentals - Health Assessment - Health Management Education - Engage Activities - Develop Incentives and Rewards Define Additional Objectives & By-laws - Three Year Plan Timeline - Incentive Contribution Modeling - Organize and Initiate Wellness Committee - Wellness Fair Coordination - Health Improvement Incentive Options	
Additional Services – Wellness	
Health and Wellness Related - Biometric Screening - Flu Shots (these costs vary by participation but can be paid by the plan) - BMI / Tanita Scale Readings - Stroke Screening - Learn at Lunch Seminars - Health Coaching - Nurse Hot Line - Doctor On Site	TBD TBD TBD TBD TBD TBD TBD TBD

The Horton Group

Core Consulting Services

Additional Expertise Available Through Horton

WORKSITE - Voluntary Benefits

The Horton Group helps organizations improve morale and free up staff by offering well-designed, optional products such as individual life, short-term and long-term disability and supplemental vision, dental and high deductible health plan gap plans Including: critical illness and accident insurance and hospital indemnity.

Personal Lines

Horton Personal Insurance helps business owners, key executives and employees Protect their homes, automobiles, watercraft and more. Services include annual detailed coverage reviews and programs designed for high-net worth individuals

Property & Casualty / Risk Management Services

Horton Risk Management Services provides property, general liability, automobile, excess liability, workers' compensation, employment practices liability, crime, fiduciary liability, professional liability and directors and officers insurance as well as many other Products in a variety of industries.

Safety Consulting and Loss Control

From employee orientation and training to jobsite inspections, Horton helps contractors and other commercial clients manage claims, facilitate appropriate return-to-work programs and incorporate safety into every aspect of their business operation

Financial Wellness

By partnering with HPM Partners, Horton has deepened its resources to include ERISA expertise and can assist organizations with their retirement services to maximize the organizations fiduciary protection, eliminate personal liability and hidden conflicts of interest while making a difference in the financial lives of their employees.

There are three key pillars to our service platform:

- Fiduciary Oversight
- Investment Advisory
- Financial Wellness Coaching & Ongoing Plan Review

Insurance / Risk Advisory / Employee Benefits

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