



2018 Open Enrollment

November 8-21, 2017

Table of Contents



Medical Insurance 4

Dental Insurance 9

Vision Insurance 10

Flexible Spending Accounts 11

Life Insurance 12

Other Benefits NOT Subject to Open Enrollment 14



Dear Employee:

Enclosed you will find information about your insurance options for 2018. Each benefit included in open enrollment is described in one of the following pages. You will receive a “2018 Open Enrollment Benefit Election Form” which you must complete, sign, date and return to HR, no later than **November 21, 2017**. To assist you in completing the 2018 Benefit Election Form, you will see your current elections listed at the beginning of each category.

Depending on the benefit selections or changes you wish to make, you may be required to complete specific forms from the insurance company.

Additionally, should you wish to do research on doctors that are offered in the following plans, please use this website: <https://www.medicare.com/find-a-doctor>. You will be able to search by network.

Please review this information carefully – the selections that you make now cannot be changed during the year unless you have a qualifying event, such as a marriage, birth or adoption of a child or change in your spouse’s employment status.

If at any time during open enrollment you have questions about your benefit options, or the online process, please contact a member of the HR Team — Jennifer Gabbard, ext. 9312 or at jgabbard@ShakopeeMN.gov, Eli Cortes, ext. 9315 or ecortes@ShakopeeMN.gov, or Patti Kent, ext. 9313 or pkent@shakopeeMN.gov. We would be happy to assist you (or your spouse) with any questions — either over the phone, via email or in-person.

Jennifer Gabbard
HR Manager



Medical Insurance

For 2018, the City will be offering employees their choice between three insurance plans: a 1500/3000 high deductible health plan with a Health Savings Account (HSA), a 2700/5400 high deductible health plan with a Health Savings Account (HSA) and a more traditional co-pay plan. Under each plan there are provider networks to choose from — the two high deductible plans will have the Park Nicollet ACO, the Vantage ACO, the Elect Network and the Passport Network. The Traditional Plan will only have the Park Nicollet ACO and the Passport Network.

The City's contribution toward the monthly premium will be based on the *Park Nicollet ACO premiums* with the City paying 100% of the monthly Park Nicollet premium for single coverage. We will then be paying a standard monthly premium for all other coverages. The city's contribution for single coverage will be \$551. The city's contribution for 2-party coverage will be \$935, and the family contribution will be \$1,303 per month. Employees choosing the Vantage ACO, the Elect Network and the Passport Network will pay the difference between the City's contribution and the total monthly premium.

The employee paid portion of the premium will be divided in half and deducted from your first two paychecks of each month. This deduction is taken out before taxes.

Park Nicollet or Ridgeview vs. Vantage vs. Elect vs. Passport Network

The Park Nicollet and Ridgeview ACOs are smaller accountable care organizations, with access to either just the Park Nicollet care system or just the Ridgeview care system. If you wish to see a specialty doctor it may require a referral from your primary care provider and that referral is likely to be to a specialist within that care system; you can be referred outside this network, which would be covered as in-network. Each member of a family may select their own primary care provider.

The Vantage ACO is a small network that is similar to the Essential Network that the city is no longer offering, it does include the Fairview care system. The Elect Network is another network of doctors that is organized around care systems, including Allina. Both the Vantage ACO and the Elect Network require you to identify a primary care clinic on your enrollment form and to notify Medica if you wish to change to a different primary care clinic. Each care system within the Vantage ACO and the Elect Network has its own set of rules, but many require a referral from your primary care provider in order to see a specialist and that referral is likely to be to a specialist within that care system. Each member of a family may select their own primary care provider.

The Passport Network is a larger, open-access network — which means there is no requirement to identify a primary care provider on your enrollment form. Individuals selecting the Passport network may see any provider within the Passport network — without seeking a referral to see a specialist. Mayo Hospitals and Clinics in Rochester, MN are part of the Passport network.

Option 1: 1500/3000 High Deductible Health Plan

This plan has a \$1,500 deductible for those with single coverage and a \$3,000 deductible for those with 2-party and family coverage. The deductible applies to all but preventative care. Once the deductible has been met, this plan provides 90% coverage for office visits, prescription drugs and hospital services. Once you reach an annual out-of-pocket maximum of \$2600 for single and \$4900 for two-party and family coverage, the insurance provides 100% coverage (depending on service- exclusions may apply). The money you spend to meet your deductible also counts toward your out of pocket max.

Please note that the above summary is for care received 'in-network;' coverage levels are different when you go out of network. An official Summary of Benefits for this plan is available on CityNet.

2018 Monthly Premiums - 1500/3000 High Deductible Plan						
	Park Nicollet ACO OR Ridgeview ACO			Vantage ACO		
	Total	Employer	Employee	Total	Employer	Employee
Single	\$551	\$551	\$0.00	\$564	\$551	\$13
2-Party	\$1,102	\$935	\$167	\$1,127	\$935	\$192
Family	\$1,757	\$1,303	\$454	\$1,797	\$1,303	\$494
	Elect Network			Passport Network		
	Total	Employer	Employee	Total	Employer	Employee
Single	\$582	\$551	\$31	\$626	\$551	\$75
2-Party	\$1,165	\$935	\$230	\$1,253	\$935	\$318
Family	\$1,857	\$1,303	\$554	\$1,997	\$1,303	\$694

PLEASE NOTE the following in relation to the High-Deductible Health Plan option:

#1 Due to IRS regulations, individuals who wish to be double covered (i.e. covered by the City's insurance and by their spouse's insurance, a veteran's insurance benefit, etc.) could be eligible for a Health Savings Account (HSA). In order to get the city's contribution your additional insurance must have an HSA, and you have to be under the maximum annual *family contribution* of \$6,900 for 2018. If your additional plan is a Traditional Plan, you may enroll in a High Deductible Plan but cannot receive the city's contribution.

#2 Due to the tax interaction between our Health Savings Accounts (HSAs) and Post-Employment Health Care Savings Plan (HCSP), individuals who plan to retire and/or resign from employment with the City during 2018 should take caution before enrolling in the High Deductible Plan. For more information, please contact Jennifer Gabbard at x9312.

#3 If you are covering an adult dependent child on the 1500/3000 High Deductible Health Plan, please be aware that you can only spend your HSA funds on expenses related to that child if they are a tax dependent according to the section of the tax code that covers Health Savings Accounts. This is separate from the issue of whether or not they are eligible for coverage. For more information see the Coverage of Dependent Children notice on CityNet and consult with your tax advisor.

Option 2: 2700/5400 High Deductible Health Plan

This plan has a \$2,700 deductible for those with single coverage and a \$5,400 deductible for those with 2-party and family coverage. The deductible applies to all but preventative care. Once the deductible has been met, this plan provides 90% coverage for office visits, prescription drugs and hospital services. Once you reach an annual out-of-pocket maximum of \$3,500 for single and \$7,000 for two-party and family coverage, the insurance provides 100% coverage (depending on service - exclusions may apply). The money you spend to meet your deductible also counts toward your out of pocket max.

Please note that the above summary is for care received 'in-network;' coverage levels are different when you go out of network. An official Summary of Benefits for this plan is available on CityNet.

2018 Monthly Premiums - 2700/5400 High Deductible Health Plan						
	Park Nicollet ACO OR Ridgeview ACO			Vantage ACO		
	Total	Employer	Employee	Total	Employer	Employee
Single	\$509	\$509	\$0.00	\$520	\$520	\$0.00
2-Party	\$1,018	\$935	\$83	\$1,041	\$935	\$106
Family	\$1,623	\$1,303	\$320	\$1,659	\$1,303	\$356
	Elect Network			Passport Network		
	Total	Employer	Employee	Total	Employer	Employee
Single	\$538	\$538	\$0.00	\$578	\$551	\$27
2-Party	\$1,075	\$935	\$140	\$1,156	\$935	\$221
Family	\$1,715	\$1,303	\$412	\$1,844	\$1,303	\$541

PLEASE NOTE the following in relation to the 2700/5400 High-Deductible Health Plan option:

#1 Due to IRS regulations, individuals who wish to be double covered (i.e. covered by the City's insurance and by their spouse's insurance, a veteran's insurance benefit, etc.) could be eligible for a Health Savings Account (HSA). In order to get the city's contribution your additional insurance must have an HSA and you have to be under the maximum annual *family contribution* of \$6,900 for 2018. If your additional plan is a Traditional Plan, you may enroll in the 2700/5400 High Deductible Health Plan but cannot receive the city's contribution.

#2 Due to the tax interaction between our Health Savings Accounts (HSAs) and Post-Employment Health Care Savings Plan (HCSP), individuals who plan to retire and/or resign from employment with the City during 2018 should take caution before enrolling in the High Deductible Plan. For more information, please contact Jennifer Gabbard at x9312.

#3 If you are covering an adult dependent child on the 2700/5400 High Deductible Health Plan, please be aware that you can only spend your HSA funds on expenses related to that child if they are a tax dependent according to the section of the tax code that covers Health Savings Accounts. This is separate from the issue of whether or not they are eligible for coverage. For more information see the Coverage of Dependent Children notice on CityNet and consult with your tax advisor.



Health Savings Accounts (HSA)

Employer Contributions

To assist employees in meeting their deductible expenses, the City will also make the following annual contribution to a Health Savings Account (HSA) for employees selecting the either of the high-deductible plans:

Single	2-Party	Family
\$750	\$1,500	\$1,500

Employee Contributions

In addition to the employer contribution noted above, employees selecting a High Deductible Health Plan may elect to contribute additional funds to their HSA through payroll deduction. For employees with single coverage (assuming you have accepted the employer contribution), the maximum annual *employee* contribution is \$2,700 for 2018. For those with 2-party or family coverage (again – assuming you have accepted the employer contribution), the maximum annual *family contribution* is \$5,400 for 2018. Employees age 55 or older and not enrolled in Medicare, are allowed to contribute an additional \$1,000, if they so choose.

The overall maximum contribution for an employee is \$3,450, including the employer's contribution. The overall maximum contribution for an family is \$6,900, including the employer's contribution.

Employees have the option to front-load their HSA contributions in order to ensure that funds are available in their account early in the year or to spread their annual contribution in equal amounts over the course of 24 paychecks.

Option 3: Traditional Plan

As an alternative to the high-deductible health plans described in the above options, the City will continue to offer a more traditional co-pay plan for 2018. This plan has a \$500 per member or \$1,000 per family deductible, however, the deductible does not apply to preventative care, office visits, urgent care visits or prescription drugs. Under this plan, there is a \$25 co-pay for office visits and urgent care visits, after which Medica pays 100% of the remaining bill. For in-patient, out-patient and emergency room care, this plan covers 80% of the bill, after the deductible has been met.

This plan also has a three tier prescription drug benefit. For a 31-day supply, there is a \$10 co-pay for generic formulary drugs, a \$25 co-pay for brand-name formulary drugs and a \$50 co-pay for non-formulary drugs.

Lastly, this plan has an annual out-of-pocket maximum of \$2,750 per member and \$5,500 per family.

Please note that the above summary is for care received “in-network;” coverage levels are different when you go out of network. An official Summary of Benefits for this plan is available on CityNet.

2018 Monthly Premiums - Traditional Plan						
	Park Nicollet ACO			Passport Network		
	Total	Employer	Employee	Total	Employer	Employee
Single	\$617	\$551	\$66	\$702	\$551	\$151
2-Party	\$1,235	\$935	\$300	\$1,403	\$935	\$468
Family	\$1,969	\$1,303	\$666	\$2,237	\$1,303	\$934

There is no Health Savings Account or corresponding City contribution for individuals selecting this plan.

You would be eligible to contribute to a Flexible Spending Account for individuals selections this plan.



Dental Insurance

For 2018, the City is again offering employees their choice of two dental plans, both offered through Delta Dental. As with medical insurance, employees have the option to select single, 2-party or family coverage. The City contribution towards dental insurance is equal to the cost of single coverage.

The monthly premium costs are the same for both plans, although there is a difference in the coverage levels provided.

2018 Monthly Premiums - Dental Insurance			
	<i>Total</i>	<i>City</i>	<i>Employee</i>
<i>Single</i>	\$42.00	\$42.00	\$0.00
<i>2-Party</i>	\$89.45	\$42.00	\$47.45
<i>Family</i>	\$127.65	\$42.00	\$85.65

Option #1: Delta Dental PPO

This option provides a higher level of coverage (i.e. the insurance company pays a larger share of the bill), but restricts members to a modest network of dentists.

Option #2: Delta Dental Premier

This option provides less coverage (i.e. the insurance company pays a smaller share of the bill than in Option #1 above), but allows members to select from a significantly larger network of dentists.

An official Summary of Benefits for both plans is available on CityNet. For a listing of dentists associated with each plan, please visit www.deltadentalmn.org and select "Find a Dentist" from the menu on the right.



Vision Insurance

Returning in 2018, the City is offering employees vision insurance benefits through Eye Med.

Some highlights of the coverage include:

- \$10 co-pay for an eye exam (once every 12 months)
- \$150 frame allowance (once every 24 months)
- co-pays for lenses and lens options (once every 12 months)
- \$130 allowance for contact lenses (once every 12 months)
- discounts on laser vision correction
- additional discounts when you buy multiple pairs of eyewear

This vision plan has 4 coverage options for employees to choose from. The options and monthly premium amounts are listed in the table below:

2018 Monthly Premiums—Vision Insurance	
	Employee Premium
Employee	\$6.40
Employee + Spouse	\$12.14
Employee + Child(ren)	\$12.78
Family	\$18.79

An official summary of benefits and other questions can be found on CityNet.

To view a listing of in-network vision providers, please visit www.eyemedvisioncare.com. Select 'Find a Provider', located at the top right of the screen. The appropriate network to use in your search field is 'Insight'.



Flexible Spending Accounts (FSA)

In 2018, the City will continue to offer employees the option to contribute to Flexible Spending Accounts for medical and dependent care expenses. This is an opportunity for employees to use pre-tax dollars to pay for qualifying expenses. Employees selecting this option will have money deducted from their paycheck, pre-tax and deposited into their FSA. The employee then completes a reimbursement request form and attaches receipts for eligible expenses and submits it to our FSA administrator – Alerus. Alerus issues FSA reimbursements to employees once every two weeks through check or direct deposit. Or – employees can submit claim information online. See **FSA Online Instructions** on CityNet for detailed instructions.

Employees selecting a Health FSA (full or limited) will be allowed to carry over \$500 into the next plan year. This rule does **not** apply to dependent care FSA's. Employees are still encouraged to plan carefully when signing-up for FSA's as the contribution levels you sign up for during open enrollment cannot be changed during the year unless you have a qualifying event or status change. More information regarding Flexible Spending Accounts and the \$500 carry over, is provided on CityNet.

Medical FSA

The maximum annual contribution for medical FSAs for a family is \$2,650 for 2018. Employees can either have a Full or a Limited Purpose FSA.

1. **Full FSA** – Employees who are not enrolled in either of the High Deductible Health Plans or do not have a Health Savings Account, are entitled to this FSA. It can be used for approved medical, dental, and vision expenses. (See CityNet for listings of approved expenses.)
2. **Limited Purpose FSA** – Employees who do have a HSA but also want a FSA, can only be approved for the Limited FSA. With a Limited FSA, you can only use the funds for dental and vision expenses. (See CityNet for listings of approved expenses.)

Dependent Care FSA

For dependent care FSAs, the maximum contribution is \$5,000 per household if married and filing jointly or if you are single. If you are married and file separate tax returns, the maximum contribution is \$2,500.

Life Insurance

The City provides \$25,000 in life insurance and \$25,000 in accidental death and dismemberment insurance for all benefits-eligible employees, plus \$5,000 in coverage for spouses and \$2,000 for dependent children age six-months and older. Employees have the option to purchase additional life insurance for themselves and have the premiums paid through payroll deduction. There are two options for purchasing supplemental life insurance.

Note — Supplemental Life Insurance through NCPERS does not require an evidence of insurability, however, it only allows enrollment once per year during open enrollment. The City does offer another supplemental life insurance plan through Madison Life Insurance that allows enrollment at any time throughout the year, but an evidence of insurability is required and your acceptance is not guaranteed.

Option #1: NCPERS (PERA) Insurance

This life insurance costs \$16 per month and is offered to City employees via PERA. All PERA members are automatically eligible for this coverage, without any medical questionnaires or exams. The enrollment form can be found on CityNet. This is decreasing term life insurance, meaning that the amount of coverage decreases as the employee ages, even though the monthly premium remains the same. The following is a listing of the coverage provided at different ages:

Member's Age at Time of Claim	EMPLOYEE		Spouse/ Domestic Partner	Child(ren)
	Term Life Insurance	AD&D*		
Less than 25	\$225,000	\$100,000	\$20,000	\$4,000
25-29	\$170,000	\$100,000	\$20,000	\$4,000
30-39	\$100,000	\$100,000	\$20,000	\$4,000
40-44	\$65,000	\$100,000	\$18,000	\$4,000
45-49	\$40,000	\$100,000	\$15,000	\$4,000
50-54	\$30,000	\$100,000	\$10,000	\$4,000
55-59	\$18,000	\$100,000	\$7,000	\$4,000
60-64	\$12,000	\$100,000	\$5,000	\$4,000
65 and over	\$7,500	\$7,500	\$4,000	\$4,000

*AD& D stands for Accidental Death and Dismemberment. This is an additional amount, on top of the term life insurance, that is paid out if the death is due to a covered accident.

Option #2: Madison Life Insurance

This is the company that the City-paid insurance is purchased from. Employees have the option to purchase additional coverage through Madison Life, however, it is subject to acceptance. Interested employees will be required to complete a health history questionnaire and may or may not be approved for coverage.

Under this plan, employees select the amount of coverage they want, in \$5,000 increments up to a total of \$100,000 in supplemental coverage.

COVERAGE AMOUNT	MONTHLY PREMIUM	COVERAGE AMOUNT	MONTHLY PREMIUM
\$5,000	\$ 1.25	\$55,000	\$13.75
\$10,000	\$ 2.50	\$60,000	\$15.00
\$15,000	\$ 3.75	\$65,000	\$16.25
\$20,000	\$ 5.00	\$70,000	\$17.50
\$25,000	\$ 6.25	\$75,000	\$18.75
\$30,000	\$ 7.50	\$80,000	\$20.00
\$35,000	\$ 8.75	\$85,000	\$21.25
\$40,000	\$ 10.00	\$90,000	\$22.50
\$45,000	\$ 11.25	\$95,000	\$23.75
\$50,000	\$ 12.50	\$100,000	\$25.00

Employees may apply for Madison Life insurance at anytime throughout the year (this is not subject to open enrollment timeframe). If you are interested in applying, please contact Jennifer Gabbard at x9312, Patti Kent at x9313 or Eli Cortes at x9315.



Other Benefits NOT Subject to Open Enrollment

The City offers employees various Aflac policies and deferred compensation programs which are not subject to open enrollment. Employees may enroll, drop, or adjust these benefits at any time throughout the year; therefore they are not included with this open enrollment information. If you need assistance adjusting any of these benefits, please contact Jennifer Gabbard at x9312 or jgabbard@shakopeemn.gov.

AFLAC

The City provides all benefits-eligible employees with long-term disability insurance that takes effect after a disabled employee has been unable to work for 180 days.

For employees interested in having some form of insurance that would take effect sooner, we offer Aflac.

Short-Term Disability from Aflac

The City offers employees the option to purchase several different types of insurance policies from Aflac, including a short-term disability policy. These are customizable policies that allow the purchaser to select when they want it to take effect and how much of their income they want it to cover.

Aflac is not subject to the open enrollment timeframe and can be added or adjusted at any time throughout the year.

Individuals interested in Aflac policies should schedule a meeting with Leesa Churchill or Angie Meierding our Aflac representatives, via CityNet. Their scheduled meeting times with City employees are:

Leesa

Wednesday, November 15	7:30 a.m. — 10:30 a.m.	Public Works Department
Wednesday, November 15	11:00 a.m. — 3:30 p.m.	City Hall

Angie

Thursday, November 16	9:00 a.m.—12:00 p.m.	Jordan Training Facility
Thursday, November 16	1:30 p.m. — 8:30 p.m.	Police Department

Sign ups are available on CityNet!

Leesa and Angie are often willing to schedule appointments on alternative days to meet the needs of individual employees who are interested.

Deferred Compensation

The City offers employees three providers from which to choose a deferred compensation package; ICMA-RC, MSRS and Nationwide. Deferred compensation elections are not subject to the open enrollment timeframe and can be added or adjusted at any time throughout the year. More information is available on CityNet.