WILLMAR CITY COUNCIL MEETING

THURSDAY, OCTOBER 30, 2025 @ 7:00 AM

CITY HALL, CONFERENCE ROOM 1

333 6th St SW, WILLMAR MINNESOTA

AGENDA

1. Call Meeting to Order
2. Roll Call
3. Pledge of Allegiance
4. Regular Business
    A. 2026 Health Insurance Contract
5. Adjourn

City Council Action Request

Council Meeting Date:	October 30, 2025	**Agenda Item Number:**	4.A.
Agenda Section:	Regular Business	**Originating Department:**	Human Resources
Resolution:	Yes	**Prepared By:**	Alissa Gambrel, Human Resources Director
Ordinance:	No	**Presented By:**	Alissa Gambrel, Human Resources Director
Item:	2026 Health Insurance Contract		

RECOMMENDED ACTION:
To approve the Contract from Minnesota Healthcare Consortium/Medica for 2026 employee medical insurance.

OVERVIEW:
The City received five quotes for employee medical insurance for 2026. Staff is requesting the City Council to approve a 2026 health insurance contract with Minnesota Healthcare Consortium through SWWC Service Cooperative with insurance carrier Medica as the lowest quote that was received, along with an Employee Assistance Program add-on benefit.

BUDGETARY/FISCAL ISSUES:
Total premium cost for 2026, based on average employee enrollment, is estimated to be $2,338,449, an estimated 7% increase compared to 2025. The Employee Assistance Program add-on benefit is estimated at an additional annual cost of $2,440.80.

ALTERNATIVES TO CONSIDER:
None Recommended

ATTACHMENTS:
1. Resolution to Approve MHC 2026 Contract
2. City of Willmar RFP Review
3. City Of Willmar - MHC Contract 10-29-25
4. Medica EAP Buy Up 2026

Resolution No.

A RESOLUTION TO APPROVE MINNESOTA HEALTHCARE CONSORTIUM/MEDICA CONTRACT FOR 2026 EMPLOYEE MEDICAL INSURANCE IN THE AMOUNT OF $2,338,449 WITH EMPLOYEE ASSISTANCE PROGRAM ADDITIONAL BENEFIT IN THE AMOUNT OF $2,440.80

Motion By:_____ Second By:_____

BE IT RESOLVED by the City Council of the City of Willmar, a Municipal Corporation of the State of Minnesota, that the quote from Minnesota Healthcare Consortium/Medica for 2026 employee medical insurance with additional Employee Assistance Program benefit is accepted, and be it further resolved that the Mayor and City Administrator of the City of Willmar are hereby authorized to enter into an agreement with the insurer for the terms and consideration of the health insurance contract in the amount of $2,338,449 and the Employee Assistance Program contract in the amount of $2,440.80.

Dated this 30th day of October, 2025

_____
Mayor

Attest:

_____
City Clerk

MarshMcLennan Agency

WILLMAR INC· 1901 MINNESOTA'S CROSSROADS MINNESOTA

City of Willmar RFP Review

Presented October 30, 2025

Your future is limitless.℠

Medical Plan

City of Willmar

Medical RFP Summary

January 1, 2026

	Current PEIP	Renewal PEIP
	Current	Renewal
Total Annual Premium	$2,202,604	$2,643,137
$ Change Over Current		$440,533
% Change Over Current		20.0%

4 year commitment

RFP Options

	BCBS Open Access	Medica Passport Open Access	HealthPartners' Open Access	MHC 506 2000 Open Access
Total Annual Premium	$3,427,560	$2,487,854	——	$2,356,792
$ Change Over Current	$1,224,956	$285,251	——	$154,188
% Change Over Current	55.6%	13.0%	37.0%	7.0%
2027 Cap	n/a	na	n/a	15.0%

No response: UHC

* HP just provided the calculated increase 16.6% over renewal

City of Willmar
Medical RFP Analysis
January 1, 2026

	PEIP Renewal	MHC using Medica Passport Network		
	HSA Plan - Cost Level 2	506 $2,000 - 25% HSA	430 $3,500 - w/Prev rx	312 $3,500 - 20% HSA w/Prev rx
Benefit Levels	In-Network	In-Network	In-Network	In-Network
Deductible (cal yr)	Single Coverage: $2,250 Family Coverage: $3,750 per person, or $4,500 per family	$2,000 per person $4,000 per family	$3,500 per person $7,000 per family	$3,500 per person $7,000 per family
Deductible Type	Non-Embedded HSA	Non-Embedded HSA	Embedded HSA	Embedded HSA
Medical Out-of-Pocket Max (cal yr)	Single Coverage: $3,250 Family Coverage: $5,250 per person, or $6,500 per family	$3,250 per person $6,500 per family	$3,500 per person $7,000 per family	$7,000 per person $14,000 per family
Pharmacy Out-of-Pocket Max (cal yr)	Included	Included	Included	Included
Preventive	Covered	Covered	Covered	Covered
Office Visit (illness or injury)	$55 after deductible	25% after deductible	100% after deductible	20% after deductible
Urgent Care (clinic based)	$55 after deductible	25% after deductible	100% after deductible	20% after deductible
Convenience Clinic	$0 copay after deductible	25% after deductible	100% after deductible	20% after deductible
Lab Services	25% after deductible	25% after deductible	100% after deductible	20% after deductible
X-ray/Imaging (MRI/CT)	25% after deductible	25% after deductible	100% after deductible	20% after deductible
Hospital Outpatient/Inpatient	$400/$650 copay after deductible	25% after deductible	100% after deductible	20% after deductible
Prescription Drug Copay (in store)	$30 tier 1 $50 tier 2 $75 tier 3 annual deductible applies	Generic: $18 after deductible Preferred Brand: $30 after deductible Non-preferred Brand: $55 after deductible Specialty Preferred: 25% to max of $200, after deductible Specialty Non-Preferred: 45%, after deductible	If on the Preventive (generic & preferred brand) list no cost Generic: deductible Preferred Brand: deductible Non-preferred Brand: deductible Specialty: deductible	If on the Preventive (generic & preferred brand) list no cost Generic: no deductible, 20% Preferred Brand: no deductible, 20% Non-preferred Brand: 30% after deductible Specialty Preferred: 20% to max of $200, after deductible Speciality non-preferred: 30% after deductible
Benefit Highlights	Outside Primary Care Clinic	Out-of-Network	Out-of-Network	Out-of-Network
Deductible (cal yr)	Required authorization from your Primary Care Clinic	$10,000/$20,000	$10,000/$20,000	$10,000/$20,000
OPM		$15,000/$29,000	$15,000/$29,000	$15,000/$29,000
Co-insurance		50%	50%	50%
Tier				
Employee Only	$857.34	$785.14	$776.30	$676.22
Employee + Child(ren)		$1,648.78	$1,630.24	$1,420.06
Employee + Spouse		$1,491.76	$1,474.98	$1,284.82
Family	$2,288.72	$2,198.38	$2,173.66	$1,893.42

Employee Assistance Program (EAP)

$1.80 PEPM

Good work starts with your well-being.

The Medica® Optum® Employee Assistance Program (EAP) is here for you through life's challenges. You can get answers and resources to tackle the tough issues you and your family face. Get 24/7 support from trained professionals at no extra cost. Your call and conversations with EAP specialists are kept confidential, in accordance with the law.

Features you'll love

- Get counseling sessions (five sessions per issue, per year) at no extra cost.
- Get a free 30-minute legal consultation and 25% off if you decide to work with a lawyer. Get help with child support, divorce, adoption, wills and trusts, and more.
- Talk with a financial advisor about debt, saving money, foreclosure, and more.
- Care for children or elderly parents with support and second opinions.
- Find online resources to help with everyday work and life challenges at **LiveAndWorkWell.com**. Use the access code "MEDICA".
- Get help with issues like tobacco, gambling, or drugs.
- Brighten your future with education tools and help finding a job.

Your future is limitless.℠

MarshMMA.com

MarshMcLennan Agency

A business of Marsh McLennan

Minnesota Healthcare Consortium
Participating Minnesota Service Cooperatives

Health Plan Rate Confirmation for:

City Of Willmar

Effective Date: 1/1/2026

Please complete and return a signed copy of this rate confirmation to your Service Cooperative Representative no later than: 11/1/2025

Plan(s)	Health Plan Description(s)	Coverage	Subscribers *	Current Rates	EFFECTIVE 1/1/2026	Elect this plan? Yes/No
1	MSI PP MN 2000-25% HSA + Rx Copays	EE	28	$733.77	$785.14	
		ES	19	$1,540.91	$1,648.78	
		EC	5	$1,394.16	$1,491.76	
	MHC 506	FAM	61	$2,054.55	$2,198.38	
Alternate Plan						
2	MSI PP MN 3500-0% HSA	EE	0		$776.30	
		ES	0		$1,630.24	
		EC	0		$1,474.98	
	MHC 430	FAM	0		$2,173.66	
Alternate Plan						
3	MSI PP MN 3500-20% HSA	EE	0		$676.22	
		ES	0		$1,420.06	
		EC	0		$1,284.82	
	MHC 312	FAM	0		$1,893.42	

TOTAL ALL PLANS	Monthly Premium	$182,121	$194,871
	Annual Premium	$2,185,457	$2,338,449
** Based on the group's most recent enrollment data.*	% Annual Adjustment		7.0%
Rates are guaranteed for one year beginning 1/1/2026.	$ Annual Adjustment		$152,992

The above rates will not increase the projected renewal premium for 1/1/2027 by more than 15.0% subject to the following conditions:

1) The plans implemented 1/1/2026 apply to the 2027 plan year.
2) The rates for multiple plans must be properly aligned upon renewal for 1/1/2027.
3) Membership enrollment (that is, the sum of employees and dependents) effective 1/1/2026 and projected for 1/1/2027 do not vary by more than + or minus 10%.
4) If alternative plans or changes to current plans apply to the 1/1/2027 renewal, MHC reserves the right to nuliify the premium renewal rate cap.
5) If there are any regulatory changes that apply to the aforementioned guarantee period, MHC reserves the right to void this agreement.

Broker commissions included? Yes **$0.00** per subscriber/mo **1.50%** of total plan premium

Broker name: _____ **Broker agency:** _____

Plans, Monthly Rates and Commissions (if applicable) are recognized and approved by:

Print name: _____

for: **City Of Willmar**

Signature: _____

Date:

Health Plan Descriptions (see SBCs and SPDs for details) for: City Of Willmar **Effective: 1/1/2026**

Plan 1:	**MSI PP MN 2000-25% HSA + Rx Copays**	$2000/4000 Ded, 75/25% Coins, $3250/6500 OOP, $18/30/55 No Prev Rx, (OON: 10000/20000, 50%, 15000/29000) Non-Embedded
Plan 2:	**MSI PP MN 3500-0% HSA**	$3500/7000 Ded, 100/0% Coins, $3500/7000 OOP, Ded/Coins with Prev Rx, (OON: 10000/20000, 50%, 15000/29000) Embedded
Plan 3:	**MSI PP MN 3500-20% HSA**	$3500/7000 Ded, 80/20% Coins, $7000/14000 OOP, Ded/Coins with Prev Rx, (OON: 10000/20000, 50%, 15000/29000) Embedded

FOR MHC INTERNAL USE ONLY

Underwriting approval: _____ **Date:** _____

Financial approval: _____ **Date:** _____

Notes:

MHC and Medica Additional Programs

The supplemental programs listed below are available at an additional fee for member groups in our health insurance pool. The premium provided on the renewal confirmation page does not include the fees for the programs below. If selected, the per subscriber per month (PSPM) fee will be added to your premium invoice and billed monthly.

My Health Rewards - Invest

Check to Select ☐

The **Invest** program is a supplement to the standard My Health Rewards program offered by Medica and MHC. Additional monthly wellness challenge goals for sleep, activity, and nutrition are incorporated. The program offers rewards of up to $75 per month totaling a potential of $900 per year per participant. This health and wellness program is for employees enrolled in an HSA plan.

Additional Cost	Implementation Fee: None	$4.00 PSPM

My Health Rewards - Results

Check to Select ☐

The **Results** program is a supplement to the standard My Health Rewards program offered by Medica and MHC. This program focuses on healthy biometric screenings and offers additional points in the My Health Rewards program for employees when their health numbers fall within recommended ranges. Biometric screenings may be available at clinic's or doctor's office when you bring the health screening form, or they can be completed through many national networks.

Additional Cost	Implementation Fee $1500.00	$1.50 PSPM + $55/screening

Optum - Employee Assistant Program (EAP)

Check to Select ☐

The Medica® Optum® Employee Assistance Program (EAP) assists with challenges affecting your employees or workplace. Master's-level specialists are available 24/7 to assist your employees and their families with a variety of personal concerns. Management consultants can help you handle workplace challenges — from job performance to regulatory compliance. You also have access to 150 on-site hours for training workshops and crisis response if you need it.

Additional Cost	Implementation Fee: None	$1.80 PSPM

Lead Time for program start: None

Authorized Signature: _____

Group Name: _____ Date: _____

We are not not electing any additional programs for this renewal cycle: ☐