



AGC Health Benefit Trust

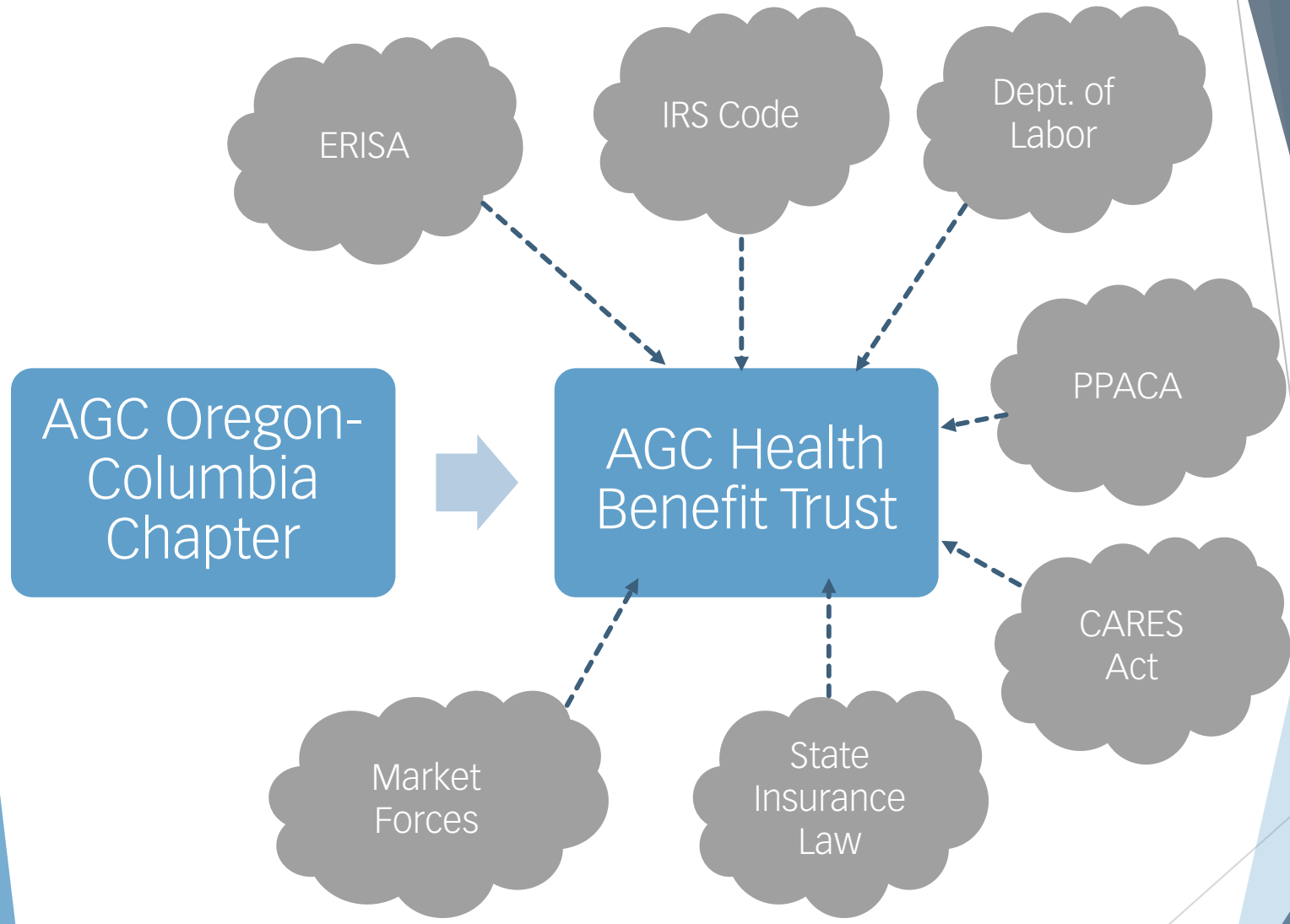
Program/Vendor Overview

AGC Oregon-Columbia Chapter

- ▶ Established in 1922 as one of 94 local chapters of The Associated General Contractors of America
- ▶ Serves the commercial construction industry across the State of Oregon, plus five counties located in SW Washington
- ▶ Benefits of membership: Legislative and governmental representation, worker's compensation retro insurance program (SAIF), safety and loss control consulting, training and apprenticeship programs, networking...
- ▶ Approximately 824 member companies
 - ▶ General contractors – approx. 30% of membership
 - ▶ Specialty subcontractors – approx. 45% of membership
 - ▶ Industry & Professional Associates
- ▶ Majority of membership is comprised of small to mid-sized specialty contractors with \$2-5 million in volume with approx. ≤ 20 employees
- ▶ **BONAFIDE INDUSTRY ASSOCIATION**
- ▶ **Sponsors AGC Health Benefit Trust for the benefit of the association's members**

AGC Health Benefit Trust

- ▶ Established in 1971
- ▶ Governed by 5-member Board of Trustees
- ▶ Operates as
 - ▶ Voluntary employees' beneficiary association (VEBA) – 501(c)(9) of the Internal Revenue Code
 - ▶ Multiple employer welfare arrangement (MEWA) - defined by ERISA
- ▶ ERISA is federal law that establishes minimum standards for pension plans in private industry and provides rules associated with employee benefit plans. Definition of employer includes:
 - ▶ “Any person acting directly as an employer, or indirectly in the interest of an employer, in relation to an employee benefit plan; and includes a group or association of employers acting for an employer in such capacity.”
- ▶ Department of Labor opinion: A group of employers sponsoring an employee welfare benefit plan will be treated as a single employer for the purpose of ERISA, provided that the employers constitute a “cognizable, bona fide association.”
- ▶ Underwritten by insurance carriers as a single large employer, even though it is comprised of many smaller companies



AGC Oregon-Columbia Chapter

AGC Health Benefit Trust

ERISA

IRS Code

Dept. of Labor

PPACA

CARES Act

State Insurance Law

Market Forces

Professional Consultants

- ▶ Benefits Consultant / General Agent: JD Fulwiler & Co. Insurance
 - ▶ Autumn Schwerdfager, Senior Account Manager
 - ▶ Susan Taylor, Account Manager
- ▶ Administrator: Vimly Benefit Solutions
 - ▶ Jammie Starr, Account Manager
 - ▶ Erik Ryan, Vice President of Client Services
- ▶ Attorney: Stoel Rives LLP
 - ▶ Bethany Bacci, Partner
- ▶ Auditor: CliftonLarsonAllen LLP
 - ▶ Lisa Cushman, CPA (responsible for services provided)
 - ▶ Lee Colclasure, CPA (responsible for performance of the audit engagement)

JD Fulwiler & Co. Insurance

- ▶ **Location:** Portland/Vancouver
- ▶ **Length of relationship:** 1 year (book of business was purchased from Willis Towers Watson in October 2019; relationship with Willis was 10+ years)
- ▶ **Scope of Services** (high-level):
 - ▶ Benefits consulting
 - ▶ Strategy development
 - ▶ Renewal and placement: negotiation; provide recommendations and alternative options
 - ▶ Overall account management
 - ▶ Implement program initiatives
 - ▶ Facilitate carrier/vendor relationships; monitor service and performance; escalated service/claims resolution
 - ▶ Develop forms, standard operating procedures, etc.
 - ▶ Manage sub-broker network
 - ▶ Renewal retention + new sales
 - ▶ Issue employer renewals monthly; coordinate negotiations between broker and medical carrier
 - ▶ Issue all new business quotes; coordinate underwriting with medical carrier
 - ▶ Marketing & Communications
- ▶ **Fee for Service:** \$12.55 PEPM (per medical covered employee per month); reviewed/amended annually
- ▶ **Commission:** 1% of billed premium on renewing business (employers in the Trust for 12+ months)

Vimly Benefit Solutions, Inc.

- ▶ **Location:** Mukilteo, WA
- ▶ **Length of relationship:** 10 years
- ▶ **Scope of Services** (high-level):
 - ▶ Enrollment/Eligibility Administration
 - ▶ Provides technology for processing/managing enrollment records
 - ▶ Electronically transmit eligibility data to carriers
 - ▶ COBRA administration
 - ▶ Dollar Bank administration
 - ▶ Customer Service
 - ▶ Related to enrollment, eligibility, billing, etc.
 - ▶ Preparation of enrollment materials (packets)
 - ▶ Distribution of required Trust notices (Summary Plan Description, Summary Annual Report, etc.)
 - ▶ Financial Services
 - ▶ Premium billing, collection, and disbursement
 - ▶ Monthly financial statement preparation
 - ▶ Coordination with auditor for annual tax returns, reports, etc.
 - ▶ Broker credentialing and commission payment
 - ▶ Form M-1 preparation and filing
 - ▶ Record Management & Reporting
 - ▶ Maintains official record of Trust documents
 - ▶ System of record for reporting census, eligibility, premium, etc. data
- ▶ **Fee for Service:** \$7.65 PEPM (per medical covered employee per month); reviewed/amended annually

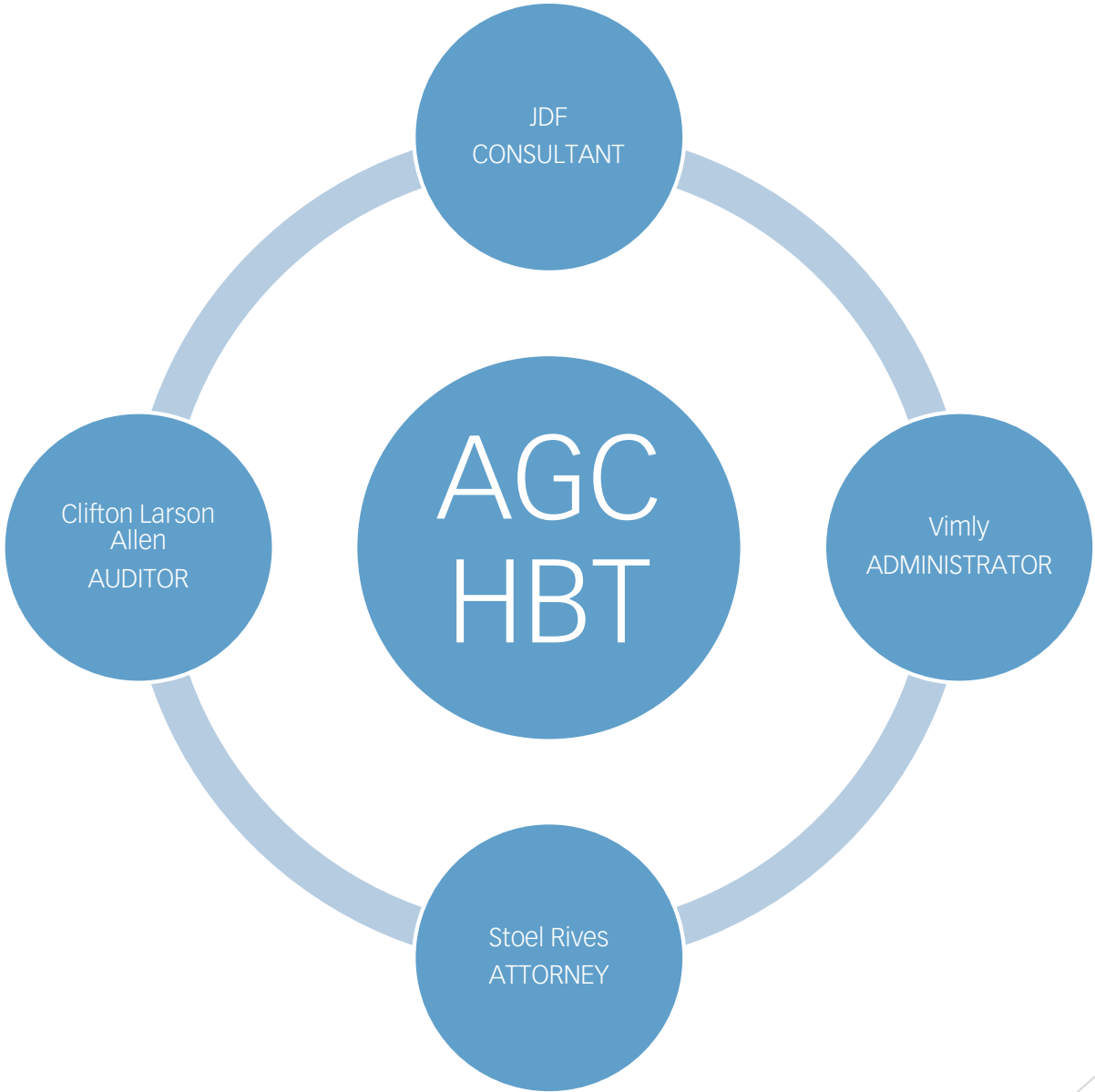
Stoel Rives LLP

- ▶ **Location:** Portland, OR
- ▶ **Length of relationship:** 10+ years
- ▶ **Scope of Services:**
 - ▶ Advise and assist Trustees (and other service providers, where applicable) on legal compliance matters related to MEWA operations
 - ▶ ERISA
 - ▶ PPACA
 - ▶ State insurance laws and regulations
 - ▶ Preparation and submission of government reports, forms and applications (where applicable)
 - ▶ Document drafting and review
 - ▶ Trust policies and administrative documents
 - ▶ Service provider and carrier contract review
 - ▶ Research and draft written opinions concerning legal questions (as requested)
 - ▶ Represent Trust and Trustees with respect to all litigation or dispute resolution proceedings, including appeals, arbitrations, and administrative agency proceedings arising out of Trust activities
- ▶ **Fee for Service:** \$550/hour

CliftonLarsonAllen LLP

- ▶ **Location:** Bellevue, WA
- ▶ **Length of relationship:** 10 years
- ▶ **Scope of Services:**
 - ▶ Audit financial statements prepared by Trust Administrator (Vimly)
 - ▶ Preparation of audited financial statements and related notes, as well as adjusting journal entries
 - ▶ Preparation of:
 - ▶ Federal Form 5500 and applicable schedules
 - ▶ Federal Form 990
 - ▶ Advise and assist Trustees (and other service providers, where applicable) on financial and compliance matters related to MEWA operations
- ▶ **Fee for Service:** \$14,000 (estimate provided for most recent audit engagement, plan year ending March 31, 2020)

Fee is based on time involved and degree of responsibility and skills required, as well as expenses (internal and admin. charges) + a technology and client support fee of 5% of all professional fees billed. Fee is reviewed/indexed annually.



JDF
CONSULTANT

AGC
HBT

Vimly
ADMINISTRATOR

Stoel Rives
ATTORNEY

Clifton Larson
Allen
AUDITOR

Carrier/Vendor Partners

- ▶ Insurance Carriers
 - ▶ Regence Blue Cross Blue Shield of Oregon – medical/Rx/wellness (9 years)
 - ▶ Standard Insurance Company – dental/vision (6 years)
 - ▶ LifeMap Assurance Company – life/accident (9 years)
- ▶ Vendors
 - ▶ BPA Health – Employee Assistance Program (6 years)
 - ▶ LifeBalance – lifestyle/discount program (10+ years)
- ▶ Trust holds master contract with all insurance carriers and vendors; renews January 1
- ▶ All benefits contracts are fully-insured
- ▶ Employers renew annually with 12-month rate guarantees

Carrier/Vendor Scope of Services

- ▶ Maintain provider network
- ▶ Benefit plan design administration
- ▶ Claims processing/payment
- ▶ Member-level customer service
- ▶ Supply ID Cards and benefit materials (summaries, SBCs, contracts, etc.)
- ▶ Accept electronic eligibility data from administrator (Vimly)
- ▶ Marketing support for general agent (JDF)
- ▶ Provide experience/utilization reporting to general agent/Trust
- ▶ Net premium table determination (annually at master contract renewal)
- ▶ Employer-level underwriting (applicable to medical only)
 - ▶ 70 risk bands
 - ▶ Assigned based on demographics of the group census at time of quoting and/or final enrollment

Premium Calculation

Carriers/vendors underwrite risk based on experience/demographics and provide the Trust with net premiums. The Trust grosses up net premiums to develop gross (billed) premiums:

Gross medical premium = net carrier premium
- wellness admin fee (\$3 PEPM paid by Trust)
+ EAP (\$0.85 PEPM)
+ JDF (\$12.55 PEPM)
+ Vimly (\$7.65 PEPM)
+ 4.0% commission
+ 0.25% AGC HBT (allocated to Trust reserve)
4.25% + \$18.05 PEPM (~7.0%)

Gross premium for all other lines = net carrier premium
+ 4.0% commissions
+ 0.25% AGC HBT (allocated to Trust reserve)
4.25%

AGC HBT

Vimly
ADMINISTRATOR

JDF
CONSULTANT /GA

Contractual relationship

Electronic Eligibility Transfer

Delegated oversight

Insurance Carriers
Regence
Standard
LifeMap

Vendors
BPA Health
LifeBalance

AGC HBT Broker Network

- ▶ Employers must work with an AGC HBT credentialed broker (signed agency/broker agreement on file)
 - ▶ Currently 36 appointed agencies on file
 - ▶ Disbursed around Oregon and Clark Co., WA
- ▶ Brokers receive one-on-one training on how to sell AGC HBT from General Agent (JDF)
- ▶ Brokers submit quote requests to General Agent
 - ▶ Submit via email or electronically via Wired Quote (*available Q4 2020*)
- ▶ General Agent coordinates underwriting with medical carrier (Regence) and releases proposal to broker
- ▶ Broker is the employer's main point of contact for benefits related matters; broker involves Administrator (Vimly) and/or General Agent (JDF) as necessary

Employers

- ▶ Employers located in Oregon or Clark County, Washington
- ▶ Qualifying industries:
 1. SIC Code in the range of 1500 – 1799 – *OR* –
 2. Active contractors license from State of Oregon (CCB) or State of Washington – *OR* –
 3. Certification signed by employer in good-faith that 50% or more of annual revenue is received from work in the commercial construction industry.
- ▶ If a group does not meet one of the criteria above, they cannot participate in the health plan.
- ▶ Minimum group size: 2 enrolled (1 must be W-2 employee)
- ▶ Maximum group size: N/A
- ▶ Once enrolled, employers manage eligibility and billing via Administrator's (Vimly) web interface

