

WEST DEPTFORD TOWNSHIP

RESOLUTION 2016- 178

June 15, 2016

RESOLUTION OF THE TOWNSHIP OF WEST DEPTFORD
AUTHORIZING THE RENEWAL OF AN AGREEMENT TO ADMINISTER A HEALTH
REIMBURSEMENT ARRANGEMENT

WHEREAS, West Deptford Township (the "Township") entered into the State Health Benefit Plan (SHBP) on July 1, 2015; and

WHEREAS, the SHBP did not have a plan that was "equal to or better than" the health insurance plans previously provided by the Township of West Deptford; and

WHEREAS, the Township agreed to set up a Health Reimbursement Arrangement (HRA) to reimburse employees for out of pocket expenses incurred between the "best" plans available under the SHBP (Aetna 10 and NJ Direct 10); and

WHEREAS, the Township currently provides health reimbursement arrangement (HRA) for full-time employees of the Township; and

WHEREAS, the current agreement with Insurance Adjustors of America (IAA) will expire on June 30, 2016; and

WHEREAS, there exists a need to renew the agreement to administer the HRA; and

WHEREAS, the Township's Health Benefits Broker, Hardenberg Insurance, has negotiated a renewal (attached) with IAA to be effective July 1, 2016; and

WHEREAS, there has been favorable response from the Administration, Finance Department, and Payroll/Benefits Department with regards to IAA's administration of this plan; and

NOW, THEREFORE, BE IT RESOLVED, by the Township Committee of the Township of West Deptford, Gloucester County, New Jersey, as follows:

1. That the Township Administrator and Chief Financial Officer for the Township of West Deptford are hereby authorized to execute all documents necessary to renew the Health Reimbursement Agreement with **IAA** for a period of one year, commencing July 1, 2016, and ending June 30, 2017, as per the terms of the renewal notice dated June 13, 2016.

ADOPTED at the Regular Meeting of the Township Committee of the Township of West Deptford held on June 15, 2016.

TOWNSHIP OF WEST DEPTFORD

By: *Denice DiCarlo*
DENICE DICARLO, Mayor

ATTEST:

Amy Hese
Lee Ann DeHart, Acting Municipal Clerk
Amy Hese, RMC, Deputy

CERTIFICATION

I, Lee Ann DeHart, Acting Municipal Clerk, of the Township of West Deptford, in the County of Gloucester, do hereby certify that the foregoing Resolution was presented and duly adopted by the Township Committee at a meeting of the Township of West Deptford held on June 15, 2016.

Amy Hese
LEE ANN DEHART, Acting Municipal Clerk
Amy Hese, RMC, Deputy

Township of West Deptford

400 Crown Point Road
West Deptford, NJ 08086



Effective: Jul-16 TO: Jul-17

Health Reimbursement Arrangement

Group Number: 1273

Administration Fees	Volume	Rate	Monthly Cost	Annual Cost
IAA Consumer Directed Services (HRA)	194	\$ 7.00 =	\$ 1,358.00 \$	16,296.00
HRA Employee Educational Meetings Member Communication Claim Processing for Plan Cost Difference Reimbursements				
Administration Total			\$ 1,358.00	\$ 16,296.00
Plan Set-up and Communication Fee				\$ 750.00
Total Plan Cost			\$ 1,358.00	\$ 17,046.00

The SHBP does not have a plan that is "equal to or better" than the prior West Deptford Plans.

Therefore, the HRA was set-up to reimburse the employees the Out-of Pocket difference between the Aetna 10 & NJ Direct 10 Plans.

The benefits on these plans are closest to the benefits in the prior plans.

It was later determined by West Deptford Township that all employees contractually eligible for a reimbursement, should be reimbursed, regardless of which plan they selected.

The following Plan had to be built in the system.

SHBP - Aetna HMO 1525 – 2 people

SHBP - Aetna HMO 2035 – 1 person

SHBP - Aetna 1525 – 1 person

Additionally, the 2 people not eligible for the SHBP also have to be reimbursed.

Member Not Eligible for the SHBP - AmeriHealth Platinum POS – 1 person

Member Not Eligible for the SHBP - Medicare Supplemental – 1 person