

SECTION 2: CITY OF LA CROSSE HEALTH PLAN CONSULTANT RESPONSE

Provide the following information on how your firm would propose to provide health-consulting services to the City:

A. Staffing

- 1. Describe the qualifications with regard to education level, certifications, work experience, and other professional skills of persons who would oversee the account. Identify the key consultant who will serve as the liaison in all communication/services to the City.**

Rae Anne Beaudry

Executive Vice President / Employee Benefit Solutions

Born and educated in Wisconsin, Ms. Beaudry earned a Bachelor of Arts Degree in Criminal Justice from Marquette University in 1984. She also achieved several minors in the following areas of study: English, Theology and Philosophy. During her last 2 years of high school, throughout her college years and for two years following her college graduation, Ms. Beaudry worked for several law firms as a paralegal specializing in insurance defense. In 1987, Ms. Beaudry worked as an Account Representative for Union Mutual (now UNUM/Provident). In 1988, Ms. Beaudry became a consultant/insurance intermediary for Fringe Benefit Planning, Inc., a local Milwaukee firm. She joined Health Care System Consultants, Inc. (HCSC) as an owner in 1996 and remained with the firm through 2007. HCSC became a division of The Horton Group in 2008 as a result of a merger (sale). Ms. Beaudry is a shareholder in the firm and an Executive Vice President.

Ms. Beaudry has 25 years experience as an employee benefits agent, intermediary and consultant. She has been an employer herself, acted as the Chief Operating Officer and Legal Compliance Officer for HCSC.

Ms. Beaudry's consulting experience includes funding and risk analysis, active and retiree employee benefits feasibility studies benefit plan design for labor and non-negotiated programs and multiple year budget and benefit projections.

Examples of experience are as follows:

- Development of joint purchasing groups involving major manufacturers, public sector employers, cooperatives and printing industries of America. These joint purchasing groups have achieved significant savings and encompass hundreds of employees.
- Consultant to a labor-management public and private sector corporation that was formed to take an interest in the health care delivery and health care payment system in their local area.
- Drafter of Plan Documents ensuring legislative compliance for all types of benefit programs.
- Faculty Member of the International Society for Certified Employee Benefits. Specifically, Public Sector Health Plans, (National audience) and Basics of Health Insurance and Ancillary Lines and Choice Based Benefits (Cafeteria Plan Design).

Ms. Beaudry is a speaker at Employer and Healthcare seminars involving a variety of topics including COBRA, HIPAA and retiree health issues. Her publications include articles on Retiree Health Benefit Plans, HIPAA Compliance, COBRA Compliance, and the Affordable Care Act.

As Executive Vice President and a shareholder of The Horton Group, Rae Anne is dedicated to providing industry leading insights and solutions to her new and existing clients, utilizing her

experienced team of Client Managers, vendor contacts and other internal resources.

Prior to joining The Horton Group, Rae Anne was Vice President and part-owner of Health Care System Consultants (HCSC), Inc., one of the strongest employee benefit consulting firms in Wisconsin. "We made the decision to combine our efforts with The Horton Group due to the strong 'client comes first' vision of both organizations. Horton is constantly looking to hire industry leaders and those with niche market experience, always remaining best in class in the insurance industry."

During her years spent developing her expertise in employee benefits, Rae Anne narrowed in on the municipal market, focusing on cities, villages, counties and school districts. Although she focuses on a specific market segment, Rae Anne understands that every employer group is unique. "My priorities when working with a client are to educate them regarding what is possible for their group, outline the strategy and perform my responsibilities within the specified time frame," Rae Anne shared. "I view myself as a part of the human resources or finance divisions for my clients. My expertise is in employee benefits, and I am available for anything they need so they can focus on other aspects of their jobs."

Rae Anne has an impressive background as a public speaker, educator and board member for various organizations. "I am a firm believer that teaching is often the best way to learn a subject. Even when I have a solid base in a subject, I learn more preparing to speak in front of a group—something I enjoy doing often." Rae Anne is an active participant in the Wisconsin Public Employers Labor Relations Association (WPELRA), Cities, Villages and Municipalities Insurance Coalition (CVMIC), Wisconsin Government Finance Officers Association (WGFOA) and the Municipal Treasurers' Association (MTA), to name just a few.

"Rae Anne is extremely insightful and very personable. She has been a business partner of ours for more than five years, and we value her knowledge of market trends in the employee benefits industry."

John Houston, Vice President of Human Resources; Kronos, Inc.

"Rae Anne Beaudry consistently provides Wood County with clear and 'on point' advice. She recently guided us through the transition to a new health insurance third party administrator (TPA). Her ability to work with our transition team and the new TPA allowed us to make a rapid and seamless transition. Her understanding of the process legalities, her broad knowledge of the insurance world and her empathy for how the changes might affect our employees are extremely valuable to us."

Ed Reed, Human Resources Director; Wood County

Fact File

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| Education | B.A. in Criminal Justice Studies, Marquette University, 1984. Minors in English, Theology and Philosophy |
| Professional Designations & Licensing | Life & Health |
| Professional Background | The Horton Group Senior Vice President, 2007-Present Health Care Systems Consultants, Inc. Chief Operating Officer and Legal Compliance Officer, 1996-2007 Health and Workers' Compensation Fringe Benefit Planning, Inc., |

| | |
|----------------------------------|---|
| | Consultant and Insurance Intermediary, 1988-1996 Union Mutual (UNUM/Provident), Account Representative, 1987-1988 |
| Advisory Board Experience | Balance, Inc. – Secretary and Board Member, since 2001 United Cerebral Palsy of Southeastern Wisconsin – Vice President and President Elect Franklin Public Library Foundation – Secretary and Board Member, since 2005 St. Thomas More Quarterback Club – former President |
| Industry & Community Involvement | International Society of Certified Employee Benefits – Faculty Instructor for Choice Based Benefits, Health Benefit Basics, Certificate of Achievement in Public Policy and Essentials of Public Sector Health Plan Programs MATC Insurance Advisory and Continuing Education – Faculty Board of International Foundation of Certified Employee Benefit Specialists – Chair Person Continuing Education Committee Employer and Healthcare seminars – Speaker for COBRA, HIPAA, and retiree health issues Publications relative to Retiree Health Benefit Plans, HIPAA Compliance, and COBRA Compliance |

Kelly Jagelski, CEBS, RHU, REBC

Client Manager / Employee Benefits Solutions

Ms. Jagelski earned a Bachelor of Science Degree in Finance from Bradley University in 1988. Ms. Jagelski began work in the employee benefit arena in 1988 as a group marketing representative. She has served a number of benefit related roles since that time and has been a Client Manager with The Horton Group since 2008. Ms. Jagelski brings over 25 years experience in day to day benefit operations and her analytical style in both communication and implementation of benefit programs is not often matched in the health insurance consultant industry. She maintains professional designations for Certified Employee Benefits Specialist (CEBS), Registered Health Underwriter (RHU) and Registered Employee Benefit Consultant (REBC).

Ms. Jagelski has extensive experience in marketing of stop loss, analysis of stop loss contracts, review and analysis of stop loss proposals and preparing recommendations based on this analysis.

Brian Dubinski

Client Service Representative / Employee Benefits Solutions

Mr. Dubinski joined Horton in the fall of 2014. He graduated from the University of Wisconsin-La Crosse in 2010. He holds a major in Business Management with an emphasis on Human Resources. He holds a second major in Psychology. Brian works in support of the Client Managers and Lead Consultant as well as assisting in the preparation of proposals. He is also responsible for fielding customer service questions, providing marketing and renewal support, preparing employee communications, and conducting policy reviews.

Alex Beaudry

Internal Compliance Account Executive / Employee Benefits Solutions

Mr. Beaudry has been a member of the Horton Team since 2012. He graduated in 2015 with a J.D. from Marquette University. This degree, with an Employee Benefits focus, provides yet

another added layer of customer support for the City of La Crosse. Mr. Beaudry has worked with many of Horton's clients to help them understand the financial and business impact that the ACA will have on their employee population and budget. He has helped groups understand the changes in eligibility requirements with the 30-hour rule, and shed light on the 'affordability' provisions and the subsequent plan design changes or wage increases necessary to avoid those penalties.

2. Identify actuarial services that you have available either on staff or through contract.

If The City of La Crosse wishes to utilize an actuary, Horton has a strategic benefit initiative with Key Benefit Concepts for benefits related actuarial information. *This would not include an OPEB study.*

About Key Benefit Concepts, LLC

Key Benefit Concepts, LLC (KBC) is an actuarial and employee benefits consulting firm. Established in 1992, our mission statement is grounded in the delivery of unbiased counsel to employers in the evaluation, design and implementation of employee benefit programs. Over the years, we have provided innovative solutions to public and private employers in addition to Taft Hartley groups.

As consultants, we do not receive commissions, overrides, bonuses, trips, etc. as payment for our services. Our compensation comes from our clients based on an hourly fee or project basis. This guarantees that our motivation is to serve our clients' needs.

We bring to our clients a variety of experiences and diversity of talents. From strategists to claim audit experts, we add value by providing a depth and breadth of knowledge, which has defined our success. Associations with individuals who provide legal and clinical expertise assure that we provide thorough assessments and comprehensive solutions that meet our clients' goals.

Linda R. Mont, RHU

Linda Mont is the senior benefit consultant at Key Benefit Concepts and has over 25 year's experience providing health care benefit services to private and public sector employers.

Linda's areas of expertise include:

- Analyze claims data to evaluate appropriate use, overuse and abuse
- Review and analysis of current health care plan designs and recommendations for plan modifications
- Review and evaluation of utilization review programs and prescription drug benefit managers and programs
- Evaluate and develop elements of flexible benefit programs, administration and communication
- Review and/or develop summary plan descriptions and master plan documents
- Auditing of claims and administrative services of insurance companies and third party administrators
- Develop bid specifications, bidding, analysis and implementation of new claims administration
- Analyze plan experience and renewal negotiations with insurance companies, provider networks and third party administrators
- Evaluation of funding options and plan risk tolerance. Assisting employers in the determination of appropriate aggregate and specific stop-loss levels.

Linda Mont has been a benefits consultant with KBC over 20 years. Prior to that, she was a health and welfare consultant in the Milwaukee office of William M. Mercer, Incorporated and a service representative in the Brookfield, WI office of CNA Insurance Companies.

She has a Bachelor's of Arts degree in Management & Communications from Concordia University, Mequon, Wisconsin. She is a registered health underwriter (RHU). She is also a licensed life, health, property and casualty insurance intermediary for the State of Wisconsin, a member of the Milwaukee Claim Association, the International Foundation of Employee Benefit Plans and the Greater Milwaukee Employee Benefit Council. She is also an affiliate member of the Wisconsin School Board Association. Linda Mont is an experienced speaker for several organizations providing relative information on topics within her expertise as noted above.

Email: lmont@keybenefits.com

Robert Goldthorpe

Robert Goldthorpe is an actuarial consultant at Key Benefit Concepts. He is an expert in mathematical modeling as well as statistical and mathematical analysis. In addition, Robert has a diverse background in computer programming.

Robert's areas of expertise include:

- Systems Modeling
- Statistics and Probability
- Calculus based Mathematics
- Numerical Analysis
- Data Structures and Algorithms
- Linear Algebra and Matrix Theory

He also possesses the following computer skills:

- Java, C, C++, Visual Basic: Computer Programming
- Database management
- MATLAB: Linear Programming

As an actuarial consultant, Robert performs a wide variety of services including:

Health and Welfare benefits

- Calculations of incurred but not reported health liabilities (IBNR)
- Analysis and design of funding and reserves for insured and self-funded programs
- Demographic studies
- Pricing and plan design studies

Post-employment benefits

- Valuation of retiree health liabilities
- Valuation of post retirement life insurance
- Valuation of post retirement discounts
- Projection of future benefit payouts

Robert Goldthorpe has a Bachelor's of Science degree in Applied Mathematics with Application in Actuarial Science and minor in Computer Science from the University of Wisconsin-Madison. He is currently pursuing the Associate of the Society of Actuaries (ASA) designation.

Email: robertg@keybenefits.com

John Lavarda

John Lavarda is an actuarial consultant at Key Benefit Concepts (KBC). He is experienced with both statistical and mathematical analysis.

John's areas of expertise include:

- Statistics and Probability
- Calculus based Mathematics
- Numerical Analysis
- Financial Mathematics
- Regression Analysis

As an actuarial consultant, John performs a wide variety of services including:

Health and Welfare benefits

- Calculations of incurred but not reported health liabilities (IBNR)
- Analysis and design of funding and reserves for insured and self-funded programs
- Demographic studies
- Pricing and plan design studies

Post-employment benefits

- Valuation of retiree health liabilities
- Valuation of post retirement life insurance
- Valuation of post retirement discounts
- Projection of future benefit payouts

John Lavarda has a Bachelor's of Business Administration degree in Actuarial Science from the University of Wisconsin – Madison. John is currently taking courses/exams to become an Associate of the Society of Actuaries. Email: johnl@keybenefits.com

Sarah B. Plohocky

Sarah B. Plohocky is an operations coordinator at Key Benefit Concepts. Sarah assists in the coordination of benefit projects and services. She is a highly organized individual with outstanding communications and interpersonal skills.

Having a keen eye for detail, Sarah provides exceptional support in the following areas:

- Responding to Requests for Proposals (RFP) received from private and public entities; corresponding with employers and outside vendors
- Following up on outstanding proposals
- Processing accepted proposals and monitoring the process of projects through the various stages from start to completion
- Identifying, defining and developing employment benefit summaries
- Investigation and collection of data components for benefit valuations
- Assisting in the draft and finalization of the actuarial valuation and other project reports
- Coordinating KBC client benefit and wellness support services
- Maintaining follow-up logs, timetables for subsequent studies and related benefit changes as well as other consulting services provided by KBC staff

Sarah Plohocky has an Associates of Applied Science degree in Massage Therapy from High-Tech Institute in Brookfield, Wisconsin.

Email: sarahp@keybenefits.com

Steven L. Diess, EA, MAAA

Steve is an Enrolled Actuary (EA) and a Member of the American Academy of Actuaries (MAAA). He has over 20 years of experience providing actuarial services in the pension benefits marketplace. Steve specializes in defined benefit plan design, retiree medical plan consulting, and public and private employer accounting for pension and OPEB plans.

Areas of Expertise:

Post-employment benefits

- Valuation of retiree health liabilities
- Valuation of post-retirement life insurance
- Valuation of post-retirement discounts
- Projection of future benefit payouts

Pension benefits

- Valuation of defined benefit pension plans
- ESOP emerging liability studies
- Projection of future benefit payouts
- Income replacement studies

Steve earned a B.S. in Math from Santa Clara University. As an Enrolled Actuary (EA), Steve has worked with both private and public sector employers.

B. Proposal Content

The following listed items are to be included in your response. In order to facilitate the review process your response should be presented in the order listed.

1. Description of available resources and staff outside of firm.

Legal

If a formal written legal opinion is requested by the City, these charges would be the responsibility of the City. Most legal questions can be addressed at no cost by Larry Grudzien, an attorney on retainer with Horton, or by Benefits Comply, a team of experienced employee Benefits and ERISA attorneys. If a formal legal opinion is required, we may consult with Reinhart Boerner Van Deuren, S.C.

- Larry Grudzien, JD, LL.M. Attorney Simandl & Murray, S.C. Larry is an attorney practicing exclusively in the field of employee benefits. He has 28 years of experience in dealing with qualified plans, health and welfare, fringe benefits, executive compensation and employee benefit law. He also works with drafting individually-designed and prototype retirement plans and due-diligence on employee benefit issues for mergers and acquisitions.
- Anne M. Hlavacka & Gail Olsen, Attorneys Reinhart Boerner Van Deuren, S.C. Anne Hlavacka, an attorney at Reinhart Boerner Van Deuren, leads her firm's immigration practice group and assists clients in developing efficient immigration programs. She consults with clients on I-9 and immigration compliance issues and immigration-related matters for all mergers and acquisition issues. Gail Olsen is an employee benefits attorney and has worked with Ms. Beaudry on a number of issues to service Horton clients when Mr. Grudzien is not available. Gail is a partner in the firm.

Employee Benefit Compliance Support

In addition to legal support we receive from our benefits attorney, Benefit Comply, an Assurex Global Partner Firm also provides access to experience compliance specialists, consultants, and analysts. Our compliance team is unmatched in its depth of experience and ability to assist employers with a wide varies of employee benefits compliance related issues.

Compliance Support Staff and Consultants

Bob Radecki, Regulatory and Public Policy Analyst

Bob Radecki has over thirty years experience in the HR and employee benefits industry helping employers deal with difficult benefit and compliance matters. Bob founded, and for over 10 years, served as President of A.E. Roberts Company, a nationally recognized compliance consulting and training firm. Bob is recognized as a leading expert on a variety of benefit compliance issues including COBRA, FMLA, CDH rules and more and has been the featured speaker at many industry events and conferences.

Regan Blomme J.D. MBA, Senior Consultant

Regan Blomme has experience working as an attorney for a major Fortune 500 company, and for a PEO providing benefits and HR services to small employers. She has also worked as a legal researcher for Thomson Reuters. Prior to obtaining her law degree Regan worked as an account manager in a leading insurance agency in the Minneapolis area, so she also understand the issues and challenges facing employee benefit consulting firms and agencies. Regan received her law degree from William Mitchell College of Law, her MBA from The University of St. Thomas, and is a member of the Minnesota Bar Association.

Fred W. ("Fritz") Hewelt, Senior Compliance Consultant

Fritz Hewelt brings over thirty years of experience to his clients, assisting them with a broad range of issues related to the evaluation and remediation of employee benefit and human resource compliance challenges. Fritz has also assisted numerous clients with welfare benefit plan due diligence in merger and acquisition situations. Mr. Hewelt began his consulting career with William M. Mercer, Inc. where he was a health and welfare benefit consultant in the Chicago office. He next moved to the Wyatt Company as the Minneapolis Practice Leader for the Group and Health Care Consulting Practice. Most recently, Fritz was a Vice President in Aon Consulting's National Tax & ERISA practice. During his tenure with Aon Consulting, Fritz was also a member of Aon's National Health & Benefits Standards and Compliance Committee and was Aon Consulting's Health & Benefits Practice National HIPAA Privacy and Data Security Coordinator.

Mark Hoaglund, HIPAA Specialist

Mark has helped over 200 companies with their HIPAA compliance needs. Before becoming a compliance specialist, Mark worked for Fortune 500 companies including Pillsbury and Honeywell as a Senior Manager and Project Manager. He has extensive experience with Data Security and Security Management. Mark held lead positions in application development, application support, and computer operations.

COBRA

For complex COBRA questions, we may consult **Matt Isbell**, Founder COBRA Resources, Inc. As founder of COBRA Resources, Inc., the nationally-acclaimed federal compliance training firm, Matt Isbell is the leader in compliance training. Highly respected for his expertise, Matt has hosted IRS and Department of Labor employees at his programs. He has worked with the DOL on a variety of COBRA issues and FMLA rules. Many COBRA administration firms send employees to Matt's programs to learn COBRA changes and administration techniques. Why? Because Matt is the most

experienced compliance trainer in the country. Since 1988, he's trained 45,000 administrators from 40,000 companies.

2. List of staff resources that you have to devote to the City. List of their current workloads.

The primary list of staff for the City has been previously identified. Their current workload will allow them to devote all time necessary to the City of La Crosse and this project. We will agree to meet all deadlines and project objectives.



Rae Anne Beaudry
Executive Vice President
262.247.2606 / Fax: 262.347.2706
raeanne.beaudry@thehortongroup.com
.....
Initiate overall agency services and benefit needs



Kelly Jagelski
Client Manager
262.347.2610 / Fax: 263.347.2710
kelly.jagelski@thehortongroup.com
.....
*Customer Service / Billing / Administration
Claim Intervention / Benefit Questions*



Alex Beaudry
Internal Compliance Account Executive
262.347.2624 / Fax: 263.347.2764
alex.beaudry@thehortongroup.com
.....
*Customer Service / Billing / Administration
Claim Intervention / Benefit Questions*



Brian Dubinski
Client Service Representative
262.347.2602 / Fax: 262.347.2702
brian.dubinski@thehortongroup.com
.....
*Process changes to existing policy /
Handle Customer Service / Billing and Claim Inquiries*

Additional team members and resources are available through our corporate office. Specific contact information is available upon request.

Horton Municipal Practice

Team Responsibilities

Your Horton Benefit Solutions Team is the group of individuals responsible for all aspects of service related to your account. These are highly skilled individuals in their profession.

Consultant

Rae Anne Beaudry
RaeAnne.Beaudry@TheHortonGroup.com
Years in Health Insurance Industry: 31 years
Years at Horton: 7 years

Phone: 262.347.2606
Fax: 262.347.2706

Responsibilities

Rae Anne has the primary responsibility for your account including the following tasks:

- Initiate Overall Services
- Ensure Quality Agency Performance
- Full Business/Exposure Assessment

- Confirm Benefit Philosophy
- Financial Analysis and Benchmarking
- Vendor Management and Insurer Negotiation
- Benefit Plan Design Consultation
 - Review of multiple plan design options including consumer driven approach
 - Review of alternate funding techniques
 - Review of network utilization and alternatives to maximize discounts and use
- Contribution Modeling
- Insurance Committee Participation and Consultation
- Worksite Wellness Initiatives and Action Plan
- Collective Bargaining Consultation (where applicable)
- Final Carrier Pricing Negotiation
- Plan Strategies & Service Recommendations
- Final Intervention in High Level Claim Issues

Client Manager

Kelly Jagelski

Phone: 262.347.2610

Kelly.Jagelski@TheHortonGroup.com

Fax: 262.347.2710

Years in Health Insurance Industry: 26 years

Years at Horton: 6 years

Client Executives and Client Managers are responsible for the day to day insurance program administration and human resource support services for your account, including the following tasks:

- Interface with Insurance Carriers and Service Providers
- Compliance
- Policy Changes
- Billing Inquiries & Payment Questions
- On Site Assistance as Scheduled
- Financial Reviews with Consultant
- Coordinate:
 - Plan Implementation and Enrollment Communication
 - Employee Educational Seminars
 - Customer Service support through our direct Call Center & Technology Service Support Center
 - Worksite Wellness Initiatives
- Human Resource Support Services (Onsite Benefit Implementation, Communication & Education Efforts Including WEB services):
 - Employer Services
 - Open Enrollment Eligibility Management
 - Web-Based HR Portal (My Wave)
 - HR – related articles
 - Access to a community of HR professionals
 - Claims, Billing, Eligibility Management
 - ENews Communications
 - Compliance-Legislative Alerts
 - Horton Health Initiatives

- Horton Learning Center Workshops
- Employee Custom Communication Services:
 - Employee Web Based Benefits Portal (HR Connection)
 - On-site Open Enrollment Meetings regarding employee benefit programs (new and renewal)
 - Educational meetings on Web based employee information tools
 - Custom Employee Compensation Benefit Statement
 - Designated Horton Employee Claims Advocate
 - Employee training on Web based claims assistance

Client Service Representative

Brian Dubinski

Phone: 262.347.2602

Brian.Dubinski@TheHortonGroup.com

Fax: 262.347.2702

Years in Health Insurance Industry: Began in Health Insurance Industry with employment at Horton (Business Management Major with HR Emphasis)

Years at Horton: Employee since November 2014

Responsibilities Include:

- Call Center Support
 - Employee claims resolution
 - Enrollment support via phone
 - Plan education via phone
- Electronic enrollment support
- Human Resources Support
 - Benefit Web Site Development and Support
- Employee Portal - HR Connection and Employer Portal - My Wave
 - Custom build and maintenance of Web site containing client's benefit program
 - Add-on enhancements
- Employee Benefit Summary
- ENews Communications – Employer educational alerts via email on benefit plan and administration changes
 - Benefit Alerts
 - Compliance-Legislative Alerts
 - Horton Wellness Advisory Solutions

Internal Compliance Account Executive

Alex Beaudry

Phone: 262.347.2624

Alex.Beaudry@TheHortonGroup.com

Fax: 262.347.2764

Years in Health Insurance Industry: 3

Years at Horton: 3

The Internal Compliance Account Executive is responsible for compliance education, adherence, assistance and monitoring.

Additional Responsibilities Include:

- Providing clients with timely Model Notices to provide their employees and additional ACA Requirements like SBCs and traditional requirements like SPDS

- Procedure reviews for Cafeteria Section 125, FMLA, and HIPAA

Alex has completed numerous Healthcare Reform projects for a number of cities of similar size to the City of La Crosse. These projects include analysis of risk, understanding the changing eligibility requirements and subsequent increase in potential enrollments, and regular communication related to the ever-changing ACA.

3. The City requires that the selected vendor be a direct consultant to the City, i.e. no brokerage/agent type relationship. Can you meet this requirement?

Yes, The Horton Group maintains our status as independent benefit consultants through our ownership structure. We do not work for any insurance company, provider network, or third party administrator. Furthermore, we are not part of a larger firm that provides “consulting” through a subsidiary.

Although The Horton Group accepts compensation both in the form of commissions and consulting fees paid directly by the client/employer, under the terms of any and all of our consulting contracts, we DO NOT accept fees, commissions or overrides from any and all vendors unless specifically agreed to by the client. Part of our obligation to our client is to work on their behalf to evaluate and disclose, from any and all vendors, expense load items in their fees, premium, and or charges including percent of savings charges in network contracts.

Many clients prefer consulting fees paid directly by them to The Horton Group. Should The Horton Group continue to be awarded this contract, we would certify by any method The City may wish, that all insurance vendor proposals will be “net of commissions”. Our accounting department does an annual reconciliation to verify the terms of the contract have been met. If it is determined that any fees were received, these fees would be returned to the carrier.

4. Describe in detail your approach to providing the City general consulting services. What do you see as your role? How would you analyze the City’s particular situation, problems and needs?

Health Insurance Benefit Analysis / Cost Containment: Samples of Exhibits and Reports are included in Tab 5 – Reporting

Vendor Management: The Traditional approach to Cost Containment is Strong Vendor Management. We conduct regular and thorough analysis of carriers, financial and funding techniques.

- Rates and financial elements used in pricing your program are evaluated, tested, and challenged by our in-house underwriting team. We approach the market place on your behalf and offer a complete market analysis of our results. This is typically done every year on stop loss, and at least every two years on ancillary lines, or as requested by our client.
- Our strong carrier and third-party administrative relationships allow us to obtain the most competitive pricing available. We actively participate on the Producer Advisory Board of all major carriers in the marketplace. Our carrier partners understand they will be required to provide and compete against each other for the most competitive pricing.
- We review all provider networks for access and discount comparisons to maximize financial results and participant satisfaction.
- We review pharmaceutical benefit managers for discounts, pricing, and rebate practices.
- We review Retiree carve-out options to minimize costs on high risk employees.

Trends that we have introduced to many of our clients ahead of most include:

- **ACA Impact Studies** to determine liability and cost exposure. Pay or Play strategies are determined and costs associated with both. Projections of PCORI, Reinsurance and Cadillac Tax; Determination of Minimum Value Standard and Affordability Test and identify Variable Hour (30+ hour employees) Exposure.
- **Consumer Driven Health Plan Options;** HSA, HRA, Multi-Tiered Networks (offered as an option to current core plans)
- **Innovative Generic and Specialty Rx Programs**
- **\$4 Rx Retail Programs**
- **Retiree Carve-Out Programs** (Pre and Post 65 to contain GASB liability)
- **Employee Education** – Health Care Literacy through Print and Video
- **Eligibility Management** utilizing Four-Tier Contribution Modeling; Defined Contribution Modeling; Working Spouse Carve-Out provisions
- **Industry Benchmarking**
- **Defined Contribution**
- **Private Employee Benefit Exchanges** – for groups 50+ lives
- **Worksite Wellness Advisory Solutions** with a target of 90% participation

Our approach to worksite wellness program is a big part to helping our clients control cost. Our Mission is to help employers develop a worksite wellness culture that will foster healthier, safer and more productive employees. The end result is lower healthcare costs, reduced absenteeism and presenteeism, improved employee productivity and reduced workers compensation risks.

Through strategic vendor relations, we are able to offer low cost biometric health screenings and risk assessments to discover potential chronic diseases and shock claims in their early stages. This program provides employees with thorough health evaluations and test results, including physician evaluation. Our vendors use strict HIPAA compliance recordkeeping standards. With our client's approval, we share this summarized HIPAA compliant information with the carriers to engage and enhance predictive modeling and disease management services. This allows identification, outreach communication, and condition management of affected participants. As a result of this process we provide an aggregate report summarizing the discoveries and then help develop a strategic plan to address the findings on a group basis.

The Process involves:

- **Discovery** – Worksite health evaluations and biometric testing
- **Education** – Personal and confidential health reports, access to a personal physician evaluation for results, health information e-mails, and specific Internet tools
- **Management** – Helping those affected members implement specific treatments or behavioral changes for managing their conditions and preventing potential higher claims costs
- **Contribution Modeling** – Working with the employer to develop philosophies for requiring member compliance through eligibility or effective contribution modeling meeting all ACA requirements
- **Result Tracking** – Identification, evaluation and tracking of preventable conditions and determination of savings generated
- **Benefit Fairs**
- **Ongoing Wellness Education through Seminars, e-Newsletters**
- **Activity based Incentive Programs** – Virgin HealthMiles Pedometer Program

Strategic Planning and Market Insight

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
- Integrated Workers Compensation
- Alternate Funding Techniques (Self- Funding, Captives)

Budgets, Benchmarks and Analytics

(Subject to Data Availability)

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

Monthly Aggregate Report –Electronic Distribution

- Plan performance vs. contracted numbers

- **Large Claimants**

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)
 - Network Utilization and Discount
 - High cost claimants
 - Utilization by service type (professional, in-patient, out-patient, pharmacy, specialty pharmacy)
 - Office visits per thousand
 - Emergency room visits per thousand and cost
 - Medical diagnostic categories
 - Top 10 pharmacy charges
 - RX review – generic, mail order, specialty drug usage
 - Year-end summary of plan and contribution changes
 - Year-end summary of migration and analysis of cost impact
 - Utilization Containment Strategies

Mid Year – 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 Benchmarking
- Retiree Carve Out Analysis
- PBM Carve Out Analysis (depending on data availability)
- Strategy Recommendations for Renewal
 - plan design, employee cost sharing, product, carrier, network

Renewal Market Analysis

- Prepare Renewal Specifications – PPACA Compliant
- Seek Quotes to Analyze and Compare Market
- Negotiate Renewal and Market Pricing with Carriers/Vendors
- Present Findings to Client

Present Market Analysis – Site Visit

PPACA Impact Analysis -- Midterm (TBD) Site Visit

- Penalty 4980H (a) and (b) Impact
- Patient Centered Effectiveness Research Tax (PCORI)

- Insurance Reinsurance Exchange Tax
- Health Insurance Provider- Industry Tax
- Cadillac 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

Compliance Support

Designated Client Manager to assist with Health Care Reform News, Review of Compliance Requirements and Support Questions as requested:

- COBRA
- 5500 (Public Sector does not typically file)
- FMLA
- HIPAA
- HIPAA Privacy
- ADA
- Section 125
- Medicare Part D
- CHIPRA
- ACA Compliance
- General Compliance

Additional Services - Compliance

- COBRA Administration (Outside Service)
- Plan Document and Group Policy/SPD/Certificate Review
- DOL Audit Checklist Review
- Agency Engagement in Health Care Legislation on State and Federal Level
- Employee Benefit Attorney on Retainer
- Model Notices (including ACA)

Human Resource Services and Employee Assistance

Eligibility Management Assistance

- 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

Employee Health Literacy and Communication Services:

Onsite or Webcast Open Enrollment Meetings

- Custom PowerPoint Presentations
- Benefit Summary Guides

Employee Benefit Website Portal

- 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 (HR Connection Module)
- Carrier Resources and Tools
- HR Forms and Tools
- Employee Benefit Learning Center

Video Benefit Tutorials

Custom Employee Compensation Benefit Statement

Designated Horton Employee Claims Advocate / Product Support

Employer Services:

HR Benefits Portal

- HR-related articles
- Access to a community of HR Professionals

Claims, Billing, Eligibility Assistance

Benefit Education and Communication

- Benefit Alerts
- Compliance – Legislative Alerts
- Horton Health Initiatives Newsletter

Horton Learning Center

- Train the Trainer Seminars
- Employee Focused “Know Your Benefits” and “Consumerism” Education
- Retirement Education

Workplace Wellness – Horton Wellness Advisory Solutions

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

- | |
|---|
| <ul style="list-style-type: none">• Wellness Fair Coordination• Health Improvement Incentive Options |
|---|

5. Describe the means your firm uses to communicate and share information with clients, insurance companies and third party administrators.

Communication and Plan Implementation: Horton will conduct on-site annual open enrollment meetings to educate employees on the structure and value of their benefit programs, and promote the optimal use of those benefits. The Horton Client Executive / Client Manager will coordinate all enrollment and education materials, and language specialists, with your administrative staff to assure a smooth enrollment process. An action timeline will be developed and adhered to for assigning all responsibilities and maintaining communication and accountability of vendor representatives and support.

Quarterly Meetings: Horton will conduct on-site meetings on a quarterly or as needed basis to address client needs.

Monthly Calls: Horton will conduct a monthly call with the City to provide updates to legislative changes or carrier updates. This meeting will also be a time to address the City's ongoing needs, as well as to make certain we are on task with the agreed-upon service schedule.

Ongoing Communication Strategies: Horton has developed an ongoing communication strategy to help enhance the value of your program:

- We provide a custom on-line website to our clients (HR Connection), for use by their employees and dependents. We continuously evaluate the site to be sure it builds awareness of the total benefit program and recommend ways to maximize its proper use. Our Client Executive / Client Manager will introduce and train your employees on using both this site and any vendor web services available. The website includes a tutorial section which helps individual choose an appropriate plan design and then learn about it in print and short videos to help employees better understand their benefits.
- Horton can provide annual total employee compensation benefit statement to illustrate the full economic value of their benefit program.
- Horton provides educational e-Newsletters to administrators on timely topics related to health news, disease prevention, wellness, and compliance responsibilities.
- Horton commits to employee committee involvement as fits the need of the City.

There are no additional costs associated with our Communication pieces or Web based tools (HRConnection).

6. Describe your current technology used to support the employee health care market and the technology initiatives underway at your firm and how these benefit your clients in delivery of their health care benefits.

- **Your Horton Team will work with you to define the best methods to streamline and improve administration. We are available for many face to face services and will recommend technology solutions where appropriate.**
- **Horton will provide a custom PowerPoint presentation of the open enrollment and/or provide Summary Benefit Guides to facilitate the process.**
- **Health Literacy Communication – Ongoing** -- Horton has developed an ongoing communication program which helps enhance the value of your program.

- The Horton Group provides our clients a **Web-Based Employee Benefit program called HR Connection**. Its function is to help communicate all facets of your benefit programs to the employee and their spouse through the convenience of a 24/7 customized portal.
 - We also include a **Web Based program for HR called “Driver Resource Center”** which focuses exclusively on HR assistance tools.
 - There are **No additional costs** for the HR Connection Web portal. Your Horton Client Manager will introduce and train your employees on this website
 - This site includes a learning center with many educational tools in print and video to assist employees with plan understanding for proper use and value.
 - Horton has the ability to provide annual Employee Compensation Benefit Statements to show employees the full value of their benefit program.
 - Horton provides educational e-Newsletters to Administrators with timely topics on the industry, health news, prevention, health care reform and compliance issues
 - Horton also works with multiple vendors that implement and provide Electronic Eligibility Management Systems which include online electronic enrollment capabilities. These systems also assist with reporting requirements of The Affordable Care Act, particularly variable hour tracking and Section 6055 and 6056. Many of these systems are also used to implement Private Insurance Exchanges. These programs often include customized features and, as a result, would have an additional cost associated with those features. The advance programs range from \$2 - \$6 pepm.
- **Data Analysis Services, Reports, etc. (See Tab 5)**

The Horton Group provides our clients with a number of reports that allow them to better manage and understand claims experience. Horton will review claim costs, plan performance, benchmarking and projections of renewal impacts. This analysis allows us to impact performance during the year rather than just reviewing the past. In past years, we have prepared benefit comparisons to other city, county plans and public sector businesses. Additionally, year-end analysis of claims data and fixed costs, benefit alternatives with the impact to costs, trend analysis, demographic analysis and revenue test.

The Horton Group continuously monitors our clients' experience to identify any unusual activity in their claim patterns. As a premier agency for the majority of the Wisconsin carriers, we have access to a variety of proprietary web reporting and data analysis tools which are used to monitor claim activity. Our staff reviews all data reports for changes in utilization using the reports that are available from carriers and TPA's. When necessary we obtain additional carrier reports to review for unusual benefit trends, and will notify our clients of any potential negative outcome and proposed benefit alternatives to help alleviate the problems.

Further, The Horton Group subscribes to and uses data from a wide range of third party independent sources that monitor insurance industry trends on a local, regional and national level.

- **Data from TPA's**

Each major insurance carrier and/or TPA furnishes us with their standard reports on a monthly or quarterly basis. Additionally, as a preferred consultant for these carriers, we have the ability to request further breakdowns of the data as well as special adhoc reports to enhance our review. We compare these reports against previous months as well as our projections to monitor any changes that could significantly impact the budget and financial profile of the Client. We will notify our Clients of any findings that may occur during our review process.

- **Technology Systems for national legislation, trends, new concepts, benefit design, etc...**

The Horton Group has invested heavily in technology in recent years. The IT department recently has implemented an innovative file storage system that gives us not only capacity but strong firewall security for HIPAA protected information.

The Zywave Network encompasses a nationwide network of employee benefits and property and casualty brokers/consultants and third party administrators who have joined together to improve client relationships by offering creative, high-impact solutions through the use of information, technology, and online services. Through this partnership, The Horton Group can offer a strong local market presence, and a national perspective to meet your specific employee benefits needs.


MyWave™ features several value-added services and resources for human resource and benefits personnel. It facilitates efficient and easy communication with The Horton Group and our clients, and provides a vast array of information regarding HR information, such as legislative information, employee communications, industry-related Web sites, and consumer-related information.

HRconnection™ is a complete online employee communication tool that lets employers manage and communicate important company information in one secure and convenient location. Employees access the system at any time from any computer with Internet access.

Decision Master Warehouse (DMW) is an Internet-based decision support system for managing group medical plans. DMW lets us detect problems with medical utilization or plan cost, isolate the root causes of utilization problems, and create money-saving solutions.

Assurex Global The Horton Group has partnered with Assurex Global to assist in providing the experience, expertise, products and services of the worlds most successful and respected independent risk management, commercial insurance and employee benefits professionals. Wherever our clients have assets at risk, hands-on advice and services are available from other partner Assurex Global brokers familiar with the regulatory environment and customs of each country.

Sample IBNR Report

| ABC Company | | |
|---|---|--------------------------|
| Self-funded IBNR calculation as of | 1/20/2015 | 1/1/14 - 12/31/14 |
| MEDICAL | | |
| | | Gross |
| | Paid Claims | \$1,603,859 |
| | Claims over \$65,000** | \$262,383 |
| = | Adjusted Paid Claims | \$1,341,476 |
| + | Lagged Enrollment | 3606 |
| = | Average Claims PEPM | \$372.01 |
| x | Average Lag | 1.54 |
| x | Midpt to Midpt trend (6 mos assuming 2 mo runout) | 1.0600 |
| x | Current enrollment (12/2014) | 324 |
| = | Estimated IBNR @ date | \$196,756 |
| ** Reflects claims in excess of \$65,000 specific level (1/1/14 - 12/31/14); amounts based on date claim was filed by UMR | | |
| PRESCRIPTION DRUG | | |
| | | Gross |
| | Paid Claims | \$314,991 |
| + | Enrollment (no lag) | 3710 |
| = | Average Claims PEPM | \$84.90 |
| x | Average Lag | 0.50 |
| x | Current enrollment (as of 12/2014) | 324 |
| = | Estimated IBNR @ date | \$13,754 |
| DENTAL CLAIMS | | |
| | | 1/1/14 - 12/31/14 |
| | Paid Claims | \$126,927 |
| + | Lagged Enrollment | 3482 |
| = | Average Claims PEPM | \$36.45 |
| x | Average Lag (estimated) | 1.00 |
| x | Midpt to Midpt trend (6 mos assuming 2 mo runout) | 1.0272 |
| x | Current enrollment (as of 12/2014) | 304 |
| = | Estimated IBNR @ date | \$11,383 |
| MEDICAL / DRUG / DENTAL | | |
| | Estimated IBNR at | \$221,894 |
| <p><i>*This is an estimate only. The exact IBNR will only be determined after a significant passage of time, and as such, may not conform to the assumptions used in this estimate.</i></p> | | |
| <small>Insurance / Risk Advisory / Employee Benefits</small>  | | |

7. Describe how your firm ensures consistent service to clients. Does your firm have procedures and organizational structures in place to assure consistent service? Are these procedures written and available for client review?

The Horton Group prides itself on our proactive approach to the servicing of our clients. We work with our clients to establish goals, outline expectations and timing, and establish a detailed service plan that outlines the services we will be providing, the timing, and the responsible party. We also clearly outline the scope of services in our consulting contract.

Although some organizations remove the consultant from their service model once a sale has been made, Horton strongly believes that to deliver the best quality service to our clients, the consultant will continue to oversee the process, along with a Client Management team that will perform many of the day-to-day and client management functions. We believe in a proactive approach to client management and operate as an extension of your Human Resources or Benefits Department.

In addition to the lead Consultant, there would be a Client Manger assigned to your group, as well as a Client Service Representative. There are a number of additional team members that operate behind the scenes and are available should the need arise. The lead Client Manager assigned to your account has been in the insurance industry for more than 25 years, and with Horton for more than 6 years. The lead Consultant will work very closely with the Client Manager and Client Service Representative to assure that that consistent service is provided. Once the service schedule is finalized, we will report back to the City periodically on the deliverables and actual timing.

On most information requests, we are generally able to respond within 1 – 2 business days. This time period may be extended slightly on more comprehensive reviews such as plan document, amendments or contract requests, which could take up to one week. Our goal is to respond to e-mail requests within 24 hours. The timing on report and information requests will vary slightly depending on the type of report, or if we need to work with an outside vendor to obtain the information. For example, most reports can be turned around within 5 business days if no outside vendor responses are required. When conducting plan pricing models for the City, Horton turned much of this information around the same day, or after hours due to the importance and timing of decisions. A Decision Master Warehouse analysis which compares data from one year to the next and benchmarking information may take 3 – 4 weeks, since we work with outside firms and rely on vendor responses to provide the necessary data.

8. It is expected that all documents created by the health plan consultant on behalf of the City shall be City property and shall not be copyrighted. Can you meet this requirement?

Yes, any and all information produced by The Horton Group shall become the property of the City.

C. City Health Plan Consultant Scope of Services

For each item listed below, state if your company will provide service and describe with specificity how you will provide such service. Indicate any additional services that are proposed or will be provided that are not listed.

1. Provide ongoing assistance and recommendations in the management of the City's self funded health plan.
 - **Understood and agreed**

2. Perform a comprehensive analysis of the City's developed health coverage for problems, inconsistencies between plan documents, plan administration and internal operations.
 - **Understood and agreed**
3. Shop annually for stop loss insurance. Assist when necessary with transition to new carrier.
 - **Understood and agreed**
4. Perform annual review of MPD/SPD and assist with plan changes.
 - **Understood and agreed**
5. Prepare proposal specifications, evaluate responses and assist in competitive selection process for TPA or PBM services. Assist with transition process when there is a change in City's TPA or PBM (Contracts with current TPAs expire December 31, 2016. Contract with current PBM expires December 31, 2017.)
 - **Understood and agreed**
6. Assist as needed in resolving unusual claims issues.
 - **Understood and agreed**
7. Monitor the Health Plan to assure it is in compliance with all State and Federal regulations. Notify City timely of new mandates and provide interpretation regarding compliance with such. Please provide a copy of an actual notification sent to a client regarding a mandate with your interpretation and recommendation. Assist, when necessary, with incorporating new mandate language into current Master Plan Document/Summary Plan Description.
 - **Understood and agreed**
8. Provide expert advice, as needed, regarding HIPAA, COBRA or other health plan related regulations.
 - **Understood and agreed**
9. Develop premium equivalent rates for the self funded Health Plan on an annual basis.
 - **Understood and agreed**
10. Assist in review of TPA/PBM performance to ensure contract compliance and take the lead in TPA/PBM performance management.
 - **Understood and agreed**
11. Recommend possible changes in plan design, with minimal impact in the quality of care, in order to contain cost or provide cost savings.
 - **Understood and agreed**
12. Interface with TPA, PBM or stop loss carrier as needed to assist the City in the resolution of problems associated with the health plan.
 - **Understood and agreed**
13. Review and comment on current reporting by TPAs and PBM. Recommend customized reports for City as necessary.
 - **Understood and agreed**
14. Represent City when necessary in contract negotiations, and/or arbitrations in regard to health

plan issues.

15. Participate when necessary in labor/management meetings as a resource to management or to explore plan design alternatives (typically 4 per year).

- **Understood and agreed**

16. Identify utilization trends, plan design elements, covered services or coverage limits that are not typical or represent areas of concern in the consultants' professional opinion.

- **Understood and agreed**

D. Exceptions

Any desired exceptions to the terms and conditions of the RFP must be addressed to the specific RFP section/paragraph where the conflict exists.

- **Understood and agreed**

E. Additional Supporting Documentation

Provide any additional documentation to support your qualifications.

- **Biographical information is included in Tab 7.**