

RESOLUTION NO. 2024 – 90

A RESOLUTION AUTHORIZING THE ADMINISTRATION TO ENTER INTO AGREEMENTS TO SECURE INSURANCE COVERAGE FOR THE EMPLOYEES OF THE CITY OF PARMA HEIGHTS WITH MEDICAL MUTUAL OF OHIO, AND DECLARING AN EMERGENCY

WHEREAS, proposals were received by the City’s insurance broker, USI Midwest, Inc., for the purchase of various insurance coverages for the City of Parma Heights for the period beginning January 1, 2025 through December 31, 2025; and

WHEREAS, it is the recommendation of the Administration that it is in the City’s best interest to accept the proposal from Medical Mutual of Ohio for all of the existing insurance coverages, including medical, dental, vision, and stop loss.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Parma Heights, County of Cuyahoga and State of Ohio:

Section 1. That the Administration is authorized to enter into agreements with Medical Mutual of Ohio for the period of January 1, 2025 through December 31, 2025 for the provision of insurance coverage and monthly premium rates, subject to increases or decreases approved by the Administration, identified in Exhibit "A", attached hereto, and made a part hereof as though fully rewritten.

Section 2. This Council finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in an open meeting of this Council and that all deliberations of the Council and of any of its Committees comprised of a majority of the members of the Council that resulted in those formal actions were in meetings open to the public, in compliance with the law.

Section 3. This Resolution is declared to be an emergency measure immediately necessary for the public peace, health, and safety of the Municipality and for the further reason that it is immediately necessary to continue insurance coverage for City employees beyond December 31, 2024; wherefore, this Resolution shall be in full force and effect from and immediately after its passage by Council and approval by the Mayor.

PASSED: November 25, 2024

Thomas Rounds
PRESIDENT OF COUNCIL

ATTEST: Barbara Allen
CLERK OF COUNCIL

November 25, 2024
APPROVED

FILED WITH
THE MAYOR: November 25, 2024

Marie Gallo
MAYOR MARIE GALLO

EXHIBIT A



CITY OF PARMA HEIGHTS
SELF FUNDED
MINIMUM PREMIUM RENEWAL RATES
Effective January 1, 2025, through December 31, 2025

\$100,000 Specific Stop Loss; Incurred any prior, Paid in 12
120% of Expected Paid Claims; Incurred any prior, Paid in 12; No Loss Carry Forward

Experience Period:
July 1, 2023, through June 30, 2024

	MEDICAL	DRUG	DENTAL	TOTAL
ESTIMATED INCURRED CLAIMS	\$2,710,730	\$381,314	\$90,540	\$3,182,584
CLAIMS OVER SPECIFIC STOP LOSS LIMIT	(\$544,859)	(\$8,151)	N/A	(\$553,010)
CLAIMS TO ANNUALIZE	N/A	N/A	N/A	N/A
BENEFIT/ENROLLMENT CHANGES	(\$3,249)	N/A	N/A	(\$3,249)
CREDIBILITY & RISK ADJUSTMENTS	(\$122,739)	\$72,648	(\$3,956)	(\$54,047)
APPLICABLE TREND	1.1241	1.1302	1.0301	1.1220
	# months			
	Annual	8.11%	2.00%	7.97%
PROJECTED NET INCURRED CLAIMS	\$2,293,032	\$503,856	\$89,190	\$2,886,078
PROJECTED NET PAID CLAIMS	\$2,229,974	\$503,302	\$88,851	\$2,822,127
DEPOSIT LIABILITY CHANGE IN	\$2,675,969	\$603,962	N/A	\$3,279,931
	18.48%	3.69%	N/A	15.44%
TERMINAL LIABILITY CHANGE IN	\$426,834	\$28,990	\$0	\$455,824
	16.45%	2.45%	0.00%	15.45%
STOP LOSS CHANGE IN PERCENT	\$632,027	\$10,965	N/A	\$642,992
	11.86%	10.00%	N/A	11.83%
CHANGE IN ANNUAL DOLLARS	\$67,006	\$997	N/A	\$68,003
ADMINISTRATION & ADD ON FEES CHANGE IN PERCENT	\$72,007	\$10,763	\$6,652	\$89,322
	5.61%	0.58%	3.00%	4.78%
CHANGE IN ANNUAL DOLLARS	\$3,823	\$62	\$191	\$4,076

Based on projected average enrollment of:

Single	28	24	26
Employee + Spouse	15	14	14
Employee + Child	4	4	5
Employee + Children	5	5	5
Family	50	49	52
Total	102	96	102

The Affordable Care Act imposes taxes and fees on insurers and group plan sponsors. As a group plan sponsor, the law states that you are responsible for calculating and directly paying the Patient-Centered Outcomes Research Institute (PCORI) fee, which is subject to change each year. We are happy to provide data as needed for your calculations.