

Multiyear Health Plan Agreement

This AGREEMENT is made by and between HealthPartners, Inc. a Minnesota nonprofit corporation ("**HealthPartners**") and **Saint Paul Public Schools ("School District")**, together "the Parties", and is effective as of January 1, 2019 ("Effective Date") ("the Agreement").

RECITALS

WHEREAS, the Parties desire to enter into a mutually beneficial long term relationship which will bring stability and predictability to the costs of providing high quality health care benefits to the School District's employees and dependents, and

WHEREAS, School District has released a request for proposal contemplating a multi-year agreement and HealthPartners has responded to such request ("Proposal"), and

WHEREAS, in exchange for such a long term relationship, HealthPartners is willing to offer guaranteed rates to School District and School District is willing to remain contracted with HealthPartners for the term of the Agreement and

WHEREAS, each Party has independently determined that this Agreement is in its best interests and each Party is committed to a successful implementation of the terms and conditions expressed in this Agreement;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows;

ARTICLE I HEALTHPARTNERS DUTIES

- 1.1 **Plan Offering.** HealthPartners shall provide for the time period specified ("Plan Years"), the health plan coverage ("Product" or "Products") as described in the HealthPartners Proposal of March 7, 2018 under the terms of this Agreement. In the event a particular Product is no longer offered, a comparable Product in terms of benefit design will be offered upon renewal with appropriate actuarial values of any benefit changes applied to the Guaranteed Rates as described in Section 1.2.
- 1.2 **Guaranteed Rates.** HealthPartners guarantees, for the Plan Years described in the Proposal, the rates for all Products as follows, or the standard HealthPartners renewal calculation for all Products, whichever is more favorable to School District:

Table 1 Guaranteed Rates

	Plan Year 2019	Plan Year 2020
HPHSAOA		
\$3000 & \$4000 Ded		
Single	\$529.90	\$566.99
Single+]	\$1192.28	\$1275.74
Family	\$1383.04	\$1479.85

HP Primary/Specialty OA		
\$20/\$30 & \$100-\$20/\$30		
Single	\$747.90	\$800.25
Single+!	\$1682.79	\$1800.59
Family	\$1952.03	\$2088.67

HPHRAOA		
\$2000 & \$2500 Ded		
Single	\$600.44	\$642.47
Single+ I	\$1350.98	\$1445.55
Family	\$1567.14	\$1676.84

HP HSA SmmtCare		
\$3000 & \$4000 Ded		
Single	\$476.91	\$510.29
Single+!	\$1073.05	\$] 148.16
Family	\$1244.74	\$1331.87

HP Primary/Specialty SmartCare		
\$20/\$30 & \$100-\$20/\$30		
Single	\$673.11	\$720.23
Single+!	\$1514.51	\$1620.53
Family	\$1756.83	\$1879.81

HP HRA SmaItCare		
\$2000 & \$2500 Ded		
Single	\$540.39	\$578.22
Single+!	\$1215.88	\$1300.99
Family	\$1410.43	\$1509.16

- 1.3 **Adjustments.** Notwithstanding the above, the following exceptions and adjustments apply to the Guaranteed Rates described in Section 1.2:
- The actuarial value of any new or increased premium taxes, industry fees, excise taxes, research fees, or any other government or regulatory assessments, or other taxes as a result of any change in law or regulation, including but not limited to, the Affordable Care Act of 2010 or other state or federal health care reform legislation, shall result in a corresponding change to the Guaranteed Rates. The Guaranteed Rates and the Standard Rates do not include the excise tax on high cost health plans under section 4980 I of the Internal Revenue Code ("the Cadillac Tax" effective January I, 2018, deferred until 2020); all amounts due under the Cadillac Tax are payable by Client in addition to Product rates.
 - The actuarial value of any new or increased eligibility or benefit mandated by law or regulation or other change to Product features required by law shall result in a corresponding change to the Guaranteed Rates.

- c. Any enrollment change of 10% or more from initial enrollment, whether due to expansion, merger, acquisition, sale, reduction in force or other reason, may result in a revision to the Guaranteed Rates, at the sole discretion of HealthPartners.
- 1.4 **Renewals.** HealthPartners shall release a standard renewal calculation prior to the end of each Plan Year. In the event of a change as described in Section 1.3, HealthPartners shall give 90 calendar days advance notice to the School District, or as soon as practical after discovering the reason for such a change.

**ARTICLE II
SCHOOL DISTRICT DUTIES**

- 2.1 **Sole Carrier.** School District shall remain directly contracted with HealthPartners on a fully insured basis as the sole carrier offered to any and all School District employees for any medical benefit offering, during the term of this Agreement.
- 2.2 **Master Group Contract.** This Agreement is subject to all the terms and conditions of the fully insured Master Group Contract issued separately upon acceptance of the School District's application for coverage.
- 2.3 **Contribution and Participation.** School District shall:
- a. maintain the current employer premium and fund contribution strategy,
 - b. maintain the current Product offerings,
 - c. meet the current participation guidelines, and
 - d. fulfill HealthPartners coverage requirements of the Master Group Contract regarding Product offerings.
- 2.4 **Authority.** School District represents and warrants that it has full authority under law and its governance requirements to enter into this Agreement. By executing this Agreement below, School District intends for HealthPartners to rely on the authority of the signatory to this Agreement to bind the School District to the terms of this Agreement.

**ARTICLE III
TERM, TERMINATION AND BREACH**

- 3.1 **Term.** This Agreement applies to the Plan Years as shown in Section 1.2, for a total Guaranteed Rate period of 36 months.
- 3.2 **Early Termination or Breach.** In the event School District terminates this Agreement prior to the completion of the last Plan Year or fails to comply with any of the terms of this Agreement or the Master Group Contract described in Section 2.3, School District shall pay to HealthPartners the Rate Differentials as shown in Table 3 (i.e., the difference between the Guaranteed Rates of Table I and the Standard Rates of Table 2), times the last month's enrollment times the number of months remaining to the completion of the last Plan Year.

Table 2 Standard Rates

	Plan Year 2019	Plan Year 2020
HPHSA		
\$3000 & \$4000 Ded		
Single	\$561.69	\$601.01
Single+!	\$1263.82	\$1352.28
Family	\$1466.02	\$1568.64

HP Distinctions		
\$20/\$30 & \$100-\$20/\$30		
Single	\$792.77	\$848.27
Single+ I	\$1783.76	\$1908.63
Family	\$2069.15	\$2213.99

HPHRA		
\$2000 & \$2500 Ded		
Single	\$636.47	\$681.02
Single+!	\$1432.04	\$1532.28
Family	\$1661.17	\$1777.45

HP HSA SmartCare		
\$3000 & \$4000 Ded		
Single	\$505.52	\$540.91
Single+!	\$1137.43	\$1217.05
Family	\$1319.42	\$1411.78

HP Primary/Specialty SmartCare		
\$20/\$30 & \$100-\$20/\$30		
Single	\$713.50	\$763.44
Single+!	\$1605.38	\$1717.76
Family	\$1862.24	\$1992.60

HP HRA SmartCare		
\$2000 & \$2500 Ded		
Single	\$572.81	\$612.91
Single+!	\$1288.83	\$1379.05
Family	\$1495.06	\$1599.71

Table 3 Rate Differentials

	Plan Year 2019	Plan Year 2020
HPHSA		
\$3000 & \$4000 Ded		
Single	\$31.79	\$34.02
Single+!	\$71.54	\$76.54
Family	\$82.98	\$88.79

HP Distinctions		
\$20/\$30 & \$100-\$20/\$30		
Single	\$44.87	\$48.02
Single+!	\$100.97	\$108.04
Family	\$117.12	\$125.32

HPHRA		
\$2000 & \$2500 Ded		
Single	\$36.03	\$38.55
Single+!	\$81.06	\$86.73
Family	\$94.03	\$100.61

HP HSA SmartCare		
\$3000 & \$4000 Ded		
Single	\$28.61	\$30.62
Single+ I	\$64.38	\$68.89
Family	\$74.68	\$79.91

HP Primary/Specialty SmartCare		
\$20/\$30 & \$100-\$20/\$30		
Single	\$40.39	\$43.21
Single+!	\$90.87	\$97.23
Family	\$105.41	\$112.79

HP HRA SmattCare		
\$2000 & \$2500 Ded		
Single	\$32.42	\$34.69
Single+!	\$72.95	\$78.06
Family	\$84.63	\$90.55

3.3 **Group Size.** In the event federal or state law requires community rating for groups of a particular size and School District's group size falls within such parameters, upon the effective date of such change as applied to School District, this Agreement will be terminated and appropriate replacement products and rates will be offered, in accordance with current law.

3.4 **Waiver.** In the event state or federal law requires the School District to terminate this Agreement, HealthPartners may waive some or all of the Rate Differentials, in its sole discretion. Additionally, HealthPartners shall waive the Rate Differentials in the event:

- a. School District informs HealthPartners of its intent to change to a self-insured arrangement and signs a letter agreement stating this intent 180 calendar days prior to the Plan Year **renewal, and**
- b. School District enters into a mutually agreed upon self-insured arrangement with a HealthPartners affiliate and concludes a signed administrative services agreement at least 120 calendar days prior to the Plan Year renewal.

**ARTICLE IV
THIRD PARTIES**

- 4.1 **Exclusive Representative(s) of Employees.** School Districts represents and warrants that it has complied with all applicable requirements of law and contract regarding notice to and/or agreement of any and all exclusive representative(s) of collectively bargained employees and any applicable Labor-Management Committee protocols.
- 4.2 **School District Due Diligence.** School District has received advice and counsel from a third party consultant, which the School District separately selected and retained, as part of its due diligence in the process of selecting a carrier for the Plan Years covered in this Agreement. School District acknowledges that such third party consultant is not an agent of HealthPartners and is an independent advisor not selected by HealthPartners.

**ARTICLE V
MISCELLANEOUS**

- 5.1 **Governing Law, Jurisdiction, and Venue:** This Agreement shall be governed by and interpreted under Minnesota law. Any lawsuit arising directly or indirectly out of this Agreement shall be brought in a court of competent jurisdiction located in the state of Minnesota.