



## **JOINT CITY COUNCIL AND IMU BOARD OF TRUSTEES MEETING**

March 17, 2026

6:00 PM

City Council Chambers  
110 N 1st St., Indianola, IA

Agenda

1. **Call to Order**
2. **Roll Call**
3. **Discussion and direction regarding health insurance renewals.**
4. **Discussion and direction regarding credit card fees.**
5. **Adjourn**



# Joint Meeting – Benefit Renewals



City of Indianola/IMU

March 17, 2026

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# Introduction and Disclosure

- Thank you for partnering with Holmes Murphy and Associates. We appreciate the opportunity to explore product options on your behalf. Our focus is in strategic planning, implementation and maintenance of employee benefit plans.
- This proposal is based upon the financial and underwriting information provided by you. In the event there have been significant changes, or we are missing material data, we will need that information in order to forward it to underwriters. Any additional information may change the rates shown. This proposal is issued by the carrier as a courtesy and for the sake of expediency. Actual rates will depend upon underwriting and the final enrollment.
- This proposal is intended to be a summary of the premium costs of the plans under consideration. Please refer to the carriers' proposals for the actual terms, conditions, limitations, and exclusions.
- Never terminate your existing coverage until advised that replacement coverage has been confirmed by the replacement carrier.
- It is imperative we be informed of any employee or dependent who is hospitalized or otherwise disabled and not actively at work on the effective date of any new contract. Coverage may not be available for these individuals. It is imperative we be informed of any employee or dependent who is covered under your group's COBRA provision or retiree plan.
- This proposal is provided only for your internal use. No further use or distribution is authorized without our prior written consent.
- All insurance carriers have their own operating procedures. A change in carrier could, therefore, affect the way certain plan coverages are evaluated.
- As your insurance agent/broker, generally Holmes Murphy has access to many insurance companies to place your coverage. We have obligations to you as the purchaser and to the insurance company as determined in both statutory and case law. We may have authority to obligate the insurance company on your behalf. As a result, we may be bound by the terms of our agreement with the insurance company. We typically receive compensation from the selling insurance company based on the agreement Holmes Murphy has with the company. That compensation may vary from company to company and also be impacted by the volume of business Holmes Murphy has with them, the profitability of that business, and other factors. You may receive information about our compensation on any of the policies proposed by us, by asking us for the information.
- This proposal summary makes reference to A.M. Best Ratings in several places. It is Holmes Murphy's policy to place coverage with carriers who have a secure financial strength rating.
- A.M. Best Company is the leading provider of insurer ratings of a company's financial strength and ability to meet its obligations to policyholders.
- A.M. Best's Rating is an independent opinion, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance and business profile. Best's Ratings are not a warranty of a company's financial strength and ability to meet its obligations to policyholders.
- Complete information on A.M. Best can be found on their website: [www.ambest.com](http://www.ambest.com)



# A.M. Best Ratings

A++, A+	Superior	Assigned to companies that have, in our opinion, a superior ability to meet their ongoing obligations to policyholders
A, A-	Excellent	Assigned to companies that have, in our opinion, an excellent ability to meet their ongoing obligations to policyholders
B++, B+	Very Good	Assigned to companies that have, in our opinion, a good ability to meet their ongoing obligations to policyholders
B, B-	Fair	Assigned to companies that have, in our opinion, a fair ability to meet their current obligations to the <u>policyholders</u> , but are financially vulnerable to adverse changes in underwriting and economic conditions.
C++, C+	Marginal	Assigned to companies that have, in our opinion, a marginal ability to meet their current obligations to <u>policyholders</u> , but are financially vulnerable to adverse changes in underwriting and economic conditions.
C, C-	Weak	Assigned to companies that have, in our opinion, a weak ability to meet their current obligations to policyholders but are financially extremely vulnerable to adverse changes in underwriting and economic conditions.
D	Poor	Assigned to companies that have, in our opinion, a poor ability to meet their current obligations to policyholders but are financially extremely vulnerable to adverse changes in underwriting and economic conditions.
E	Under Regulatory Supervision	Assigned to companies (and possibly their subsidiaries/affiliates) that have been placed by an insurance regulatory authority under a significant form of supervision, control or restraint where-by they are no longer allowed to conduct normal ongoing insurance operations. This would include conservatorship or rehabilitation but does not include liquidation. It may also be assigned to companies issued cease and desist orders by regulators outside their home state or country.
F	In Liquidation	Assigned to companies that have been placed under an order of liquidation by a court of law or whose owners have voluntarily agreed to liquidate the company. Note: Companies that voluntarily liquidate or dissolve their charters are generally not insolvent.
S	Suspended	Assigned to companies that have experienced sudden and significant events affecting their balance sheet strength or operating performance and whose rating implications cannot be evaluated due to a lack of timely or adequate information.



# Agenda

- Medical Renewal & Budget
- Dental Renewal
- Vision Renewal
- Life & Disability Renewals



# Financial Snapshot

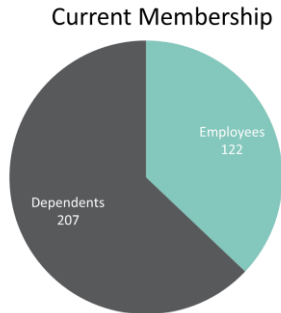
Month	Enrollment		Claims				Fixed Costs					Total Cost		
	Employees	Member Count	Medical Claims	Pharmacy Claims	Stop Loss Reimbursements	Total Net Claims	Total Administration	Stop Loss Premiums	Rx Rebate Credit	Pharmacy Rebates	Misc Fees	Total Plan Cost	Employee Contributions	Net Plan Cost
Jul-25	120	321	\$76,294	\$16,156	\$0	\$92,451	\$9,726	\$30,104	(\$12,000)	\$0	\$0	\$120,281	(\$19,306)	\$100,975
Aug-25	121	324	\$135,488	\$42,165	\$0	\$177,653	\$9,807	\$30,355	(\$12,100)	\$0	\$0	\$205,715	(\$19,463)	\$186,252
Sep-25	121	325	\$152,258	\$40,537	\$0	\$192,795	\$9,807	\$30,355	(\$12,100)	(\$28,254)	\$1,413	\$194,016	(\$19,463)	\$174,553
Oct-25	123	329	\$84,867	\$15,897	\$0	\$100,764	\$9,969	\$30,857	(\$12,300)	(\$11,085)	\$0	\$118,205	(\$19,670)	\$98,535
Nov-25	123	330	\$140,257	\$39,669	(\$40,816)	\$139,110	\$9,969	\$30,857	(\$12,300)	\$0	\$0	\$167,636	(\$19,670)	\$147,966
Dec-25	123	331	\$73,467	\$27,842	(\$25,285)	\$76,024	\$9,969	\$30,857	(\$12,300)	(\$1,763)	\$281	\$103,068	(\$19,743)	\$83,325
Jan-26	123	340	\$134,654	\$16,129	(\$56,222)	\$94,561	\$9,969	\$30,857	(\$12,300)	\$0	(\$231)	\$122,856	(\$19,889)	\$102,967
Feb-26														
Mar-26														
Apr-26														
May-26														
Jun-26														
<b>YTD Total</b>	<b>854</b>	<b>2,300</b>	<b>\$797,286</b>	<b>\$198,395</b>	<b>(\$122,323)</b>	<b>\$873,357</b>	<b>\$69,217</b>	<b>\$214,243</b>	<b>(\$85,400)</b>	<b>(\$41,102)</b>	<b>\$1,462</b>	<b>\$1,031,777</b>	<b>(\$137,204)</b>	<b>\$894,573</b>
<b>Prior YTD</b>	<b>868</b>	<b>2,293</b>	<b>\$543,665</b>	<b>\$121,609</b>	<b>\$0</b>	<b>\$665,274</b>	<b>\$68,398</b>	<b>\$190,144</b>	<b>\$0</b>	<b>(\$47,263)</b>	<b>\$0</b>	<b>\$876,553</b>	<b>(\$137,156)</b>	<b>\$739,397</b>
<b>Change</b>	<b>-1.6%</b>	<b>0.3%</b>	<b>46.7%</b>	<b>63.1%</b>	<b>n/a</b>	<b>31.3%</b>	<b>1.2%</b>	<b>12.7%</b>	<b>n/a</b>	<b>-13.0%</b>	<b>n/a</b>	<b>17.7%</b>	<b>0.0%</b>	<b>21.0%</b>
<b>YTD PEPM</b>		<b>2.69</b>	<b>\$933.59</b>	<b>\$232.31</b>	<b>(\$143.24)</b>	<b>\$1,022.67</b>	<b>\$81.05</b>	<b>\$250.87</b>	<b>(\$100.00)</b>	<b>(\$48.13)</b>	<b>\$1.71</b>	<b>\$1,208.17</b>	<b>(\$160.66)</b>	<b>\$1,047.51</b>
<b>Prior YTD PEPM</b>		<b>2.64</b>	<b>\$626.34</b>	<b>\$140.10</b>	<b>\$0.00</b>	<b>\$766.44</b>	<b>\$78.80</b>	<b>\$219.06</b>	<b>\$0.00</b>	<b>(\$54.45)</b>	<b>\$0.00</b>	<b>\$1,009.85</b>	<b>(\$158.01)</b>	<b>\$851.84</b>
<b>Change</b>		<b>1.97%</b>	<b>49.05%</b>	<b>65.82%</b>	<b>n/a</b>	<b>33.43%</b>	<b>2.86%</b>	<b>14.52%</b>	<b>n/a</b>	<b>-11.61%</b>	<b>n/a</b>	<b>19.64%</b>	<b>1.67%</b>	<b>22.97%</b>
<b>R12 PEPM</b>		<b>2.68</b>	<b>\$792.39</b>	<b>\$204.80</b>	<b>(\$88.96)</b>	<b>\$913.23</b>	<b>\$80.12</b>	<b>\$237.70</b>	<b>(\$98.61)</b>	<b>(\$46.70)</b>	<b>\$1.62</b>	<b>\$1,107.37</b>	<b>(\$160.17)</b>	<b>\$947.20</b>



# Executive Summary Report

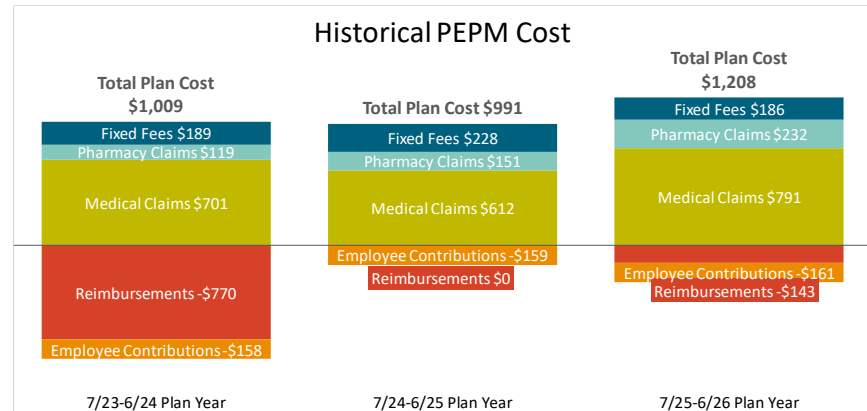
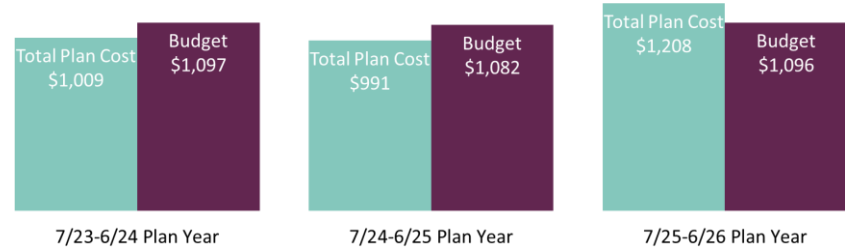
## Claims Paid July '25 – June '26

ANNUAL COST PER EMPLOYEE	
<b>Total Gross Cost</b>	<b>Net Plan Cost</b>
<b>\$14,498</b>	<b>\$12,570</b>
SURPLUS / (DEFICIT)	
<b>(10.2%)</b>	<b>(\$95,404)</b>
CLAIMANTS OVER \$25,000	
<b>4</b>	<b>Average Cost</b>
	<b>\$113,026</b>



**CONTRACT SIZE**  
2.69

### Actual vs. Budget (PEPM)



# 2026 Medical Plan Design

- Single deductible and out-of-pocket changes required due to IRS minimums
- Family deductible and out-of-pocket changes recommended to keep similar pace between single/family tiers

	<i>Current</i>		<i>Option 1 - Required</i>		<i>Option 2 - Recommended</i>	
	<b>\$3,300 QHDHP</b>		<b>\$3,400 QHDHP</b>		<b>\$3,400 QHDHP</b>	
<b>BENEFIT OVERVIEW</b>	<b>In-Network</b>	<b>Out-of-Network</b>	<b>In-Network</b>	<b>Out-of-Network</b>	<b>In-Network</b>	<b>Out-of-Network</b>
<u>Deductible</u>	Embedded		Embedded		Embedded	
Single	\$3,300	\$3,350	<b>\$3,400</b>	<b>\$3,400</b>	<b>\$3,400</b>	<b>\$3,400</b>
Family	\$6,200	\$6,500	\$6,200	\$6,500	<b>\$6,400</b>	\$6,500
Coinsurance	100% / 0%	80% / 20%	100% / 0%	80% / 20%	100% / 0%	80% / 20%
- Rebate Credit						
<u>Out of Pocket Maximum</u>						
Single	\$3,300	\$3,650	<b>\$3,400</b>	\$3,650	<b>\$3,400</b>	\$3,650
Family	\$6,200	\$7,900	\$6,200	\$7,900	<b>\$6,400</b>	\$7,900
<u>Lifetime Maximum</u>	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
<b>BENEFIT HIGHLIGHTS</b>						
<u>Office Visits</u>						
Physician	Deductible	Deductible, 20%	Deductible	Deductible, 20%	Deductible	Deductible, 20%
Specialist	Deductible	Deductible, 20%	Deductible	Deductible, 20%	Deductible	Deductible, 20%
Preventive Services	Paid In Full	Deductible, 20%	Paid In Full	Deductible, 20%	Paid In Full	Deductible, 20%
<u>Hospital Services</u>						
Inpatient/Outpatient	Deductible	Deductible, 20%	Deductible	Deductible, 20%	Deductible	Deductible, 20%
Urgent Care	Deductible	Deductible, 20%	Deductible	Deductible, 20%	Deductible	Deductible, 20%
Emergency Room	Deductible	Deductible	Deductible	Deductible	Deductible	Deductible
<u>Mental Health / Substance Abuse</u>						
Inpatient/Outpatient	Deductible	Deductible, 20%	Deductible	Deductible, 20%	Deductible	Deductible, 20%
<u>Prescription Drugs</u>	Blue Rx Value Plus		Blue Rx Value Plus		Blue Rx Value Plus	
Retail	Deductible		Deductible		Deductible	
Mail Order	Deductible		Deductible		Deductible	



# Medical & Pharmacy Renewal

## Wellmark BCBS

RATES ARE INITIAL AND WILL BE FINALIZED IN APRIL

	2025 Costs	2026 Costs	\$ Increase	% Increase
<b>Administration Fee</b>	\$119,630	\$123,748	\$4,118	3.4%
<b>Specific Stop Loss</b>	\$357,900	\$409,369	\$51,468	14.4%
<b>Aggregate Stop Loss</b>	\$12,384	\$12,384	\$0	0.0%
<b>Total Annual Fixed Costs</b>	<b>\$489,914</b>	<b>\$545,500</b>	<b>\$55,586</b>	<b>11.3%</b>
<b>Rx Rebate Credit</b>	<b>(\$147,600)</b>	<b>(\$162,360)</b>	<b>(\$14,760)</b>	<b>-10.0%</b>
<b>Total Annual Fixed Costs</b> <i>(including Rx Rebate Credit)</i>	<b>\$342,314</b>	<b>\$383,140</b>	<b>\$40,826</b>	<b>11.9%</b>

### Administrative Fees:

- Medical admin fee increasing from \$53.00 PEPM to \$54.79 PEPM
- PBM fee increasing from \$1.10 to \$2.10
- Network access fee remaining the same

### Stop Loss Considerations

- Leverage trend – currently at 18%
- Specific premium increasing from \$242.48 PEPM to \$277.35 PEPM



# Medical & Pharmacy Renewal - Wellmark

Rates not yet final – will be finalized in early April

	2025 Costs	2026 Costs	\$ Increase	% Increase	Current Budget PEPM	Current Actual PEPM
<b>Fixed Costs</b>	\$342,314	\$383,140	\$40,826	11.9%		
<b>Wellmark Expected Claims</b>	\$1,507,905	\$1,571,339	\$63,434	4.2%		
<b>Total Annual Expected Costs</b>	<b>\$1,856,442</b>	<b>\$1,954,476</b>	<b>\$98,034</b>	<b>5.3%</b>		
<b>PEPM Expected Costs</b>	<b>\$1,257.75</b>	<b>\$1,324.17</b>			<b>\$1,095</b>	<b>\$1,243</b>
<b>Total Annual Maximum Costs</b>	<b>\$2,233,422</b>	<b>\$2,347,321</b>	<b>\$113,899</b>	<b>5.1%</b>		

Based on 123 employees = EE: 34, ES: 24, EC: 20, FAM: 45

## Administrative Fees:

- Medical admin fee increasing from \$53.00 PEPM to \$54.79 PEPM
- PBM fee increasing from \$1.10 to \$2.10
- Network access fee remaining the same

## Stop Loss Considerations

- Leverage trend – currently at 15%
- Specific premium increasing from \$242.48 PEPM to \$277.35 PEPM



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# Decisions Needed

## Family Deductible & Out-of-Pocket Maximum

- Current: \$6,200
- Recommended: \$6,400

## Telehealth at \$25 Copay

- Current: Deductible applies
- Option: OBBB Act allows plans to be amended to make this change

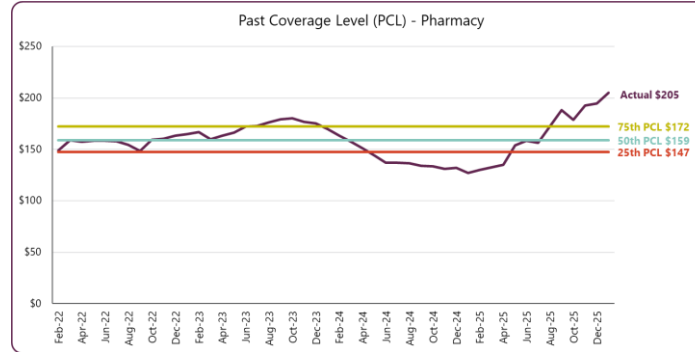
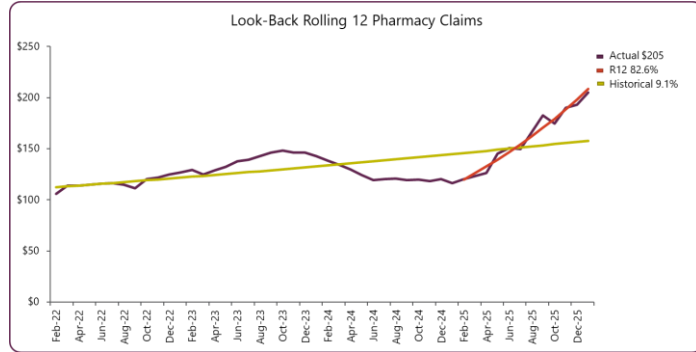
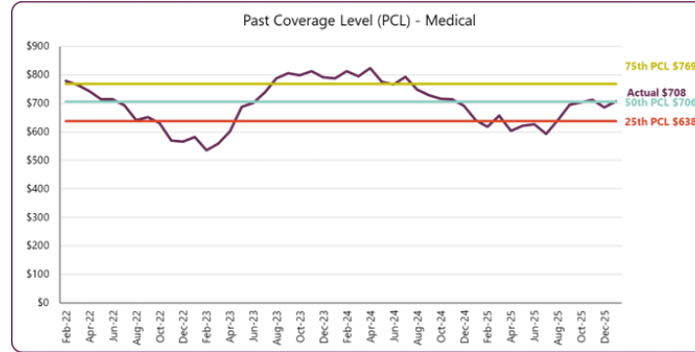
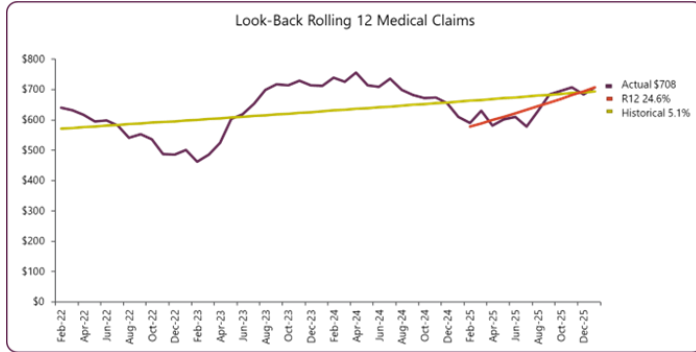
## Retain or Remove Travel Benefit

*(transplant related services)*

- Current: Currently in place, but Wellmark would remove.
- Option: Can keep in place, with updates to contract language. No rating impact.



# Past Coverage Levels



# Budget Model – Summary

2025-26 Plan Year	2026-27 Plan Year
Current Med Trend at 8.25% & Rx Trend at 4.00%	Prospective Med Trend at 8.25% & Rx Trend at 9.00%
Current PCL 50th Med & 75th Rx	Prospective PCL 25th Med & 25th Rx

	Budget	Reforecast	Projection	Projection w/ Changes	Difference
<b>Average Headcount</b>	<b>122</b>	<b>122</b>	<b>123</b>	<b>123</b>	
PEPM Gross Cost	\$1,104	\$1,157	\$1,244	\$1,135	(\$109)
PEPM EE Contributions	\$162	\$162	\$162	\$162	\$-
PEPM Net Cost	\$942	\$995	\$1,082	\$973	(\$109)
Gross % Change To Budget		4.9%	12.7%	2.8%	Cost // (Savings)
Net % Change To Budget		5.7%	14.9%	3.3%	
Annual Gross Cost	\$1,616,000	\$1,694,000	\$1,836,000	\$1,675,000	(\$161,000)
Annual EE Contribution	\$237,000	\$237,000	\$239,000	\$239,000	\$ -
Annual Net Cost	\$1,379,000	\$1,457,000	\$1,597,000	\$1,436,000	(\$161,000)
Gross \$ Change To Budget		\$78K	\$220K	\$59K	Cost // (Savings)
Net \$ Change To Budget		\$78K	\$218K	\$57K	

**Wellmark Expected:**  
 \$1,324.17 PEPM  
 \$1,954,476 Annual

**2026 Projection Includes:**

- PCL 50<sup>th</sup> Med & 75<sup>th</sup> Rx
- Current Deductible
- Rx Rebate – \$110 Credit

**2026 Projection with Changes Includes:**

- PCL 25<sup>th</sup> Med & 25<sup>th</sup> Rx
- Increased ded/OOPM
- Rx Rebate – \$110 Credit



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# Decisions Needed

## Specific Stop Loss Level

- Current: \$100,000
- Option 1: \$110,000 – estimated savings of \$7,000 (fixed cost savings of \$32,000)
- Option 2: \$120,000 – estimated savings of \$12,000 (fixed cost savings of \$59,000)
- Recommended: Leave at \$100,000

## 2026/2027 Medical Accrual

*(based on average enrollment of 122)*

- Current: \$1,104 PEPM / \$1,616,000 Annual (PCL 50<sup>th</sup> Med & 75<sup>th</sup> Rx)
- Option 1: Keep flat
- Option 2: \$1,135 PEPM / \$1,675,000 Annual (PCL 25<sup>th</sup> Med & 25<sup>th</sup> Rx) = 2.8% increase
- Option 3: \$1,239 PEPM / \$1,829,000 Annual (PCL 50<sup>th</sup> Med & 75<sup>th</sup> Rx) = 12.3% increase

## Employee Contributions

- Current: Employees pay 17% of total premium
- Recommended: Keep employee rates flat

## Reserve Balance

- Premium Holiday
- HSA Contribution – Leave at \$2,600 (\$100 per pay period)



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# Other Renewals

## Dental

- Current Annual Spend: \$118,247
- Renewal Annual Spend: \$128,890 (9% increase over current)
- Recommended Action: Renew with Mutual of Omaha at a 9% increase

*\*Delta Dental quoted with a 23% increase over current*

## Vision

- Current Annual Spend: \$19,530
- Renewal Annual Spend: \$19,530
- Recommended Action: Renew as-is with Mutual of Omaha



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# Other Renewals

## Basic Life

- Current Annual Spend: \$20,494
- Renewal Annual Spend: \$20,494
- Recommended Action: Renew as-is with Mutual of Omaha

## STD

- Current Annual Spend: \$70,566
- Renewal Annual Spend: \$70,566
- Recommended Action: Renew as-is with Mutual of Omaha

## LTD

- Current Annual Spend: \$29,178
- Renewal Annual Spend: \$29,178
- Recommended Action: Renew as-is with Mutual of Omaha



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# Next Steps

Activity	Target Date
Pre-Renewal Meeting	January
Request Alternates/Marketing	January
Receive Renewals & Alternates	January
Renewal Negotiation & Prep	February
Renewal Meeting	February
Finalize Renewal Decisions & Budget	March/April
Open Enrollment Communications Finalized	May
Open Enrollment Meetings	May/June



# Thank you



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