

## MEMORANDUM

**DATE:** February 22, 2019  
**TO:** Mayor White & City Council  
**VIA:** Mercy Rushing, City Administrator  
**FROM:** Cindy Karch, Finance Director *CK*  
**SUBJECT:** Health Insurance Broker Service

### **Council Meeting Agenda Item for February 25, 2019**

#### **Background Information:**

The City has begun the process of selecting a broker for employee health benefits to help with the competitive bid process for the FY 2019-2020 budget. An employee survey was completed, along with a third party independent review of both broker presentations.

Employees were asked to rate their overall level of satisfaction with the current insurance carrier. Out of 41 respondents, 71% of employees said they were either satisfied or neutral. 22% were unsatisfied. 78% of employees who responded were either satisfied or neutral with the current network of doctors and hospitals while 12% responded they were unsatisfied. The number one ranked concern was cost of health insurance premiums per pay check and the second was out-of-pocket costs, including deductible, co-pays, co-insurance and prescription costs.

Here are some additional points of consideration:

	Watkins	Brinson
Cost of Service (50 Employees/One Year)	Watkins - \$31,800 Benecon - \$16,710 Meratain - \$20,688 TOTAL: \$69,198	\$24,996, no additional management fees
Employee Claims Review & Reporting	Local representative to handle claims/no reporting	Team of customer advocate – monthly claims recovery reporting – monthly report of customers assisted
Tele-Doc	\$4 Per Employee Per Month - only covered employees and family	\$4 per Employee per Month – covered employee plus additional family members, covered or not
Options	Watkins stated we have the best plan at the price we can afford.	Stated that we are paying on average 40% more than cities our size on their books.

Cities & Counties represented	Did not provide	30 different cities and counties
Online Portal	Available	Available at no additional cost
HR Support	Available	Available at no additional cost

**Recommendation:**

After due diligence by the City Manager, Finance Officer and Human Resource Director, consultation with a third party, meetings and many discussions with both agencies it is recommended to the council that they proceed with the proposal from Brinson Benefits Inc. If the council chooses this option, Watkins Insurance will remain our agent for our current plan, while Brinson Benefits begins the competitive bid process for health insurance for the next fiscal year.

**Final Disposition:**



# City of Mineola

February 25, 2019

Brinson Benefits, Inc.  
Attention: Demetra Bell-Runnels  
4851 LBJ Freeway, Ste 900  
Dallas, TX 75244

RE: Exclusive Agent of Record Appointment effective immediately

Dear Demetra,

Please accept this letter as our official notification that we are hereby appointing:

Brinson Benefits, Inc.

4851 LBJ Freeway, Ste 900  
Dallas, TX 75244  
972.788.9118  
Tax ID#: 75-2796732

as our exclusive Agent of Record for the City of Mineola. Brinson Benefits is authorized to act as our exclusive representative in negotiations for the proposal, placement and management of all Group benefits including but not limited Group Health (Medical, Health Reimbursement Arrangement, Dental and/or Vision, fully insured and/or self-funded), Life/AD&D, Travel, Disability, Section 125, COBRA/HIPAA, Employee Assistance Program, Wellness, Organ Transplant, Long Term Care, Pharmacy, Individual and/or Voluntary coverages.

This authority will become effective immediately and supersedes any other agent of record appointments. It will remain in effect until canceled in writing by an authorized member of the city. A facsimile or photocopy of this letter is acceptable.

Any compensation received through September 30, 2019 should be paid to Watkins Agency, Austin, TX, who Brinson Benefits is replacing. Effective October 1, 2019, compensation should be paid to Brinson Benefits.

Sincerely,

Mercy Rushing  
City Manager  
City of Mineola

## PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“Agreement”) is made and entered into by and between the City of Mineola in Mineola, Texas (“Client”) and Brinson Benefits, Inc., having its principal place of business in Dallas County, Texas, at 4851 LBJ Freeway, Suite 900, Dallas, TX 75244 (“Brinson”).

1. **Purpose.** The purpose of this Agreement is to state the terms and conditions under which Brinson shall provide employee benefit consultant services to Client.
2. **Description of Services.** Brinson’s services to Client shall include, but shall not be limited to, the following:
  - Review the various Client plans’ structure, benefits, service, vendor contracts, and costs, including (i) review of current benefits and recommend potential benefit adjustments or changes; and (ii) review costs and other obligations.
  - Review proposal specifications, including (i) review and recommendation of specification adjustments for improvement of benefits for Client’s Plans to be offered; (ii) review presentation procedures for eligible participants; and (iii) assist with the selection of insurance carriers and other professional vendors that will be provided with a request for proposal.
  - Assist in the selection process by (i) responding to questions or inquiries from insurance carriers and other professional vendors during the proposal process; (ii) reviewing and comparing the proposals received to determine conformity to bid request requirements; (iii) conducting discussions and meet with those insurance carriers and other professional vendors who are competitive to achieve the best benefits, costs and contractual terms for Client; and (iv) making recommendations for the placement of coverage for insurance services and other related professional services.
  - Assist in implementation, communication and Plan management by (i) coordinating the enrollment and installation of contract(s), including employee communication and employee meetings and other necessary services to complete the enrollment and implementation of the Plans; (ii) coordinating with the insurance carrier and other professional vendors for proper administrative procedures, reporting requirements, and contacting service representatives; (iii) monitoring the performance, throughout the year, of such insurance carriers and other vendors; (iv) assisting in the resolution of claims or service issues with insurance carriers or other related professional vendors; and (v) providing services

not listed above as may be necessary or negotiated by Brinson and Client .

3. **Work with Client Staff.** In undertaking the foregoing services on behalf of Client, Brinson shall work closely with the Human Resources and/or his/her designees, including other Client Human Resources personnel and other appropriate Client personnel and officials ("Client Staff"), and perform any and all related tasks required by Client Staff in order to fulfill the purposes of this Agreement.
4. **Performance of Services.** Brinson and its employees and/or associates shall perform all the services under this Agreement and Brinson hereby agrees and represents that all of its employees and/or associates who perform services under this Agreement are and shall be fully qualified and competent to perform the services described herein.
5. **Term.** The term of this Agreement shall begin February 1, 2019 and, unless sooner terminated pursuant to paragraph number 10 below, shall continue to the end of the first anniversary of the Client's benefit plan year (as determined by Client's benefit plan documents); provided, however, that unless either party shall give written notice of termination as provided in paragraph number 10 below, the term shall automatically continue in force and effect for consecutive one-year periods starting at the end of each plan year. Further, Brinson understands and agrees that all services, written reports, and other data are to be completed and delivered to Client by the termination date unless an extension of time is approved by Client Staff.
6. **Compensation for Services.** In consideration of the professional services to be performed by Brinson pursuant to the terms of this Agreement, Brinson shall be paid for services rendered, as referenced in attached Exhibit A, which is incorporated by reference. Unless otherwise detailed and incorporated in Exhibit A, Brinson's compensation is derived from third party commissions and not directly from a party to this Agreement. If other services are provided to Client, Brinson shall bill Client for services rendered as provided for in this Agreement.

Brinson reserves the right to suspend or terminate all Brinson services until full payment and late fees, if applicable, are received. Payments are due on the 1<sup>st</sup> day of the month for that month's services. If payment is not received by the end of that same month there will be a late fee assessed in the amount of 10% on any past due amounts. Brinson reserves the right to suspend or terminate all Brinson services until full payment and applicable late fees are received. Brinson shall have the right to change its professional service fees with 60 days advance notice conditioned upon written acceptance in advance by Client.

7. **Change in Scope or Focus of Services.** Client and Brinson acknowledge that Client may request, from time to time, changes in the scope or focus of the activities and services conducted or to be conducted by Brinson pursuant to this Agreement. Any such change which varies significantly from the Description of Services referenced above and which entails a significant increase in cost or expense to Brinson shall be mutually agreed on by Brinson and Client. Changes in the scope, which in the opinion of Brinson and Client Staff will or in all likelihood will require additional funding by Client, must first be authorized in advance by Client.
8. **Brinson's Liability and Insurance Coverage.** Approval of Client shall not constitute nor be deemed a release of the responsibility and liability of Brinson, its employees, agents and/or associates for the accuracy and competency for their designs, reports, information, and other documents or services, nor shall approval be deemed to be the assumption of such responsibility by Client for any defect, error or omission in the documents prepared by Brinson, its employees, agents and/or associates.
9. **Indemnity.** Brinson shall defend, indemnify, and hold Client whole and harmless against any and all claims for damages, costs, and expenses to persons or property that may arise out of, or be occasioned by or from any negligent act, error or omission of Brinson and/or any agent, servant, or employee of Brinson, in the execution or performance of this Agreement.
10. **Termination.** Either party may terminate this Agreement upon sixty (60) days advance written notice, it being understood and agreed that the termination date shall be effective 60 days after the written notice of termination is provided. Payments for services are due within 14 days of the termination date. Either party may terminate this Agreement without notice for gross negligence only. A termination for gross negligence must be in writing and specifically detail the gross negligence.
11. **Additional Terms of Agreement.** The following shall be additional conditions of, and a part of, the consideration of this Agreement, to-wit:
  - **Conflict of Interest.** Brinson hereby acknowledges that no officer or employee of Brinson is financially interested, directly or indirectly, in the sale to Client of any materials, supplies or services other than the professional services referenced herein. Brinson hereby agrees that it shall not accept other employment or engage in outside activities incompatible with the proper discharge of its professional obligations, duties and responsibilities to Client, or which might impair its independent judgment in the performance of its obligations, duties and responsibilities to Client. Notwithstanding any provision herein to the contrary, Client understands that Brinson may be paid a commission or fee by an insurance carrier providing insurance coverage to Client

and/or its employees. Client acknowledges and agrees that receipt of such commission and/or fees from insurance carriers does not constitute a conflict of interest for Brinson in providing services as set forth this Agreement.

- **Nondiscrimination.** As a condition of this Agreement, Brinson covenants that it will take all necessary actions to insure that, in connection with any work undertaken pursuant to this Agreement, that it, its associates, agents and subcontractors will not discriminate in the treatment or employment of any individual or groups of individuals on any basis prohibited by applicable law, including but not limited to race, color, religion, national origin, age, sex or physical disability, either directly, indirectly or through contractual or other arrangements. In this regard, Brinson shall keep, retain and safeguard all records relating to this Agreement or work performed hereunder for a minimum period of three (3) years from completion of services to Client, with full access allowed to authorized representatives of Client, upon request, for purposes of evaluating compliance with this and other provisions of this Agreement.
- **Assignment.** This Agreement shall not be assigned, in whole or in part, without the prior express written consent of Client.
- **Notices.** All notices and communications, required or permitted under this Agreement shall be personally delivered, mailed or emailed to the respective parties, postage prepaid, or delivered electronically at the following addresses. Mailed notices shall be deemed communicated as of five (5) days after mailing.

If intended for Client to:

City of Mineola  
300 Greenville Highway  
Mineola, TX 76773

If intended for Brinson, to:

Brinson Benefits, Inc.  
4851 LBJ Freeway, Suite 900  
Dallas, TX 75244

- **Independent Contractor.** In performing services under this Agreement, Brinson is and shall be considered an independent contractor of Client. Nothing contained herein shall modify that relationship and the parties hereto specifically acknowledge that Brinson is an independent

contractor of Client. Additionally, no term or provision of this Agreement shall be construed as making Brinson an agent, servant or employee of Client.

- **Venue.** The obligations of the parties pursuant to this Agreement are performable in Mineola, Texas, and Dallas, Texas and if legal action is necessary to enforce same, exclusive venue shall lie in Dallas County, Texas.
- **Applicable Laws.** This Agreement is made subject to the provisions of applicable state and federal laws. Further, this Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.
- **Mediation.** In the event of any controversy or claim arising out of or relating to this Agreement, or the breach of this Agreement, the parties hereto agree to submit such controversy or claim to nonbinding mediation.
- **Entire Agreement.** This Agreement contains the entire agreement between the parties and this Agreement supersedes any and all other agreements, whether oral or written. This Agreement may not be amended except in writing and all amendments must be approved by both Client and Brinson.
- **Severability.** If any one or more of the provisions of this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision.
- **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. Client warrants and represents that the individual executing this Agreement on behalf of Client has full authority to execute this Agreement and bind Client to the same. Brinson warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Brinson to same.
- **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- **Captions.** The captions to the various clauses of this Agreement are for informational purposes only and shall not alter the substance of the terms and conditions of this Agreement.



- **Attorney Fees.** In the event of any dispute that results in a proceeding to construe or enforce any provisions of this Agreement, the prevailing party shall recover from the non-prevailing party reasonable attorneys' fees and other costs incurred (in addition to all other amounts and relief to which such party may be entitled to recover).
- **Compliance with Laws.** Each party shall comply with all applicable federal, state, and local laws and regulations in connection with its activities pursuant to this agreement.
- **Confidentiality.** The terms and conditions of this agreement are confidential and are not to be disclosed to any other party without the written consent by both Client and Brinson.

EXECUTED AND AGREED TO by City of Mineola and

Brinson Benefits, Inc. on this \_\_\_\_\_ day of \_\_\_\_\_, 2020\_\_\_\_\_.

**ACCEPTED:**

\_\_\_\_\_  
"Client"

\_\_\_\_\_  
By

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ACCEPTED:**

Brinson Benefits, Inc.  
"Brinson"

Dawn Brinson, President  
By

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**PROFESSIONAL SERVICES AGREEMENT**

**EXHIBIT A**

<b>Professional Services</b>	<b>Benefit Plans</b>
<p>Brinson Benefits, Inc. services include:</p> <ul style="list-style-type: none"> <li>• Plan Benefit/Cost Renewal Analysis</li> <li>• Plan Design Consultation &amp; Strategic Benefit Planning</li> <li>• Plan Management and Data Analysis</li> <li>• Vendor Negotiations</li> <li>• Annual Bid Process and Plan Implementations</li> <li>• Open Enrollment/Communication Support</li> <li>• Customer Service</li> <li>• Purple Card – Patient Advocate Services &amp; Reporting</li> </ul>	<p><b>Brinson Benefits Service Fees effective 2/01/2019 – 1/31/2020</b></p> <p><b>Agent of Record Letter on All Lines of Coverage</b></p> <p><b>MEDICAL</b></p> <p><b>DENTAL</b></p> <p><b>VISION</b></p> <p><b>BASIC LIFE &amp; AD&amp;D</b></p> <p><b>VOLUNTARY LIFE &amp; AD&amp;D</b></p>
<p>Additional Services (quoted upon request):</p> <p>The following are not included in the compensation: 5500 preparations, printing, graphic design work, custom programming, ACA 6055/6056 Reporting, Telemedicine, contracted third-party services and/or products (COBRA/HIPAA, Technology, Legal, Accounting, Wellness Services, etc.), travel outside of DFW area, and independent third party audits.</p> <p>Any lines of coverage or services not provided in this agreement are subject to additional fees.</p> <p>Note: This list is not all inclusive. Please contact Brinson Benefits for any additional service requests.</p>	<p>Available Upon Request</p> <p>Travel expenses outside of location listed below must have prior approval:</p> <p>_____</p>