



MAGNOLIA PUBLIC SCHOOLS

Board Of Directors

Board Agenda Item #	II C
Date:	March 10, 2016
To:	MPS Board of Directors
From:	Terri Boatman, Director of Human Resources
Staff Lead:	Terri Boatman, Director of Human Resources
RE:	Approval of Benefit's Broker Services

Proposed Board Recommendation

I move that the board approves the agreement with Montage Insurance Solutions to be the broker on record for Magnolia Public School's benefits program.

Background

Benefits are a major part of an employee's total compensation with Magnolia. In 2015, our benefits costs were \$2.2 million dollars. Benefit's brokers no longer simply negotiate rates, but they also assist in open enrollment, assist employee in managing claims, and help an organization remain compliant with rapidly changing ACA laws which require frequent tax reporting.

Magnolia has used Healthcare Solutions for over 10 years. Since this contract is over \$25,000.00 and based on new internal guidelines, we recently created an RFP for brokerage services. A cross-functional team consisting of Operations, Human Resources, and Finance with the participation of the Regional Directors, interviewed all four companies who submitted responses. The companies who submitted responses:

- Healthcare Solutions
- Barney & Barney
- Dickerson & Associates
- Montage Insurance Solutions

We have selected Montage to be our service provider for several reasons:

- They have experience working with large CMO's including Alliance and PUC.
- They are highly recommended by their clients.
- They have a larger staff and have supported CMO's in their growth in other states.
- They are familiar with utilization of our HRIS system which will help in enrollment and communicating terms and new hires.
- They have the expertise to guide Magnolia through the 1095-A filings.
- Their commitment to customer service and quick response time

Brokers are paid either through a flat fee or paid by commission from the carriers. Montage has agreed to a commission rate capped at \$75,000.00. Any commissions earned over this amount



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will be refunded back to Magnolia and can be allocated to programs or to offset benefits costs. The commission amounts will be listed on the Form 5500 annually.

Budget Implications

This move will result in a positive impact to the organization of approximately \$25,000.00 since Montage is capping their commissions at \$75,000.00. Estimated cost of benefits was \$2.2million.

Name of Staff Originator:

Terri F. Boatman, Director of Human Resources

Attachments

Montage Agreement