



City of Duluth
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Duluth Joint Powers Enterprise Trust
Board of Trustees Minutes Meeting
Wednesday, September 10, 2025, at 2:00 PM

Board Members Present: Dan Hartman, Jill Keppers, Matt Staehling, Tom Werner

Others Present: Jodi Amundson, Josh Bailey, Karla Culhane, Amanda Denton, Keely Downs, Robb Enslin, Cyndi Falconer, Angel Hohenstein, Tom Johnson, Chris Kibler, Terri Lehr, Andrew Park, Matt Silverness, John Upton, Tammie Walsh, Wendy Wohlwend, Diane Schlossin

Brown & Brown: Jodie Elder, Carter Fallen

Matt Staehling called the meeting to order at 2:01 p.m.

Approval of Minutes: Motion was made to approve May 21, 2025 minutes. Motion by Tom Werner; second by Dan Hartman. Approved.

Treasurer's Report:

Josh Bailey reviewed the financial statement for July 2025. Medical claims are up 19.25% and drug claims are up 5.22% compared to last year. Health Plan revenues and expenses combined report an unfavorable budget variance of \$-740,058. The Income Statement for Healthcare showed a reserve balance of \$17,936,342 as of July 31, 2025. Dental showed a reserve of \$599,834 as of July 31, 2025.

Josh Bailey shared a spreadsheet showing beginning fund balance in 2025, estimating claims for 2025, claim growth and fixed costs. This tool can help determine premium increases with an estimated fund balance. This will be shared next week at the JPE meeting to help decision-making with rate setting.

New Business:

DJPE 2026 Health Plan Finalist Recommendation presented by Brown & Brown, Jodi Elder and Carter Fallen

- Health Plan RFP – Brown & Brown received proposals from the following Carriers/TPA's: Medica, HealthPartners, BlueCross BlueShield, UMR, United Healthcare and Health EZ.
- The RFP Strategic Goals were to control rising costs, optimize the PA process, flexibility to customize the preventative services, choose the best network, keep members healthy with expert care, secure top pharmacy benefit manager (PBM) and account management.
- The top two contenders were Medica and UMR. The others were out of contention. Brown & Brown compared data with Medica as the incumbent. Overall savings, if the DJPE went with UMR/OptumRX, were about 1%, which didn't warrant a disruption to the current services our members have.
- RFP Finalist overview –
 - a. Medica uses Express Scripts, which is the second largest PBM nationally. This is favorable over OptumRX due to 2.5% of scripts would have disruption.
 - b. Stop Loss pricing – Medica 2026 proposal is a 28% increase with a rate cap of 19% for year 2, compared with UHC 2026 proposal is 31% higher than Medica's with a 40% rate cap for year 2.
 - c. UMR had fully customizable preventative services

- d. Medica has extensive experience with public sector clients in MN with UMR having moderate municipal experience
- e. Account management – Medica has a highly engaged team, weekly touchpoints and strategic support
- f. Well-being platform – Custom portal through MyHealth Rewards, \$225/year incentives funded by Medica and Personify application
- g. Wellness credits – UMR had higher wellness credits proposed for years 1-3 than Medica

- Year 1 2026 Cost Overview

Renewal - \$31,976,745 Total Cost (B&B Expected + Total Fixed + Annual Offsets)

\$ 3,470,265 \$ Variance Over Current

12.2% vs 11% UMR (\$348,257) -1.1%

- Prior Authorization

Discussion held on prior authorization considerations

- a. All carriers require Prior Authorizations (PA) to ensure medical necessity and control cost.
- b. Medica utilizes Carelon to manage PA for Musculoskeletal (MSK), Radiology and Cardiology.
- c. Medica and UMR allow self-funded employers to remove any or all services by category.
- d. The recommendation was to shut off PA for all services for 2026 and continue to monitor.
- e. Financial impact to remove all equates to approx. \$5.18 PMPM or \$170K annually equal to .5%

Recommendation from Brown & Brown was to continue with Medica for the next five years.

Discussion held included the following:

- a. We are required to RFP for health insurance plans as required by the DJPE Bylaws. We are currently in the middle of a contract with Medica even if we went with a new carrier. The Carriers that RFP included penalty monies for breaking contract with incumbent carrier. It was discussed with Robb Enslin, to have contract coincide with the RFP next time.
- b. It was asked of Brown & Brown if there were features of the proposed carriers that we won't have as we continue with Medica.
 - Flexibility – fully customizable preventative services offered through UMR
 - Higher wellness credits proposed in year 1-3
 - Enhanced RX pricing and manage formularies; lose some flexibility with Medica

Motion was made by Jill Keppers to continue with Medica as our Health Plan carrier for another five years.

Second by Dan Hartman. Approved.

Tom Werner made a motion to remove Prior Authorizations (PA) for MSK beginning 1/1/2026. Second by Dan Hartman. No further discussion. Approved.

Wellness Report:

Presented by Angel Hohenstein

- Personify – Well-being program 67% employee engagement
Incentives as of today include: \$150 – 28 employees, \$300 – 55 employees, \$500 – 185 employees
Angel will be updating the program for 2026 to make it challenging
268 employees have completed their health assessment
- Lunch & Learn - over 50 attendees so far this year
- Launch my Health – 96 active enrollees
- Private Nutrition – 16 packages; three appts with registered dietician.
- Golf Scramble – 78 participants
- Sword Health – new PT virtual platform that Angel is testing. The platform provides exercises for at home workouts helping with MSK and injury prevention. It provides an awareness guide to correct body mechanics.
- Farmer's Market – each Thursday in Priley Circle through the end of September. The final farmer's market will be held at the Depot on Thursday, October 23, 2025.
- Flu Shot Clinics will be scheduled in October
- Health Fair held at the DECC on November 12th from 9 a.m. – 1:00 p.m. Flu shots, fitness assessments plus more

Motion to adjourn by Dan Hartman; seconded by Jill Keppers. Approved. Meeting adjourned at 2:45 p.m.
Next meeting: Wednesday, September 17, 2025 at 11:00 a.m.

Minutes respectfully submitted by,

Diane Schlossin
Human Resources Technician
City of Duluth