



McGuire/Sedky

**RESOLUTION NO. 6386**

**WHEREAS**, the District maintains a Health Plan for its employees, retirees and their dependents; and

**WHEREAS**, the Board of Directors directed management to provide for self-funding of the District's Health Plan, as well as the use of Administrative Services Only providers, and to authorize such providers to issue payments and adjustments in settlement of such health benefits; and

**WHEREAS**, such arrangements were completed and the District's self-funded Health Plan is in effect; and

**WHEREAS**, State statutes require the Board of Directors to review and approve an annual report on the self-funded Health Plan and required reserves; and

**WHEREAS**, the Health Plan – 2019 Annual Report has been completed and indicates that the Health Plan was operated in accordance with the Board's directive and applicable State statutes.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that the Health Plan – 2019 Annual Report on the District's self-funded Health Plan, a copy of which is attached hereto, is hereby approved.

**Omaha Public Power District  
Health Plan – 2019 Annual Report  
July 16, 2020**

As required by the Benefits Act, the following is a report on the District's Health Plan for 2019 and required reserves.

**HEALTH PLAN REPORT**

	<b>2019</b>
<b>Expenses - Gross</b>	
Medical, dental and prescription claims	\$26,343,700
Other post employment benefits-OPEB	\$21,245,600
Fees and reserve adjustments	\$3,860,100
Subtotal	\$51,449,400
<b>Reduction of Expenses</b>	
Employee and COBRA contributions	\$6,484,500
Prescription Rebates <sup>(1)</sup>	\$644,400
Stop Loss Reimbursements <sup>(2)</sup>	\$432,900
Subtotal	\$7,561,800
<b>Total</b>	\$43,887,600

Note <sup>(1)</sup> This represents prescription drug rebates issued by the drug manufacturers.

<sup>(2)</sup> This represents reimbursements for claims that exceed the individual stop loss.

**RESERVES**

	<b>2019</b>
<b>Incurred But Not Presented</b>	
Beginning balance	\$3,055,000
Activity	\$447,000
Ending balance	\$3,502,000
<b>Monthly Claims and Expenses</b>	
Beginning balance	\$3,184,200
Activity	-\$376,000
Ending balance	\$2,807,600

The reserve balances change based on annual projections and actuarial information received.



# Board Action

July 14, 2020

## ITEM

Health Plan – 2019 Annual Report

## PURPOSE

Provide an annual report on the District's Health Plan

## FACTS

- a. In 1991, the Board of Directors authorized the formation of a self-funded Administrative Services Only Health Plan (Health Plan). The Health Plan includes the health insurance programs and dental program offered by the District.
- b. The Health Plan is subject to the Political Subdivisions Self-Funding Benefits Act, set forth in §13-1601 to §13-1626, Revised Statutes of Nebraska (Benefits Act). In order to comply with the Benefits Act, the District is required to prepare an annual report on the Health Plan and required reserves.
- c. Two funded reserves are maintained for the Health Plan in accordance with the Benefits Act. One reserve is to account for timing delays in claims filing and processing which is referred to as an Incurred But Not Presented Reserve. A second reserve ensures that funds will be available during each ensuing month and is called the Monthly Claims and Expenses Reserve.

## ACTION

Review and approval of the Health Plan – 2019 Annual Report

RECOMMENDED:

/s/ Martha L. Sedky

Martha L. Sedky  
Vice President – Human Capital

APPROVED FOR BOARD CONSIDERATION:

/s/ Timothy J. Burke

Timothy J. Burke  
President and CEO

Attachments:

Health Plan – 2019 Annual Report  
Resolution