



UNIFIED FIRE AUTHORITY

MEMORANDUM

24-009

January 29, 2024

TO: All Personnel

FROM: Chief Burchett

SUBJECT: UPDATE- SelectHealth Fully Insured Health Plan w/ Contingent Funding Arrangement

As you may recall, we received notice in December 2023 that the total insurance expenses exceeded the paid premiums for the contingent funding arrangement with SelectHealth for FY22/23, resulting in a deficit for the contract year. The additional premium owed to SelectHealth was \$170,501.87, this amount would be split in the same percentage as the ongoing health premiums, with UFA covering 80% (\$136,401.49) and employees on the UFA health plan responsible for the remaining 20% (\$34,100.38). The first of the three planned employee payroll deductions occurred on January 25, 2024, of approximately \$36.00 (or less, depending on whether the employee had SelectMed+, SelectCare+, single, 2-party, or family coverage).

After further discussion with Gallagher, we were not satisfied with SelectHealth's calculation of the claims. We asked SelectHealth to review their policies for fully insured health plans with contingent funding arrangements. After further review, SelectHealth agreed to change their policy, and to UFA's benefit, reduced the total expense by \$149,500, with UFA now owing just \$21,001.87. As a result, the UFA portion of 80% is \$16,801.50, and the employees' portion of 20% is \$4,200.37.

While we understand this is great news, we are also aware of the frustration and confusion this has caused. With the change in SelectHealth's internal policy, we do not anticipate this confusion to reoccur.

With the reduction, you will see a refund of approximately \$22.00, depending on your medical coverage, on the February 9, 2024, paycheck. Furthermore, there will be no need for any further deductions related to the FY22/23 contingency funding arrangement.

If you have any questions, please contact HR Director Day at (801) 743-7124 or kday@unifiedfire.org.