**M E M O R A N D U M**

**To:** City of Rochester Health Insurance Subscriber

**Date:** October 21, 2024

**Subject:** City of Rochester Health Insurance Health Reimbursement Account Funding

The City’s self-funded health insurance plan through MVP is governed and managed by the City’s Labor Management Healthcare Committee which comprises Management (Deputy Mayor, Director of HR Management, Manager of Labor Relations, and Benefits & Compensation Manager), Presidents of Fire, Police, Operating Engineers, and AFSCME. Meeting every third Thursday of the month, the LMHCC committee continuously reviews all aspects of the health insurance including member customer service, performance management of MVP, wellness programming, compliance and financial stewardship, just to name a few. Since 2013, this collaborative arrangement has preserved a competitive plan of benefits, improved member service through MVP’s Care Advantage programming, added benefit enhancements including hearing, vision and upgraded dental, provide incentive-based wellness programming and sustained financial the viability of the plan where active employees continue to have ZERO payroll contribution. This will remain the same for 2025.

Each fall, the labor and management trustees conduct a thorough financial review consistent with the governing agreement. This annual review determines if a one-time investment into a Section 105h (Health Reimbursement Account) is viable. Effective January 1, 2025, the LMHCC has voted on and will fund $1,000 per active employee on record and participating in health insurance. These monies can be used for eligible medical expenses substantiated by plan participants and administered by Lifetime Benefits. **The LMHCC must review the financials on an annual basis to determine if future monies can be made available for the HRA in subsequent years.**

The Labor Management Healthcare Committee prides itself on the governance of the City of Rochester’s self-funded health insurance plan. With the commitment of Labor and Management, they have been able to vote to provide investments into a Section 105h (Health Reimbursement Account) when viable. With that being said, the performance of the plan and being able to continue to offer active employees the COR health insurance plan at Zero cost to them is the Labor Management Healthcare Committee’s top concern. Adding funds into a Health Reimbursement Account for active employees who have the healthcare is an added bonus they are able to offer when viable. **Adding funds into the Health Reimbursement Account is not guaranteed on a yearly basis and should not be expected.**