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To: Human Resources/IT Committee and Common Council Members

From: Jay Ratchman, Human Resources Director

Date: August 2, 2021

Re: Recommendation for Health Reimbursement Account (PEHP) Administration

The City of Appleton currently has a health reimbursement account benefit in place where tax-free funds can be used to pay qualified medical expenses after employment ends (e.g. \$10/month contributed by the City and payout of unused sick leave at time of retirement). This benefit is commonly referred to as the Post Employment Health Plan (PEHP).

Our current PEHP administrator is TASC and we have been with TASC since 2019. Since converting to TASC, we have been experiencing a large variety of service issues. For this reason, we requested that AndCo Consulting complete a request for proposal process to find a new plan administrator.

Proposals from AviBen, ICMA-RC, and Mid America were received and reviewed by AndCo Consulting and by the City of Appleton. Based on this review, we are recommending that the City of Appleton switch our plan administration to Mid America. Mid America stood out with public sector experience, valued added services, and by having a straightforward fee structure. The fee charges by TASC and Mid America are both \$2.00/month for an active employee. If approved, the transition to Mid America would start immediately.

Please refer to the letter from AndCo Consulting regarding the request for proposal process and the recommendation to switch to Mid America.

If you have any questions regarding our recommendation, please let me know.