Health Plan Trustee Board
Agenda

Wednesday, September 16, 2026, 3:30 PM

203 Main Ave E, Rm 303
Twin Falls, ID 83301

Members: Travis Rothweiler; Mitch Humble; Gretchen Scott; Kristen Kohntopp; Breanna Howard

1) Call Meeting to Order/Confirmation of Quorum
2) Consent Calendar
   a) **ACTION ITEM:** Approval of the minutes from August 19, 2026
      By: Gretchen Scott, Deputy City Manager
3) Items of Consideration
   a) **ACTION ITEM:** A request to set the minimum reserve level for the Health Plan Trust.
      By: Breanna Howard, CFO
   b) **INFORMATIONAL:** Receive and review the Health Plan Trust's current financial statements and financial condition.
      By: Breanna Howard, CFO
4) General Public Input
5) Adjournment

Any person(s) needing special accommodations to participate in the above-noticed meeting could contact Rachael Long (208) 735-7287 at least two working days before the meeting. Si Desae Esta information in Español, Por favor llama a Rachael Long al telephone (208) 735-7287.

City of Twin Falls Health Plan Trust
Minutes

Wednesday, August 19, 2026
203 Main Ave E Room 303

Members: Breanna Howard, Gretchen Scott (12/29), Travis Rothweiler, Kristen Kohntopp

Guests: None

1. **Call to Order**
   A. The meeting was called to order at 3:30 PM.

2. **Consent Calendar**
   A. Travis made a motion to approve the minutes from July 24, 2026. Motion was seconded by Kristen Kohntopp. Motion passed unanimously. No Nays

3. **Items of Consideration**

   A. **Approve the process of prepayments for monthly premiums as well as the first payment in the amount of $4,456.38 to Optum to bind and issue the Health Plan Trust's Organ Transplant Carveout coverage -**

   The Board considered a request to approve the initial prepayment of $4,456.38 for organ transplant carve-out coverage and authorize continuing monthly prepayments for the coverage. A motion was made and seconded to approve the initial payment and continuing monthly prepayments. The motion passed unanimously by voice vote. **Motion:** Travis Rothweiler moved to approve the prepayment process as well as the first payment of $4,456.38 to Optum. Kristen Kohntopp seconded the motion. **Vote:** Motion passed unanimously. No nays.

   B. **Receive and review the Health Plan Trust's current financial statements and financial condition. -**

   Breanna Howard presented the current financial statements and explained that the statements will be adjusted in the following month to reflect information recently received from the actuary regarding incurred but not reported (IBNR) claims. The Trust is required to reserve an amount equal to approximately three months of premiums for IBNR. Howard explained that recording the liability will result in an estimated one-time increase in expenses of approximately $450,000. The adjustment will reduce reported net income but represents funds reserved for future claims rather than an additional cash expenditure.

   Howard reported year-to-date employee premiums of approximately $345,187 and employer premiums of approximately $4.37 million through July, with the City contributing approximately 92% of total premiums and employees contributing approximately 7%. She also discussed administrative fees and explained that Select Health had recently provided information necessary to correct how those fees are reflected in the Trust's financial statements. The Trust had been receiving billing that reflected a $5 administrative fee when the actual fee is $45, with credits and rebates affecting how the amounts appeared on prior statements. Staff is working with Select Health to restate prior months and establish accurate billing going forward. Beginning October 1, Select Health is expected to reflect the full administrative fee and applicable rebates separately so the Trust can accurately track its actual expenses and income.

The Board reviewed medical and prescription claims as the Trust's largest expenses. Medical claims totaled approximately $2.03 million through July, while prescription claims totaled approximately $831,550, bringing total claims to approximately $2.7 million. The Board also discussed a stop-loss credit of approximately $134,000 related to claims exceeding the $150,000 specific stop-loss threshold. Trustees discussed the number of claims that have reached the stop-loss threshold and the potential impact of those claims on future stop-loss premiums. Staff noted that several of the claims currently exceeding the threshold appear to be one-time events rather than ongoing claims.

The Board also discussed a COBRA participant with significant prescription costs who is expected to reach the end of the 18-month COBRA period in September. Howard reported that specific stop-loss coverage was approximately $647,000, while aggregate stop-loss costs were approximately $25,844. She noted that the stop-loss reporting had been corrected based on information recently received from Select Health.

The financial statements also reflected approximately $42,000 in interest income and approximately $27,000 in rebates, discounts, and incentives. Net income before the IBNR adjustment was approximately $1.31 million. Howard explained that this amount is expected to decrease by approximately $450,000 when the IBNR liability is recorded. The Board discussed the relationship between the IBNR requirement, actuarial reserves, and cash available to the Trust and noted that the combined reserve requirements remain below the Trust's current cash balance of approximately $2.6 million.

Motion: Travis Rothweiler moved to approve the financial statements as presented. Kristen Kohntopp seconded the motion. **Vote:** Motion passed unanimously. No nays.

C. Organization of the Trustee Board - Selection of Chair & Vice Chair -

The Board discussed the organization of the trustee board and selection of a chair and vice chair. Trustees discussed the responsibilities associated with the chair position, including facilitating meetings and helping ensure agendas and meeting materials are prepared. Breanna Howard expressed a willingness to serve as chair but also discussed the significant workload associated with the Trust's financial reporting, actuarial work, and regulatory requirements.

Gretchen Scott was nominated to serve as chair for a one-year term, with Breanna Howard serving as vice chair for a one-year term.

Motion: Travis Rothweiler moved to approve the selection of the chair and vice chair. Kristen Kohntopp seconded the motion. **Vote:** Motion passed unanimously. The Board discussed the possibility of transitioning the chair role to Howard in a future year as the Trust's financial and reporting processes become more established.

D. A request to set the minimum reserve level for the Health Plan Trust -

The Board considered establishing a minimum reserve level for the Health Plan Trust. Because Trustee Mitch Humble was not present for the discussion. **Motion:** Travis Rothweiler made a motion to table the item until the September meeting so all trustees could participate. The motion was seconded by Breanna Howard **Vote:** passed.

Trustees discussed the importance of establishing a reserve target above the minimum actuarial and regulatory requirements and considered factors such as the newly identified IBNR requirement, the Trust's desired level of liquidity, and the potential use of funds for future benefit enhancements. Trustees agreed to independently consider an appropriate reserve level before the next meeting. Staff will compile the trustees' recommendations for discussion at the September meeting.

E. Current expenses for Health Plan Trust -

The Board noted that the current expenses discussion was addressed as part of the review of the financial statements. No separate action was taken on this item.

4. General Public Comment

No public comment was received.

During general discussion, trustees provided feedback regarding the City's open enrollment meetings for the Health Plan Trust. Discussion included participation levels, scheduling, and a concern that some employees may have been unable to register for certain sessions even though later sessions were canceled due to low enrollment. Staff agreed the registration issue should be reviewed.

Trustees also discussed the importance of clearly communicating to employees that the City's health plan is self-funded rather than fully insured and agreed that consistent use of the term "self-funded" is important in future communications.

The meeting was adjourned at 4:03 p.m.

City of Twin Falls Health Plan Trust

Balance Sheet

As of Jul 31, 2026

	Total
Assets	
Current Assets	
Bank Accounts	
Depositor Account	2,616,696.06
Trust Checking Account	35,742.12
Total for Bank Accounts	**$2,652,438.18**
Accounts Receivable	
Administration Fees - Health Equity (A/R)	0.00
Plan Member Contributions Receivable	74,776.99
Total for Accounts Receivable	**$74,776.99**
Total for Current Assets	**$2,727,215.17**
Total for Assets	**$2,727,215.17**
Liabilities and Equity	
Liabilities	
Current Liabilities	
Accounts Payable	
Claims & Accounts Payable	19,854.01
Total for Accounts Payable	**$19,854.01**
Total for Current Liabilities	**$19,854.01**
Total for Liabilities	**$19,854.01**
Equity	
Retained Earnings - Actuary Surplus	1,394,458.00
Retained Earnings	4,356.98
Net Income	1,308,546.18
Total for Equity	**$2,707,361.16**
Total for Liabilities and Equity	**$2,727,215.17**

CITY OF TWIN FALLS HEALTH PLAN TRUST

FULL-CYCLE STABILITY TARGET

Recommended stabilization surplus philosophy

Build the floor. Fund the shock absorber. Preserve the ability to manage a bad year.

$0.97M

STABILIZATION MARGIN

Financial capacity for adverse claims, timing and operational risk.

$1.42M

SOLVENCY FLOOR

Regulatory capital. We do not intentionally budget this away.

$2.39M

FULL-CYCLE TARGET

Solvency floor
+ stabilization margin

HOW TO READ THIS

1 Protect the floor
The first $1.42M is the Trust's solvency base.

2 Add the cushion
The next $0.97M is available to absorb volatility.

3 Reach full-cycle stability
Together they create a $2.39M target.

RECOMMENDATION: Establish $2.39M as the Full-Cycle Stability Target and re-index it annually with the actuarial analysis. Anything additional would be to offset future premium increases.

Source basis: Idaho Code § 41-4010 and 2026–2027 actuarial figures provided to the Health Plan Trust.

My notes

Actuarial Report:Table 8
Expected Claims $3,896,343
Worst Case Scenario above expected (1.9% probability) $974,086
Actuarial report says anything more is "trivial"

Caldwell
In 2023, Cash $3.2M cash and $2.7M reserves. $4.6M contributions

Research
Excessive Reserve Risks:
- Mask inadequate vendor performance.
- Delay necessary plan changes.
- Accumulate funds without a clear intended use.
- Create pressure to spend the surplus on permanent benefits.
- Shift costs inequitably between current and future employees.

Plan: Adopt an actuarial 3-month target, surround it with a 3-4-month policy range, and require annual actuarial validation at a specified confidence level.

The Board would evaluate whether the excess is structural or temporary.

Potential uses could include:
- Smoothing future contribution increases over 2 or 3 years.
- Reducing an unusually large future rate increase.
- Funding one-time wellness, data or cost-containment initiatives.
- Improving stop-loss terms.
- Returning excess through future contribution calculations.

The Board should not automatically spend or rebate the excess after one favorable year. Claims experience should be reviewed over a rolling 3 year period before the excess is released.

City of Twin Falls Health Plan Trust

Profit and Loss by Month
October, 2025-July, 2026

	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Total
Income											
Cobra Premiums				9,118.00		1,854.00				2,705.00	13,677.00
Employee Premiums	34,336.83	34,327.17	34,419.50	34,368.50	33,965.00	34,812.29	34,632.29	33,220.29	35,198.29	35,907.49	345,187.65 7%
Employer Premiums	428,526.50	429,400.50	431,930.50	432,483.50	454,224.00	439,056.00	432,302.00	433,644.00	439,219.00	446,217.50	4,367,003.50 92%
Health Equity Admin Fees	604.00	606.00	606.00	610.00	666.00	627.00	614.00	612.00	617.00	631.00	6,193.00
Total for Income	**463,467.33**	**464,333.67**	**466,956.00**	**476,580.00**	**488,855.00**	**476,349.29**	**467,548.29**	**467,476.29**	**475,034.29**	**485,460.99**	**$4,732,061.15**
Gross Profit	**463,467.33**	**464,333.67**	**466,956.00**	**476,580.00**	**488,855.00**	**476,349.29**	**467,548.29**	**467,476.29**	**475,034.29**	**485,460.99**	**$4,732,061.15**
Expenses											
Admin Fees											
HUB International	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	6,426.00	64,260.00
Select Health											
Bi-Weekly Select Health	1,255.00	1,255.00	1,270.00	1,275.00	1,270.00	1,260.00	1,245.00	1,255.00	1,250.00	1,270.00	$12,605.00
Library - Select Health	80.00	80.00	80.00	80.00	80.00	80.00	80.00	80.00	85.00	85.00	810.00
Total for Bi-Weekly Select Health	**1,335.00**	**1,335.00**	**1,350.00**	**1,355.00**	**1,350.00**	**1,340.00**	**1,325.00**	**1,335.00**	**1,335.00**	**1,355.00**	**$13,415.00**
Cobra - Select Health	10.00	10.00	10.00		5.00	5.00	10.00	10.00	10.00	10.00	80.00
Fire Monthly - Select Health	200.00	200.00	200.00	200.00	210.00	220.00	210.00	205.00	205.00	205.00	2,055.00
Total for Select Health	**1,545.00**	**1,545.00**	**1,560.00**	**1,555.00**	**1,565.00**	**1,565.00**	**1,545.00**	**1,550.00**	**1,550.00**	**1,570.00**	**$15,550.00**
Total for Admin Fees	**7,971.00**	**7,971.00**	**7,986.00**	**7,981.00**	**7,991.00**	**7,991.00**	**7,971.00**	**7,976.00**	**7,976.00**	**7,996.00**	**$79,810.00**
Claims											
Medical Claims	50,999.27	116,635.66	212,121.81	98,374.81	127,201.40	334,295.88	180,448.56	249,208.84	253,145.74	406,064.80	$2,028,496.77 74%
Adjustments Immunization Fee								19,250.00			19,250.00
Stop Loss Credit						-60,011.68	-730.05	-2,968.94	-22,960.41	-47,422.97	-134,094.05
Total for Medical Claims	**50,999.27**	**116,635.66**	**212,121.81**	**98,374.81**	**127,201.40**	**274,284.20**	**179,718.51**	**265,489.90**	**230,185.33**	**358,641.83**	**$1,913,652.72**
RX Claims	32,404.36	53,134.54	46,990.15	81,330.84	34,846.66	88,996.34	182,292.71	139,613.06	84,154.15	87,787.63	831,550.44 30%
Total for Claims	**83,403.63**	**169,770.20**	**259,111.96**	**179,705.65**	**162,048.06**	**363,280.54**	**362,011.22**	**405,102.96**	**314,339.48**	**446,429.46**	**$2,745,203.16**
Contractual Services - Windsor	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	30,000.00
Dues & Subscriptions - Quickbooks	57.50	115.00	115.00	1,134.36							1,421.86

Admin fees are understated. We are working with Select Health to get bills that accurately increase the admin fees to $45 per employee for a total addition of $37,200, add their extra charge for rebates and show the RX Rebate credit below as $81,180

City of Twin Falls Health Plan Trust

Profit and Loss by Month

October, 2025-July, 2026

	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Total
Health Equity											
Bi-Weekly Health Equity	488.00	488.00	494.00	498.00	500.00	496.00	488.00	492.00	486.00	498.00	$4,928.00
Library - Health Equity	32.00	32.00	32.00	32.00	32.00	32.00	32.00	32.00	34.00	34.00	324.00
Total for Bi-Weekly Health Equity	**520.00**	**520.00**	**526.00**	**530.00**	**532.00**	**528.00**	**520.00**	**524.00**	**520.00**	**532.00**	**$5,252.00**
Fire Monthly - Health Equity	80.00	80.00	80.00	80.00	84.00	84.00	82.00	80.00	80.00	80.00	810.00
Total for Health Equity	**600.00**	**600.00**	**606.00**	**610.00**	**616.00**	**612.00**	**602.00**	**604.00**	**600.00**	**612.00**	**$6,062.00**
Insurance					0.00		4,464.00				$4,464.00
Credits Received				0.00							0.00
Total for Insurance				**0.00**	**0.00**		**4,464.00**				**$4,464.00**
Legal Fees			1,334.00	1,961.00	318.00		159.00		53.00		3,825.00
Miscellaneous Expense										0.63	0.63
Stop Loss - AGG							0.00				$0.00
Bi-Weekly - Stop - AGG	2,085.81	2,085.81	2,110.74	2,119.05	2,110.74	2,094.12	2,069.19	2,085.81	2,077.50	2,110.74	$20,949.51
Library - Stop - AGG	132.96	132.96	132.96	132.96	132.96	132.96	132.96	132.96	141.27	141.27	1,346.22
Total for Bi-Weekly - Stop - AGG	**2,218.77**	**2,218.77**	**2,243.70**	**2,252.01**	**2,243.70**	**2,227.08**	**2,202.15**	**2,218.77**	**2,218.77**	**2,252.01**	**$22,295.73**
Cobra - Stop - AG	16.62	16.62	16.62		8.31	8.31	16.62	16.62	16.62	16.62	132.96
Fire Monthly - Stop - AGG	332.40	332.40	332.40	332.40	349.02	365.64	349.02	340.71	340.71	340.71	3,415.41
Total for Stop Loss - AGG	**2,567.79**	**2,567.79**	**2,592.72**	**2,584.41**	**2,601.03**	**2,601.03**	**2,567.79**	**2,576.10**	**2,576.10**	**2,609.34**	**$25,844.10**
Stop Loss - SPEC											
Bi-Weekly - Stop SPEC	52,238.12	52,238.12	52,862.48	53,070.60	52,862.48	52,446.24	51,821.88	52,238.12	52,030.00	52,862.48	$524,670.52
Library - Stop - SPEC	3,329.92	3,329.92	3,329.92	3,329.92	3,329.92	3,329.92	3,329.92	3,329.92	3,538.04	3,538.04	33,715.44
Total for Bi-Weekly - Stop SPEC	**55,568.04**	**55,568.04**	**56,192.40**	**56,400.52**	**56,192.40**	**55,776.16**	**55,151.80**	**55,568.04**	**55,568.04**	**56,400.52**	**$558,385.96**
Cobra - Stop - SPEC	416.24	416.24	416.24		208.12	208.12	416.24	416.24	416.24	416.24	3,329.92
Fire Monthly - Stop - SPEC	8,324.80	8,324.80	8,324.80	8,324.80	8,741.04	8,985.87	8,741.04	8,532.92	8,532.92	8,532.92	85,365.91
Total for Stop Loss - SPEC	**64,309.08**	**64,309.08**	**64,933.44**	**64,725.32**	**65,141.56**	**64,970.15**	**64,309.08**	**64,517.20**	**64,517.20**	**65,349.68**	**$647,081.79**
Total for Expenses	**161,909.00**	**248,333.07**	**339,679.12**	**261,701.74**	**241,715.65**	**442,454.72**	**445,084.09**	**483,776.26**	**393,061.78**	**525,997.11**	**$3,543,712.54**
Net Operating Income	**301,558.33**	**216,000.60**	**127,276.88**	**214,878.26**	**247,139.35**	**33,894.57**	**22,464.20**	**-16,299.97**	**81,972.51**	**-40,536.12**	**$1,188,348.61**

City of Twin Falls Health Plan Trust

Profit and Loss by Month

October, 2025-July, 2026

	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Jul 2026	Total
Other Income											
Implementation Credit	50,000.00										50,000.00
Interest Income	2,645.41	2,680.96	3,992.46	4,758.77	4,262.53	4,905.39	5,094.69	4,739.50	4,462.25	4,911.54	42,453.50
Rebate, Discounts and Incentives									27,744.07		27,744.07
Total for Other Income	**52,645.41**	**2,680.96**	**3,992.46**	**4,758.77**	**4,262.53**	**4,905.39**	**5,094.69**	**4,739.50**	**32,206.32**	**4,911.54**	**$120,197.57**
Net Other Income	**52,645.41**	**2,680.96**	**3,992.46**	**4,758.77**	**4,262.53**	**4,905.39**	**5,094.69**	**4,739.50**	**32,206.32**	**4,911.54**	**$120,197.57**
Net Income	**354,203.74**	**218,681.56**	**131,269.34**	**219,637.03**	**251,401.88**	**38,799.96**	**27,558.89**	**-11,560.47**	**114,178.83**	**-35,624.58**	**$1,308,546.18**

Rebates are understated. We are working with Select Health to get bills that accurately increase the admin fees to $45 per employee for a total addition of $37,200, add their extra charge for rebates and show the RX Rebate credit as $81,180

Date: Wednesday, September 16, 2026

To: Health Plan Board Trustees

From: Breanna Howard

ACTION ITEM

Request:

A request to set the minimum reserve level for the Health Plan Trust.

Time Estimate:

20 minutes

Background:

Background:

The Board has previously discussed the importance of establishing a formal reserve level for the Health Plan Trust. At its June 24, 2026 meeting, the Board determined that the actuarial reserve requirements provide a minimum funding threshold, but that the Board should establish its own reserve target to support long-term financial stability and help stabilize future premium increases. Staff was directed to gather additional information and research to support development of a reserve policy.

The Board subsequently discussed reserve planning in connection with the 2027 plan year. Trustees recognized the importance of maintaining adequate unrestricted reserves to manage cash-flow requirements and potential financial impacts associated with catastrophic claims, particularly organ transplant and gene and cell therapy claims. The Board also recognized that stop-loss and carve-out coverage reduce, but do not eliminate, the Trust's financial exposure.

Staff recommends establishing $1,500,000 as the minimum unrestricted reserve level for the Trust.

The reserve level is intended to establish a financial floor, not a required year-end balance or a target for distributing excess funds. Maintaining reserves above the minimum would allow the Trust to strengthen its financial position during favorable claims years and provide greater flexibility when the Trust experiences unfavorable claims experience, changes in stop-loss costs, or other unexpected financial pressures.

The reserve level should be reviewed periodically as the Trust's enrollment, claims experience, plan design, stop-loss structure, and actuarial recommendations change.

Approval Process:

A majority of the board present.

Budget Impact:

Regulatory Impact:

N/A

History:

N/A

Analysis:

N/A

Conclusion:

Staff recommends that the Health Plan Trust Board approve $1,500,000 as the minimum unrestricted reserve level for the City of Twin Falls Health Plan Trust and direct staff to periodically evaluate the adequacy of the reserve level as part of the Trust's ongoing financial and actuarial review.

Attachments:

None

Date: Wednesday, September 16, 2026

To: Health Plan Board Trustees

From:

INFORMATIONAL

Request:

Receive and review the Health Plan Trust's current financial statements and financial condition.

Time Estimate:

15 minutes

Background:

Staff will provide the Board with a recurring review of the Health Plan Trust's financial position and year-to-date financial activity. The review is intended to provide the Board with ongoing visibility into the financial health and performance of the Trust and to support the Board's fiduciary oversight responsibilities.

The financial review may include, as applicable, current fund balance, premium revenues, medical and prescription drug claims, administrative expenses, stop-loss reimbursements, investment or interest income, budget-to-actual results, monthly and year-to-date trends, and other significant financial activity or variances.

Staff will also identify material financial trends, emerging concerns, or items that may require future Board consideration or action.

Approval Process:

N/A

Budget Impact:

Regulatory Impact:

N/A

History:

Analysis:

N/A

Conclusion:

N/A

Attachments:

None