DELIVERED NOV 05 2026

City of Middleburg Heights

RESOLUTION NUMBER 2026- 68

Introduced By: Mr. Bortolotto, Mr. Meany and Mr. Ference

A RESOLUTION AUTHORIZING THE MAYOR AND FINANCE DIRECTOR TO ENTER INTO CONTRACTS FOR EMPLOYEE HEALTH COVERAGE WITH MEDICAL MUTUAL OF OHIO FOR A PERIOD OF ONE YEAR

WHEREAS, proposals were received by the City for the furnishing of administrative services and stop-loss insurance coverage for the City of Middleburg Heights' employee health coverage for the period beginning January 1, 2027 to December 31, 2027, and;

WHEREAS, The Fedeli Group, the City's health insurance broker, has recommended accepting the proposal of Medical Mutual of Ohio, as carrier for the furnishing of administrative services and stop-loss insurance coverage for the City of Middleburg Heights' employee health coverage, a copy of said recommendation is attached hereto and marked "Exhibit A" and;

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF MIDDLEBURG HEIGHTS, CUYAHOGA COUNTY, STATE OF OHIO;

Section 1. That the Mayor and Finance Director are authorized to enter into contract renewals with Medical Mutual of Ohio for a one year period beginning January 1, 2027.

Section 2. It is found and determined that all formal actions of this council concerning and relating to the passage of this ordinance were adopted in an open meeting of this council and that all deliberations of this council and any of its committees that resulted in such formal actions were in meetings open to the public in compliance with all legal requirements, including Section 121.22 of Ohio Revised Code.

PASSED 11-10-26

ATTEST M Meade

PRESIDENT OF COUNCIL

APPROVED ON 11-16-26

PRESENTED TO MAYOR 11-11-26

MAYOR

ROLL CALL	YEAS	NAYS
BORTOLOTTO	X	
ALI	X	
SAGE	X	
MEANY	X	
MCGREGOR	X	
FERENCE	ABSENT	
ZAKEL	X	

I, Mary Ann Meade Clerk of the Council of the City of Middleburg Hts., Ohio, hereby certify that Res. 2026-68 adopted by the Council of the City of Middleburg Hts., on 11|10|26 was posted for a period of fifteen days, beginning 11|18|26 and remained so posted for fifteen days at the two posting places as designated by Charter.

Mary Ann Meade
Clerk

CERTIFICATE

I, Mary Ann Meade Clerk of Council of the City of Middleburg Heights, Ohio, do hereby certify that the foregoing is a true and accurate copy of Res. 2026-68 passed on the 10th day of November 20 26 by said Council.

Mary Ann Meade
Clerk of Council

City of Middleburg Heights Employee Benefits Review - Medical/Prescription, Dental and Vision

Effective January 1, 2027

Prepared by: The Fedeli Group

Submitted: October 28, 2026

Overview of Annual Benefits Renewal Process and Marketing Efforts

The City of Middleburg Heights maintains self-insured medical, prescription, dental and vision coverage with Medical Mutual. For the January 1, 2027 renewal, The Fedeli Group evaluated the incumbent renewal and competitive alternatives for medical, pharmacy, stop loss and ancillary benefits. The current medical program includes a $75,000 specific stop-loss deductible and a 125% aggregate corridor.

Medical Mutual's initial renewal produced a 16.8% increase in total expected medical and pharmacy cost including a $700,000 laser for known high claimant. Following negotiations, the revised renewal reduced the projected increase to 14.9%, lowering total expected cost from $4,765,206 to $4,687,543. The revised proposal retains the $75,000 specific deductible, changes the contract basis from 18/12 to incurred Any/12, which reduces run out claim exposure, lowers the laser for known high claimant to $600,000, and provides a no-new-lasers provision with a 50% rate cap.

The extensive marketing efforts included medical and pharmacy alternatives from Anthem and the Ohio Government Benefit Cooperative. Their projected total expected costs were $4,709,676 and $4,708,517, respectively, both above the negotiated Medical Mutual renewal. Aetna was not competitive and UnitedHealthcare declined to quote. Ancillary alternatives were also reviewed; Lincoln and Mutual of Omaha were not competitive.

Coverage / Cost Component	2026 Current	2027 Recommended	Adjustment
Medical/Rx - Net Fixed Costs	$1,100,025	$1,380,968	25.5%
Medical/Rx - Expected Claims	$2,978,905	$3,306,575	11.0%
Medical/Rx - Total Expected Cost	$4,078,929	$4,687,543	14.9%
Dental - Estimated Annual Cost	$135,648	$136,230	0.4%
Vision - Estimated Annual Cost	$14,387	$14,481	0.7%

Recommendation

The Fedeli Group recommends that the City of Middleburg Heights renew medical, prescription, dental and vision coverage with Medical Mutual for calendar year 2027. The negotiated medical and pharmacy renewal is the lowest projected total expected cost among the options presented, preserves the City's unique current benefit structure and carrier relationship, and adds contractual protection through the no-new-lasers provision and 50% rate cap. The dental renewal reflects a 0.4% increase in estimated annual cost, while the vision renewal reflects an estimated 0.7% increase.

This recap summarizes the proposal information. If a discrepancy exists, the applicable policy provisions or carrier proposal will prevail.