

Douglas County

Medical, Rx and Stop Loss Marketing Analysis Plan Year Beginning January 1, 2017

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Douglas County

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Douglas County Marketing Summary

Aon Risk Solutions sent Requests For Proposals (RFPs) to the following carriers and administrators on your behalf. Copies of the proposals received for each are available upon request.

Carrier / TPA	ASO - Medical and Rx	Stop Loss - \$450,000	Stop Loss - \$500,000
Aetna	Quoted	Quoted	Quoted
The Benefit Group	Declined to Quote	Declined to Quote	Declined to Quote
Blue Cross Blue Shield of Nebraska	Quoted	Quoted	Quoted
Central States	Declined to Quote	Declined to Quote	Declined to Quote
Cigna	Declined to Quote	Declined to Quote	Declined to Quote
Meritain	Declined to Quote	Declined to Quote	Declined to Quote
Regional Care, Inc.	Declined to Quote	Declined to Quote	Declined to Quote
UnitedHealthcare	Quoted	Quoted	Quote was not provided but it can be obtained



Douglas County Medical Benefits

Effective January 1, 2017

Eligibility: All active employees working more than 20 hours per week.

Effective Date: First day of the month following 30 days of employment.

	Option 1		Option 2		Option 3	
Carrier	UHC		UHC		UHC	
Plan Name	\$300		\$600		\$3,000 HSA	
Plan Type	Choice Plus		Choice Plus		Choice Plus	
	In-Network Special Union Employee Plan	Out-of-Network	In-Network Active and Retired Employees	Out-of-Network	In-Network Active Employees (Includes Union Employees)	Out-of-Network
Calendar Year Deductible					HSA Contribution: EE- \$1,000 Family- \$2,000	
Individual	\$300	\$300	\$600	\$1,600	\$3,000	\$10,000
Family	\$600	\$600	\$1,200	\$3,200	\$6,000	\$20,000
					The family deductible is non-embedded; the full family deductible must be met before benefits will be paid	
Out-of-Pocket Limit (includes Deductible)						
Individual	\$1,300	\$1,300	\$2,100	\$4,200	\$3,000	\$20,000
Family	\$2,600	\$2,600	\$4,200	\$8,400	\$6,000	\$40,000
	In- and Out-of-Network deductibles and limits cross accumulate		In- and Out-of-Network deductibles and limits cross accumulate		In- and Out-of-Network deductibles and limits DO NOT cross accumulate	
Lifetime Maximum Benefit	Unlimited		Unlimited		Unlimited	
Physician Office Services						
Office Visit	\$20 Copay	Deductible, 30%	\$30 Copay	Deductible, 40%	Deductible, 0%	Deductible, 50%
Specialist Visit	\$20 Copay	Deductible, 30%	\$30 Copay	Deductible, 40%	Deductible, 0%	Deductible, 50%
Preventive Benefits	<p><u>Well Child Under age 6:</u> \$20 copayment per visit. No calendar year maximum.</p> <p><u>Well Exam over age 6:</u> \$20 copayment per visit for the first \$500. After \$500, deductible/coinsurance applies.</p> <p><u>Mammography:</u> No copayment, deductible waived. Calendar year maximum does not apply.</p>	<p><u>Well Child under age 6 and Mammography:</u> 70% of eligible expenses after deductible. No calendar year maximum.</p> <p><u>Well Exam over age 6:</u> 70% of eligible expenses after deductible.</p>	<p><u>Well Child Under age 6:</u> \$30 copayment per visit. No calendar year maximum.</p> <p><u>Well Exam over age 6:</u> \$30 copayment per visit for the first \$750. After \$750, deductible/coinsurance applies.</p> <p><u>Mammography:</u> No copayment, deductible waived. Calendar year maximum does not apply.</p>	<p><u>Well Child under age 6 and Mammography:</u> 60% of eligible expenses after deductible. No calendar year maximum.</p> <p><u>Well Exam over age 6:</u> 70% of eligible expenses after deductible.</p>	100% of Eligible Expenses, deductible waived	Deductible, 50%
Scopic Procedures	<p><u>Preventive</u> No copayment</p> <p><u>All other Scopic Procedures</u> 100% for the first \$500. After \$500, deductible/coinsurance applies.</p>	Deductible, 30%	<p><u>Preventive</u> No copayment</p> <p><u>All other Scopic Procedures</u> 100% for the first \$750. After \$500, deductible/coinsurance applies.</p>	Deductible, 40%	<p><u>Preventive</u> Deductible, 0%</p> <p><u>All other Scopic Procedures</u> Deductible, 0%</p>	Deductible, 40%
Urgent Care Centers	\$50 Copay	Deductible, 30%	\$50 Copay	Deductible, 40%	Deductible, 0%	Deductible, 50%
Emergency Room Services	\$100 Copay		\$250 Copay		In-Network Deductible, 0%	
Inpatient Hospital Services	Deductible, 20%	Deductible, 30%	Deductible, 20%	Deductible, 40%	Deductible, 0%	Deductible, 50%
Outpatient Hospital Services	Deductible, 20%	Deductible, 30%	Deductible, 20%	Deductible, 40%	Deductible, 0%	Deductible, 50%
Vision Care	Not covered under medical; covered under UnitedHealthcare Vision Program		Not covered under medical; covered under UnitedHealthcare Vision Program		Not covered under medical; covered under UnitedHealthcare Vision Program	
Prescription Drugs	Tier 1/ Tier 2/Tier 3		Tier 1/ Tier 2/Tier 3		Tier 1/ Tier 2/Tier 3	
Retail (31 days)	\$10/\$25/\$40	50% up to a 31 day supply	\$15/30/\$60	50% up to a 31 day supply	Subject to Deductible	Subject to Deductible and Coinsurance
Mail (90 days)	\$20/\$50/\$80	NA	\$30/\$60/\$120	NA	Subject to Deductible	Subject to Deductible and Coinsurance



Douglas County
Administration Services Renewal- Medical and RX
Effective January 1, 2017

Enrollment Assumptions	PPO	HDHP w/H.S.A.	Total
Total	2,128	53	2,181

Administration Fees	Current	Renewal	Aetna		Blue Cross Blue Shield of NE
	UHC	UHC	Choice POS II	Choice POS II H.S.A.	ASO
Medical Administration	\$39.48	\$40.66	\$31.08	\$35.28	\$34.00
Prescription Drug Administration	Included	Included	Included	Included	Included
Network Access Fee	Included	Included	Included	Included	Included
HSA Fee	Included	Included	N/A	\$4.20	\$1.95
Utilization Review (Pre-Cert)	Included	Included	Included	Included	Included
Utilization Review (Case Mgt)	Included	Included	Included	Included	Included
Disease Management	Not Included	Not Included	Not Included	Not Included	Not Included
Pre-Natal Program	Included	Included	Not Included	Not Included	Included
Nurse line	Not Included	Not Included	Included	Included	Not Included
Wellness	Limited Services Included	Limited Services Included	Limited Services Included	Limited Services Included	Limited Services Included
EAP	Not Included	Not Included	Not Included	Not Included	Not Included
Reporting	Included	Included	Included	Included	Included
Fiduciary	Not Included	Included	Not Included	Not Included	Included
Total Per Employee Per Month	\$39.48	\$40.66	\$31.08	\$39.48	\$35.95
Total Monthly Administration Costs	\$86,106	\$88,679	\$68,231		\$74,267
Total Annual Administration Costs	\$1,033,271	\$1,064,154	\$818,768		\$891,088
\$ Change from Current		\$30,883	-\$214,502		-\$142,182
% Change from Current		3.0%	-20.8%		-13.8%
Rate Guarantee	until 1/1/17	Year 2 of 3 Year Fee Guarantee	See Below	See Below	See Below
Rate Guarantee for 1/1/2018		\$41.88	Medical - \$32.01 / RX - \$0.00	Medical - \$36.21 / RX - \$0.00	Medical - \$35.00 / RX - \$1.50
Rate Guarantee for 1/1/2019		N/A	Medical - \$32.97 / RX - \$0.00	Medical - \$37.17 / RX - \$0.00	Medical - \$36.00 / RX - \$1.50
Commissions	Net	Net	Net	Net	Net

	<ul style="list-style-type: none"> - Douglas County will receive 100% of the RX Rebates. - Includes \$10,000 Wellness Budget - UHC reserves the right to adjust fees if enrollment changes by +/-10%. 	<ul style="list-style-type: none"> - Includes \$90,000 one-month fee holiday contingent upon Aetna being the total replacement medical carrier. If Douglas County would terminate in whole or in part prior to the end of the 36-month period (1/1/17 - 12/31/19), an early termination fee payment equivalent to \$90,000 will be due. - \$.35 ppm for non-ERISA plan is included within the administration fee. - Douglas County will receive 100% of the RX Rebates. - Includes \$10,000 Wellness Allowance for first plan year only. - Includes 5 hours of Ad Hoc Reporting Capability. - The fees above include expense associated with processing runoff claims for one year following cancellation if Douglas County would terminate at the end of the contract. - Aetna reserves the right to adjust fees if enrollment changes by +/-15%. - Aetna matched current benefits as closely as possible. 	<ul style="list-style-type: none"> - Douglas County will receive 100% of the RX Rebates in the form of a credit. - Includes Telehealth Services. - BCBSNE reserves the right to adjust fees if enrollment changes by +/-10%. - BlueCard PPO fees for services incurred outside Nebraska are included in the proposed administration fees. - BCBSNE matched current benefits as closely as possible. - BCBSNE includes a \$100,000 one time implementation credit to Douglas County.
Notes:			

Note: In addition to the commission enumerated above (below) Aon Consulting may earn additional compensation of .5% to 4% paid by one or more of the vendors identified in this Marketing and Renewal Report as part of Aon Consulting's National Additional Commission Program. If the vendor(s) you ultimately choose to provide coverage has a National Additional Commission agreement with Aon Consulting, you will receive additional disclosures from our National (home) Office providing further detail, and seeking your consent to such amounts, prior to the time we seek your consent to bind your insurance program.

Douglas County
Stop Loss Renewal - \$450,000 - Illustrative

Effective January 1, 2017

Coverage Assumptions	Current	Renewal	Option 1	Option 2
	UHC	Best & Final UHC	Aetna	Blue Cross Blue Shield of NE
Specific Deductible	\$450,000	\$450,000	\$450,000	\$450,000
Lasers	N/A	N/A	TBD	N/A
Aggregating Specific	N/A	N/A	N/A	N/A
Specific Funding Type	Advance Funding	Advance Funding	Immediate Reimbursement	Advanced Funding
Specific Contract	Paid	Paid	24/12	24/12
Benefits covered under Specific Contract	Medical / RX	Medical / RX	Medical / RX	Medical / RX
Specific Run-In Limit	N/A	N/A	N/A	N/A
Specific Annual Maximum Benefit (per person)	Unlimited	Unlimited	Unlimited	Unlimited
Specific Lifetime Maximum Benefit (per person)	Unlimited	Unlimited	Unlimited	Unlimited

Premiums				
Specific Premium				
Single				
Family				
Composite 2,181	\$18.90	\$20.41	\$22.55	\$18.90
Total Monthly Stop Loss Premium	\$41,221	\$44,514	\$49,182	\$41,221
Total Annual Stop Loss Premium	\$494,651	\$534,171	\$590,179	\$494,651
\$ Change from Current		\$39,520	\$95,528	\$0
% Change from Current		8.0%	19.3%	0.0%

Rate Guarantee	until 1/1/17	1 year - until 1/1/18	1 year - until 1/1/18	1 year - until 1/1/18
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Commissions	Net	Net	Net	Net
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Notes Quotes are contingent upon additional claim details and updated claims experience being provided prior to finalizing the proposal.

Note: In addition to the commission enumerated above, Aon may earn additional compensation of .5% to 4% paid by one or more of the vendors identified as part of Aon Hewitt's National Additional Commission Program. If the vendor(s) you ultimately choose to provide coverage has a National Additional Commission agreement with Aon Hewitt, **disclosure will be included in our Comprehensive Disclosure Statement (CDS)**, prior to the time we seek your consent to bind your insurance program.

Douglas County Disclaimer

Please note:

1. Aon Consulting does not guarantee the financial stability nor claims paying ability of the vendors analyzed in RFP's/bids or renewals. It is Aon Consulting's policy to obtain rating bureau information from its vendors and to communicate that in format.
2. The actual policy provisions will apply and take precedence over this outline. Actual plan benefits vary between insurance carriers and will not exactly duplicate your current contract. This summary is for illustration purposes only.
3. The illustrated costs for reinsurance may be revised based on updated claims experience. Final rates can be determined up to 45 days prior to the effective date. See specific contingencies by carrier.
4. If moving life insurance, consider disabled employees and applying for coverage continuation with current carrier.
5. The provisions of fully-insured policies will vary by carrier. RFPs request that the carriers match basic cost-sharing benefits (ie. deductibles, copays, out-of-pocket limits, benefit maximums). A detailed contract comparison can be completed once finalists have been selected, at the client's request.

Douglas County Carrier Financial Ratings

As of August 2016

Aon Consulting does not guarantee the financial stability or claims-paying ability of the vendors analyzed in RFPs/bids or renewals. It is Aon Consulting's policy to obtain rating bureau information about existing and potential vendors, and to communicate that information, along with Aon's own Market Security authorization status, to clients at the point of bid or renewal. We recommend that our clients rely on these published financial ratings along with their analysis of benefits, rates, quality, and customer service in selecting a quality, well-rated vendor.

Published financial ratings are not available for vendors included in this report with a notation of "not rated". Not all health care or managed care providers, EAPs, TPAs, and other entities are evaluated by rating agencies; therefore, Aon Consulting cannot provide you with information on their financial or claims payment ability. Aon obtains financial ratings for vendors from A.M. Best and Standard and Poor's; if these companies have not assigned ratings to a particular vendor, ratings from Fitch or Moody's (if available) will be used.

Aon Consulting and/or its affiliates may from time to time maintain contractual relationships with the insurers, which may be recommended as potential markets, or with whom your coverage may ultimately be placed. Further details concerning Aon Consulting's relationship with insurance carriers can be found at <http://www.aon.com/about-aon/corporate-governance/guidelines-policies/market-relationship.jsp>.

Rating Agency	Aetna Life Insurance Company (NAIC 60054)	Blue Cross and Blue Shield of Nebraska (NAIC 77780)	UnitedHealthcare Insurance Company (NAIC 79413)
A.M. Best	A gu	A	A g
Standard and Poor's	AA-	Not Rated	AA
Fitch			
Moody's			
Aon Market Security Authorization Status*	Classified	Classified	Classified

*Aon's Market Security Department reviews insurance carriers in order to determine their financial stability based upon several criteria, including ratings by industry-recognized financial ratings agencies. **If a carrier is chosen who does not meet Aon's Market Security standards or who has not been reviewed, a letter will be sent around the time of binding indicating the status as not authorized.**

Douglas County Carrier Rating Explanation

	A.M. Best		Standard & Poor's		Moody's		Fitch	
RATING	Indicates a company's relative financial strength and its ability to meet its contractual obligations.		Indicates a company's capacity to meet insurance policy obligations.		Indicates a company's relative financial strength and ability to meet policy-owner obligations and claims.		Indicates a company's ability to pay claims on a timely basis, based on long-term solvency and ability to maintain adequate liquidity and includes evaluation of company's asset and liability management practices.	
SCALE	Secure		Secure		Secure		AAA	Exceptionally Strong
	A++, A+	Superior	AAA	Extremely Strong	Aaa	Exceptional	AA	Very Strong
	A, A-	Excellent	AA	Very Strong	Aa	Excellent	A	Strong
	B++, B+	Very Good	A	Strong	A	Good	BBB	Good
	Vulnerable		BBB	Good	Baa	Adequate	BB	Moderately Weak
	B, B-	Fair	Vulnerable		Vulnerable		B	Weak
	C++, C+	Marginal	BB	Marginal	Ba	Questionable	CCC, CC, C	Very Weak
	C, C-	Weak	B	Weak	B	Poor	DDD, DD, D	Distressed
	D	Poor	CCC	Very weak	Caa	Very poor		
	E	Under regulatory supervision	R	Regulation supervision	Ca	Extremely poor		
F	In liquidation	NR	Not rated	C	Lowest			
S	Rating Suspended							
MODIFIERS	Ratings may be modified by + or - signs to show relative standing of insurer in rating categories A through C.		Ratings may be modified by + or - signs to show relative standing of insurer in rating categories AA through CCC.		1. Company ranks in higher end of its 2. Mid-range ranking. 3. Lower-end ranking.		Ratings may be modified by + or - signs to show relative standing of insurer in rating categories AA through B.	
	Ratings modifiers are assigned to identify companies whose rating opinions are Under review (u) and may be subject to near-term change; or Qualified (q), which may be assigned to HMOs whose ratings are based solely on quantitative analysis. Affiliation codes are based on Group (g), Pooling (p) or Reinsurance (r) affiliation with other insurers. In addition, there are Not Rated Categories and Financial Size Categories.							
	'pi' Ratings, denoted with a 'pi' subscript, are Insurer Financial Strength Ratings based on an analysis of an insurer's published financial information and additional information in the public domain. They do not reflect in-depth meetings with an insurer's management and are therefore based on less comprehensive information than ratings without a 'pi' subscript.							

Note: Ratings for each agency are not comparative across the rows of the tables. Each company uses a unique set of criteria for determining ratings.