

Douglas County

Renewal and Marketing Analysis Plan Year Beginning January 1, 2019

Presented By:

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Updated

October 11, 2018

Presented to Human Resources Committee

October 29, 2018



DOUGLAS COUNTY
Administrative Services Renewal - Medical and Prescription Drugs

Effective January 1, 2019

Enrollment Assumptions		
Single	940	
Family	1,228	
Total	2,168	

	Current	Renewal
Administration Fees	BCBSNE ASO	BCBSNE ASO
Medical Administration	\$35.00	\$36.00
Prescription Drug Administration	Included	Included
PPO Network Access Fee	Included	Included
Claim Fiduciary	Included	Included
Mental Health Network Access Fee	Included	Included
Disease Management Fee	Included	Included
Total Per Employee Per Month	\$35.00	\$36.00
Total Monthly Administrative Costs	\$75,880	\$78,048
Total Annual Administration costs	\$910,560	\$936,576
Increase:		2.9%
Rate Guarantee	until 1/1/2019	1 year - until 1/1/2020

Commissions	Net	Net

Notes: 2019 is the 3rd year of a 3-year administration fee guarantee.	Rate is final
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Stop Loss Renewal - Specific Coverage

	Current	Renewal
Contract Details	BCBSNE Stop Loss	BCBSNE Stop Loss
Specific Deductible	\$450,000	\$450,000
Specific Funding Type	Advance Funding	Advance Funding
Aggregating Specific Deductible	N/A	N/A
Specific Contract	Paid	Paid
Benefits covered under Specific Contract	Medical & RX	Medical & RX
Lifetime Plan Maximum Benefit (per person)	Unlimited	Unlimited
Specific Contract Maximum Payable (per person)	Unlimited	Unlimited
Aggregate Corridor	N/A	N/A
Aggregate Contract	N/A	N/A
Benefits covered under Aggregate Contract	N/A	N/A
Aggregate Maximum	N/A	N/A
Stop Loss Premiums		
Specific Premium		
Single	940	
Family	1228	
Composite	2168	
Estimated Annual Specific Premium	\$590,043	\$647,538
Aggregate Premium	NA	NA
Monthly Aggregate Accommodation		
Estimated Annual Aggregate Premium	\$0	\$0
Total Monthly Stop Loss Premium	\$49,170	\$53,962
Total Annual Stop Loss Premium	\$590,043	\$647,538
Increase:		9.7%
Attachment Point		
Single	940	N/A
Family	1228	N/A
Composite	2168	N/A
Total Annual Aggregate Attachment Point	N/A	N/A
Rate Guarantee	until 1/1/2019	1 year - until 1/1/2020
Commissions	Net	Net
Notes		Renewal is final



DOUGLAS COUNTY
Stop Loss Options - BCBSNE

	Current	Renewal Option 1	Renewal Option 2	Renewal Option 3
Contract Details	BCBSNE	BCBSNE	BCBSNE	BCBSNE
	Stop Loss	Stop Loss	Stop Loss	Stop Loss
Specific Deductible	\$450,000	\$450,000	\$500,000	\$550,000
Specific Funding Type	Advance Funding	Advance Funding	Advance Funding	Advance Funding
Aggregating Specific Deductible	N/A	N/A	N/A	N/A
Specific Contract	Paid	Paid	Paid	Paid
Benefits covered under Specific Contract	Medical & RX	Medical & RX	Medical & RX	Medical & RX
Lifetime Plan Maximum Benefit (per person)	Unlimited	Unlimited	Unlimited	Unlimited
Specific Contract Maximum Payable (per person)	Unlimited	Unlimited	Unlimited	Unlimited
Aggregate Corridor	N/A	N/A	N/A	N/A
Aggregate Contract	N/A	N/A	N/A	N/A
Benefits covered under Aggregate Contract	N/A	N/A	N/A	N/A
Aggregate Maximum	N/A	N/A	N/A	N/A
Stop Loss Premiums				
Specific Premium				
Single 940				
Family 1,228				
Composite 2168	\$22.68	\$24.89	\$22.05	\$15.10
Estimated Annual Specific Premium	\$590,043	\$647,538	\$573,653	\$392,842
Aggregate Premium	NA	NA	NA	NA
Monthly Aggregate Accommodation				
Estimated Annual Aggregate Premium	\$0	\$0	\$0	\$0
Total Monthly Stop Loss Premium	\$49,170	\$53,962	\$47,804	\$32,737
Total Annual Stop Loss Premium	\$590,043	\$647,538	\$573,653	\$392,842
Increase:		9.7%	-2.8%	-33.4%
Attachment Point				
Single 940	N/A	N/A	N/A	N/A
Family 1228	N/A	N/A	N/A	N/A
Composite 2168				
Total Annual Aggregate Attachment Point	N/A	N/A	N/A	N/A
Rate Guarantee	until 1/1/2019	1 year - until 1/1/2020	1 year - until 1/1/2020	1 year - until 1/1/2020
Commissions	Net	Net	Net	Net
Notes		<i>Renewal is final</i>	<i>Renewal is final</i>	<i>Renewal is final</i>



DOUGLAS COUNTY
Stop Loss Options - BCS Insurance Company

	Current	Renewal	Option 1	Option 2	Option 3
Contract Details	BCBSNE	BCBSNE	BCS Insurance Company	BCS Insurance Company	BCS Insurance Company
	Stop Loss	Stop Loss	Stop Loss	Stop Loss	Stop Loss
Specific Deductible	\$450,000	\$450,000	\$450,000	\$500,000	\$550,000
Specific Funding Type	Advance Funding	Advance Funding	Advance Funding	Advance Funding	Advance Funding
Aggregating Specific Deductible	N/A	N/A	N/A	N/A	N/A
Specific Contract	Paid	Paid	15/12	15/12	15/12
Benefits covered under Specific Contract	Medical & RX	Medical & RX	Medical & RX	Medical & RX	Medical & RX
Lifetime Plan Maximum Benefit (per person)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Contract Maximum Payable (per person)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Aggregate Corridor	N/A	N/A	N/A	N/A	N/A
Aggregate Contract	N/A	N/A	N/A	N/A	N/A
Benefits covered under Aggregate Contract	N/A	N/A	N/A	N/A	N/A
Aggregate Maximum	N/A	N/A	N/A	N/A	N/A
Stop Loss Premiums					
Specific Premium					
Single 940					
Family 1,228					
Composite 2168	\$22.68	\$24.89	\$24.61	\$20.81	\$18.05
Estimated Annual Specific Premium	\$590,043	\$647,538	\$640,254	\$541,393	\$469,589
Aggregate Premium	NA	NA	NA	NA	NA
Monthly Aggregate Accommodation					
Estimated Annual Aggregate Premium	\$0	\$0	\$0	\$0	\$0
Total Monthly Stop Loss Premium	\$49,170	\$53,962	\$53,354	\$45,116	\$39,132
Total Annual Stop Loss Premium	\$590,043	\$647,538	\$640,254	\$541,393	\$469,589
Increase:		9.7%	8.5%	-8.2%	-27.5%
Attachment Point					
Single 940	N/A	N/A	N/A	N/A	N/A
Family 1228	N/A	N/A	N/A	N/A	N/A
Composite 2168					
Total Annual Aggregate Attachment Point	N/A	N/A	N/A	N/A	N/A
Rate Guarantee	until 1/1/2019	1 year - until 1/1/2020	1 year - until 1/1/2020	1 year - until 1/1/2020	1 year - until 1/1/2020
Commissions	Net	Net	Net	Net	Net
Notes		Renewal is firm	Includes laser of \$850,000 on one member. One member not covered under the stop loss since it appears she is off the plan. Updated detailed claims information required through 10/31/18.	Includes laser of \$850,000 on one member. One member not covered under the stop loss since it appears she is off the plan. Updated detailed claims information required through 10/31/18.	Includes laser of \$850,000 on one member. One member not covered under the stop loss since it appears she is off the plan. Updated detailed claims information required through 10/31/18.



DOUGLAS COUNTY
Stop Loss Options - HM Life Insurance Company

	Current	Renewal	Option 1	Option 2	Option 3
Contract Details	BCBSNE	BCBSNE	HM Life Insurance Company	HM Life Insurance Company	HM Life Insurance Company
	Stop Loss	Stop Loss	Stop Loss	Stop Loss	Stop Loss
Specific Deductible	\$450,000	\$450,000	\$450,000	\$500,000	\$550,000
Specific Funding Type	Advance Funding	Advance Funding	Advance Funding	Advance Funding	Advance Funding
Aggregating Specific Deductible	N/A	N/A	N/A	N/A	N/A
Specific Contract	Paid	Paid	15/12	15/12	15/12
Benefits covered under Specific Contract	Medical & RX	Medical & RX	Medical & RX	Medical & RX	Medical & RX
Lifetime Plan Maximum Benefit (per person)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Specific Contract Maximum Payable (per person)	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Aggregate Corridor	N/A	N/A	N/A	N/A	N/A
Aggregate Contract	N/A	N/A	N/A	N/A	N/A
Benefits covered under Aggregate Contract	N/A	N/A	N/A	N/A	N/A
Aggregate Maximum	N/A	N/A	N/A	N/A	N/A
Stop Loss Premiums					
Specific Premium					
Single 940					
Family 1,228					
Composite 2168	\$22.68	\$24.89	\$30.09	\$26.54	\$22.25
Estimated Annual Specific Premium	\$590,043	\$647,538	\$782,821	\$690,465	\$578,856
Aggregate Premium	NA	NA	NA	NA	NA
Monthly Aggregate Accommodation					
Estimated Annual Aggregate Premium	\$0	\$0	\$0	\$0	\$0
Total Monthly Stop Loss Premium	\$49,170	\$53,962	\$65,235	\$57,539	\$48,238
Total Annual Stop Loss Premium	\$590,043	\$647,538	\$782,821	\$690,465	\$578,856
Increase:		9.7%	32.7%	17.0%	-1.9%
Attachment Point					
Single 940	N/A	N/A	N/A	N/A	N/A
Family 1228	N/A	N/A	N/A	N/A	N/A
Composite 2168					
Total Annual Aggregate Attachment Point	N/A	N/A	N/A	N/A	N/A
Rate Guarantee	until 1/1/2019	1 year - until 1/1/2020	1 year - until 1/1/2020	1 year - until 1/1/2020	1 year - until 1/1/2020
Commissions	Net	Net	Net	Net	Net
Notes		Renewal is firm	Subject to large claim evaluation. This will determine whether any individuals need to be set at a specific deductible higher than the group level. Updated detailed claims information required through 10/31/18.	Subject to large claim evaluation. This will determine whether any individuals need to be set at a specific deductible higher than the group level. Updated detailed claims information required through 10/31/18.	Subject to large claim evaluation. This will determine whether any individuals need to be set at a specific deductible higher than the group level. Updated detailed claims information required through 10/31/18.



DOUGLAS COUNTY
STOP LOSS RETENTION EVALUATION - BCBSNE

Current ISL	Renewal Premium		Enrollment		
\$ 450,000	\$ 24.89	EE	2168	\$53,962	
		EE/FAM	2168	<u>\$53,962</u>	\$24.89
				\$647,538	
Proposed ISL					
\$ 500,000	\$ 22.05	EE	2168	\$47,804	
		EE/FAM	2168	<u>\$47,804</u>	\$22.05
				\$573,653	0.8859
					0.877 (Aon Model)
Proposed ISL					
\$ 550,000	\$ 15.10	EE	2168	\$32,737	
		EE/FAM	2168	<u>\$32,737</u>	\$15.10
				\$392,842	0.607
					0.777 (Aon Model)

	Projected Claim Liability	Weight		
\$ 500,000	Fixed Cost Savings (\$73,885)	30%	\$48,000	AON Model
	\$160,000	70%	\$19,091	Historical
	\$27,273		\$67,091	Average
		Overall	(\$6,795)	-1.10 (Ratio Savings to Claims)
Projected Claim Liability				
\$ 550,000	Fixed Cost Savings (\$254,697)	30%	\$81,000	AON Model
	\$270,000	70%	\$19,091	Historical
	\$27,273		\$100,091	Average
		Overall	(\$154,606)	-2.54 (Ratio Savings to Claims)

Renewal @ 450K	\$647,538
Renewal @ 500k	\$573,653
Difference	(\$73,885)
Additional Liability Per Member	\$50,000
# Of Claims To Assume	1.5
Renewal @ 450k	\$647,538
Renewal @ 550k	\$392,842
Difference	(\$254,697)
Additional Liability Per Member	\$100,000
# Of Claims To Assume	2.5

	Number of members exceeding specific retention			Aon Model	Historical
	=>\$450,000	=>\$500,000			
Aon Model	4	3.2	Average	3.20	0.55
	0	0	Min	\$50,000	\$50,000
	7	6	Max	\$160,000	\$27,273
Historical	1.09	0.55	Average	Additional Claim Liability	
Number of members exceeding specific retention					
	=>\$450,000	=>\$550,000		Aon Model	Historical
Aon Model	4	2.7	Average	2.70	0.27
	0	0	Min	\$100,000	\$100,000
	7	6	Max	\$270,000	\$27,273
Historical	1.09	0.27	Average	Additional Claim Liability	



DOUGLAS COUNTY

\$500,000		Gross Claims	Reimbursement		Premiums	Difference
History @	450K	\$2,185,308	\$385,308		\$1,810,535	\$1,425,227
History @	500k	\$1,219,778	\$219,778		\$1,603,949	\$1,384,171
						\$41,056
		>\$450,000	>\$500,000			Savings / (Cost)
2018		0	0			
2017		1	0			<u>Summary</u>
2016		1	0			2018 \$44,961
2015		2	2			2017 \$31,279
		4	2	Start	End	Mo
		3.666666667	3.666666667	1/1/2015	9/1/2018	44
Yearly Average		1.09	0.55			2016 \$14,957
						2015 -\$50,142
						\$41,056
			0.55			



DOUGLAS COUNTY

\$550,000		Gross Claims	Reimbursement	Premiums	Difference
History @	450K	\$2,185,308	\$385,308	\$1,810,535	\$1,425,227
History @	550k	\$697,177	\$147,177	\$1,098,396	\$951,219
					\$474,008
					Savings / (Cost)
	>\$450,000	>\$550,000			
2018	0	0			
2017	1	0			<u>Summary</u>
2016	1	0			2018 \$154,989
2015	2	1			2017 \$168,112
	4	1	Start	End	Mo
	3.666666667	3.666666667	1/1/2015	9/1/2018	44
Yearly Average	1.09	0.27			2016 \$151,637
					2015 -\$730
					\$474,008

