

Benefits Committee Meeting
June 21, 2018
MSB Conference Room 130

Start time: 9:00 am

Committee Members in Attendance: Matt McCombs, CWA; Mike Head, CWA; Roberta Gluski, CWA; Phil Hughes, CWA; Ron Rice, CWA; Stephen Colbert, IAFF; Lisa Friday, SAMP; Sandra Clayton, SAMP; Jay Ravins, SAMP; Karen Dombrowski, Retirees

Committee Members Not In Attendance: Steven Squillante, FOP Officers; Sergeant Joel Morley, FOP Officers; Matt Schad, IAFF

Non-Committee Members In Attendance: Shawn Fleming, Gehring Group; Karen Walker, Gehring Group; Michelle Kutch, Human Resources; Joe Roseto, Human Resources; Donna Cacciatore, Human Resources; Lisa Goodrich, Human Resources; Regina Novak, Parks and Recreation/Wellness; Haley Rinderle, Parks and Recreation/Wellness; Natasha Daniels, Cigna

Michelle Kutch, Human Resources Manager, opened the meeting and stated the purpose of this meeting was to review claims to date and to discuss our renewal for 2019.

Mr. Fleming referred to the handouts (attached) and stated the page 2 is the history of last year and we reviewed updated claims experience through April. Mr. Fleming stated the first column "Total Plan Funding" is the amount of money the City puts into the plan to cover the costs of the plan. Mr. Fleming stated Administration and Network Fees are the fees paid to Cigna to administer the plan, and they totaled \$905,653 for 2017. He further stated the majority of the Total Plan Funding is claims. Mr. Fleming stated the next column is the Stop Loss Fees, which are reinsurance fees to protect us from large claims that exceed \$300,000. Mr. Fleming then said the next column is actual paid claims, and actual paid claims for 2017 totaled \$15,760,243. Mr. Fleming stated the Total Plan Cost for 2017 was \$17,697,271, whereas the City planned to spend 18,641,914, leaving a reserve amount of \$944,643 for the year. Mr. Fleming did point out however that from August through November 2017, the City paid more in medical expenses than it had planned each month, resulting in the reserve account being in the red each of those months.

Mr. Fleming then referred to page 3 of the handouts. He stated the City increased funding for 2018 by 2%, and the City absorbed that cost and did not pass any of the increased cost to the employees. He said so far for 2018 we are not doing too badly with claims but not as good as last year, as the claims per month have increased by about 4.5% compared to last year. Ms. Kutch stated the renewal for 2019 will be based on claims activity for the past twelve months, which includes several months in 2017 where we were in the deficit.

Mr. Fleming then referred to page 5 of the handouts, and stated medical costs increased by 16% from 2016 to 2017. He further stated pharmacy costs decreased by 5.4%. He explained that 2016 pharmacy costs increased mostly due to an increase in prescriptions for Hepatitis C drugs. Mr. Fleming stated costs for Hepatitis C drugs have lowered for 2017, resulting in a decrease to our 2017 pharmacy costs overall. Mr. Fleming stated our total costs for 2017 were 11% higher than they were for 2016, but if we exclude catastrophic claims (claims larger than \$300,000), our increase from 2016 to 2017 would be 3%.

Mr. Fleming then referred to page 8 of the handouts and stated there was an 18% increase in employees' prescriptions from the Employee Health Clinic, and a 7.2% decrease in prescriptions through the insurance plan.

Mr. Fleming stated there is a cost savings to the plan if more prescriptions are dispensed from the Clinic; he further stated the average spend for a prescription through the insurance is \$115, while at the Clinic the average spend per prescription is \$17.

Mr. Fleming then referred to page 9 of the handouts and stated 18% of members in the insurance plan have a behavioral health diagnosis. He further stated that 65% of members who filled a behavioral health prescription did not see a behavioral health provider. Mr. Fleming stated that there are individuals that are getting repeated refills for behavioral health issues from their primary care physician, and we should do what we can to help get people to psychologists and psychiatrists. He also advised we make sure members know about the Employee Assistance Program (EAP). Ms. Kutch stated the practice of the Employee Health Clinic is they may prescribe medication for the short term, but they do not continuously prescribe behavioral health medications and try to get the employee to the right person to help them.

Mr. Fleming then referred to page 10 of the handouts and stated that from January to May of this year, 64 members have used Telehealth, saving the insurance plan \$10,000.

Mr. Fleming then referred to page 11 of the handouts, and stated we are projecting a 4.4% increase in our medical insurance costs for 2019. He further stated a 4.4% increase is not that bad, and most organizations that are fully insured are looking at increases between 8% and 12%. He then reminded the group that claims per month for 2018 thus far have increased by about 4.5%.

He stated we are looking at two options for 2019. The first option (page 12), would be to return to the City paying 75% of the employee plus one premium and 68% of the employee plus family premium, as we did for 2017. Ms. Kutch reminded the group that we did see a 2% increase to our insurance costs last year, but the City absorbed those costs and thus we went away from the 100%/75%/68% funding. If we return to the 100%/75%/68% funding, employees paying premiums for employee plus one or employee plus family coverage would see increases of 6.6% to the biweekly deductions for medical insurance in 2019. This would be picking up the increase from 2018 and the

Mr. Fleming stated the other option would be to not return to the 100%/75%/68% funding, which would result in passing an increase of 4.4% to what employees are currently paying (page 12).

Mr. Fleming stated there were some enhancements to the schedule of benefits last year, and we looked at any impactful changes they could make to the schedule of benefits, but stated there was not a lot of funding to do so. Thus, with either option there would be no change to the schedule of benefits.

Ms. Kutch asked the committee members to please get feedback from their membership, and we could discuss the feedback at the next Benefits Committee Meeting in approximately two weeks.

Mr. Fleming stated there are no increases to the premiums for dental, but there were concerns raised regarding dental insurance, specifically with the provider selection. Mr. Fleming stated more DMO dental plans networks are seeing more dental chains in the network and more individual dentists are no longer accepting DMO dental plans, as their reimbursements are significantly lower with DMO plans versus the PPO plans. Mr. Fleming stated they could ask Cigna Dental to do more recruiting for their DMO networks. Ms. Kutch also stated we could possibly look at adding a lower cost PPO dental plan to our options, while condensing the 3 DMO plans we have available. Ms.

Kutch stated the Cigna P5X00 and the Cigna F1-09 plans are very similar, so we could possibly eliminate one of the Cigna DMO plans.

It was announced there will be no changes to our Vision Insurance.

Ms. Kutch then discussed a change in Deferred Compensation. Ms. Kutch stated there is an Investment Committee with the City that meets quarterly and compares the fees and investments for the deferred compensation plans. The committee decided to issue a Request for Proposal for other deferred compensation vendors, as the City has been using the same two vendors (ICMA and Nationwide) for twenty years.

Ms. Kutch stated they asked for quotes to reflect the option of keeping two vendors or consolidating to one vendor. Ms. Kutch stated they City received ten responses, and the fees favored the consolidation to one vendor. After reviewing the proposals, the recommendation was to move to one vendor, and to choose ICMA as the sole vendor, as fees for employees in both plans will be lower. Employees currently in the ICMA plan will see an 85% reduction in their fees, and employees being transferred from Nationwide to ICMA will see an 87% reduction in their fees. More information regarding the changes to the 457 Deferred Compensation Plans will be forthcoming.

Ms. Kutch closed the meeting and stated the committee would probably meet again in approximately two weeks and again asked for the committee to go back to their members with the renewal information and obtain feedback.

City of Clearwater
Meeting Agenda

Date: June 21st, 2018
Time: 9:00 AM
Location: MSB - Room 130

Item

- Claims Experience
 - Cigna Utilization Review
 - Renewal Projection
 - Renewal Rates and Contributions
 - Dental DMO Network
 - Open Discussion
-

City of Clearwater

Cigna - ASO Only

Plan Year: January 1, 2017 - December 31, 2017



| Date | Total Plan Funding | Administration & Network Fees | Stop Loss Fees (\$250,000/\$350,000) | Actual Paid Claims* | Total Plan Cost | Reserve Account | Total EEs | Claims / EE / Month |
|---------------------|----------------------|-------------------------------|--------------------------------------|----------------------|----------------------|-------------------|---------------|---------------------|
| January-17 | \$ 1,554,802 | \$ 75,336 | \$ 85,794 | \$ 866,358 | \$ 1,027,488 | \$ 527,314 | 1,676 | \$ 516.92 |
| February-17 | \$ 1,551,200 | \$ 75,291 | \$ 85,743 | \$ 1,080,681 | \$ 1,241,715 | \$ 309,485 | 1,675 | \$ 645.18 |
| March-17 | \$ 1,554,000 | \$ 75,201 | \$ 85,641 | \$ 1,438,668 | \$ 1,599,511 | \$ (45,511) | 1,673 | \$ 859.93 |
| April-17 | \$ 1,547,891 | \$ 75,022 | \$ 85,436 | \$ 1,229,477 | \$ 1,389,935 | \$ 157,956 | 1,669 | \$ 736.66 |
| May-17 | \$ 1,556,926 | \$ 75,606 | \$ 86,102 | \$ 1,268,510 | \$ 1,430,218 | \$ 126,708 | 1,682 | \$ 754.17 |
| June-17 | \$ 1,564,611 | \$ 76,100 | \$ 86,665 | \$ 1,147,124 | \$ 1,309,889 | \$ 254,721 | 1,693 | \$ 677.57 |
| July-17 | \$ 1,553,555 | \$ 75,606 | \$ 86,102 | \$ 1,109,777 | \$ 1,271,485 | \$ 282,070 | 1,682 | \$ 659.80 |
| August-17 | \$ 1,558,020 | \$ 75,921 | \$ 86,460 | \$ 1,509,293 | \$ 1,671,673 | \$ (113,653) | 1,689 | \$ 893.60 |
| September-17 | \$ 1,554,555 | \$ 75,606 | \$ 86,102 | \$ 1,783,892 | \$ 1,945,600 | \$ (391,044) | 1,682 | \$ 1,060.58 |
| October-17 | \$ 1,546,738 | \$ 75,201 | \$ 85,641 | \$ 1,420,358 | \$ 1,581,201 | \$ (34,463) | 1,673 | \$ 848.99 |
| November-17 | \$ 1,554,391 | \$ 75,516 | \$ 85,999 | \$ 1,659,464 | \$ 1,820,979 | \$ (266,589) | 1,680 | \$ 987.78 |
| December-17 | \$ 1,545,227 | \$ 75,246 | \$ 85,692 | \$ 1,246,639 | \$ 1,407,577 | \$ 137,650 | 1,674 | \$ 744.71 |
| Annual Total | \$ 18,641,914 | \$ 905,653 | \$ 1,031,376 | \$ 15,760,243 | \$ 17,697,271 | \$ 944,643 | 20,148 | \$ 782.22 |

* Actual claims only include claims up to the stop loss limit

City of Clearwater

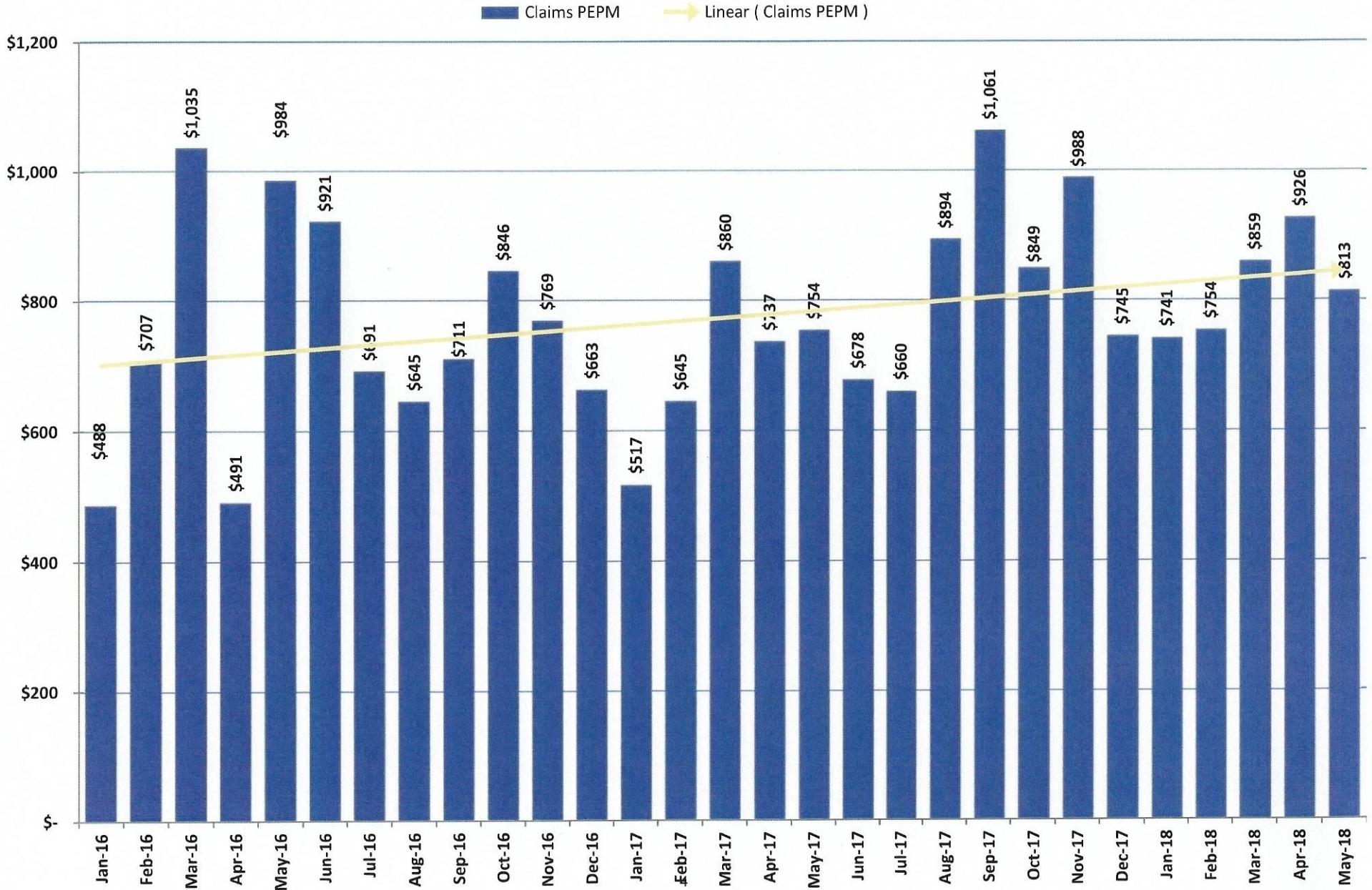
Cigna - ASO Only

Plan Year: January 1, 2018 - December 31, 2018

| Date | Total Plan Funding | Administration & Network Fees | Stop Loss Fees (\$250,000/\$350,000) | Actual Paid Claims* | Total Plan Cost | Reserve Account | Total EEs | Claims / EE / Month |
|---------------------|---------------------|-------------------------------|--------------------------------------|---------------------|---------------------|-------------------|--------------|---------------------|
| January-18 | \$ 1,574,783 | \$ 75,111 | \$ 95,798 | \$ 1,238,258 | \$ 1,409,168 | \$ 165,616 | 1,671 | \$ 741.03 |
| February-18 | \$ 1,579,747 | \$ 75,606 | \$ 96,429 | \$ 1,267,875 | \$ 1,439,910 | \$ 139,837 | 1,682 | \$ 753.79 |
| March-18 | \$ 1,573,502 | \$ 75,336 | \$ 96,085 | \$ 1,440,339 | \$ 1,611,760 | \$ (38,258) | 1,676 | \$ 859.39 |
| April-18 | \$ 1,567,859 | \$ 75,067 | \$ 95,741 | \$ 1,546,726 | \$ 1,717,533 | \$ (149,675) | 1,670 | \$ 926.18 |
| May-18 | \$ 1,590,225 | \$ 76,055 | \$ 97,002 | \$ 1,375,880 | \$ 1,548,938 | \$ 41,287 | 1,692 | \$ 813.17 |
| June-18 | | | | | | | | |
| July-18 | | | | | | | | |
| August-18 | | | | | | | | |
| September-18 | | | | | | | | |
| October-18 | | | | | | | | |
| November-18 | | | | | | | | |
| December-18 | | | | | | | | |
| Annual Total | \$ 7,886,116 | \$ 377,175 | \$ 481,056 | \$ 6,869,078 | \$ 7,727,309 | \$ 158,807 | 8,391 | \$ 818.62 |

* Actual claims only include claims up to the stop loss limit

City of Clearwater
Claims Per Employee Per Month
(Net of ISL Reimbursements)





Consultative Analytics Summary

Plan spend per member 11% higher over the last 12 months for medical and pharmacy

Key Numbers at a Glance

Category Trends



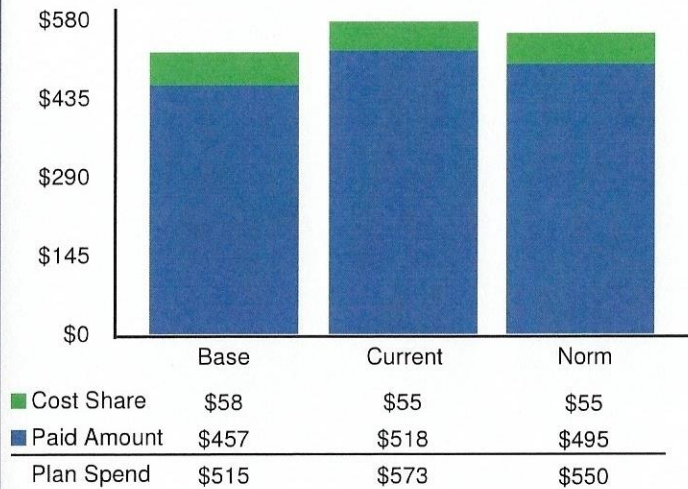
Trend Drivers



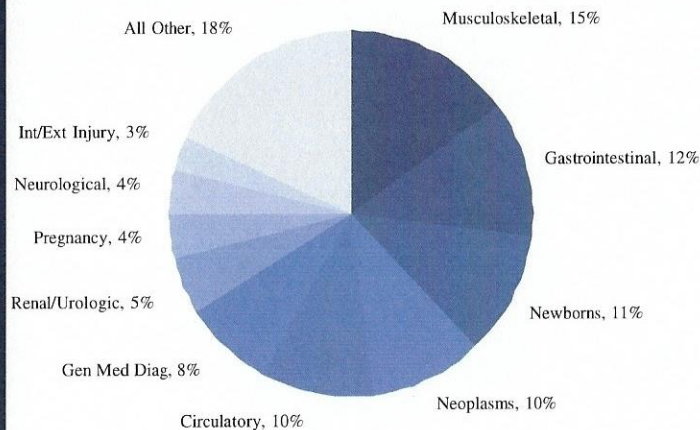
Positive Performance



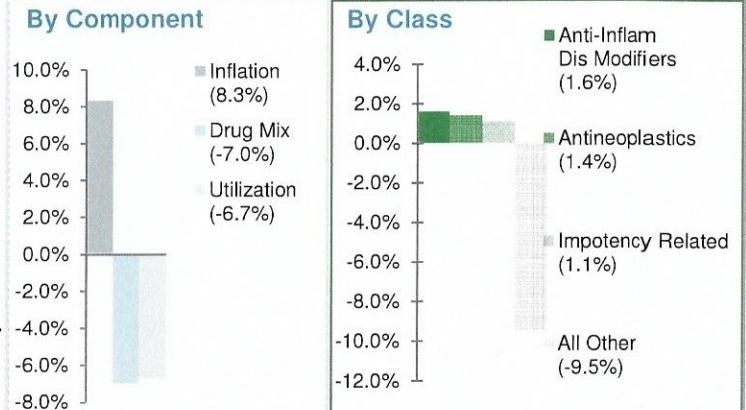
Plan Spend – per member per month



Medical Category Distribution



Pharmacy Trend Contributors



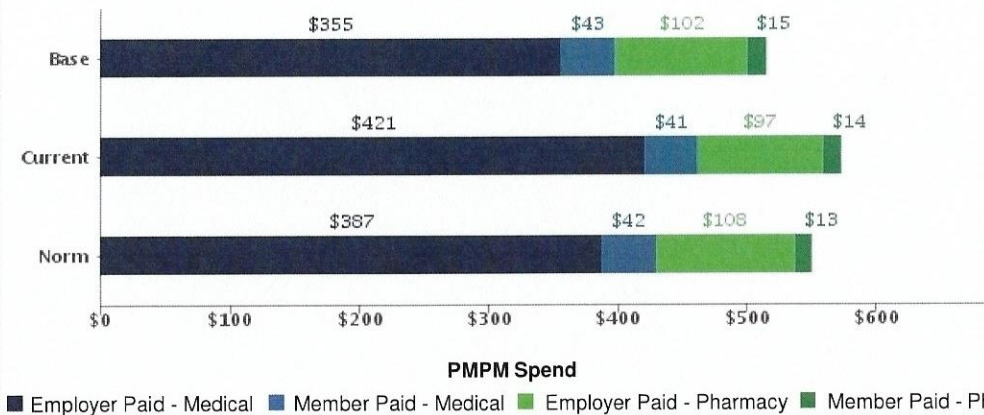
Areas of Influence





Executive Summary

Medical & Rx Spend



Medical & Rx Trend



| | Current PMPM | Trend | Variance from Norm |
|--------------------------|--------------|-------|--------------------|
| Total Plan Spend | \$572.68 | 11.1% | 4.1% |
| Total Employer Paid | \$517.69 | 13.3% | 4.6% |
| Total Member Paid | \$54.99 | -5.9% | -0.5% |
| Medical Spend PMPM | \$461.80 | 16.0% | 7.6% |
| Employer Paid - Medical | \$421.03 | 18.6% | 8.8% |
| Pharmacy Spend PMPM | \$110.88 | -5.4% | -8.4% |
| Employer Paid - Pharmacy | \$96.66 | -5.1% | -10.4% |

Demographics & Financial

| | Base | Current | Trend | Norm |
|-----------------------------------|--------------|--------------|-------|----------|
| Members | | | | |
| Average Number of Employees | 1,637 | 1,650 | 0.8% | |
| Average Number of Members | 2,578 | 2,558 | -0.8% | |
| Average Employee Age | 45.7 | 45.4 | -0.6% | |
| Demographic Factor | 1.05 | 1.04 | -1.0% | 1.12 |
| Cost Trend | | | | |
| Plan Spend - Medical | \$12,316,590 | \$14,174,113 | 15.1% | |
| Plan Spend - Pharmacy | \$3,626,014 | \$3,402,101 | -6.2% | |
| Total Plan Spend | \$15,942,603 | \$17,576,215 | 10.2% | |
| Medical Plan Spend PMPM | \$398.11 | \$461.80 | 16.0% | \$429.02 |
| Pharmacy Plan Spend PMPM | \$117.23 | \$110.88 | -5.4% | \$121.07 |
| Total Plan Spend PMPM | \$515.34 | \$572.68 | 11.1% | \$550.09 |
| Performance Indicators | | | | |
| Cat Claimants in Excess Per K | 21.7 | 24.2 | 11.6% | 17.8 |
| Cat Plan Spend PMPM(Med+Rx) | \$223.09 | \$271.40 | 21.7% | \$193.00 |
| Non-Cat Plan Spend PMPM(Med + Rx) | \$292.25 | \$301.27 | 3.1% | \$357.09 |
| Network Penetration | 95.9% | 97.9% | 2.0% | 94.1% |
| Medical Discounts | 58.3% | 59.0% | 0.7% | 62.9% |

Population Health & Pharmacy

| | Base | Current | Trend | Norm |
|--|---------|---------|--------|---------|
| Population Health Measures | | | | |
| Chronic Percent of Population | 37.8% | 32.6% | -5.2% | 47.8% |
| Chronic Percent of Cost | 78.1% | 68.0% | -10.1% | 78.4% |
| Total Health Engagement - % of Pop | 35.1% | 32.5% | -2.6% | 35.7% |
| Preventive Care Utilization | 41.9% | 47.8% | 5.9% | 51.7% |
| Well Visit Completions | 27.2% | 26.8% | -0.4% | 44.3% |
| Health Assessment Completions | 3.1% | 6.3% | 3.2% | 9.4% |
| Gaps in Care Rule Compliance | 67.1% | 63.8% | -3.3% | 73.3% |
| Pharmacy Indicators | | | | |
| Generic Dispensing Rate | 84.2% | 84.9% | 0.7% | 86.0% |
| Generic Substitution Rate | 96.5% | 96.4% | -0.1% | 96.4% |
| Specialty Plan Spend PMPM (Rx Only) | \$35.46 | \$36.22 | 2.2% | \$45.74 |
| Specialty Plan Spend PMPM (Med Only) | \$25.89 | \$24.29 | -6.1% | \$24.13 |
| Non-Specialty Plan Spend PMPM (Rx only) | \$81.77 | \$74.65 | -8.7% | \$75.33 |
| Prescriptions PMPY(Retail adjusted) | 11.22 | 10.54 | -6.0% | 13.51 |
| Rx % of Total HealthCare spend =24% (Norm = 28%) | | | | |



Catastrophic Claimant Summary

Catastrophic claimants accounted for 2% of the population and over 45% of total spend

| Overview <i>62* claimants, up from 56 in prior year</i> | Conditions <i>77% have a chronic condition**</i> | Costs <i>Total combined spend of \$7.9m</i> | Engagement <i>Higher engagement but opportunity to improve</i> |
|--|---|--|---|
| <ul style="list-style-type: none"> • Rate of claimants per 1,000 of 24.2 was 36% above municipal norm • 24 of the 62 reached the catastrophic level in the prior period • 9 were new enrollees during the year (7 newborns) • 10 are no longer enrolled with the plan • 35 employees, 17 spouses and 10 dependents incurred catastrophic claims | <ul style="list-style-type: none"> • Diabetes, hypertension and hyperlipidemia were the leading chronic conditions • Premature newborns was the highest catastrophic diagnostic category by overall plan spend (7 claimants) • Musculoskeletal health issues accounted for the highest amount of claims (10) | <ul style="list-style-type: none"> • Highest cost claimant for the year was \$497k • 3 individual claimants of exceeded \$400k • 13 claimants reached the catastrophic level due to medication-related spend alone • \$425k in specialty case management program savings, driven by transplant interventions | <ul style="list-style-type: none"> • 85% engaged with a clinical program, driven by inpatient management • 89% case management engagement rate • 38% telephonically engaged with a health coach • Gaps in Care compliance rate was higher compared to total population at nearly 69% of standards met for the catastrophic cohort |

*Catastrophic level of \$50,000 used for this analysis

**Chronic condition identification is independent of catastrophic diagnosis



Key Health Center Rx Data

| Metric | Base | Current | Change |
|---|-------------|-------------|--------|
| Clinic Utilization (Rx count) | 7,427 | 8,775 | 18.1% |
| Cigna Utilization (Rx count) | 24,564 | 22,804 | -7.2% |
| Adjusted Total Utilization (Cigna + Clinic) | 31,991 | 31,579 | -1.3% |
| Clinic Utilization as a % of Total Utilization | 23.2% | 27.8% | 12% |
| Cigna Generic Dispensing Rate (GDR) | 84.2% | 84.9% | 0.7% |
| Adjusted GDR (Cigna + Clinic) | 87.9% | 89.1% | 1.4% |
| Clinic Rx Spend (Clinic Invoice) | \$136,921 | \$148,440 | 8.4% |
| Cigna Total Plan Spend | \$3,626,014 | \$3,402,101 | -6.2% |
| Adjusted Total Plan Spend (Cigna + Clinic) | \$3,762,935 | \$3,550,541 | -5.6% |
| Adjusted Total Plan Spend PMPM (Cigna + Clinic) | \$121.64 | \$115.71 | -4.9% |
| Clinic Rx Spend / Claim | \$18.44 | \$16.92 | -8.2 |

Comments

- For Current Period:
 - Clinic script utilization rose 18% and comprises almost 28% of the overall script utilization
 - Factoring in Clinic data, the adjusted Generic Dispensing Rate (GDR) is 89.1%
 - Factoring in Clinic data, the adjusted Total Plan Spend is \$3,550,541
 - Factoring in Clinic data, the Adjusted Total Plan Spend PMPM is \$115.71
 - Trend is -4.9%
 - Approximate Clinic drug cost per dispensation is \$17



Cigna Behavioral Health – An Integrated Solution

What is Behavioral Health? A state of mental/emotional being and/or choices and actions that affect wellness.

Who?

One in Five Adults...
are facing a behavioral health (BH) issue¹



18% of your members have a behavioral health diagnosis

Top 3 BH conditions...

as a percent of behavioral total



Depression



Autism /ADHD



Bipolar Dis.



What?

Where?

PCP Office Visits...
are the source for many BH prescriptions²



65% of your members who filled a BH prescription did not see a BH provider

BH Members Cost 2-3x More...³

1.8x



higher PMPY spend for your BH members vs. your non-BH members

How Much?



Why?

Higher Rates of Chronic Condition Comorbidity ...

percent of your members with depression and other chronic condition comorbidities

65%

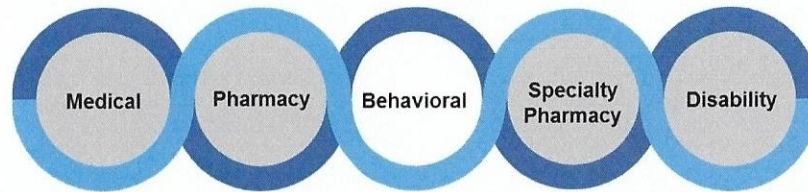
BH Members



Weight 46% Hypertension 29% Low Back Pain 24%

Prevalence of top co-morbid chronic conditions

How does Cigna help?



Our approach integrates patient support and benefits which help improve clinical outcomes and delivers better total value



Cigna Collaborative Care

Pharmacy



Psychiatric Case Management
Narcotic Therapy Management

Employee Assistance Program



Behavioral Health Integration



Cigna Telehealth

Medical and Behavioral Health options available



Care Management

Inpatient, Outpatient, Intensive and Specialty care management program

Coaching



Lifestyle Management – Stress, Weight and Smoking Depression

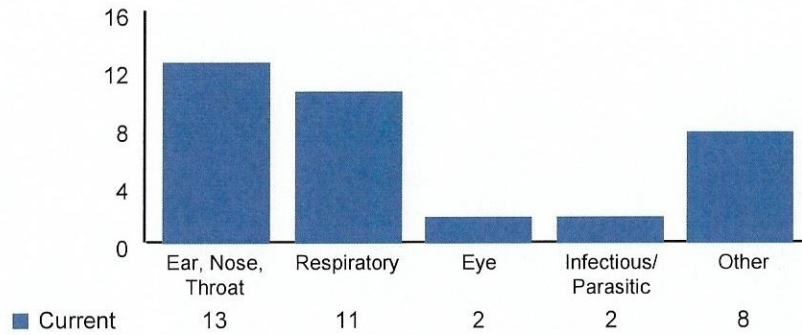
1. Substance Abuse and Mental Health Services Administration. (2017). Key substance use and mental health indicators in the United States: Results from the 2016 National Survey on Drug Use and Health
2. Association for Behavioral Health and Wellness, "Health Integration in the Era of the Affordable Care Act," July 2015.
3. Milliman, Inc., American Psychiatric Association report, "Economic Impact of Integrated Medical-Behavioral Healthcare: Implications for Psychiatry," April 2014.



Cigna Telehealth Connection

COC Telehealth

Top ICD visits per 1,000



Member user information

| | User | Non-user |
|---|-------|----------|
| Percent Unique Users | 2.6% | 97.4% |
| Average Age | 38.2 | 39.2 |
| % User with a primary care office visit | 40.3% | 32.1% |
| Gender Distribution | | |
| % Male | 38.6% | 62.1% |
| Male Average Age | 40.4 | 39.7 |
| Male Average Enrollment (member mths) | 10.8 | 10.5 |
| % Female | 61.4% | 37.9% |
| Female Average Age | 36.8 | 38.5 |
| Female Average Enrollment (member mths) | 11.5 | 10.3 |

Visit detail

| | | <u>Current</u> | | |
|----------------------|------------|----------------|----------|-----------|
| | | 1 Visit | 2 Visits | 3+ Visits |
| MDLive | Employees | 23 | 1 | 2 |
| | Spouses | 8 | 1 | 1 |
| | Dependents | 7 | 1 | 0 |
| AmWell | Employees | 18 | 3 | 1 |
| | Spouses | 5 | 1 | 0 |
| | Dependents | 3 | 1 | 0 |
| Total | Employees | 41 | 4 | 3 |
| | Spouses | 13 | 2 | 1 |
| | Dependents | 10 | 2 | 0 |
| Total Unique Members | | 64 | 8 | 4 |

Office visit opportunities and savings

| Cost per visit | Current |
|--|----------------|
| Average Office visit cost | \$151 |
| Average ER Steerable visit cost | \$1,137 |
| Telehealth cost per visit | \$42 |
| Opportunity Redirect Savings | Current |
| Number of Office Visits Eligible for Telehealth | 1,443 |
| 10% Redirect to Telehealth | \$15,729 |
| 25% Redirect to Telehealth | \$39,322 |
| Savings from Telehealth vs. Office Visit | Current |
| Number of Telehealth Visits instead of Office Visits | 95 |
| Savings from Telehealth Visits vs Office Visits | \$10,355 |

City of Clearwater

Claims Projection: Effective: January 1, 2019

Claims Year: June 2017 - May 2018

**Standard Underwriting
18 Months Trend**

| | | Claims Projection |
|--|-------------|--------------------|
| Total Paid Claims | \$ | 16,745,626 |
| Less Capitation Costs | - \$ | (732,840) |
| Less Pooled Claims (3 claimants exceeding \$300,000) | - \$ | (1,372,443) |
| Net Medical Claims | = \$ | 14,640,344 |
| Maturation Factor (0%) | x | 1.00 |
| Total Adjusted Paid Claims | = \$ | 14,640,344 |
| Average Setback Lives | / | 1,680 |
| Average Claims Per Employee Per Year | = \$ | 8,712.76 |
| Current In Force | x | 1,692 |
| Adjusted Projected Annual Claims | = \$ | 14,741,992 |
| Trend @ 8.5% / year Projected for 18 months | x | 1.1302 |
| Trended Claims | = \$ | 16,660,990 |
| Plus Capitation Costs (2% Increase) | + \$ | 746,161 |
| Plus Pooled Claims (1 claimants exceeding \$300,000) | + \$ | 300,000 |
| Total Trended & Pooled Claims | = \$ | 17,707,150 |
| Credit for Plan Changes (0%) | x | 1.000 |
| Expected Medical Claims | = \$ | 17,707,150 |
| ASO Fees 2019 (0% Increase Est.) | + \$ | 912,665 |
| Stop Loss Insurance (12% Increase) | + \$ | 1,303,712 |
| Projected Medical Premium for Claims & Administration | \$ | 19,923,527 |
| Projected Premium Needed for 2019 Plan Year | = \$ | 19,923,527 |
| Current Program Funding for 2018 Plan Year | / \$ | 19,082,698 |
| Estimated Amount Change for 2019 Plan Year | = \$ | 840,829 |
| Estimated Percentage Change for 2019 Plan Year | = | 4.41% |
| Estimated Reserve Requirement (60 days claims + IBNR) | | \$3,545,238 |

Medical Insurance Rate Analysis

Effective Date: January 1, 2019

4.4% Increase - 100%/75%/68%

| | | CIGNA HealthCare | | | CIGNA HealthCare | | | |
|------------------------------|--------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|-------------|
| | | 2018 | | | 2019 | | | |
| OAP Plan | | Employee Contribution | Employer Contribution | Total Plan Premium | Employee Contribution | Employer Contribution | Total Plan Premium | EE Increase |
| Employee | 1,077 | \$0.00 | \$688.52 | \$688.52 | \$0.00 | \$718.88 | \$718.88 | \$0.00 |
| Employee + 1 | 236 | \$289.15 | \$890.59 | \$1,179.74 | \$307.94 | \$923.82 | \$1,231.77 | \$18.79 |
| Employee + Family | 175 | \$607.31 | \$1,328.49 | \$1,935.80 | \$646.77 | \$1,374.39 | \$2,021.17 | \$39.46 |
| Dual Spouse w/ dep. | 56 | \$0.00 | \$1,935.80 | \$1,935.80 | \$0.00 | \$2,021.17 | \$2,021.17 | \$0.00 |
| Active \$ Increase | | N/A | N/A | N/A | \$136,092 | \$640,310 | \$776,402 | |
| Active % Increase | | N/A | N/A | N/A | 6.50% | 4.13% | 4.41% | |
| Retiree | | | | | | | | |
| Retiree | 88 | \$675.02 | \$13.50 | \$688.52 | \$718.88 | \$0.00 | \$718.88 | \$30.36 |
| Retiree + 1 | 31 | \$1,156.61 | \$23.13 | \$1,179.74 | \$1,231.77 | \$0.00 | \$1,231.77 | \$52.03 |
| Retiree + Family | 4 | \$1,897.84 | \$37.96 | \$1,935.80 | \$2,021.17 | \$0.00 | \$2,021.17 | \$85.37 |
| Total Monthly Premium | 1,671 | \$277,367 | \$1,294,663 | \$1,572,029 | \$295,391 | \$1,345,965 | \$1,641,356 | |
| Total Annual Premium | | \$3,328,400 | \$15,535,952 | \$18,864,353 | \$3,544,691 | \$16,151,580 | \$19,696,271 | |
| Total \$ Increase | | N/A | N/A | N/A | \$216,290 | \$615,628 | \$831,918 | |
| Total % Increase | | N/A | N/A | N/A | 6.50% | 3.96% | 4.41% | |

4.4% Increase - Shared Increase

| | | CIGNA HealthCare | | | CIGNA HealthCare | | | |
|------------------------------|--------------|-----------------------|-----------------------|---------------------|-----------------------|-----------------------|---------------------|-------------|
| | | 2018 | | | 2019 | | | |
| OAP Plan | | Employee Contribution | Employer Contribution | Total Plan Premium | Employee Contribution | Employer Contribution | Total Plan Premium | EE Increase |
| Employee | 1,077 | \$0.00 | \$688.52 | \$688.52 | \$0.00 | \$718.88 | \$718.88 | \$0.00 |
| Employee + 1 | 236 | \$289.15 | \$890.59 | \$1,179.74 | \$301.90 | \$929.87 | \$1,231.77 | \$12.75 |
| Employee + Family | 175 | \$607.31 | \$1,328.49 | \$1,935.80 | \$634.09 | \$1,387.08 | \$2,021.17 | \$26.78 |
| Dual Spouse w/ dep. | 56 | \$0.00 | \$1,935.80 | \$1,935.80 | \$0.00 | \$2,021.17 | \$2,021.17 | \$0.00 |
| Active \$ Increase | | N/A | N/A | N/A | \$92,355 | \$684,047 | \$776,402 | |
| Active % Increase | | N/A | N/A | N/A | 4.41% | 4.41% | 4.41% | |
| Retiree | | | | | | | | |
| Retiree | 88 | \$675.02 | \$13.50 | \$688.52 | \$718.88 | \$0.00 | \$718.88 | \$30.36 |
| Retiree + 1 | 31 | \$1,156.61 | \$23.13 | \$1,179.74 | \$1,231.77 | \$0.00 | \$1,231.77 | \$52.03 |
| Retiree + Family | 4 | \$1,897.84 | \$37.96 | \$1,935.80 | \$2,021.17 | \$0.00 | \$2,021.17 | \$85.37 |
| Total Monthly Premium | 1,671 | \$277,367 | \$1,294,663 | \$1,572,029 | \$291,746 | \$1,349,610 | \$1,641,356 | |
| Total Annual Premium | | \$3,328,400 | \$15,535,952 | \$18,864,353 | \$3,500,954 | \$16,195,317 | \$19,696,271 | |
| Total \$ Increase | | N/A | N/A | N/A | \$172,553 | \$659,365 | \$831,918 | |
| Total % Increase | | N/A | N/A | N/A | 5.18% | 4.24% | 4.41% | |