

## Stacey Cockroft

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**From:** Stacey Cockroft  
**Sent:** Monday, November 4, 2019 11:39 AM  
**To:** Anne McCabe; Dave Jones; David Brighton; Elizabeth Hayes; Jimmy Love; Joel Burns; Kristen Vix; Laura Wertanen; Matt Fischer; Robert Ernst; Stephanie Bohrsen; Vaughn Dosko  
**Subject:** Specific Stop Loss 10/31/19

Good Afternoon,

Below is the Specific Stop loss Report through 10/31/2019.

Subscriber	Total Amt	Amt over Spec	Amt Requested	Amt Reimbursed	Non Reimbursed Expenses	Amt Open
1	\$ 1,328,083.41	\$ 1,108,083.41	\$ 1,108,083.41	\$ 970,911.10		\$ 137,172.31
2	\$ 1,053,363.15	\$ 833,363.15	\$ 833,363.15	\$ 696,434.65		\$ 136,928.50
3	\$ 354,308.56	\$ 134,308.56	\$ 134,308.56	\$ 117,557.18		\$ 16,751.38
5	\$ 258,727.20	\$ 38,727.20	\$ 38,727.20	\$ 30,040.88		\$ 8,686.32
5	\$ 246,410.21	\$ 26,410.21	\$ 26,410.21	\$ 2,939.33		\$ 23,470.88
6	\$ 231,943.54	\$ 11,943.54	\$ 11,943.54	\$ 6,190.48		\$ 5,753.06
	<b>\$ 3,472,836.07</b>	<b>\$ 2,152,836.07</b>	<b>\$ 2,152,836.07</b>	<b>\$ 1,824,073.62</b>	<b>\$ -</b>	<b>\$ 328,762.45</b>

Thank you,

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*Stacey Cockroft*

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*Employee Benefits Manager*

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### 2020 Tiered Rate Projections

<b>3-Tier Option</b>	<b>Enrollment</b>	<b>Projection</b>	<b>15% Employee Contribution</b>	<b>85% Employer Contribution</b>
Employee Only	195	\$ 905.51	\$ 135.83	\$ 769.68
Employee + One Dependent	227	\$ 1,892.53	\$ 283.88	\$ 1,608.65
Employee + Family	578	\$ 3,305.13	\$ 495.77	\$ 2,809.36

<b>4-Tier Option</b>	<b>Enrollment</b>	<b>Projection</b>	<b>15% Employee Contribution</b>	<b>85% Employer Contribution</b>
Employee Only	195	\$ 916.67	\$ 137.50	\$ 779.17
Employee + Spouse	176	\$ 2,108.35	\$ 316.25	\$ 1,792.10
Employee + Child(ren)	97	\$ 1,925.01	\$ 288.75	\$ 1,636.26
Employee + Family	532	\$ 3,345.86	\$ 501.88	\$ 2,843.98

Kenai Peninsula Borough School District	<u>Reserve Account</u>	<u>As of 6-30-18</u>	<u>As of 6-30-19</u>	<u>FY19 Monthly Contribution - Traditional</u>
	Employee Share	471,065.27	750,000.00	Employee Share *
Health Care Committee Monthly recap as of October 31, 2019.	Employer Share	1,572,408.17	2,418,648.76	Employer Share
				<u>2,659.73</u>
				3,129.09

	<u>FY19 Monthly Contribution - HDHP</u>
	Employee Share *
	Employer Share
	<u>1,713.29</u>
	2,015.63

This document is provided to the Health Care Committee as a work paper to recap the contributions to and expenditures from the Health Care Plan each month. It is to be used primarily as an aid in estimating costs of the plan to determine if changes should be made in employee contribution amounts. Every effort is made to provide current and accurate information, but this information is not audited until after the end of the fiscal year.

	Number of Employees	YTD Employees	Current Month Obligations	YTD Obligations	Contributions Current Month Collected	Contributions YTD Collected
<b>Employees</b>						
KPEA Employees	284	1,120	133,298.24	525,683.20	197,131.20	396,022.50
KPEA Employees - HDHP	282	1,107	85,259.88	334,690.38	125,912.82	251,422.52
KPEA Repay EE Reserve						
KPESA Employees	159	639	74,628.24	299,921.04	108,666.24	231,845.02
KPESA Employees - HDHP	191	700	57,746.94	211,638.00	79,928.18	165,337.50
KPESA Repay EE Reserve						
Administrators	19	75	8,917.84	35,202.00	12,878.76	27,749.52
Administrators - HDHP	38	149	11,488.92	45,048.66	15,847.38	37,238.76
Admin Repay EE Reserve						
Board Members	1	4	469.36	1,877.44	275.00	2,969.50
Board Members - HDHP	3	12	907.02	3,628.08	825.00	3,300.00
Board Repay EE Reserve						
Exempt Employees	10	41	4,693.60	19,243.76	4,550.40	19,558.80
Exempt Employees - HDHP	16	64	4,837.44	19,349.76	4,946.16	19,132.32
Exempt Repay EE Reserve						
Affordable Care Act **			0.00	0.00		
ACA Empl Repay EE Reserve						
<b>Total Employees on Payroll</b>	<b>1,003</b>	<b>3,911</b>	<b>382,247.48</b>	<b>1,496,282.32</b>	<b>550,961.14</b>	<b>1,154,576.44</b>
COBRA Payers (FY20 = \$2534.08)	2	10	4,431.76	22,158.80	5,068.16	20,272.64
COBRA HD Payers (FY20 = \$1886.06)	1	14	1,960.28	27,443.92	-	15,088.48
<b>Total Employees</b>	<b>1,006</b>	<b>3,935</b>	<b>388,639.52 *</b>	<b>1,545,885.04</b>	<b>556,029.30</b>	<b>1,189,937.56</b>

\* Current month employee obligations are a calculation of "Number of Employees" eligible for health care coverage during that month times the "Employee Share" (shown in the upper right corner of the sheet).

\*\* Affordable Care Act (ACA) coverage is offered to employees once eligibility is determined. Eligibility is based on number of hours worked during the measurement period.

<b>Employer</b>						
Employer share	473	1,879	1,258,052.29	4,997,632.67	1,383,641.05	2,887,924.41
Employer share - HDHP	530	2,032	908,043.70	3,481,405.28	1,186,528.36	2,497,147.16
<b>Total</b>			<b>2,554,735.51</b>	<b>10,024,922.99</b>	<b>3,126,198.71</b>	<b>6,575,009.13</b>

<b>+ Employee Share Split</b>	<b>FY20 Contribution Traditional</b>	<b>469.36</b>	<b>Subtotal</b>	323,501.60	678,145.34
	<b>Cobra</b>	<b>2,534.08</b>	<b>Subtotal</b>	5,068.16	20,272.64
				328,569.76	698,417.98
	<b>FY20 Contribution HDHP</b>	<b>302.34</b>	<b>Subtotal</b>	227,459.54	476,431.10
	<b>Cobra HD</b>	<b>1,886.06</b>	<b>Subtotal</b>	-	15,088.48
				227,459.54	491,519.58

## Expenditures

Since the health care plan is self-funded, both employee and employer contributions are collected and bills are paid from the accumulated funds.

	TRADITIONAL		HDHP	
	Current Month	Year-To-Date	Current Month	Year-To-Date
<b>Claims</b>				
Health Care Claims paid by TPA (Rehn)	836,614.47	3,895,781.65	604,523.89	2,390,026.63
Prescription Claims paid by Caremark	393,512.09	1,123,420.17	99,700.33	300,822.68
HRA	-	-	26,813.64	107,853.34
<b>Total Claims Paid</b>	<b>1,230,126.56</b>	<b>5,019,201.82</b>	<b>731,037.86</b>	<b>2,798,702.65</b>
<b>Administration</b>				
TPA (Rehn) fees and costs	23,570.22	61,107.37	-	-
TPA (Rehn) HRA fees and costs	-	-	15,719.67	98,257.86
Aetna Administration Fees	10,248.37	40,206.23	11,456.59	43,550.41
Consultant Fees	-	-	-	-
Stop Loss Premiums	137,712.41	530,120.84	153,947.97	574,465.28
Affordable Care Act Fee	10,577.64	22,082.83	11,824.68	23,903.89
<b>Total Administration</b>	<b>182,108.64</b>	<b>653,517.27</b>	<b>192,948.91</b>	<b>740,177.44</b>
<b>Total Claims plus Administration</b>	<b>1,412,235.20</b>	<b>5,672,719.09</b>	<b>923,986.77</b>	<b>3,538,880.09</b>
<b>Adjustments</b>				
Stop Loss reimbursements	(810,566.13)	(1,147,104.66)	-	-
Prescription Rebates	-	(130,132.12)	-	(98,296.04)
Health Care Claims refund	-	-	-	-
Claims reimbursements	(550.00)	(1,650.00)	-	-
Other adjustments	-	-	-	-
<b>Total Adjustments</b>	<b>(811,116.13)</b>	<b>(1,278,886.78)</b>	<b>-</b>	<b>(98,296.04)</b>
<b>Total Expenditures</b>	<b>601,119.07</b>	<b>4,393,832.31</b>	<b>923,986.77</b>	<b>3,440,584.05</b>

## Obligations/Contributions

Health care obligations and contributions provide employee and employer amounts of health care contributions using different calculation methods.

Obligations are estimates of funds that employees and the district will be obligated to contribute, based on the plan year (July through June).

Returning employees are covered by the health care plan for the entire plan year, meaning the 12 month period July through June; both employee and employer are obligated to pay for 12 months of coverage. New employees pay for coverage from date of hire through June, the end of the plan year. If an employee works at all during a month, both employee and employer pay for the entire month of coverage.

Actual Contributions made by employees and benefits paid by the employer during the payroll process are shown on the sheet in the columns labeled "Collected." The division of payments is governed by the Collective Bargaining Agreements and Memorandums of Understanding between the district and the employee groups.

Employee-paid contributions are deductions from payroll checks. Employees who work 12 months make contributions each pay period. Many school district employees do not work 12 months, so contributions are collected for those employees during the 9 month period from September through May.

For this reason, contributions are generally larger than obligations for September through May and contributions are generally smaller than obligations for June, July and August.

The "Collected" columns show what is actually available for paying health care costs. The "Obligations" show what is estimated to be available by month, based on number of employees at the current rate of contributions.

Kenai Peninsula Borough School District  
 Healthcare Expenditures Split  
 as of October 31, 2019.

Traditional Plan				HDHP			
YTD Participants	1,879			YTD Participants	2,032		
Net Expenditures	4,393,832.31			Net Expenditures	3,440,584.05		
ER - Employer portion (85%)	<u>3,734,757.46</u>			ER - Employer portion (85%)	<u>2,924,496.44</u>		
EE - Employee portion (15%)	<u>659,074.85</u>			EE - Employee portion (15%)	<u>516,087.61</u>		
Total ER & EE Expenditures	4,393,832.31			Total ER & EE Expenditures	3,440,584.05		
Through Current Month	Traditional Summary			Through Current Month	HDHP Summary		
	YTD EXP	YTD REV	REV Less EXP		YTD EXP	YTD REV	REV Less EXP
Employer	3,734,757.46	2,887,924.41	(846,833.05)	Employer	2,924,496.44	2,497,147.16	(427,349.28)
Employee	<u>659,074.85</u>	<u>698,417.98</u>	<u>39,343.13</u>	Employee	<u>516,087.61</u>	<u>491,519.58</u>	<u>(24,568.03)</u>
Totals	4,393,832.31	3,586,342.39	(807,489.92)	Totals	3,440,584.05	2,988,666.74	(451,917.31)
<b>Obligation per Employee FY20</b>	<b>Year-to-date</b>			<b>Obligation per Employee FY20</b>	<b>Year-to-date</b>		
469.36 EE/2659.73 ER Split	3,129.09	3,129.09		302.34 EE/1713.29 ER Split	2,015.63	2,015.63	
Monthly Cost per Employee - ER		1987.63		Monthly Cost per Employee - ER		1439.22	
Monthly Cost per Employee - EE + Cobra		<u>350.76</u>		Monthly Cost per Employee - EE + Cobra		<u>253.98</u>	
		2338.39				1693.20	
<b>Current Variance</b>		<b>790.70</b>		<b>Current Variance</b>		<b>322.43</b>	

Obligations indicate the funds that will be accumulated per employee per month. Expenditures are amounts that have been paid through the plan.

A positive number for "current variance" represents the amount per employee per month that is estimated to be collected above the amount spent year-to-date. A negative number represents the amount of expenditures (per employee per month) that are more than what is estimated to be collected for payment of those expenditures.



# Background

## Stop Loss RFP

At your request MMA West - Alaska completed a full marketing of your stop loss coverage. As previously reviewed the following vendors were included in the RFP process:



MMA West - Alaska requested that both medical and prescription drug coverage be included in the coverage. Below is a recap of the vendors and their response.

Carrier	Result
HMIG	Declined to quote, unable to provide a competitive offer
Optum	Declined to quote, unable to provide a competitive offer
QBE	Declined to quote, given the groups historical claims they are unable to provide a competitive offer
Reliance Standard	Declined to quote, unable to provide a competitive offer
Sun Life	Quoted - Firm
SwissRe	Declined to quote, unable to provide a competitive offer
Symetra	Quoted - Firm
Tokio Marine HCC	Declined to quote, unable to provide a competitive offer due to 2 claimants of concern
Unum	Declined to quote, unable to provide a competitive offer
Voya	Provided Renewal - Firm

## Executive Summary

- Kenai Peninsula Borough School District's stop loss renewal from Voya is calling for a 2.4% decrease to current rates. Voya has lasered 2 claimants at \$1,750,000 each, if the additional claims liability due to lasers is considered the renewal is a 89.9% increase to maximum liability. Voya's proposal includes the no new laser at renewal provision with a 50% renewal rate cap. Their proposal is firm until 11/22/2019. As part of our standard practice MMA completed a detailed RFP process to get Kenai Peninsula Borough School District the best contractual terms and pricing.
  - It is important to understand the current risk to weigh the competitiveness of the offers provided by the market. Kenai Peninsula Borough School District's 2019 year to date stop loss ratio through September (reimbursements/premium) is 75%.
- This deck will provide the detailed results of the RFP as well as more information/background on stop loss for your consideration.
- The renewal from Voya provided the most aggressive pricing terms based on the decrease to current rates.
- Sun Life provided the most aggressive pricing terms based on maximum annual liability. Sun Life provided their offer at a 2% decrease to current rates. Sun Life has lasered 1 claimant at \$1,600,000 and another claimant at \$1,500,000, when considering the additional claims liability due to lasers their offer is a 78.3% increase to maximum liability.
  - Sun Life's proposal includes the no new laser at renewal provision with a 50% renewal rate cap. Please note they have reserved the right to laser 2 additional claimants at renewal.
  - Sun Life's proposal is firm until 11/19/2019.
- Blinded market feedback was provided to the field, the results reviewed in this deck reflect any additional concessions obtained as of today.



# Basics of Stop Loss

## Specific and Aggregate Stop Loss



### Specific Stop Loss

- Provides protection for Kenai Peninsula Borough School District against a high claim on any one individual **rather than abnormal frequency of claims in total**.
- Specific stop loss is also known as individual stop loss.
- Rates are based on Single/Family.



### Aggregate Stop Loss

- Ceiling on the dollar amount of eligible expenses that Kenai Peninsula Borough School District pays, **in total, during a contract period, otherwise known as an attachment point**.
- The carrier reimburses Kenai Peninsula Borough School District for claims exceeding the attachment point. In general, attachment points are set at 125% of expected claims for traditional self funding.
- Rates are composite.

# Specific Stop Loss Leveraged Trend

- Leveraged Trend occurs in Stop Loss as a result of:
  - Medical Trend.
  - Changes in Utilization.
    - Catastrophic claims may occur more or less frequently due to advances in care.
  - Leveraging due to deductible level.
    - Fixed deductible level versus rising medical costs (see example below).



	Year 1	Year 2	Change
Claimant	\$200,000	\$220,000	10%
Specific Deductible	\$100,000	\$100,000	0%
Claim Reimbursement	\$100,000	\$120,000	20%

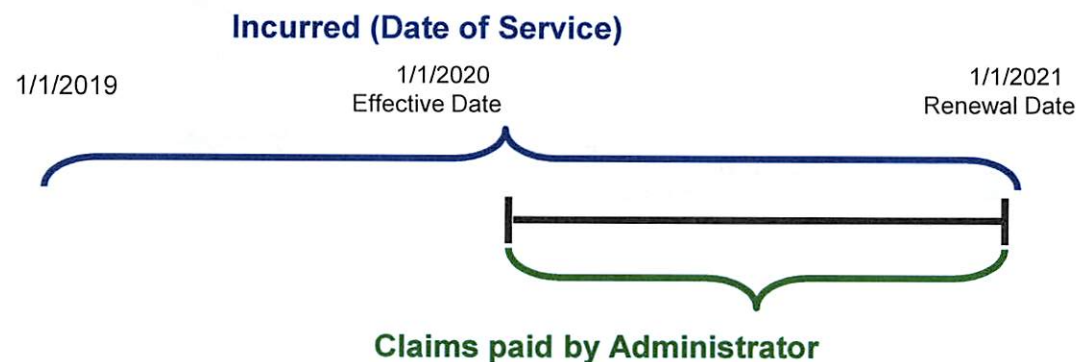
One way of offsetting the effect of leveraging is to incrementally increase the Specific Deductible over time.

# Important Proposal Terms

## Proposals Contract Overview

### 24/12 Contracts

- 24/12 contracts pay for claims incurred 12 months before the effective date and incurred during the policy period.
- Contract for protection of claims that may have been incurred in previous plan year and paid in current plan year — this is considered a “mature” contract.
- **Contract basis RFP was based on:**



### Rate Caps

- Limit to the renewal increase for the following plan year.
  - For 2020, rate caps have been offered by the market and are included in the analysis by deductible level.

### Reporting Fees

- Data reporting fees have been excluded in the summaries on the following pages.

## Specific Stop Loss Lasering

- If an individual is known to have an on-going high risk condition, he/she may be lasered at an individual stop loss level which is higher than the rest of the group.
- What does this mean for Kenai Peninsula Borough School District?
  - **Benefits:**
    - Without lasering, the stop loss rate would increase to reflect the cost of known high claimants.
    - The Employer is funding the known risks inherent in the plan, so if the costs of a lasered claim are lower than expected, the Employer retains those savings.
  - **Risks:**
    - The potential for lasering generates greater uncertainty in cost from year to year.
      - What happens to a newly emerging large claimant at renewal?
      - Can the Employer absorb the cost of an ongoing severe high claimant?
- No New Laser at Renewal provision
  - Removes risk of new lasers being added to the contract at renewal.
  - Typically caps renewal increases at a set level, usually 40%-50%.
  - Higher rates than a contract without this provision.
- Each carrier's offer will vary, it is important to weigh the benefit vs. the risk of having lasers applied or the renewal option to avoid new lasers being applied.



## Estimated Total Plan Liability at the \$220,000 Deductible Level (Administration, Stop Loss Premium and Potential Claims) – Initial Proposals

Lives	2019	2020		
	Voya Current	Voya Renewal	Sun Life Proposal	Symetra Proposal
<b>Administration Fees</b>				
Rehn & Associates Bundled Administration Fee PEPM	\$14.92	\$14.92	\$14.92	\$14.92
Aetna Network/Coalition Fee PEPM (2/1 renewal)	\$21.88	\$22.62	\$22.62	\$22.62
<b>Combined Administration Fees PEPM</b>	<b>979 \$36.80</b>	<b>\$37.54</b>	<b>\$37.54</b>	<b>\$37.54</b>
<b>Combined Annual Administration Cost</b>	<b>\$432,326</b>	<b>\$441,020</b>	<b>\$441,020</b>	<b>\$441,020</b>
<b>vs. Current Annualized Cost</b>		<b>\$8,694</b> 2.0%	<b>\$8,694</b> 2.0%	<b>\$8,694</b> 2.0%
<b>Stop Loss Premiums</b>				
Combined Composite Specific & Aggregate Rate PEPM	979 \$282.07	\$371.57	\$342.00	\$348.75
Combined Specific and Aggregate Annual Premium Cost	\$3,313,758	\$4,365,204	\$4,017,816	\$4,097,115
<b>vs. Current Annualized Cost</b>		<b>\$1,051,446</b> 31.7%	<b>\$704,058</b> 21.2%	<b>\$783,357</b> 23.6%
<b>Annual Fixed Costs/Liability</b>				
Combined Annual Fixed Costs	\$3,746,085	\$4,806,224	\$4,458,836	\$4,538,135
Additional Claims Liability due to Lasers	\$0	\$3,560,000	\$3,260,000	TBD
<b>Maximum Annual Fixed Costs/Liability</b> (total administration fees, annual premium, fees and additional claims liability in excess of regular deductible point)	<b>\$3,746,085</b>	<b>\$8,366,224</b>	<b>\$7,718,836</b>	<b>\$4,538,135</b>
<b>vs. Current Annualized Cost</b>		<b>\$4,620,140</b> 123.3%	<b>\$3,972,751</b> 106.1%	<b>\$792,050</b> 21.1%
<b>Monthly Aggregate Factor</b>				
Composite PEPM	979 \$2,829.31	\$2,903.46	\$2,863.90	\$2,855.26
Annual Attachment Point:	\$33,238,734	\$34,109,848	\$33,645,097	\$33,543,594
<b>vs. Current Total Attachment Cost</b>		<b>\$871,114</b> 2.6%	<b>\$406,363</b> 1.2%	<b>\$304,861</b> 0.9%
<b>Total Maximum Liability (potential claims and annual liability):</b>	<b>\$36,984,819</b>	<b>\$42,476,072</b>	<b>\$41,363,933</b>	<b>\$38,081,729</b>
<b>vs. Current Total Maximum Annualized Cost</b>		<b>\$5,491,254</b> 14.8%	<b>\$4,379,114</b> 11.8%	<b>\$1,096,911</b> 3.0%

## Estimated Total Plan Liability at the \$220,000 Deductible Level (Administration, Stop Loss Premium and Potential Claims) – Final Proposals

Lives	2019	2020		
	Voya Current	Voya Renewal	Sun Life Proposal	Symetra Proposal
<b>Administration Fees</b>				
Rehn & Associates Bundled Administration Fee PEPM	\$14.92	\$14.92	\$14.92	\$14.92
Aetna Network/Coalition Fee PEPM (2/1 renewal)	\$21.88	\$22.93	\$22.93	\$22.93
<b>Combined Administration Fees PEPM</b>	<b>979 \$36.80</b>	<b>\$37.85</b>	<b>\$37.85</b>	<b>\$37.85</b>
<b>Combined Annual Administration Cost</b>	<b>\$432,326</b>	<b>\$444,662</b>	<b>\$444,662</b>	<b>\$444,662</b>
<b>vs. Current Annualized Cost</b>		<b>\$12,335</b> 2.9%	<b>\$12,335</b> 2.9%	<b>\$12,335</b> 2.9%
<b>Stop Loss Premiums</b>				
<b>Combined Composite Specific &amp; Aggregate Rate PEPM</b>	<b>979 \$282.07</b>	<b>\$275.28</b>	<b>\$276.42</b>	<b>\$281.34</b>
<b>Combined Specific and Aggregate Annual Premium Cost</b>	<b>\$3,313,758</b>	<b>\$3,233,989</b>	<b>\$3,247,382</b>	<b>\$3,305,182</b>
<b>vs. Current Annualized Cost</b>		<b>(\$79,769)</b> -2.4%	<b>(\$66,376)</b> -2.0%	<b>(\$8,576)</b> -0.3%
<b>Annual Fixed Costs/Liability</b>				
<b>Combined Annual Fixed Costs</b>	<b>\$3,746,085</b>	<b>\$3,678,651</b>	<b>\$3,692,044</b>	<b>\$3,749,844</b>
Additional Claims Liability due to Lasers	\$0	\$3,060,000	\$2,660,000	\$2,660,000
<b>Maximum Annual Fixed Costs/Liability</b> (total administration fees, annual premium, fees and additional claims liability in excess of regular deductible point)	<b>\$3,746,085</b>	<b>\$6,738,651</b>	<b>\$6,352,044</b>	<b>\$6,409,844</b>
<b>vs. Current Annualized Cost</b>		<b>\$2,992,566</b> 79.9%	<b>\$2,605,959</b> 69.6%	<b>\$2,663,759</b> 71.1%
<b>Monthly Aggregate Factor</b>				
<b>Composite PEPM</b>	<b>979 \$2,829.31</b>	<b>\$2,903.46</b>	<b>\$2,863.90</b>	<b>\$2,825.46</b>
<b>Annual Attachment Point:</b>	<b>\$33,238,734</b>	<b>\$34,109,848</b>	<b>\$33,645,097</b>	<b>\$33,193,504</b>
<b>vs. Current Total Attachment Cost</b>		<b>\$871,114</b> 2.6%	<b>\$406,363</b> 1.2%	<b>(\$45,230)</b> -0.1%
<b>Total Maximum Liability (potential claims and annual liability):</b>				
	<b>\$36,984,819</b>	<b>\$40,848,499</b>	<b>\$39,997,141</b>	<b>\$39,603,348</b>
<b>vs. Current Total Maximum Annualized Cost</b>		<b>\$3,863,681</b> 10.4%	<b>\$3,012,323</b> 8.1%	<b>\$2,618,530</b> 7.1%

Note: Aetna Network/Coalition Fee renews 2/1/2020 and includes the Aetna base rate, managed behavioral health, Teladoc, and alternate stockpiling fees.

# What is The Appropriate Stop Loss Deductible Level?

## It All Depends On Your Risk Tolerance

The analysis below shows how much Kenai Peninsula Borough School District would have paid at the various deductible levels. It is important to note that that large claimants are less predictable and your high claimants this year won't necessarily be your high claimants next year.

<b>Voya</b>	<b>Current</b>	<b>Alternative 1</b>
<b>Deductible Level</b>	<b>\$220,000</b>	<b>\$250,000</b>
Annual Premium	\$3,197,571	\$2,788,153
\$\$ Premium Increase/(Decrease) to Change Pooling Level		(\$409,418)
# Claimants over Pooling Level to Breakeven	-	13.65
Historical Average Above Pooling Level*	6.00	4.67

<b>Sun Life</b>	<b>Current</b>	<b>Alternative 1</b>
<b>Deductible Level</b>	<b>\$220,000</b>	<b>\$250,000</b>
Annual Premium	\$3,218,012	\$2,733,995
\$\$ Premium Increase to Change Pooling Level		(\$484,018)
# Claimants over Pooling Level to Breakeven	-	16.13
Historical Average Above Pooling Level*	6.00	4.67

<b>Symetra</b>	<b>Current</b>	<b>Alternative 1</b>
<b>Deductible Level</b>	<b>\$220,000</b>	<b>\$250,000</b>
Annual Premium	\$3,269,116	\$2,909,510
\$\$ Premium Increase to Change Pooling Level		(\$359,606)
# Claimants over Pooling Level to Breakeven	-	11.99
Historical Average Above Pooling Level*	6.00	4.67

\* Based on prior 3 plan years trended at 0% annual trend

## Understanding Disclosure

- Disclosure is a common process in the stop loss marketplace where a Disclosure Form is required form which attempts to identify all known and emerging claims. Required information on the disclosure form will vary by carrier but usually seeks diagnosis, current/planned treatment (if known), prognosis and a signature from an officer of the company.
- It is important for every self funded employer to understand disclosure and what you need to do if required by the carrier:
  - By signing the Disclosure Statement Form, the Employer is attesting that all “Known” potential large claimants have been disclosed to the carrier. A claimant is “Known” if, at the time of the completion of the form, the Employer had actual information about the claim or would have had such information if it had conducted a Diligent Review (or could have reasonably been assumed to have had such information, had it conducted a Diligent Review);
  - It is important to understand how the carrier is defining what you need to disclose as there could be limitations or exclusions for claimants not disclosed for example if they are confined in a hospital or other treatment facility.
- While the stop loss market is looking for more details the medical TPAs are decreasing the level of detail they will provide on specific claimants due to growing privacy concerns.
- MMA has attempted to negotiate that this requirement be waived from all quoting carriers but All Carriers have noted that their proposal is subject to disclosure requirements.



## Disclaimer

- *This marketing results analysis contains a review of each quoting carrier's stop loss proposal offered in response to our RFP. While every client needs to weigh the cost of coverage it is also important to understand the key terms and conditions including standard policy exclusions.*
- *The RFP responses provide an offer of coverage based on information provided by your firm (i.e. census data, confirmation of actively at work status, etc.). It does not include all the contractual detail that will govern your coverage. MMA will complete a review of the selected carriers policy during implementation, your firm should also review the proposed contract terms as while MMA will make every effort to assure accuracy ultimate responsibility resides with you.*
- *While MMA makes every effort to provide all the data available for you to make a decision surrounding appropriate deductible levels, we must note that large claimants are the least predictable aspect of your claim experience and prior loss ratios do not predict future loss ratios.*
- *The MMA Stop Loss Center of Excellence makes every effort to provide timely updates on the status of the RFP/ Renewal process on behalf of your client. Your full disclosure of known details will help avoid potential issues in understanding coverage limitations under the plan(s). Any requests for additional health information or eligibility status requests, such as actively at work confirmations, will be disseminated to the quoting vendors as soon as possible.*
- *The MMA Stop Loss Center of Excellence does not guarantee placement of coverage. No coverage should be assumed bound unless there is an executed policy in place.*



The Patient Protection and Affordable Care Act is a complex law. Any statements made by Marsh & McLennan Agency, LLC Company concerning tax, accounting, or legal matters are based solely on our experience as insurance brokers and risk consultants and are not to be relied upon as accounting, tax, or legal advice. We recommend that you seek the advice of your own tax, accounting and legal advisers as to whether or not the health plans you select are compliant with the Patient Protection and Affordable Care Act, including the minimum essential coverage requirements.

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<b>2015-2016</b>	<b>10/14/2015</b>	<b>12/9/2015</b>	<b>3/10/2016</b>	<b>4/13/2016</b>	<b>Absent 25%</b>
Patty Sirois	P	P	P	A	YES
Pam Van Hoozer	Phone	P	A	P	YES
Vaughn Dosko	P	P	P	P	NO
Laurie Olson	P	A	P	P	YES
Clayton Holland	P	P	A	P	YES
Matt Fischer	P	Phone	P	P	NO
Bruce Rife	Phone	P	P	P	NO
Tracy Silta	P	P	P	P	NO
Terri Zoph-Schoessler	P	P	P	P	NO
Joel Burns	P	P	P	A	YES
David Jones	P	A	P	P	YES
Quorum Present	Yes	Yes	Yes	Yes	

<b>2014-2015</b>	<b>9/16/2014</b>	<b>11/17/2014</b>	<b>2/18/2015</b>	<b>3/26/2015</b>	<b>5/6/2015</b>	<b>Absent 25%</b>
Patty Sirois	A	P	P	P	**	
Pam Van Hoozer	P	A	Phone	P	**	
Vaughn Dosko	P	Phone	P	A	**	
Laurie Olson	P	P	P	P	P	
Clayton Holland	P	P	P	A	**	
Matt Fischer	P	A	P	P	P	
Bruce Rife	P	P	P	P	**	
Heidi Chamberlain	P	P			**	
Tracy Silta for H.C.			P	P	**	
Terri Zoph-Schoessler	P	P	P	P	**	
Joel Burns	P	P	P	P	**	
David Jones	P	P	P	P	P	
Quorum Present	Yes	Yes	Yes	Yes		

**\*\* Note these meeting minutes do not include attendance information but notes indicate Matt, Laurie and Dave spoke at this meeting.**