

City of Valdez and School Districts

Renewal Summary

April 1, 2018 Renewal

	Current 2017-18 Meritain/HCC	Actual Cost YTD 2017-18 Meritain/HCC	Renewal 2018-19 Meritain/HCC		Option 1 2018-19 Meritain/Sun Life	
A.M. Best Rating	A++ (X)	A++ (X)	A++ (X)		A+ (XV)	
	Projected Costs	Actual Costs***	Projected Costs	Percent Change from	Projected Costs	Percent Change from
Individual Stop Loss Deductible	\$125,000	\$125,000	\$125,000		\$150,000	
EE						
Fixed Costs	237 \$307.83	\$307.83	\$354.71	15.2%	\$294.47	-4.3%
Expected Claims	EE					
Medical & Rx	237 \$1,664.12	\$1,768.04	\$1,849.14	11.1%	\$1,859.59	11.7%
Dental Expected Claims	237 \$123.03	\$113.02	\$127.46	3.6%	\$127.46	3.6%
Vision Expected Claims	237 \$41.39	\$41.14	\$44.61	7.8%	\$44.61	7.8%
Total Expected Costs	\$2,136.37	\$2,230.03	\$2,375.92	11.2%	\$2,326.12	8.9%
Maximum Claims	EE					
Medical & Rx	237 \$2,080.15	\$2,080.15	\$2,338.23	12.4%	\$2,327.28	11.9%
Dental Expected Claims	237 \$123.03	\$123.03	\$127.46	3.6%	\$127.46	3.6%
Vision Expected Claims	237 \$41.39	\$41.39	\$44.61	7.8%	\$44.61	7.8%
Total Maximum Costs	\$2,552.40	\$2,552.40	\$2,865.00	12.2%	\$2,793.81	9.5%
Total Monthly Expected Liability	\$506,320	\$528,517	\$563,092	11.2%	\$551,291	8.9%
Total Monthly Maximum Liability	\$604,920	\$604,920	\$679,006	12.2%	\$662,134	9.5%
Additional Liability (1 Laser @ \$250,000)	\$0	\$0	\$125,000		\$0	
Total Annual Expected Liability	\$6,075,846	\$6,342,206	\$6,882,105	13.3%	\$6,615,492	8.9%
Total Annual Maximum Liability	\$7,259,035	\$7,259,035	\$8,273,067	14.0%	\$7,945,603	9.5%

*Expected claims based off blending projected claims over the most recent 12 and 22 months.

**Maximum claims for medical based off the attachment factor presented by HCC and Sun Life.

***Actual costs based on net paid claims from April 2017 through January 2018.

City of Valdez

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A.M. Best Rating	A++ (X)	A++ (X)	A++ (X)		A+ (XV)	
	Projected Costs	Actual Costs***	Projected Costs	Percent Change from Current	Projected Costs	Percent Change from Current
Individual Stop Loss Deductible	\$125,000	\$125,000	\$125,000		\$150,000	
EE						
Fixed Costs	123 \$312.32	\$312.32	\$359.20	15.0%	\$298.96	-4.3%
Expected Claims*	EE					
Medical & Rx	123 \$1,531.50	\$1,745.54	\$1,914.65	25.0%	\$1,919.46	25.3%
Dental Expected Claims	123 \$117.94	\$118.06	\$133.40	13.1%	\$133.40	13.1%
Vision Expected Claims	123 \$29.56	\$31.95	\$31.52	6.6%	\$31.52	6.6%
Total Expected Costs	\$1,991.32	\$2,207.88	\$2,438.78	22.5%	\$2,383.35	19.7%
Maximum Claims**	EE					
Medical & Rx	123 \$2,080.15	\$2,080.15	\$2,338.23	12.4%	\$2,327.28	11.9%
Dental Expected Claims	123 \$117.94	\$117.94	\$133.40	13.1%	\$133.40	13.1%
Vision Expected Claims	123 \$29.56	\$29.56	\$31.52	6.6%	\$31.52	6.6%
Total Maximum Costs	\$2,539.97	\$2,539.97	\$2,862.36	12.7%	\$2,791.17	9.9%
Total Monthly Expected Liability	\$244,933	\$271,569	\$299,970	22.5%	\$293,152	19.7%
Total Monthly Maximum Liability	\$312,417	\$312,417	\$352,070	12.7%	\$343,314	9.9%
Total Annual Expected Liability	\$2,939,192	\$3,258,828	\$3,599,639	22.5%	\$3,517,830	19.7%
Total Annual Maximum Liability	\$3,748,999	\$3,748,999	\$4,224,842	12.7%	\$4,119,765	9.9%

*Expected claims based off blending projected claims over the most recent 12 and 22 months.

**Maximum claims for medical based off the attachment factor presented by HCC and Sun Life.

***Actual costs based on net paid claims from April 2017 through January 2018.

Valdez City Schools

Renewal Summary

April 1, 2018 Renewal

	Current 2017-18 Meritain/HCC	Actual Cost YTD 2017-18 Meritain/HCC	Renewal 2018-19 Meritain/HCC		Option 1 2018-19 Meritain/Sun Life	
A.M. Best Rating	A++ (X)	A++ (X)	A++ (X)		A+ (XV)	
	Projected Costs	Actual Costs***	Projected Costs	Percent Change from Current	Projected Costs	Percent Change from Current
Individual Stop Loss Deductible	\$125,000	\$125,000	\$125,000		\$150,000	
EE						
Fixed Costs	\$303.59	\$303.59	\$350.47	15.4%	\$290.23	-4.4%
Expected Claims	EE					
Medical & Rx	\$1,791.42	\$1,426.43	\$1,781.80	-0.5%	\$1,797.96	0.4%
Dental Expected Claims	\$127.92	\$107.78	\$121.40	-5.1%	\$121.40	-5.1%
Vision Expected Claims	\$52.75	\$50.70	\$57.85	9.7%	\$57.85	9.7%
Total Expected Costs	\$2,275.68	\$1,888.50	\$2,311.51	1.6%	\$2,267.43	-0.4%
Maximum Claims	EE					
Medical & Rx	\$2,080.15	\$2,080.15	\$2,338.23	12.4%	\$2,327.28	11.9%
Dental Expected Claims	\$127.92	\$127.92	\$121.40	-5.1%	\$121.40	-5.1%
Vision Expected Claims	\$52.75	\$52.75	\$57.85	9.7%	\$57.85	9.7%
Total Maximum Costs	\$2,564.41	\$2,564.41	\$2,867.94	11.8%	\$2,796.75	9.1%
Total Monthly Expected Liability	\$259,428	\$215,288	\$263,512	1.6%	\$258,487	-0.4%
Total Monthly Maxmum Liability	\$292,343	\$292,343	\$326,945	11.8%	\$318,830	9.1%
Additional Liability (1 Laser @ \$250,000)	\$0	\$0	\$125,000		\$0	
Total Annual Expected Liability	\$3,113,130	\$2,583,462	\$3,287,144	5.6%	\$3,101,850	-0.4%
Total Annual Maxmum Liability	\$3,508,113	\$3,508,113	\$4,048,343	15.4%	\$3,825,955	9.1%

*Expected claims based off blending projected claims over the most recent 12 and 22 months.

**Maximum claims for medical based off the attachment factor presented by HCC and Sun Life.

***Actual costs based on net paid claims from April 2017 through January 2018.

City of Valdez

TPA Renewal and Marketing Analysis

April 1, 2018 Renewal

		Current Meritain	Renewal Meritain
Administration Fees			
Medical/Rx	123	\$25.50	\$25.50
Dental Admin	123	\$2.20	\$2.20
Vision Admin	123	\$0.80	\$0.80
Network Fees	123		
Aetna Network		15% of Savings	15% of Savings
The Alaska Preferred Provider Network		25% of Savings	25% of Savings
Utilization Management	123	\$2.45	\$2.45
Case Management	123	\$150/hour	\$155/hour
COBRA Administration	123	\$1.40	\$1.40
Stop Loss Interface Fee	123	Included	Included
Teladoc	123	\$3.10	\$3.10
Healthy Merits Run	123	\$4.45	\$4.45
EAP	123	\$1.25	\$1.25
BridgeHealth	123	\$1.50	\$2.50
Estimated Total PEPM	123	\$42.65	\$43.65
Monthly Administration Costs		\$5,246	\$5,369
Annual Administration Costs		\$62,951	\$64,427
Annual Charges			
PCORI Fee (PMPM)	334	\$0.20	\$0.20
Annual Fixed Costs		\$63,737	\$65,225
% Change From Current			2.3%
Additional Charges			
Interactive Health		\$195 per screening	\$195 per screening
Out-of-network Claims Management		15% of savings - facility steerage	15% of savings - facility steerage
Independent Review Organization		Through Medical Rehabilitation Consultants	Through Medical Rehabilitation Consultants
SBC Preparation		\$250 per employer	\$250 per employer
Services Not Currently Purchased			
Healthcare Bluebook		n/a	\$2.00 PEPM

City of Valdez

TPA Renewal and Marketing Analysis

April 1, 2018 Renewal

	Current Meritain	Renewal Meritain
Notes		
PCORI Fee Assessed on plan year basis	Patient-Centered Outcome Research Fee. \$2.35 per member per year. Paid by July 31 of year following end of your plan year. The PCORI fee is included for budgeting purposes, but it is not a plan expense under ERISA	Patient-Centered Outcome Research Fee. \$2.39 per member per year. Paid by July 31 of year following end of your plan year. The PCORI fee is included for budgeting purposes, but it is not a plan expense under ERISA
Medical Administration	Meritain	Meritain
PPO Networks	Alaska: Aetna - Choice PPO Wrap: The Alaska Preferred Provider Network	Alaska: Aetna - Choice PPO Wrap: The Alaska Preferred Provider Network
PBM	Express Scripts	Express Scripts
Utilization Management	Medical Rehabilitation Consultants	Medical Rehabilitation Consultants
SPD Preparation and Distribution	Preparation is included, printing and distribution costs are passed through to employer	Preparation is included, printing and distribution costs are passed through to employer
Additional Notes	Broker Commission not included	Broker Commission not included