



# 2021 EMPLOYEE BENEFITS PLAN



<b>COLLEEN SAVOIE</b>	ACCOUNT EXECUTIVE
<b>SHELLY TUTTLE</b>	ACCOUNT MANAGER
<b>BARBRA FREEMAN</b>	ANALYST



PARKER | SMITH | FEECK

# City of Valdez

## 2021 Employee Benefits Plan: **Marketing Study**



**April 1, 2021 Renewal**

Stop Loss Market	Results	Comments
Sun Life	-6.70%	Incumbent Plan, negotiated rate decrease
HCC	-14.30%	Competitive, see marketing results
Optum	12.0%	Not Competitive
QBE	10.30%	Not Competitive
Swiss Re	28.8%	Not Competitive
Symetra	Declined	Not Competitive
Ullico	-10.20%	Competitive, see marketing results
Voya	-14.10%	Competitive, see marketing results

# City of Valdez

## 2021 Employee Benefits Plan: Total Cost



April 1, 2021 Renewal

		Current Meritain/SunLife Current Budget	Actual Cost YTD Meritain/SunLife Actual Cost Annualized	Negotiated Renewal Meritain/SunLife Projected Costs	HCC Option Meritain/HCC Projected Costs
Individual Stop Loss (ISL) Deductible		\$175,000	\$175,000	\$175,000	\$175,000
Fixed Costs	132	\$323.26	\$336.53	\$304.92	\$283.98
Broker Fee	132	\$19.77	\$20.79	\$20.36	\$20.36
Total Fixed Fees		\$343.03	\$357.32	\$325.28	\$304.34
% Change from Current			4.2%	-5.2%	-11.3%
Expected Costs					
Medical/RX	132	\$1,821.38	\$1,228.64	\$1,846.43	\$1,846.43
Dental Claims	132	\$146.81	\$109.45	\$139.15	\$139.15
Vision Claims	132	\$36.49	\$30.29	\$39.75	\$39.75
Total Expected Costs		\$2,347.71	\$1,725.70	\$2,350.61	\$2,329.67
			-26.5%	0.1%	-0.8%
Maximum Costs					
Medical/RX	132	\$2,211.40	\$2,211.40	\$2,211.40	\$2,118.88
Dental Claims	132	\$146.81	\$109.45	\$139.15	\$139.15
Vision Claims	132	\$36.49	\$30.29	\$39.75	\$39.75
Total Maximum Costs		\$2,737.73	\$2,708.46	\$2,715.58	\$2,602.12
			-1.1%	-0.8%	-5.0%
Total Monthly Expected Cost		\$309,897	\$227,792	\$310,281	\$307,516
Total Annual Expected Cost		\$3,718,767	\$2,733,509	\$3,723,366	\$3,690,197
% Change from Current			-26.5%	0.1%	-0.8%
Total Monthly Maximum Liability		\$361,380	\$357,517	\$358,457	\$343,480
Total Annual Maximum Liability		\$4,336,558	\$4,290,201	\$4,301,479	\$4,121,758
% Change from Current			-1.1%	-0.8%	-5.0%

### Notes

1. Expected claims based on claim projection blending current and prior years.
2. Actual Cost based on net costs from April 2020 thru January 2021, annualized.
3. Broker fee based on current fee of \$58,350 with a 3% increase per year, shared between City of Valdez and Valdez City Schools.

# City of Valdez

## 2021 Employee Benefits Plan: Third Party Administrator



April 1, 2021 Renewal

Administration Fees		Current Meritain	Renewal Meritain
Medical/Rx	132	\$25.50	\$25.75
Dental	132	\$2.20	\$2.20
Vision	132	\$0.80	\$0.80
Network Fees			
Aetna Network		15% of Savings	15% of Savings
The Alaska Preferred Provider Network		25% of Savings	25% of Savings
Utilization Management	132	\$2.55	\$2.55
Case Management	132	\$155 / hour	\$160 / hour
TeleDoc	132	\$3.10	\$3.10
COBRA Administration	132	\$1.40	\$1.40
PBM Interface Fee	132	\$2.00	\$2.00
Health Merits	132	\$4.45	\$4.45
Biometric Screening	132	\$200.40 / screening	\$200.40 / screening
EAP	132	\$1.25	\$1.25
BridgeHealth	132	\$2.70	\$2.70
Estimated Total PEPM	132	\$45.95	\$46.20
Annual Fixed Costs		\$72,785	\$73,181
\$ Change			\$396
% Change			0.5%

Additional Charges			
SBC Preparation		\$250 per year	\$250 per year
Independent Review		via Medical Rehabilitation Consultants	via Medical Rehabilitation Consultants

Notes			
PPO Network - Alaska		Aetna Choice PPO	Aetna Choice PPO
Wrap Network		The Alaska Preferred Provider Network	The Alaska Preferred Provider Network
PBM		Caremark via National Cooperative RX	Caremark via National Cooperative RX
Rx Rebates		100% Pass Thru	100% Pass Thru
Additional Notes		Broker Commission not included	Broker Commission not included

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# City of Valdez

## 2021 Employee Benefits Plan: Stop Loss



April 1, 2021 Renewal

		Firm until 3/1	Firm until 2/26	Firm until 2/24
	Current SunLife ISL Level \$175,000	Negotiated Renewal SunLife ISL Level \$175,000	Option 1 HCC ISL Level \$175,000	Option 2 Ullico ISL Level \$175,000
<b>Individual Stop Loss Features</b>				
Individual Stop Loss (ISL) Deductible	\$175,000	\$175,000	\$175,000	\$175,000
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Contract Type	Paid	Paid	Paid	24/12
Benefits covered	Medical/RX	Medical/RX	Medical/RX	Medical/RX
No New Laser @ Renewal	Included	Included	Included	Included
Rate Cap	50%	50%	45%	50%
ISL Advancement	Included	Included	Included	Included
Experience Refunding	Not Included	Not Included	Not Included	Not Included
Laser(s)	None	None	None	1 Term'd member

<b>Stop Loss Rates</b>				
ISL Premium				
Employee 38	\$265.55	\$246.96	\$226.22	\$241.15
Family 94	\$265.55	\$246.96	\$226.22	\$241.15
Aggregate Premium Composite 132	\$11.76	\$11.76	\$11.56	\$7.77
Monthly Stop Loss Premiums	\$36,605	\$34,151	\$31,387	\$32,857
Total Annual Stop Loss Costs	\$439,259	\$409,812	\$376,644	\$394,289
% Change From Current	-	-6.7%	-14.3%	-10.2%

<b>Aggregate Stop Loss Factors</b>				
Contract Type	Paid	Paid	Paid	24/12
Aggregate Corridor	125%	125%	125%	125%
Benefits covered	Medical/RX	Medical/RX	Medical/RX	Medical/RX
Run-In Limit	N/A	N/A	\$934,424	\$1,068,100
Monthly Accommodation	Not Included	Not Included	Not Included	Not Included
Annual Reimbursement Maximum	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Plan Mirroring	Included	Included	Included	Not included
Minimum Attachment Point	90%	90%	90%	100%
Aggregate Factors				
Employee 38	\$2,211.40	\$2,211.40	\$2,118.88	\$2,422.10
Family 94	\$2,211.40	\$2,211.40	\$2,118.88	\$2,422.10
Monthly Aggregate Factors	\$291,905	\$291,905	\$279,692	\$319,717
Annual Maximum Claims	\$3,502,858	\$3,502,858	\$3,356,306	\$3,836,606
% Change From Current	-	0.0%	-4.2%	9.5%
Annual Expected Claims	\$2,885,066	\$2,924,745	\$2,924,745	\$2,924,745
% Change From Current	-	1.4%	1.4%	1.4%

<b>Dental Expected Claims</b>				
PEPM Expected Claims 132	\$146.81	\$139.15	\$139.15	\$139.15
Monthly	\$19,379	\$18,368	\$18,368	\$18,368
Annual	\$232,547	\$220,414	\$220,414	\$220,414

<b>Vision Expected Claims</b>				
PEPM Expected Claims 132	\$36.49	\$39.75	\$39.75	\$39.75
Monthly	\$4,817	\$5,247	\$5,247	\$5,247
Annual	\$57,800	\$62,964	\$62,964	\$62,964

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# City of Valdez

## 2021 Employee Benefits Plan: Stop Loss



April 1, 2021 Renewal

		Firm until 2/26	Firm until 3/1	Firm until 3/1
	Current SunLife ISL Level \$175,000	Option 3 Voya ISL Level \$175,000	Option 4 SunLife ISL Level \$200,000	Option 5 SunLife ISL Level \$225,000
<b>Individual Stop Loss Features</b>				
Individual Stop Loss (ISL) Deductible	\$175,000	\$175,000	\$200,000	\$225,000
Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Contract Type	Paid	24/12	Paid	Paid
Benefits covered	Medical/RX	Medical/RX	Medical/RX	Medical/RX
No New Laser @ Renewal	Included	Included	Included	Included
Rate Cap	50%	45%	50%	50%
ISL Advancement	Included	Included	Included	Included
Experience Refunding	Not Included	Not Included	Not Included	Not Included
Laser(s)	None	None	None	None

<b>Stop Loss Rates</b>				
ISL Premium				
Employee 38	\$265.55	\$227.84	\$226.07	\$214.74
Family 94	\$265.55	\$227.84	\$226.07	\$214.74
Aggregate Premium Composite 132	\$11.76	\$10.50	\$11.76	\$11.76
Monthly Stop Loss Premiums	\$36,605	\$31,461	\$31,394	\$29,898
Total Annual Stop Loss Costs	\$439,259	\$377,531	\$376,723	\$358,776
% Change From Current	-	-14.1%	-14.2%	-18.3%

<b>Aggregate Stop Loss Factors</b>				
Contract Type	Paid	24/12	Paid	Paid
Aggregate Corridor	125%	125%	125%	125%
Benefits covered	Medical/RX	Medical/RX	Medical/RX	Medical/RX
Run-In Limit	N/A	None	N/A	N/A
Monthly Accommodation	Not Included	Not Included	Not Included	Not Included
Annual Reimbursement Maximum	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Plan Mirroring	Included	Included	Included	Included
Minimum Attachment Point	90%	85%	90%	90%
Aggregate Factors				
Employee 38	\$2,211.40	\$2,200.27	\$2,253.77	\$2,280.74
Family 94	\$2,211.40	\$2,200.27	\$2,253.77	\$2,280.74
Monthly Aggregate Factors	\$291,905	\$290,436	\$297,498	\$301,058
Annual Maximum Claims	\$3,502,858	\$3,485,228	\$3,569,972	\$3,612,692
% Change From Current	-	-0.5%	1.9%	3.1%
Annual Expected Claims	\$2,885,066	\$2,924,745	\$2,980,783	\$3,016,453
% Change From Current	-	1.4%	3.3%	4.6%

<b>Dental Expected Claims</b>				
PEPM Expected Claims 132	\$146.81	\$139.15	\$139.15	\$139.15
Monthly	\$19,379	\$18,368	\$18,368	\$18,368
Annual	\$232,547	\$220,414	\$220,414	\$220,414

<b>Vision Expected Claims</b>				
PEPM Expected Claims 132	\$36.49	\$39.75	\$39.75	\$39.75
Monthly	\$4,817	\$5,247	\$5,247	\$5,247
Annual	\$57,800	\$62,964	\$62,964	\$62,964

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# City of Valdez

## 2021 Employee Benefits Plan: Stop Loss



April 1, 2021 Renewal

		Firm until 3/1	Firm until 2/26	Firm until 2/24
	Current SunLife ISL Level \$175,000	Negotiated Renewal SunLife ISL Level \$175,000	Option 1 HCC ISL Level \$175,000	Option 2 Ullico ISL Level \$175,000
Projected Cost Analysis TPA	Meritain	Meritain	Meritain	Meritain
Annual Fixed Costs				
Total Administration Fees	\$72,785	\$73,181	\$73,181	\$73,181
Stop Loss Premiums	\$439,259	\$409,812	\$376,644	\$394,289
Total Est. Fixed Costs	\$512,044	\$482,993	\$449,824	\$467,470
% Change From Current	-	-5.7%	-12.2%	-8.7%
	\$323.26			
Total Projected Claims				
Total Maximum Claims	\$3,793,205	\$3,786,235	\$3,639,684	\$4,119,984
Total Expected Claims	\$3,175,413	\$3,208,123	\$3,208,123	\$3,208,123
Total Liability				
Annual Total at Maximum	\$4,305,249	\$4,269,228	\$4,089,508	\$4,587,454
\$ Change From Current	-	(\$36,020)	(\$215,741)	\$282,205
% Change From Current	-	-0.8%	-5.0%	6.6%
Annual Total at Expected	\$3,687,457	\$3,691,116	\$3,657,947	\$3,675,593
\$ Change From Current	-	\$3,659	(\$29,510)	(\$11,864)
% Change From Current	-	0.1%	-0.8%	-0.3%

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# City of Valdez

## 2021 Employee Benefits Plan: Stop Loss



April 1, 2021 Renewal

		Firm until 2/26		Firm until 3/1	Firm until 3/1
		Current SunLife ISL Level \$175,000	Option 3 Voya ISL Level \$175,000	Option 4 SunLife ISL Level \$200,000	Option 5 SunLife ISL Level \$225,000
Projected Cost Analysis	TPA	Meritain	Meritain	Meritain	Meritain
Annual Fixed Costs					
Total Administration Fees		\$72,785	\$73,181	\$73,181	\$73,181
Stop Loss Premiums		\$439,259	\$377,531	\$376,723	\$358,776
Total Est. Fixed Costs		\$512,044	\$450,711	\$449,904	\$431,957
% Change From Current		-	-12.0%	-12.1%	-15.6%
		\$323.26			
Total Projected Claims					
Total Maximum Claims		\$3,793,205	\$3,768,605	\$3,853,349	\$3,896,070
Total Expected Claims		\$3,175,413	\$3,208,123	\$3,264,160	\$3,299,830
Total Liability					
Annual Total at Maximum		\$4,305,249	\$4,219,317	\$4,303,253	\$4,328,027
\$ Change From Current		-	(\$85,932)	(\$1,996)	\$22,778
% Change From Current		-	-2.0%	0.0%	0.5%
Annual Total at Expected		\$3,687,457	\$3,658,834	\$3,714,064	\$3,731,787
\$ Change From Current		-	(\$28,623)	\$26,607	\$44,330
% Change From Current		-	-0.8%	0.7%	1.2%

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# City of Valdez

## 2021 Employee Benefits Plan: Stop Loss Analysis



April 1, 2021 Renewal

	ISL Deductible	ISL Stoploss Premium	Dollar Change From Current	Claim Breakeven Point
Current - \$175,000 ISL	\$175,000	\$391,185	-	-
Option 1 - \$200,000 ISL	\$200,000	\$358,095	(\$33,090)	1.3
Option 2 - \$225,000 ISL	\$225,000	\$340,148	(\$51,036)	1.0

	2017-2018	2018-2019	2019-2020	2020-2021
Large Claims Over ISL per Plan Year	\$0	\$179,492	\$422,147 \$230,208	\$0

Option 1 - \$200,000 ISL				
Additional Claim Liability	\$0	\$4,492	\$50,000	\$0
Premium Dollar Change From Current	(\$33,090)	(\$33,090)	(\$33,090)	(\$33,090)
Total Illustrative Cost Difference	(\$33,090)	(\$28,598)	\$16,910	(\$33,090)

Option 2 - \$225,000 ISL				
Additional Claim Liability	\$0	\$4,492	\$100,000	\$0
Premium Dollar Change From Current	(\$51,036)	(\$51,036)	(\$51,036)	(\$51,036)
Total Illustrative Cost Difference	(\$51,036)	(\$46,544)	\$48,964	(\$51,036)

### Notes

1. 2020-21 large claims are plan year to date (April 2020 -December 2020).
2. Stoploss premiums for plan years 2017-2020 are assumed to be equivalent to the 2020-2021 premiums for illustration purposes.

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