II.C.3.

AGENDA REPORT
December 19, 2017

SUBJECT:
Group Health Insurance Stop Loss (Excess Insurance) placement

FISCAL IMPACT:
FY 17–18 Fiscal Impact: Selection of the recommended carrier option will result in a flat premium costs and no change on coverage; with the risk potential of additional claims costs towards the aggregating deductible of $306,500 if individual claimants exceed the $600,000 specific deductible. Adequate funds have been budgeted in Fund 5051 / Cost Ctr 389420 / Acct# 5450002 to cover this expense.

DEPT/OFFICE:
Human Resources

REQUESTED ACTION:
That the Board approves the renewal of Stop Loss insurance with Symetra Financial for the self-insured group health insurance program and authorize the Human Resources Director to execute all documents necessary to bind this coverage effective 1/1/2018.

SUMMARY EXPLANATION and BACKGROUND:
Stop loss coverage for a self-funded health plan provides a limit of financial exposure for the benefit plan for any individual member incurring a catastrophic claim. After successfully self-insuring this exposure for several years, changes in federal law through the Affordable Care Act (ACA) changed the financial landscape for employer's coverage on catastrophic claims and effective January 1, 2014 the County began purchasing stop loss coverage with a high deductible through Symetra Financial. Stop Loss contracts are renewed each year.

The Office of Human Resources, along with the County's Benefits Consultants Robinson Bush, have reviewed the 2018 renewal options provided by Symetra Financial, all involving various combination of deductibles and premiums. The proposed renewal contract is based on claims incurred any time prior to December 31, 2018; and paid January 1, 2018 through December 31, 2018 (PAID basis). This is advantageous to the County in that this contract basis allows eligible claims incurred at any time prior to December 31, 2018 to be counted toward the stop loss deductible for claims paid in 2018 for any individual member ("run-in" claims). RobinsonBush, Inc., the County's Benefits Consultant, and the Office of Human Resources / Employee Benefits recommend the following 2018 renewal proposal:

	Current	Proposed Renewal
Specific (per claim) Deductible	$600,000	$600,000
Premium per member per month	$5.71	$5.71
Annual Premium	$291,827	$291,827
Aggregating Deductible	$306,500	$306,500
Total with Aggregated Deductible	$598,327	$598,327
% Increase		0%

This proposal provides a flat renewal in premium rates with no change in deductibles or coverage. The aggregating deductible will not be paid by the plan if there are no claims that exceed the individual deductible. Based on an analysis using the group health plans historic large loss activity, this renewal scenario provides the lowest projected costs to the County.

ATTACHMENTS:

Description

- **StopLoss renewal**

REVIEWERS:

Department **Reviewer** **Action**

BREVARD County
BOARD OF COUNTY COMMISSIONERS

FLORIDA'S SPACE COAST

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December 20, 2017

MEMORANDUM

TO: Jerry Visco, Human Resources Director

RE: Item II.C.3., Approval and Renewal of Stop Loss Insurance with Symetra Financial for Self-Insured Group Health Insurance Program

The Board of County Commissioners, in regular session on December 19, 2017, approved the renewal of Stop Loss Insurance with Symetra Financial for the self-insured group health insurance program; and authorized you to execute all documents necessary to bind this coverage effective January 1, 2018.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe, Deputy Clerk

/cmw

cc: Budget
Finance

Brevard County Government
2018 Stop Loss Renewal

Subscriber Count: 4,259

	Current	Option 1	Option 2	Option 3	Option 4
Specific Deductible	$600,000	$600,000	$600,000	$600,000	$665,000
Contract Basis	48/12	48/12	PAID	PAID	PAID
Reimbursement	100%	100%	100%	100%	100%
Maximum Reimb	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Premium PEPM	$5.71	$5.71	$5.97	$5.09	$5.19
Annual Premium	$291,827	$291,827	$305,115	$260,140	$265,251
% Premium Increase			5%	-11%	-9%
Aggregating Ded	$306,500	$306,500	$355,150	$403,800	$306,500
Premium Total & Specific Deductible Change with Agg Ded	$598,327	$598,327	$660,265	$663,940	$636,751
		0%	10%	11%	6%