



AGENDA REPORT
December 4, 2018

Group Health Insurance Stop Loss (Excess Insurance) placement

SUBJECT:

Group Health Insurance Stop Loss (Excess Insurance) placement

FISCAL IMPACT:

FY 18–19 Fiscal Impact: Selection of the recommended carrier option will result in no change to the current premium rate of \$5.71 per member per month (projected 2019 cost of \$254,309) and no change in coverage; with the 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 of County Commissioners approve 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 1/1/2019.

SUMMARY EXPLANATION and BACKGROUND:

Stop loss coverage for a self-funded health plan provides a limit of financial exposure for the benefit plan when any individual member incurs 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, 2019; and paid January 1, 2019 through December 31, 2019 (PAID basis). This is advantageous to the County in that this contract basis allows eligible claims incurred at any time prior to December 31, 2019 to be counted toward the stop loss deductible for claims paid in 2019 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 2019 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	\$254,309
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 despite an adverse loss trend in the current plan year. 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, market conditions and the County's adverse loss trend, this renewal scenario provides the lowest projected costs to the County.

ATTACHMENTS:

Description

No Attachments Available



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December 5, 2018

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item F.15., Group Health Insurance Stop Loss (Excess Insurance) Placement

The Board of County Commissioners, in regular session on December 4, 2018, 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 coverage effective January 1, 2019.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/ds

cc: County Manager
Finance
Budget