



Agenda Report

2725 Judge Fran Jamieson
Way
Viera, FL 32940

New Business - Support Services Group

J.6.

12/20/2022

Subject:

Group Health Insurance Stop Loss (Excess Insurance) placement CY2023

Fiscal Impact:

Selection of the recommended carrier option will result in a premium rate of \$7.33 (projected 2023 cost of \$311,290). The specific deductible will remain \$1,000,000 with potential for additional claims cost towards the aggregating deductible of \$155,900 if claims exceed the \$1,000,000 specific deductible (both deductibles remain unchanged from 2022). The Plan's fixed costs are comprised of premium + aggregating deductible. For this renewal those costs are projected at \$467,190 for 2023. This is a 17.6% increase in costs from \$397,118 for premium + aggregating deductible in 2022.

In addition, a current large claim (identified below as "Laser #1" due to medical privacy laws) has been carved out of coverage for potential charges related to gene therapy in the amount of \$2,750,000. If this therapy is provided the Health Plan must bear this expense. Actual claims experience will determine the ultimate costs to the group health plan. Adequate funds have been budgeted in Fund 5051/Cost Ctr 389420/Acct# 5450002 to cover this expense.

Dept/Office:

Human Resources / Employee Benefits

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 1/1/2023.

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-funding this exposure for several years, change in federal law through the Affordable Care Act (ACA) changed the financial landscape for employer's coverage on catastrophic claims 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, had requested 2023 renewal options from multiple Stop-Loss Insurance Carriers and received the following responses:

- HM Life Insurance Company - "We are going to decline to quote this group because our rates are not competitive"
- Sun Life Financial - "Sun Life stop loss manual rates are not competitive (we are more than double the in-force rates)"

- Symetra (incumbent carrier)- Proposal submitted
- Voya - "We are declining to quote due to our uncompetitive manual rates."

Symetra offered the following quote, the remaining carriers declined to quote due to their uncompetitive rates which are significantly higher than the following stop loss rates proposed by Symetra:

Symetra		
Medical Only	Current	Proposed Renewal
Annual Max	Unlimited	Unlimited
Laser #1*	N/A	\$2,750,000
Claims Basis	Paid	Paid
Specific Deductible	\$1,000,000	\$1,000,000
Aggregate Deductible	\$155,900	\$155,900
Composite Rate	\$5.68	\$7.33
Monthly Premium	\$20,697	\$25,940
Total Annual Premium	\$248,375	\$311,290
Total Premium + Agg	\$397,118	\$467,190
% Increase		17.6%%

*The standard deductible will apply to all covered medical services for this member EXCEPT potential use of gene therapy expected to be FDA approved in 2023.

The proposed renewal contract is based on claims incurred any time prior to December 31, 2023 and paid January 1, 2023 through December 31, 2023 (Paid basis). This is advantageous to the county in that the contract basis allows eligible claims incurred at any time prior to December 31, 2023 to be counted toward the Stop Loss deductible for claims paid in 2022 for any individual member ("run-in" claims). RobinsonBush, Inc., the County's Benefit Consultant, and the office of Human Resources/Employee Benefits recommend the 2023 renewal proposal as submitted by Symetra.

Clerk to the Board Instructions:



December 21, 2022

M E M O R A N D U M

TO: Jerry Visco, Human Resources Director

RE: Item J.6., Group Health Insurance Stop Loss (Excess Insurance) Placement CY 2023

The Board of County Commissioners, in regular session on December 20, 2022, 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, 2023.

Your continued cooperation is greatly appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
RACHEL M. SADOFF, CLERK

Kimberly Powell
Kimberly Powell, Clerk to the Board

/ns

cc: Budget
Finance