
City of Clearwater

Meeting Agenda

Date: June 2, 2021 9:00AM
Location: Clearwater MSB or Zoom

Items

- New Coaching Programs
 - Food Smart
 - Omada

 - Claims Experience Review

 - Renewal Projection

 - 2021 Rate Discussion

 - Final Meeting (July)
 - Finalization of Medical Renewal
 - Dental and Vision Renewals

 - Open Discussion
-

City of Clearwater

Medical Insurance Renewal Projection

Plan Effective Date: January 1, 2022

20 Months Trend

Projection		Medical	Pharmacy	Total
1	Gross Paid Claims: Cigna (May 2020 - April 2021)	\$ 14,334,881	\$ 4,712,154	\$ 19,047,035
2	Less Capitation	- \$ (991,207)	\$ -	\$ (991,207)
3	Less Large Claims (1 Claimants exceeding \$250,000 but less than \$350,000, 3 Claimant exceeding \$350,000)	- \$ (2,282,705)	\$ (36,710)	\$ (2,319,415)
4	Net Medical Claims	= \$ 11,060,969	\$ 4,675,444	\$ 15,736,413
5	Maturation Factor (1.5%)	x 1.0150	1.0150	1.0150
6	Total Paid Claims	= \$ 11,226,883	\$ 4,745,576	\$ 15,972,459
7	Average Setback Lives	/ 1,662	1,662	1,662
8	Average Claims Per Employee Per Year	= \$ 6,755	\$ 2,855	\$ 9,610
9	Current In Force (April 2021)	x 1,653	1,653	1,653
10	Adjusted Projected Annual Claims	= \$ 11,166,088	\$ 4,719,878	\$ 15,885,965
11	Trend Medical @ 5.5% / Pharmacy @ 12.5% / year for 20 months	x 1.093	1.217	1.130
12	Trended Claims	= \$ 12,208,298	\$ 5,743,610	\$ 17,951,908
13	Credit for Plan Changes (0%)	x 1.0000	1.0000	1.0000
14	Projected Claims	= \$ 12,208,298	\$ 5,743,610	\$ 17,951,908
15	Plus Account Liability (1 Claimants exceeding \$250,000 but less than \$350,000, 3 Claimant exceeding \$350,000)	+ \$ 1,181,007	\$ 18,993	\$ 1,200,000
16	Plus Adjusted Capitation	+ \$ 985,840	\$ -	\$ 985,840
17	Expected Medical Claims	= \$ 14,375,146	\$ 5,762,603	\$ 20,137,748
18	Less Projected Pharmacy Rebates	-		\$ (1,075,894)
19	Administration Costs (2% Increase)	+		\$ 981,894
20	Reinsurance Costs (10% Increase)	+		\$ 1,695,383
21	Embarc Benefit Protection Risk Sharing (\$0.99 PMPM) ⁽¹⁾	+		\$ 29,486
22	PPACA -Comparative Effectiveness Research Fee ⁽²⁾	+		\$ 6,602
23	Total Projected Annual Cost	=		\$ 21,775,220
24	Projected Premium Needed for 2022 Plan Year	= \$		21,775,220
25	Current Program Funding*	/ \$		20,688,779
26	Estimated Amount Change for 2022 Plan Year	= \$		1,086,440
27	Estimated Percentage Change for 2022 Plan Year	=		5.3%

*Current Program Funding includes City's year end Reserve Transfer

⁽¹⁾Embarc Benefit Protection Risk Sharing - Based on current membership of 2,482

⁽²⁾PPACA - Comparative Effectiveness Research Fee is estimated for 2021. Based on current membership of 2,482

Estimated 60 day claim reserve requirement = \$3,409,624

This projection is for illustrative purposes only. Increased plan utilization and/or catastrophic events could affect overall plan performance.

Medical Insurance - Employee/Employer Cost Breakdown

Effective Date: January 1, 2022

Contribution Strategy		Current			Renewal - 5.3% Increase			EE \$/Per Pay Inc (24) 2022
		Cigna - 2021			Cigna - 2022			
		100%/75%/68% City Contribution			100%/75%/68% City Contribution			
OAP Plan		Employee Contribution	Employer Contribution	Total Plan Premium	Employee Contribution	Employer Contribution	Total Plan Premium	
Employee	1,100	\$0.00	\$754.82	\$754.82	\$0.00	\$794.46	\$794.46	\$0.00
Employee + 1	208	\$323.34	\$970.02	\$1,293.36	\$340.32	\$1,020.96	\$1,361.28	\$8.49
Employee + Family	168	\$679.11	\$1,443.12	\$2,122.23	\$714.78	\$1,518.90	\$2,233.68	\$17.83
Dual Spouse w/ dep.	78	\$0.00	\$2,122.23	\$2,122.23	\$0.00	\$2,233.68	\$2,233.68	\$0.00
Active Monthly Premium		\$181,346	\$1,440,044	\$1,621,389	\$190,869	\$1,515,665	\$1,706,534	
Active Annual Premium		\$2,176,150	\$17,280,524	\$19,456,674	\$2,290,427	\$18,187,985	\$20,478,412	
Active \$ Increase		N/A	N/A	N/A	\$114,277	\$907,461	\$1,021,738	
Active % Increase		N/A	N/A	N/A	5.3%	5.3%	5.3%	
Retiree								
Retiree	57	\$754.82	\$0.00	\$754.82	\$794.46	\$0.00	\$794.46	N/A
Retiree + 1	30	\$1,293.36	\$0.00	\$1,293.36	\$1,361.28	\$0.00	\$1,361.28	N/A
Retiree + Family	3	\$2,122.23	\$0.00	\$2,122.23	\$2,233.68	\$0.00	\$2,233.68	N/A
Retiree Monthly Premium		\$88,192	\$0	\$88,192	\$92,824	\$0	\$92,824	
Retiree Annual Premium		\$1,058,307	\$0	\$1,058,307	\$1,113,882	\$0	\$1,113,882	
Retiree \$ Increase		N/A	N/A	N/A	\$55,575	\$0	\$55,575	
Retiree % Increase		N/A	N/A	N/A	5.3%	0.0%	5.3%	
Total Monthly Premium		\$269,538	\$1,440,044	\$1,709,582	\$283,692	\$1,515,665	\$1,799,358	
Total Annual Premium		\$3,234,456	\$17,280,524	\$20,514,980	\$3,404,309	\$18,187,985	\$21,592,294	
Total \$ Increase		N/A	N/A	N/A	\$169,853	\$907,461	\$1,077,313	
Total % Increase		N/A	N/A	N/A	5.3%	5.3%	5.3%	

Analysis Excludes COBRA Enrollment

Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$250k/\$350k)	Medical Claims	Pharmacy Claims	Actual Paid Claims ¹	Total Plan Cost	Reserve Account	Total EEs	Claims/EE/ Month
January-21	\$ 1,716,871	\$ 80,220	\$ 128,438	\$ 862,194	\$ 320,747	\$ 1,182,942	\$ 1,391,600	\$ 325,272	1,653	\$ 715.63
February-21	\$ 1,716,661	\$ 79,977	\$ 128,050	\$ 1,104,690	\$ 497,894	\$ 1,602,584	\$ 1,810,611	\$ (93,950)	1,648	\$ 972.44
March-21	\$ 1,715,120	\$ 79,929	\$ 127,972	\$ 1,340,012	\$ 345,348	\$ 1,685,360	\$ 1,893,260	\$ (178,141)	1,647	\$ 1,023.29
April-21	\$ 1,716,375	\$ 80,220	\$ 128,438	\$ 1,336,035	\$ 408,019	\$ 1,744,053	\$ 1,952,712	\$ (236,336)	1,653	\$ 1,055.08
May-21										
June-21										
July-21										
August-21										
September-21										
October-21										
November-21										
December-21										
Pharmacy Rebates ²								\$ 1,075,894		
Annual Total	\$ 6,865,027	\$ 320,347	\$ 512,898	\$ 4,642,931	\$ 1,572,008	\$ 6,214,939	\$ 7,048,183	\$ 892,738	6,601	\$ 941.51

¹ Actual claims only include claims up to the stop loss limit

² Pharmacy Rebates paid to City of Clearwater in 2021. Rebates are included in Annual Reserve Account Total

³ Plan Cost to Funding Ratio calculation includes prorated pharmacy rebate amounts

Plan Cost to Funding Ratio³
97%

Annual Total Costs

■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 Annualized

Medical and Pharmacy Claims PEPMs

Year	PEPM	Trend
2020	\$631.97	11.3%
2021	\$703.37	
2020	\$225.41	5.7%
2021	\$238.15	

Claims Per Employee Per Month - Prior 12 Months

High Cost Claimants as a Percentage of Total Gross Claims

■ Non HCC ■ HCC

Total Medical/Rx Net Claims PEPM 2021 vs. 2020 Plan Year

9.8% Increase

Average Enrollment Change

1.6% Decrease

Financial Performance

\$892,738 Surplus

Count of High Claimants (Individual Members >100k) **8**

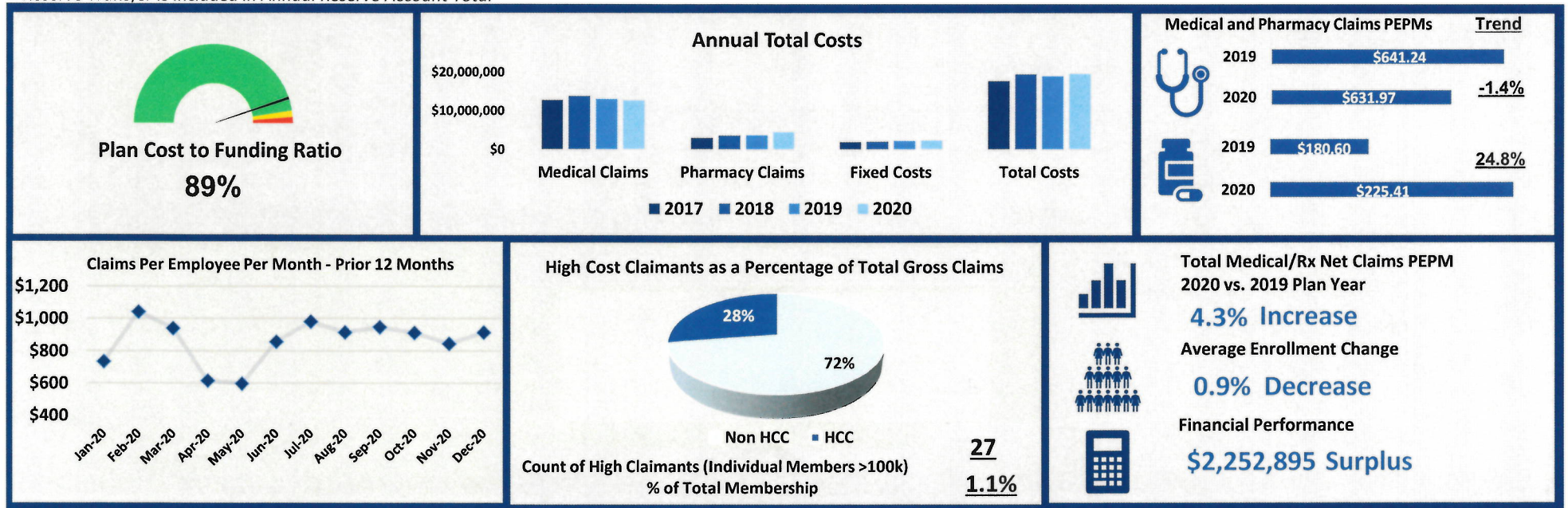
% of Total Membership **0.32%**

Date	Total Plan Funding	Administration & Network Fees	Stop Loss Fees (\$250k/\$350k)	Medical Claims	Pharmacy Claims	Actual Paid Claims ¹	Total Plan Cost	Reserve Account	Total EEs	Claims/EE/ Month
January-20	\$ 1,760,891	\$ 80,933	\$ 119,788	\$ 902,528	\$ 342,814	\$ 1,245,342	\$ 1,446,063	\$ 314,827	1,696	\$ 734.28
February-20	\$ 1,752,582	\$ 80,599	\$ 119,294	\$ 1,503,195	\$ 253,951	\$ 1,757,146	\$ 1,957,039	\$ (204,458)	1,689	\$ 1,040.35
March-20	\$ 1,751,034	\$ 80,742	\$ 119,506	\$ 1,208,426	\$ 380,649	\$ 1,589,074	\$ 1,789,323	\$ (38,288)	1,692	\$ 939.17
April-20	\$ 1,756,356	\$ 80,838	\$ 119,647	\$ 627,530	\$ 415,574	\$ 1,043,104	\$ 1,243,589	\$ 512,767	1,694	\$ 615.76
May-20	\$ 1,748,844	\$ 80,551	\$ 119,223	\$ 665,959	\$ 342,796	\$ 1,008,755	\$ 1,208,530	\$ 540,314	1,688	\$ 597.60
June-20	\$ 1,736,761	\$ 79,979	\$ 118,376	\$ 1,053,841	\$ 383,094	\$ 1,436,936	\$ 1,635,290	\$ 101,471	1,676	\$ 857.36
July-20	\$ 1,727,307	\$ 79,502	\$ 117,670	\$ 1,260,804	\$ 371,177	\$ 1,631,981	\$ 1,829,152	\$ (101,845)	1,666	\$ 979.58
August-20	\$ 1,721,881	\$ 79,072	\$ 117,034	\$ 1,167,628	\$ 347,532	\$ 1,515,160	\$ 1,711,266	\$ 10,615	1,657	\$ 914.40
September-20	\$ 1,725,403	\$ 79,072	\$ 117,034	\$ 1,158,853	\$ 409,560	\$ 1,568,413	\$ 1,764,519	\$ (39,117)	1,657	\$ 946.54
October-20	\$ 1,731,447	\$ 79,263	\$ 117,316	\$ 1,166,530	\$ 347,207	\$ 1,513,737	\$ 1,710,317	\$ 21,130	1,661	\$ 911.34
November-20	\$ 1,734,534	\$ 79,597	\$ 117,811	\$ 937,681	\$ 470,637	\$ 1,408,318	\$ 1,605,726	\$ 128,808	1,668	\$ 844.32
December-20	\$ 1,735,395	\$ 79,549	\$ 117,740	\$ 1,056,523	\$ 468,142	\$ 1,524,665	\$ 1,721,955	\$ 13,441	1,667	\$ 914.62
Pharmacy Rebates ²								\$ 900,950		
Reserve Transfer ³								\$ 92,279		
Annual Total	\$ 20,882,435	\$ 959,697	\$ 1,420,440	\$ 12,709,498	\$ 4,533,134	\$ 17,242,632	\$ 19,622,768	\$ 2,252,895	20,111	\$ 857.37

¹ Actual claims only include claims up to the stop loss limit

² Pharmacy Rebates paid to City of Clearwater in 2020. Rebates are included in Annual Reserve Account Total

³ Reserve Transfer is included in Annual Reserve Account Total



City of Clearwater
High Cost Claimant Summary - Monitoring Claims over \$100,000
Tiered Stop Loss Deductible - \$250,000/\$350,000 (50% Cost Share)
Claims Paid January 1, 2021 through April 30, 2021



Claimant #	Relationship	Jan-21	Feb-21	Mar-21	Apr-21	Increase (Prior Month)
1	EMPLOYEE	\$ -	\$ 964,199	\$ 967,519	\$ 1,055,696	\$ 88,177
2	EMPLOYEE	\$ -	\$ -	\$ 189,950	\$ 190,828	\$ 878
3	SPOUSE	\$ -	\$ -	\$ 124,076	\$ 127,700	\$ 3,623
4	CHILD	\$ -	\$ -	\$ 110,382	\$ 127,099	\$ 16,717
5	EMPLOYEE	\$ -	\$ -	\$ -	\$ 136,359	\$ 136,359
6	EMPLOYEE	\$ -	\$ -	\$ -	\$ 110,052	\$ 110,052
7	SPOUSE	\$ -	\$ -	\$ -	\$ 102,516	\$ 102,516
8	SPOUSE	\$ -	\$ -	\$ -	\$ 110,498	\$ 110,498
Monthly Total		\$ -	\$ 964,199	\$ 1,391,927	\$ 1,960,747	\$ 568,820
Estimated Stop Loss		\$ -	\$ 664,199	\$ 667,519	\$ 755,696	

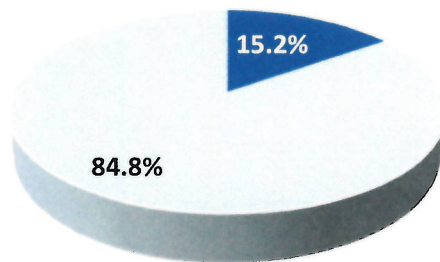
Paid Claims totals are shown cumulative from January, 2021. Note: This report contains Proprietary and Confidential Information.

Actual Stop Loss Reimbursements may slightly vary from estimated amounts shown.

City of Clearwater
High Cost Claims Summary
Experience Period: January - April

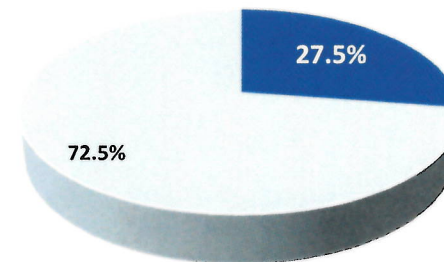
2021 vs 2020	Previous Period		Current Period	
	January 2020 - April 2020	January 2021 - April 2021	Increase/(Decrease)	% Increase/(Decrease)
High Cost Claimants Analysis				
Total Gross Claims (a)	\$5,687,034	\$7,139,570	\$1,452,537	25.5%
Total HCC over \$100k	6	8	2	33.3%
Total HCC Cost	\$861,698	\$1,960,747	\$1,099,049	127.5%
Total HCC over Stop Loss Threshold (\$250k/\$350k)	0	1	1	N/A
Total Stop Loss Recovery (b)	\$0	\$755,696	\$755,696	N/A
Total Net Claims (a) - (b)	\$5,687,034	\$6,383,874	\$696,841	12.3%

High Cost Claimants Costs as a Percentage of Total Gross Claims



■ HCC ■ Non HCC

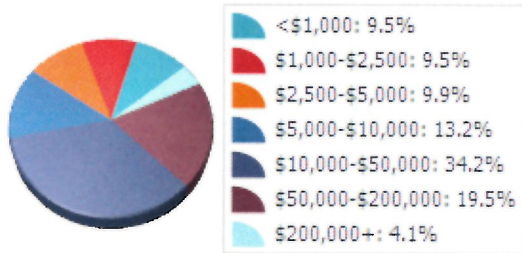
High Cost Claimants Costs as a Percentage of Total Gross Claims Costs



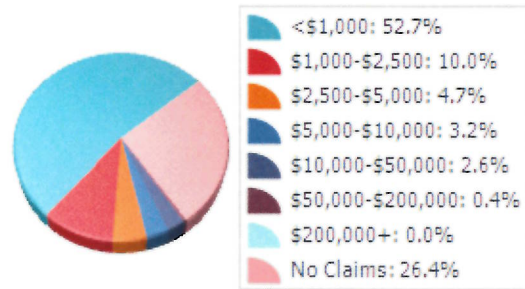
■ HCC ■ Non HCC

Member Cost Ranges

Company Cost



Member Count



CLAIMANT COST RANGE	PLAN PAID	MEMBER PAID	% PLAN PAID OF TOTAL PLAN PAID	# OF ENROLLED MEMBERS	% MEMBERS OF ENROLLED MEMBERS
<\$1,000	\$630,285.06	\$162,972.88	9.5%	2,126	52.74%
\$1,000-\$2,500	\$629,992.75	\$110,878.15	9.5%	402	9.97%
\$2,500-\$5,000	\$657,718.56	\$75,750.34	9.9%	189	4.69%
\$5,000-\$10,000	\$870,449.96	\$84,643.92	13.2%	128	3.18%
\$10,000-\$50,000	\$2,262,788.92	\$78,476.39	34.2%	103	2.56%
\$50,000-\$200,000	\$1,289,725.60	\$24,933.48	19.5%	17	0.42%
\$200,000+	\$271,159.05	\$2,500.00	4.1%	1	0.02%
No Claims	\$0.00	\$0.00	0.0%	1,065	26.42%
	\$6,612,119.90	\$540,155.16		4,031	

City of Clearwater
Claims Per Employee Per Month
(Net of ISL Reimbursements)

