



CITY OF
San Luis Arizona
Gateway to the Sea of Cortez

Budget Management Meeting

May 14, 2022



SUSAN POSADA
AGENCY

DEMOGRAPHICS - ENROLLMENTS

City of San Luis

Medical and Dental Enrollment Changes

| | Medical Enrollment | | | | | Dental Enrollment | | | | |
|-----------------------|--------------------|------------------|------------------|------------------|-----------------------------------|-------------------|------------------|------------------|------------------|-----------------------------------|
| | February 1, 2019 | February 1, 2020 | February 1, 2021 | February 1, 2022 | Percentage Change from Prior Year | February 1, 2019 | February 1, 2020 | February 1, 2021 | February 1, 2022 | Percentage Change from Prior Year |
| | US/Mexico | | | | | | | | | |
| Employees Only | 120 | 140 | 143 | 136 | -4.90% | 124 | 139 | 140 | 138 | -1.43% |
| Employee & Spouse | 8 | 7 | 6 | 11 | 83.33% | 5 | 3 | 4 | 0 | -100.00% |
| Employee and Children | 41 | 42 | 38 | 42 | 10.53% | 28 | 31 | 31 | 31 | 0.00% |
| Family | 23 | 23 | 36 | 32 | -11.11% | 24 | 25 | 31 | 24 | -22.58% |
| Total | 192 | 212 | 223 | 221 | -0.90% | 181 | 198 | 206 | 193 | -6.31% |
| Mexico Only | | | | | | | | | | |
| Employees Only | 1 | 4 | 2 | 6 | 200.00% | 0 | 1 | 2 | 8 | 300.00% |
| Employee & Spouse | 5 | 6 | 6 | 4 | -33.33% | 9 | 12 | 11 | 8 | -27.27% |
| Employee and Children | 10 | 8 | 8 | 10 | 25.00% | 16 | 15 | 14 | 15 | 7.14% |
| Family | 24 | 26 | 26 | 23 | -11.54% | 29 | 30 | 31 | 35 | 12.90% |
| Total | 40 | 44 | 42 | 43 | 2.38% | 223 | 223 | 223 | 66 | -70.40% |
| Total Members | 516 | 534 | 572 | 605 | 5.77% | 532 | 553 | 583 | 564 | -3.26% |

2012-2013 EE's 154 total dep. 570

City of San Luis
Administrative and Other Fund Fees
 Plan Year 7/1/2022 to 6/30/2023

Administrative Fees

| Service Changes | Rates 2021 - 2022 PEPM | Rates 2022 - 2023 PEPM | Rates % change |
|----------------------------|------------------------------|------------------------------|------------------------|
| EBSO TPA Fees | | | |
| Medical | \$24.50 | \$25.50 | 4.08% |
| Dental | \$3.00 | \$3.00 | 0.00% |
| Claims Management per hour | \$113.00 | \$140.00 | 23.89% |
| SSA Mexico Network | | | |
| Siarmed | | | |
| Medical | \$3.00 | \$3.00 | 0.00% |
| Dental | \$1.25 | \$1.25 | |
| Broker Fees | \$35.00 | \$35.00 | 0.00% |
| BCBS Network Fees | | | |
| | \$19.25 | \$21.00 | 9.09% |
| | | In 2nd yr contract | |
| Other Fund Fees | | | |
| Uprise Health EAP | \$2.28 | \$2.39 | 4.82% |
| Healthiest You | \$13.00 | \$13.00 | 0.00% |
| Broker Fee | \$35.00 | \$35.00 | 0.00% |
| ACA Fees | | | |
| PCCORI Fees | \$2.66 | \$3.00 | Per Avg Lives Est. 580 |

Stop Loss is not finalized until the claims for April 2022 have been reviewed.



CITY OF SAN LUIS
STOP LOSS AND ADMINISTRATION RENEWAL EFFECTIVE JULY 1, 2022

| DESCRIPTION | 2021-2022 | | 2022-2023 | | 2022-2023 | | 2022-2023 | |
|---|-----------------|-------------------|----------------------------|-----|----------------------------|-------------------|-------------------------------------|-------------------|
| | Current Symetra | | Renewal - Option 1 Symetra | | Renewal - Option 2 Symetra | | Renewal -Option 3 HM Life Insurance | |
| | | \$50,000 | \$50,000 | | \$75,000 | \$50,000 | | |
| STOP LOSS POLICY TERMS | | | | | | | | |
| Specific Lifetime Maximum | | Unlimited | Unlimited | | Unlimited | Unlimited | | Unlimited |
| Specific Annual Reimbursement | | Unlimited | Unlimited | | Unlimited | Unlimited | | Unlimited |
| Specific Deductible | | \$ 50,000 | \$ 50,000 | | \$ 75,000 | \$ 50,000 | | |
| Specific Contract Basis | | Paid | Paid | | Paid | 24/12 | | |
| Specific Coverage | | Medical | Medical | | Medical | Medical | | Medical |
| Specific Run-In Limits | | N/A | N/A | | N/A | N/A | | N/A |
| Lasered Individuals | | None | None | | None | None | | None |
| Aggregate Maximum | | \$ 1,000,000 | \$ 1,000,000 | | \$ 1,000,000 | \$ 1,000,000 | | \$ 1,000,000 |
| Aggregate Coverage | | Medical & RX Card | Medical & RX Card | | Medical & RX Card | Medical & RX Card | | Medical & RX Card |
| Aggregate Contract Basis | | Paid | Paid | | Paid | Paid | | Paid |
| Aggregate Run-In Limits | | N/A | N/A | | N/A | N/A | | N/A |
| Corridor | | 25% | 25% | | 25% | 25% | | 25% |
| STOP LOSS PREMIUM | | | | | | | | |
| Specific Premium | | | | | | | | |
| Employee Rate | 142 | \$ 108.05 | \$ 121.64 | 142 | \$ 93.05 | \$ 135.50 | | |
| Employee + Spouse Rate | 0 | \$ 311.46 | \$ 361.21 | 0 | \$ 276.31 | \$ 386.71 | | |
| Employee + Child(ren) Rate | 0 | \$ 311.46 | \$ 361.21 | 0 | \$ 276.31 | \$ 386.71 | | |
| Employee + Spouse & Children Rate | 122 | \$ 311.46 | \$ 361.21 | 122 | \$ 276.31 | \$ 386.71 | | |
| Projected Total Monthly Specific Premium | 264 | \$ 53,341.22 | \$ 61,340.50 | 264 | \$ 46,922.92 | \$ 66,419.62 | | |
| Aggregate Rate PEPM | 264 | \$ 3.86 | \$ 4.12 | 264 | \$ 4.47 | \$ 3.09 | | |
| Projected Monthly Aggregate Premium | | \$ 1,019.04 | \$ 1,087.68 | | \$ 1,180.08 | \$ 815.76 | | |
| TOTAL PROJECTED PREMIUM | | | | | | | | |
| Monthly | | \$ 54,360.26 | \$ 62,428.18 | | \$ 48,103.00 | \$ 67,235.38 | | |
| Annual | | \$ 652,323.12 | \$ 749,138.16 | | \$ 577,236.00 | \$ 806,824.56 | | |
| Percentage of increase over current | | | 14.84% | | -11.51% | 23.68% | | |
| MAXIMUM CLAIM FUNDING FACTORS | | | | | | | | |
| Employee | 142 | \$360.31 | \$ 409.87 | 142 | \$ 440.13 | \$ 433.12 | | |
| Employee + Spouse | 0 | \$996.90 | \$ 1,123.89 | 0 | \$ 1,206.86 | \$ 1,039.49 | | |
| Employee + Children | 0 | \$996.90 | \$ 1,123.89 | 0 | \$ 1,206.86 | \$ 1,039.49 | | |
| Employee + Spouse + Child(ren) | 122 | \$996.90 | \$ 1,123.89 | 122 | \$ 1,206.86 | \$ 1,039.49 | | |
| TOTAL PROJECTED MAXIMUM FUNDING | 264 | | | 264 | | | | |
| Monthly | | \$ 172,785.82 | \$ 195,316.12 | | \$ 209,735.38 | \$ 188,320.82 | | |
| Annual | | \$ 2,073,429.84 | \$ 2,343,793.44 | | \$ 2,516,824.56 | \$ 2,259,849.84 | | |

STOP LOSS RENEWAL

5 / 14 / 2022

City of San Luis

Effective 7/1/2022

Specific Stop Loss:

| Reinsurer/Carrier: | | | | |
|---------------------|------------------------|---|--------------------------|---|
| | Current-Symetra | Renewal-Symetra Option 1 | Renewal-Symetra Option 2 | HM |
| Deductible: | \$50,000 | \$50,000 | \$75,000 | \$50,000 |
| Contract Type: | Paid | Paid | Paid | 24/12 |
| Coverages Included: | Medical/RX | Medical/RX | Medical/RX | Medical/RX |
| Commission: | Net | Net | Net | Net |
| Carrier Comments: | No New Laser Provision | This offer is valid thru 5.6.22. If no decision is made by then, we will need another month of claims to re-firm. If Roman Pacheco elects COBRA, underwriting reserves the right to review for additional individual specific deductible. There will be no new lasers @ rnwl. | | No new laser option with a 50% cap. Will need to review updated claims. |

Enrollment

| | | | | | |
|--------------|--------|-----|-----|-----|-----|
| | Single | 142 | 142 | 142 | 142 |
| | Family | 122 | 122 | 122 | 122 |
| Total | | 264 | 264 | 264 | 264 |

Aggregate Stop-Loss:

| | | | | |
|---------------------|------------|------------|------------|------------|
| Contract Type: | Paid | Paid | Paid | Paid |
| Coverages Included: | Medical/RX | Medical/RX | Medical/RX | Medical/RX |

Premium (Fixed Costs)

| | | | | | |
|--|--------|----------|----------|----------|----------|
| | Single | \$108.05 | \$121.64 | \$93.05 | \$135.50 |
| | Family | \$311.46 | \$361.21 | \$276.31 | \$386.71 |

| | | | | |
|---------------------------------|------------------|------------------|------------------|------------------|
| Monthly Specific Premium | \$53,341 | \$61,341 | \$46,923 | \$66,420 |
| Annual Specific Premium | \$640,095 | \$736,086 | \$563,075 | \$797,035 |

| | | | | |
|----------------------------------|--------------------|--------------------|--------------------|-------------------|
| Aggregate Premium: | \$3.86 | \$4.12 | \$4.47 | \$3.09 |
| Monthly Aggregate Premium | \$1,019.04 | \$1,087.68 | \$1,180.08 | \$815.76 |
| Annual Aggregate Premium | \$12,228.48 | \$13,052.16 | \$14,160.96 | \$9,789.12 |
| Total Annual Premium: | \$652,323 | \$749,138 | \$577,236 | \$806,825 |

Aggregate Factors (Claims Liability)

| | | | | | |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|------------|
| | Single | \$360.31 | \$409.87 | \$440.13 | \$433.12 |
| | Family | \$996.90 | \$1,123.89 | \$1,206.86 | \$1,039.49 |
| Monthly Claims Funding | \$172,785.82 | \$195,316.12 | \$209,735.38 | \$188,320.82 | |
| Annual Claims Liability | \$2,073,430 | \$2,343,793 | \$2,516,825 | \$2,259,850 | |

Exclusive Mental Health Conditions

- Mental Health Treatment include:
- Chemical Dependency
- Depression
- Alcoholism
- Post-Traumatic Stress Disorder
- Compulsive Gambling
- Spending Addiction
- Anger & Rage
- Obsessive Compulsive Disorder
- ADD/ADHD
- And More conditions



Treatment Modalities Include

- Group Therapy
- Individual Therapy
- Equine Assisted Therapy
- Expressive Arts Groups
- Exercise
- Yoga
- Tai Chi
- Recreation Therapy
- Challenge Course
- Nutrition
- Psychoeducational Lectures
- Trauma Therapy
- Mind-Body Therapy
- Spirituality



Exclusive Mental Health

- Must obtain clinical approval through 90 Degrees
- Centers in Wickenburg and Tucson and others
- Savings to the plan on average of 30%
- No Copay, No Deductible and No Co-insurance
- Initial Enrollment with Exclusive Mental Health of \$900 – No PEPM fee
- Renewal Fee \$500



SOUTHERN SCRIPTS



- By switching PBMs to Southern Scripts, a pass-through model, will The City will save \$90,238 based on the scripts filled between 7/1/21-2/28/22

City of San Luis


07/01/2021-02/28/2022

Pricing Summary

1,566 Rx | Claims



Pricing Analysis

| Current PBM | | Total |
|--|--|-----------|
| Current Gross Cost | | \$256,979 |
| Member Paid | | -\$13,619 |
| Plan Paid Amount | | \$243,360 |
| Southern Scripts | | Total |
| New Gross Costs | | \$237,691 |
| Savings from  | | -\$10,637 |
| Savings from Clinical Management | | -\$10,696 |
| Gross Cost | | \$216,359 |
| Est Member Paid | | -\$12,597 |
| Plan Paid | | \$203,762 |
| Rebates: Core Elite Formulary | | -\$50,639 |
| SS Administration Fee | | \$15,660 |
| Net Plan Costs | | \$153,122 |
| Savings | | Total |
| Plan Savings | | \$90,238 |
| Plan Savings Per Script | | \$57.62 |
| Rebates: Core Formulary | | -\$44,352 |

SOUTHERN SCRIPTS

In addition to savings from switching to a pass through PBM, Southern Scripts has taken in-house all of the specialty Rx management programs that are used in the marketplace today.

Eliminating extra vendors creates for a better member experience while still realizing the high dollar savings from sourcing specialty Rx through manufacture assistance and international sourcing methods.

| Savings Program | Rx Count | Original SS Plan Cost | Savings By Program | New Plan Cost | Rebates |
|-----------------------|-----------|-----------------------|--------------------|--------------------|-------------------|
| INTL Mail | 31 | \$11,047.02 | \$8,371.73 | \$2,675.28 | \$3,400.96 |
| RxCompass PAP | 6 | \$32,567.96 | \$32,567.96 | \$0.00 | \$2,337.33 |
| Not PAP Eligible | 4 | \$21,711.97 | \$1,555.61 | \$20,156.36 | \$1,558.22 |
| TeleSaver Rx with VCP | 2 | \$9,480.02 | \$9,480.02 | \$0.00 | \$870.07 |
| Variable Copay | 20 | \$15,653.49 | \$2,760.03 | \$12,893.46 | N/A |
| Totals: | 63 | \$90,460.45 | \$54,735.35 | \$35,725.11 | \$8,166.58 |

| | |
|---|--------------------|
| Savings Net of Rebates: | \$46,568.76 |
| Annualized Savings, Net of Rebates*: | \$62,091.68 |

| Administrative Fees | | |
|------------------------|------------------------|---------------------|
| Percent of Savings Fee | Est. Savings Per Year* | Est. Fees Per Year* |
| 25% | \$62,091.68 | \$15,522.92 |



Thank You

Susan Posada



SUSAN POSADA
AGENCY

