

## NOTICE OF SPECIAL MEETING

In accordance with §38-431.02 of the Arizona Revised Statutes of the State of Arizona, notice is hereby given to the Employee Benefit Trust Board and to the general public that the Mayor and Trustees of the Employee Benefit Trust Board will hold a Special Employee Benefits Trust Board Meeting at 4:30 PM, on Wednesday, April 5, 2023. The meeting will take place at the City Council Chambers, located at 1090 E. Union street, San Luis, Az, 85349.

In accordance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, the City of San Luis does not discriminate on the basis of disability in the admission of or access to, or treatment of employment in its programs, activities, or services. For information regarding rights and provisions of the ADA or Section 504, or to request reasonable accommodations for participation in City programs, activities or services contact: ADA/Section 504 Coordinator, City of San Luis Human Resources Department, 1090 East Union Street, San Luis, Arizona 85349; (928) 341-8579.

Notice is hereby given that pursuant to A.R.S. §1-602.A.9, subject to certain specified statutory exceptions, parents have a right to consent before the State or any of its political subdivisions make a video or audio recording of a minor child. Meetings of the City Council are audio and/or video recorded, and, as a result, proceedings in which children are present may be subject to such recording. Parents in order to exercise their rights may either file written consent with the City Clerk to such recording, or take personal action to ensure that their child or children are not present when a recording may be made. If a child is present at the time a recording is made, the City will assume that the rights afforded parents pursuant to A.R.S. §1-602.A.9 been waived.

THIS NOTICE IS APPROVED BY:

/s/ Maria Barajas, HR Coordinator

## AVISO DE JUNTA ESPECIAL

De acuerdo con los Estatutos del Estado de Arizona A.R.S. §38-431.02, se le informa a los miembros del la Junta Fiduciaria de Beneficios para Empleados y al público en general que el Presidente y la Mesa Directiva de Fondo de Beneficios Medicos de San Luis, Arizona, tendrán una Junta Especial a las 4:30 PM, el día Miércoles, 5 de Abril, 2023. La junta se llevará a cabo en la Sala del Cabildo, ubicada en el 1090 E. Union Street, San Luis, Arizona, 85349.

De acuerdo con el Acta de Americanos con discapacidades y la Sección 504 del Acta de Rehabilitación del 1973, la Ciudad de San Luis no discrimina por causa de discapacidad la admisión y acceso a sus programas, actividades, servicios o en el trato en cuanto a empleo. Para mas información referente a derechos y provisiones del Acta de Americanos con discapacidades o Sección 504, o para solicitar adaptaciones que sean razonables para la participación en programas, actividades o servicios de la ciudad, contactar al: Coordinador del Acta de Americanos con discapacidades/Sección 504, Departamento de Recursos Humanos de la Ciudad de San Luis, 1090 Este Calle Unión, San Luis, Arizona, 85349; (928) 341-8579.

Por medio de este aviso y de acuerdo con los Estatutos Revisados del Estado de Arizona, sujeto a ciertas excepciones reglamentarias, los padres de familia tienen el derecho de dar o no dar el consentimiento antes que el Estado o alguna subdivision política grabe a un menor de edad, ya sea en audio o video. Las juntas del Concilio se graban en audio y/o video y como resultado, el hecho de que haya menores presentes puede ser sujeto a que sean grabados. Para que los padres de familia puedan ejercer sus derechos pueden solicitar por escrito con la Secretaria de la Ciudad a tal grabación, o tomar acción personal para asegurarse que su hijo/hija menor no esté presente cuando la grabación se lleve a cabo. Si un menor de edad esta presente en el momento de la grabación, la Ciudad asumirá que los padres de familia están cediendo los derechos sobre una posible grabación de acuerdo con el Estatuto Revisado del Estado de Arizona §1-602.A.9.

ESTE AVISO ES APROBADO POR:

/f/ Maria Barajas, Coordinadora de Recursos Humanos

**AGENDA**  
**Special Meeting**  
**City of San Luis Employee Benefit Trust**  
**Council Chambers – City Hall**  
**1090 E Union Street**  
**San Luis, AZ 85349**  
**Wednesday, April 5, 2023**  
**4:30 PM**

**NOTE: Some members of the Board of Trustees of the City of San Luis Employee Benefit Trust may attend the meeting telephonically. If authorized by a majority vote of the Board of Trustees, an executive session will be held immediately following the vote in accordance with A.R.S. §38-431.03(A), and the meeting will be temporarily recessed while the Board retires to an executive session, which will not be open to the public.**

- 1. CALL TO ORDER/ROLL CALL**
  
- 2. CONSENT AGENDA**
  
- 2. A. MINUTES OF:**  
-Special meeting held on February 8, 2023
  
- 3. DISCUSSION AND POSSIBLE ACTION ITEMS:**
  
- 3. A.** Discussion and possible direction to executive advisors or broker/consultant on any and all matters regarding Stop Loss Insurance. **(Susan Posada, Broker and Consultant)**
  
- 3. B.** Discussion and possible action on any and all matters regarding the employee benefits plan proposal which takes effect on July 1, 2023. **(Susan Posada, Broker and Consultant)**
  
- 3. C.** Discussion and possible action on any and all matters regarding the Benefits Third-Party Administrator **(Susan Posada, Benefits Consultant).**
  
- 4. ADJOURNMENT**

**Special Employee Benefit Trust Board Meeting**

**2. A.**

Meeting Date: 04/05/2023

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Summary

**MINUTES OF:**

-Special meeting held on February 8, 2023

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Attachments

Minutes 02.08.2023

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## MINUTES

Special Meeting  
City of San Luis Employee Benefit Trust  
Council Chambers – City Hall  
1090 E Union Street  
San Luis, AZ 85349  
Wednesday, February 8, 2023  
4:30 PM

1. **CALL TO ORDER/ROLL CALL** in the absence of the board's Chairman. The meeting was called to order by Clerk of the Board Janet Taylor at approximately 4:36 PM.

### Those present

Board Member Maria Gonzalez  
Board Member Gustavo MacGrew  
Secretary Maria Sabori  
Chairman Tadeo De La Hoya – arrived at 4:40 PM.

### Those not present

Vice-Chairman Emma Torres

### Others present

City Attorney Kay Marion Macuil  
Clerk of the Board Janet Taylor  
Benefits Coordinator/Broker Susan Posada – via zoom  
Human Resources Coordinator Mary Barajas Gutierrez  
Director of Human Resources Adela Cortez  
IT Technician Ruben Lopez  
IT Technician Axel Chayra

Due to the chairman not being present at the beginning of the meeting, Secretary Maria Sabori was motioned to chair the meeting.

**MOTION:** Maria Gonzalez and Gustavo MacGrew approve Secretary Maria Sabori to chair the meeting. **Motion passed unanimously.**

### The vote was as follows:

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye

## 2. CONSENT AGENDA

### 2.A. MINUTES OF:

-- Special meeting held on December 21, 2022.

**MOTION:** Board Member Maria Gonzalez and Board Member Gustavo MacGrew approve the minutes of the Special Meeting held December 21, 2022. **Motion passed unanimously.**

The vote was as follows:

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye

## 3. EXECUTIVE SESSION

**3.A.** Discussion and possible action on any and all matters regarding action to hold an executive session pursuant to A.R.S. § 38-431.03(A) subsections (3) and (4) for discussion or consultation for legal advice with the City Attorney or attorneys in order to consider the Trustees' position and instruct the City Attorney or attorneys regarding the Trustees' position, regarding negotiation or settlement of the subrogation case. **(Kay Marion Macuil, City Attorney).**

**MOTION:** Maria Gonzales and Gustavo MacGrew approve entering into Executive Session. **Motion passed unanimously.**

The vote was as follows:

Board Member Maria Gonzalez	Aye
Board Member Gustavo MacGrew	Aye
Secretary Maria Sabori	Aye

*Board entered into Executive Session at approximately 4:40 PM.*

**MOTION:** Maria Gonzales and Maria Sabori approve entering back into Special Session. **Motion passed unanimously.**

The vote was as follows:

Board Member Maria Gonzalez
Board Member Gustavo MacGrew
Secretary Maria Sabori
Chairman Tadeo De La Hoya

## ADJOURNMENT

*Meeting adjourned at approximately 4:53 PM.*



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. A.

**Meeting Date:** 04/05/2023

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible direction to executive advisors or broker/consultant on any and all matters regarding Stop Loss Insurance. (**Susan Posada, Broker and Consultant**)

#### SUMMARY:

Stop Loss Insurance (aka "excess insurance") is an insurance product that provides protection against catastrophic or unpredictable losses. It is purchased by employers who self-fund their employee benefit plans but do not want to assume 100% of the liability for losses arising from the plans. Under a stop-loss policy, the insurance company becomes liable for losses that exceed certain limits called deductibles.

Our current stop-loss insurance (Symetra Financial) covers amounts in excess of \$50,000 per claim. Due to a number of high claims during this fiscal year, the carrier's loss ratio was over 100% last year, and it is expected to be over 100% again this year due to one anticipated costly claim. Furthermore, due to this anticipated high claim, expected at above \$500,000, Symetra Financial decided to assign a higher specific deductible for that one claim to be insured for an amount of \$605,000. This practice of assigning a higher specific deductible for an individual claim that is likely to exceed the specific deductible is called a "laser" in stop-loss insurance.

As a result of the above-mentioned, premiums will increase, and the carrier is offering the following options:

- Policy with Laser of \$605,000 – requires a 37.47% increase to the specific premium, which projects a total annual premium of **\$898,561.68**
- Policy without Laser - requires a 78.01% increase to the specific premium. The annual premium would be **\$1,163,540.28**

Once we became aware of these premium rate increases, in collaboration with Human Resources, we initiated research for other stop-loss carrier options. We received a proposal from Matrix Group Benefits, which outlines the following:

- Deductible: \$50,000
- 7.78% increase in the stop loss premiums. The total projected premium for the year is **\$704,467.08**
- A policy with a laser of \$300,000.

#### RECOMMENDATION / SUGGESTED MOTION:

**Discussion and possible direction to executive advisors or broker/consultant. No action item.**

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**Fiscal Impact**

**Fiscal Impact:**

N/A

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**Attachments**

SYMETRA NO LASER

SYMETRA LASER

MATRIX PROPOSAL

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## Symetra Stop Loss

RENEWAL PREPARED FOR

# City of San Luis Employee Benefit Trust

July 1, 2023

IN PARTNERSHIP WITH: SUSAN POSADA

# You have challenges; we have solutions

We know you have options when choosing a stop loss carrier.

We also know that finding the right partner is important. You need to work with professionals who understand the self-funded industry, who realize the importance of building the right stop loss policy at the right price, and who deliver on their promises year after year.

When you renew with us, you'll find a seamless continuation of all the benefits you've come to expect from your Symetra stop loss policy.

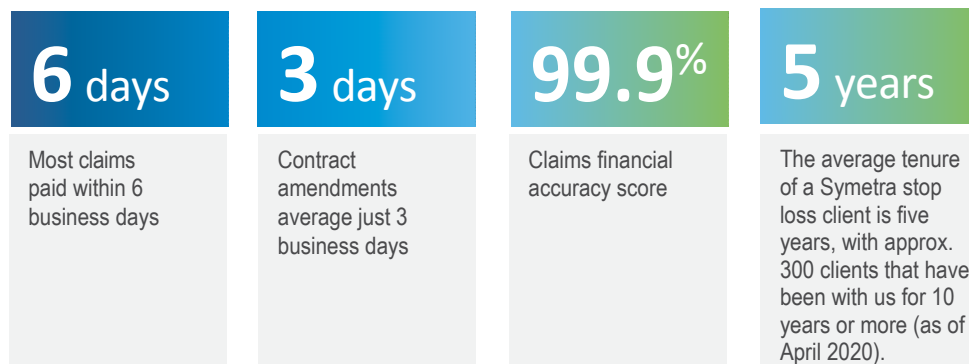
Things like:

- **Fast and fair claims practices.**
- **Most catastrophic claims reviewed and processed within 24 hours through our Preferred ASO Claim Advance program.**
- **Gapless option for renewal run-out contracts means claims paid outside the run-out period are still eligible for reimbursement.**
- **No new lasers or increase on existing lasers at renewal; laser at renewal available by request.**
- **Cost containment and alternative treatment plans to help control costs without sacrificing quality of care.**
- **24/7 online policy administration via Group Online (GO).**

## Put our expertise to work for you

Symetra has been in the stop loss business for over 45 years.<sup>1</sup> In fact, we helped pioneer it. Our experienced team continues to be available as needed to help you understand and protect your self-funded plan.

### 2020 performance highlights:<sup>2</sup>

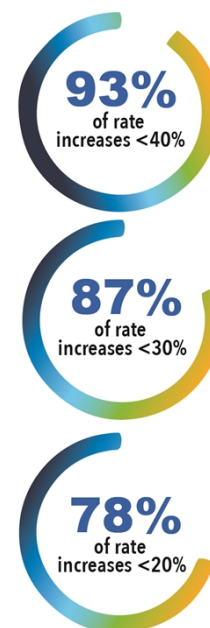


## Understanding stop loss rates

Pricing stop loss is a complex process and there are many factors that impact rates, especially at renewal. Here are some things we consider when determining the best possible price for your plan:

- **Plan design:** what services are covered; how much are employee copays, coinsurance, deductibles and/or premiums; are there wellness or other value-add programs included?
- **Group population:** how many people are covered; where do members live and/or receive care; what are the demographics of the group?
- **Managed care networks:** are provider and hospital networks helping to lower plan risk; what is the network usage rate?
- **Claims experience:** what is the claims experience history; how many claims, to date, are over the Specific deductible; how many are expected before the end of the plan year?
- **Medical trend:** how much are health care costs projected to increase?
- **Share of risk:** what is your deductible threshold and risk tolerance; how will rising medical trend impact your plan and the accompanying stop loss policy?

What does a typical Symetra renewal look like? During the last five years:



Based on Symetra renewal data from August 1, 2015 to July 1, 2020.

## Lowering premium renewal increases through deductible leveraging

Annual renewal is an opportunity to review how your plan performed over the past year, and to evaluate whether your current Specific deductible is still appropriate. This is especially true when rising medical costs are paired with higher than expected claims, as this combination typically means a rate adjustment is needed for the new plan year.

Leveraged trend or, as applied, deductible leveraging, can help mitigate higher renewal rates by sharing the impact of medical trend between the health plan and Symetra stop loss via a higher Specific deductible.

Here's how it works:

Option 1 – keeping the same deductible at renewal			
	Plan year 1	Plan year 2	Increase
Paid claim amount	\$300,000	\$330,000	10%
Specific deductible	\$150,000	\$150,000	0%
Symetra reimbursement	\$150,000	\$180,000	20%

Option 2 – raising the deductible at renewal			
	Plan year 1	Plan year 2	Increase
Paid claim amount	\$300,000	\$330,000	10%
Specific deductible	\$150,000	\$165,000	10%
Symetra reimbursement	\$150,000	\$165,000	10%

For illustrative purposes only.

With deductible leveraging, you're trading lower premiums for a higher Specific deductible due to medical trend increases. It can be an effective way to help control the impact of rising costs on your plan.

If you're interested in deductible leveraging for your renewal, talk with your Symetra stop loss professional.

Renewal Status: Preliminary

**SPECIFIC STOP LOSS COVERAGE**

Plan Description		Current	Option 1
Coverages		Medical, Rx	Medical, Rx
Contract Type		Paid	Paid
Annual Specific Deductible per Individual		\$50,000	\$50,000
Transplant Exclusion		No	No
No New Laser Option		Included	Included
Maximum Lifetime Reimbursement		Unlimited	Unlimited
Maximum Policy Period Reimbursement		Unlimited	Unlimited
Reimbursement Percentage		100%	100%
Quoted Rate(s) Per Month	Enrollment		
Single	157	\$121.64	\$184.87
Family	117	\$361.21	\$569.98
Estimated Annual Premium		\$736,309	\$1,148,547
Quoted Rate(s) include Commission of		0.00%	0.00%

Renewal Status: Preliminary

**AGGREGATE STOP LOSS COVERAGE**

Plan Description		Current	Option 1
Coverages		Medical, Rx	Medical, Rx
Contract Type		Paid	Paid
Aggregate Corridor		125%	125%
Loss Limit per Individual		\$50,000	\$50,000
Maximum Annual Reimbursement		\$1,000,000	\$1,000,000
Reimbursement Percentage		100%	100%
Estimated Annual Aggregate Deductible		\$2,350,137	\$2,587,566
Minimum Aggregate Deductible		\$2,350,137	\$2,587,566
Monthly Aggregate Claim Factors		Enrollment	
Medical, Rx Card			
Single	157	\$409.87	\$449.97
Family	117	\$1,123.89	\$1,239.19
Quoted Rate(s) per Month		Enrollment	
Composite	274	\$4.12	\$4.56
Estimated Annual Premium		\$13,547	\$14,993
Quoted Rate(s) include Commission of		0.00%	0.00%

**OVERALL COST SUMMARY**

Plan Description		Current	Option 1
Estimated Total Annual Fixed Cost		\$749,856	\$1,163,540
Aggregate Variable		\$2,350,137	\$2,587,566
Estimated Maximum Annual Liability		\$3,099,993	\$3,751,106

Renewal Status: Preliminary

**PROPOSAL QUALIFICATIONS AND CONTINGENCIES**

The terms of this proposal are contingent upon the policyholder exercising commercially reasonable efforts to obtain and provide to Symetra all information set forth below, together with all information identified in any prior proposal for coverage for the upcoming policy period. The terms of this proposal are tentative and may change based on Symetra's review of information received. Except for the Plan Document or Plan Amendment, all requested information must be received no later than 15 days prior to the proposed effective date of coverage, otherwise we reserve the right to withdraw the proposed terms and return any premiums remitted.

Any secondary documents (i.e. "stop loss agreements", "procurement documents", "service contracts", etc.) must be disclosed to and approved by Symetra prior to the Employer's acceptance of our proposal. Subsequent undisclosed agreements may not be approved.

By delivering this proposal for coverage, the producer represents and warrants to Symetra that it and each of the persons or entities acting with or on behalf of the producer in the sale or solicitation of such coverage maintains such insurance producer licenses and appointments as are required by each state in which the coverage has been or will be solicited, and in all states in which the policy(ies) will be issued. This proposal is authorized for delivery only if the foregoing representation and warranty is true and correct.

- Updated carrier documented large claims as well as monthly paid claims and enrollment (medical, prescription, dental, etc.) as of 3/31/2023 are needed to finalize the offer.
- Please provide details on any individual who has been hospital confined for 30 days or more in the most recent 12 months or is on an organ transplant list.
- Any unfunded or pended claims balance must be disclosed, otherwise such claims will not be considered eligible under the excess loss policy.
- For inclusion of RX coverage under the specific and/or aggregate when there is a separate PBM, we require written documentation that we are in receipt of all prescription drug experience reports. Otherwise, RX will not be a covered expense under the excess loss policy.
- The loss limit shown in the aggregate excess loss section of the proposal applies to all coverage listed within that section regardless of what is in the individual excess loss section.
- Only claims up to the individual case level deductible will accumulate toward the aggregate attachment point
- This renewal/proposal reflects the continuation of the current plan of benefits.
- This quote is subject to Symetra's stop loss policy provisions, limitations and exclusions.
- This proposal is based upon the following network(s): Blues ASO
- Composite rates are illustrative and for comparative purposes only.
- There will be no new lasers at renewal.
- This quote/renewal excludes state assessment fees and is based on the group (through its TPA) collecting any such fee assessed with respect to the group's self-insured benefit plan and remitting such fee to the state on the group's behalf. The group may be required to notify their TPA of any covered residents that would fall under an assessment program. Symetra's quote excludes coverage of such fees. In the event Symetra is required to be involved in the administration or collection of an assessment fee on the group's behalf, the assessment fee will be charged to and collected monthly from the group pursuant to the Premium Taxes and State Assessments provision of the Stop Loss Insurance Policy.
- In certain states, discounts to the specific stop loss premiums of up to 2% may be available if the group purchases an insured Workforce Benefits product that may include Group Life, Disability, and/or Supplemental Health insurance. This discount is applicable to only new Group Life, Disability, and/or Supplemental Health customers and will apply during the first Policy Period in which the new Group Life, Disability, and/or Supplemental Health policy becomes effective.

## Plan Sponsor's Plan Document

**Submission and Symetra Acceptance Required.** As stated in Symetra's Proposal for Group Stop Loss Insurance, the Plan Sponsor's Plan Document must be submitted to Symetra no later than 90 days after the proposed effective date of Stop Loss Insurance coverage. The Stop Loss Insurance policy ("Policy") requires that only eligible charges payable under the terms of the Plan Document as approved by Symetra will be covered expenses eligible for reimbursement under the Policy.

The policy will be issued after the Plan Document is received and approved by Symetra or a signed Confirmation of Medical Benefit Plan is submitted to Symetra by the prospective policyholder.

**Symetra may withhold reimbursement of covered expenses prior to the receipt and acceptance of the final signed Plan Sponsor's Plan Document or amendment.**

In reviewing the Plan Document for acceptance, Symetra will consider whether the Plan Document:

1. Adequately addresses key plan components, including but not limited to eligibility rules, benefits promised, plan administration, discretionary language for court review of benefit claims, subrogation and coordination of benefits provisions.
2. Addresses the Plan's obligations under federal law, including
  - a. **ERISA (Employee Retirement Income Security Act) required provisions,**
  - b. **ACA (Affordable Care Act) required provisions;** or
  - c. **a statement of grandfathered status, if applicable.**

Symetra will have no liability for reimbursing Plan Sponsor obligations that are not clearly stated in the Plan Document whether or not the Plan remains obligated in the absence of express inclusion. It is recommended that the Plan Document include express reference to other federal mandates and laws to which Plan is subject or a "conformity with law" provision.

3. Contains typical exclusions or limitations, including but not limited to:
  - a. Experimental/investigations treatment (except as required by ACA), and
  - b. non-medically necessary treatment

The absence of or inadequate treatment of these subjects in the Plan Document may result in a superseding provision in the Stop Loss policy.

## Your partner for stop loss success

Symetra is a financially strong, well-capitalized company on the rise, as symbolized by our brand icon—the swift. Swifts are quick, hardworking and nimble—everything we aspire to be when serving our customers.

We've been in business for more than half a century with a commitment to creating employee benefit products that people need and understand. We appreciate your business and look forward to the opportunity to continue serving you with professional, informative and responsive service.



### Our guiding principles of Value, Transparency and Sustainability (VTS) are at the core of all we do.

- **Value:** Products and solutions people need at a competitive price—backed by outstanding customer service.
- **Transparency:** Clear communication so people understand what they are buying.
- **Sustainability:** Products that stand the test of time and fiscal responsibility to ensure we are there for our customers.

Financial Strength Ratings: A.M. Best: A “Excellent” (3rd highest of 16); Moody’s A1 “Good” (5<sup>th</sup> highest of 21); Standard & Poor’s: A “Strong” (6th highest of 21). Ratings are subject to change. Please refer to [www.symetra.com/ratings](http://www.symetra.com/ratings) for current information. Ratings as of January 12, 2023.

Symetra Life Insurance Company (est. 1957) is a direct subsidiary of Symetra Financial Corporation. First Symetra National Life Insurance Company of New York (est. 1990) is a direct subsidiary of Symetra Life Insurance Company and is an indirect subsidiary of Symetra Financial Corporation (collectively, “Symetra”). Neither Symetra Financial Corporation nor Symetra Life Insurance Company solicits business in the state of New York and they are not authorized to do so. Each company is responsible for its own financial obligations.

Stop loss policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004. Base policy is ELC-24000 7/19. In New York, stop loss policies are insured by First Symetra National Life Insurance Company of New York, New York, NY. Mailing address: P.O. Box 34690, Seattle, WA 98124. Policy form number is ELC-24000/NY 7/19. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Products are not available in any U.S. territory.

<sup>1</sup> 45 years for Symetra Life Insurance Company; 17 years for First Symetra National Life Insurance Company of New York as of 2021.

<sup>2</sup> Performance highlights based on financial and quarterly audits for 2020.



[www.symetra.com](http://www.symetra.com)  
[www.symetra.com/ny](http://www.symetra.com/ny)

Symetra® is a registered service mark of  
Symetra Life Insurance Company.

## Symetra Stop Loss

RENEWAL PREPARED FOR

# City of San Luis Employee Benefit Trust

July 1, 2023

IN PARTNERSHIP WITH: SUSAN POSADA

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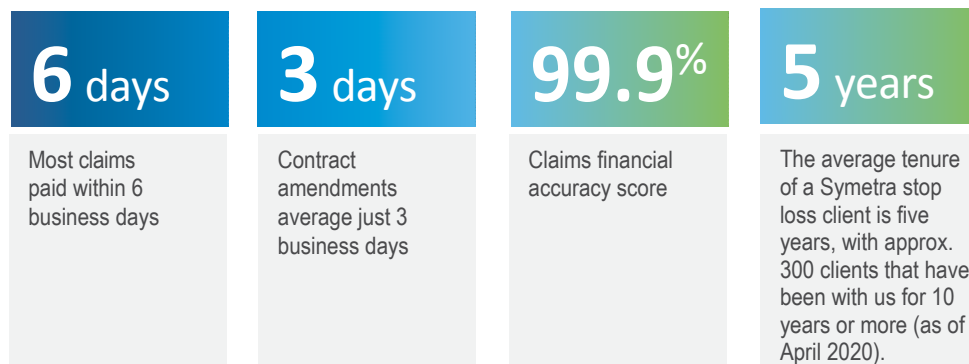
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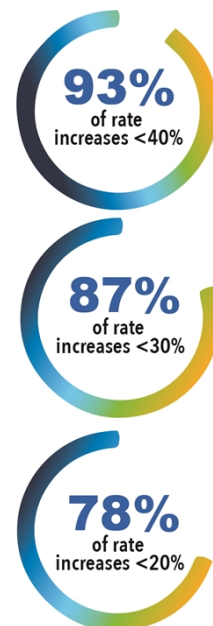


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- **Share of risk:** what is your deductible threshold and risk tolerance; how will rising medical trend impact your plan and the accompanying stop loss policy?

What does a typical Symetra renewal look like? During the last five years:



Based on Symetra renewal data from August 1, 2015 to July 1, 2020.

## Lowering premium renewal increases through deductible leveraging

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Leveraged trend or, as applied, deductible leveraging, can help mitigate higher renewal rates by sharing the impact of medical trend between the health plan and Symetra stop loss via a higher Specific deductible.

Here's how it works:

Option 1 – keeping the same deductible at renewal				Option 2 – raising the deductible at renewal			
	Plan year 1	Plan year 2	Increase		Plan year 1	Plan year 2	Increase
Paid claim amount	\$300,000	\$330,000	10%	Paid claim amount	\$300,000	\$330,000	10%
Specific deductible	\$150,000	\$150,000	0%	Specific deductible	\$150,000	\$165,000	10%
Symetra reimbursement	\$150,000	\$180,000	20%	Symetra reimbursement	\$150,000	\$165,000	10%

For illustrative purposes only.

With deductible leveraging, you're trading lower premiums for a higher Specific deductible due to medical trend increases. It can be an effective way to help control the impact of rising costs on your plan.

If you're interested in deductible leveraging for your renewal, talk with your Symetra stop loss professional.

Renewal Status: Preliminary

**SPECIFIC STOP LOSS COVERAGE**

Plan Description	Current	Option 1
Coverages	Medical, Rx	Medical, Rx
Contract Type	Paid	Paid
Annual Specific Deductible per Individual	\$50,000	\$50,000
Except for		
	N/A	\$ 605,000
Transplant Exclusion	No	No
No New Laser Option	Included	Included
Maximum Lifetime Reimbursement	Unlimited	Unlimited
Maximum Policy Period Reimbursement	Unlimited	Unlimited
Reimbursement Percentage	100%	100%
Quoted Rate(s) Per Month	Enrollment	
Single	157	\$121.64
Family	117	\$361.21
Estimated Annual Premium	\$736,309	\$883,568
Quoted Rate(s) include Commission of	0.00%	0.00%

Renewal Status: Preliminary

**AGGREGATE STOP LOSS COVERAGE**

Plan Description		Current	Option 1
Coverages		Medical, Rx	Medical, Rx
Contract Type		Paid	Paid
Aggregate Corridor		125%	125%
Loss Limit per Individual		\$50,000	\$50,000
Maximum Annual Reimbursement		\$1,000,000	\$1,000,000
Reimbursement Percentage		100%	100%
Estimated Annual Aggregate Deductible		\$2,350,137	\$2,587,566
Minimum Aggregate Deductible		\$2,350,137	\$2,587,566
Monthly Aggregate Claim Factors	Enrollment		
Medical, Rx Card			
Single	157	\$409.87	\$449.97
Family	117	\$1,123.89	\$1,239.19
Quoted Rate(s) per Month	Enrollment		
Composite	274	\$4.12	\$4.56
Estimated Annual Premium		\$13,547	\$14,993
Quoted Rate(s) include Commission of		0.00%	0.00%

**OVERALL COST SUMMARY**

Plan Description		Current	Option 1
Estimated Total Annual Fixed Cost		\$749,856	\$898,561
Aggregate Variable		\$2,350,137	\$2,587,566
Estimated Maximum Annual Liability		\$3,099,993	\$3,486,127

Renewal Status: Preliminary

**PROPOSAL QUALIFICATIONS AND CONTINGENCIES**

The terms of this proposal are contingent upon the policyholder exercising commercially reasonable efforts to obtain and provide to Symetra all information set forth below, together with all information identified in any prior proposal for coverage for the upcoming policy period. The terms of this proposal are tentative and may change based on Symetra's review of information received. Except for the Plan Document or Plan Amendment, all requested information must be received no later than 15 days prior to the proposed effective date of coverage, otherwise we reserve the right to withdraw the proposed terms and return any premiums remitted.

Any secondary documents (i.e. "stop loss agreements", "procurement documents", "service contracts", etc.) must be disclosed to and approved by Symetra prior to the Employer's acceptance of our proposal. Subsequent undisclosed agreements may not be approved.

By delivering this proposal for coverage, the producer represents and warrants to Symetra that it and each of the persons or entities acting with or on behalf of the producer in the sale or solicitation of such coverage maintains such insurance producer licenses and appointments as are required by each state in which the coverage has been or will be solicited, and in all states in which the policy(ies) will be issued. This proposal is authorized for delivery only if the foregoing representation and warranty is true and correct.

- Updated carrier documented large claims as well as monthly paid claims and enrollment (medical, prescription, dental, etc.) as of 3/31/2023 are needed to finalize the offer.
- Please provide details on any individual who has been hospital confined for 30 days or more in the most recent 12 months or is on an organ transplant list.
- Any unfunded or pended claims balance must be disclosed, otherwise such claims will not be considered eligible under the excess loss policy.
- For inclusion of RX coverage under the specific and/or aggregate when there is a separate PBM, we require written documentation that we are in receipt of all prescription drug experience reports. Otherwise, RX will not be a covered expense under the excess loss policy.
- The loss limit shown in the aggregate excess loss section of the proposal applies to all coverage listed within that section regardless of what is in the individual excess loss section.
- Only claims up to the individual case level deductible will accumulate toward the aggregate attachment point
- This renewal/proposal reflects the continuation of the current plan of benefits.
- This quote is subject to Symetra's stop loss policy provisions, limitations and exclusions.
- This proposal is based upon the following network(s): Blues ASO
- There will be no new lasers at renewal.
- Composite rates are illustrative and for comparative purposes only.
- This quote/renewal excludes state assessment fees and is based on the group (through its TPA) collecting any such fee assessed with respect to the group's self-insured benefit plan and remitting such fee to the state on the group's behalf. The group may be required to notify their TPA of any covered residents that would fall under an assessment program. Symetra's quote excludes coverage of such fees. In the event Symetra is required to be involved in the administration or collection of an assessment fee on the group's behalf, the assessment fee will be charged to and collected monthly from the group pursuant to the Premium Taxes and State Assessments provision of the Stop Loss Insurance Policy.
- In certain states, discounts to the specific stop loss premiums of up to 2% may be available if the group purchases an insured Workforce Benefits product that may include Group Life, Disability, and/or Supplemental Health insurance. This discount is applicable to only new Group Life, Disability, and/or Supplemental Health customers and will apply during the first Policy Period in which the new Group Life, Disability, and/or Supplemental Health policy becomes effective.

## Plan Sponsor's Plan Document

**Submission and Symetra Acceptance Required.** As stated in Symetra's Proposal for Group Stop Loss Insurance, the Plan Sponsor's Plan Document must be submitted to Symetra no later than 90 days after the proposed effective date of Stop Loss Insurance coverage. The Stop Loss Insurance policy ("Policy") requires that only eligible charges payable under the terms of the Plan Document as approved by Symetra will be covered expenses eligible for reimbursement under the Policy.

The policy will be issued after the Plan Document is received and approved by Symetra or a signed Confirmation of Medical Benefit Plan is submitted to Symetra by the prospective policyholder.

**Symetra may withhold reimbursement of covered expenses prior to the receipt and acceptance of the final signed Plan Sponsor's Plan Document or amendment.**

In reviewing the Plan Document for acceptance, Symetra will consider whether the Plan Document:

1. Adequately addresses key plan components, including but not limited to eligibility rules, benefits promised, plan administration, discretionary language for court review of benefit claims, subrogation and coordination of benefits provisions.
2. Addresses the Plan's obligations under federal law, including
  - a. **ERISA (Employee Retirement Income Security Act) required provisions,**
  - b. **ACA (Affordable Care Act) required provisions;** or
  - c. **a statement of grandfathered status, if applicable.**

Symetra will have no liability for reimbursing Plan Sponsor obligations that are not clearly stated in the Plan Document whether or not the Plan remains obligated in the absence of express inclusion. It is recommended that the Plan Document include express reference to other federal mandates and laws to which Plan is subject or a "conformity with law" provision.

3. Contains typical exclusions or limitations, including but not limited to:
  - a. Experimental/investigations treatment (except as required by ACA), and
  - b. non-medically necessary treatment

The absence of or inadequate treatment of these subjects in the Plan Document may result in a superseding provision in the Stop Loss policy.

## Your partner for stop loss success

Symetra is a financially strong, well-capitalized company on the rise, as symbolized by our brand icon—the swift. Swifts are quick, hardworking and nimble—everything we aspire to be when serving our customers.

We've been in business for more than half a century with a commitment to creating employee benefit products that people need and understand. We appreciate your business and look forward to the opportunity to continue serving you with professional, informative and responsive service.



### Our guiding principles of Value, Transparency and Sustainability (VTS) are at the core of all we do.

- **Value:** Products and solutions people need at a competitive price—backed by outstanding customer service.
- **Transparency:** Clear communication so people understand what they are buying.
- **Sustainability:** Products that stand the test of time and fiscal responsibility to ensure we are there for our customers.

Financial Strength Ratings: A.M. Best: A “Excellent” (3rd highest of 16); Moody’s A1 “Good” (5<sup>th</sup> highest of 21); Standard & Poor’s: A “Strong” (6th highest of 21). Ratings are subject to change. Please refer to [www.symetra.com/ratings](http://www.symetra.com/ratings) for current information. Ratings as of January 12, 2023.

Symetra Life Insurance Company (est. 1957) is a direct subsidiary of Symetra Financial Corporation. First Symetra National Life Insurance Company of New York (est. 1990) is a direct subsidiary of Symetra Life Insurance Company and is an indirect subsidiary of Symetra Financial Corporation (collectively, “Symetra”). Neither Symetra Financial Corporation nor Symetra Life Insurance Company solicits business in the state of New York and they are not authorized to do so. Each company is responsible for its own financial obligations.

Stop loss policies are insured by Symetra Life Insurance Company, 777 108th Avenue NE, Suite 1200, Bellevue, WA 98004. Base policy is ELC-24000 7/19. In New York, stop loss policies are insured by First Symetra National Life Insurance Company of New York, New York, NY. Mailing address: P.O. Box 34690, Seattle, WA 98124. Policy form number is ELC-24000/NY 7/19. Coverage may be subject to exclusions, limitations, reductions and termination of benefit provisions. Products are not available in any U.S. territory.

<sup>1</sup> 45 years for Symetra Life Insurance Company; 17 years for First Symetra National Life Insurance Company of New York as of 2021.

<sup>2</sup> Performance highlights based on financial and quarterly audits for 2020.



[www.symetra.com](http://www.symetra.com)  
[www.symetra.com/ny](http://www.symetra.com/ny)

Symetra® is a registered service mark of Symetra Life Insurance Company.



APPLIED EXPERTISE

190 U.S. Route One Box 365 Falmouth, ME 04105 Telephone: (207) 523-8408 Facsimile: (207) 846-8834

## PROPOSAL FOR EXCESS LOSS REINSURANCE COVERAGE

Issuing Carrier **Fidelity Security Life Insurance Company**  
 Requested By **Arizona Benefit Plans, Inc.**  
 Underwriter **Katy Beaulieu**  
 Group **City of San Luis**

Proposal No **19831**  
 Proposal **03/08/2023** Valid Thru **07/11/2023**  
 Effective **07/01/2023** Expiration **06/30/2024**  
 All previous proposals are void and withdrawn.

### SPECIFIC EXCESS LOSS COVERAGE

Simultaneous Reimbursement

#### Option 1

Coverages		<b>Medical, Rx Card, Platinum Program</b>
Contract Type		<b>24/12</b>
Annual Specific Deductible per Individual		<b>50,000</b>
Maximum Annual Reimbursement		<b>Unlimited</b>
Rate Per Month	<u>Enrollment</u>	
Single	<b>157 \$</b>	<b>103.95</b>
Family	<b>117 \$</b>	<b>332.48</b>
Composite	<b>274 \$</b>	<b>201.54</b>
Estimated Annual Premium	<b>\$</b>	<b>662,643</b>
Rate(s) includes Commissions of		<b>0.00%</b>

### FIXED COST ANALYSIS

Specific Premium Composite	<b>201.54</b>
Aggregate Premium	<b>5.22</b>
MATRIX RMS Fees per Emplo	<b>7.50</b>
Monthly Total Per Employee	<b>214.26</b>
Annual Total	<b>704,466</b>

**AGGREGATE EXCESS LOSS COVERAGE**

		<b>Option 1</b>	
		<b>Medical, Rx Card</b>	
Coverages			
Contract Type			<b>24/12</b>
Loss Limit per Individual			<b>50,000</b>
Maximum Annual Reimbursement		<b>\$</b>	<b>1,000,000</b>
Rate Per Month	<u>Enrollment</u>		
Composite	<b>274</b>	<b>\$</b>	<b>5.22</b>
Estimated Annual Premium		<b>\$</b>	<b>17,163</b>
Rate(s) includes Commissions of			<b>0.00%</b>
Annual Aggregate Deductible		<b>\$</b>	<b>2,839,062</b>
Minimum Aggregate Deductible		<b>\$</b>	<b>2,555,156</b>
Run In / Out Limited To		<b>\$</b>	<b>425,859</b>
Monthly Aggregate Claim Factors	<u>Enrollment</u>		
<u>Medical</u>			
Single	<b>157</b>	<b>\$</b>	<b>301.56</b>
Family	<b>117</b>	<b>\$</b>	<b>1,059.96</b>
Composite	<b>274</b>	<b>\$</b>	<b>625.40</b>
<u>Rx Card</u>			
Single	<b>157</b>	<b>\$</b>	<b>140.80</b>
Family	<b>117</b>	<b>\$</b>	<b>368.57</b>
Composite	<b>274</b>	<b>\$</b>	<b>238.06</b>
<u>Total</u>			
Single	<b>157</b>	<b>\$</b>	<b>442.36</b>
Family	<b>117</b>	<b>\$</b>	<b>1,428.53</b>
Composite	<b>274</b>	<b>\$</b>	<b>863.46</b>

**Required fees for services not part of the excess loss rates illustrated above and performed by:**

MATRIX RMS Fees per Emplo	<b>\$</b>	<b>7.50</b>
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**CONDITIONS**

We are pleased to present you with the attached proposal for Excess Loss Reinsurance Coverage provided for City of San Luis . Our proposed excess loss coverage including rates and terms of coverage is subject to modification based upon receipt and review of the following information:

1C Enrollment information up to the proposed Effective Date of coverage.

2C The proposed excess loss coverage requires minimum participation of 60% of the eligible group.

3C Actively at work provisions have been waived subject to Underwriter approval of signed complete Disclosure Statement.

4C Non-disclosure of any individual who should have been identified on the Disclosure Statement, on which the Company relies, or the incomplete or inaccurate disclosure of his/her true medical condition, may result in having this individual's claims being excluded from or limited in the calculation of the Aggregate and Specific Benefit.

5C This insurance does not apply to the extent that trade or economic sanctions or regulations prohibit the issuing carrier from providing insurance, including, but not limited to, the payment of claims.

6C If we have not received the Signed Plan Document and all Amendments within 60 days after the proposed effective date, we reserve the right to refund all premiums received, and the application will be null and void when signed. Therefore, coverage is not effective until receipt and acceptance of the signed plan document and all amendments.

7C If the proposal is accepted by the Plan Sponsor, please refer to the last page of this proposal.

**QUALIFICATIONS**

--This proposal is offered using our PLATINUM risk model initiated in 2001. This product is not a contractual provision or guarantee. This program strives to provide plan sponsors renewal minimum rate increases with maximum rate caps. Ongoing known cost specific claims will be semi pooled. References are available. Matrix RMS reports and consultative support will work proactively with the Plan Sponsors, and applicable parties. Matrix RMS is a separate fee for service company and required with the PLATINUM program. Matrix offers two other product platforms that differ in initial rating and renewal underwriting approach.

--Rates are not firm until all documentation is received and completed for Disclosure.

--This proposal requires employer due diligence report to identify employees on COBRA, FMLA, extended sick leave or short term disability, worker's compensation, or any other form of leave of absence, or who are known or believed to have an ongoing medical condition or to be pregnant.

--This proposal requires current plan year incurred claim reports that include diagnosis (ICD-10) codes, dates of service, and any Large Case management notes for with claims in excess of \$25,000 in order to determine current and proposed treatment plans/prognosis and if he/she is currently actively at work. A higher Specific Deductible may apply based on the assumed risk.

--This proposal is not final until a proposal option has been selected and the required Disclosure Statement has been received, reviewed and approved. Please refer to the last page of the proposal for the process to purchase Excess Loss Coverage as proposed.

--This proposal assumes a 90 day disclosure, contingent upon updated reporting; 50% high claimant report which includes DX, ICD10/Trigger reporting, precertifications, Pending/Unpaid reporting, Report of all claimants in Case management including CM notes, Paid claims reporting by month and lob including employee counts through 3/31/23.

--Rates and/or factors may be recalculated if the number of Covered Units under the Plan increases or decreases by 15% from the number of Covered Units on the first day of the Contract Period or by 15% in any Contract Month.

--Aggregate Run In is limited to 15% of the Aggregate Attachment Point.

--Aggregate factors may be recalculated if the average claims in the last 5 months of the current plan period vary by more than 10% from the information provided with the initial request for proposal.

--This contract is based on the utilization of the Blue Cross Blue Shield of Arizona and Siamed PPOs, for In-Network and Out-of-Network benefits that apply according to plan.

--This proposal requires MATRIX Risk Management Services, LLC as the LCM Oversight program.

--Marketing, sales, distribution activities and administrative support services are provided by, and at the expense of, U.S. Group & Pension, L.L.C. (USGP) and/or Arizona Benefits on behalf of MATRIX Group Benefits, LLC. USGP and Arizona Benefits may receive compensation for these services from Matrix Group Benefits, LLC. If you have any questions regarding this arrangement, please contact Matrix Group Benefits, LLC.

**MATRIX RISK MANAGEMENT SERVICES**

Matrix Risk Management Services, LLC (Matrix RMS) program is referenced within the body of the Excess Loss Reinsurance proposal by Matrix Group Benefits, LLC. It is listed within the Proposal because Matrix RMS is a completely separate fee for service company that is a required Qualification of a Matrix Group Benefits' Excess Loss Reinsurance proposal. Matrix RMS services may, be purchased independently from the Excess Loss Reinsurance when such services are desired by Plan Sponsor's.

The Plan Sponsor hereby accepts the services and support offered and provided by Matrix RMS and authorizes and directs its contracted service providers for:

- 1) medical utilization review, pre-admission certification, prior authorization, concurrent review discharge planning, outpatient service review, and medical case management; and
- 2) claims administration; and
- 3) prescription benefit management; and
- 4) disease management and wellness programs

to provide Matrix RMS with information on a regular monthly basis as requested by Matrix RMS and agrees to consider accessing and utilizing specialty service providers identified by Matrix RMS for oversight of a potentially catastrophic medical claims and review of provider bills that represent significant charges that can be expected to accumulate to over \$ 50,000.00, prior to their payment.

Resource assistance provided by Matrix RMS includes accessing a variety of specialty resources firms that provide services such as:

- 1) Neonatal case management and bill review, including accuracy of bill, appropriateness of coding and charges, and negotiation of allowable amounts;
- 2) Hemophilia case management and support services including drug acquisition for blood disorders;
- 3) Review of large hospital bills for accuracy of bill. Appropriateness of coding and charges, negotiation of allowable amounts and negotiation of patient specific discounts. Reviews of this scope require the UB -92 bill summary, the itemized billing statement and information related to the nature and amount of potential contract adjustments related to PPO's ;
- 4) Transplant networks for potential organ transplant cases;
- 5) Complete claim processing and payment audit for plan sponsor's to determine incorrect payments and recover overpayments;
- 6) Oncology case management and support services including chemotherapy drug acquisition for administration in outpatient settings.
- 7) Dialysis management program; and
- 8) Preferred PBM resources with participant education programs based on medical conditions to improve medication management outcomes

Charges for the services provided by these specialty resource companies are paid by the Plan Sponsor as part of the participant's claim and will be reimbursed by the medical stop loss contract if the benefit amount for the claimant exceeds the specific stop loss deductible amount in the contract of the Plan Sponsor. Matrix RMS makes these firms available to the Plan Sponsor and its contracted service providers to assist the Plan Sponsor in the management of its Plan. Matrix RMS is not compensated by these firms.

Matrix RMS will also provide the following services:

- 1) Administration of the Loss Adjustment Program, (a pre-approved Matrix Group Benefits, LLC program) that provides funds to Plan Sponsors to contract for independent specialists /consultants, Independent Review Organization (IRO's) or other resource services deemed necessary and appropriate by the Plan Sponsor to help make final adjudication decisions;
- 2) Administration of ICD-10 or ICD-9 notification information at the medical management level with follow up to identify the services being provided to a plan participant;
- 3) Directions for and assistance with completion of the employer due diligence disclosure process;
- 4) Assistance with out of network / state provider contracting on a patient specific basis;
- 5) Assistance with identification and contracting specialty hospitals / "centers of excellence" on a patient specific basis;
- 6) Administration of a management review process for coordination of medical management and claim adjudication processes for potential and actual large claims;
- 7) Assistance in the coordination of Risk Assessments with medical management processes and the receipt of Consent (when needed)for the use of Protected Health Information (PHI);
- 8) Access to any of the Excess Loss carriers' provider agreements and comparison of agreements for proposed providers of service.

The Risk Management Program does not:

- 1) Provide direct consulting to the Plan Sponsor or its employee benefit plan;
- 2) Provide pre-adjudication decisions or advice to administrators related to the Excess Loss contract;
- 3) Make medical decisions, financial decisions or perform medical review functions;
- 4) Replace other contracted services or adjudication services or consultants.

**To continue the process to purchase Excess Loss Coverage as proposed:**

Circle the proposal option, shown on the first page, that you select and send the complete proposal to Matrix Group Benefits, LLC at:

[Census@matrixgb.com](mailto:Census@matrixgb.com)

Or

**Fax 207.846.8834**

**For New Business Clients:**

If you would like assistance with Disclosure research and documentation prior to the proposed effective date of coverage, please indicate your request below and we will send you a Business Associate Agreement to sign and return to authorize Matrix Risk Management Services, LLC (Matrix RMS) to provide Disclosure research assistance to you.

YES, we request assistance from Matrix RMS for Disclosure research.

NO, we do not request assistance from Matrix RMS for Disclosure research.

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**THIS IS NOT A CONTRACT OR BINDER OF INSURANCE**

The persons presenting this quotation to the client are agents of the client and not of the insurer, reinsurer, or MGU. This quote is non-occupational and the Excess Loss Policy will be issued when all required information has been submitted.

Applicant, its broker and/or TPA, being Agent of the Applicant, understand and expressly agree that all information material to the risk of insuring the Plan is under their control and is part of the inducement and consideration offered for coverage, and warrant that such information will be accurate in all material respects. MGU And Carrier will rely on the accuracy of information in underwriting and setting rates and factors for the coverage applied for. Accordingly, the application is part of the contract. If we later learn of any material inaccuracy in such information, or failure or refusal to disclose any such information, including all claims or possible claims which you should know about, we may reject a claim to which such information applies, reject the application, change the terms, conditions, or premium, or void coverage.



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. B.

**Meeting Date:** 04/05/2023

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible action on any and all matters regarding the employee benefits plan proposal which takes effect on July 1, 2023. **(Susan Posada, Broker and Consultant)**

#### SUMMARY:

Broker/Consultant Susan Posada will provide details regarding the following plan changes:

- **Network**

- Blue Cross Blue Shield 2-year contract.
- Medical access fee of \$21.50 per employee per month (PEPM) for the 1st year, will increase to \$22.00 (PEPM) for the second year.

- **Prescription Medicine Management**

- Southern Scripts administrative fee of \$10.00 per paid claim during the 1st year, will increase to \$10.25 for the 2nd year and \$10.50 for the 3rd year.

- **Telemedicine**

- The Healthiest You contract for telemedicine continues without change.

- **Wellness Program**

- HR is requesting the same budget of \$18,000 as prior year.

The below motions are recommended. The Trustees are free to approve, deny or modify the recommendations within their fiduciary duty.

#### RECOMMENDATION / SUGGESTED MOTION:

- (1) I MOVE TO APPROVE BLUE CROSS BLUE SHIELD 2 YEAR CONTRACT AS PRESENTED.**
  - (2) I MOVE TO APPROVE A \$18,000 BUDGET FOR THE WELLNESS PROGRAM FROM THE TRUST RESERVES.**
-

## Fiscal Impact

### Fiscal Impact:

- **Network**

Blue Cross Blue Shield Network medical access fee of \$21.50 PEPM for the first year, will increase to \$22.00 for the second year.

- **Southern Scripts Administrative Fee**

Year 2: \$10.25 Per Paid Claim

Year 3: \$10.50 Per Paid Claim

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## Attachments

BCBS RENEWAL

SS Admin fees

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**CHS Renewal Rate Acceptance\***  
**(Network Access Only)**

Exhibit A

An Independent Licensee of the  
Blue Cross Blue Shield Association

\* must be signed by a designated authorized representative  
prior to renewal effective date

Name of Trust: City of San Luis Employee Benefit Trust

BCBSAZ Group Number: SLS001

**Effective Date:** 7/1/2023 to 6/30/2024

Multi Year Term: 7/1/2023 to 6/30/2025

Number of In-State Employees: 219 (Out-of-state not eligible)

Renewal Notice Days: 120

**I. Network Requested:** Medical PPO

**II. Access Fees**

Medical Access Fee <sup>a)</sup>: \$21.50 PEPM 07/01/2023 - 06/30/2024

Medical Access Fee <sup>a)</sup>: \$22.00 PEPM 07/01/2024 - 06/30/2025

**III. Commission:** Rates are net of commission

**IV. Caveats**

- a) BCBSAZ will not act as a Stop Loss carrier under this agreement.
- b) BCBSAZ will be the sole leased medical network provider in Arizona.
- c) Under this network leasing arrangement, BCBSAZ contracts only with the Trust. Under no circumstance will this agreement be between BCBSAZ and any Third-Party Administrator (TPA) or any other referring entity.
- d) The Trust is responsible for the TPA's performance as claims administrator. BCBSAZ reserves the right to decline the Trust's choice of TPA if the proposed TPA is not a TPA that currently administers claims for other BCBSAZ Employers.
- e) The Trust shall be liable for and shall either pay or cause its contracted TPA to pay BCBSAZ contracted provider medical claims no less frequently than weekly.
- f) The coinsurance benefit differential between the Trust's Medical PPO in-network and out-of-network must be 10% or greater.
- g) If the Trust transitions to a new Claims Administrator during the term of the Agreement, the Trust shall pay BCBSAZ a Claims Administrator Fee in an amount equal to \$5.00 per employee based upon the number of employees in the month prior to the Claims Administrator change. The Claims Administrator Fee is due the first of the month in which the change to the new Claims Administrator is effective.
- h) The stated access fees do not include any Affordable Care Act ("ACA") fees. Payment of any applicable ACA fees is the responsibility of the Employer.

**BlueCross BlueShield of Arizona, Inc.,  
an Arizona Non-Profit Corporation**

**Employer Trust  
City of San Luis Employee Benefit Trust**

By: \_\_\_\_\_  
(signature)

**Michael Groeger**  
(printed)

Title: VP - Group Commercial & Specialty Sales

Date: \_\_\_\_\_

By: \_\_\_\_\_  
(signature)

(printed)

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## Pharmacy Benefit Management Proposal

# City of San Luis

March 9, 2022

**Southern Scripts, a pharmacy benefit manager that guarantees employers absolute autonomy in plan design, strives to provide positive member experiences and outcomes for everyone served with the goal of reducing total net costs.**

### **100% Transparent, Pass-Through Pricing & Rebates**

Plan sponsor is charged the exact price the pharmacy is paid. We pass all discounts and rebates that we secure at 100% to the plan sponsor.

### **All-Inclusive Administrative Fee**

No additional fees for standard PBM services, such as prior authorizations, step therapy, and data reporting.

### **Lowest Net-Cost Approach**

Our robust clinical management program and high-performance drug formularies deliver the lowest net cost to protect plans from unnecessary expenses.

### **Plug and Play Cost Containment Strategies**

Seamlessly integrated with multiple market-leading providers to maximize savings.

### **Extensive Member Tools & Resources**

Web portal and mobile applications to help your members thrive.

### **Industry Innovators: Variable Copay™**

Our industry-first, proprietary Variable Copay™ program realizes an average of 30% savings on brand/specialty drugs.

### **Preferred Network Option**

FirstChoice™ offers access to reduced prescription costs at participating FirstChoice™ pharmacies across the nation

### **Live, 24/7/365 Customer Service**

Dedicated representatives, available 24/7. Speak with a live agent immediately.

### **Best in Class Trend Management**

Southern Scripts' Book of Business Specialty Trend is 3.3157%

### **Reporting & Data Analytics**

Web portal with quarterly and ad hoc reporting.

March 9, 2022

Greetings:

Southern Scripts is focused on delivering significant savings to our clients through straightforward pricing models and maximizing plan resources through sound clinical management. We blend the power of "no spread" competitive pricing together with clinical management expertise to lower costs.

Southern Scripts places you in the driver's seat with the freedom to choose the pharmacy benefit plan that best meets the needs of your members. We work with you every step of the way to define challenges, create goals, and leverage our industry-leading claims adjudication technology to address your specific needs.

Our simple and straightforward approach, coupled with our technology and service, makes us ideal for serving self-funded groups of every shape and size. We service a diverse clientele ranging from school boards to equestrians, hospitals to shipyards, in addition to local governments and Native American tribes.

Our pharmacy management strategy is both innovative and effective. Our pass-through pricing is supported by management strategies yielding substantial savings and a foundation for cost control and healthy growth. Clients that adhere fully to suggested management strategies see significant savings which they often reinvest into their workforce. This reinvestment results in new job opportunities, employee training, expanded health care benefits, and other programs that improve employee experiences.

Specialty Pharmacy continues to be a significant pain point for most employers. Our Variable Copay™ program works to combat the ever-rising trend of specialty drug costs by offering deeper AWP discounts and using applicable manufacturer coupons. Currently, Southern Scripts' book of business specialty trend is 3.3157%.

Southern Scripts continually strives to deliver a high degree of personal service and attention to clients and their respective members. We are reworking the traditional pharmacy benefits model and offering new answers to a fundamental question, "How do we offer affordable care to our valued employees?"

We wanted a PBM that worked better, so we created one.

Sincerely,



LeAnn C. Boyd, PharmD, CEO  
Southern Scripts, LLC

## 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  Variable Copay	-\$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

We have identified additional savings available through our Overlay Partners. The savings are illustrative and represent a conservative capture rate. Please note that savings do not include potential rebate yield because prescriptions sourced outside of Southern Scripts are not eligible for rebates.

	2022	2023	2024
<b>Retail Pricing</b>			
<b>30 Day Supply</b>			
Brand	AWP - 18%	AWP – 18.1%	AWP – 18.2%
Generic	AWP – 83.75%	AWP – 84.0%	AWP – 84.25%
Average Dispensing Fee	\$1.25	\$1.25	\$1.25
<b>90-Day Supply</b>			
Brand	AWP - 21%	AWP – 21.1%	AWP – 21.2%
Generic	AWP – 84.75%	AWP – 85.0%	AWP – 85.25%
Average Dispensing Fee	\$0.75	\$0.75	\$0.75
<b>Mail Pricing</b>			
Brand	AWP - 24.5%	AWP - 24.5%	AWP - 24.5%
Generic	AWP - 87%	AWP – 87.25%	AWP – 87.5%
Dispensing Fee	\$0.00	\$0.00	\$0.00
<b>Specialty Pricing</b>			
Brand	AWP - 18%	AWP – 18.1%	AWP – 18.2%
Generic at Retail or Mail	AWP - 82%	AWP – 82.25%	AWP – 82.5%
Variable Copay™	AWP - 28%	AWP - 28%	AWP - 28%
Dispensing Fee	\$1.50	\$1.50	\$1.50
<p>Based on overall performance rates of the Southern Scripts block of business. Does not include regional differences or most-favored nations rates (i.e. AK, GA, HI, MA, PR, WV). Price per prescription will be the passed-through price plus any associated taxes less the member’s contribution. There will be no margin or spread pricing. The rate paid to the participating retail pharmacy will be equal to the amount billed to plan sponsor.</p>			

Channel	Core Formulary Rebates			Core Elite Formulary Rebates		
	2022	2023	2024	2022	2023	2024
Retail Brand 1-83 DS	\$204.90	\$220.30	\$231.11	\$244.80	\$263.20	\$269.67
Retail Brand ≥ 84 DS	\$388.50	\$407.90	\$434.40	\$467.40	\$490.80	\$526.43
Mail Brand	\$791.80	\$831.40	\$877.87	\$836.00	\$877.80	\$902.30
Specialty Brand	\$1,480.90	\$1,592.00	\$1,797.57	\$1,591.80	\$1,711.20	\$1,988.67

100% Rebates Passed Through from third party rebate aggregator. Based on Brand claims as defined by the rebate aggregator. Certain claims are ineligible for rebate including claims billed at 340B pharmacy. Based on 3-Tier plan design with copay differential between preferred and non-preferred brands. The Core Elite Formulary is a narrow formulary that requires absolute exclusion of certain medications from coverage under the plan. The Core Elite Formulary does not allow for grandfathering of existing utilizers for excluded drugs.

Administrative Fees		
Time Period	Fees	Type
Year 1	\$10.00	Per Paid Claim
Year 2	\$10.25	Per Paid Claim
Year 3	\$10.50	Per Paid Claim



**Variable Copay™ – Supercharge your specialty savings**

The Variable Copay™ Program is designed to combat the rising cost of specialty medications. Plan sponsors and their members can experience significant savings on high-cost brand and specialty drugs when enrolled in the Variable Copay™ Program. Maximizing the value of each applicable manufacturer coupon reduces member copays to the face value of the coupon. The plan sponsor simultaneously receives the benefit of the balance of the manufacturer coupon.



**Clinical Management – Proactive, high touch services**

Deploying a singular platform of complete pass through and transparency with one source of revenue provides clients with an intrinsic alignment with their PBM. The clinical management team works in conjunction with the plan sponsor proactively focusing on frontend management to develop strategies that yield the absolute lowest net cost. Active stakeholder engagement through multiple communication channels ensures that everyone is laser focused on a common goal of providing the patient with the right drug at the right time for the lowest cost.



**FirstChoice™ by Southern Scripts – Preferred Network Option**

The FirstChoice™ pharmacy network gives plan sponsors the opportunity to offer their members the option to proactively conserve plan dollars by simply selecting a participating pharmacy provider with the best pricing. This preferred network option provides ample access coupled with greater savings.

**Additional Resources**



**340B Telehealth – 100% Bolt-On Chronic Care Support Program via Telehealth**

340B Telehealth is a plug-and-play, chronic care support program with a guaranteed 20% savings to the employer health plan on all affected pharmaceuticals, in addition to any existing rebates or discounts. The 340B Telehealth Program can achieve pricing discounts up to AWP-38%.



**Reference Pricing – Maximizing patient education and increasing choice**

Utilizing reference-based pricing provides members and their providers with hands-on tools and medication options. Patient-focused education results in patients and plan sponsors achieving additional savings.



**INTL MailOrder - Providing patient choice**

Plans and patients alike will save on high-cost brand medications through our integration with the leading provider of brand medications from Tier One countries as designated by the U.S. Food and Drug Administration.



**PriceMDs – Medical Tourism**

Plans and patients can choose to save up to 50% through economic access to high-quality specialty medications. Medical Tourism provides all care treatment solutions that reduce total treatment costs to employers, patients, and plans on many high-cost maintenance medications.

## Reducing Costs. Improving Quality. Enhancing Experiences

Southern Scripts is committed to reimagining the pharmacy benefit management model by streamlining PBM contracts, refining predictability, and improving drug cost transparency for plan sponsors and members.

Headquartered in Natchitoches, Louisiana, Southern Scripts entered the pharmacy benefit management industry in 2011 with a resolve to streamline the benefit costs incurred by plan sponsors. Our single unwavering business model is one of absolute pass-through and transparency.

The sole source of revenue for Southern Scripts is the administrative fee only and we guarantee client access to all claim details at any time, throughout the life of the contract. The plan sponsor is contractually guaranteed to be billed the exact same price as the pharmacy is paid per claim.

This solid foundation accompanied by a platform for innovative cost management strategies provides the optimal environment for restoring balance between cost savings and health optimization. Continual governance by clinical pharmacists provides robust clinical management strategies that are controlled directly by our clients as applicable to their specific pharmacy benefit plan.

Southern Scripts simplifies the complexities of navigating through the nuances of the traditional PBM industry by giving the plan sponsor the voice of complete freedom and control regarding their plan structure. Our custom designed, state-of-the-art claims adjudication system paired with our open and customizable formulary, provides our clients with unique capabilities to customize plan details. Capabilities include the option to send specific point-of-sale messaging to members and pharmacies via our web portal.

We are a full service PBM, directly contracted with a broad network of nearly 60,000+ retail pharmacies. Our FirstChoice™ preferred network includes more than 30,000 pharmacies and offers members and clients even deeper discounts. The Southern Scripts specialty retail network encompasses 13,000 pharmacies providing specialized services to members. Our U.S. based call center provides live, personalized member and pharmacy support around the clock, every day of the year.

Our proof of concept lies in our Best-in-Class Trend Report:

- Southern Scripts' Book of Business Specialty Trend is 3.3157%
- High-cost brand and specialty medications dispensed through our Variable Copay™ Program averages a 30% savings to the plan, with a standard guarantee of AWP – 28%.



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To provide an accurate comparison, the claims data file was repriced using the same date of service, drug NDC, quantity, and pharmacy to illustrate the savings the plan would have achieved with Southern Scripts. The analysis compares gross costs, the plan paid amount, and member paid amounts. In addition, we also highlight savings opportunities through our Variable Copay Program™, smart clinical management strategies, and the estimated rebate yield for our Core or Core Elite formularies. We also deduct our administrative fees (our contractually warranted sole source of revenue) from the total savings.



## AGENDA ITEM REVIEW FORM

### Special Employee Benefit Trust Board Meeting

3. C.

**Meeting Date:** 04/05/2023

**Department Head:** Adela Cortez, Director Human Resources, Human Resources Department

**Submitted By:** Maria Barajas Gutierrez, Human Resources Coordinator, Human Resources Department

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#### ITEM:

Discussion and possible action on any and all matters regarding the Benefits Third-Party Administrator (**Susan Posada, Benefits Consultant**).

#### SUMMARY:

A Third Party Administrator (*also known as TPA*), is a company that performs administrative services for a health plan such as billing, plan design, claims processing, record keeping, and regulatory compliance activities. The City of San Luis has contracted the services of 90 Degrees Benefits since 2018 to provide administrative services for our health plan. Our current contract expires on June 30, 2023.

During the last year, we have experienced a decline in customer service provided by 90 Degrees. Furthermore, we were recently informed that their rates will be increasing for the coming fiscal year, going from current total fees of \$103,572 to **\$148,638**. For these reasons, research was conducted on other TPA options, which were reviewed with Human Resources and the City Administration.

Our recommendation is to select HealthComp as our new TPA for a total cost of fees in the amount of **\$118,641.33**. HealthComp was founded in 1994 and offers full-service TPA administration and clinical programming. This company has more than 25 years of experience in administering benefits and optimizing savings and has established partnerships with the largest networks, such as Anthem, UHC, Aetna, and Cigna.

Following is a list of HealthComp Claim Administration fees:

- Medical Claims Administration \$25.00 Per Employee Per Month (PEPM)
- Utilization review (Includes pre-certification, concurrent review, discharge planning, retrospective review) \$3.16 PEPM
- Dental Claims Administration \$2.50 PEPM
- Direct Vision Reimbursement Administration \$1.00 PEPM
- Supplemental Case Management \$160.00 Hourly
- Administration Implementation \$4,000
- Annual Plan Renewal \$2,000

#### RECOMMENDATION / SUGGESTED MOTION:

**I MOVE TO APPROVE HEALTHCOMP AS THIRD-PARTY ADMINISTRATOR FOR THE CITY OF SAN LUIS BENEFIT PLAN.**

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**Fiscal Impact**

**Fiscal Impact:**

- Total HealthComp fees will be \$118,641.33 for the 1<sup>st</sup> and 2<sup>nd</sup> year. On the 3<sup>rd</sup> year, there will be an increase of a maximum of 3%.

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**Attachments**

TPA QUOTES

HEALTHCOMP PROPOSAL

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TPA Quotes		Rates 2023- 2024 Option 1 With Rebate to City PEPM	Rates 2023- 2024 Option 2 Rebates 80%/20% PEPM	2023-2024 Option 3  PEPM Total First Year
<b>TPA Firm</b>		<b>90 Degree's</b>	<b>90 Degree's</b>	<b>HealthComp</b>
Medical	274	\$30.00	\$21.50	\$25.00
Dental	274	\$3.00	\$3.00	\$2.50
CAA Regulatory Fee	274	\$3.50	\$3.50	\$0.00
ACA 1094/1095 Reporting (est)	274	\$3.00	\$3.00	\$0.00
Utilization Review				\$3.16
Cobra	274	Included	Included	\$1.50
Medical Helpline	274	\$5.25	\$5.25	\$0.05
<b>Total 90 Degree Fees</b>		<b>\$44.75</b>	<b>\$36.25</b>	<b>\$32.21</b>
TPA Fees	274	\$147,138.00	\$119,190.00	\$105,893.33
Initial Fee		\$1,500.00	\$1,500.00	\$4,000.00
Renewal Fee				\$2,000.00
Enrollment System		\$0.00	\$0.00	\$6,748.00
<b>Total TPA Fees</b>		<b>\$148,638.00</b>	<b>\$120,690.00</b>	<b>\$118,641.33</b>
<b>Rebates to TPA</b>			\$52,468.14	\$0.00
<b>Adjusted TPA Fees</b>		<b>\$148,638.00</b>	<b>\$173,158.14</b>	<b>\$118,641.33</b>
<b>Claims Management per hour</b>		<b>\$135.00</b>	<b>\$135.00</b>	\$160.00
<b>Other Fees</b>				
<b>ID Cards</b>	<b>274</b>	<b>\$1.50</b>	<b>\$1.50</b>	Included
ID Cards total	274	\$411.00	\$411.00	\$0.00
RX Compass % of Savings		25% of Savings	25% of Savings	25% of Savings
Summaries & SBC's		Cost	Cost	Included
Summaries & SBC's In Spanish		Cost	Cot	Included
Subrogation - Settled/Legal		25%/33.33%	25%/33.33%	30%/33.3%
Employee Meetings		No Charge	Cost	Included
Out of Network Claim Program		30% of Savings	30% of savings	30% of Savings
Run Out and Run In Claims (6 months)		\$38,223.00	\$38,223.00	\$41,100.00
Fee for Run Out/In Claims		\$23.25 PEPM	\$23.25 PEPM	\$25.00 PEPM
			1 year	3 year/3% Max



Your Workforce is Unique.  
Your Benefits Should Be Too.

# Administrative Services Proposal

Prepared for [City of San Luis](#)

Brokerage: [Susan Posada Agency](#)

Effective: July 1, 2023  
Prepared: March 6, 2023



# A single partner for administration and advocacy that provides an end-to-end benefits experience

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1994

Founded

900K

Medical members as the nation's largest independent administrator  
*(1.5M total members)*

100-50K

Group size range

3,000:1

EE lives to nurse ratio, 13x that of competitors as a clinically-driven organization



## National Presence

Coverage across all 50 states with operation centers in CA, IL, LA, KY, PA and WY

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## Network Partners

Established partnerships with the largest networks (Anthem, UHC, Aetna, Cigna, etc.) as well as secondary network access

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## In-House Capabilities

Full-service TPA administration (medical, dental, vision, COBRA etc.) and clinical programming (e.g., case management)

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## Proven Savings

Actuarially-adjusted findings by an outside consultancy that independently validates substantial medical cost savings

# We combine **high touch service** and **leading technology** to deliver proven results

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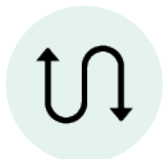
## Integrated Clinical Solutions

In-house, integrated clinical solutions with direct connections to end-care providers.



## Operational Excellence

25+ years of administering benefits and optimizing savings via end-to-end cost containment efforts, including rigorous claims and FW&A programs



## Full Control

Tailored plan designs and expansive network partnerships, coupled with extensive third-party integrations and governance



## Integrated Member Experience

Omnichannel engagement approach, including live chat with Benefits Assistants and nurse texting, that fosters an intuitive experience<sup>4</sup>



## Data at Your Fingertips

Self-service, real-time dashboards with drill-down analytics – *for free*

We want to support you in developing **compelling benefits** for City of San Luis that excites and retains them long-term

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**\$166K**

City of San Luis Year 1  
Claims Savings

**80**

NPS, compared to  
industry average of 27

**97%**

Client retention  
rate

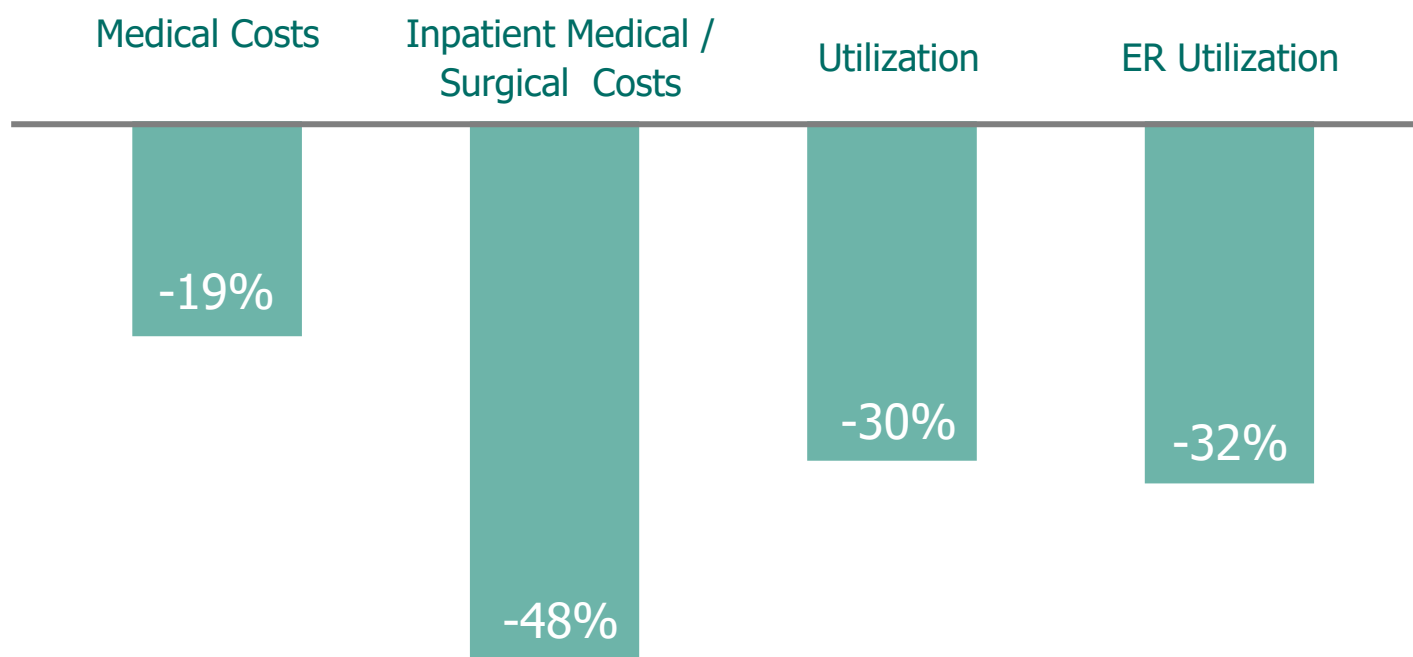
**19%**

Medical cost  
reduction

# Our savings are externally validated and guaranteed

## WAKELY REPORT<sup>1</sup>

Actuarially adjusted findings demonstrate lower medical costs and lower utilization rates



Backed by Validation Institute's

**\$25K Credibility Guarantee\***

*\*Credibility guarantee applies to medical cost savings only; please visit [healthcomp.com/external-validation](https://healthcomp.com/external-validation) for additional details and full report*

## External Validation

**Wakely**, an independent actuarial firm, conducted an analysis of HealthComp to evaluate the effectiveness of its clinical programs by comparing costs and utilization to industry averages.

## Credibility Guaranteed

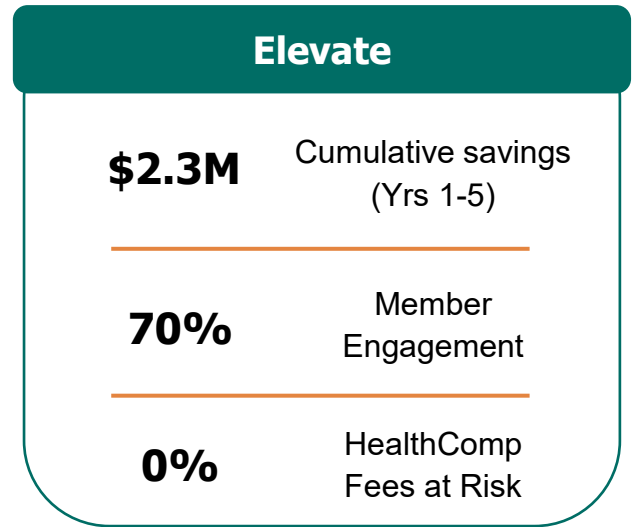
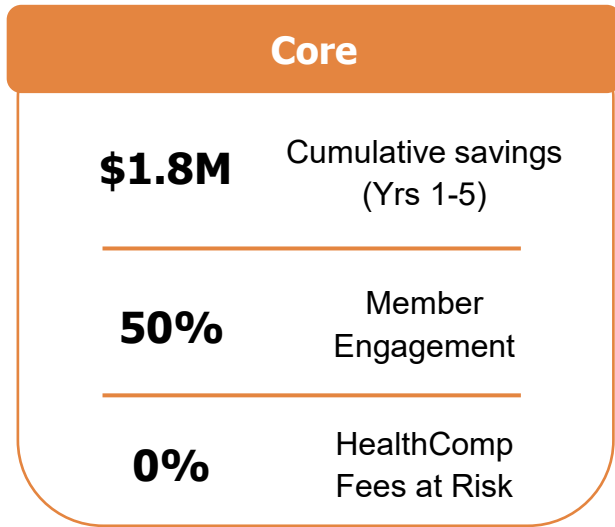
**Validation Institute** is a third party that independently certifies the performance claims healthcare companies make about potential outcomes and offers customers of validated solution providers (e.g., HealthComp) monetary guarantees for disproved assertions.

<sup>1</sup> *Appendix: Wakely Report: Component of Savings*

# Offering Comparison

	<b>HealthComp Core</b> Facilitates comprehensive administration with a flexible plan design	<b>HealthComp Elevate</b> Enhanced interactions through enhanced clinical and member advocacy services
<b>Medical Administration</b> HealthComp serves as your partner to provide access to better, more cost-effective healthcare.	✓	✓
<b>Cost Containment</b> Through auto-adjudication and claims reviews, we eliminate waste and abuse.	✓	✓
<b>Case Management</b> Access to in-house nursing staff, care coordination and more.	✓	✓
<b>Nurturing Together</b> Provides expectant members with services and educational materials designed to help give them and their babies a healthy start.	Buy-Up	✓
<b>Population Preventive Care (PPC)</b> Leverages advanced analytics to create personalized care plans with a high-touch service model.	Buy-Up	✓
<b>Early Interception</b> Using data and analytics to get people the care they need to create better health outcomes.	15%	30%
<b>Single Point of Entry for All Benefits</b>	X	✓
<b>Performance Guarantees</b>	Operational	Operational, engagement, and outcomes

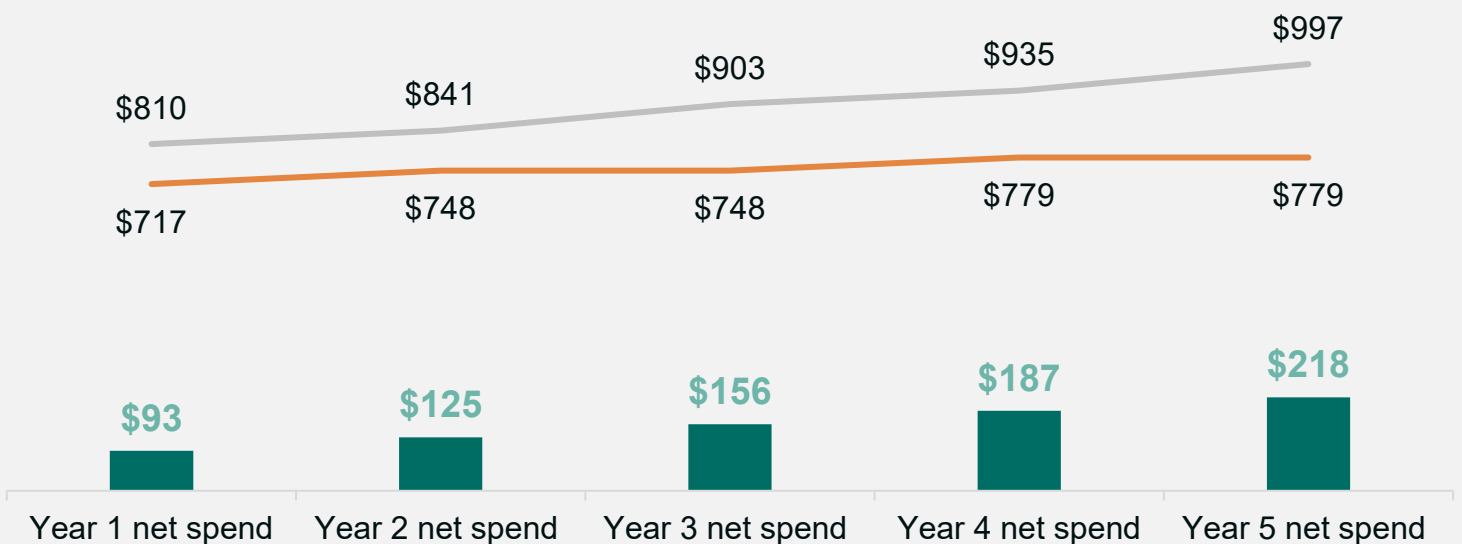
# Our program **generates savings** that City of San Luis can reinvest in their employees and their future



BASED ON SELECTION OF 'ELEVATE'

## MEDICAL COST PROJECTIONS (PEPM)

■ Net savings    — HealthComp    — Industry





# HealthComp Proposal

## Third-Party Administration

Client	City of San Luis
Effective Date	July 1, 2023
Network	Blue Cross and Blue Shield of AZ
Enrolled Employees	274
Mature or Immature Medical Claims Administration	Immature

# Blue Cross & Blue Shield of AZ HealthComp

HealthComp Administration Implementation	\$4,000.00 <i>One Time Fee</i>
Annual Plan Renewal	\$2,000.00 <i>Begins 2024; Charged Annually</i>

Service	Fee
<b>HealthComp Claims Administration</b>	
Medical Claims Administration	\$25.00 PEPM
Utilization Review <i>(Includes pre-certification, concurrent review, discharge planning, retrospective review)</i>	\$3.16 PEPM
Dental Claims Administration <i>(Network Access not included)</i>	\$2.50 PEPM
Direct Vision Reimbursement Administration	\$1.00 PEPM
HealthComp Supplemental Case Management	\$160.00 Hourly
<b>Network Access &amp; Administration</b>	
Blue Cross & Blue Shield of AZ	\$21.50 PEPM
MultiPlan / PHCS Out-of-Area	25% of Savings

## HealthComp Clinical Packages

*Comprehensive administration with in-house clinical and an 80 NPS member services. HealthComp can provide an exceptional digital experience, greater proactive outreach and outcomes while giving you full control of your health plan.*

### Population Preventive Care (PPC) - \$5.60 PEPM

Population Preventive Care (PPC) is inclusive of Cancer Awareness, Gaps in Care, ER Solutions and Disease Management

### HealthComp Elevate - \$8.70 PEPM

Includes Case Management, Nurturing Together, and Population Preventive Care (PPC). PPC is inclusive of Cancer Awareness, Gaps in Care, ER Solutions and Disease Management

## HealthComp Cost Containment

Enhanced Cost Containment	30% of Savings
Dialysis Management	14% of Savings
Subrogation	30% of Savings

## HealthComp Optional Solutions

COBRA Administration	\$1.50 PEPM
Flex Administration	Pricing Available Upon Request

# Disclaimers & Conditions

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1. The information contained in this proposal is considered confidential and proprietary. HealthComp is providing this information with the understanding that it will not be used for any purpose other than to evaluate our capabilities to provide the services requested.
2. It is the responsibility of the Employer to read, understand and abide by the terms, agreements, conditions and disclaimers of the network, carrier, stop loss, PBM and other vendors. HealthComp does not take responsibility for the language within the documents provided by the networks/carriers.
3. This quote is good for 30 days after issue. Should this quote expire please contact your local HealthComp sales team member for an updated proposal.
4. Annual renewal fees are to be charged at each plan renewal with HealthComp, unless otherwise stated.
5. PCORI Fees are the responsibility of the Plan Sponsor and are applicable in accordance with the law.
6. Employer must own their bank account and is responsible for the 'at cost' banking fees associated with the plan and benefit administration services. Should exceptions need to be made regarding our standard positioning surrounding bank accounts, HealthComp Executive team will review the needs and apply appropriate monthly fees if approved.
7. Fees proposed by HealthComp are subject to change by reason of:
  - a. a change imposed by any governmental entity
  - b. a revised interpretation of an existing requirement or
  - c. the enactment of a new law or regulation
  - d. Fees proposed are also subject to change if a division, subsidiary, or affiliated company is added or deleted from the plan, or if the number of covered employees changes by 15% or more from this proposal.
  - e. Any tax or penalty assessed against HealthComp or the employer as either a direct or indirect result of the existence and/or administration of the plan will be the sole responsibility of the plan or employer to pay.
8. If applicable, implementation/communication/wellness/etc. require HealthComp to load the credited amount into the Medical Claims Administration fee or list the credit as a separate line item in our calculations. In addition, if Broker Fees are also to be added to the HealthComp proposal as requested by the broker, these too will be listed in one of the two manners mentioned above.
9. HealthComp's proposal is for a proposed 3-year agreement. The HealthComp Medical Claims administration fee as listed in the proposal, will hold for Year 1 and Year 2, while Year 3 will see 3% max increase.



Your Workforce is Unique.  
Your Benefits Should Be Too.

## Contact Us

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Jose Corral

SVP, National Accounts

Ph: (714) 330-5526

Email: [JCorral@healthcomp.com](mailto:JCorral@healthcomp.com)

## Address

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Mailing Address

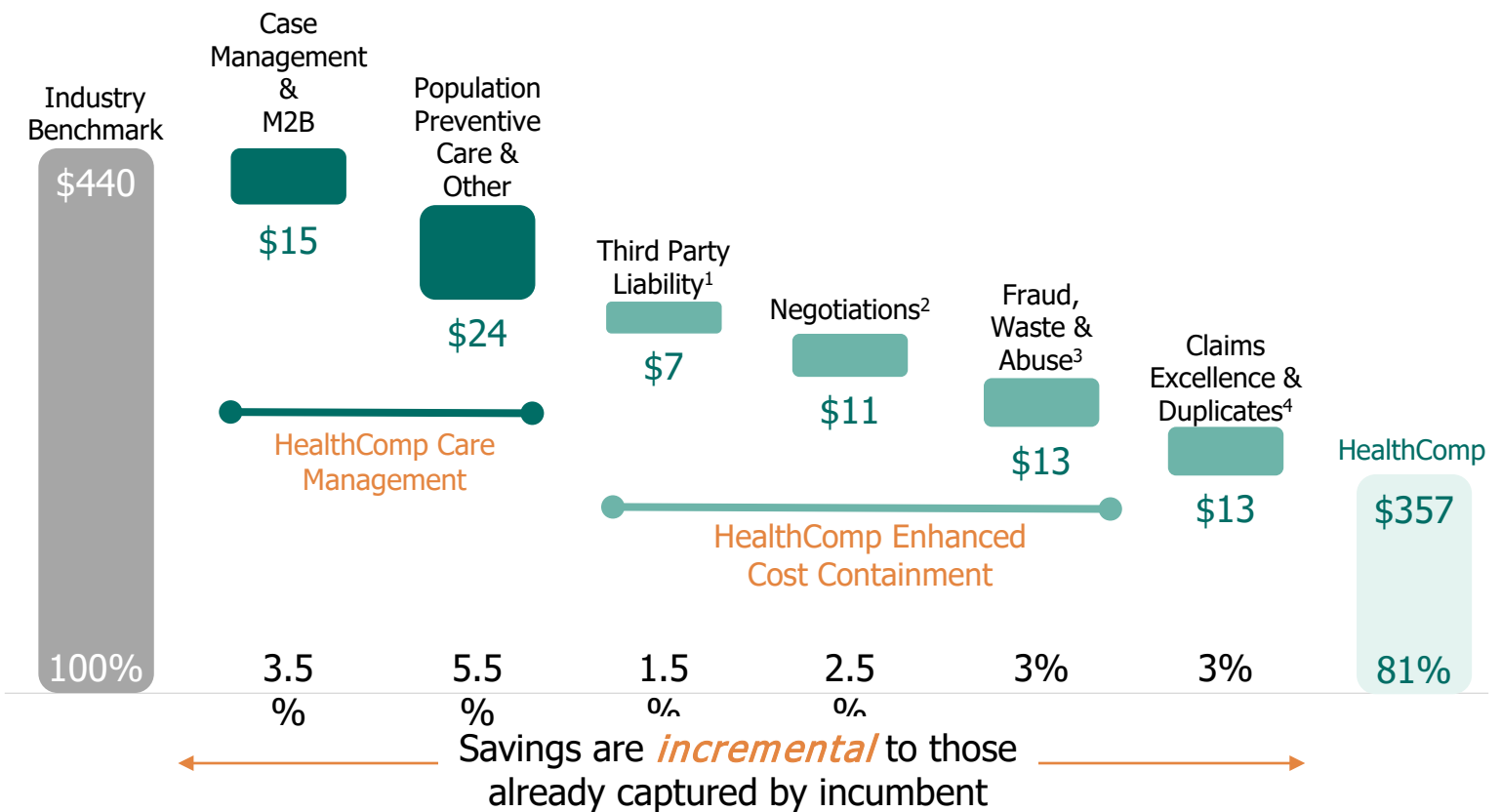
P.O. Box 45018

Fresno, CA 93718-5018

# APPENDIX

# Wakely Report: Components of Savings

## Medical Costs Per Employee Per Month (PEPM)



- \$9 PEPM savings for book; \$2 captured by incumbent, \$7 additional if managed by HealthComp
- \$17 PEPM savings for book; \$6 captured by incumbent, \$11 additional if managed by HealthComp
- \$20 PEPM savings for book; \$7 captured by incumbent, \$13 additional if managed by HealthComp
- \$90 PEPM savings for book; \$77 captured by incumbent, \$13 additional if managed by HealthComp

# Why 90% of clients choose to participate in our **extensive clinical programs**

**3,000:1**

EE lives to nurse ratio  
13x staffing ratio of ASOs

**In-house**

Holistic Care Team  
Social workers, mental health,  
nutritionists, etc.

**60%**

Engagement Rate  
vs. 10% industry rate

**% Population Engaged by CM**

**2.1%**



**0.5%**



**+1.6%**

Higher engagement results in *better health outcomes*

**% Medical Spend by Portion of Population**

HealthComp



**54%**

Industry Benchmark



**22%**

**48%**

Lower Admits / Thousand

**35%**

Lower Readmission Rates

# A seamless member experience focusing on every touchpoint

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## Online Portal

- Self-service member portal
- Live chat functionality
- Desktop and mobile (iOS, Android) accessibility

## Member Services

- >90% first call resolution
- <35 second ASA
- Opportunity identification for early intercept CM referrals

## Communications

- Easy-to-understand, monthly EOBs
- Regular announcements and user guides for members to manage their benefits

## Campaigns

- Proactive outreach to targeted members for specific conditions
- Introduction to the right clinical programs, at the right time

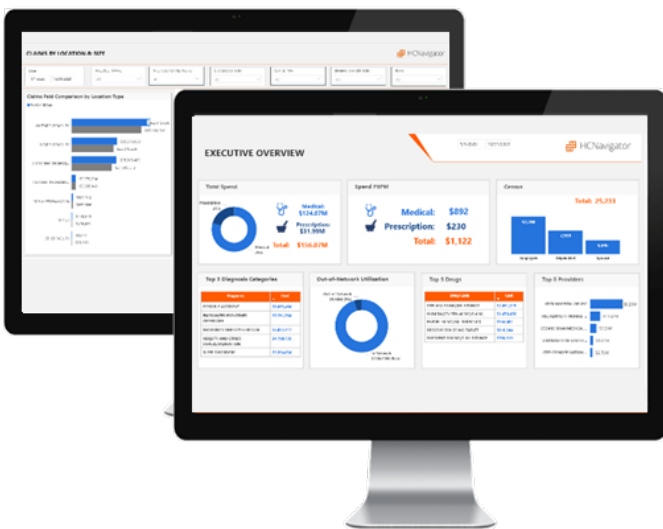


# An analytics platform that provides **transparency into your data** and insights into how your investment is working for you

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## Platform Features

- Nightly refresh
- Interactive, real-time dashboards with drill-down detail
- Custom, built-to-order dashboards
- On-demand and scheduled reporting
- Benchmarking
- Predictive modeling
- Advanced clinical reporting
- PBM integrations



## Example Dashboards

### Summary

- KPIs
- Executive overview
- Demographics
- Network penetration
- Claims by provider

### High Risk / Cost Members

- ICD trigger diagnosis analysis
- High cost claimants
- Large claims analysis

### Utilization

- Health condition
- Key utilization indicators
- Claims by benefit description
- Claims by diagnosis code
- Claims by procedure code
- Prescription drug

# Care Management: Buy Up Solutions

## Population Preventive Care (PPC)

PPC is inclusive of HealthComp's DM, Cancer Awareness, and ER Solutions programs but adds more proactive outbound calls, expanded care gaps, and further coordinated outreach between clinical offerings. PPC leverages advanced analytics to create personalized care plans for each member that allows for a high touch service model and reviews for site of care optimization opportunities and adverse medication interactions.

5%-10%

*Decrease in medical costs*

## Disease Management

Members can avoid acute exacerbations and hospitalizations to lead healthy and productive lives while managing their chronic conditions and pain. This program proactively engages the riskiest members before any hospitalization (and before case management) to address gaps in care. Disease Management leverages advanced analytics to create personalized, targeted outreach.

10%

*Increase in care compliance*

## Cancer Awareness

This program is designed to promote a culture of health at your company, create awareness, and ultimately reduce the participants' risk of cancer through early detection and intervention.

28%

*Increase in cancer screenings*

## Emergency Room (ER) Solutions

ER Solutions identifies members who have recently visited the Emergency Room and performs outreach to educate them on high value alternatives, such as telemedicine solutions, urgent care centers, and primary care physicians.

5%

*Decrease in ER visits*

## Nurturing Together

Nurturing Together provides expectant mothers with services and educational materials designed to help give them and their babies a healthy start. HealthComp encourages an active partnership with the patient, their providers, and prenatal nurses over the course of the pregnancy, increasing participation in all aspects of cares.

\$31,500

*Savings per high-risk pregnancy*

## HealthComplete: Wellness Portal and Digital Coaching

HealthComplete is a comprehensive online wellness center accessible by desktop and mobile app. The program provides incentive management, activity and health tracking (with device integration), on demand classes, health risk assessment, communication tools and other employee listening and wellness gamification tools.

92%

*Of participants report positive changes*

# Integrated Partner Solutions



## BEHAVIORAL HEALTH - EAP

Curalinc offers an innovative suite of advocacy-driven EAP services that help users address stress, anxiety, depression, and relationship issues.

\$1.95 Per Employee Per Month (PEPM)



## TELEMEDICINE

Teladoc offers telephonic and virtual appointments with board-certified physicians, therapists, and specialists 24/7. It also offers virtual primary care under its P360 offering.

\$2.50 PEPM with \$0 consults  
\$1.25 PEPM with \$55 Consults

### Additional Teladoc Options

- Behavioral Health - Additional \$0.33 PEPM
- Psychiatrist First Visit: \$220
- Psychiatrist Ongoing Visit: \$100
- Licensed Therapist: \$90
- Dermatology: \$85 Consults
- P360: \$3.00 PEPM *General Medical purchased required*



## CUSTOM MACHINE READABLE FILE (MRF)

Sapphire Digital supports groups with custom networks be compliant with Price Transparency regulation by developing MRFs. Partnership does not apply for groups without custom networks.

Pricing Upon Request



## DIABETES MANAGEMENT

Livongo uses personalized digital guidance, smart devices and access to health professionals to help people with diabetes live healthier lives.

\$72 Per Participant Per Month (PPPM)



## MUSCULOSKELETAL

Hinge Health offers digital physical therapy programs to help patients with chronic musculoskeletal (MSK) issues and reduce spend related to MSK health services.

\$995 Per Participant Per Year (PPPY)



## EXPERT MEDICAL OPINION

Grand Rounds Expert Medical Opinions deliver comprehensive guidance for your members' most complex health needs.

\$2.40 PEPM + \$5,000 one-time implementation fee for clients over 1,000 lives