



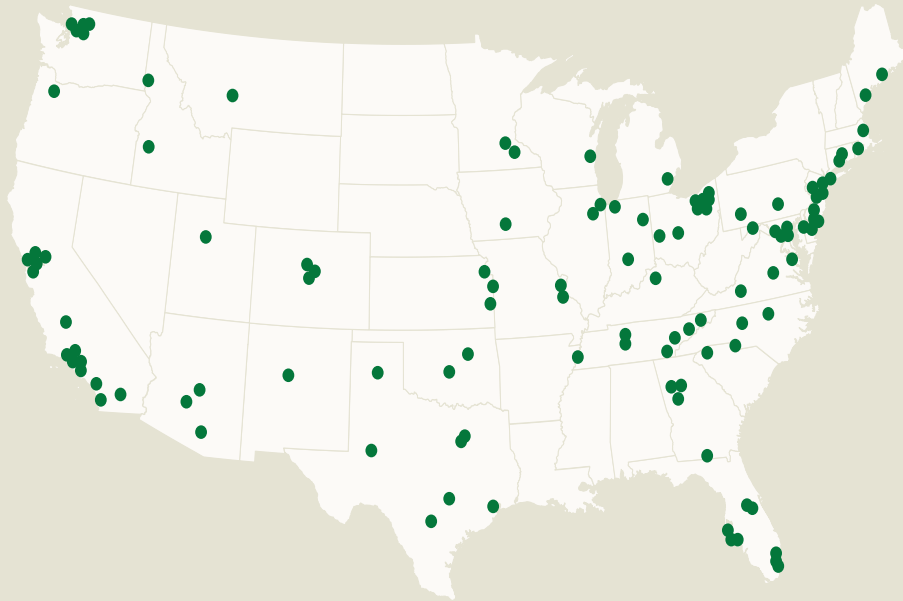
City of San Luis

Employee Benefits Renewal and Funding Projection

Plan Year: 7/1/25 – 6/30/26

April 23rd, 2025

CBIZ – Who and How We Serve the City of San Luis



NYSE:CBZ

As a professional advisory firm, we help the City of San Luis *effectively manage the challenges associated with all things ‘Employee Benefits’*. This includes *administrative support, compliance and regulatory guidance, vendor management, employee communications and wellness, actuarial, analytics and funding projections, and a variety of other services needed to support the work of the Employee Benefits Team.*

Your CBIZ Account Team



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Consultant*

Angela Schlosser
Claims Advocate

Previous Areas of Focus

- Eliminated broker commissions from point solution partners and insurance vendors - decreasing the cost to the City and aligning incentives to better serve the City
- Increased individual stop loss limit to \$100k vs. prior year \$50k – decreasing annual stop loss premiums by \$225k. 2024/25 renewal included two lasers at \$135k and \$235k as well as an aggregating specific deductible of \$50k
- Vendor management – ensuring vendors are delivering on commitments and administering the health plans correctly including timely and accurate analytics
- Conducted and evaluated the results of an Employee Wellness interest survey to identify employee desires and preferences; including proposals for potential future “Wellness Platforms”



- Vendor performance and evaluation – continue to monitor vendors to ensure they are meeting the City’s expectations and needs
- Conduct a benchmark evaluation of the City’s plans against other employers and municipalities – this will inform the City of opportunities and ensure competitiveness
- Identify opportunities to improve and ease administrative effort of staff (including improve the employee experience) by utilizing technology
- Evaluate opportunities to consolidate offerings – improving employer and employee experience
- Pursue credits from vendors to offset costs or investments in technology
- Half day “Employee Benefits” education and strategy session in May – focused on high value benefit experience, administrative efficiencies, financial rigor and risk management

Looking
Forward

Renewal Position: Administrative Fees (25/26)

- **Third Party Administrator (Personify)** – renewal received, 0% rate pass
- **PPO Provider Network (BCBS of AZ)** – Renewal received, 2.3% (\$2,730) increase
- **Mexico Network (Siarmed)** – Renewal received, 0% rate pass
- **Dental Admin Fee** – Renewal received, 0% rate pass
- **Vision (VSP)** – Non EBT Funded – Renewal received, 0.2% (\$107) increase
- **Cobra** – Renewal received, 0% rate pass
- **EAP (Uprise)** – Renewal received, -4.5% decrease; due to growth in the group
- **Teladoc (Healthiest You)** – Renewal received, 0% rate pass
- **Life/AD&D, Vol. Life/LTD/STD (Standard)** – Non EBT Funded – Rate Guarantee until 6/30/2027

Medical, RX and Stop Loss Projection (25/26)

Method and Caveats

Forecasted (2025/26) Rate Action		
Expected	31.96%	Based on Expected Liability
High End	36.96%	
Very High End	54.94%	Based on Maximum Liability
Low End	26.96%	
Used	31.96%	

Assumptions

Used 24 months of paid claims: Year 1 (Current) from 1/2024 - 12/2024 , Year 2 (Prior) from 1/2023 - 12/2023. Blended 80% Year 1 and 20% Year 2 for Medical and Rx Experience

Due to payment disruptions (TPA Reporting Concerns) used estimated completed incurred claims for months July 2023 onward based on Lag Tables + IBNR. Made various adjustments to formulas for more accurate mixed basis.

2025/26: No Plan Changes

Trend Applied to Claims (US and Mexico): Medical = 7.9% ; Rx = 11.4%

Removed:

- Chronic Claim load of 13% and 2 lasers (\$235k & \$135k)
- Claim Margin (2%)
- Stop Loss Admin Fee (\$8.00 pepm)

Stop Loss Renewal:

- \$100k Individual Stop Loss (ISL)
- \$50k Aggregating Specific Ded
- 125% Aggregate Ded
- 24 / 12 Contract Basis
- Individual Stop Loss: \$129.95 to \$150.92 (16%) for annual estimate of \$595.745
- Aggregate Stop Loss: \$4.56 to \$4.72 (3.5%) for annual estimate of \$18,635
 - 125% corridor on Aggregate Policy
- 3 Current claims above policy period deductible (\$100k): \$224k, \$140k, \$135k
- Potential stop loss laser at \$200k for CMS eligible (5/1) ESRD member

Medical, RX and Stop Loss Renewal (25/26)

Fixed Cost

Fixed Cost				
	2024	2025	% Change	Annual
Subscribers	329	329		
Claim/Premium Administration Fee 2	\$25.00	\$25.00	0.0%	\$98,700
Network Access Fee (BCBS)	\$22.00	\$22.50	2.3%	\$88,830
Network Access Fee (SiarMed)	\$3.00	\$3.00	0.0%	\$11,844
Utilization Management	\$3.16	\$3.16	0.0%	\$12,476
Personify Implementation / Annual Fee	\$0.51	\$0.51	0.0%	\$2,000
Stop Loss Fee Admin Fee	\$7.80	\$0.00	-100.0%	\$0
Wellness program - Healthiest You 4	\$11.80	\$11.80	0.0%	\$46,586
EAP	\$2.00	\$1.91	-4.5%	\$7,541
COBRA Admin	\$1.50	\$1.50	0.0%	\$5,922
Individual Stop Loss	\$129.95	\$150.92	16.1%	\$595,845
Aggregate Stop Loss	\$4.56	\$4.72	3.5%	\$18,635
Commission/Consulting Fee	\$24.32	\$24.32	0.0%	\$96,000
Total Fixed Costs	\$237.68	\$249.34	4.9%	\$984,379
PCORI Fee	\$0.50	\$0.54	7.8%	\$2,136
Total Fixed Costs and ACA	\$238.18	\$249.88	4.9%	\$986,515

Funding Projection and Rates (25/26)

Based Upon Expected Liability

2024 Funding Rates at Expected Liability			
	PPO 750	EPO Mexico	Total
Employee Only	\$604.84	\$220.40	\$591.52
Employee + Spouse	\$1,255.16	\$457.32	\$835.24
Employee + Child(ren)	\$1,255.16	\$457.32	\$1,102.38
Employee + Family	\$1,920.04	\$667.80	\$1,406.83
PEPM:	\$885.10	\$527.98	\$829.74
Monthly Funding	\$246,058	\$26,927	\$272,985
Annual Funding	\$2,952,693	\$323,123	\$3,275,816

Enrollment		
PPO 750	EPO Mexico	Total
195	7	202
9	10	19
38	9	47
36	25	61
278	51	329

2025 Funding Rates at Expected Liability (31.96%)			
	PPO 750	EPO Mexico	Total
Employee Only	\$797.17	\$290.85	\$780.59
Employee + Spouse	\$1,656.35	\$603.49	\$1,102.21
Employee + Child(ren)	\$1,656.35	\$603.49	\$1,454.74
Employee + Family	\$2,533.74	\$881.25	\$1,856.49
% Change	31.96%	31.96%	31.96%
PEPM:	\$1,168.00	\$527.98	\$1,094.95
Monthly Funding	\$324,705	\$26,927	\$360,239
Annual Funding	\$3,896,465	\$323,123	\$4,322,866

Dental Funding Projections (25/26)

Enrollment and 2024 Funding

Current Enrollment

	Dental Plan 1	Dental Plan 2	Total
EE Only	180	10	190
EE + Spouse	8	21	29
EE + Child(ren)	23	21	44
EE + Family	24	42	66
Total	235	94	329

Total 2024 Funding

	<u>Dental Plan 1</u>	<u>Dental Plan 2 (Mx)</u>	<u>Total</u>
Employee Only	\$6,565	\$163	\$6,727
Employee + Spouse	\$583	\$683	\$1,267
Employee + Child(ren)	\$1,677	\$683	\$2,361
Employee + Family	<u>\$2,185</u>	<u>\$1,822</u>	<u>\$4,007</u>
Total Monthly	\$11,010	\$3,352	\$14,362

PEPM Funding:	\$43.65
Monthly Funding:	\$14,362
Annual Funding:	\$172,344

2024 Funding Rates at Expected

	<u>Dental Plan 1</u>	<u>Dental Plan 2 (Mx)</u>
Employee Only	\$36.47	\$16.28
Employee + Spouse	\$72.93	\$32.54
Employee + Child(ren)	\$72.93	\$32.54
Employee + Family	\$91.03	\$43.39

Dental Funding Projections (25/26)

Percent Change in Funding Rates

Current PEPM Funding*:	\$43.65		Dental	Dental
Projected PEPM Funding:	\$48.99	=====>	<u>Claims</u>	<u>Admin</u>
			\$44.99	\$4.00
Calculated Rate Action:	12.22%	Dx Breakdown	91.8%	8.2%
Recommended Rate Action:	12.22%			

Assumptions:

- No Plan Changes
- 1% Chronic Load
- 1% Margin Load
- 3.5% Trend Utilized
- Adding Coverage for Dental Implants (no material impact)

Forecasted 2025 Funding Rates

	<u>Dental Plan 1</u>	<u>Dental Plan 2 (Mx)</u>	<u>Total</u>
Employee Only	\$40.93	\$18.27	
Employee + Spouse	\$81.85	\$36.52	
Employee + Child(ren)	\$81.85	\$36.52	
Employee + Family	\$102.16	\$48.69	
Renewal PEPM funding:	\$52.58	\$40.02	\$48.99
Renewal Monthly funding:	\$12,356	\$3,762	\$16,118
Renewal Annual funding:	\$148,272	\$45,139	\$193,412
% Change vs. Current:	12.22%	12.22%	12.22%

Dental Implant Coverage (Proposed)

Coverage for Major Services:

- This plan covers major dental services, including but not limited to **dental implants**, crowns, bridges, and dentures.
- Covered components – the plan covers the replacement of implant crowns, abutments, and the implant itself.
- Frequency Limits – Crown replacements are covered once every 10 years.

Deductible/Coinsurance:

- The plan covers 50% of the cost of major services after the deductible has been met.
- Deductible of \$25 per person must be met before coverage begins.

Annual Maximum:

- The annual maximum benefit for all dental services, including replacements is \$2,250 per covered individual.

Pre-Authorization Requirement:

- Pre-authorization is required for all major dental services. This ensures that the procedures are medically necessary and helps manage plan costs.
- Will be required for all replacements to ensure medical necessity.

Exclusions:

- Cosmetic procedures are not covered under this plan.
- Dental implants or other major services for teeth lost before the coverage began are not covered.
- Replacements due to neglect, improper care, or cosmetic reasons are not covered.



Thank You