CITY OF GAUTIER
MEMORANDUM

To: Samantha Abell, City Manager

From: Jason D. Pugh, Human Resources Director

Date: August 27, 2013

Subject: Renewal of FY 2014 Funding Rates for Self-Insured Health Benefits

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REQUEST:
The Human Resources Department requests City Council approval to renew funding rates for the self-insured medical and dental insurance plans for FY2014 with Fox Everett Inc.

BACKGROUND:
The Human Resources Department has received the medical and dental renewal funding rates for FY 2014 from Fox Everett Inc. with no changes. This also includes a no specific deductible laser endorsement. This company has provided exceptional TPA services to the municipality and its municipal employees since October 1, 2004.

RECOMMENDATION:
Staff recommends the City Council authorize the continuation of medical and dental funding rates for the self-insured insurance plans with no changes for FY 2014.

The City Council may:

1. Approve the attached order; or
2. Disapprove the attached order.

ATTACHMENT(S):
Recap of Costs October 1, 2013
Fully-Insured Transplant Coverage Proposal

FOX | EVERETT
Experience beyond the expected
an Assurex Global Partner

City of Gautier
Recap of Costs
October 1, 2013

	HCC Life			Westport	Optum
SPECIFIC EXCESS COVERAGE	**Current**	**Renewal**	**Option 1**	**Option 2**	**Option 3**
Coverage's	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*
Contract Basis	12/15	12/15	12/15	12/15	12/15
Contingent Laser	$500K	*Removed*			
1. Individual Specific Deductible	$ 65,000	$ 65,000	$ 70,000	$ 65,000	$ 65,000
2. Employees without dependents	50	50	50	50	50
3. Families (including employees)	58	58	58	58	58
4. Monthly Premium Rates - Single	$ 79.27	$ 86.86	$ 82.22	$ 79.56	$ 88.48
5. Monthly Premium Rates - Family	$ 203.59	$ 217.26	$ 206.18	$ 212.54	$ 224.73
6. Estimated Annual Specific Premium	**$ 189,261**	**$ 203,329**	**$ 192,833**	**$ 195,664**	**$ 209,500**
AGGREGATE EXCESS LOSS					
Coverage's	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*	*Medical & Rx Drugs*
Contract Basis	12/15	12/15	12/15	12/15	12/15
Maximum Aggregate Reimbursement	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Individual Claim Limit	$ 65,000	$ 65,000	$ 65,000	$ 65,000	$ 65,000
Aggregate Corridor	125%	125%	125%	125%	125%
7. Monthly Aggregate Factor - Single	$ 361.46	$ 371.59	$ 373.96	$ 364.18	$ 363.27
8. Monthly Aggregate Factor - Family	$ 907.91	$ 944.32	$ 949.86	$ 1,011.07	$ 912.45
9. Minimum Annual Aggregate Attachment Point	$ 848,781	$ 880,201	$ 885,479	$ 922,213	$ 853,027
10. Expected Annual Claims	**$ 679,025**	**$ 704,161**	**$ 708,383**	**$ 737,770**	**$ 682,422**
11. Monthly Premium Rate - Composite	($7.94 PEPM)	($8.80 PEPM)	($8.82 PEPM)	($8.49 PEPM)	($7.13 PEPM)
12. Estimated Annual Aggregate Premium	**$ 10,290**	**$ 11,405**	**$ 11,431**	**$ 11,003**	**$ 9,240**
FULLY INSURED TRANSPLANT POLICY - Fairmont					
13. Monthly Premium Rates - Single	$ 5.87	$ 5.87	$ 5.87	$ 5.87	$ 5.87
14. Monthly Premium Rates - Family	$ 15.32	$ 15.32	$ 15.32	$ 15.32	$ 15.32
15. Estimated Annual Transplant Premium	**$ 14,185**	**$ 14,185**	**$ 14,185**	**$ 14,185**	**$ 14,185**
ADMINISTRATIVE FEES					
16. Medical Claims Administration - (PEPM)	$ 14.50	$ 15.26	$ 15.26	$ 15.26	$ 15.26
17. Consult A Doc (PEPM)	$ 3.20	$ 3.20	$ 3.20	$ 3.20	$ 3.20
18. Broker Fee - (PEPM)	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
19. Dental Fee - (PEPM)	$ 3.00	$ 3.00	$ 3.00	$ 3.00	$ 3.00
20. COBRA & HIPAA Administration - (PEPM)	$ 1.50	$ 1.50	$ 1.50	$ 1.50	$ 1.50
21. Pre-Admission Certification - (PEPM)	$ 1.46	$ 1.46	$ 1.46	$ 1.46	$ 1.46
22. PPO Access Fee - (PEPM)	$ 4.95	$ 4.95	$ 4.95	$ 4.95	$ 4.95
23. PPACA - (PEPM)	$ 1.00	$ 1.00	$ 1.00	$ 1.00	$ 1.00
24. Bloodhound "Claims Edit" - (PEPM)	$ 0.50	$ 0.50	$ 0.50	$ 0.50	$ 0.50
25. Estimated Annual Administration Cost	**$ 42,911**	**$ 43,896**	**$ 43,896**	**$ 43,896**	**$ 43,896**
TOTAL ANNUAL COST					
26. Minimum annual cost* ($-0- claims)	$ 259,142	$ 275,310	$ 264,840	$ 264,747	$ 279,317
27. Expected annual cost*	$ 938,167	$ 979,471	$ 973,223	$ 1,002,517	$ 961,739
28. Maximum annual cost*	$ 1,107,924	$ 1,155,511	$ 1,150,319	$ 1,186,960	$ 1,132,344
29. MS CHIRPA (PEPM: MS Residients =104)	$2,496.00	$2,496.00	$2,496.00	0	$2,496.00
	$2.00	$2.00	$3.00	0	$3.00

PCORI - $1 per covered life annually ; Transitional Reinsurance Fee - $5.25 per covered life monthly.