

**RESOLUTION
ROCK COUNTY BOARD OF SUPERVISORS**

Finance Committee
INITIATED BY

Finance Committee
SUBMITTED BY



Amy Spoden, HR Manager
DRAFTED BY

October 1, 2013
DATE DRAFTED

APPROVING REINSURANCE CONTRACT FOR STOP-LOSS COVERAGE

- 1 WHEREAS, Willis of Wisconsin, Inc., Rock County's Insurance Consultant, solicited proposals from Stop-loss
- 2 carriers; and,
- 3
- 4 WHEREAS, Zurich is the most competitive option for Stop-Loss coverage for Rock County; and,
- 5
- 6 WHEREAS, the Finance Committee has reviewed the options and selected a Stop-Loss retention level of
- 7 \$175,000 for monthly premiums of \$25.53 per single plan and \$78.84 for a family plan.
- 8
- 9 NOW, THEREFORE, BE IT RESOLVED, that the Rock County Board of Supervisors duly assembled on this
- 10 10 day of October, 2013 hereby authorizes the execution of a contract with Zurich for
- 11 administration of the County's Stop-Loss Coverage effective January 1, 2014.

Respectfully Submitted,

FINANCE COMMITTEE

/s/ Mary Mawhinney
Mary Mawhinney, Chair

Sandra Kraft
Sandra Kraft, Vice Chair

Mary Beaver
Mary Beaver

Brent Fox
Brent Fox

J. Russell Podzilni
J. Russell Podzilni

FISCAL NOTE:

Sufficient funds are available in the Health Insurance Fund for administering the County's self-insurance health plan and specific stop-loss coverage. Based upon the current census of 363 Single Plans and 811 Family Plans, the annual stop-loss premium would be \$878,480.

Sherry Oja
Sherry Oja
Finance Director

LEGAL NOTE:

The County Board is authorized to take this action pursuant to secs. 59.01, 59.51, and 59.52 (11)(c), Wis. Stats.

Jeffrey S. Kuglitsch
Jeffrey S. Kuglitsch
Corporation Counsel

ADMINISTRATIVE NOTE:

Recommended.

Craig Knutson
Craig Knutson
County Administrator

Rock County
SELF-FUNDED MEDICAL BENEFIT/COST ANALYSIS
 Effective: 1/1/2014

| | Current | | Revised Renewal | | Option | | Option | |
|---|---|---|---|---|---|---|---|---|
| | PBA | ZURICH | PBA | ZURICH | PBA | ZURICH | PBA | ZURICH |
| Medical Administrator | | | | | | | | |
| Prescription Benefit Manager | | | | | | | | |
| Reinsurance Carrier | | | | | | | | |
| ADMINISTRATION | | | | | | | | |
| 1170 Medical Administration | \$13.25 | \$13.25 | \$13.25 | \$13.25 | \$13.25 | \$13.25 | \$13.25 | \$13.25 |
| 1170 COBRA | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.25 | \$1.25 |
| 1170 PPO Liaison Fee | \$0.40 | \$0.40 | \$0.40 | \$0.40 | \$0.40 | \$0.40 | \$0.40 | \$0.40 |
| Utilization Review | Quantum Bills | Quantum Bills | Quantum Bills | Quantum Bills | Quantum Bills | Quantum Bills | Quantum Bills | Quantum Bills |
| PPO Access Fee - PPO #1 | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions | Alliance/PHCS Wrap - Healthy Directions |
| | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| PPO Access Fee - PPO #2 | Alliance/First Health | Alliance/First Health | Alliance/First Health | Alliance/First Health | Alliance/First Health | Alliance/First Health | Alliance/First Health | Alliance/First Health |
| | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Annual Fee - Maintenance & Compliance | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 | \$1,000.00 |
| Monthly Administration Costs | \$17,616.33 | \$17,616.33 | \$17,616.33 | \$17,616.33 | \$17,616.33 | \$17,616.33 | \$17,616.33 | \$17,616.33 |
| Total Annual Administration Costs | \$210,196.00 | \$210,196.00 | \$210,196.00 | \$210,196.00 | \$210,196.00 | \$210,196.00 | \$210,196.00 | \$210,196.00 |
| Percent of Cost Difference | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| SPECIFIC STOP LOSS | | | | | | | | |
| LASERS | Medical/Rx | Medical/Rx | Medical/Rx | Medical/Rx | Medical/Rx | Medical/Rx | Medical/Rx | Medical/Rx |
| Contract Type | None | None | None | None | None | None | None | None |
| Specific Deductible | 12/18 | 12/18 | 12/18 | 12/18 | 12/18 | 12/18 | 12/18 | 12/18 |
| Aggregating Spec Deductible | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 | \$175,000 |
| Specific Annual Maximum ¹ | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 | \$2,000,000 |
| No New LASER at Renewal Provision | - | - | - | - | - | - | - | - |
| Rate Cap at Renewal Provision | - | - | - | - | - | - | - | - |
| Maximum Renewal Increase | - | - | - | - | - | - | - | - |
| Perpetual or Annually Renewable | - | - | - | - | - | - | - | - |
| Retiree Inclusion | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| Specific Premium | | | | | | | | |
| Single | \$25.02 | \$25.53 | \$25.53 | \$25.53 | \$21.56 | \$18.41 | \$31.80 | \$31.80 |
| Family | \$76.77 | \$78.84 | \$78.84 | \$78.84 | \$68.95 | \$58.72 | \$76.10 | \$76.10 |
| Monthly Specific Premium | \$71,190.90 | \$73,051.20 | \$73,051.20 | \$73,051.20 | \$63,611.10 | \$54,190.80 | \$73,069.00 | \$73,069.00 |
| Annual Specific Premium | \$864,290.80 | \$876,614.40 | \$876,614.40 | \$876,614.40 | \$763,333.20 | \$650,288.60 | \$877,068.00 | \$877,068.00 |
| Total Annual Stop Loss Costs | \$864,290.80 | \$876,614.40 | \$876,614.40 | \$876,614.40 | \$763,333.20 | \$650,288.60 | \$877,068.00 | \$877,068.00 |
| Percent of Cost Difference | 0.0% | 2.6% | 2.6% | 2.6% | -10.6% | -23.9% | 2.7% | 2.7% |
| A Total Annual Fixed Costs | \$1,064,486.80 | \$1,086,810.40 | \$1,086,810.40 | \$1,086,810.40 | \$973,529.20 | \$880,486.60 | \$1,087,264.00 | \$1,087,264.00 |
| Percent of Cost Difference | 0.0% | 2.1% | 2.1% | 2.1% | -8.5% | -19.2% | 2.1% | 2.1% |
| Total Annual/Red Expected Costs (A+C+D+E) | \$1,064,486.80 | \$1,086,810.40 | \$1,086,810.40 | \$1,086,810.40 | \$973,529.20 | \$880,486.60 | \$1,087,264.00 | \$1,087,264.00 |
| Percent of Cost Difference (Exp) | 0.0% | 2.1% | 2.1% | 2.1% | -8.5% | -19.2% | 2.1% | 2.1% |
| NOTES: | | | | | | | | |
| LASERS: | | | | | | | | |
| ¹ Please review medical summary plan description to ensure that the annual maximum matches up with the carrier annual maximum. Falling to do so could result in a gap in coverage. Vendors may charge or pass through additional fees as required or related to PPACA. These fees are not represented in the costs above. Please note: an incurred contract, e.g. 12/15, could result in a gap in coverage when changing carriers and/or cancelling coverage. This comparison is intended to illustrate the carrier's proposed services and rates and should not be relied upon to fully determine benefits and rates. Refer to carrier's renewal/proposal for a complete representation of coverage terms and conditions. | | | | | | | | |

¹Please review medical summary plan description to ensure that the annual maximum matches up with the carrier annual maximum. Falling to do so could result in a gap in coverage. Vendors may charge or pass through additional fees as required or related to PPACA. These fees are not represented in the costs above. Please note: an incurred contract, e.g. 12/15, could result in a gap in coverage when changing carriers and/or cancelling coverage. This comparison is intended to illustrate the carrier's proposed services and rates and should not be relied upon to fully determine benefits and rates. Refer to carrier's renewal/proposal for a complete representation of coverage terms and conditions.