



# City of Foley

## Health Plan Cost and Budget Projection

Projection Period: 1/1/2022 through 12/31/2022



# Table of Contents

Reports/Graphs	Page
Medical and Pharmacy Claims Projection	3
Fixed Costs   Administration, Stop Loss and PPACA	4
Renewal Rate Action	5
Rates Exhibit   Self-Funded Premium Equivalent and COBRA Rates (Plan 1)	6



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The calculations and/or projections utilized in this model are based upon standard actuarial and underwriting principles. Claims trends, fees and other factors are based upon industry standard and carrier/TPA specific information when available. Projected claims, fees and other costs are based upon current trends, enrollment and utilization patterns. Any deviation in these factors may cause variations when compared to actual results.

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**I - ENROLLMENT**

Ending Enrollment Data as of:	8/31/2021
Number of Employees	327
Number of Members	833
Member to Employee Ratio	2.55

2 Years Prior Period	1 Year Prior Period	Current Period
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**II - MEDICAL (PROJECTED CLAIMS)**

Paid Claims Period	9/1/2018 - 8/31/2019	9/1/2019 - 8/31/2020	9/1/2020 - 8/31/2021
Paid Medical Claims	\$2,295,424	\$2,363,517	\$3,064,565
(-) Reinsurance Recoveries	-\$145,631	-\$203,052	-\$113,038
(-) Subrogation Recoveries	-\$1,201	-\$6,257	\$0
<b>(=) Net Paid Claims</b>	<b>\$2,148,591</b>	<b>\$2,154,207</b>	<b>\$2,951,527</b>
Annual Trend	4.62%	4.62%	4.62%
Trend Months	40	28	16
(x) Composite Trend Factor	1.166	1.114	1.063
<b>(=) Trended Claims</b>	<b>\$2,505,571</b>	<b>\$2,398,913</b>	<b>\$3,138,687</b>
(/) Total Enrollment	3,681	3,725	3,818
<b>(=) Trended Claims (PEPM)</b>	<b>\$680.68</b>	<b>\$644.00</b>	<b>\$822.08</b>

**III - PHARMACY (PROJECTED CLAIMS)**

Paid Claims Period	9/1/2018 - 8/31/2019	9/1/2019 - 8/31/2020	9/1/2020 - 8/31/2021
Paid Pharmacy Claims	\$881,026	\$1,178,765	\$1,163,755
(-) Pharmacy Rebates	-\$212,299	-\$397,435	-\$269,850
<b>(=) Net Paid Claims</b>	<b>\$668,727</b>	<b>\$781,330</b>	<b>\$893,905</b>
Annual Trend	4.62%	4.62%	4.62%
Trend Months	40	28	16
(x) Compound Trend Factor	1.166	1.114	1.063
<b>(=) Trended Claims</b>	<b>\$779,834</b>	<b>\$870,085</b>	<b>\$950,588</b>
(/) Total Enrollment	3,681	3,725	3,818
<b>(=) Trended Claims (PEPM)</b>	<b>\$211.85</b>	<b>\$233.58</b>	<b>\$248.98</b>

**IV - TOTAL (PROJECTED CLAIMS)**

<b>Total Projected Claims</b>	<b>\$3,285,404.43</b>	<b>\$3,268,998.30</b>	<b>\$4,089,275.41</b>
<b>Total Projected Claims (PEPM)</b>	<b>\$892.53</b>	<b>\$877.58</b>	<b>\$1,071.05</b>

**V - PERIOD BLENDING**

	10%	30%	60%
<b>Weighted Total Projected Claims (PEPM)</b>	<b>\$89.25</b>	<b>\$263.28</b>	<b>\$642.63</b>
<b>Weighted Total Projected Claims</b>	<b>\$350,229</b>	<b>\$1,033,091</b>	<b>\$2,521,684</b>
<b>Total Projected Subscribers</b>		<b>3,924</b>	
<b>Blended Total Projected Claims (PEPM)</b>		<b>\$995.16</b>	
<b>Blended Total Projected Claims</b>		<b>\$3,905,004</b>	

	Enrollment	Current	Renewal	Change
		1/1/2021 - 12/31/2021	1/1/2022 - 12/31/2022	
<b>I - ADMINISTRATION FEES (PEPM)</b>				
Medical Admin Fee (PEPM)		\$82.71	\$82.71	0.0%
Pharmacy Admin Fee (PEPM)		\$3.00	\$3.00	0.0%
COBRA Admin Fee (PEPM)		\$0.00	\$0.00	0.0%
Network Fee (PEPM)		\$0.00	\$0.00	0.0%
<b>Administration Fees Sub-Total</b>		<b>\$85.71</b>	<b>\$85.71</b>	<b>0.0%</b>
<b>Administration Fees Monthly Total</b>	<b>327</b>	<b>\$28,027.17</b>	<b>\$28,027.19</b>	<b>0.0%</b>
<b>II - STOP LOSS (PEPM) <i>Symetra Quote (with Laser)</i></b>				
Specific Reinsurance Cost		\$154.26	\$125.04	-18.9%
Aggregate Reinsurance Premium		\$5.05	\$7.08	40.2%
<b>Stop Loss Sub-Total</b>		<b>\$159.31</b>	<b>\$132.12</b>	<b>-17.1%</b>
<b>Stop Loss Monthly Total</b>	<b>327</b>	<b>\$52,094.97</b>	<b>\$43,202.73</b>	<b>-17.1%</b>
<b>III - OTHER FEES (PEPM)</b>				
Other Fee 1 (PEPM)		\$0.00	\$0.00	0.0%
Other Fee 2 (PEPM)		\$0.00	\$0.00	0.0%
Other Fees (OON % Claims,Rx Fee/Claim, etc.)		\$4.29	\$4.29	0.0%
<b>Other Fees Sub-Total</b>		<b>\$4.29</b>	<b>\$4.29</b>	<b>0.0%</b>
<b>Other Fees Monthly Total</b>	<b>327</b>	<b>\$1,402.13</b>	<b>\$1,402.13</b>	<b>0.0%</b>
<b>IV - TOTAL MONTHLY FIXED COSTS</b>	<b>327</b>	<b>\$81,524.27</b>	<b>\$72,632.06</b>	<b>-10.9%</b>
<b>V - TOTAL ANNUAL FIXED COSTS</b>		<b>\$978,291.28</b>	<b>\$871,584.68</b>	<b>-10.9%</b>

## I - ENROLLMENT

Ending Enrollment Data as of:	8/31/2021
Number of Employees	327
Number of Members	833
Member to Employee Ratio	2.55

## Blended Claims

## II - MEDICAL and PHARMACY (PROJECTED CLAIMS)

Paid Claims Period	9/1/2018 - 8/31/2021
Trended Medical Claims	\$2,960,715
Trended Pharmacy Claims	\$944,290
<b>Total Trended Claims*</b>	<b>\$3,905,004</b>
Projected Subscribers	3,924
<b>Total Projected Claims (PEPM)</b>	<b>\$995.16</b>

## III - FIXED COSTS

Medical Admin Fee (PEPM)	\$82.71
Pharmacy Admin Fee (PEPM)	\$3.00
COBRA Admin Fee (PEPM)	\$0.00
Network Fee (PEPM)	\$0.00
Specific Reinsurance Cost	\$125.04
Aggregate Reinsurance Premium	\$7.08
Other Fee 1 (PEPM)	\$0.00
Other Fee 2 (PEPM)	\$0.00
Other Fees (OON % Claims, Rx Fee/Claim, etc.)	\$4.29
<b>Total Fixed Costs (PEPM)</b>	<b>\$222.12</b>
<b>Total Fixed Costs</b>	<b>\$871,584.68</b>

IV - RENEWAL RATE ACTION *(Includes Rx Savings & Symbol Health Solutions)*

Total Projected Plan Costs	\$4,997,589
Total Projected Plan Costs (PEPM)	\$1,273.60
Funding at Current Rates	\$4,572,434
Funding at Current Rates (PEPM)	\$1,165.25
<b>Final Renewal Rate Action</b>	<b>9.3%</b>

\* The Concurrent Model accounts for the reinsurance reimbursements as they become eligible based upon claim payments.

I - ENROLLMENT ASSUMPTIONS	PPO	Total (All Plans)
Employee Only	116	116
Employee + Family	211	211
<b>Total Enrollment</b>	<b>327</b>	<b>327</b>

II - CURRENT RATES	Premium Equivalents	COBRA Rates
Employee Only	\$675.27	\$688.78
Employee + Family	\$1,434.62	\$1,463.31
<b>Monthly Total</b>	<b>\$381,036</b>	<b>\$388,657</b>
<b>Annual Total</b>	<b>\$4,572,434</b>	<b>\$4,663,883</b>

III - RENEWAL RATES	Premium Equivalents	COBRA Rates
Employee Only	\$738.06	\$752.82
Employee + Family	\$1,568.01	\$1,599.37
<b>Monthly Total</b>	<b>\$416,466</b>	<b>\$424,795</b>
<b>Annual Total</b>	<b>\$4,997,589</b>	<b>\$5,097,541</b>
<b>Annual Change (\$)</b>	<b>\$425,155</b>	<b>\$433,658</b>
<b>Annual Change (%)</b>	<b>9.3%</b>	<b>9.3%</b>
<b>Total Medical/Rx Plan Costs (Projected)</b>	<b>\$4,997,589</b>	

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