



City of Foley (SunLife \$100K Spec/\$50K Agg Spec)

Health Plan Cost and Budget Projection

Projection Period: 1/1/2021 through 12/31/2021



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This document relies on information from external data sources such as carriers, third party administrators (TPAs), vendors and other third parties. The information contained herein has been validated against the applicable data source(s) and reviewed for appropriateness. McGriff Insurance Services is not liable for any discrepancies in information originating from the external data source(s).

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.

This report and the information contained herein is proprietary and confidential and may not be disclosed without the express written consent of the health plan administrator and McGriff Insurance Services. Any disclosure without such consent is prohibited.

I - ENROLLMENT

Ending Enrollment Data as of:	9/30/2020
Number of Employees	315
Number of Members	794
Member to Employee Ratio	2.52

2 Years Prior Period

1 Year Prior Period

Current Period

II - MEDICAL (PROJECTED CLAIMS)

Paid Claims Period	10/1/2017 - 9/30/2018	10/1/2018 - 9/30/2019	10/1/2019 - 9/30/2020
Paid Medical Claims	\$2,112,030	\$2,282,576	\$2,466,036
(-) Reinsurance Recoveries	-\$80,917	-\$6,612	\$0
(-) Subrogation Recoveries	-\$3,522	-\$1,201	-\$6,257
(=) Net Paid Claims	\$2,027,591	\$2,274,763	\$2,459,779
Annual Trend	4.62%	4.62%	4.62%
Trend Months	39	27	15
(x) Composite Trend Factor	1.157	1.105	1.055
(=) Trended Claims	\$2,346,366	\$2,513,770	\$2,595,731
(/) Total Enrollment	3,572	3,688	3,729
(=) Trended Claims (PEPM)	\$656.88	\$681.61	\$696.09

III - PHARMACY (PROJECTED CLAIMS)

Paid Claims Period	10/1/2017 - 9/30/2018	10/1/2018 - 9/30/2019	10/1/2019 - 9/30/2020
Paid Pharmacy Claims	\$792,240	\$896,676	\$1,186,490
(-) Pharmacy Rebates	-\$218,342	-\$219,271	-\$246,749
(=) Net Paid Claims	\$573,898	\$677,406	\$939,740
Annual Trend	4.62%	4.62%	4.62%
Trend Months	39	27	15
(x) Compound Trend Factor	1.157	1.105	1.055
(=) Trended Claims	\$664,125	\$748,580	\$991,680
(/) Total Enrollment	3,572	3,688	3,729
(=) Trended Claims (PEPM)	\$185.93	\$202.98	\$265.94

IV - TOTAL (PROJECTED CLAIMS)

Total Projected Claims	\$3,010,491.22	\$3,262,349.96	\$3,587,410.34
Total Projected Claims (PEPM)	\$842.80	\$884.59	\$962.03

V - PERIOD BLENDING

10%

30%

60%

Weighted Total Projected Claims (PEPM)	\$84.28	\$265.38	\$577.22
Weighted Total Projected Claims	\$318,579	\$1,003,120	\$2,181,884
Total Projected Subscribers	3,780		
Blended Total Projected Claims (PEPM)		\$926.87	
Blended Total Projected Claims		\$3,503,583	

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Fixed Costs | Administration, Stop Loss and PPACA

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	Enrollment	Current	Renewal	Change
I - ADMINISTRATION FEES (PEPM)				
		1/1/2020 - 12/31/2020	1/1/2021 - 12/31/2021	
Medical Admin Fee (PEPM)		\$68.65	\$68.65	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%
Administration Fees Sub-Total		\$71.65	\$71.65	0.0%
Administration Fees Monthly Total	315	\$22,569.75	\$22,569.75	0.0%
II - STOP LOSS (PEPM)				
Specific Reinsurance Cost		\$153.43	\$153.43	0.0%
Aggregate Reinsurance Premium		\$4.81	\$5.05	5.0%
Stop Loss Sub-Total		\$158.24	\$158.48	0.2%
Stop Loss Monthly Total	315	\$49,844.25	\$49,919.85	0.2%
III - OTHER FEES (PEPM)				
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.)		\$2.81	\$2.81	0.0%
Other Fees Sub-Total		\$2.81	\$2.81	0.0%
Other Fees Monthly Total	315	\$885.07	\$885.07	0.0%
IV - TOTAL MONTHLY FIXED COSTS	315	\$73,299.07	\$73,374.67	0.1%
V - TOTAL ANNUAL FIXED COSTS		\$879,588.89	\$880,496.09	0.1%

Renewal Rate Action

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I - ENROLLMENT

Ending Enrollment Data as of:	9/30/2020
Number of Employees	315
Number of Members	794
Member to Employee Ratio	2.52

Blended Claims**II - MEDICAL and PHARMACY (PROJECTED CLAIMS)**

Paid Claims Period	10/1/2017 - 9/30/2020
Trended Medical Claims	\$2,599,982
Trended Pharmacy Claims	\$903,602
Total Trended Claims*	\$3,503,583
Projected Subscribers	3,780
Total Projected Claims (PEPM)	\$926.87

III - FIXED COSTS

Medical Admin Fee (PEPM)	\$68.65
Pharmacy Admin Fee (PEPM)	\$3.00
COBRA Admin Fee (PEPM)	\$0.00
Network Fee (PEPM)	\$0.00
Specific Reinsurance Cost	\$153.43
Aggregate Reinsurance Premium	\$5.05
Other Fee 1 (PEPM)	\$0.00
Other Fee 2 (PEPM)	\$0.00
Other Fees (OON % Claims, Rx Fee/Claim, etc.)	\$2.81
Total Fixed Costs (PEPM)	\$232.94
Total Fixed Costs	\$880,496.09

IV - RENEWAL RATE ACTION

Total Projected Plan Costs	\$4,384,079
Total Projected Plan Costs (PEPM)	\$1,159.81
Funding at Current Rates	\$4,178,197
Funding at Current Rates (PEPM)	\$1,105.34
Final Renewal Rate Action	4.9%

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

I - ENROLLMENT ASSUMPTIONS	City of Foley 2020 PPO	Total (All Plans)
Employee Only	114	114
Employee + Family	201	201
Total Enrollment	315	315

II - CURRENT RATES	Premium Equivalents	COBRA Rates
Employee Only	\$643.56	\$656.43
Employee + Family	\$1,367.25	\$1,394.60
Monthly Total	\$348,183	\$355,147
Annual Total	\$4,178,197	\$4,261,761

III - RENEWAL RATES	Premium Equivalents	COBRA Rates
Employee Only	\$675.27	\$688.78
Employee + Family	\$1,434.62	\$1,463.31
Monthly Total	\$365,340	\$372,647
Annual Total	\$4,384,079	\$4,471,761
Annual Change (\$)	\$205,882	\$210,000
Annual Change (%)	4.9%	4.9%
Total Medical/Rx Plan Costs (Projected)	\$4,384,079	

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Current | Renewal Benefits (Medical & Rx)(Plan 1)

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Medical Care	City of Foley 2020 PPO	
Name of Medical Network	BCBSAL	
Grandfathered Status	Grandfathered	
	In-Network	Out-of-Network
Routine Services		
PCP Office Visit	\$25 Copay	Ded/Coins
Specialist Office Visit	\$25 Copay	Ded/Coins
Preventive Care (as outlined by the U.S. Task Force guidelines)	Plan pays 100%; deductible waived	Ded/Coins
Annual Deductible		
Per Individual	\$200	
Maximum Per Family	\$600	
Deductible: Calendar Year or Plan Year	Calendar Year	
Coinsurance		
Employer Coinsurance	80%	80%
Annual Out-of-Pocket Maximum		
Individual	\$400	
Family	\$400/Individual	
Deductible & Copays Included in OOP Maximum	No	
Lifetime Maximum	Unlimited	Unlimited
Emergency Care		
Emergency (Professional Services Included)	\$100 Copay	
ER Copay Waived if Admitted	Yes	Yes
Urgent Care	\$25 Copay	Ded/Coins
Hospital Services - Inpatient		
Facility Services	\$100 Copay	\$200 +Coins
Physician Services	Ded/Coins	Ded/Coins
Inpatient X-Ray and Lab Tests	Ded/Coins	Ded/Coins
Hospital Services - Outpatient		
Facility Services	\$100 Copay	Ded/Coins
Physician Services	Ded/Coins	Ded/Coins
Outpatient X-Ray and Lab Tests	Ded/Coins	Ded/Coins
MRI, CT, PET scans	Ded/Coins	Ded/Coins
Therapy Services		
Occupational, Physical, and Speech Therapy	Ded/Coins	Ded/Coins
Chiropractic Care	Ded/Coins	Ded/Coins
Mental Health/Substance Abuse		
Inpatient Services	\$100 Copay	\$200 +Coins
Outpatient Services	Ded/Coins	Ded/Coins
Prescription Drugs - Retail Pharmacy		
Deductible	N/A	N/A
Out-of-Pocket Maximum	N/A	N/A
Tier 1 (Generic)	\$10 Copay	N/A
Tier 2 (Preferred Brand Name)	\$20 Copay	N/A
Tier 3 (Non-Preferred Brand Name)	\$35 Copay	N/A
Tier 4 (Specialty/Injectables)	\$10/\$20/\$35 Copay	N/A
Number of Days Supply	34 Days	N/A
Actuarial Values	City of Foley 2020 PPO	
Actuarial Value	96.3%	
Relativity	0.963	