

APPROVED in Open Session

11/16/2021

Manatee County Board of County
Commissioners



Board of County Commissioners November 16, 2021 - Regular Meeting

SUBJECT

APPROVAL OF STOP-LOSS INSURANCE POLICY AND FUNDING FOR SELF-FUNDED HEALTH PLAN POLICY 407312-A WITH HIGHMARK LIFE INSURANCE COMPANY (HM LIFE INSURANCE COMPANY), EFFECTIVE JANUARY 1, 2022, AND ENDING DECEMBER 31, 2022

Category

CONSENT AGENDA

Briefings

None

Contact and/or Presenter Information

Lesli Strickland, Employee Health Benefits Manager, X6432

Action Requested

Approval of Stop-Loss Insurance Policy and funding for Self-Funded Health Plan Policy Number 407312-A with Highmark Life Insurance Company (HM Life Insurance Company), effective January 1, 2022, and ending December 31, 2022, for a not to exceed annual amount of \$1,000,000, and authorization for the County Administrator, or his designee, to execute all related documents.

Enabling/Regulating Authority

Manatee County Code of Laws

Background Discussion

Stop Loss is a fully insured product that is necessary to protect self-funded plans from catastrophic claims. This is a policy that will take over claim payment on specific claimants after their individual claims during a plan year exceed a payment threshold paid by the self-funded plan. A stop-loss policy protects the solvency of a self-funded plan.

Effective January 1, 2020, Manatee County entered into a stop-loss insurance policy with HM Life Insurance Company of Pittsburg, PA. The stop-loss insurance plan renews annually after a review of the historic claim experience and projected high-cost claimant conditions. Manatee County Government utilizes the support of the contracted benefit consultant and actuary to

market the County's stop loss needs. The renewal on this policy maintains the coverage level we have in place today which reflects the specific deductible at \$600,000 for each member with a \$200,000 aggregating deductible overall. The renewal results in a total 1.5% increase in budgetary costs due to the increase in the employee population. The estimated contract specific premium for this renewal policy is \$811,400; however, given the variable nature of the enrollment count in the health plan over the plan year, Employee Health Benefits is seeking the Board's approval of \$850,000 in order to accommodate that enrollment variability that may arise through the renewal period. The policy will be effective January 1, 2022, through December 31, 2022. The specific Benefit Premium Rate for this policy is \$8.09 per Single Employee Only coverage and \$27.91 per Family coverage, per month.

Attorney Review

Not Reviewed (No apparent legal issues)

Instructions to Board Records

Original to Board Records.

Copies to: [Emailed 11/18/2021](#)

- Human Resources, EHB Manager - Lesli Strickland (Lesli.strickland@mymanatee.org)
- Procurement Division, Purchasing Official - Jacob Erickson (Jacob.erickson@mymanatee.org)
- Human Resources, EHB Senior Fiscal Analyst - Janet Bodner (Janet.spenobodner@mymanatee.org)

Cost and Funds Source Account Number and Name

Estimated Annual Expenditure: \$850,000 | 506-0004100 - Employee Health Benefits

Amount and Frequency of Recurring Costs

N/A

Sales Representative: Ken Corizzi
Broker: GALLAGHER BENEFIT SERVICES INC
TPA: Aetna

Effective Date: 01/01/2022
Through Date: 12/31/2022

Provider Network(s): Aetna US Healthcare
Utilization Review Vendor(s): Aetna US Healthcare

Specific: (Check one)	Lives	Current	<input checked="" type="checkbox"/> Renewal	<input type="checkbox"/> Option 1	<input type="checkbox"/> Option 2
Specific Deductible (per Covered Participant)		\$600,000	\$600,000	\$625,000	\$650,000
Policy Year Maximum Specific Benefit		Inforce	Unlimited	Unlimited	Unlimited
Lifetime Maximum Specific Benefit		Inforce	Unlimited	Unlimited	Unlimited
Covered Benefits		Med, Rx Card	Med, Rx Card	Med, Rx Card	Med, Rx Card
Specific Premium					
Single Rate	1,569	\$7.79	\$8.09	\$7.79	\$7.11
Family Rate	1,839	\$26.51	\$27.91	\$26.51	\$25.29
Total Lives	3,408				
Estimated Contract Specific Premium		\$731,693	\$768,236	\$731,693	\$691,967
Contract Aggregating Specific Loss Fund		\$200,000	\$200,000	\$200,000	\$200,000
Contract Basis		36/12	48/12	48/12	48/12
Commission		9.00%	9.00%	9.00%	9.00%

Note: This proposal is not complete unless accompanied by the proposal notes and the basis of offer noted on the following pages.

Individual Special Requirements:

PROPOSAL NOTES

- The rates in this proposal are firm. Please provide a signed proposal.
- Large claim data must be submitted for any claims that are at or have the likelihood to exceed 50% of the group specific deductible. Large claim data must include: age, sex, diagnosis, prognosis, treatment plan, case management notes (if applicable), Pre-Cert and paid/pended claims.
- The specific rates in this proposal are based on an aggregating specific arrangement. Total Specific Liability includes estimated contract specific premium and the aggregating specific fund.
- Human Organ Transplant benefits are payable in accordance with the underlying plan and are subject to the proposed Lifetime Maximum Specific Benefit offered within this proposal.
- This proposal includes a 50% rate cap on the Specific Premium Rate at the renewal of your stop loss policy. If applicable, this increase will also apply to the Aggregating Specific Loss Fund. The rate cap does not apply to Material Changes, including but not limited to the following: underlying plan document, HM's stop loss contract provisions, PPO network or TPA, and the rates may be further adjusted by such changes. The rate cap rider applies to this policy term only. It may be offered at subsequent stop loss policy renewals at the discretion of HM Underwriting.
- At renewal we will not apply any new Special Risk Limitations including but not limited to an Alternate Specific Deductible or Excluded Claim Expense unless requested.
- HMIG agrees to accept the employer's plan document for purpose of the reimbursement of claims.

PROPOSAL ACCEPTANCE

Please acknowledge acceptance of the terms in this proposal by signing and returning by 10/22/2021 (no signed proposal will be accepted after the effective date). Please also indicate which option is chosen by checking the appropriate box on the previous page. Failure to remit the signed agreement within the same period will result in updated large claim disclosure (and claims) being required for our review. All payments after the effective date of this policy, found on the previous page, must use the rates selected. Any deviation from the rates specified could result in an underpayment leading to a possible policy cancellation.

Signature: Leslie L. Atwoodland - Title: Health Benefits Manager -

Accepted on the 8th day of October 2021

initials: LO date: 10/8/21

BASIS OF OFFER

Assumptions

- This proposal is subject to revision if there is a change in effective or renewal dates, or a change in the plan of benefits.
- This proposal is based on the utilization of the Provider Network(s) and the Utilization Review Vendor(s) listed on this proposal.
- This proposal assumes a minimum participation level of 75% applies for all eligible enrollees under a contributory plan, and 100% under a non-contributory plan.
- This proposal assumes the plan of benefits includes a pre-certification, utilization review and large case management program.
- This proposal is based on a description of the employee benefit plan(s) provided and approved by HMIG, employee and dependent census data, submission of any requested claim information, plus any other information relevant to the underwriting risk. If any of the information was incorrect or changes the risk involved, the rates will be modified, and the specific claims will be adjusted accordingly.
- Surcharges (including the bad debt and charity surcharge portion of the New York Reform Act applicable to services are rendered in New York State), pool charges, and/or covered lives assessments may be covered under the stop loss policy if such charges are considered a claim cost. HM is not responsible for the filing, and/or payment of any assessment for which HM is not directly liable including but not limited to the New Hampshire Vaccine Assessment as modified by NH HB 664.
- All standard Policy provisions apply. The laws of the state where the policy is issued will apply. Certain exclusions and limitations may apply.
- Retirees are included in the stop loss coverage.
- This proposal will expire on the proposed effective date.
- Unless otherwise limited or excluded by the stop loss policy or under the Individual Special Requirements, eligible claim expenses under the stop loss policy will follow the covered underlying plan, up to the proposed Specific Benefit Maximum.
- The Agent is properly licensed and appointed by HMIG.
- The initial rates are guaranteed for the proposed policy period unless otherwise noted.
- There are not more than 15% COBRA participants.

Qualifications

- Any stop loss insurance requested and requested effective date of that coverage must be approved by us under our current rules and practices.
- The premium rates are subject to change should the number of employees change by 10% or more, either in total and/or by single/family mix.
- If the descriptions of the benefits or plan provisions differ from what was initially utilized to underwrite the risk, an updated Plan Document or other acceptable plan description is required within 30 days of the proposed effective date, and the premium rates may be subject to re-rating, retro-active to the effective date.
- Quote assumes the Plan Document will include traditional industry provisions and definitions including, but not limited to the following: eligibility, HIPAA, termination provisions, extension for leave of absence or disability, FMLA, subrogation, transplants, COB, exclusions for job related injuries, experimental and cosmetic treatment, felonies, usual and customary charges, war, not medically necessary, traveling outside of the U.S. solely for the purpose of receiving medical care. In the event that a Plan Document is not available within 30 days from the proposed effective date, we reserve the right to issue the Policy assuming standard exclusions will apply.
- HIPAA Privacy rules permit the release of Protected Health Information (PHI) for the purpose of evaluating and accepting risk associated with the Plan Sponsor as part of "Health care operations". HMIG will use this information solely for the purpose of evaluating and accepting the risk and will not disclose any PHI collected except to perform this risk evaluation.
- The rates in this proposal are based on the disclosure of all individuals considered a special enrollee due to having previously satisfied the plan's lifetime maximum. Written acceptance by HM must be acknowledged before terms of coverage for such individuals are included under HM's stop loss policy.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HMP-SL (11/16), HMP-SL (08/19) or HMP-SL (06/20) or similar. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HMP-SL (11/16) or HMP-SL (06/20) or similar. The coverage requested may not be available in all states and is subject to individual state approval.

- Any stop loss policy issued by us may be rescinded or re-underwritten if any information requested in connection with this proposal was intentionally concealed or misrepresented by or on behalf of the Applicant and/or the Applicant's Agent, or if the Applicant and/or the Applicant's Agent commits fraud.
- As used above: An "Agent" is the Applicant's representative, including but not limited to, the agent, producer or broker of record, or Claims Administrator. The "Applicant" is the entity, or that entity's authorized representative, that has contracted with us to provide stop loss coverage. A "Claims Administrator" is a third party administrator (TPA) designated by the Applicant and approved by us. "Claim Information" consists of Complete Details of the data requested by us in connection with this proposal following a Diligent Review; such information includes but is not limited to Known or potential catastrophic claims, large claims and/or shock losses. "Complete Details" includes the name, social security number (or unique identifier), date of birth, diagnosis, prognosis (unless prognosis cannot be obtained due to reasons beyond your or your Claims Administrator's control) of the plan's participants and the name of the provider providing treatment to any such participant covered by or eligible for coverage. A "Diligent Review" consists of a complete review by you, and/or your Claims Administrator and/or your Agent prior to the date Known or potential catastrophic claims, large claims and/or shock losses are requested by us in connection with this proposal. "Disclosure" consists of Complete Details and any other documentation requested by us in connection with this proposal following a Diligent Review including but not limited to census information and Claim Information. We consider information in connection with this proposal "Known" if, prior to the date or dates we request such information (including but not limited to Disclosure and Claim Information) a reasonable person can assume that you, and/or your Claims Administrator and/or your Agent had knowledge of any information that affects or may affect the administration or underwriting of any coverage issued following acceptance of coverage by us.

Coverage is underwritten by HM Life Insurance Company, Pittsburgh, PA, in all states except New York under policy form series HMP-SL (11/16), HMP-SL (08/19) or HMP-SL (06/20) or similar. In New York, coverage is underwritten by HM Life Insurance Company of New York, New York, NY, under policy form series HMP-SL (11/16) or HMP-SL (06/20) or similar. The coverage requested may not be available in all states and is subject to individual state approval.