

HUMAN RESOURCES DEPARTMENT
600 W. 4TH Street
Davenport, IA 52801

Office: (563) 326-8767
Fax: (563) 328-3285
www.scottcountyiowa.com



Date: December 18, 2017

To: Mahesh Sharma, County Administrator

From: Mary J. Thee, Human Resources Director/Asst. County Administrator

Subject: Stop Loss Insurance/Flex Savings Recommendations

In October, the County renewed all of its health care coverages, except the stop loss coverage. Our large claims have decreased from 24% of our overall claims in CY16 to 17% this year. However we still have two claimants at this time over our specific stop loss of \$175,000. Our current carrier, Munich Re has agreed to renew our coverage with an 11.24% increase. We also did review other carriers and increasing the deductible to \$200,000. Still in order to get the rate proposed we need to accept a "laser" on one individual. What this means is that the County would be responsible for up to \$250,000 of any claims costs on this individual. We have consulted with Jeff Scarpinato of Holmes Murphy, analyzed the circumstances and recommend we continue with our current carrier, Munich Re and remain at a specific stop loss deductible of \$175,000. This would result in an increase of approximately \$42,500.

Additionally it is time for our renewal of our flex savings plan with Wage Works. The flex savings plan allows employees to pay pre-tax dollars for medical and dependent care expenses. The County has used Wage Works as its provider since 2003. We periodically review other vendor options. The last review was conducted in 2016 with the assistance of Holmes Murphy, where we evaluated the cost and services. The decision was to remain with Wage Works. The County pays \$5.25 PPM (per participant per month). The cost averages around \$1,100 monthly or \$13,200 annually and is based on participation of employees.

Cc: David Farmer, Budget Manager
Jeff Scarpinato, Holmes Murphy
Hiliary McKay, Benefits Coordinator



**Scott County
Stop Loss Renewal Analysis
Effective January 1, 2018**

Carrier	Stealth				Tokio Marine	SA Benefits	Reliance Standard	United Healthcare
	Munich Re Current	Munich Re Renewal	Munich Re Renewal	Munich Re Renewal	Direct	Gerber	Direct	Direct
		\$250,000 Laser	No Laser	No Laser	6 Lasers			Estimated
SPECIFIC STOP LOSS (Medical/Rx)								
Specific Stop Loss Deductible	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Aggregating Specific Contract Type	NA	NA	NA	\$75,000				
Contract Type	24/12	24/12	24/12	24/12	24/12	24/12	24/12	24/12
<u>Specific Premium</u>								
183 Single	\$50.54	\$59.64	\$76.37	\$60.61	\$55.78	\$62.55	\$65.84	\$74.02
314 Family	\$50.54	\$59.64	\$76.37	\$60.61	\$55.78	\$62.55	\$65.84	\$74.02
497 Monthly Specific Premium	\$25,118.38	\$29,641.08	\$37,955.89	\$30,123.17	\$27,722.66	\$31,087.35	\$32,722.48	\$36,787.94
Annual Specific Premium	\$301,420.56	\$355,692.96	\$455,470.68	\$361,478.04	\$332,671.92	\$373,048.20	\$392,669.76	\$441,455.28
AGGREGATE STOP LOSS (Medical,Rx)								
Aggregate Premium	125%	125%	125%	125%	125%	125%	125%	125%
497 Per Employee Per Month	\$6.05	\$3.31	\$6.02	\$6.02	\$6.90	\$5.92	\$6.50	\$6.90
Monthly Aggregate Premium	\$3,006.85	\$1,645.07	\$2,991.94	\$2,991.94	\$3,429.30	\$2,942.24	\$3,230.50	\$3,429.30
Annual Aggregate Premium	\$36,082.20	\$19,740.84	\$35,903.28	\$35,903.28	\$41,151.60	\$35,306.88	\$38,766.00	\$41,151.60
AGGREGATE FACTORS (Medical,Rx)								
<u>Expected Claims</u>								
183 Single	\$1,218.86	\$1,250.36	\$1,251.32	\$1,251.32	\$1,237.97	\$1,247.13	\$1,253.58	\$1,238.56
314 Family	\$1,218.86	\$1,250.36	\$1,251.32	\$1,251.32	\$1,237.97	\$1,247.13	\$1,253.58	\$1,238.56
<u>Maximum Claims</u>								
183 Single	\$1,523.57	1562.95	1564.15	1564.15	\$1,547.46	\$1,558.91	\$1,566.98	\$1,548.20
314 Family	\$1,523.57	1562.95	1564.15	1564.15	\$1,547.46	\$1,558.91	\$1,566.98	\$1,548.20
Annual Expected Claims	\$7,269,257.18	\$7,457,147.04	\$7,462,872.48	\$7,462,872.48	\$7,383,241.15	\$7,437,871.39	\$7,476,374.98	\$7,386,771.84
Est. Aggregate Attachment Point (125%)	\$9,086,571.48	\$9,321,433.80	\$9,328,590.60	\$9,328,590.60	\$9,229,051.44	\$9,297,339.24	\$9,345,468.72	\$9,233,464.80
% Increase to Expected Claims		2.58%	2.66%	2.66%	1.57%	2.32%	2.85%	1.62%
Total Annual Premiums								
	\$337,502.76	\$375,433.80	\$491,373.96	\$397,381.32	\$373,823.52	\$408,355.08	\$431,435.76	\$482,606.88
% Increase		11.24%	45.59%	17.74%	10.76%	20.99%	27.83%	42.99%

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

December 28, 2017

APPROVAL OF A ONE YEAR AGREEMENT FOR STOP LOSS COVERAGE

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the proposal from Munich Re for one year agreement for specific and aggregate stop loss coverage is hereby accepted and approved.

Section 2. That the Human Resources Director hereby authorized to sign the health insurance contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.

THE COUNTY AUDITOR'S SIGNATURE CERTIFIES
THAT THIS RESOLUTION HAS BEEN FORMALLY
APPROVED BY THE BOARD OF SUPERVISORS ON

DATE

SCOTT COUNTY AUDITOR

R E S O L U T I O N

SCOTT COUNTY BOARD OF SUPERVISORS

December 28, 2017

APPROVAL OF A ONE YEAR RENEWAL FOR FLEX SAVINGS PLAN
ADMINISTRATION

BE IT RESOLVED BY the Scott County Board of Supervisors as follows:

Section 1. That the annual renewal with WageWorks for administration of the County's flex savings program is hereby approved.

Section 2. That the Human Resources Director hereby authorized to sign any necessary contracts for services on behalf of the Board.

Section 3. This resolution shall take effect immediately.