Agenda Date: 9/27/2022	**Version:** 1	**Status:** Draft
In Control: Human Resources		**File Type:** Agenda Item

Title:

Consider and take action on a resolution authorizing an amendment to the existing agreement with Blue Cross Blue Shield for employee stop loss insurance for the period October 1, 2022, through September 30, 2023 (Director of Human Resources and Civil Service)

..Background:

Approval of this item will authorize an amendment to the existing agreement with Blue Cross Blue Shield for employee stop loss insurance for the period of October 1, 2022, through September 30, 2023 and authorize the City Manager to execute all contracts related to this program.

Loss Ratio History

Through August 2022 the City has 7 claimants in excess of the $125,000 Specific deductible totaling $2,193,744 in claims. The loss ratio for Stop Loss premium versus claims for the current plan year is 190.4% for 2020-2021 plan year the loss ratio was 120.2% and for 2019-2020 it was 40.4%.

Stop-Loss Insurance

Blue Cross Blue Shield renewal proposed an increase of 15.8%. This is due to poor claims experience of the City's plan and two ongoing large claimants. Additionally, there are 5 other large claimants with claims more than $75,000 for the current plan year.

Plan Year	Specific Deductible	Specific Reimbursements	Collected Premium	Loss Ratio
2019-2020	125,000	428,923	1,060,954	40.4%
2020-2021	125,000	1,216,538	1,011,698	120.2%
2021-2022	125,000	2,193,744	1,152,022	190.4%

Budgetary Impact

The stop loss premiums fall in line with the City's proposed 2022-2023 budget.

Attachments:

1. Data Sheet
2. Proposed Resolution
3. STOP LOSS REINSURANCE RENEWAL EXHIBIT

FUNDING

{x} Funds are available from Employee Benefit Fund Health Insurance account 40301650-54650

STRATEGIC PLANNING

{x} NOT APPLICABLE