

City of League City Stop Loss Reinsurance for Employee Health Plan RFP Summary



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Agenda

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- 3** | Recommendations



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Overview

League City has retained HUB International to provide consulting for its health and welfare benefits plans. The purpose of this presentation is to provide the results of the Stop Loss Reinsurance RFP for 10/1/2023.

Medical Plan Stop Loss Reinsurance RFP

In conjunction with Purchasing and Human Resources, HUB conducted an RFP for Stop Loss Reinsurance for the City's medical and pharmacy plan. The RFP was publicly advertised and distributed to all available markets.

The current Stop Loss Reinsurance policy is with Blue Cross Blue Shield of Texas (BCBS). BCBS initial proposal was a +12.15% premium increase and 0.89% aggregate attachment factor increase for the current \$125,000 specific stop loss deductible. HUB negotiated a final renewal offer of +6.80% increase. Alternative proposals were received from Stealth Partners Group (Berkshire Hathaway, Sun Life, Symetra and Voya).

Proposals were also requested for higher specific deductible amounts of \$150,000 and \$175,000 for consideration of potential premium savings. The premium savings proposed versus the additional risk assumed by the City do not warrant a change at this time based on the City's prior large claim history.



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Stop Loss Reinsurance RFP Summary

Stop Loss RFP Market Responses



Carrier	Proposed	Declined	Notes
BCBS	X		Firm and Final
Stealth Partners			
Sun Life	X		Pending Underwriting for firm/final
Berkshire Hathaway	X		Pending Underwriting for firm/final
Symetra	X		Not competitive +69%
Voya	X		Firm/Final through 8/18

A proposal submission from SA Benefit Services was received after the proposal deadline and disqualified by Purchasing accordingly.

Stop Loss Renewal and Proposals \$125,000



	CURRENT	RENEWAL	PROPOSED
	2022-2023	2023-2024	2023-2024
TPA:	TML / BCBS	TML / BCBS	Stealth Partners
STOP LOSS CARRIER:	BCBS	BCBS	Voya
PPO:	BCBS	BCBS	BCBS
PHARMACY:	ESI	ESI	ESI
SPECIFIC STOP LOSS DEDUCTIBLE:	\$125,000	\$125,000	\$125,000
SPECIFIC STOP LOSS LIFETIME MAXIMUM:	Unlimited	Unlimited	Unlimited
SPECIFIC CONTRACT :	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
AGGREGATE CONTRACT CORRIDOR:	125%	125%	125%
AGGREGATE CONTRACT MAXIMUM:	Unlimited	Unlimited	\$2,000,000
AGGREGATE CONTRACT:	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
SPECIFIC PREMIUM: (Composite)	\$203.14	\$217.36	\$213.28
ANNUAL TOTAL	\$1,408,979	\$1,507,609	\$1,479,310
AGGREGATE PREMIUM: (Composite)	\$5.91	\$5.91	\$5.61
ANNUAL TOTAL	\$40,992	\$40,992	\$38,911
TOTAL STOP LOSS PREMIUM:			
COMBINED ANNUAL TOTAL	\$1,449,971	\$1,548,601	\$1,518,221
DOLLAR CHANGE FROM CURRENT	NA	\$98,630	\$68,250
PERCENTAGE CHANGE FROM CURRENT	NA	6.80%	4.71%
AGGREGATE STOP LOSS FACTORS:	\$1,447.70	\$1,460.53	\$1,576.90
Annual Aggregate Accumulation	\$10,041,247	\$10,130,236	\$10,937,378
Projected Claims - Carrier	\$8,032,998	\$8,104,189	\$8,749,903
DOLLAR CHANGE FROM CURRENT	NA	\$71,191	\$716,905
PERCENTAGE CHANGE FROM CURRENT	NA	0.89%	8.92%
ASSUMED ENROLLMENT:	578	578	578
NOTES / STATUS:	CURRENT	FIRM AND FINAL	FIRM AND FINAL THROUGH 8/18

Stop Loss Renewal and Proposals \$150,000



	CURRENT	PROPOSED	PROPOSED
	2022-2023	2023-2024	2023-2024
TPA:	TML / BCBS	TML / BCBS	Stealth Partners
STOP LOSS CARRIER:	BCBS	BCBS	Voya
PPO:	BCBS	BCBS	BCBS
PHARMACY:	ESI	ESI	ESI
SPECIFIC STOP LOSS DEDUCTIBLE:	\$125,000	\$150,000	\$150,000
SPECIFIC STOP LOSS LIFETIME MAXIMUM:	Unlimited	Unlimited	Unlimited
SPECIFIC CONTRACT :	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
AGGREGATE CONTRACT CORRIDOR:	125%	125%	125%
AGGREGATE CONTRACT MAXIMUM:	Unlimited	Unlimited	\$2,000,000
AGGREGATE CONTRACT:	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
SPECIFIC PREMIUM: (Composite)	\$203.14	\$183.23	\$189.76
ANNUAL TOTAL	\$1,408,979	\$1,270,883	\$1,316,175
AGGREGATE PREMIUM: (Composite)	\$5.91	\$7.53	\$6.61
ANNUAL TOTAL	\$40,992	\$52,228	\$45,847
TOTAL STOP LOSS PREMIUM:			
COMBINED ANNUAL TOTAL	\$1,449,971	\$1,323,111	\$1,362,022
DOLLAR CHANGE FROM CURRENT	NA	-\$126,859	-\$87,948
PERCENTAGE CHANGE FROM CURRENT	NA	-8.75%	-6.07%
AGGREGATE STOP LOSS FACTORS:	\$1,447.70	\$1,488.86	\$1,490.89
Annual Aggregate Accumulation	\$10,041,247	\$10,326,733	\$10,340,813
Projected Claims - Carrier	\$8,032,998	\$8,261,386	\$8,272,650
DOLLAR CHANGE FROM CURRENT	NA	\$228,389	\$239,653
PERCENTAGE CHANGE FROM CURRENT	NA	2.84%	2.98%
ASSUMED ENROLLMENT:	578	578	578
NOTES / STATUS:	CURRENT	FIRM AND FINAL	FIRM AND FINAL THROUGH 8/18

Stop Loss Renewal and Proposals \$175,000



	CURRENT	PROPOSED	PROPOSED
	2022-2023	2023-2024	2023-2024
TPA:	TML / BCBS	TML / BCBS	Stealth Partners
STOP LOSS CARRIER:	BCBS	BCBS	Voya
PPO:	BCBS	BCBS	BCBS
PHARMACY:	ESI	ESI	ESI
SPECIFIC STOP LOSS DEDUCTIBLE:	\$125,000	\$175,000	\$175,000
SPECIFIC STOP LOSS LIFETIME MAXIMUM:	Unlimited	Unlimited	Unlimited
SPECIFIC CONTRACT :	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
AGGREGATE CONTRACT CORRIDOR:	125%	125%	125%
AGGREGATE CONTRACT MAXIMUM:	Unlimited	Unlimited	\$2,000,000
AGGREGATE CONTRACT:	24/12 (M, Rx)	24/12 (M, Rx)	24/12 (M, Rx)
SPECIFIC PREMIUM: (Composite)	\$203.14	\$161.48	\$163.84
ANNUAL TOTAL	\$1,408,979	\$1,120,025	\$1,136,394
AGGREGATE PREMIUM: (Composite)	\$5.91	\$9.16	\$7.52
ANNUAL TOTAL	\$40,992	\$63,534	\$52,159
TOTAL STOP LOSS PREMIUM:			
COMBINED ANNUAL TOTAL	\$1,449,971	\$1,183,559	\$1,188,553
DOLLAR CHANGE FROM CURRENT	NA	-\$266,412	-\$261,418
PERCENTAGE CHANGE FROM CURRENT	NA	-18.37%	-18.03%
AGGREGATE STOP LOSS FACTORS:	\$1,447.70	\$1,509.89	\$1,640.45
Annual Aggregate Accumulation	\$10,041,247	\$10,472,597	\$11,378,161
Projected Claims - Carrier	\$8,032,998	\$8,378,078	\$9,102,529
DOLLAR CHANGE FROM CURRENT	NA	\$345,080	\$1,069,531
PERCENTAGE CHANGE FROM CURRENT	NA	4.30%	13.31%
ASSUMED ENROLLMENT:	578	578	578
NOTES / STATUS:	CURRENT	FIRM AND FINAL	FIRM AND FINAL THROUGH 8/18

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Recommendations



Recommendation



Recommendation is to award to Blue Cross Blue Shield at the current \$125,000 deductible.



Thank you!