



MEMORANDUM

To: Kenton County Fiscal Court

From: _____
Scott Gunning, Assistant County Administrator

CC: Joe Shriver, County Administrator

RE: Accept bid for Stop Loss and Third Party Administrator Services for the County Health Insurance Program

Date: March 8, 2022

Please find the attached annual renewal and bids for Stop Loss Insurance services for the County Health Insurance Program. It is our recommendation as well as our broker that we remain with Partners option three (3) to be effective April 1, 2022.

Partners bid has an 11% increase from our current contract with a slightly higher aggregating specific deductible but includes a no new laser with a rate cap of 59% (significant reduction of exposure for the following year).

Additionally, attached is a summary of fees for TPA services through Custom Design Benefits that represents a 4% increase from \$48.50 to \$50.50 PEPM.

Thank you for your consideration.

Kenton County Fiscal Court

Stop Loss Options 4/1/22

Based on enrollment of 131 Single, 163

Family, Total 294

Updated 2/28/22

Recommended

	Current		Renewal		Renewal		Renewal		Renewal		Renewal		Renewal		Renewal		Renewal		
	Pattern	24/12	Pattern	24/12	Pattern	3/4	Pattern	3/4	Pattern	3/4	Pattern	3/4	Pattern	3/4	Pattern	3/4	Pattern	3/4	
Stop Loss Carrier	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx	Medical & Rx
Coverage	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Maximum	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000	\$175,000
Annual Maximum	\$29,84	\$32,10	\$30,38	\$33,62	\$32,58	\$36,88	\$29,53	\$29,44	\$30,41	\$30,41	\$30,41	\$31,29	\$30,41	\$30,41	\$30,41	\$30,41	\$30,41	\$30,41	\$30,41
Specific Deductible	\$94.14	\$103.08	\$97.21	\$109.05	\$104.91	\$104.69	\$102.32	\$97.96	\$100.51	\$100.51	\$100.51	\$90.95	\$104.20	\$104.20	\$104.20	\$104.20	\$104.20	\$104.20	\$104.20
Single Premium Rate	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00	\$115,250.00
Family Premium Rate	None	None	None	Yes/59%	Yes/59%	None	None	None	None	None	None	None	None	None	None	None	None	None	None
Composite Rate																			
Aggregating Specific Deductible																			
No New Laser /Rate Cap																			
Annual Specific Premium	\$231,046.32	\$252,085.68	\$237,900.12	\$266,152.44	\$256,419.72	\$262,749.00	\$246,559.08	\$237,889.44	\$244,402.08	\$227,086.08	\$251,619.72								
Percentage Increase/Decrease from	0.0%	9.1%	3.0%	15.2%	11.0%	13.7%	6.7%	3.0%	5.8%	-1.7%	8.9%								
Current spec. premium	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00	\$12,348.00
Interface Fee for non-preferred CDB stop																			
loss carrier \$3.50 ppm																			
Additional Laser Liability							\$175,000	\$240,000											
Total Potential Additional Laser Liability and Premium, and Interface Fee	\$231,046.32	\$252,085.68	\$237,900.12	\$266,152.44	\$256,419.72	\$437,749.00	\$498,907.08	\$250,287.44	\$331,750.08	\$239,434.08	\$263,967.72								

NUS Conditional Laser of \$350,000 if cardiac cath or Fountain procedure is required
 IOA Re has a \$340,000 laser on claimant A and a \$250,000 laser on claimant B
 Skyward has a \$250,000 contingent laser on the largest claim for the Fountain procedure if required.

Proposal Highlights for Medical Administration



Custom Design Benefits is pleased to offer this proposal on behalf of your client:

Kenton County Fiscal Court

Effective date: April 1, 2022

SUMMARY OF FEES

	Current	Renewal
Medical Administration Fees Included In Our Proposal	\$26.00	\$26.00
Broker Consultant Fee	\$8.50	\$8.50
*Medical Risk Management & Population Health	\$7.50	\$8.50
TrueCost Support Fees: - includes: repricing, patient advocacy, bill resolution, and TrueCost Connect, a member tool providing instant access to a wider network of accepting providers.	\$6.50	\$7.50
Total Administration PEPM	\$48.50	\$50.50
Annual Compliance Fee:	\$1,800	\$2,000
TrueCost Rx Tier 2 Fee:	\$850	\$850
FMLA Administration Fee:	\$2.00	\$2.00
FSA Administration Fee: (per participant)	\$5.00	\$5.00
Dental Administration Fee:	\$1.75	\$1.75
Custom Enroll Fee:	\$4.05	\$4.05

Notes:

- Partners terms are firm pending plan selection by 3/4/2022.
 - Assumes Care Here Payments are not subject to the specific stop loss policy
 - The specific stop loss policy does not cover or reimburse Specialty Rx claims paid through the pharmacy side.
 - L.A. current specialty drug(s) if any, are being paid through the pharmacy side.

NUS quote is firm.

- G.K.- \$350,000 conditional laser if cardiac cath and/or Fontan procedure is required

- Quotes do not include Aggregate Coverage.
- Assumes retirees are not covered under stop loss.
- CareHere payments are not covered under the current specific stop loss policy.
- Specialty Rx claims paid through the pharmacy benefits aren't covered under the current stop loss policy.
- There is an admin fee per filled prescription.
- There is a flat \$3.50 pepm fee for claims data integration if placed with a non-preferred Stop Loss partner. If monthly accommodation is included in the stop loss policy (preferred or non-preferred carrier), CDB charges an additional \$1 pepm for administration of this provision.
- Broker compensation included at \$8.50 PEPM.
- There is a monthly minimum for CDB's base administration fee of \$1,850, FMLA is \$275 and Dental is \$200.
- *Medical Risk Management & Population Health Fee can be held at the current rate if KPP's alternate funding program is implemented.

PPO NETWORK	Composite Network Access Fee:	\$1.00
Network name:	# of Employees:	Network Access Fee:
EAS	207	\$1.00

Custom Design Benefits does not guarantee PPO access fees or other outside vendor rates as these rates are subject to change.

CDB works to secure rates for a minimum of 12-month periods.

Signature

Date

Printed Name