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HUB International – City & County of Broomfield MCEP 2016 Renewal Summary & 2015 Claim Highlights

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Presented by HUB International Insurance Services



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2016 Renewal Summary

- Original proposed MCEP stop loss renewal from CIGNA proposed an 11.5% increase on premium + 30% increase on maximum claim liability.
- Hub competitively marketed the stop loss and administration with both bundled and unbundled arrangements. The City and County chose to renew with CIGNA.
- Final negotiated MCEP renewal resulted in 3% premium decrease and 29% increase on maximum claim liability.
- Individual stop loss deductible increased from \$100,000 to \$125,000. Contract type is 12/36 (incurred in 12 months / paid in 36 months)
- Maximum claim liability contract (aggregate stop loss) reverted from a 12/12 contract to a "paid" 24/12 contract with terminal maximum liability protection.
- CIGNA Employee Assistance Program (EAP) renewed with no change.
- Telehealth renewed at no change with HUB contributing ½ the cost of this program.



2016 Renewal Summary (continued)

- MCEP Plan changes included the following and resulted in a decrease to annual maximum claim liability of \$147,958.
 - Emergency room copay increased from \$300 to \$400 per visit
 - Urgent care copay increased from \$40 to \$75
 - Specialist Copay from \$40 to \$50
 - RX standard plan changed to Value RX



2015 Claim Highlights

- For the 2015 plan year, the Medical Care Expense Plan (MCEP) performed at 107%% of expected claims and 85.6% of maximum claim liability.
- Total net paid claims for 2015 were \$5,145,917 which included \$1,543,965 (30%) in prescription medications.
- Anthem run-out administrative costs totaled \$68,490 + \$345,418 in paid claims.
- Average cost per employee annually was \$997.58 (including Anthem run-out administration & claims), with national average for similar industry (city/county) at \$1083.50 (KFF Source).
- The top 6 medications by cost included specialty medications exceeding 30% of total RX cost, treating cancer, hepatitis C, MS, and rheumatoid arthritis. Top medications by usage included treatment of high cholesterol, high blood pressure, thyroid disorders and gastro reflux.
- Anthem run-out administrative costs totaled \$68,490 + \$345,418 in paid claims.
- Six individuals exceeded the individual stop loss with excess totaling \$413,967. A total of 16 claimants exceeded \$50,000 in paid claims, comprising 29.5% of group's total paid claims.

