

Tammie L. Hechler

Subject: FW: [EXT]RE: Clinic Metrics
Attachments: 11320 - Hollywood - Revised Stop Loss Quotes.pdf

From: Tammie L. Hechler
Sent: Tuesday, November 10, 2020 12:48 PM
To: Janet Clarke <JCLARKE@hollywoodfl.org>
Cc: Malie Raghunath <MRAGHUNATH@hollywoodfl.org>; Sharrice Lane <SLANE@hollywoodfl.org>
Subject: FW: [EXT]RE: Clinic Metrics

Please print for me. We also need a resolution for the December 2 meeting. Not sure who was working on it – Malie, you or Sharrice. We are going with alternative #2.

From: Dustin Kuehn [<mailto:dustin.kuehn@gehringgroup.com>]
Sent: Friday, November 6, 2020 2:03 PM
To: Tammie L. Hechler <THECHLER@hollywoodfl.org>
Cc: Cameron Burt <cameron.burt@gehringgroup.com>
Subject: RE: [EXT]RE: Clinic Metrics

Tammie,

Happy Friday. Per the below, I wanted to send you the updated spreadsheet as we have just received the ASL premiums (the email below included only the illustrative premiums). The ISL premiums did not change however the final ASL premiums did increase from the original.

Let me know if you have any questions.

Thanks,
Dustin



Dustin Kuehn
Senior Benefits Consultant

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From: Dustin Kuehn <dustin.kuehn@gehringgroup.com>
Sent: Tuesday, November 3, 2020 3:58 PM
To: Tammie L. Hechler <THECHLER@hollywoodfl.org>
Cc: Cameron Burt <cameron.burt@gehringgroup.com>
Subject: RE: [EXT]RE: Clinic Metrics

Tammie,

We do not have the Aggregate Stop Loss rates from Cigna for the \$750k and \$1 million ISL options however I have used illustrative rates for timeline purposes. Since the ASL makes up very little of the premium, the actual rates shouldn't move the needle much.

In the green rows, we have the premium savings vs. the renewal premium.

- Increasing the ISL to \$400k saves the City \$219,387 in premium with \$50,000 more in exposure per member
- Increasing the ISL to \$750k saves the City \$854,814 in premium with \$400,000 more in exposure per member
- Increasing the ISL to \$1 million saves the City \$1,014,665 in premium with \$650,000 more in exposure per member

Based on the City's history of Large Claims, all of these options would be beneficial to the City. However, when it comes to health care its important to note that the past is not necessarily a good representation of the future as claimant diagnosis can change drastically including the cost of care. Also, we have clients with large claimants who have incurred more than \$1 million in claims so be aware the savings can be depleted quickly.

I would recommend the City implement the \$400k or \$750k option to start and move the premium savings into a stop loss fund.

From an overall funding perspective, we used the current \$350k ISL in the projection which generated a 0% increase in premium funding since the City's claims experience has been trending well. These alternative methods do not change that but it does put more risk on the City.

Once you have a chance to review, please let me know if you have any questions.

Thanks,

Tammie L. Hechler, MPA, SHRM-SCP, IPMA-SCP, CLRP

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