

# Stop Loss Insurance

City Council Presentation  
September 19, 2023

# Summary

- Requesting a one-year service agreement with Stealth Partners Group, LLC. for Stop Loss Insurance for the City's health plans
- Stop loss insurance protects the City financially against catastrophic losses by limiting our claims exposure to \$300,000 per member per year

# Background

- Under the Affordable Care Act, health plans hold unlimited claims liability
- Stop loss coverage is reinsurance for the City's health plans to mitigate the City's claims risk by capping the City's maximum cost per claimant at \$300,000 for the plan year
- Once the City has paid a \$300,000 deductible per claimant in the plan year, then the stop loss insurance begins reimbursing the City for claims over that deductible

# Background Continued

- The City recommends awarding Stealth Partner Group, LLC.
  - City previously used Stealth Partners Group, LLC., for stop loss insurance in FY 2020
  - Provided excellent service during agreement
  - Both City and HUB have had positive experiences and recommend the proposed agreement
- The current agreement for the City's stop loss is with SA Benefits
  - The current agreement will expire on September 30, 2023



# RFP Evaluation

## Recommendation

Stealth Partners Group, LLC. \$300,000 Deductible

|  |               | <b>Stealth (Sun Life)</b> | <b>BCBS</b> | <b>SA Benefits (Granular)</b> |
|--|---------------|---------------------------|-------------|-------------------------------|
| <b>Criteria</b>  | <b>Points</b> | <b>Ranking – 1</b>        | Ranking – 2 | Ranking – 3                   |
| Local Preference   | 10            | <b>0</b>                  | 0           | 0                             |
| Pricing  | 40            | <b>40.00</b>              | 32.1        | 36.8                          |
| Financial Stability, Claims Processing, Past Performance | 50            | <b>41.5</b>               | 46.1        | 40.0                          |
| <b>Total Points</b>                                      | <b>100</b>    | <b>81.5</b>               | 78.2        | 76.8                          |
| <b>\$300,000 Deductible, PEPM Premium</b>                |               | <b>\$66.21</b>            | \$79.32     | \$71.44                       |
| <b>Lasers</b>  |               | <b>None</b>               | None        | None                          |
| <b>Extended Cost at \$300,000 Deductible</b>             |               | <b>\$2,405,807</b>        | \$2,882,172 | \$2,595,844                   |
| <b>Change from current premium</b>                       |               | <b>(11.05%)</b>           | 19.85%      | 7.95%                         |

|  |                | 2022-2023 (CURRENT) | PROPOSED           |
|--|----------------|---------------------|--------------------|
| <b>MEDICAL TPA/NETWORK:</b>                                  |                | <b>BCBS</b>         | <b>BCBS</b>        |
| <b>RX PBM:</b>   |                | <b>CVS</b>          | <b>CVS</b>         |
| <b>STOP LOSS CARRIER:</b>                                    |                | <b>GRANULAR</b>     | <b>SUN LIFE</b>    |
| <b>MGU:</b>  |                | <b>SABS</b>         | <b>STEALTH</b>     |
| SPECIFIC STOP LOSS DEDUCTIBLE:                               |                | \$300,000           | \$300,000          |
| SPECIFIC STOP LOSS LIFETIME MAXIMUM:                         |                | Unlimited           | Unlimited          |
| SPECIFIC STOP LOSS ANNUAL MAXIMUM:                           |                | Unlimited           | Unlimited          |
| SPECIFIC CONTRACT :  |                | 24/12 (M/Rx)        | 24/12 (M/Rx)       |
| SPECIFIC PREMIUM:  | Composite PEPM | \$66.18             | \$66.21            |
| MONTHLY TOTAL  |                | \$200,393           | \$200,484          |
| ANNUAL TOTAL   |                | \$2,404,716         | \$2,405,807        |
| <b>ANNUAL TOTAL - STOP LOSS PREMIUM</b>                      |                | <b>\$2,404,716</b>  | <b>\$2,405,807</b> |
| <b>DOLLAR Δ FROM PRIOR YEAR</b>                              |                | <b>NA</b>           | <b>\$1,090</b>     |
| <b>PERCENTAGE Δ FROM PRIOR YEAR</b>                          |                | <b>NA</b>           | <b>0.05%</b>       |
| <b>ADDITIONAL SPECIFIC LASER(S)</b>                          |                | <b>\$600,000</b>    | <b>\$0</b>         |
| ANNUAL TOTAL   |                | \$2,404,716         | \$2,405,807        |
| <b>ANNUAL TOTAL - STOP LOSS PREMIUM INCLUDING LASERS (A)</b> |                | <b>\$2,704,716</b>  | <b>\$2,405,807</b> |
| <b>DOLLAR Δ FROM PRIOR YEAR</b>                              |                | <b>NA</b>           | <b>-\$298,910</b>  |
| <b>PERCENTAGE Δ FROM PRIOR YEAR</b>                          |                | <b>NA</b>           | <b>-11.05%</b>     |
| Total  | 3028           |                     |                    |
| Average 12 mos. Enrollment                                   |                |                     |                    |

# Recommendation

- Staff recommends approval of this service agreement, as presented

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