

# Stop Loss Insurance

City Council Meeting  
September 3, 2024

# Summary

- One-year service agreement with Blue Cross Blue Shield of Texas for Stop Loss Insurance for 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



# RFP Evaluation

## Recommendation

Blue Cross Blue Shield of Texas \$300,000 Deductible

		<b>BCBSTX</b>	<b>Swiss Re/Stealth</b>	<b>Wellpoint/Stealth</b>
<b>Criteria</b>	<b>Points</b>	<b>Ranking – 1</b>	Ranking – 2	Ranking – 3
Local Preference	10	-	-	-
Pricing	35	<b>35.0</b>	34.8	34.3
Financial Stability, Claims Processing, Past Performance, and Communication	45	<b>43.1</b>	33.6	24.8
Interview	10	-	-	-
<b>Total Points</b>	<b>100</b>	<b>78.1</b>	68.4	59.1
\$300,000 Deductible, PEPM Premium		<b>\$66.21</b>	\$73.74	\$66.71
Lasers		<b>None</b>	None	None
Extended Cost at \$300,000 Deductible		<b>\$2,466,190</b>	\$2,746,668	\$2,484,814
Additional Credits		<b>(\$30,000)</b>	\$0	\$0
Change from current premium		<b>(1.96%)</b>	10.54%	0.00%

# Stop Loss RFP 5871 HUB Analysis and Proposal Comparison

(\$300k Specific Deductible)

	Current	Alternate 1
	2023-2024	PROPOSED
<b>STOP LOSS CARRIER:</b>	SUN LIFE	BCBS
<b>MGU:</b>	STEALTH	N/A
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)	Paid (M/Rx)
SPECIFIC PREMIUM: Composite PEPM	\$66.71	\$66.21
MONTHLY TOTAL	\$207,068	\$205,516
ANNUAL TOTAL	\$2,484,814	\$2,466,190
<b>ANNUAL TOTAL - STOP LOSS PREMIUM</b>	<b>\$2,484,814</b>	<b>\$2,466,190</b>
STOP LOSS PACKAGING FEE CREDIT	\$0	-\$30,000
<b>TOTAL PREMIUMS LESS CREDITS</b>	<b>\$2,484,814</b>	<b>\$2,436,190</b>
<b>DOLLAR Δ FROM PRIOR YEAR</b>	NA	-\$48,624
<b>PERCENTAGE Δ FROM PRIOR YEAR</b>	NA	-1.96%

Total 3104

Enrollment

	SUN LIFE	BCBS
<b>STOP LOSS CARRIER:</b>		
Carrier Financial Rating:	A+	A+
Laser Liability:	\$0	\$0
Specific Run In Limited To:	NA	NA
Rates Locked in Date:	NA	Firm
Plan Document Mirroring	Included	Included
Advance Funding	Included	Included
BCBS Stop Loss Carve Out Fee (Inc. in Stop Loss Rate)	\$0.50 PEPM	NA
Notes:	50% renewal rate cap and no new lasers	45% renewal rate cap and no new lasers One time Credit of \$30,000 applied to the ASO invoice for 10/1/2024

- Blue Cross Clue Shield
- PEPM: \$66.21
- Estimated Enrollment: 3,104
- ASO Credit: \$30k
- Contract Savings: \$48,624

# Stop Loss RFP 5871 Proposal Comparison (\$300k)



	2023-2024	2024-2025	PROPOSED	PROPOSED	PROPOSED	PROPOSED
STOP LOSS CARRIER:	SUN LIFE	SUN LIFE	BCBS	Wellpoint	SWISS RE	Symetra
MGU:	STEALTH	STEALTH	N/A	STEALTH	STEALTH	STEALTH
SPECIFIC STOP LOSS DEDUCTIBLE:	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
SPECIFIC STOP LOSS LIFETIME MAXIMUM:	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
SPECIFIC STOP LOSS ANNUAL MAXIMUM:	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
SPECIFIC CONTRACT :	24/12 (M/Rx)	Paid (M/Rx)	Paid (M/Rx)	24/12 (M/Rx)	24/12 (M/Rx)	24/12 (M/Rx)
SPECIFIC PREMIUM: Composite PEPM	\$66.71	\$97.83	\$66.21	\$66.71	\$73.74	\$111.96
MONTHLY TOTAL	\$207,068	\$303,664	\$205,516	\$207,068	\$228,889	\$347,524
ANNUAL TOTAL	\$2,484,814	\$3,643,972	\$2,466,190	\$2,484,814	\$2,746,668	\$4,170,286
<b>ANNUAL TOTAL - STOP LOSS PREMIUM</b>	<b>\$2,484,814</b>	<b>\$3,643,972</b>	<b>\$2,466,190</b>	<b>\$2,484,814</b>	<b>\$2,746,668</b>	<b>\$4,170,286</b>
STOP LOSS PACKAGING FEE CREDIT	\$0	\$0	-\$30,000	\$0	\$0	\$0
<b>TOTAL PREMIUMS LESS CREDITS</b>	<b>\$2,484,814</b>	<b>\$3,643,972</b>	<b>\$2,436,190</b>	<b>\$2,484,814</b>	<b>\$2,746,668</b>	<b>\$4,170,286</b>
DOLLAR Δ FROM PRIOR YEAR	NA	\$1,159,158	-\$48,624	\$0	\$261,853	\$1,685,472
PERCENTAGE Δ FROM PRIOR YEAR	NA	46.65%	-1.96%	0.00%	10.54%	67.83%

**Total Enrollment: 3104**

STOP LOSS CARRIER:	SUN LIFE	SUN LIFE	BCBS	Wellpoint	SWISS RE	Symetra
Carrier Financial Rating:	A+	A+	A+	A+	A+	A
Laser Liability:	\$0	\$0	\$0	\$0	\$0	\$0
Specific Run In Limited To:	NA	NA	NA	NA	NA	NA
Rates Locked in Date:	NA	Firm	Firm	Firm through 8/19/24	Firm	Pending Large Claim Review
Plan Document Mirroring	Included	Included	Included	Included	Not Included	Not Included
Advance Funding	Included	Included	Included	Included	Not Included	Not Included
BCBS Stop Loss Carve Out Fee (Inc. in Stop Loss Rate)	\$0.50PEPM	\$0.50PEPM	NA	\$0.50PEPM	\$0.50PEPM	\$0.50PEPM
Notes:	50% renewal rate cap and no new lasers	50% renewal rate cap and no new lasers Includes Gene Therapy Rider - First Dollar Coverage - Zolgensma, Luxterna, Spinraza, Zytlego & Skysona	45% renewal rate cap and no new lasers One time Credit of \$30,000 applied to the ASO invoice for 10/1/2024	50% renewal rate cap and no new lasers Includes Gene Therapy Rider - First Dollar Coverage - Zolgensma, Luxterna, Spinraza, Zytlego & Skysona	50% renewal rate cap and no new lasers Includes Gene Therapy Rider - First Dollar Coverage - Zolgensma, Luxterna, Spinraza, Zytlego & Skysona	50% renewal rate cap and no new lasers Includes Gene Therapy Rider - First Dollar Coverage - Zolgensma, Luxterna, Spinraza, Zytlego & Skysona

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# Recommendation

Staff recommends approval of this service agreement, as presented

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