

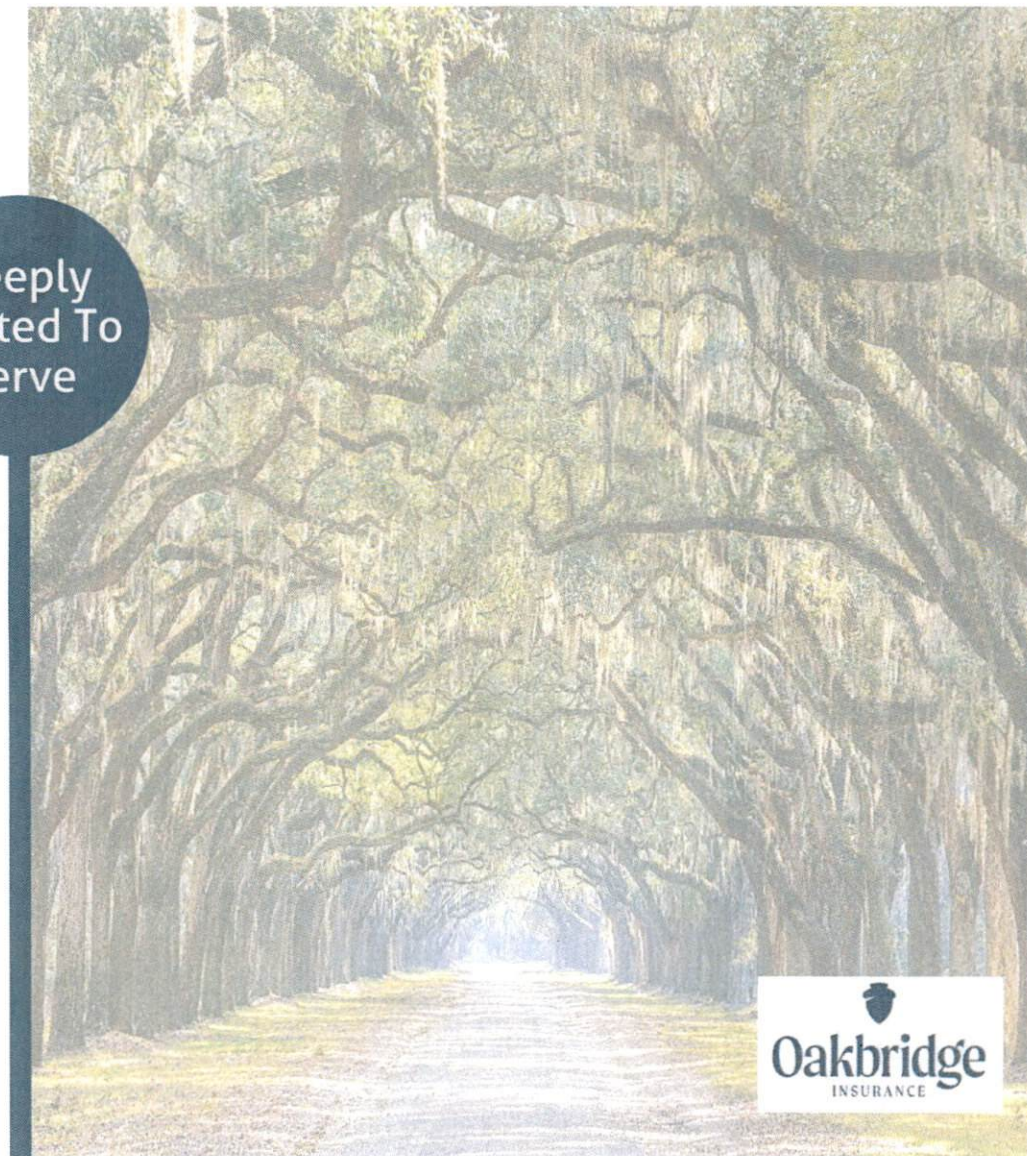


CITY OF SMYRNA  
GEORGIA

## 2024 PLAN YEAR BENEFITS RENEWAL



Deeply  
Rooted To  
Serve





## Renewal Summary – All Plans

Medical	Current	Renewal
<b>Medical Fixed Costs</b>		
Stop Loss Premiums	\$664,467.84	\$713,964.24
Administration Fixed Costs	\$464,202.60	\$482,923.68
Total Annual	\$1,128,670.44	\$1,196,887.92
<b>Change in Fixed Costs</b>		<b>6.04%</b>

Medical	Current	Renewal
<b>Medical Max Claims Liability</b>		
Total Max Claims Liability	\$7,631,015.76	\$8,209,279.44
<b>Total Fixed &amp; Max Claims Liability</b>	<b>\$8,759,686.20</b>	<b>\$9,406,167.36</b>
<b>Overall Change</b>		<b>7.38%</b>

Ancillary Lines	Current	Renewal
<b>DENTAL</b>	<b>Guardian</b>	<b>Guardian</b>
Total Monthly Premium	\$16,378.39	\$17,360.84
Total Annual Premium	\$196,540.68	\$208,330.08
Change		6%
<b>VISION</b>	<b>Guardian</b>	<b>Guardian</b>
Total Monthly Premium	\$2,932.76	\$2,932.76
Total Annual Premium	\$35,193.12	\$35,193.12
Total Change		0%

Ancillary Lines	Current	Renewal
<b>BASIC LIFE ADD</b>	<b>Guardian</b>	<b>Guardian</b>
Total Monthly Premium	\$13,392.52	\$17,203.10
Total Annual Premium	\$160,710.21	\$206,437.15
		28%
<b>STD</b>	<b>Guardian</b>	<b>Guardian</b>
Total Monthly Premium	\$6,848.06	\$7,820.32
Total Annual Premium	\$82,176.77	\$93,843.84
		14%
<b>LTD</b>	<b>Guardian</b>	<b>Guardian</b>
Total Monthly Premium	\$5,238.17	\$5,442.26
Total Annual Premium	\$62,858.09	\$65,307.11
		4%





# Stop Loss Renewal

## Stop Loss Comparison

Effective Date: January 1, 2024

	Current	Renewal - Non-ICM	Renewal - ICM
TPA	Allied	Allied	Allied
Stop Loss Carrier	HCC	HCC	HCC
Network	Aetna ASA	Aetna ASA	Aetna ASA
Specific Deductible	\$225,000	\$225,000	\$225,000
Aggregating Specific Deductible	n/a	n/a	n/a
Specific Contract Basis	24/12	24/12	24/12
Aggregate Max Annual Reimbursement	\$1,000,000	\$1,000,000	\$1,000,000
Lasers	\$1,000,000	\$275,000	\$275,000
<b>Fixed Costs - Stop Loss Premium</b>			
Specific SL Premium			
	Emp		
	Family		
Aggregate SL Premium			
	Composite		
<b>Total Stop Loss Fixed Premium</b>			
Specific SL Premium	\$637,307.28	\$684,790.20	\$678,423.96
Aggregate SL Premium	\$27,160.56	\$29,174.04	\$28,917.00
Total Annual SL Premium	\$664,467.84	\$713,964.24	\$707,340.96
% Change from Current		7.45%	6.45%
<b>Claims Liability (Aggregate Factors)</b>			
Monthly Aggregate Claim Factors			
	Emp		
	Family		
Max Aggregate Claims Liability	\$1,183.94	\$1,288.36	\$1,256.94
Expected Aggregate Claims Liability	\$2,763.58	\$2,948.82	\$2,876.90
% Change from Current (Max)		7.58%	4.95%
<b>Maximum Annual Exposure</b>			
Fixed Cost	\$664,467.84	\$713,964.24	\$707,340.96
Additional Laser Liability	\$375,000.00	\$50,000.00	\$50,000.00
Max Aggregate Claims Liability	\$7,631,015.76	\$8,209,279.44	\$8,009,066.16
Total Maximum Liability	\$8,670,483.60	\$8,973,243.68	\$8,766,407.12
% Change from Current		3.49%	1.11%

### Executive Summary:

Pareto has provided both an ICM and Non-ICM renewal option. The ICM option reduces the Specific Stop loss Premium by 1% and reduces the Aggregate Claims Liability by 2.5%.

ICM = Pareto's Integrated Cost Management Platform

Employee Count	
EMP	222
FAM	135
Total Employee Count	357





# Administration Costs

		Current Allied	Renewal - Non ICM Allied	Renewal ICM Allied
TPA		Aetna ASA	Aetna ASA	Aetna ASA
Network		VeracityRx	VeracityRx	VeracityRx
PBM				
Total # Enrolled	357			
Fixed Administrative Costs				
	Medical Claims Administration	\$32.00	\$32.85	\$32.85
	PPO Access	\$16.75	\$17.40	\$17.40
	Annual Admin Fee	\$3,250.00	\$3,250.00	\$3,250.00
Large Case Management Vendor		\$130 per hour	\$130 per hour	\$130 per hour
UM/Precert Vendor		HCC	HCC	HCC
		\$2.00	\$2.10	\$2.10
Telemedicine Vendor		Teladoc	Teladoc	Teladoc
		\$1.40	\$1.67	\$1.67
Government Compliance/Allied Digital		Allied	Allied	Allied
		\$1.50	\$4.00	\$4.00
TPA Data Coordination Fees				
	Non-Preferred PBM	\$2.00	\$2.00	\$2.00
	Stop Loss Coordination	\$2.00	\$2.00	\$2.00
Broker Fee		\$20.50	\$20.50	\$20.50
PBM Fees				
	PBM Consulting Fee	\$12.00	\$12.00	\$12.00
	Specialty Carve Out Vendor	VeracityRx	VeracityRx	VeracityRx
Cost Containment Program Fees				
	Pareto ICM			\$2.00
Total Fixed Premiums				
	Total Monthly Fixed	\$35,433.55	\$36,993.64	\$37,707.64
	Total Annual Fixed	\$464,202.60	\$482,923.68	\$491,491.68
	% Change from Current		4.03%	5.88%

## Executive Summary:

Moving to the ICM platform requires an additional \$2.00 per employee per month fee in fixed costs (billed directly by Pareto).

Allied Digital includes mobile app for quick ID card access, submit claims, review claims with member responsibility, and view breakdown of benefits. (This is required by Allied and includes their TiC Compliant cost estimator requirement.)

Teladoc benefit will now include Behavioral Health.





# Financials YTD

Total Costs	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Gross Monthly	\$492,013	\$144,297	\$462,903	\$304,329	\$314,719	\$485,677	\$350,974	\$858,617	\$486,251				\$3,899,779
Employee Contributions	\$109,451	\$109,354	\$108,127	\$108,710	\$107,091	\$107,986	\$107,505	\$108,079	\$108,114				\$974,417
Net Monthly	\$382,561	\$34,943	\$354,776	\$195,619	\$207,629	\$377,691	\$243,468	\$750,538	\$378,136				\$2,925,361
Net PEPM	\$1,057	\$97	\$988	\$546	\$590	\$1,064	\$684	\$2,114	\$1,059				\$910

Premium Funding	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Employer Funding	\$664,143	\$657,829	\$659,056	\$656,336	\$645,133	\$650,649	\$653,267	\$650,556	\$654,795				\$5,891,764
Employee Contributions	\$109,451	\$109,354	\$108,127	\$108,710	\$107,091	\$107,986	\$107,505	\$108,079	\$108,114				\$974,417
Total Budget	\$773,594	\$767,183	\$767,183	\$765,046	\$752,224	\$758,635	\$760,772	\$758,635	\$762,909				\$6,866,181
PEPM	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137	\$2,137				\$2,137

Budget Position	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Total
Monthly	\$281,581	\$622,886	\$304,280	\$460,717	\$437,505	\$272,958	\$409,798	-\$99,982	\$276,658				\$2,966,402
PEPM	\$778	\$1,735	\$848	\$1,287	\$1,243	\$769	\$1,151	-\$282	\$775				\$923

\*Large claimant claims are those in excess of 50% of the specific deductible.

## 2022 /2023 cost comparison:

	Net Medical Claims	Net Rx Claims	Admin Costs	Stop Loss	VeracityRx	Total Costs
<b>2022 Plan Year</b>	\$4,878,500.00	\$657,712.00	\$341,755.00	\$575,663.00	\$50,172.00	\$6,503,802.00
<b>2022 Plan Year through September</b>	\$3,839,008.00	\$417,325.00	\$257,316.00	\$433,859.00	\$37,776.00	\$4,985,284.00
<b>2023 Plan Year through September</b>	\$2,713,853.00	\$342,799.00	\$244,312.00	\$496,000.00	\$37,140.00	\$3,834,104.00



# Cost Containment

Allied Advocate – currently embedded

Kisx – implementation in process

CancerCare – implementation in process

Personal Importation/SpecialtyRx Program – currently embedded



## Rx Performance Review

Through August 2023 the Average Per Member Per Month (PMPM) Rx cost is \$76.96, which is well below the 2023 forecasted industry average of \$138 PMPM. You have saved \$169k due to the Personal Importation program (102 prescriptions) and have saved \$442.5k with the Specialty prescription program (60 prescriptions).





## Recommendations

Increase HDHP deductible to ensure compliance

Renew with Allied and Pareto

Consider changing the Advanced Imaging Benefit

Install CancerCare and Kiox Surgical – currently in process. (Need to complete implementation)

Advertise Teladoc benefit to increase utilization



# Ancillary Lines

## Rate Summary

Dental Plan		Guardian Current	Guardian Renewal	The Standard Option
Monthly Rates				
EO	158	\$31.34	\$33.22	\$33.22
EE+1	60	\$61.97	\$65.69	\$65.69
FAM	71	\$108.57	\$115.08	\$115.08
Total Monthly Premium		\$16,378.39	\$17,360.84	\$17,360.84
Total Annual Premium		\$196,540.68	\$208,330.08	\$208,330.08
Change			6%	6%

Vision		Guardian Current	Guardian Renewal	The Standard Option
Monthly Rates				
EO	123	\$8.33	\$8.33	\$7.08
EE+1	52	\$16.16	\$16.16	\$13.74
FAM	45	\$23.73	\$23.73	\$20.17
Total Monthly Premium		\$2,932.76	\$2,932.76	\$2,492.97
Total Annual Premium		\$35,193.12	\$35,193.12	\$29,915.64
Change			0%	-15%

Basic Life		Guardian Current	Guardian Renewal	The Standard Option
Basic Life		0.342	0.445	0.400
ADD		0.020	0.020	0.020

Monthly Rates				
Basic Life	\$ 36,995,905.00	\$12,652.60	\$16,463.18	\$14,798.36
ADD	\$ 36,995,905.00	\$739.92	\$739.92	\$739.92
Total Monthly Premium		\$13,392.52	\$17,203.10	\$15,538.28
Total Annual Premium		\$160,710.21	\$206,437.15	\$186,459.36
			28%	16%

STD		Guardian Current	Guardian Renewal	The Standard Option
60% up to \$700		0.324	0.370	0.350

Monthly Rates				
STD	\$ 211,360.00	\$6,848.06	\$7,820.32	\$7,397.60
Total Monthly Premium		\$6,848.06	\$7,820.32	\$7,397.60
Total Annual Premium		\$82,176.77	\$93,843.84	\$88,771.20
			14%	8%

LTD		Guardian Current	Guardian Renewal	The Standard Option
60% up to \$4000 / \$5000		0.308	0.320	0.320

Monthly Rates				
LTD	\$ 1,700,706.00	\$5,238.17	\$5,442.26	\$5,442.26
Total Monthly Premium		\$5,238.17	\$5,442.26	\$5,442.26
Total Annual Premium		\$62,858.09	\$65,307.11	\$65,307.11
			4%	4%