

RESOLUTION NO. 2013- 282

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS, ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR, OR HIS DESIGNEE, TO ACCEPT THE QUOTE AND ENTER INTO A LEGALLY SUFFICIENT AGREEMENT FOR STOP LOSS COVERAGE WITH RMTS (GERBER/NATIONWIDE).

RECITALS:

WHEREAS, the Insurance Committee reviewed the stop loss market analysis on November 21, 2013 and, based upon its review, recommends moving the stop loss coverage to RMTS (Gerber/Nationwide); and

WHEREAS, the County has reviewed the stop loss market analysis and found the incumbent rate for 2014 to be a 20% rate increase; and

WHEREAS, the quote provided by RMTS (Gerber/Nationwide) to be a 13% rate increase (attached hereto, and incorporated herein) which would result in a 7% savings over the incumbent; and

WHEREAS, the County has determined that entering into an Agreement with RMTS (Gerber/Nationwide) will serve the interests of the County.

NOW, THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Johns County, Florida, that:

Section 1. The above recitals are incorporated into the body of this Resolution and such Recitals are adopted as findings of fact.

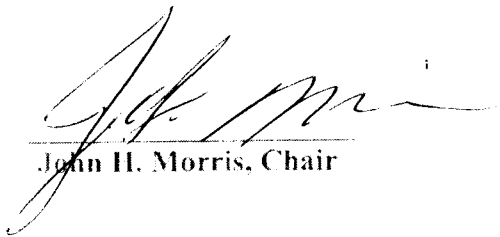
Section 2. The attached modifications reviewed and recommended for approval by the St. Johns County Insurance Committee are hereby approved and adopted by the Board of County Commissioners of St. Johns County Florida.


Section 3. The County Administrator or designee is hereby authorized to execute the amendment on behalf of the County, and said changes shall be adopted and effective as of January 1, 2014 until December 31, 2017.

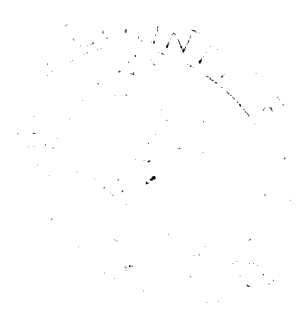
Section 4. To the extent that there are typographical and/or administrative errors that do not change the tone, tenor, or concept of this Resolution, then this Resolution may be revised without subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County,
State of Florida, this 17 Day of December 2013.

BOARD OF COUNTY
COMMISSIONERS OF ST. JOHNS
COUNTY, FLORIDA

By: 
John H. Morris, Chair

By: 
ATTEST: Cheryl Strickland, Clerk
Deputy Clerk



RENDITION DATE 12/19/13



Date: 11/20/2013
Version: 7

6 Harrison Street New York City, NY 10013 (212) 925-0017 Tel. (212) 925-8760 Fax

STOP LOSS INSURANCE PROPOSAL

This Proposal is subject to final approval by our New York based underwriting department

Employer	St. John's County	Effective Date	01/01/2014	Proposal Valid Until	02/01/2014
SIC Code/Nature of Industry	919	Carrier(s) on behalf	Gerber, Nationwide	Total Enrollees	2041
Specific Covers	Medical, Rx Card	Proposal Issued To	TPA Exchange	Retirees	Y
Aggregate Covers		TPA	BCBS	Contract Months	12
Regional Sales Manager	Tommy Maher	Underwriter	Steve Nasso		

	<u>Option 1</u>	<u>Option 2</u>	<u>Option 3</u>	<u>Option 4</u>
SPECIFIC COVERAGE				
Deductible Type	Individual	Individual	Individual	Individual
Deductible Amount	\$ 225,000	\$ 250,000	\$ 275,000	\$ 300,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Contract Period Annual Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Contract Basis	24/12	24/12	24/12	24/12

SPECIFIC RATE(S)				
	<u>Enrollment</u>			
Quoted Rate Per Month				
Single	907	\$ 12.64	\$ 11.60	\$ 10.66
Family	1,134	\$ 31.29	\$ 28.49	\$ 25.91
Estimated Annual Premium		\$ 563,368	\$ 513,946	\$ 468,607

SEPARATE INDIVIDUAL RETENTION LEVEL(S)/OTHER CONTINGENCIES				
OTHER TERMS				
Specific Advance Funding		Y	Y	Y
Aggregate Terminal Run-Out				
Run-In Limit - Specific (Per Ee)	\$	0	\$ 0	\$ 0
Run-in Limit - Aggregate				

PROPOSAL QUALIFICATIONS AND CONTINGENCIES:

PPO Network(s): BCBS of FL

The above rates and factors are based on the current plan designs provided with the RFP. If our proposal is deemed competitive, we would consider any plan changes or revisions necessary to bring the Plan into compliance with the Health Reform requirements. Such consideration may possibly result in adjusted rates and/or factors. Please inform us if we are a finalist and you require that we consider those plan changes or revisions that you can highlight or summarize at that time if not yet provided.

The producer will receive a volume-based bonus percentage of the groups gross paid medical stop loss premium.

THE GROUP REPRESENTS THE FOLLOWING:

* A minimum of 80% of all eligible employees are covered under the underlying benefit plan (the "participation requirement"). The group acknowledges and agrees that the participation requirement will not be revised or waived unless such revision or waiver is indicated by us (RMTS, LLC and the issuing carrier will herein be referred to as "we," "our" and "us") in writing on this proposal.

* If Domestic Charges Reimbursement, domestic charges are processed and paid like any other claim and a check or draft will be issued or an electronic fund transfer will be made. If the group cannot make this representation, group must provide a detailed written statement setting forth how domestic charges are handled including when the group considers a domestic charge paid. Domestic Charges Reimbursement percentage limit, as stated on page 1 of this Proposal, will apply to the lesser of (1) billed charges or (2) the amount payable under the terms of the Plan.

* The Plan Document and/or plan amendments and/or plan design provided to us (RMTS, LLC and the issuing carrier will herein be referred to as "we," "our" and "us") during underwriting or in the prior policy years and approved by us, and network(s) indicated above will be used throughout the contract basis. Any plan changes implemented to bring the Plan in compliance with the requirements of Patient Protection and Affordable Care Act ("PPACA") will be considered under the stop loss contract, provided that such changes do not go beyond those required by PPACA.

THIS PROPOSAL IS BASED ON THE FOLLOWING CONDITIONS:

* If retiree coverage is requested under the stop loss policy, MEDICARE is PRIMARY for retirees age 65 and over.

* Information submitted prior to or subsequent to the submission of the Disclosure Statement (including but not limited to the submission of claims or notices of potential claims (eg. 50% notices)) does not constitute disclosure, unless, with respect to updated information, the procedures set forth in the Disclosure Statement are followed.

* If advance funding is purchased, advance funding is not available during the last 30 days of the payment period of the stop loss policy. RMTS must receive the request for advance funding and satisfactory proof of claim eligibility, including all information requested in the Claims Kit and any other information as might be necessary to determine liability for the claim, no later than 30 days prior to the end of the payment period of the stop loss policy.

* The specific run in limit applies to run-in contract basis only (e.g. 15/12, 18/12, 24/12). Any claims over the Specific Deductible incurred during the run-in period and prior to the effective date of coverage, and submitted for reimbursement under the Contract, will be limited to 20% of the chosen Specific Deductible level per covered person. This limitation may be waived upon receipt and review of Pending and pre-certification claim reports.

* The contractual Minimum Attachment Point will be based on the first month's enrollment unless the first month's enrollment has decreased from the quoted enrollment, in which case the contractual Minimum Attachment Point will be based on the quoted enrollment.

* If an individual(s) is subject to a Separate Individual Retention Level, only claims up to the group's specific deductible will be covered under aggregate coverage.

* The Actively at Work/Disabled Persons exclusion in the stop loss contract is waived ONLY for those individuals accurately and fully disclosed in the Disclosure Statement.

* If the Plan Document provides for alternative benefits upon recommendation of a case manager, that would otherwise be excluded under the Plan, such benefits will be considered eligible under the stop loss policy when all of the following criteria have been satisfied: (i) the group demonstrates to our satisfaction that providing the alternative benefits resulted in cost savings to the benefit plan; (ii) the alternative benefits are medically necessary and appropriate; (iii) the alternative treatment replaced treatment that would be covered under the benefit plan; and (iv) the alternative treatment does not exceed the maximum allowed under the benefit plan for the treatment replaced by the alternative treatment.

* The stop loss coverage is based upon the terms and conditions outlined in the Plan Document. However, if the terms of the stop loss policy differ from the Plan Document, the terms of the stop loss policy will control.

* We reserve the right to include a limitation in the stop loss policy in the event the Plan Document provides for continuation coverage during disability, leave of absence (including but not limited to workers' compensation or severance leave) or lay off which exceeds 12 weeks from the time the participant is no longer on the regular payroll of the group and/or performing the duties of his/her job with the employer on a full time basis.

* If the Plan Document does not include a pre-existing condition limitation or contains one which goes beyond that required by HIPAA regulations, we reserve the right to include a pre-existing condition in the stop loss policy that provides for no more benefits than that required by HIPAA and PPACA.

* All participants eligible to participate in the Plan are subject to a minimum hourly working requirement under the Plan. We reserve the right to include a limitation in the stop loss policy for any plan participant who qualifies for coverage under the Plan without being subjected to the minimum hourly working requirement.

* If the group's Plan does not include an exclusion for services and charges related to "never events" and hospital acquired conditions as defined by and excluded by Medicare, we reserve the right to include such an exclusion in the stop loss contract.

* Pre-Certification and case management services are utilized.

* Any correction to the specific or aggregate premium of the covered units for the preceding contract period, must be reported to the company within sixty days after the last contract month of the preceding contract period.

Should we learn at anytime that the information provided to us during the underwriting of this insurance risk was incomplete or inaccurate or any of the above representations are incorrect or if the group does not agree with any of the above conditions or assumptions, we may rescind or reunderwrite this offer or the stop loss policy or deny a claim affected by any of the above representations, conditions or assumptions.

THIS PROPOSAL IS SUBJECT TO RECEIPT AND REVIEW OF THE FOLLOWING:

> Completed and Signed Stop Loss Application.

> Completed and Signed Disclosure Statement, executed by the Plan Sponsor and/or TPA representative. Upon receipt of same, we will make a determination within fifteen (15) business days from receipt of the Statement as to whether a Separate Individual Retention Level(s) will apply, or whether additional information is needed. See Disclosure Statement for a complete description of requirements and conditions.

> (If Aggregate Coverage) Updated Aggregate Claims report through last day of expiring contract period. Upon receipt and review of same, we will make a determination within fifteen (15) business days from receipt of the report if the attachment point will need to be revised. If upon receipt of the updated aggregate claims report, it is determined that the average monthly claims for the two-month period immediately preceding the effective date of this proposal changed by 10% or more from the average claims for the first ten months of the prior contract period, we will have the right to change the rates and Aggregate Factors as of the proposed effective date.

> Complete Census in electronic format, as of the effective date of the proposal, accurately reflecting single and family enrollment. Rates and Factors subject to change if enrollment census increases or decreases by 10% or more from the proposal enrollment.

> Complete plan document as of the effective date of the proposal (or draft if not yet finalized) with any plan change amendments or change in Network(s).

> Completed TPA Questionnaire, TPA Licenses in state for which contract will be issued, and evidence of e&o coverage and fidelity bond.

> Completed Carrier Producer Forms with W9, copies of Producer's Licenses in state for which contract will be issued. The license should be for the same party who is receiving commission (if proposal offer includes commission).

> Binder Check - First month's specific premium (if applying for the first year of coverage) (based on estimated first month enrollment) and aggregate premium (Lump Sum Amount or PEPM, whichever is chosen by the group). Receipt of premium and/or Binder Check shall not constitute an acceptance of liability. Liability (subject to the terms and conditions of the Stop Loss Contract) will only be accepted after receipt and approval of all above referenced documents.

* A pending claim for the purposes of this report is any claim that is received by the group or its agents and not paid in full. This includes claims received and not yet processed and claims that were denied in whole or in part for receipt of additional information or otherwise, where benefits may be due under the Plan during the proposed stop loss contract benefit period.

If the above required forms and information are not received by the 'Proposal Valid Until' date listed on page 1, this offer may be rescinded, in which case all premium will be refunded.

TPA or Group Representative Signature:

Title:

Date:

Option selected:

St. Johns County

2014 Stop Loss Market Analysis

	ISU Companion Current		ISU Companion				TPA Exchange/RMTS, LLC Garber/Nationwide			
	Renewal	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3	Option 4		
Specific Deductible	\$225,000	\$250,000	\$275,000	\$300,000	\$225,000	\$250,000	\$275,000	\$300,000		
Monthly Rate					\$12.64	\$11.60	\$10.66	\$9.77		
					\$31.29	\$28.49	\$25.91	\$23.50		
Contract Type	\$24.48	\$22.25	\$20.15	\$18.45	n/a	n/a	n/a	n/a		
Specific Lifetime Maximum	Paid								24/12	
Specific Annual Maximum	Unlimited								Unlimited	
Expenses Included	Medical & Rx								Medical & Rx	
Annual Stop Loss Premium	\$599,564.16	\$544,947.00	\$493,513.80	\$451,877.40	\$454,081.68	\$413,805.69	\$383,805.69	\$353,805.69		
Monthly Stop Loss Premium	\$49,963.68	\$45,412.25	\$41,126.15	\$37,656.45	\$37,840.14	\$34,483.81	\$31,983.81	\$29,483.81		
Annual % Increase Over Current	32%	20%	9%	0%	n/a	13%	18%	19%		
Census Assumptions:										
Single	907									
Family	1,134									
Total	2,041									

Declined To Quote

- Sun Life
- HCC Life
- ING
- IHC Risk Solutions
- IRC Stop Loss
- Optum
- Symetra