



Florida Blue ASO/TPA Extension

Effective Date: 10/1/2021

Time Frame: 2021-2026

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Presented By:

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Objective:

Provide Council with specific and market data regarding the City's medical insurance TPA's (Florida Blue) performance & outlook to determine if a request for proposal or renewal is desired.

Claims Overview

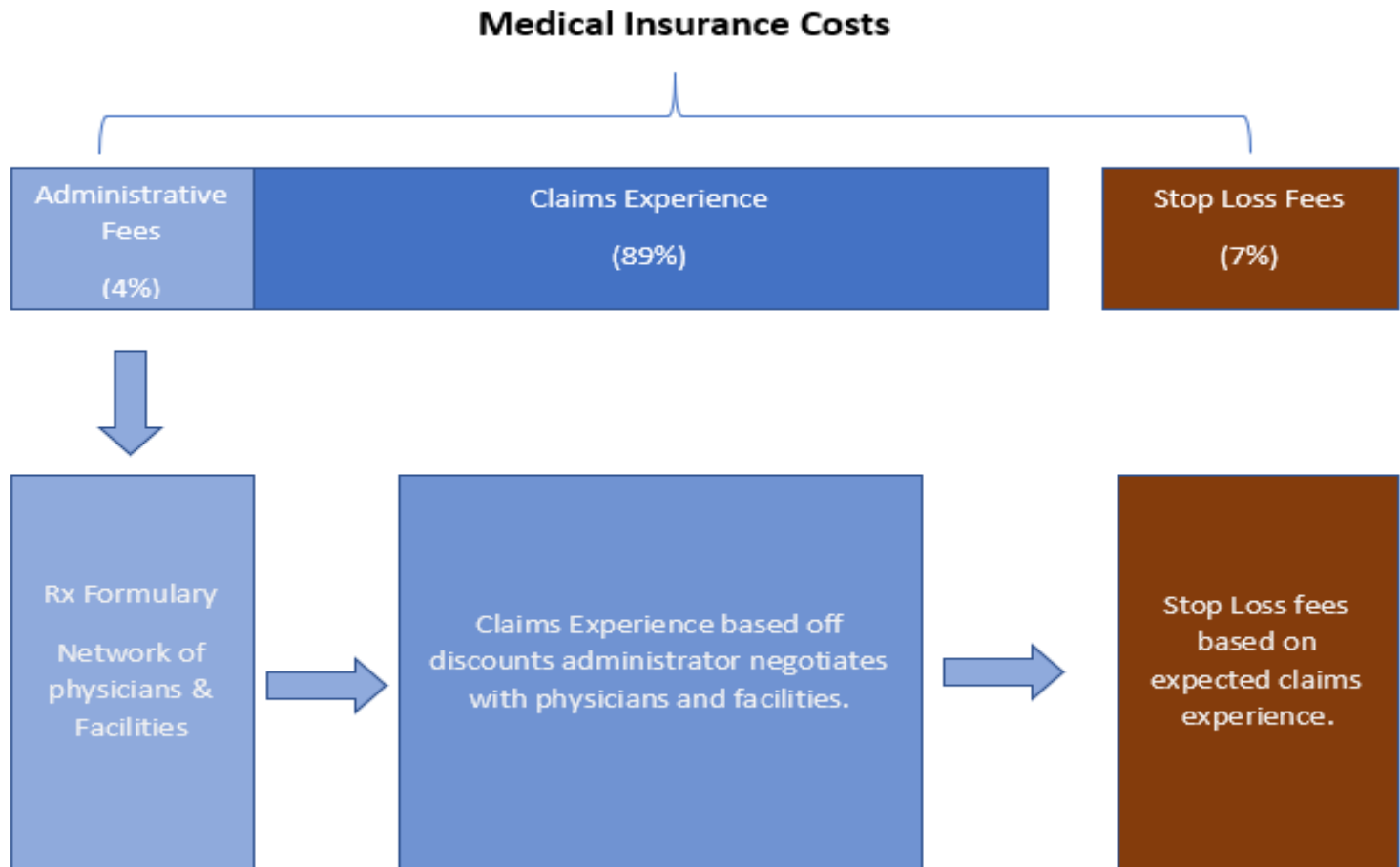
Actual Claims History:			Industry Average:		
Plan Year	Claims Per EE	Inc/Dec	Plan Year	Claims Per EE	Inc/Dec
2014-2015	\$1,001.79	N/a	2014-2015	\$1,001.79	N/a
2015-2016	\$1,114.78	11.28%	2015-2016	\$1,111.99	11.00%
2016-2017	\$1,007.14	-9.66%	2016-2017	\$1,234.30	11.00%
2017-2018	\$1,010.17	0.30%	2017-2018	\$1,370.08	11.00%
2018-2019	\$1,151.50	13.99%	2018-2019	\$1,520.79	11.00%
2019-2020	\$1,183.60	2.79%	2019-2020	\$1,688.07	11.00%
Average Increase:		3.74%	Average Increase:		11.00%

**Difference between Actual and estimated Industry Average from 2014-2020:
\$18,215,276.87**

Medical Trend Factors

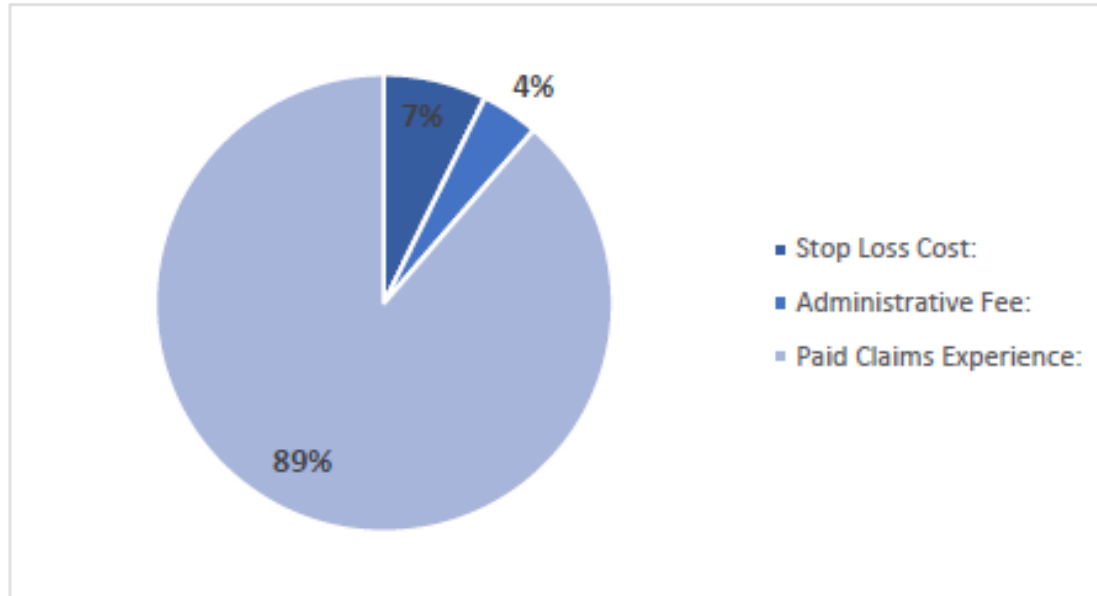
- Historically, the City has realized claims trend below industry average due to multiple factors:
 - Robust wellness program
 - TCMA Onsite Clinic
 - Cost avoidance
 - Preventive care
 - Low provider / facility fees
 - Florida Blue negotiated contracts (TPA)

Medical Insurance Components



Medical Insurance Components

	Carrier	Amount	% of total
Stop Loss Cost:	Symetra	\$1,255,760.00	7%
Administrative Fee:	Fl Blue	\$704,915.00	4%
Paid Claims Experience:	Fl Blue	\$15,304,798.00	89%
Total Cost:		\$17,265,473.00	



Discount Benchmark

- Discount Example:
 - 80% discount: \$100 billed x 80% discount = \$20 paid claim
- Average Discounts (St Lucie, Martin, Indian River, & Okeechobee)
 - Aetna: 60.8%
 - Cigna: 61.9%
 - **Florida Blue: 68.1%**
 - United Healthcare: 59.9%
- Florida Blue's Discounts 6.2% - 8.2% higher
 - Equates to roughly \$2.9 - \$3.4 million lower claims

Average discounts shown above were proposed for a neighboring entity in St. Lucie County during a 2020 RFP. Discounts are averages of provider type and all counties together.



Rx and Network Disruption

Prescription (Formulary):

		Cigna		Aetna	
Full Prescription Analysis (939 Prescription Drugs)	Positive Impact	85	9.1%	57	6.1%
	Negative Impact	60	6.4%	175	18.6%
	Neutral Impact	794	84.6%	707	75.3%
	Excluded Prescriptions	29	3.1%	105	11.2%

Network of providers & facilities:

		Florida Blue	UHC	Aetna	Cigna
Full Provider List	In Network	2,694	2,755	2,731	2,519
	Out of Network	232	92	182	156
	Excluded	0	79	13	251

United Healthcare (UHC) did not provide a prescription disruption analysis

Data above is specific to the City's utilization over the 2020 calendar year

Administrative Fee Renewal

	Current Contract					Negotiated Offer*				
	2016-2021 Florida Blue - ASO					2021-2026 Florida Blue - ASO				
<u>MEDICAL ASO FEE</u>	Year 1 2016-17	Year 2 2017-18	Year 3 2018-19	Year 4 2019-20	Year 5 2020-21	Year 1 2021-22	Year 2 2022-23	Year 3 2023-24	Year 4 2024-25	Year 5 2025-26
Cost Per Employee/Month	\$53.56	\$52.80	\$52.80	\$54.40	\$54.40	\$54.10	\$56.10	\$56.10	\$56.10	\$57.90
\$ Increase/(Decrease)	N/A	-\$10,068	\$0	\$21,197	\$0	-\$3,974	\$26,496	\$0	\$0	\$23,846
% Increase/(Decrease)	N/A	-1.4%	0.0%	3.0%	0.0%	-0.6%	3.7%	0.0%	0.0%	3.2%
5 Year Wellness Funds:	\$275,000					\$375,000				

*No Early Termination Penalties Apply

2017-18 ASO Fee decreased due to the change in Gehring Group's contract that went from a commissions to a consulting fee structure (commissions were removed from rates).



Recommendation:

Renew with Florida Blue under proposed 5 year agreement with no early termination penalties should the City change TPA's mid contract.



Questions?

