

OGDENSBURG CITY SCHOOL DISTRICT
OGDENSBURG, NEW YORK

SUBJECT: Resolution to Approve Conversion to VERIS Benefits Consortium-Excellus BlueCross/BlueSheild Health Insurance Plan

DATE: April 20, 2020

REASON FOR BOARD CONSIDERATION:

The Board of Education must accept or reject all contractual agreements.

FACTS AND ANALYSIS:

The Ogdensburg City School District will transfer all employees and retirees to VERIS Benefits Consortium-Excellus BlueCross/BlueSheild Health Insurance Plan, therefore the following is recommended:

RECOMMENDED ACTION:

Moved by _____ and supported by _____ that, having the recommendation of the Superintendent of Schools, the Board of Education of the Ogdensburg City School District does hereby approve the District's conversion to VERIS Benefits Consortium-Excellus BlueCross/BlueSheild Health Insurance Plan for current and retired employees effective July 1, 2020, as submitted this 20th day of April, 2020.

APPROVED FOR PRESENTATION TO THE BOARD:



Superintendent

KK/alf
Attachment



Ogdensburg City School District

Self-funded Rates for Foy Benefits Program

VERIS Benefits Consortium

Effective: July 1, 2020

CONFIDENTIAL & PROPRIETARY

This presentation and all information contained herein are confidential and proprietary to The Benecon Group and may not be shared or disseminated in any fashion. These pages are provided for illustrative purposes only. Binding rates will be shown on the administrative contract of the network carrier and the Excess of Loss Policy of the Stop Loss Carrier.

Ogdensburg City School District

Self-funded Rates for Foy Benefits Program
VERIS Benefits Consortium

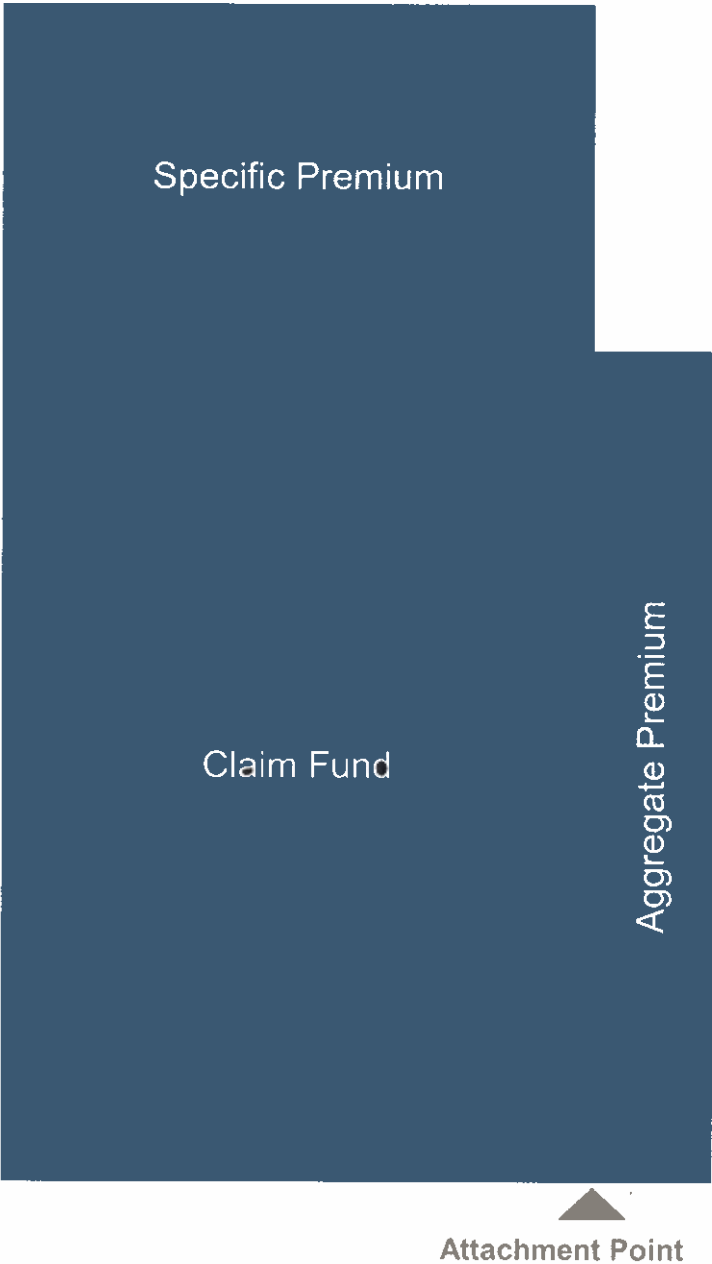
Illustration of Funding Model

The Specific Premium covers claims in excess of the specific deductible for each covered member

\$100,000 Specific Deductible

The Claim Fund is held "in-house" (\$1 in, \$1 out) to pay claims under each covered member's specific deductible

The Aggregate Premium covers claims in excess of the Attachment Point (includes a 20% corridor)



Ogdensburg City School District

Self-funded Rates for Foy Benefits Program VERIS Benefits Consortium

<i>Stop Loss Carrier</i>	Everest Re
<i>Administrator</i>	Excellus BlueCross BlueShield
<i>Specific Deductible</i>	\$100,000
<i>Specific Contract Basis</i>	12/12
<i>Aggregate Corridor</i>	120%
<i>Aggregate Contract Basis</i>	12/12

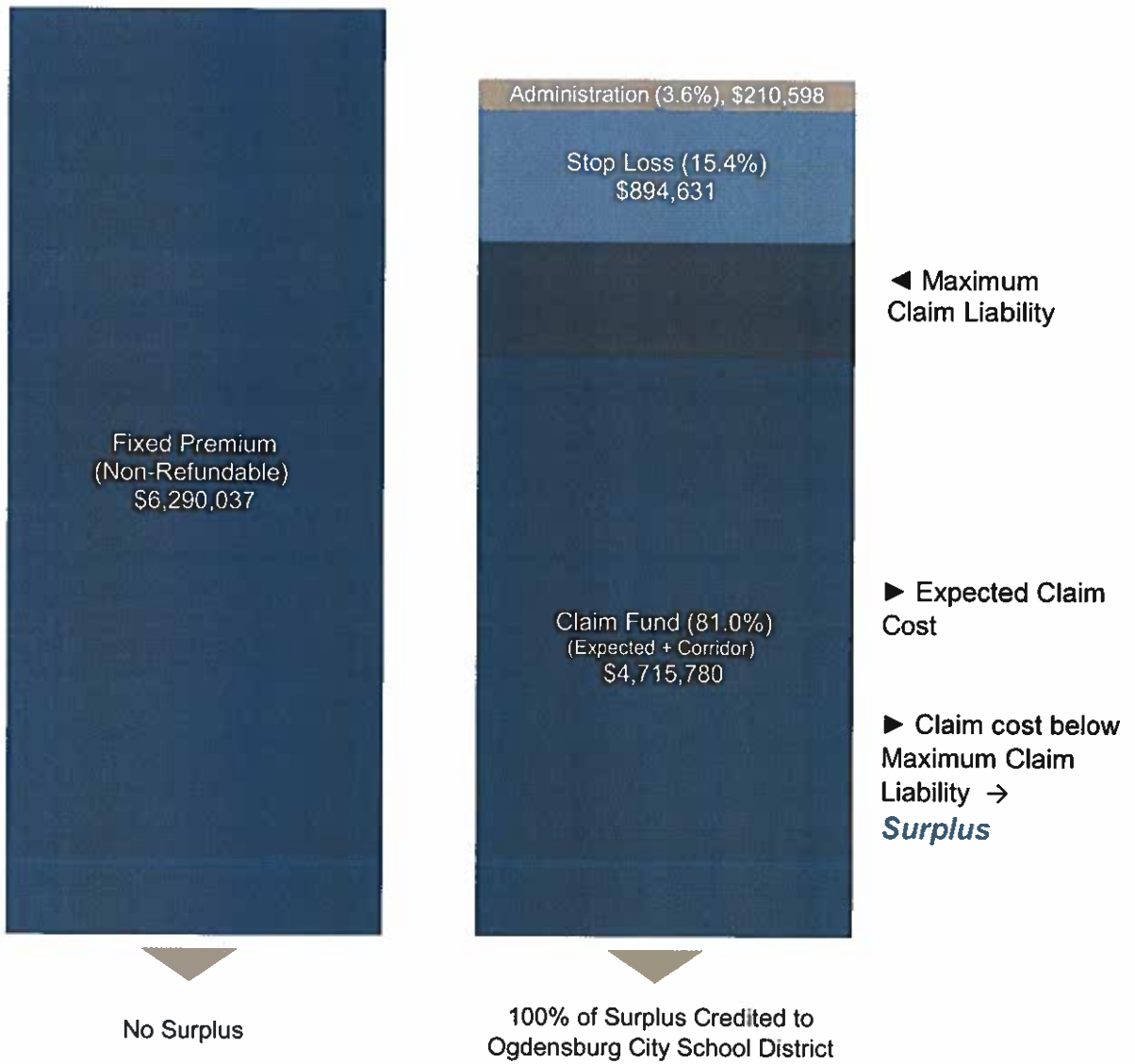
	Effective: July 1, 2020			
	VERIS-July 2-Tier Max Billing Rates		Totals	
	Single	Multi	Monthly	12 Month Annual
Enrollment	80	216		
Administrative				
Carrier Administration Fee Excellus BlueCross BlueShield provides ASO/TPA services, including network discounts and claims adjudication.	\$8.00	\$8.00	\$2,368	\$28,416
Management Fee Benecon/the producer handle all the administration and rate development (i.e. actuarial services, claim payments, compliance services, and financial and tax reporting). ConnectCare3 offers independent, third-party patient advocate services for simple to severe illnesses and wellness culture change to help prevent chronic health conditions.	\$16.29	\$16.29	\$4,822	\$57,862
Producer Fee: Foy Benefits Foy Benefits will continue to service the client's employee benefit needs.	\$35.00	\$35.00	\$10,360	\$124,320
Stop Loss Insurance				
Specific Stop Loss Protects the employer from high claims in excess of the specific deductible (\$100,000) on individual members.	\$120.63	\$289.51	\$72,185	\$866,215
Aggregate Stop Loss Protects the employer from higher than anticipated claims on all members (calculated as claims in excess of expected claims plus corridor).	\$8.00	\$8.00	\$2,368	\$28,416
Claim Fund				
Aggregate Factors Employer's maximum liability for all claims paid below the specific deductible (\$100,000).	\$656.72	\$1,576.13	\$392,982	\$4,715,780
Total Max Rates	\$844.64	\$1,932.93	\$485,084	\$5,821,009

Ogdensburg City School District

Self-funded Rates for Foy Benefits Program
VERIS Benefits Consortium

Current Funding

VERIS Funding



\$6,290,037

\$5,821,009

\$1,254,991

\$469,028

Savings at Expected

Savings at Max

If you get a reduction in your Fully Insured renewal, please contact your Benecon director.

Ogdensburg City School District

Self-funded Rates for Foy Benefits Program
VERIS Benefits Consortium

	(a)	(b)	(b) - (a) (c)	(d)	(b) - (c) + (d) (e)	(f)	(g)	(h)
Claim Level	Net Claim Liability	Claim Fund	Potential Surplus	Other Fixed Costs	Net Effective Cost	Historical Consortium Performance	Projected Fully Insured Premium	Potential Cash Advantage
↑								
65%	2,554,381	4,715,780	2,161,399	1,105,229	3,659,610	Great 20%	6,290,037	\$2,630,427
70%	2,750,872	4,715,780	1,964,908	1,105,229	3,856,101		6,290,037	\$2,433,936
75%	2,947,363	4,715,780	1,768,418	1,105,229	4,052,591	41%	6,290,037	\$2,237,445
80%	3,143,853	4,715,780	1,571,927	1,105,229	4,249,082		6,290,037	\$2,040,954
85%	3,340,344	4,715,780	1,375,436	1,105,229	4,445,573		6,290,037	\$1,844,464
90%	3,536,835	4,715,780	1,178,945	1,105,229	4,642,064		6,290,037	\$1,647,973
95%	3,733,326	4,715,780	982,454	1,105,229	4,838,555		6,290,037	\$1,451,482
100%	3,929,817	4,715,780	785,963	1,105,229	5,035,046	"Expected"	6,290,037	\$1,254,991
105%	4,126,308	4,715,780	589,473	1,105,229	5,231,536	23%	6,290,037	\$1,058,500
110%	4,322,798	4,715,780	392,982	1,105,229	5,428,027		6,290,037	\$862,009
115%	4,519,289	4,715,780	196,491	1,105,229	5,624,518		6,290,037	\$665,519
120%	4,715,780	4,715,780	0	1,105,229	5,821,009	"Maximum"	6,290,037	\$469,028
125%	4,912,271	4,715,780	0	1,105,229	5,821,009	16%	6,290,037	\$469,028
130%	5,108,762	4,715,780	0	1,105,229	5,821,009		6,290,037	\$469,028
135%	5,305,253	4,715,780	0	1,105,229	5,821,009		6,290,037	\$469,028
140%	5,501,744	4,715,780	0	1,105,229	5,821,009		6,290,037	\$469,028
↓								

Illustration above is for a 12 month period for comparison purposes.



Net Claim Liability
Illustration of a range of possible claim levels



Net Effective Cost
Resulting cash net cost



Potential Cash Advantage
Cash comparison with a Fully Insured arrangement

Ogdensburg City School District

Cost Illustration for VERIS Benefits Consortium

	Census Enrollment	07/1/20 Fully Insured Rates
	PPO \$0/\$0; \$20/\$25 OV; \$75 ER & Retail \$10/\$35/\$70; MO \$20/\$70/\$140	
Single	80	\$880.83
Husband/Wife	67	\$1,761.65
EE/Child	11	\$1,761.65
EE/Children	19	\$2,291.99
Family	<u>119</u>	<u>\$2,291.99</u>
Plan Subtotal	296	\$524,170
<i>Grand Total</i>	<i>296</i>	<i>\$524,170</i>

Month	Estimated Premium	VERIS-July Max	VERIS-July Expected
Jul-20	\$524,170	\$485,084	\$419,587
Aug-20	\$524,170	\$485,084	\$419,587
Sep-20	\$524,170	\$485,084	\$419,587
Oct-20	\$524,170	\$485,084	\$419,587
Nov-20	\$524,170	\$485,084	\$419,587
Dec-20	\$524,170	\$485,084	\$419,587
Jan-21	\$524,170	\$485,084	\$419,587
Feb-21	\$524,170	\$485,084	\$419,587
Mar-21	\$524,170	\$485,084	\$419,587
Apr-21	\$524,170	\$485,084	\$419,587
May-21	\$524,170	\$485,084	\$419,587
Jun-21	\$524,170	\$485,084	\$419,587
12-Month Total	\$6,290,037	\$5,821,009	\$5,035,046

Trended & Annualized	\$6,290,037	\$5,821,009	\$5,035,046
Savings		\$469,028	\$1,254,991

BENECON STOP LOSS PROPOSAL FORM

Group Specifics

Legal Group Name	Ogdensburg City School District	Effective Date	7/1/2020
Cooperative	VERIS-July	Contract Expiration Date	6/30/2021
Director	Mario Civera	Proposal Expiration Date	9/1/2020
Producer	Foy Benefits	Stop Loss Carrier	Everest Re
Administrator	Excellus BlueCross BlueShield	Zip Code	13669
Quote ID	OGDEVER07200001		

Stop Loss Specifics

Specific Deductible	\$100,000	Aggregate Corridor	20%
Specific Contract Basis	12/12	Aggregate Contract Basis	12/12
Specific Annual Max	Unlimited	Aggregate Annual Max	\$1,000,000

Underlying Medical/Rx Plan(s)

(Check box to confirm)

PPO \$0/\$0; \$20/\$25 OV; \$75 ER & Retail \$10/\$35/\$70; MO \$20/\$70/\$140

Rate Information

	Single	Family
Enrollment	80	216
Specific Premium	120.63	289.51
Aggregate Factors	656.72	1,576.13
Aggregate Premium	8.00	8.00
Administration Fee	8.00	8.00
Management Fee	16.29	16.29
Broker Fee	35.00	35.00
Total Rate	844.64	1,932.93

Signatures

Initials of Benecon Director Date

Signature of Group Representative Date

The proposed rates are contingent upon the accuracy of the information noted above. This offer is not final until further underwriting review has been completed and written confirmation of coverage has been signed.

Disclosure Status: Disclosure Approved - No Lasers

FINAL PROPOSAL

- Rates and factors will be finalized upon receipt and review of the Employer Disclosure Statement, renewal rates for the proposed policy period, and any other requested information.
- This proposal is subject to revision if there is a change in effective or renewal dates, a change in the plan of benefits, or a material change in census.
- For 18 and 17 month long contracts, aggregate factors will be reviewed for adequacy after 10 months and can be increased after 12 months if needed.
- For groups with 100 or more employees, an audit fee may be required as part of the 5500 filing. Audit fees are typically between \$3,000 and \$6,000 and are not included in the pricing shown.

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BENECON