

# ACTION ITEM

<b>CONTRACT ID:</b>	<b>STOP LOSS COVERAGE FOR MEDICAL AND PRESCRIPTION DRUG COVERAGE</b> <b>RECOMMENDED VENDOR: FLORIDA BLUE</b>
<b>BUDGETED ITEM</b>	Funding to be included in the Annual Operating Budget for the contract term year.
<b>CONTRACT AMOUNT</b>	Estimated cost of Stop Loss Coverage for Citizens' self-funded Exclusive Provider Organization (EPO) and Preferred Provider Organization (PPO) medical plans and prescription benefit programs with Florida Blue for the contract period of January 1, 2020 through December 31, 2020, is estimated at approximately \$ 947,621.
<b>PURPOSE / SCOPE</b>	<p>This Action Item represents a new contract award to Florida Blue to provide stop loss coverage for catastrophic claims as needed for the self-funded Exclusive Provider Organization (EPO) and Preferred Provider Organization (PPO) medical plans and prescription benefit program to be offered to Citizens' employees, effective January 1, 2020. The contract includes individual and aggregate stop loss coverage to protect against large claims. The individual coverage deductible per claim is \$200,000.</p> <p>Employee participation in the self-funded medical and prescription drug plans will be determined during the 2019 open enrollment period. Total cost of this stop loss insurance protection will be a function of enrollment and coverage tier levels. The rates for this coverage are \$30.71 per employee only coverage, \$96.42 family coverage, and \$72.54 composite coverage. In addition, the premium includes, with a potential 2021 renewal, a rate cap and a provision for no new caps for specific individual risks.</p>
<b>CONTRACT TERM(S)</b>	Renewal Term: January 1, 2020 through December 31, 2020
<b>PROCUREMENT METHOD</b>	Mercer Health and Benefits, LLC, Citizens' competitively procured Employee Benefits Broker and Consultant, reviewed the quote received from our incumbent provider Blue Cross for stop loss coverage against the benchmarks from their stop loss center of excellence database. This confirmed the renewal was competitive, as the initial quote was near the 25 <sup>th</sup> percentile of the established benchmark. Mercer then negotiated the quote for Stop Loss Coverage with Florida Blue to obtain savings which places the quote below benchmarks in the 25 <sup>th</sup> percentile.
<b>RECOMMENDATION</b>	Staff recommends that Citizens' Board: <ul style="list-style-type: none"><li>a) Approve the contract with Florida Blue for Stop Loss Coverage for Medical and Prescription Drug Insurance Coverage for the period of January 1, 2020 through December 31, 2020 in the approximate amount of \$947,621.</li><li>b) Authorize staff to take any appropriate or necessary action consistent with this Action Item.</li></ul>

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<b>CONTACTS</b>	Violet Bloom, Chief Human Resources Officer Elaine Thomas, Director, Total Rewards
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