# City of High Point

*Municipal Office Building*
*211 S. Hamilton Street*
*High Point, NC 27260*

## Meeting Agenda

**Monday, August 16, 2021**

**4:30 PM**

**3rd Floor Council Chambers**

## Manager's Briefing

***Jay W. Wagner, Mayor***
***Britt W. Moore (At Large), Mayor Pro Tem***
***Tyrone Johnson (At Large), Cyril Jefferson (Ward 1), Christopher Williams (Ward 2), Monica L. Peters (Ward 3), S. Wesley Hudson (Ward 4), Victor Jones (Ward 5), and Michael Holmes (Ward 6)***

**NOTICE:**
**Face Coverings (Face Masks) are now required inside all public places/buildings in Guilford County.**

**The Guilford County Board of County Commissioners in their capacity as the Guilford County Board of Health Re-Instated a Mandatory Mask Policy which will be effective on Friday, August 13th at 5:00 p.m.**

**The mandate requires that:**
**(1) Individuals must wear Face Coverings when indoors in all businesses, establishments, and public places.**

**(2) All businesses, establishments, and public places must require that all persons wear Face Coverings when indoors on their premises.**

**For additional information on the Guilford County Mask Mandate, please visit: www.guilfordcountync.gov**

## CALL TO ORDER

## PRESENTATION OF ITEMS

2021-377 **Presentation-2022 Employee Health Insurance Program**

Mark Browder-Mark III Employee Benefits will be giving a presentation on the 2022 Employee Health Insurance Program.

***Attachments:*** High Point Medical Update

2021-378 **Policy considerations included as part of State Budget Negotiations**

Staff will be discussing a policy consideration included as part of State budget negotiations.

## ADJOURNMENT

NCLM
NC LEAGUE OF MUNICIPALITIES

August 12, 2021 | NCLM.org

# ACTION ALERT: Urge Legislators to Eliminate Budget Policy Provisions

With today's approval of the state House budget bill, negotiations will soon begin between the House and the Senate to approve a final state spending plan. This House bill includes many spending priorities – from significant funding for water and sewer to transportation to public safety training – that will benefit cities and towns. **Unfortunately, its 670 pages also include page after page of non-budgetary policy provisions damaging local authority and affecting the ability of local officials to preserve community character, protect home values, and attract new residents and businesses.**

**Please contact your state legislators in the House and Senate and urge them to remove these policy provisions.**

Let them know that a state budget should be focused on spending priorities and not policy provisions that have not been fully vetted through committee hearings.

Please tell them that the provisions that would harm cities and their residents include:

- **BILLBOARDS**: A measure removing local authority to determine the location of relocated billboards required by new road construction. (No committee hearings in House or Senate.)
- **STORMWATER**: A proposal that would eliminate local stormwater rules that prevent flooding. (No committee hearings in House or Senate.)
- **SCHOOL ZONING PREEMPTION**: A proposal allowing the siting of schools in any residential or commercially zoned area of a city, without consideration of appropriateness or infrastructure. (Approved in the House; not yet considered by any Senate committee.)
- **TREES**: A measure eliminating local tree ordinances, only allowing local tree removal and protection rules by local legislative act. (Approved in the House; not yet considered by any Senate committee.)
- **SHORT-TERM RENTALS**: A proposal that could harm the ability of local governments to regulate short-term rentals like AirBnB. (Approved in the House; not yet considered by any Senate committee.)
- **SMALL CELL WIRELESS**: Measures that would limit fees on the placement of small cell wireless equipment on local taxpayer-owned poles, forcing taxpayer subsidization of telecommunications companies, and that could affect local oversight of the installation of wireless facilities in local rights-of-way. (No committee hearings in House or Senate.)

**Please contact your state legislators this weekend and in coming days to ask that these harmful measures be taken out of any final state budget.** Tell them that any consideration of state policies affecting cities and towns deserve full and open vetting before both legislative chambers and not as a part of budget negotiations that will slam the door to further changes once those negotiations are completed.

# MEDICAL PLAN

## 2022 Medical Renewal – Update

**August 16, 2021**

The City Medical Plan has had steady single digit renewals for the past several years:

- In 2018, the Medical Plan was bid, with no competitors improving the CIGNA renewal of **7.85%**.
- The 2019 renewal was a **1.58%** increase **(5% Funding Allocation)**.
- In 2020, the Plan increase was a **5.72%** increase and the City added an HSA option.
- The increase for 2021 was a net **6.04%** increase. The renewal was reduced from a 9% to a 6% increase, saving the Plan over $480,000.

# Medical Plan Renewal

| 2020 Experience - Active | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Month** | Subscribers | Mbers | Premium | Medical Claims | Out of Network | Pharmacy | Fixed | Total Claims | Loss Ratio | Clm/Sub |
| January-20 | 1,375 | 2,614 | $1,305,007 | $945,206 | $287 | $333,766 | $0 | $1,279,258.33 | 98.0% | $930.37 |
| February-20 | 1,372 | 2,598 | $1,300,187 | $706,959 | $130 | $405,686 | $0 | $1,112,775.38 | 85.6% | $811.06 |
| March-20 | 1,372 | 2,589 | $1,296,726 | $713,341 | $1,396 | $358,242 | $0 | $1,072,979.47 | 82.7% | $782.06 |
| April-20 | 1,376 | 2,586 | $1,296,297 | $481,390 | $0 | $527,561 | $42,015 | $1,050,965.68 | 81.1% | $763.78 |
| May-20 | 1,372 | 2,589 | $1,296,964 | $520,908 | $133 | $380,059 | $0 | $901,100.19 | 69.5% | $656.78 |
| June-20 | 1,365 | 2,579 | $1,291,098 | $633,018 | $848 | $361,044 | $0 | $994,909.33 | 77.1% | $728.87 |
| July-20 | 1,355 | 2,578 | $1,289,217 | $573,799 | $1,082 | $367,143 | $64,655 | $1,006,679.00 | 78.1% | $742.94 |
| August-20 | 1,354 | 2,569 | $1,285,360 | $780,842 | $497 | $397,717 | $65,477 | $1,244,533.00 | 96.8% | $919.15 |
| September-20 | 1,357 | 2,575 | $1,287,832 | $586,258 | $1,298 | $392,094 | $65,422 | $1,045,072.00 | 81.1% | $770.13 |
| October-20 | 1,340 | 2,542 | $1,271,419 | $651,884 | $1,041 | $418,879 | $64,984 | $1,136,788.00 | 89.4% | $848.35 |
| November-20 | 1,345 | 2,534 | $1,267,229 | $691,680 | $1,919 | $479,395 | $81,846 | $1,254,840.00 | 99.0% | $932.97 |
| December-20 | 1,340 | 2,526 | $1,266,173 | $955,961 | $56,766 | $419,809 | $63,464 | $1,496,000.00 | 118.2% | $1,116.42 |
| **Total** | | **30,879** | **$15,453,510** | **$8,241,246** | **$65,397** | **$4,841,395** | **$447,863** | **$13,595,900** | **88.0%** | **$832.93** |
| 2020 Experience - Retiree | | | | | | | | | | |
| **Month** | Subscribers | Mbers | Premium | Medical Claims | Out of Network | Pharmacy | Fixed | Total Claims | Loss Ratio | Clm/Sub |
| January-20 | 66 | 105 | $70,923 | $112,160 | $0 | $13,297 | $8,163 | $133,620.67 | 188.4% | $2,024.56 |
| February-20 | 65 | 99 | $68,892 | $69,467 | $0 | $28,303 | $68,000 | $165,769.62 | 240.6% | $2,550.30 |
| March-20 | 66 | 102 | $69,672 | $34,970 | $0 | $12,808 | $67,007 | $114,784.53 | 164.8% | $1,739.16 |
| April-20 | 66 | 102 | $69,672 | $8,378 | $0 | $14,387 | $25,299 | $48,064.32 | 69.0% | $728.25 |
| May-20 | 65 | 99 | $68,353 | $17,151 | $16 | $10,753 | $67,458 | $95,377.81 | 139.5% | $1,467.35 |
| June-20 | 66 | 101 | $69,372 | $37,697 | $0 | $13,127 | $66,857 | $117,681.67 | 169.6% | $1,783.06 |
| July-20 | 66 | 101 | $69,372 | $36,741 | $3,369 | $15,356 | $2,525 | $57,991.00 | 83.6% | $878.65 |
| August-20 | 68 | 106 | $72,116 | $36,848 | ($8) | $29,685 | $2,525 | $69,050.00 | 95.7% | $1,015.44 |
| September-20 | 69 | 110 | $73,304 | $68,635 | $941 | $14,221 | $2,632 | $86,429.00 | 117.9% | $1,252.59 |
| October-20 | 72 | 114 | $76,288 | $93,686 | $0 | $14,831 | $2,688 | $111,205.00 | 145.8% | $1,544.51 |
| November-20 | 68 | 111 | $74,992 | $15,735 | $0 | $33,086 | $4,259 | $53,080.00 | 70.8% | $780.59 |
| December-20 | 67 | 109 | $73,435 | $32,856 | $200 | $14,346 | $2,735 | $50,137.00 | 68.3% | $748.31 |
| **Total** | **804** | **1,259** | **$856,390** | **$564,324** | **$4,518** | **$214,200** | **$320,148** | **$1,103,191** | **128.8%** | **$1,372.13** |
| 2020 Experience - Total | | | | | | | | | | |
| **Month** | Subscribers | Mbers | Premium | Medical Claims | Out of Network | Pharmacy | Fixed | Total Claims | Loss Ratio | Clm/Sub |
| January-20 | 1,441 | 2,719 | $1,375,930 | $1,057,366 | $287 | $347,063 | $8,163 | $1,412,879 | 102.7% | $980.49 |
| February-20 | 1,437 | 2,697 | $1,369,079 | $776,426 | $130 | $433,989 | $68,000 | $1,278,545 | 93.4% | $889.73 |
| March-20 | 1,438 | 2,691 | $1,366,398 | $748,311 | $1,396 | $371,050 | $67,007 | $1,187,764 | 86.9% | $825.98 |
| April-20 | 1,442 | 2,688 | $1,365,969 | $489,768 | $0 | $541,948 | $67,314 | $1,099,030 | 80.5% | $762.16 |
| May-20 | 1,437 | 2,688 | $1,365,317 | $538,059 | $149 | $390,812 | $67,458 | $996,478 | 73.0% | $693.44 |
| June-20 | 1,431 | 2,680 | $1,360,470 | $670,715 | $848 | $374,171 | $66,857 | $1,112,591 | 81.8% | $777.49 |
| July-20 | 1,421 | 2,679 | $1,358,589 | $610,540 | $4,451 | $382,499 | $67,180 | $1,064,670 | 78.4% | $749.24 |
| August-20 | 1,422 | 2,675 | $1,357,476 | $817,690 | $489 | $427,402 | $68,002 | $1,313,583 | 96.8% | $923.76 |
| September-20 | 1,426 | 2,685 | $1,361,136 | $654,893 | $2,239 | $406,315 | $68,054 | $1,131,501 | 83.1% | $793.48 |
| October-20 | 1,412 | 2,656 | $1,347,707 | $745,570 | $1,041 | $433,710 | $67,672 | $1,247,993 | 92.6% | $883.85 |
| November-20 | 1,413 | 2,645 | $1,342,221 | $707,415 | $1,919 | $512,481 | $86,105 | $1,307,920 | 97.4% | $925.63 |
| December-20 | 1,407 | 2,635 | $1,339,608 | $988,817 | $56,966 | $434,155 | $66,199 | $1,546,137 | 115.4% | $1,098.89 |
| **Total** | **17,127** | **32,138** | **$16,309,900** | **$8,805,570** | **$69,915** | **$5,055,595** | **$768,011** | **$14,699,091** | **90.1%** | $858.24 |
| | | | | | | | | | **Change** | **98.43%** |

# High Claimants – 2020 – Claims Exceeding $50,000

| REL | ICD CODE | ICD DESCRIPTION | ICD VERSION | DRUG CLAIMS | PAID CLAIMS | CLAIMANT TOTAL |
|---|---|---|---|---|---|---|
| EE | S63255A | UNSPECIFIED DISLOCATION OF LEFT RING FINGER, INIT ENCNTR | 10 | **$61,781** | **$2,268** | **$64,049** |
| CH | K5000 | CROHN'S DISEASE OF SMALL INTESTINE WITHOUT COMPLICATIONS | 10 | **$538** | **$54,009** | **$54,547** |
| EE | I82412 | ACUTE EMBOLISM AND THROMBOSIS OF LEFT FEMORAL VEIN | 10 | **$7,463** | **$53,032** | **$60,495** |
| CH | E8339 | OTHER DISORDERS OF PHOSPHORUS METABOLISM | 10 | **$387,865** | **$4,034** | **$391,899** |
| SP | D0512 | INTRADUCTAL CARCINOMA IN SITU OF LEFT BREAST | 10 | **$2,090** | **$50,122** | **$52,212** |
| SP | M47816 | SPONDYLOSIS W/O MYELOPATHY OR RADICULOPATHY, LUMBAR REGION | 10 | **$72,920** | **$835** | **$73,755** |
| SP | Z79899 | OTHER LONG TERM (CURRENT) DRUG THERAPY | 10 | **$88,668** | **$5,164** | **$93,832** |
| EE | C50512 | MALIG NEOPLASM OF LOWER-OUTER QUADRANT OF LEFT FEMALE BREAST | 10 | **$146** | **$419,630** | **$419,777** |
| SP | Z1211 | ENCOUNTER FOR SCREENING FOR MALIGNANT NEOPLASM OF COLON | 10 | **$41,479** | **$9,134** | **$50,613** |
| SP | I25110 | ATHSCL HEART DISEASE OF NATIVE COR ART W UNSTABLE ANG PCTRS | 10 | **$11,552** | **$63,314** | **$74,866** |
| EE | I422 | OTHER HYPERTROPHIC CARDIOMYOPATHY | 10 | **$619** | **$98,468** | **$99,087** |
| EE | C73 | MALIGNANT NEOPLASM OF THYROID GLAND | 10 | **$27,089** | **$54,046** | **$81,135** |
| SP | L732 | HIDRADENITIS SUPPURATIVA | 10 | **$196,055** | **$5,220** | **$201,275** |
| SP | Z5111 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY | 10 | **$27** | **$160,280** | **$160,306** |
| EE | S32811A | MULT FX OF PELVIS W UNSTABLE DISRUPT OF PELVIC RING, INIT | 10 | **$5,130** | **$76,817** | **$81,947** |
| CH | Z3800 | SINGLE LIVEBORN INFANT, DELIVERED VAGINALLY | 10 | **$132** | **$58,589** | **$58,721** |
| EE | M1711 | UNILATERAL PRIMARY OSTEOARTHRITIS, RIGHT KNEE | 10 | **$44,699** | **$30,456** | **$75,155** |
| EE | Z5111 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY | 10 | $152,108 | $262,417 | $414,524 |
| EE | Z5112 | ENCOUNTER FOR ANTINEOPLASTIC IMMUNOTHERAPY | 10 | $95,177 | $52,801 | $147,978 |
| | | | | **$247,284** | **$315,218** | **$562,502** |
| EE | M0609 | RHEUMATOID ARTHRITIS W/O RHEUMATOID FACTOR, MULTIPLE SITES | 10 | **$72,934** | **$1,268** | **$74,201** |
| EE | M75101 | UNSP ROTATR-CUFF TEAR/RUPTR OF RIGHT SHOULDER, NOT TRAUMA | 10 | $2,988 | $46,301 | $49,289 |
| EE | R079 | CHEST PAIN, UNSPECIFIED | 10 | $1,769 | $1,335 | $3,103 |
| | | | | **$4,756** | **$47,635** | **$52,392** |
| EE | E11621 | TYPE 2 DIABETES MELLITUS WITH FOOT ULCER | 10 | $22,969 | $86,793 | $109,762 |
| | | | | **$22,984** | **$86,793** | **$109,777** |
| SP | F1020 | ALCOHOL DEPENDENCE, UNCOMPLICATED | 10 | **$14,300** | **$88,200** | **$102,500** |
| SP | E11621 | TYPE 2 DIABETES MELLITUS WITH FOOT ULCER | 10 | **$39,080** | **$40,986** | **$80,066** |
| CH | E840 | CYSTIC FIBROSIS WITH PULMONARY MANIFESTATIONS | 10 | **$411,571** | **$1,412** | **$412,983** |
| EE | I350 | NONRHEUMATIC AORTIC (VALVE) STENOSIS | 10 | **$4,009** | **$113,775** | **$117,784** |
| SP | C50811 | MALIGNANT NEOPLASM OF OVRLP SITES OF RIGHT FEMALE BREAST | 10 | **$207,143** | **$50,527** | **$257,670** |
| EE | Z510 | ENCOUNTER FOR ANTINEOPLASTIC RADIATION THERAPY | 10 | **$26** | **$143,958** | **$143,984** |
| CH | K5080 | CROHN'S DISEASE OF BOTH SMALL AND LG INT W/O COMPLICATIONS | 10 | **$152,438** | **$834** | **$153,272** |
| EE | I639 | CEREBRAL INFARCTION, UNSPECIFIED | 10 | **$107,440** | **$28,002** | **$135,442** |
| EE | K50018 | CROHN'S DISEASE OF SMALL INTESTINE WITH OTHER COMPLICATION | 10 | **$470** | **$86,598** | **$87,068** |

# Medical Plan Renewal

| 2021 Experience - Active | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Month** | Subscribers | Mbers | Premium | Medical In Network | Medical Out of Network | Pharmacy | Fixed Charges | Total Claims | Loss Ratio | Clm/Sub |
| January-21 | 1,348 | 2,521 | $1,336,030 | $754,366 | $20,029 | $372,291 | $73,340 | $1,220,026.00 | 91.3% | $905.06 |
| February-21 | 1,347 | 2,525 | $1,342,918 | $641,683 | $12,792 | $393,158 | $73,128 | $1,120,761.00 | 83.5% | $832.04 |
| March-21 | 1,342 | 2,526 | $1,335,661 | $1,015,090 | $16,370 | $444,064 | $100,835 | $1,576,359.00 | 118.0% | $1,174.63 |
| April-21 | 1,324 | 2,502 | $1,316,640 | $1,021,452 | $4,264 | $398,716 | $68,547 | $1,492,979.00 | 113.4% | $1,127.63 |
| May-21 | 1,318 | 2,489 | $1,313,951 | $914,060 | $8,298 | $363,097 | $84,569 | $1,370,024.00 | 104.3% | $1,039.47 |
| June-21 | 1,313 | 2,479 | $1,311,071 | $645,669 | $15,007 | $477,734 | $99,531 | $1,237,941.00 | 94.4% | $942.83 |
| July-21 | 1,313 | 2,464 | $1,305,828 | $819,403 | $36,501 | $379,326 | $74,106 | $1,309,336.00 | 100.3% | $997.21 |
| **Total** | **9,305** | **17,506** | **$9,262,099** | **$5,811,723** | **$113,261** | **$2,828,386** | **$574,056** | **$9,327,426** | **100.7%** | **$1,002.41** |

| 2021 Experience - Retiree | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Month** | Subscribers | Mbers | Premium | Medical In Network | Medical Out of Network | Pharmacy | Fixed Charges | Total Claims | Loss Ratio | Clm/Sub |
| January-21 | 64 | 104 | $75,051 | $38,314 | $200 | $33,816 | $5,508 | $77,838.00 | 103.7% | $1,216.22 |
| February-21 | 64 | 103 | $74,480 | $17,899 | $325 | $13,929 | $4,680 | $36,833.00 | 49.5% | $575.52 |
| March-21 | 66 | 105 | $75,808 | $51,233 | $0 | $68,114 | $3,467 | $122,814.00 | 162.0% | $1,860.82 |
| April-21 | 65 | 104 | $76,704 | $130,739 | $194 | $35,052 | $2,771 | $168,756.00 | 220.0% | $2,596.25 |
| May-21 | 66 | 106 | $76,704 | $43,341 | $138 | $18,028 | $3,350 | $64,857.00 | 84.6% | $982.68 |
| June-21 | 67 | 112 | $77,208 | $66,422 | $0 | $36,322 | $6,224 | $108,968.00 | 141.1% | $1,626.39 |
| July-21 | 67 | 113 | $78,794 | $42,982 | $0 | $15,000 | $3,246 | $61,228.00 | 77.7% | $913.85 |
| **Total** | **459** | **747** | **$534,749** | **$390,930** | **$857** | **$220,261** | **$29,246** | **$641,294** | **119.9%** | **$1,397.15** |

| 2021 Experience - Total | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Month** | Subscribers | Mbers | | Medical In Network | Medical Out of Network | Pharmacy | Fixed Charges | Total Claims | Loss Ratio | Clm/Sub |
| January-21 | 1,412 | 2,625 | $1,411,081 | $792,680 | $20,229 | $406,107 | $78,848 | $1,297,864 | 92.0% | $919.17 |
| February-21 | 1,411 | 2,628 | 1,417,398 | 659,582 | 13,117 | 407,087 | 77,808 | $1,157,594 | 81.7% | $820.41 |
| March-21 | 1,408 | 2,631 | 1,411,469 | 1,066,323 | 16,370 | 512,178 | 104,302 | $1,699,173 | **120.4%** | $1,206.80 |
| April-21 | 1,389 | 2,606 | 1,393,344 | 1,152,191 | 4,458 | 433,768 | 71,318 | $1,661,735 | **119.3%** | $1,196.35 |
| May-21 | 1,384 | 2,595 | 1,390,655 | 957,401 | 8,436 | 381,125 | 87,919 | $1,434,881 | **103.2%** | $1,036.76 |
| June-21 | 1,380 | 2,591 | 1,388,279 | 712,091 | 15,007 | 514,056 | 105,755 | $1,346,909 | **97.0%** | $976.02 |
| July-21 | 1,380 | 2,577 | 1,384,622 | 862,385 | 36,501 | 394,326 | 77,352 | $1,370,564 | **99.0%** | $993.16 |
| August-21 | | | | | | | | | | |
| September-21 | | | | | | | | | | |
| October-21 | | | | | | | | | | |
| November-21 | | | | | | | | | | |
| December-21 | | | | | | | | | | |
| **Total** | **9,764** | **18,253** | **$9,796,848** | **$6,202,653** | **$114,118** | **$3,048,647** | **$603,302** | **$9,968,720** | **101.8%** | $1,020.97 |
| | | | | | | | | | **Change** | **118.96%** |

- Claims in March, April, May, June, and July worsened significantly. This is driven by high claimants.

# High Claimants – 5/2021 – Claims Exceeding $50,000

| REL | ICD CODE | ICD DESCRIPTION | DRUG CLAIMS | PAID CLAIMS | CLAIMANT TOTAL |
|---|---|---|---|---|---|
| EE | Z510 | ENCOUNTER FOR ANTINEOPLASTIC RADIATION THERAPY | $92 | $89,131 | $89,223 |
| CH | Z3831 | TWIN LIVEBORN INFANT, DELIVERED BY CESAREAN | $65 | $151,806 | $151,871 |
| CH | M899 | DISORDER OF BONE, UNSPECIFIED | $131,675 | $1,362 | $133,037 |
| SP | N3000 | ACUTE CYSTITIS WITHOUT HEMATURIA | $98,245 | $6,525 | $104,771 |
| CH | Z3831 | TWIN LIVEBORN INFANT, DELIVERED BY CESAREAN | $0 | $251,078 | $251,078 |
| SP | Z5111 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY | $1,176 | $82,225 | $83,401 |
| EE | U071 | COVID-19 | $396 | $52,642 | $53,038 |
| EE | I2119 | STEMI INVOLVING OTH CORONARY ARTERY OF INFERIOR WALL | $4,755 | $64,053 | $68,808 |
| EE | Z5112 | ENCOUNTER FOR ANTINEOPLASTIC IMMUNOTHERAPY | $79,554 | $61,844 | $141,398 |
| EE | M961 | POSTLAMINECTOMY SYNDROME, NOT ELSEWHERE CLASSIFIED | $84 | $69,081 | $69,165 |
| CH | L705 | ACNE EXCORIEE | $126,895 | $308 | $127,204 |
| EE | Q231 | CONGENITAL INSUFFICIENCY OF AORTIC VALVE | $91 | $110,894 | $110,985 |
| EE | K5720 | DVTRCLI OF LG INT W PERFORATION AND ABSCESS W/O BLEEDING | $2,408 | $136,064 | $138,472 |
| SP | M25562 | PAIN IN LEFT KNEE | $73,579 | $5,585 | $79,163 |
| CH | PH | PHARMACY | $75,136 | $0 | $75,136 |
| EE | D45 | POLYCYTHEMIA VERA | $75,943 | $2,489 | $78,432 |
| SP | U071 | COVID-19 | $357 | $93,894 | $94,251 |
| EE | Z5111 | ENCOUNTER FOR ANTINEOPLASTIC CHEMOTHERAPY | $578 | $255,370 | $255,948 |
| EE | I214 | NON-ST ELEVATION (NSTEMI) MYOCARDIAL INFARCTION | $498 | $52,926 | $53,424 |
| CH | J310 | CHRONIC RHINITIS | $66,963 | $739 | $67,702 |

# Medical Plan – Summary – Renewal Calculation – 2022

| Standard Renewal Calculations | | | | |
|---|---|---|---|---|
| City of High Point | Subs | Premium | Claims | Loss Ratio |
| August-20 | 1,422 | $1,358,584 | $1,313,584 | **96.69%** |
| September-20 | 1,426 | $1,361,136 | $1,131,501 | 83.13% |
| October-20 | 1,412 | $1,347,707 | $1,248,992 | **92.68%** |
| November-20 | 1,413 | $1,342,221 | $1,307,920 | **97.44%** |
| December-20 | 1,407 | $1,339,608 | $1,546,137 | **115.42%** |
| January-21 | 1,412 | $1,411,081 | $1,297,864 | **91.98%** |
| February-21 | 1,411 | $1,417,398 | $1,157,594 | 81.67% |
| March-21 | 1,408 | $1,411,469 | $1,699,173 | **120.38%** |
| April-21 | 1,389 | $1,393,344 | $1,661,735 | **119.26%** |
| May-21 | 1,384 | $1,390,655 | $1,434,881 | **103.18%** |
| June-21 | 1,380 | $1,388,279 | $1,346,909 | **97.02%** |
| July-21 | 1,380 | $1,384,622 | $1,370,564 | **98.98%** |
| **Total** | **16,844** | $16,546,104 | $16,516,854 | **99.82%** |

| 2022 Fully Insured Renewal Calculation | |
|---|---|
| | **Option 1** |
| Incurred Claims - Matured | **Annual 8% Trend** |
| **Premium - 2021** | $16,932,972.00 |
| Incurred Claims | $16,516,854.00 |
| Pooling - $200,000 | $1,742,100.97 |
| Claims less Pooling | $14,774,753.03 |
| Benefit Change | $14,774,753.03 |
| **Trended Claims - 2022 - 8% Annual** | **$16,444,300.12** |
| **PPACA - Fee for Comparative Effectiveness Research Agency** | **$6,667.50** |
| **Health Insurance Industry Fee - 3.5% - Fully Insured** | **$0.00** |
| **Total Claims/PPACA Cost** | **$16,450,967.62** |
| 2021 Premium | $16,932,972.00 |
| Trended Loss Ratio | 97.15% |
| Target Loss Ratio | **83.00%** |
| **Rate Increase** | **117.05%** |
| | |

| 2022 Self-funded Renewal Calculation - Expected - Not Firm | |
|---|---|
| Incurred Claims - Matured | Annual |
| **Trended Claims - 2022 - 8% Annual** | **$16,444,300.12** |
| **PPACA - Fee for Comparative Effectiveness Research Agency** | **$6,667.50** |
| **Fixed Cost** | **$3,549,704.56** |
| **Lasers** | **$0.00** |
| **Rebates** | **$1,020,704** |
| **Total Claims/PPACA Cost/Fixed Cost** | **$18,979,968.18** |
| **2021 Contribution** | **$16,932,972.00** |
| **Rate Increase** | **112.09%** |

- April and May significantly impacted the renewal formula negatively.
- Going back to CIGNA underwriting will not improve the Self-funded 2022 Renewal position.

# Why self-funding:

- Lower costs over the long term.
- Avoids State Premium Tax of 2%
- The avoidance of taxation is the natural advantage of self-funding.
- Gives the organization control over reserves and future stability.
- Wellness Flexibility.

# Medical Plan – Summary – Renewal Calculation – 2022

| Standard Renewal Calculations | | | | |
|---|---|---|---|---|
| City of High Point | Subs | Premium | Claims | Loss Ratio |
| August-20 | 1,422 | $1,358,584 | $1,313,584 | **96.69%** |
| September-20 | 1,426 | $1,361,136 | $1,131,501 | 83.13% |
| October-20 | 1,412 | $1,347,707 | $1,248,992 | **92.68%** |
| November-20 | 1,413 | $1,342,221 | $1,307,920 | **97.44%** |
| December-20 | 1,407 | $1,339,608 | $1,546,137 | **115.42%** |
| January-21 | 1,412 | $1,411,081 | $1,297,864 | **91.98%** |
| February-21 | 1,411 | $1,417,398 | $1,157,594 | 81.67% |
| March-21 | 1,408 | $1,411,469 | $1,699,173 | **120.38%** |
| April-21 | 1,389 | $1,393,344 | $1,661,735 | **119.26%** |
| May-21 | 1,384 | $1,390,655 | $1,434,881 | **103.18%** |
| June-21 | 1,380 | $1,388,279 | $1,346,909 | **97.02%** |
| July-21 | 1,380 | $1,384,622 | $1,370,564 | **98.98%** |
| **Total** | **16,844** | $16,546,104 | $16,516,854 | **99.82%** |

| **2022 Self-funded Renewal Calculation - Expected - Not Firm** | |
|---|---|
| Incurred Claims - Matured | Annual |
| **Trended Claims - 2022 - 8% Annual** | **$16,444,300.12** |
| **PPACA - Fee for Comparative Effectiveness Research Agency** | **$6,667.50** |
| **Fixed Cost** | **$3,549,704.56** |
| **Lasers** | **$0.00** |
| **Rebates** | **$1,020,704** |
| **Total Claims/PPACA Cost/Fixed Cost** | **$18,979,968.18** |
| **2021 Contribution** | **$16,932,972.00** |
| **Rate Increase** | **112.09%** |

| **2022 Self-funded Renewal Calculation - Maximum Liability - Not Firm** | |
|---|---|
| Incurred Claims - Matured | Annual |
| **Max Claims - 2022 - 8% Annual** | **$20,554,766** |
| **PPACA - Fee for Comparative Effectiveness Research Agency** | **$6,667.50** |
| **Fixed Cost** | **$3,549,704.56** |
| **Lasers** | **$0.00** |
| **Rebates** | **$1,020,704** |
| **Total Claims/PPACA Cost/Fixed Cost** | **$23,090,434.06** |
| **2021 Contribution** | **$16,932,972.00** |
| **Rate Increase** | **136.36%** |

- There are two components to the self-funded cost expectation; Expected Liability and Maximum Liability.
- The Maximum Liability is where CIGNA will take the total claims.
- We are still waiting on a firm self-funded proposal from CIGNA.

# 2022 Renewal

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | **2021 - Fully Insured** | | | **2022 - Fully Insured** | | | | | | |
| | | | | **Current** | | | **Renewal** | | | | | | |
| | | | | **Active** | **Retirees** | **HSA** | **Active** | | **Retirees** | | **HSA** | | |
| Primary Care Physician Visits | | | | $35 | $35 | Deductible/20% | $35 | | $35 | | Deductible/20% | | |
| Specialist Physician Visits | | | | $60 | $60 | Deductible/20% | $60 | | $60 | | Deductible/20% | | |
| Preventive Care | | | | 0% | 0% | 0% | 0% | | 0% | | 0% | | |
| Deductible | | | | $1,000 | $1,000 | $1,500 | $1,000 | | $1,000 | | $1,500 | | |
| Deductible - Family | | | | $2,000 | $2,000 | $3,000 | $2,000 | | $2,000 | | $3,000 | | |
| Out of Pocket Limit - Includes Deductible | | | | $4,500 | $4,500 | $3,500 | $4,500 | | $4,500 | | $3,500 | | |
| Out of Pocket Limit - Family Max - Includes Deductible | | | | $9,000 | $9,000 | $5,000 | $9,000 | | $9,000 | | $5,000 | | |
| In-patient Hospital Services | | | | Deductible/20% | Deductible/20% | Deductible/20% | Deductible/20% | | Deductible/20% | | Deductible/20% | | |
| Out-patient Hospital Services | | | | Deductible/20% | Deductible/20% | Deductible/20% | Deductible/20% | | Deductible/20% | | Deductible/20% | | |
| Emergency Room | | | | $150 | $150 | Deductible/20% | $150 | | $150 | | Deductible/20% | | |
| Urgent Care | | | | $75 | $75 | Deductible/20% | $75 | | $75 | | Deductible/20% | | |
| Pharmacy | | | | $15/$35/$60 | $15/$35/$60 | Deductible/20% | $15/$35/$60 | | $15/$35/$60 | | Deductible/20% | | |
| Lifetime Maximum | | | | Unlimited | Unlimited | Unlimited | Unlimited | | Unlimited | | Unlimited | | |
| | | | | | | **HSA** | | | | | **HSA** | | |
| | | | | | | **$750.00** | | | | | **$750.00** | $62.50 | |
| Rates: | OAP Active | OAP Retiree | HSA Active | **Active** | **Retirees** | **Active** | **Active** | Monthly Premium | **Retirees** | Monthly Premium | **Active** | Monthly Premium | **Retirees** |
| Employee Only | 717 | 42 | 64 | $636.56 | $757.13 | $582.66 | $672.84 | $482,426.28 | $800.29 | $33,612.18 | $605.97 | $38,782.08 | $693.00 |
| Employee & Spouse | 90 | 14 | 2 | $1,389.00 | $1,652.82 | $1,271.36 | $1,468.17 | $132,135.30 | $1,747.03 | $24,458.42 | $1,322.21 | $2,644.42 | $1,512.83 |
| Employee & Children | 262 | 5 | 15 | $1,331.70 | $1,585.42 | $1,218.94 | $1,407.61 | $368,793.82 | $1,675.79 | $8,378.95 | $1,267.70 | $19,015.50 | $1,451.17 |
| Employee & Family | 184 | 6 | 8 | $1,812.30 | $2,157.07 | $1,658.85 | $1,915.60 | $352,470.40 | $2,280.02 | $13,680.12 | $1,725.20 | $13,801.60 | $1,974.41 |
| | 1,253 | 67 | 89 | | | | | $1,335,825.80 | | $80,129.67 | | $74,243.60 | |
| Annual Cost | | | | | | | | $16,029,909.60 | | $961,556.04 | | $890,923.20 | |
| | | | | | | | | **105.70%** | | **105.70%** | | **104.00%** | |
| Total Cost | | | | | $16,931,861.28 | | | | | $17,882,388.84 | | | |
| Change | | | | | | | | | **Net Renewal** | **105.61%** | | | |

# Summary:

- The fully insured renewal from CIGNA is outstanding.
- Based on formula, remaining fully insured is the best solution for 2022.
- We recommend that the City move forward with the CIGNA fully insured offer.
- Continuing to build the reserve is a good long term strategy for the time when transitioned to self-funding makes sense.
- An appropriate claims fluctuation reserve position for a self-funded solution is $3,700,000.
- The City continues to develop strategies to improved the health of the population.

Mark III
Employee Benefits