



UNIVERSITY PARK CITY COUNCIL AGENDA MEMO

Meeting Date:
11/7/2023

Item Type:
Consent Agenda

Subject: Request to Approve Renewal of Stop Loss Insurance with Blue Cross, Blue Shield for 2024

Prepared By: Cheree' Bontrager, Director of Human Resources

Background:

Each year the Human Resources Department works with the City's Benefits consultant, Holmes Murphy, to review the employee benefits which includes stop loss insurance for the self-insured health plan. In a self-insurance program stop loss coverage is provided to minimize the City's exposure to large insurance claims. Currently, the City's individual stop loss coverage is \$115,000 per claimant and is provided by Blue Cross, Blue Shield. This means that once an individual claimant exceeds \$115,000 in claims for the year, future expenses are paid by the City's stop loss provider. The City also has an aggregate stop loss at 125% of expected claims. The current annual cost of premiums is approximately \$886,649.

The City received two renewal options from Blue Cross, Blue Shield. The first renewal option maintained the current individual stop loss deductible of \$115,000 with no increase in costs.

The second renewal option offered a stop loss deductible of \$120,000 with a decrease in the cost of the premium to \$842,160. This option leaves the City with additional unknown liability.

The City also received 4 options from other stop loss insurance providers which ranged from a 3.12% decrease to a 19.06% increase (not including BCBS carve-out fees).

After reviewing the renewal options, the staff recommendation is to approve the renewal of the stop loss coverage with Blue Cross, Blue Shield with a stop loss deductible of \$115,000 and no rate increase.

With this proposed recommendation, the City's annual fixed costs for stop loss coverage would remain the same at approximately \$886,649. The projected budgeted increase for 2023 was 15%.

Fiscal Impact: No change from current

☒ Not Applicable

☐ Budget Amendment Required

☐ Proposed Revenue

☐ Proposed Expenditure

Funding Source: Self-Insurance Fund

Master Plan Goal:



	Theme	Action Item(s)
<input type="checkbox"/>	n/a	n/a

Recommendation:

Staff Requests approval of the renewal of the stop loss coverage with Blue Cross, Blue Shield with an individual stop loss deductible of \$115,000 and no rate increase.

Committee Review (optional):

The proposed recommendation was presented to the Employee Benefits Committee on October 27, 2023 and the committee approved the proposed recommendation.

Attachments:

None