FCMI

FREEDOM CLAIMS MANAGEMENT, INC.

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CITY OF ANTHONY

PROPOSAL

APRIL 1, 2025

PRESENTED BY:

THEEL INSURANCE

&

JULIE YARMER

JULIE YARMER, PRESIDENT

FREEDOM CLAIMS MANAGEMENT, INC.

JULIE@FREEDOMCLAIMSINC.COM

City of Anthony
Proposal
April 1, 2025

		BCBS CMZCC		BCBS HI82A	
Medical		4/1/2025		3/1/2025	
		IND	**FAM**	**IND**	**FAM**
Deductible - **PPO**		$1,500	$3,000	$5,000	$10,000
Coinsurance - **PPO**		80%		100%	
Coinsurance Out-of-Pocket		$4,850	$9,700	$0	$0
Deductible/Coinsurance Out-of-Pocket		**$6,350**	**$12,700**	**$5,000**	**$10,000**
Copays Continued				**$6,350**	**$12,700**
Deductible - Non-PPO		$1,500	$3,000	$5,000	$10,000
Coinsurance - Non-PPO		80%		80%	
Deductible/Coinsurance Out-of-Pocket - Non-PPO		$8,350	$16,700	$8,350	$16,700
PPO Office Visits		$35		Ded/Coins	
PPO Specialty Office Visits		$70		Ded/Coins	
Prescription Drugs - Generic		$15		$15 after Ded	
Prescription Drugs - Brand Formulary		$50		$50 after Ded	
Prescription Drugs - Brand Non-Formulary		$75		$75 after Ded	

Rates - Medical (4-tier)		**Level Funded**	**Level Funded**
Employee Only 8	7	**$612.07**	**$533.74**
Employee/Spouse	2	**$1,229.49**	**$1,061.10**
Employee/Child(ren) 4	5	**$1,163.08**	**$1,004.37**
Employee/Family	12	**$1,780.52**	**$1,531.72**
Estimated Monthly Premium		**$33,925.11**	**$29,260.87**
Estimated Annual Premium		**$407,101.32**	**$351,130.44**

***This is only a brief description of benefits, please see the full proposal for complete benefits**

**** Rates illustrated above are based on an effective date of 4/1/2025 for medical coverage only. Changes to the effective date, demographics and/or census may result in a revision of quoted rates.**

Please contact Freedom Claims Management, Inc. to request an updated proposal if needed.

2/12/25 jh

FreedomChoice - PROPOSED MEDICAL PLAN DESIGN

for City of Anthony

2/12/25 BCBS LF jh

Insurance Company (Yellow)

Umbrella Policy

Insurer processes and pays eligible claims above the Liability Threshold Deductible. Some claims may be processed from"dollar one" based on policy provisions. Claims are processed through PPO Network and insurer first, and by the TPA second.

Liability Threshold:
Insurer's medical plan deductible is used as the threshold at which insurance company liability begins.

Employer Claim Reserve (Tan Portion)

Employer Claim Reserve. Established via I.R.C. § 105, it reflects the Employers potential claims cost share, a deductible expense. This is estimated in the cost summary. These claims are paid by the TPA after first processed by the PPO Network and Insurer.

Employee Costs (Blue Portion)

This portion summarizes the Deductible, Copays, & Cost Share maximum for the member's medical benefits plan. These claims are reimbursed and paid by the Third Party Administrator (TPA) after the initial claim is processed by the PPO Network and Insurer.

The amounts shown are illustrative and may vary

TIER 1 PLAN ADMINISTRATION: This program relies on careful and thorough administration, and the organization handling this task plays a vital role. ***Freedom Claims Management*** has significant expertise in managing this type of MERP plan based on an employer's unique needs and service requirements for its employees.

TIER 2

Medical Insurance Policy
Eligible Expenses Covered at 100%

Non-Network
Insurance Carrier Out Of Network Penalties & Terms Apply

All Eligible Employee & MERP Claims from TIER 1 Apply to this Amount

$5,000	$10,000	Embedded	↕	$8,350

TIER 1

Employer Cost Share $ Max After Med/Rx Deductibles	$2,000	*Employer Claim Reserve pays balance of claim after Employee Pays Copays 1st. The Reserve reimburses Major Medical claims at the Employer Cost Share %*	Preventive Care	80% Cost Share Amount
Employer Cost Share % After Deductible	50%			
Employee Cost Share $ Max After Deductible	$1,500			20% Cost Share Amount
Employee Cost Share % After Deductible	50%		No Max	
Employee Deductible	$1,500		↕ 100%	$5,000
Major Medical Plan			**Policy**	**Out Of Network**

Facility Visits - Copays

Primary Care MD	$35	
Specialist MD	$70	

Other Services

Urgent Care Facility	$70
Emergency Room	$300

Rx Drug - Copays

1	Generic	$15
2	Preferred Brand	$50
3	Non Pref	$75

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This is a visual illustration of how the proposed medical benefits operate for the member, the employer and the insurance company. Start at the bottom and work your way to the top as services are received and claims incurred.

Health Cost Details
with *FreedomChoice*

Employer:	City of Anthony
Effective Date:	April 1, 2025

		Single	Sgl/Spouse	Sgl/Child	Family	TOTALS MO	Carriers
Employees		7	2	5	12	26	
Members		7	4	15	48	74	
Renewal Plan	Illustrative Rates	$612.07	$1,229.49	$1,163.08	$1,780.52		Current Carrier
Effective 4/1/2025	Totals	$4,284.49	$2,458.98	$5,815.40	$21,366.24	**$33,925.11**	
Proposed Plan - *FreedomChoice*							
TIER 2	**Part 1** Umbrella Policy	$533.74	$1,061.10	$1,004.37	$1,531.72	*Insured Option*	Umbrella Policy
	Totals	$3,736.18	$2,122.20	$5,021.85	$18,380.64	$29,260.87	
TIER 1	**Part 2** MERP TPA Fee	$378.00	$108.00	$270.00	$648.00	$1,404.00	
	Part 3 MERP Claims Fund	$170.31	$228.78	$523.55	$2,337.60	$3,260.24	
TOTALS 1+2+3	Totals	$4,284.49	$2,458.98	$5,815.40	$21,366.24	**$33,925.11**	
	Rate Estimates	**$612.07**	**$1,229.49**	**$1,163.08**	**$1,780.52**		

Estimated Savings	
$0	MO
$0	YR

Description of *FreedomChoice*

See "Terms & Conditions"

Part 1 The fully insured Umbrella policy protects the plan and employees at the designated liability threshold.
TIER 2 Liability Deductible Threshold: BCBS LF **$5,000** $10,000

Insured Option

Part 2 Administration of the underlying TIER 1 plan performed by the TPA, *Freedom Claims Management*.
MERP TPA Fee: **$54.00** Per Employee *(COBRA Administration Included)*

Part 3 Medical Expense Reimbursement Plan (MERP) Claims Fund estimate…Employer ONLY costs (Employee pays own cost)
MERP Claims Fund estimate (allocated per employee per month): **$125.39** Per Employee

Part 4 MERP Management Fee assessed as a "percentage of savings" Risk-Based Fee from Renewal plan.
MERP Fee amount: **20%** (Current Plan less (Parts 1+2+3))

Implementation Fee assessed to create the government required Plan Document, produce Rx Drug ID cards and create the TIER 1 benefit plan materials. Initial Setup Fee **$1,250.00**

TelaDoc can be added for additional fee: $3.00 pepm
Additional Rx admin fee not included in the costs above.

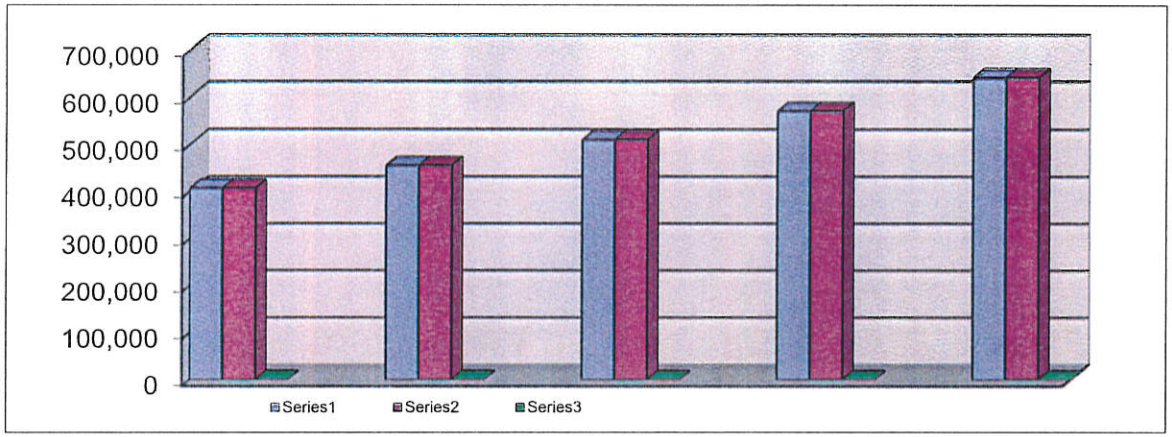
FreedomChoice - Savings Projections Over 5 Years

Employer: City of Anthony

Current Carrier:

Proposed Carrier: Umbrella Policy

	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Current 1	407,101	455,953	510,668	571,948	640,582	2,586,253
Proposed 2	407,101	455,953	510,668	571,948	640,582	2,586,253
Savings 3	0	0	0	0	0	0
Med Inflator	1.12				5-Year Savings	0.00%



Savings "Break Even" Projection

All figures are based on estimated costs.

		Annual	
Plan Savings *Estimate*		$0	Employer estimated savings "NET" of other costs
MERP Claims *Estimate*	+	$39,123	Claims reimbursed from Employer Reserve Fund
% of Savings *Estimate*	-	$7,825	Management fee assessed
Total Savings + Claims *Estimate*	=	$31,298	"If no claims" paid from Reserve, this is total amount of savings available to employer

MERP Liability Per "Umbrella" Deductible Reached by Member $2,000

"Umbrella" Deductible: ***$5,000***

 # Claimants "Break Even" Figure 15.65

This number of members each with total claims reaching the Umbrella Deductible will create a financial "break even" scenario.

FreedomChoice - Estimated Number of Claimants vs. "Break Even" Analysis

Answers the Question: "How many members will have claims over $5,000?"

Using actuarial percentages, this determines the number of projected claimants by incurred dollar amounts and compares it to the "Break Even" scenario for the employer's Medical Expense Reimbursement Plan (MERP)

	Total Members		74	
MERP Threshold	Claims Between...	% of Group	Members	
↓	$0.00	29.82%	22.07	
↓	$1 and $500	24.13%	17.86	
↓	$501 and $1000	18.88%	13.97	Total Number of Members projected to incur claims between $1 and $5,000
↓	$1001 and $2000	10.98%	8.13	
↓	$2001 and $2500	3.26%	2.41	
↓	$2501 and $3000	2.12%	1.57	
↓	$3001 and $4000	1.55%	1.15	
$5,000	$4001 and $5000	2.12%	1.57	**46.65**
	Over $5000	7.14%	5.28	
			↓	
			↓	
Total # Members With Claims:			↓	
→ Over $5,000			**5.28**	
		TOTAL	**5.28**	**15.65**

Total number of members that must incur $5,000 in claims annually for Employer to reach "Break Even" Scenario

Notes:
MERP is the Medical Expense Reimbursement Plan of the Employer
"Members" reflects the total number of employees, spouses and each dependent covered by the health plan.

FreedomChoice - Terms and Conditions

Proposal Notes and Considerations

A. Tier 2: The Insurance Carrier (Part 1) has requirements to follow to implement the health insurance umbrella policy. Final underwriting approval must be completed and the insurer's final offer accepted before the insurance is activated. Its policy terms and provisions will apply. This carrier will provide a separate billing statement for its premium charges.

B. Tier 1: Freedom Claims Management, Inc. (FCMI) will provide separate invoices for the Tier 1 plan components which include the MERP TPA Fee (Part 2), the MERP Claims Fund (Part 3) and the MERP Management Fee (Part 4).

Part 2 The MERP TPA fee covers third party claims adminstration, enrollment support and marketing by FCMI.

Part 3 The MERP claims will be billed as incurred and will not be pre-funded by the employer unless desired. The estimate shown on the Health Cost Comparison page was for illustrative purposes as actual claims will vary from this amount monthly.

Part 4 The MERP Management Fee is calculated as a percentage of savings and billed one month in arrears. It is the product of the Current or Renewal Plan rates less the Insurance policy rates and PLUS Programs if any (Part 1), less the MERP TPA Fee (part 2) and less the actual MERP claims (Part 3). Going into subsequent years, the Current or Renewal Plan rates will be increased by the same percentage amount as the Part 1 insurance policy rates, if applicable. It is based on the work performed by FCMI for the design, implementation and management of the MERP adopted by the employer. It is a Risk-Based Fee dependent solely upon the savings results.

Note Consolidated Billing: When possible FCMI will provide consolidated billing for all Tier 1 plan components.

C. The Implementation Fee covers the cost to create the Plan Document, ID Cards and benefit enrollment materials. Future amendments to the Plan Document due to plan changes will be included at no additional cost.

D. The Prescription Drug Program will be provided through the Umbrella Carriers RX company and ServeYou.

E. FCMI will receive compensation from the TPA fees. FCMI may receive commissions from the health insurance policy and in some cases this will be shared with a producing agent or agents or FCMI. FCMI may receive marketing and administrative fees or commissions from any ancillary products for the placement and management of these programs.

F. The final Medical Plan Design will be described in greater detail in a separate document.

G. The insurance carrier used to furnish the umbrella policy may assess an additional monthly billing fee for administrative purposes. This varies by carrier.

H. FCMI offers COBRA administrative services.

FreedomChoice - PROPOSED RESERVE FUNDING

for City of Anthony

2/12/25 BCBS LF jh

Medical	FUND PROPOSED ESTIMATES ONLY										
	Fixed	*Reserves	Umbrella	Total Premium		COBRA Funding	2% Admin	Total COBRA	Reserve Fund Estimate		Maximum Liability
									Count	Total	
Single	$54.00	$24.33	$533.74	$612.07		$133.33	$14.42	$735.49	7	$2,043.72	$14,000.00
E/S	$54.00	$114.39	$1,061.10	$1,229.49		$266.67	$27.64	$1,409.40	2	$2,745.36	$8,000.00
E/C	$54.00	$104.71	$1,004.37	$1,163.08		$266.67	$26.50	$1,351.54	5	$6,282.60	$20,000.00
Family	$54.00	$194.80	$1,531.72	$1,780.52		$266.67	$37.05	$1,889.43	12	$28,051.20	$48,000.00
										$39,122.88	$90,000.00
* Reserves will be used to pay for the following: 20% of Savings Claims									Estimated % of Savings:	$7,824.58	34.78%
Subject to change pending final enrollment											

Medical	FUND CURRENT/RENEWAL ESTIMATES ONLY										
	Fixed	*Reserves	Umbrella	Total Premium		COBRA Funding	2% Admin	Total COBRA	Reserve Fund Estimate		Maximum Liability
									Count	Total	
Single	$54.00	$24.33	$533.74	$612.07		$133.33	$14.42	$735.49	7	$2,043.72	$14,000.00
E/S	$54.00	$114.39	$1,061.10	$1,229.49		$266.67	$27.64	$1,409.40	2	$2,745.36	$8,000.00
E/C	$54.00	$104.71	$1,004.37	$1,163.08		$266.67	$26.50	$1,351.54	5	$6,282.60	$20,000.00
Family	$54.00	$194.80	$1,531.72	$1,780.52		$266.67	$37.05	$1,889.43	12	$28,051.20	$48,000.00
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