



AGENDA ACTION FORM

Consideration of a Resolution to Renew Stop Loss Contract

To: Board of Mayor and Aldermen
From: Chris McCartt, City Manager *CM*

Action Form No.: AF-377-2023
Work Session: December 18, 2023
First Reading: N/A
Final Adoption: December 19, 2023
Staff Work By: Michael Wessely
Presentation By: Tyra Copas

Recommendation:

Approve the Resolution to remain with current Stop Loss Carrier (VOYA).

Executive Summary:

Mark III Benefits presented 4 Stop Loss proposals for consideration for the 2024 calendar year (2 VOYA and 2 BCBST). The 4 proposals represent the least cost increase to the City. The proposed cost increases range from 1.86% to 21.29% and do not exclude any previous high dollar claims (lasers). The difference in the proposals are in relation to the specific deductible amount. Two proposals keep the specific deductible at \$150k and two proposals increase it to \$175k. In addition, the two VOYA proposals include the addition of Gene Therapy.

The specific deductible is the amount of expense the City incurs on a claim before Stop Loss begins to pay. Gene Therapy is a relatively new medical intervention that is extremely costly. Currently there are only a few gene therapy procedures that have been approved. However, the number of approved therapies is expected to increase significantly in the next few years as there are over 500 procedures waiting to be approved. These procedures can cost millions of dollars.

After careful consideration of all options, benefits administration recommends renewal with VOYA with an increase in the aggregate deductible to \$175k which represents a 1.86% increase in premiums.

Attachments:

1. Resolution
2. 2024 Stop Loss Renewal
3. Stop Loss History
4. Stop Loss Comparison

	<u>Y</u>	<u>N</u>	<u>O</u>
Cooper	—	—	—
Duncan	—	—	—
George	—	—	—
Montgomery	—	—	—
Olterman	—	—	—
Phillips	—	—	—
Shull	—	—	—