

City Of Leon Valley **Capabilities Presentation** Matt Stedman, April 18, 2023



Insurance | Risk Management | Consulting

Gallagher Snapshot



Independent, Passionate, Innovative







Your Dedicated Gallagher Team





Matt Stedman Area Vice President

Charles Coonrod Area Vice President



James Wright Area President



Trina Mayo-Day Client Service Leader



Stacy Chavez Sr. Client Manager



Amanda Abrego Client Associate

SUBJECT MATTER EXPERTS

Compliance Consulting – Ruben Reyes, JD, LLM	Pharmacy Benefit Management Consulting – Matt Adams	Voluntary Benefits Consulting – Walter Sprang	Communication Consulting – Maddison Grigsby
Retirement Plan Consulting – Scott Powers	Human Resources & Compensation Consulting – Tammy McCarty	Absence & Productivity Consulting - Andre Lewis	Executive Benefits Consulting – Andy Kuchera
Physical & Emotional Wellbeing Consulting– Sarah Green, M.A.	HR Technology Consulting– Chris Baldwin	Financial Benefits Consulting – Daniel Lees	Public Sector Director – Betty Gwinn



Marketing & Negotiation

Gallagher places well over \$10 billion of premium per year in global insurance markets, giving us substantial clout and leverage with carriers.

Gallagher knows the markets and their specific strengths and can evaluate carriers who have the right products for your individual needs.

Gallagher leverages our clout and our knowledge to the benefit of our clients, balancing vendor partnerships with the competitive landscape

Strategy & Planning

- Planning
- Create vendor criteria
- Vendor participant selection
- Create RFP
- Client RFP approval
- Distribute RFP

RFP Management & Analysis

- Receive RFP results
- Evaluate the RFP responses
- Run discount analysis benchmarking, member disruption, network and plan offerings
- Compare TAP services and pricing
- Compare financial solvency
- Perform total cost scenarios
- Finalist selection

Negotiations

- Prepare finalist meetings and site visits
 - Finalist negations
 - Vendor selection
 - Contract negation
 - Performance guarantees

Data Analytics



Assist the City with fiscal budget and premium funding projections.

Two Layers of Expert Support



Gallagher's Underwriting/Actuarial team provides a variety of services to our clients, including but not limited to:

- Identifying financial objectives, goals and risk tolerance
- Forecasting total plan cost and offering alternate cost savings measures
- Recommending competitive employee and employer contribution strategies
- Developing reserves, COBRA premiums, maximum exposure, and potential savings

- Comparing and evaluating managed care network discounts
- Evaluating the cost-effectiveness of prescription drug carve-out via a PBM
- Providing benchmark information to compare costs and coverage across all lines
- Providing Incurred But Not Reported (IBNR) calculations
- Preparing an annual certified IBNP projection



Financial Reporting

Financial Monitoring Reports are intended to provide a measure as to how the plan is tracking versus budget for Self Funded groups. This report can be provided as a comparison for Fully-Insured vs. Self-funded for groups considering making the transition. Typically, financial monitoring reports track the following:

- Medical and Pharmacy Claims
- Stop Loss Reimbursements
- Employee and Employer Deductions
- Large Claimants
- Plan Expenses (administrative only fees, stop loss premiums, etc.)
- Eligible Claims vs. Aggregate Attachment Factor (if aggregate stop loss is in place)
- Customizable Metrics

Sample Financial Monitoring Report

000 2.571 2 224 0.11 5 330 2.38 2 44.960 5056.534 51.0 0.011 568.349 304 21.601 31.548.749 32.2 21.601 31.548.783 32.2 14.81 560.65 39 57.933 31.985.096 32.4 1.01 \$733.86 \$59 57.933 31.985.096 32.4 1.01 \$733.86 \$59	Oct-17 Nov-17 2.294 2.148 5.703 5.236 2.41 2.44 1.029.000 \$1138.600 50 500.048 50 500.048 50 500.048 50 500.048 50 500.048 50 577.683 51,705.271 523.313 5863.47 5963.47	\$038,871 <u>\$0</u> \$2,042,507 \$953.11	\$503,001 SQ	Fcb-18 2,049 4,992 2,44 51,174,440 5029,490 5029,490 51,703,999 51,703,999	Mer-18 2,000 4,003 2,45 51,371,080 5455,327 50 51,826,416 51,826,416	Apr-18 2,044 4,981 2,44 \$939,807 \$021,370 \$02	Final May-18 2,044 4,990 2,44 \$1,900,237 \$437,184 (\$471,004)	Jun-18 2.087 5.098 2.44 \$1,258.041 \$407.834 (369.502)	Year-to Total 27.0 65.1 2.4 \$15,062,980 50.061.851	Date PEPM 107 58 11 \$890.70		All Pl 9 12 PEPM 107 58
060 2.671 2 224 0.111 5 3.30 2.38 3 44.900 5056.534 \$1.6 0.011 568.249 304 3.00 2.38 3 21.601 \$1,544.763 \$2.2 21.801 \$1,854.763 \$2.4 \$1.818 \$600.685 \$9 \$7,933 \$1,985.096 \$2.4 \$1.01 \$73.386 \$9 \$0.000 \$105.257 \$90 \$0.007 \$105.253 \$11	2.384 2.148 5.703 5.236 2.41 2.44 1.029.009 \$1,138.66 648.074 \$564.048 \$21 \$20 2.277.683 \$1,702,714 \$363.49 \$792.70 2.471,399 \$2,117,233	2,143 5,194 2,42 2 \$1,403,636 \$038,871 \$0 \$2,042,507 \$953.11 3 \$1,851,517	2,080 5,044 2,43 \$1,445,698 \$503,001 \$2 \$2,009,359	2,049 4,992 2,44 \$1,174,440 \$529,409 \$0 \$1,703,909	2,000 4,903 2.45 \$1,371,089 \$455,327 \$0	2,044 4,981 2,44 \$939,807 \$521,376 \$0	2,044 4,990 2.44 \$1,908,237 \$437,184	2,087 5,098 2.44 \$1,258,641 \$457,834	Total 27,0 65,1 2,4 \$15,952,980	-Date PEPM 07 58 11 \$590.70	Reporting as of Rollin Total 27,0 05,1 2,4	June 30, 2 All Pl 99 12 PEPM 107 58
060 2.671 2 224 0.111 5 3.30 2.38 3 44.900 5056.534 \$1.6 0.011 568.249 304 3.00 2.38 3 21.601 \$1,544.763 \$2.2 21.801 \$1,854.763 \$2.4 \$1.818 \$600.685 \$9 \$7,933 \$1,985.096 \$2.4 \$1.01 \$73.386 \$9 \$0.000 \$105.257 \$90 \$0.007 \$105.253 \$11	2.384 2.148 5.703 5.236 2.41 2.44 1.029.009 \$1,138.66 648.074 \$564.048 \$21 \$20 2.277.683 \$1,702,714 \$363.49 \$792.70 2.471,399 \$2,117,233	2,143 5,194 2,42 2 \$1,403,636 \$038,871 \$0 \$2,042,507 \$953.11 3 \$1,851,517	2,080 5,044 2,43 \$1,445,698 \$503,001 \$2 \$2,009,359	2,049 4,992 2,44 \$1,174,440 \$529,409 \$0 \$1,703,909	2,000 4,903 2.45 \$1,371,089 \$455,327 \$0	2,044 4,981 2.44 \$939,807 \$521,376 \$0	2,044 4,990 2.44 \$1,908,237 \$437,184	2,087 5,098 2.44 \$1,258,641 \$457,834	Total 27,0 65,1 2,4 \$15,952,980	-Date PEPM 07 58 11 \$590.70	Rollin Total 27,0 65,1 2,4	All Pl 9 12 PEPM 107 58
060 2.671 2 224 0.111 5 3.30 2.38 3 44.900 5056.534 \$1.6 0.011 568.249 304 3.00 2.38 3 21.601 \$1,544.763 \$2.2 21.801 \$1,854.763 \$2.4 \$1.818 \$600.685 \$9 \$7,933 \$1,985.096 \$2.4 \$1.01 \$73.386 \$9 \$0.000 \$105.257 \$90 \$0.007 \$105.253 \$11	2.384 2.148 5.703 5.236 2.41 2.44 1.029.009 \$1,138.66 648.074 \$564.048 \$21 \$20 2.277.683 \$1,702,714 \$363.49 \$792.70 2.471,399 \$2,117,233	2,143 5,194 2,42 2 \$1,403,636 \$038,871 \$0 \$2,042,507 \$953.11 3 \$1,851,517	2,080 5,044 2,43 \$1,445,698 \$503,001 \$2 \$2,009,359	2,049 4,992 2,44 \$1,174,440 \$529,409 \$0 \$1,703,909	2,000 4,903 2.45 \$1,371,089 \$455,327 \$0	2,044 4,981 2.44 \$939,807 \$521,376 \$0	2,044 4,990 2.44 \$1,908,237 \$437,184	2,087 5,098 2.44 \$1,258,641 \$457,834	Total 27,0 65,1 2,4 \$15,952,980	PEPM 107 58 11 \$590.70	Total 27,0 65,1 2,4	PEPM 07 58
224 0,111 5 1.30 2.38 1 44,000 5056,534 51,6 50 50 50 50 50 50 50 50 50 50 50 50 57,333 \$1,985,096 \$2,4 8,000 \$105,257 \$90 6,000 \$105,253 \$11	5,703 5,236 2,41 2,44 1,629,009 \$1,138,663 648,674 \$564,048 \$0 \$0 2,277,683 \$1,702,711 \$663,49 \$792,70 2,471,399 \$2,117,23	5,194 2.42 2 \$1,403,636 \$038,871 <u>30</u> 9 \$2,042,507 \$953.11 9 \$1,851,517	5,044 2.43 \$1,445,698 \$503,001 \$2 \$2,009,359	4,992 2.44 \$1,174,440 \$529,469 \$0 \$1,703,909	4,903 2.45 \$1,371,089 \$455,327 \$0	4,981 2.44 \$939,807 \$521,370 \$0	4,990 2.44 \$1,908,237 \$437,184	5,098 2.44 \$1,258,641 \$457,834	27.0 65.1 2.4 \$15.952.980	07 58 11 \$590.70	27,0 65,1 2,4	07 58
224 0,111 5 1.30 2.38 1 44,000 5056,534 51,6 50 50 50 50 50 50 50 50 50 50 50 50 57,333 \$1,985,096 \$2,4 8,000 \$105,257 \$90 6,000 \$105,253 \$11	5,703 5,236 2,41 2,44 1,629,009 \$1,138,663 648,674 \$564,048 \$0 \$0 2,277,683 \$1,702,711 \$663,49 \$792,70 2,471,399 \$2,117,23	5,194 2.42 2 \$1,403,636 \$038,871 <u>30</u> 9 \$2,042,507 \$953.11 9 \$1,851,517	5,044 2.43 \$1,445,698 \$503,001 \$2 \$2,009,359	4,992 2.44 \$1,174,440 \$529,469 \$0 \$1,703,909	4,903 2.45 \$1,371,089 \$455,327 \$0	4,981 2.44 \$939,807 \$521,370 \$0	4,990 2.44 \$1,908,237 \$437,184	5,098 2.44 \$1,258,641 \$457,834	65,1 2,4 \$15,952,980	58 1 \$590.70	65,1 2,4	58
224 0,111 5 1.30 2.38 1 44,000 5056,534 51,6 50 50 50 50 50 50 50 50 50 50 50 50 57,333 \$1,985,096 \$2,4 8,000 \$105,257 \$90 6,000 \$105,253 \$11	5,703 5,236 2,41 2,44 1,629,009 \$1,138,663 648,674 \$564,048 \$0 \$0 2,277,683 \$1,702,711 \$663,49 \$792,70 2,471,399 \$2,117,23	5,194 2.42 2 \$1,403,636 \$038,871 <u>30</u> 9 \$2,042,507 \$953.11 9 \$1,851,517	5,044 2.43 \$1,445,698 \$503,001 \$2 \$2,009,359	4,992 2.44 \$1,174,440 \$529,469 \$0 \$1,703,909	4,903 2.45 \$1,371,089 \$455,327 \$0	4,981 2.44 \$939,807 \$521,370 \$0	4,990 2.44 \$1,908,237 \$437,184	5,098 2.44 \$1,258,641 \$457,834	65,1 2,4 \$15,952,980	58 1 \$590.70	65,1 2,4	58
130 2.38 44,000 \$056,534 \$1,6 60,611 \$588,249 \$04 \$0 \$0 \$0 \$0 \$0 \$0 \$1,601 \$1,644,783 \$2,2 \$44,813 \$600,85 \$39 \$7,933 \$1,985,096 \$2,4 \$1,01 \$733,86 \$89 \$8,000 \$105,257 \$49 \$0,070 \$125,536 \$11	2.41 2.44 1,629,009 \$1,138,662 1048,074 \$564,048 \$0 \$277,683 \$1,702,711 \$963,49 \$792,70 2,471,399 \$2,117,233	2.42 2 \$1,403,636 \$038,871 <u>\$0</u> \$2,042,507 \$953.11 9 \$1,851,517	2.43 \$1,445,698 \$503,001 \$20 \$2,009,359	2.44 \$1,174,440 \$529,409 \$0 \$1,703,909	2.45 \$1,371,089 \$455,327 \$0	2.44 \$939,807 \$521,370 \$0	2.44 \$1,908,237 \$437,184	2.44 \$1,258,641 \$457,834	2.4	\$590.70	2.4	
44,000 \$055,534 \$1,5 0,011 \$568,249 \$4 \$0 50 50 \$1,601 \$1,544,733 \$2,2 \$4,81 \$600.85 \$9 \$7,933 \$1,985,086 \$2,4 \$1,01 \$733.86 \$9 \$0,00 \$105,257 \$9 \$0,070 \$125,253 \$1	1,629,009 \$1,138,663 648,074 \$564,048 \$0 \$0 2,277,683 \$1,702,711 \$963,49 \$792,70 2,471,399 \$2,117,23	2 \$1,403,636 \$038,871 \$0 \$2,042,507 \$953.11 9 \$1,851,517	\$1,445,698 \$503,001 <u>\$0</u> \$2,009,359	\$1,174,440 \$529,469 <u>\$0</u> \$1,703,909	\$1,371,089 \$455,327 \$0	\$939,807 \$521,376 \$0	\$1,908,237 \$437,184	\$1,258,641 \$457,834	\$15,952,980	\$590.70		
0.011 \$588,249 \$04 \$0 \$0 \$1,601 \$1,544,783 \$2,2 \$4,81 \$600.85 \$39 \$7,933 \$1,985,096 \$2,4 \$1.01 \$733.86 \$35 \$8,000 \$105,257 \$99 \$9,070 \$125,538 \$11	048.074 \$504.048 <u>\$0</u> <u>\$0</u> 2,277,683 \$1,702,710 \$963.49 \$792.70 2,471,399 \$2,117,23	\$038,871 <u>\$0</u> \$2,042,507 \$953.11 \$1,851,517	\$503,001 <u>\$0</u> \$2,009,359	\$529,469 <u>\$0</u> \$1,703,909	\$455,327 <u>\$0</u>	\$521,376 SD	\$437,184	\$457,834			\$15,952,980	
0.011 \$588,249 \$04 \$0 \$0 \$1,601 \$1,544,783 \$2,2 \$4,81 \$600.85 \$39 \$7,933 \$1,985,096 \$2,4 \$1.01 \$733.86 \$35 \$8,000 \$105,257 \$99 \$9,070 \$125,538 \$11	048.074 \$504.048 <u>\$0</u> <u>\$0</u> 2,277,683 \$1,702,710 \$963.49 \$792.70 2,471,399 \$2,117,23	\$038,871 <u>\$0</u> \$2,042,507 \$953.11 \$1,851,517	\$503,001 <u>\$0</u> \$2,009,359	\$529,469 <u>\$0</u> \$1,703,909	\$455,327 <u>\$0</u>	\$521,376 SD	\$437,184	\$457,834			\$15,952,980	
50 50 21,601 \$1,544,783 \$2,2 14.81 \$600.85 \$9 14.81 \$600.85 \$9 1.01 \$733.86 \$9 8,000 \$105,257 \$0 9,070 \$125,538 \$11	<u>\$0</u> <u>\$0</u> 2,277,683 \$1,702,710 \$963.49 \$792.70 2,471,399 \$2,117,23	\$0 \$2,042,507 \$953.11 \$1,851,517	\$0 \$2,009,359	<u>50</u> \$1,703,909	50	50						\$590.70
21,601 \$1,544,783 \$2,2 44.81 \$600.85 \$9 57,933 \$1,985,096 \$2,4 81,01 \$733.86 \$8 8,000 \$105,257 \$90 9,070 \$125,536 \$11	2,277,683 \$1,702,710 \$963.49 \$792.70 2,471,399 \$2,117,23	\$2,042,507 \$953.11 \$1,851,517	\$2,009,359	\$1,703,909						\$245.93	\$5,641,851	\$245.9
14.81 \$600.85 \$9 57,933 \$1,985,096 \$2,4 11.01 \$733.86 \$9 8,000 \$105,257 \$9 9,070 \$125,536 \$11	\$963.49 \$792.70 2,471,399 \$2,117,23	\$953.11 \$1,851,517							(\$537.506)	(\$19.90)	(\$537.506)	(\$19.90
57,933 \$1,985,096 \$2,4 21.01 \$733.86 \$9 8,000 \$105,257 \$9 9,070 \$125,536 \$11	2,471,399 \$2,117,23	\$1,851,517	\$966.04			\$1,461,183	\$1,872,417	\$1,649,973	\$22,057,325	\$816.73	\$22,057,325	\$816.73
21.01 \$733.86 \$9: 8,900 \$105,257 \$9 9,070 <u>\$125,536 \$11</u>					\$913.21	\$714.86	\$916.06	\$790.60				
9,070 \$125,536 \$11		\$742.09	\$2,462,814 \$980.81	\$1,778,349 \$710.49	\$2,227,544 \$903.30	\$1,683,795 \$671.91	\$2,105,838 \$851.19	\$1,569,276 \$662.14	\$24,569,422	\$788.29	1	
9,070 \$125,536 \$11												
	\$96,782 \$87,939	\$87,734	\$85,155	\$83,886	\$81,880	\$83.681	\$83,681	\$85,442	\$1,105.667	\$40.94	\$1,105,667	\$40.94
7 971 \$230 792 \$21	116,369 \$106,907	\$106,235	\$103,609	\$102,261	\$100,323	\$102,242	\$102,569	\$105,026	\$1,336,282	\$49.48	\$1,336,282	\$49.48
.,	213,151 \$194,846	\$193,969	\$188,764	\$186,147	\$182,203	\$185,924	\$186,250	\$190,468	\$2,441,949	\$90.42	\$2,441,949	\$90.42
						\$1,647,107	\$2,058,668	\$1,840,441	\$24,499,274	\$907.15	\$24,499,274	\$907.1
												\$517.54
7,064 \$464,225 \$1,2	1,269,764 \$776,224	\$1,123,978	\$1,113,419	\$817,243	\$957,727	\$579,508	\$991,744	\$750,748	\$10,522,105	\$389.61	\$10,522,105	\$389.61
85,935 \$2,991,677 \$2,7	2,791,755 \$2,565,66	2 \$2,545,858	\$2,480,518	\$2,455,398	\$2,404,638	\$2,441,671	\$2,437,401	\$2,486,761	\$31,942,001	\$1,182.73	\$31,942,001	\$1,182.7
59.572 \$1.775.575 \$2.4	2,490,834 \$1,897,55	\$2,238,478	\$2,198,123	\$1,890,058	\$2,008,619	\$1,647,107	\$2,058,668	\$1,840,441	\$24,499,274	\$907,15	\$24,499,274	\$907.1
28,383 \$1,216,102 \$30	300,921 \$668,106	\$309,382	\$282,395	\$585,342	\$396,019	\$794,564	\$378,733	\$646,320	\$7,442,727	\$275.59	\$7,442,727	\$275.56
52,5 7,06 85,9 59,5	08 <u>\$1.311.350</u> <u>\$</u> 4 \$464,225 \$ 35 \$2,991.677 \$2 72 \$1,775,575 \$2	31 31 31 31 31 31 31 31 33 33 34 34 34 34 34 34 34 3776,224 3776,224 3776,224 3776,224 35 32,991,077 32,791,755 \$2,505,067 32,791,755 \$2,505,067 32,791,755 \$2,505,067 32,791,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,400,834 \$1,897,557 \$2,505,067	08 \$1.311.350 \$1.221.070 \$1.121.332 \$1.112.498 4 \$464,225 \$1.989,764 \$776,224 \$1,123.978 35 \$2.991.077 \$2.791.755 \$2.565.802 \$2.545.858 72 \$1.775.575 \$2.400.834 \$1.997.556 \$2.236.476	88 \$1311.350 \$1221.332 \$1.121.332 \$1.121.348 \$1.064.704 4 \$464.225 \$1.269.764 \$776.224 \$1,123.978 \$1,113.419 55 \$2.091.077 \$2.791.755 \$2.666.062 \$2.646.868 \$2.400.1434 52 \$1.757.557 \$2.901.871 \$1.077.563 \$2.650.062 \$2.645.868 \$2.400.1434	08 31311300 31221070 31.121332 31.112.488 31.094.704 31.072.813 4 \$464.225 \$1,269.764 \$776.224 \$1,123.978 \$1,131.419 \$817.243 35 \$2,961.077 \$2,791.755 \$2,565.082 \$2,545.688 \$2,460.518 \$2,455.388 72 \$1.775.575 \$2,240.814 \$1.687.558 \$2,2407.58 \$2,126.123 \$3,1680.056	08 \$1311360 \$1221070 \$1121332 \$1112468 \$108774 \$1072613 \$1080682 4 \$464,225 \$1,269,764 \$776,224 \$1,13,976 \$1,113,419 \$437,243 \$4957,727 35 \$2,2691077 \$2,791,755 \$2,565,605 \$2,246,76 \$2,465,76 \$2,465,768 \$2,460,76 \$2,208,76 \$2,465,76 \$2,467,86 \$2,460,76 \$2,4666 \$2,466,76 \$2,466 \$2,466,76 \$2,466 \$2,4666 \$2,4666 \$2,4666 \$2,4666 \$2,4666 \$	08 813-11350 81221070 81127332 81:12498 81:08-704 81:072-818 81:072-818 81:072-888 81:077-588 4 8442.25 81:2687-748 87:76:224 81:123978 81:113,419 8817.243 8957.727 8577,509 58 82:80-1077 82:791.755 82:565.682 82:545.586 82:440.516 82:445.588 82:440.518 82:441.51 79 31:775.57 82:400.858 81:3678-588 82:2440.518 82:445.588 82:440.518 82:441.518	08 <u>11311300 11221070</u> 11121332 <u>31112408</u> <u>5104774</u> <u>51072813</u> <u>51050862</u> <u>51057560</u> <u>51057560</u> <u>51057560</u> <u>51057500</u> <u>5107560</u> <u>51057500</u> <u>5107560</u> <u>5107550</u> <u>51075500</u> <u>510755000000000000000000000000000000000</u>	08 <u>11311308 1122/070 1121338</u> 1111248 1104728 1104728 1107218 <u>110788</u> 110758 <u>110788</u> 100868 4 <u>444,255</u> 11289,74 <u>3776,224</u> 11,123,978 <u>81,113,478</u> <u>8817,243</u> <u>8807,724</u> <u>570,568</u> <u>8809,744</u> <u>4760,744</u> 35 <u>32,091,077</u> <u>32,791,755</u> <u>32,556,568</u> <u>32,446,558</u> <u>32,446,558</u> <u>32,446,588</u> <u>32,446,588</u> <u>32,447,641</u> <u>32,447,401</u> <u>34,547,401</u> <u>34,547,400</u> <u>34,547,548</u> <u>54,558</u> <u>54,547,558</u> <u>54,558</u> <u>55,588</u> <u>54,558</u>	08 11311303 11221007 1121332 1111248 1304704 1107241 107241 1020582 1107588 110852 1107588 110852 1107588 110852 1107588 110852 1107588 110852 1107588 110552 1105552 1105552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 11055552 110555552 110555552 1105555555555	08 <u>11311303 11221070 1121333</u> 1111248 <u>11047248 11047248 11072183 1105082 11097588 1108528 1108582</u> 11097588 <u>1108682 1108682 113877488 151744</u> 4 444,255 11288,744 \$776,524 11,123,78 <u>1113478 1113478 1817,44</u> <u>1007124 1575,508 1091,744 1576,748 10,522,105</u> 1586,61 55 52,091,577 132,791,755 52,555,552 32,545,558 32,4405,518 32,445,538 32,444,688 32,447,401 32,447,401 32,448,749 331,442,201 31,112273 21,1775,575 52,456,548 13,837,552 32,545,568 32,4405,518 32,445,538 32,444,688 13,447,171 32,457,401 32,448,749 331,442,201 31,112273	08 11311308 11221007 1121328 1111248 1101247 1107241 1072131 1050582 1107588 1108428 1107588 1108482 1157748 1105820 1157748 1105820 1157748 1105820 11557748 1105820 11557748 1105820 11557748 1105820 11557748 1105820 115574 11058200 11058200 1105820 110

 Sep-17
 Oct-17
 Nov-17
 Dec-17
 jan-18
 Feb-18
 Mar-18
 Apr-18
 Map-18
 jun-18

 5691
 51,054
 5683
 51,044
 51,057
 5922
 51,004
 5006
 51,007
 582

 51,164
 51,181
 51,184
 51,185
 51,185
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,195
 51,1

Report	Frequency	Data Availability	Delivery Date
Financial Monitoring Report	Monthly	10 th – 15 th of the following month	20 th – 25 th of the following month

Renewal Development



Renewal Projections

- Claim Development
- Multi-Year Forecasts

Rate Development

- Claim Development
- COBRA Rate Development
- Contribution | Cost Share Modeling
- Budget Estimation | Funding Adequacy

Plan Design Actuarial Modeling

- Modify, Add, Remove, Replace Plan Designs, Etc.
- Comparing the Actuarial Value of Plan
 Offerings
- Plan Design Considerations
- Monte Carlo Simulations

Mul	lti-Year Fi	nancial	Forecast	
	1/1/2017 - 12/31/2017	1/1/2018 - 12/31/2018	1/1/2019 - 12/31/2019	1/1/2020 - 12/31/2020
Average Subscribers	515	439	439	439
Claim Payments	\$4,722,384	\$4,265,081	\$4,547,673	\$4,850,377
Non-Claim Cost (Fixed Cost)	\$836,687	\$737,731	\$833,450	\$947,134
PPACA Fees	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total Plan Cost	\$5,559,071	\$5,002,812	\$5,381,123	\$5,797,511
Plan Cost PEPM	\$899.82	\$949.66	\$1,021.47	\$1,100.51
Change From Current (\$)		-\$556,259	-\$177,948	\$238,440
Change From Current (%)		-10.0%	-3.2%	4.3%

Report	Frequency	Data Availability	Delivery Date
Renewal Projection	Annual or Upon	150-180 days prior to	20th – 25th of the
	Request	effective date	following month



Contribution Modeling

Gallagher's interactive contribution model allows employers to consider multiple options when setting employee premium amounts. This model takes into consideration surcharges/credits where applicable and is customized to each clients' needs.

G Arthur J. Galla, BUSINESS WITHOUT BAI									Plan Year: 01	/01/2019 - 12/31/2 Medical & Pharm
Status Quo - EE Increase			2018				2019		EE Cost Share	EE Difference
Coverage Tier	Subscribers	EE Contribution	ER Contribution	Total Premium	Subscribers	EE Contribution	ER Contribution	Total Premium	Current / Renewal	\$Δ EE / %Δ EE
remier Blue					Premier Blue					
Employee Only	23	\$50.00	\$510.00	\$560.00	23	\$52.46	\$603.23	\$655.69	9% / 8%	\$2.46 / 4.9%
mployee + Spouse	3	\$500.00	\$195.00	\$695.00	3	\$531.27	\$510.43	\$1,041.70	72% / 51%	\$31.27 / 6.3%
mployee + Child(ren)	7	\$400.00	\$355.50	\$755.50	7	\$429.26	\$871.54	\$1,300.80	53% / 33%	\$29.26 / 7.3%
Employee + Family	3	\$930.00	\$457.00	\$1,387.00	3	\$990.90	\$633.52	\$1,624.42	67% / 61%	\$60.90 / 6.5%
6 Cost Share		34%	66%	100%	% Cost Share	27%	73%	100%	34% / 27%	-6.5%
lue Saver					Blue Saver					
mployee Only	25	\$33.02	\$465.28	\$498.30	25	\$38.07	\$596.47	\$634.54	7% / 6%	\$5.05 / 15.3%
mployee + Spouse	9	\$253.12	\$715.96	\$969.08	9	\$272.41	\$736.51	\$1,008.92	26% / 27%	\$19.29 / 7.6%
mployee + Child(ren)	17	\$220.12	\$555.36	\$775.48	17	\$226.53	\$1,031.97	\$1,258.50	28% / 18%	\$6.41 / 2.9%
mployee + Family	29	\$440.20	\$758.78	\$1,198.98	29	\$471.46	\$1,100.08	\$1,571.54	37% / 30%	\$31.26 / 7.1%
% Cost Share		28%	72%	100%	% Cost Share	23%	77%	100%	28% / 23%	-5.6%
otal Composite PEPM	116	\$240.10	\$566.34	\$806.44	116	\$256.08	\$813.73	\$1,069.81		
% Cost Share		30%	70%	100%		24%	76%	100%		
otal Annual Cost		\$334,217	\$788,351	\$1,122,568		\$356,456	\$1,132,717	\$1,489,173		
No Wellness Incentive		_	-	-		_	-	-		
DTAL		\$334,217	\$788,351	\$1,122,568		\$356,456	\$1,132,717	\$1,489,173	30% / 24%	\$22,239 / 6.79
% Cost Share		30%	70%	100%		24%	76%	100%		
hange From Current (\$)						\$22,239	\$344,366	\$366,606		
hange From Current (%						6.7%	43.7%	32.7%		

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

9



Network Discount Analysis

Discount Data Warehouse

HIGHMARK 👰 🕖 UnitedHealthcare actna Humana

Case Study

Organization with 3000 employees. Conducted network evaluation and found discounts ranged from 48% to 53%

Savings/Results

- Claim discount ranged from 48% to 53%
- Negotiated a minimum claim discount of 51%
- Negotiated performance ٠ guarantees and account management guarantees
- Resulted in an annual fixed • cost reduction of 5.6% or \$104 PEPY

Gallagher Proprietary Network Tool

Claim Repricing Analysis, Discount Analysis, Disruption Analysis, Top Provider Analysis

G Gallagher Bereit Services,	G Calaghe	r Benefit Services, Inc.				G	Gallagher Benefit Services, Inc.									
,	ABC Company Carrier B Medical Network Analysis Analysis Period - 1/1/2011 through 12/31/2011						ABC Company Top 25 Previden by Elightle Charges Andysis Pusied - VI/2011 Howeyh 2013/2011									
Newsoft Utilization					in the second second	Medical Chine Only	and any one where		Runb	Provider Name	State	Eligible	X of Local	Carler A 0	Castier B	Cavies
Augury Constant	Center A	Cartie 3	Carrie C							BALFROUT HED CAL (2)	FL.	Charges #1258.054	4.0%		N	
b Network Eligible Charges	\$5,01,05	52062.02	\$5,51.42			In Network			<u> </u>							
Det-of-Network Migdle Chapte	121.17	8,7,28	\$242.00					Discount as a 5 of	2	ST JUDE MEDICAL CENTER	CA	\$867,971	2.Bc		N	- 15
Ical Rights Chapes	\$1,31,13	\$2079(48)	50,K,62	Section Type	Total Eligible Charges	Discounts	Allowed Assessme	Eligible Charges	3	VALUE/NEGAL/MONTHOSPITAL	м	\$836.36	275		N	
Served Distant on	8.35	945	9.95						4	CHLORENGHOSPITAL OF MICHIGAN	10	\$791772	292		N	
Verroet Discourt				Inputient famility	\$11,955,208	(6,49,678)	\$5,443,530	543%								
Magazy	Center A	Center 3	Center C	Outpetieer facility	\$9,693,213	(\$5,001,675)	\$4,671,515	516%	5	NEASE COUNTR/SIDE HO	FL.	8603(430	190	8	N	- 15
b-Network Eligible Charges	\$5.31.85	520220	10.01.42	Pedenineal Anallary	\$8,457,061	(1),644,623	\$1,012,455	42%	8	UNVERSITY OF MICHIGAN HOSPITAL	м	\$479,802	150	5	N	- 15
b Herrod Discus	18-1342310	\$1477383	\$14,17,200	Teral	\$20,205,412	(\$15,137,999)	\$15,167,483	31.0%	7	HENRY FORDHEALTH SYSTEM	м	\$443.217	14%	5	N	8
i ofhioistral Clays	-641	-3021	-36/Fi						1	OAKVOOD HOSPITALAND MEDICAL CE	м	\$384,238	125	5	N	
						Out of Network			<u> </u>							
Pretall Network Analysis								Discount to a % of	9	PROVOENCE PARK	м	\$354,358	1tz	5	N	15
Delatery	Center A	Carple B	Catche C	Service Type	Total Eligible Charges	Discounts	Allowed Amount	Eligible Charges	10	ST JOHN HOSPITAL AND HEDICAL CE	м	\$318.872	1.0%	5	N	15
Ival Eighle Charm	\$434208	808,00 \$20074	\$131,18 \$131,144						1	CAINETT VED CAL CRITER	GA	1291675	0.82	5	N	
Cost Direction Correl Autourt	1000	BDBH	10070	Total	\$636,191	90	\$636,190	0.05								
tal SDdieux	1-0404	1,4,40	1,642%						12	STMARY MERCY HOSPITAL	м	\$255,258	0.82	5	N	- 15
12/3mm		105	691		NS	6 (Shared Serings Proj	eram)		18	BAULER THUNDERBROMEDICAL CEVT	42	\$250.895	0.82	5	N	15
Tion Cost				Service Type	Total Eligible Charges	Discounts	Allowed Amount	Discourse as a % of Eligible Charges	14	VILLIAMIBEAUMONTHOSPITAL TROV	м	\$248,484	0Bc	8	N	B
langery I	Cartier A	Cattle 2	Gartier C	Total	\$367,246	(\$123,255)	\$210,891	36.3%	5	CHILDRENS HOSPITAL	м	06548	0.Bc	8	N	- 15
Administration Cost	1.1.1	5103	387.325						8	UKHEA THCAREHOSPITALS	OH	\$225.527	0.22	5	N	B
ing Los Cor	157,07	551,00	\$17,81			Excluded Charges										
Read Core Total	\$1,03,40	8,71,38	\$,0)/X					N	17	R.ORDAHOSPITAL MED	FL.	0209;381	0.2c	8	N	- 15
ital S Differen		(05,34)	(872,89)	Total	Total Eligible Charges	Discounts	Allowed Amount	Discount to a % of	18	THE LINN OF TX SOUTH WESTERN MED	DC .	6298/178	0.2c	5	N	- 15
Different		-36)	-3/5					Eligible Charges	19	KARMANDS CANCER CENTER	м	\$25.094	0.2c	5	N	B
Toni				Total	\$82,215	(\$40,131)	\$42,144	45.2%	20	CTRUSVALLEY MEDICITIES-OU	CA	6203238	08:	5	N	B
augury .	Carrier 3	Centre 2	Carrier C								_					
Sediral China	\$50404	EGN[+++	147078			Total			21	NEDICAL CTRIATUCS?	CA	0262,771	0.5%	8	N	- 15
b Claims	\$1,46,73	\$1,41,00	\$1,17,12					Discount so a % of	22	ST. JOSEPH'SHOSPITAL AND MEDIC	CA	0107,532	0.51	8	N	- 15
fand Cort	\$1,85,44	\$1,71,8	1,22/13	Service Type	Total Eligible Charges	Discounts	Allowed Amount	Eligible Charges	22	BOTSTOFFICHOSPITAL	м	955.420	0.5%		N	
	150,000 pag mag	\$10,00 per year	\$50,00 permar													
Féan Acces																
Feliaes Alexano Gene Treal (Intering Wallows Contri Treal S Difference	10.00	51CBA35 304428	1303103 17313	Total	\$31,391,199	(\$15,311,484)	\$16,079,708	48.8%	28	DRIVDODHERITAGEHOSPITAL	м	623,812	0.5%	8	N	- 15

antica so for puefic information or factore details in this regard

tähet sharpe in täh delps, half som tred instants et. This pagini des ett press a palate mé méteria. Plan se para polo, or métar u lor polo, informatio or forte shail in tite repr their respective network providers and discounts. Network contracts can change frequently, and historical results are not a section of hits a nation second

10

Benchmarking Capabilities

- Roundtables, seminars, peer-to-peer panels
- Largest U.S. benefits benchmarking survey
- National, regional, local
- Industry specific data
- Actionable insights



PHYSICAL & EMOTIONAL WELLBEING

Insights on improving health and maximizing employee safety and productivity

FINANCIAL WELLBEING

Cost-saving practices for reducing employees' near-term financial stress and improving retirement readiness

BEST-IN-CLASS BENCHMARKING ANALYSIS

Analysis of employer attributes that define excellence in employee and organizational wellbeing







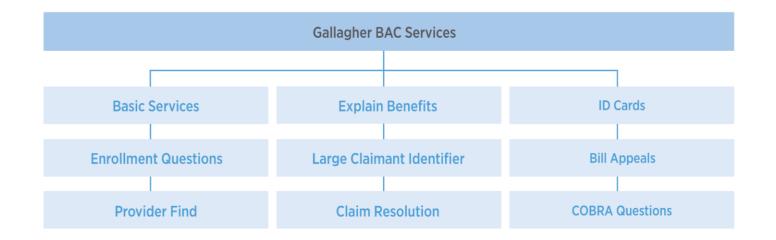


Service Approach

Your assigned team of Benefit Advocates (BAs) is available to help your employees with a variety of day-to-day benefits issues, including claims questions, benefit program education, and more.

The Gallagher BAC team consists of:

- 40 licensed Advocates with an
- Average of 16 years of experience, including
- 14 bilingual Spanish-speaking Advocates
- Available via a dedicated toll-free number and email address



Targeted & Customized Employee Communications



Total Compensation Statements



Custom Web Site



On-site Enrollment & Employee Assistance

Regulatory & Compliance Support



Over 30 dedicated compliance professionals, including over 20 attorneys

Deep industry experience with the tools needed to understand and navigate an increasingly complicated regulatory landscape



DEDICATED TEAM OF EXPERIENCED EMPLOYEE BENEFITS ATTORNEYS



ASSISTANCE WITH DAY-TO-DAY QUESTIONS AND STRATEGIC CHALLENGES

Π	
	<u> </u>

LEGISLATIVE AND REGULATORY SUPPORT



COMPLIANCE ANNUAL PLANNING GUIDE

COMPLIANCE TOOLS INCLUDE: CHECKLISTS, FAQs, DIRECTIONS NEWSLETTERS, AND OTHER PUBLICATIONS

Wellbeing



Gallagher's Physical & Emotional Wellbeing Consulting team consists of a team of 30 dedicated professionals, providing consulting to clients of various sizes and various industries nationally.

The City's Wellbeing Consultant, Sarah Green, can provide first-hand local and regional insights is backed by a vast network of national expertise



The **WHOLE** person comes to work every day...



each associate's wellbeing influences individual and organizational performance



- Strategic Pharmacy Management
- Pharmacy Cost To Equal Hospital Cost In Next 3 To 5 years
- Gallagher In-House Pharm-D Pharmacists

- > Specialty Rx Spend
- Major Discount Increases
- ➤ Major Rebate Increases
- Possible PBM Carve Out



Long-Term Strategy Path

4 ully Insure

self-Funder

Fully Insured - CURRENT

- Status Quo scenario
- Negotiate renewal using projections, expected manual rates, etc.
- Use market leverage
- Identify potential plan changes
- Employee contribution analysis
- Gather data analytics

Fully Insured – Plan Design Changes

Add H.S.A. programs

Orive Consumerism

With Captiv

- Update plan designs to promote consumer driven behavior
- Educate Employees on how to utilize benefits to limit out of pocket and claims costs (Ex. UR vs ER)
- Add/Enhance Wellness programs for population health management and shaping the culture
- Gather data analytics to create actionable strategies
 Self-Funded

Transition to Self-Funded

- Move self-funded
- Continue to Educate Employees and Promote Population Health Management
- Continue to gather data
 analytics for ongoing strategies
- Continue targeted messaging campaigns

<u>Captive</u>

Join stop loss captive



Why Gallagher ?

Gallagher's long term partnership with the City of Leon Valley has been instrumental in helping to keeping rising healthcare costs in check.

We are proud to have negotiated many low single digit renewals including multiple rate passes (0%) and even reductions in our history together.

Together, we can continue to provide quality healthcare plans at affordable premiums in order to help the City meet short term and long term strategic goals.

- ✓ National Strength, Local Service
- ✓ Employee Direct Service Model
- ✓ Proactive Cost Control
- ✓ Comprehensive Compliance Support
- ✓ In-house Compliance, Pharmacists, Underwriters & Wellness Consultants
- ✓ Complete Benefits Administration
- ✓ Best In Class Employee Communications

Thank You!

Matt Stedman 210-885-2709 Matt_Stedman@ajg.com





surance | Risk Management | Consulting



Disclaimer

- The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.
- This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.
- Gallagher Benefit Services, Inc., has provided this timeline as a resource to help identify and clarify submission requirements and dates for this project. Although the timeline was created to be as comprehensive as possible, it should not be assumed that the information is all-inclusive and error-free, nor is the sequence of events outlined in exact chronological order. All information is provided for informational and educational purposes only and is not intended to provide legal, investment, tax or accounting advice and should not be relied upon in that regard. Your financial and tax situation may be unique and therefore you should independently consult your attorney and accountant regarding any legal and tax implications.
- This analysis is an outline of the coverages proposed by the carriers based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This analysis is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.