

Comparison of HEALTH INSURANCE Proposals

finalized 10/18/2012

Group Name: City of Rochelle
 Effective Date: 11/1/2012
 Quoted census:
 Employee = 29
 Family = 76

**** RECOMMENDED
OPTION ****

	2011-12 Broker: Query Ins TPA: Cypress Network: ECOH / HFN	2012-13 Proposed Broker: Query Ins and Miller Buettner & Parrott, Inc. TPA: Cypress Network: ECOH / HFN				2012-13 Proposed Broker: Cottingham & Butler TPA: Cypress Network: ECOH / HFN			
	<u>Current</u>	<u>Stay w/Current Limits</u>	<u>Option 1</u>	<u>Option 2</u>	<u>Stay w/Current Limits</u>	<u>Option 1</u>	<u>Option 2</u>	<u>*Additional Option</u>	
Specific Deductible	\$60,000.00	\$60,000.00	\$70,000.00	\$60k/\$50k Agg Spec	\$60,000.00	\$70,000.00	\$60k/\$50k Agg Spec	\$65,000.00	
TOTAL FIXED COSTS	\$301,033.08	29.0% \$388,467.12	16.8% \$351,479.88	13.4% \$341,478.84	29.0% \$388,215.12	15.9% \$348,959.88	12.6% \$338,946.24	23.5% \$371,857.44	
* Est. Claims Savings									
Attachment Point (ie Max Claims Cost)	\$1,855,525.68	10.4% \$2,048,676.12	14.6% \$2,126,720.52	10.4% \$2,048,676.12	6.9% \$1,984,038.60	11.5% \$2,068,376.28	6.9% \$1,984,038.60	7.6% \$1,996,774.44	
Max Liability (ie Max Plan Cost)	<u>\$2,156,558.76</u>	13.0% <u>\$2,437,143.24</u>	14.9% <u>\$2,478,200.40</u>	10.8% <u>\$2,390,154.96</u>	10.0% <u>\$2,372,253.72</u>	12.1% <u>\$2,417,336.16</u>	7.7% <u>\$2,322,984.84</u>	9.8% <u>\$2,368,631.88</u>	
UW Expected	** \$1,785,453.62	\$2,027,408.02	\$2,052,856.30	\$1,980,419.74	\$1,975,446.00	\$2,003,660.90	\$1,926,177.12	\$1,969,276.99	

** The "UW Expected" is the sum of Fixed Costs plus a % of the Attachment Point
 Cypress uses a conservative measure of 80% of Attachment Point, which means it expects that claims will reach 80% of the max claims \$ possible

**** The figures in red represent the decreased cost for this proposal compared with the same plan design and Network Option proposal in the orange column to the left .**

- = Current Plan design - \$60k Stop-Loss threshold - and costs for 2011-12
- = Proposed Plan - same design as current
- = Proposed Plan - \$70k Stop-Loss threshold
- = Proposed Plan - \$60k Stop-Loss threshold plus addit. \$50k aggregate threshold
- = Proposed Plan - \$65k Stop-Loss threshold
- = Proposed Plan - \$75k Stop-Loss threshold

	2011-12 Broker: Query Ins TPA: Cypress Network: ECOH / HFN	2012-13 Proposed Broker: Cottingham & Butler TPA: Cypress ** Network: The Alliance					* 2012-13 Proposed Broker: Rochelle Ins TPA: UHC Network: UHC		
	<u>Current</u>	<u>Stay w/Current Limits</u>	<u>Option 1</u>	<u>Option 2</u>	<u>*Additional Option</u>	<u>Stay w/Current Limits</u>	<u>* Additional Option</u>		
Specific Deductible	\$60,000.00	\$60,000.00	\$70,000.00	\$60k/\$50k Agg Spec	\$65,000.00	\$60,000.00	\$75,000.00		
TOTAL FIXED COSTS	\$301,033.08	8.7% \$327,312.32	-4.3% \$288,082.28	-7.6% \$278,043.44	3.3% \$310,954.64	11.1% \$334,487.64	-3.6% \$290,117.76		
* Est. Claims Savings		(\$70,000.00)	(\$70,000.00)	(\$70,000.00)	(\$70,000.00)				
Attachment Point (ie Max Claims Cost)	\$1,855,525.68	6.9% \$1,984,038.60	11.5% \$2,068,376.28	6.9% \$1,984,038.60	7.6% \$1,996,774.44	9.7% \$2,036,251.92	12.2% \$2,081,046.24		
Max Liability (ie Max Plan Cost)	<u>\$2,156,558.76</u>	7.2% <u>\$2,311,350.92</u>	9.3% <u>\$2,356,458.56</u>	4.9% <u>\$2,262,082.04</u>	7.0% <u>\$2,307,729.08</u>	9.9% <u>\$2,370,739.56</u>	10.0% <u>\$2,371,164.00</u>		
UW Expected **	\$1,785,453.62	\$1,914,543.20	\$1,942,783.30	\$1,865,274.32	\$1,908,374.19	** \$1,861,676.58	** \$1,850,902.44		
						\$1,963,489.18	\$1,954,954.75		

** Moving to The Alliance Network eliminates in-network access to local doctors, and hospitals/doctors in the Chicago area. While the cost savings may be greater overall in this network, the City may incur higher costs due to out-of-network charges of participants who choose to stay with local doctors.

* This proposal does not contain the fully insured, proprietary organ transplant program that is part of the Cypress plan, and whose annual cost is approx. \$20,000. Adding a similar plan for the same price eliminates this proposal from being the lowest-cost option.

** The "UW Expected" is the sum of **Fixed Costs** plus a % of the **Attachment Point**. Cypress uses a conservative measure of 80% of Attachment Point, which means it expects that claims will reach 80% of the max claims \$ possible.

UHC uses a more aggressive measure of 75% of Attachment Point, which means it expects that claims will reach 75% of the max claims \$ possible.

For purposes of direct comparison, the UHC "UW Expected" was re-calculated as the "80% of Attachment Point," in yellow, to match Cypress' measure.

- = Current Plan design - \$60k Stop-Loss threshold - and costs for 2011-12
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