



# Cigna HealthCare

## Financial Proposal

for

# Gordon County Board of Commissioners

201 N. Wall Street  
Calhoun, GA 30701

SIC Code: 9111

Account Number: 0358046

<b>Total Eligible Employees:</b>	317	<b>Participating Subscribers:</b>	317
<b>Waiting Period:</b>			
<b>Eligibility Definition:</b>	Active Employees working 30 hrs		

**Effective Date: July 01, 2019**

Note: The Quoted rates are subject to final Underwriting approval and, as noted below, are subject to change in the event of changes in benefits selected or changes in the risk factors upon which the Quoted Rates are based. In addition, state law may require regulatory approval of rates. If required regulatory approval has not been obtained on the proposed effective date, the healthplan shall use rates that are consistent with its then currently approved rating methodology and the quoted rates shall be effective immediately on the date for which they are approved for use. The Quoted Rates are guaranteed while the Group Service Agreement remains in effect until the next anniversary date, unless enrollment changes by 10% in which case Cigna HealthCare may change the Quoted Rate.

**Date: May 03, 2019**



<b>Q1P2 As Is Renewal</b>	
<b>Cigna PLAN OFFERED</b>	
Plan Offering	Open Access Plus OAP
Plan Name	Single Option OAP 2018 (7926757)
Medical Management Model	Included
Health Advocacy	Excluded
Funding	Preferred Funding
<b>Cigna MEDICAL BENEFITS*</b>	
Collective Deductible	NO
Collective OOP	NO
Deductible/OOP Max Accumulator	No Cross Accumulation
Variable Coinsurance Applies	NO
Plan Deductible Order of Applicability	Benefit Copay, Plan Deductible, Coinsurance
<b>In-Network:</b>	
Office Copay - PCP	\$30
Office Copay - SPC	\$50
Inpatient Deductible - Per Admit	NA
Inpatient Deductible - Per Day	NA
Outpatient Facility Copay	None
Emergency Room Copay	\$200
Urgent Care Copay	\$30
Deductible - Individual	\$1,000
Deductible - Family	\$3,000
Out-of-Pocket - Individual	\$3,000
Out-of-Pocket - Family	\$9,000
Out-of-Pocket - Family - Individual Amount	\$3,000
Out-of-Pocket Max Deductibles	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate
Coinsurance	80%
<b>Out of Network:</b>	
Deductible - Individual	\$2,000
Deductible - Family	\$6,000
Out-of-Pocket - Individual	\$6,000
Out-of-Pocket - Family	\$18,000
Out-of-Pocket - Family - Individual Amount	\$6,000
Out-of-Pocket Max Deductibles	Ded Accumulates
Out-of-Pocket Max Copays	All Copays Accumulate
Coinsurance	60%
Maximum Reimbursable Charge	Option 2
Inpatient Deductible - Per Admit	\$250
Inpatient Deductible - Per Day	NA
Outpatient Facility Deductible	\$250
MRC Fee Schedule Percentage (Professional)	110%
MRC Fee Schedule Percentage (Facility/Ancillary)	110%
<b>Pharmacy Benefits</b>	
Pharmacy Network	Focused 90 - CVS
Formulary/PDL	Performance
Retail Copay	\$10/\$30/\$60
Retail Copay (90 Days)	\$30/\$90/\$180
Home Delivery Drug Copay	\$20/\$60/\$120
Deductible	\$150
Out-of-Pocket Max	\$2,000
<b>Mental Health/Substance Use Disorder (Yes/No)</b>	<b>Yes</b>
<b>Vision Rider (Yes/No)</b>	<b>No</b>

\*High level benefit summary. Please see your plan summary for a more detailed benefit description. If this proposal includes Cigna Care Network, the level of in-network benefits applicable may vary from what is shown above.



Q1P2 As Is Renewal

**Schedule of Monthly Rates and Factors**

<b>Medical Choice:</b>	Open Access Plus	<b>Rates Based Upon</b>		<b>Eligible</b>	<b>Actual</b>	
<b>Plan Name:</b>	OAP		Employee	103	103	
	OAP 2018		Emp + Family	214	214	
			<b>Total</b>	<b>317</b>	<b>317</b>	
	<b>Admin. Fee</b>	<b>Individual Stop Loss</b>	<b>Aggregate Stop Loss</b>	<b>Insurance &amp; Admin. Costs</b>	<b>Attachment Factor</b>	<b>Maximum Liability</b>
Employee	\$40.06	\$98.63	\$3.87	\$142.56	\$885.84	\$1,028.40
Emp + Family	\$92.86	\$228.63	\$8.98	\$330.47	\$2,053.33	\$2,383.80
<b>Terminals</b>				<b>Fee</b>	<b>Attachment Factor</b>	
Employee				\$142.56	\$885.84	
Emp + Family				\$330.47	\$2,053.33	

<b>Stop Loss Details</b>	
Individual Stop Loss Limit (Medical Only):	\$120,000
Recoverable Deficit:	10.0%
Corridor Factor (Total):	120%
Minimum Attachment Feature:	90%

Rates are subject to final underwriting and terms and conditions.



**Plan Cost Summary - Rates**

Factors		Total Enrollment	Current	Option: Q1P2 As Is Renewal
<b>Administration Fees (Includes Commissions)</b>				
Open Access Plus	Employee	103	\$39.67	\$40.06
OAP	Emp + Family	214	\$91.93	\$92.86
Monthly Subtotal			\$23,759.03	\$23,998.22
<b>Individual Stop Loss Rate</b>				
Open Access Plus	Employee	103	\$90.50	\$98.63
OAP	Emp + Family	214	\$209.76	\$228.63
Monthly Subtotal			\$54,210.14	\$59,085.71
<b>Aggregate Stop Loss Rate</b>				
Open Access Plus	Employee	103	\$3.69	\$3.87
OAP	Emp + Family	214	\$8.55	\$8.98
Monthly Subtotal			\$2,209.77	\$2,320.33
<b>Total Monthly Insurance and Admin. Costs</b>			\$80,178.94	\$85,404.26
<b>Monthly Attachment Factor</b>				
Open Access Plus	Employee	103	\$792.66	\$885.84
OAP	Emp + Family	214	\$1,837.38	\$2,053.33
Monthly Subtotal			\$474,843.30	\$530,654.14
<b>Maximum Liability</b>				
Open Access Plus	Employee	103	\$926.52	\$1,028.40
OAP	Emp + Family	214	\$2,147.62	\$2,383.80
Monthly Subtotal			\$555,022.24	\$616,058.40
<b>Stop Loss Features</b>				
<b>Individual Stop Loss Level</b>			<b>\$120,000</b>	<b>\$120,000</b>
<b>Recoverable Deficit Percentage (RDP)</b>			<b>10.0%</b>	<b>10.0%</b>
<b>Corridor Factor</b>			<b>120%</b>	<b>120%</b>
<b>Minimum Attachment</b>			<b>90%</b>	<b>90%</b>



**Plan Cost Summary - Terminals**

Terminal Factors			Current	Option: Q1P2 As Is Renewal
<b>Terminal Attachment Factor</b>				
Open Access Plus	Employee	103	\$792.66	\$885.84
OAP	Emp + Family	214	\$1,837.38	\$2,053.33
Monthly Subtotal			\$474,843.30	\$530,654.14
<b>Terminal Fee</b>				
Open Access Plus	Employee	103	\$133.86	\$142.56
OAP	Emp + Family	214	\$310.24	\$330.47
Monthly Subtotal			\$80,178.94	\$85,404.26

**Terminal Stop Loss**

- ◆ Terminal Attachment Factors are applied for two months after termination.
- ◆ Terminal Administration Fees are applied for two months after termination.
- ◆ Individual Stop Loss will reset and continue after termination.



**Q1P2 As Is Renewal**

**Expense Summary**

Monthly Rates		Enrollment	Minimum	Maximum	Expected
Open Access Plus	Employee	103	\$142.56	\$1,028.40	\$880.76
OAP	Emp + Family	214	\$330.47	\$2,383.80	\$2,041.58
Monthly Cost Total Medical			\$85,404.26	\$616,058.40	\$527,616.40

Cost Summary Medical			
Total Costs (12 Months)	\$1,024,851.12	\$7,392,700.80	\$6,331,396.80

**PROPOSAL TERMS AND CONDITIONS for Proposal: Q1P2 As Is Renewal**

**A. General Terms of this Proposal**

Cigna HealthCare is pleased to present this Proposal for an Administrative Services Only group medical, pharmacy and behavioral health benefit plan (the "Plan") sponsored by Gordon County Board of Commissioners. This proposal is valid for 60 days from its original date of release, 05/03/2019. Any revisions or updates to this proposal will not renew this valid timeframe unless expressly communicated by Cigna HealthCare.

**Proposal Caveats**

Cigna HealthCare may revise or withdraw this Proposal if:

- 1 there is a change to the effective date of the quote.
- 2 the policy will not be issued in GA.
- 3 the Plan benefits are different than shown or benefit modifications are requested.
- 4 the group size differs from what was assumed the time of quote based upon confirmation of employer group status on a State definition of small or large employer group, as applicable.
- 5 enrollment in the Cigna HealthCare administered plan is less than 50% of the total eligible population identified as 317.
- 6 enrollment increases or decreases by 10% or more, by product or for the total account, from the enrollment assumptions used in establishing the rates and/or fees set forth herein.
- 7 the final enrollment deviates from the quoted enrollment such that it results in a needed change in rates. Rates are based on final enrollment factors, including total number of enrollees, their age, sex, demographics, location and the distribution of enrollees by product or by customer tier.
- 8 any of the information upon which these rates or benefits were based (including Medical History Information) changes or is inaccurate.
- 9 it is not the exclusive provider of Medical / Pharmacy or like products for all of Gordon County Board of Commissioners's employees in all workforces.
- 10 the employer changes its level of contribution toward the cost of the coverage.
- 11 benefit advisor fees/commissions are requested to be different than \$27.53 PEPM.
- 12 it is requested to provide stop loss coverage different than what is outlined in this proposal.
- 13 Federal, State or Local action impacts the benefit levels quoted herein or affects our ability to meet our obligations to you, to your covered employees/our customers or to our contracted providers. By way of illustration, such legislation or executive actions which impose controls or requirements that affect our ability to determine rates, covered medical expenses or service benefits, providers' delivery of care or the fees they charge, or our contracts with providers, may be deemed to so affect our contractual obligations. Should this happen, Cigna HealthCare will make a good faith effort to work to reach a new agreement that equitably reflects the circumstances as altered by government action.
- 14 there is any reimbursement arrangement ("gap" cards, etc.) that subsidizes or reduces the out-of-pocket obligation of covered persons under the policy.

**B. Scope and Application of this Proposal**

Unless otherwise indicated, this Proposal:

- 1 assumes that any insurance policy, certificate/booklet, or summary plan description material will be made available to the policyholder electronically.
- 2 supersedes and renders null and void any prior Cigna HealthCare offer or proposal with respect to the Plan.
- 3 reflects the claims and administrative savings realized by packaging the following specialty coverage with medical: Pharmacy.
- 4 does not apply to part-time or seasonal employees for any plan.
- 5 does not apply to Medicare eligible retirees for any plan.
- 6 includes the Out-of-Network Savings Program and other Cost Containment programs designed to contain costs with respect to charges for health care services/supplies that are covered by the Plan. For administering these programs, Cigna retains a portion of the savings or recoveries generated.
- 7 includes a maximum reimbursable charge for out-of-network coverage equal to 110% of a fee schedule developed by Cigna HealthCare based upon a methodology similar to that used by Medicare to determine the allowable fee for similar services in the geographic market OR 80th percentile of charges made by providers of such service or supply in the geographic area where the service is received.
- 8 requires you notify us within 30 days if any information set forth in this form changes at any time while coverage is provided to you by Cigna HealthCare.
- 9 Notwithstanding the foregoing guarantee, Cigna may revise any charges at any time if Cigna is (i) required to pay any tax or assessment, or (ii) incur additional costs in administering the contract as a result of any state or federal law.
- 10 assumes that Cigna is selected as the carrier for both Aggregate and Individual Stop Loss.
- 11 assumes a 12 month Stop Loss policy period.
- 12 includes an off anniversary termination penalty.
- 13 does not include Rx claims for the Individual Stop Loss (ISL) coverage.
- 14 assumes that the Minimum Attachment Point is 100% of enrollment 3 months prior to the effective date times the Monthly Attachment Factor times the number of months in the policy period (reflecting an Aggregate corridor of 120%) times the Minimum Attachment Point Percentage of 90%.
- 15 includes Rx claims for the Aggregate Stop Loss (ASL) coverage.
- 16 reflects that the ISL Maximum mirrors the underlying medical plan maximum.
- 17 assumes 317 covered employees on the Stop Loss quote.
- 18 assumes that the Stop Loss contract covers claims incurred since policy inception and are paid during the current policy year. The paid period will be extended in the year of termination to include the 15 months immediately following.
- 19 assumes that in the year of termination an additional two months of terminal factors will be applied to the greater of the minimum cumulative attachment point or the actual cumulative attachment point for Aggregate Stop Loss.
- 20 assumes in the year of termination an additional two months of Terminal Admin Fee & Stop Loss Rates will be billed.
- 21 assumes that administrative fee (excluding Incentive Programs) will be paid from the Plan Bank Account.
- 22 assumes that Incentive Program debit/offset card rewards will be funded by the client and will be direct billed or withdrawn from the bank account (as applicable).
- 23 includes charges made by third parties for care management programs to contain the cost of specific health services/ems and/or improve adherence to evidence-based guidelines to promote patient safety and efficient care (e.g., charges for management of diagnostic cardiology, radiation therapy, musculoskeletal procedures and medical oncology) when applicable.
- 24 Cigna HealthCare assumes that the group health plan or health insurance coverage to which this proposal applies will not be a "grandfathered health plan" under the Patient Protection and Affordable Care Act (the "Act") and that it will be subject to all requirements of the Act applicable to a group health plan or health insurance coverage unless otherwise specified in writing.
- 25 does not include paying on behalf of the Plan the Comparative Effectiveness Research Fee required under section 4376 of the Internal Revenue Code as added by the Patient Protection and Affordable Care Act. Cigna HealthCare is prohibited from calculating, collecting and paying the fee on behalf of the Plan.
- 26 assumes applicable requirements of the Patient Protection and Affordable Care Act will be implemented on the effective date/renewal date unless you direct otherwise.
- 27 For covered mental health and substance abuse services from participating providers, Cigna HealthCare shall apply discounts available under an agreement with its affiliate, Cigna Behavioral Health, Inc. Gordon County Board of Commissioners shall pay Cigna HealthCare 33% of the savings (billed charges less negotiated rate x .33) which shall be taken from Gordon County Board of Commissioners's bank account when the claim for covered services is paid.
- 28 assumes that dental/vision benefits will be under a separate ASO agreement and are excepted benefits and not subject to HIPAA and ACA requirements.
- 29 Assumes that drugs covered under the plan's pharmacy benefit shall be administered in accordance with the following estimated pricing terms for the product Open Access Plus - OAP:
  - o Average Brand Discount: Average Wholesale Price - 20.76%
  - o Average Generic Discount: Average Wholesale Price - 60.50%
  - o Average Specialty Discount: Average Wholesale Price - 16.29%
  - o Average Dispensing Fee: \$1.17
- 30 does not apply to individuals unless employed by the policyholder or an entity that participates in an association or trust that is the policyholder.
  - o ADDITIONAL GENERAL TERMS OF THIS PROPOSAL:
- 31 The information contained in this Proposal by Cigna HealthCare is proprietary and highly confidential. It is being provided with the understanding that it will not be used by the employer, its representatives or consultants for any purpose other than the evaluation of the Proposal. Under no circumstances is any of the information contained herein (including excerpts, summaries, extracts, and evaluations thereof) to be used, disseminated, disclosed or otherwise communicated to any person or entity other than the employer, its representatives and consultants, and their respective employees who are directly involved in the evaluation process.

**C. Additional Representations & Disclosures**

- 1 The plan presented has an actuarial value, determined by Cigna HealthCare, of 60% or greater. This determination was made using Cigna HealthCare's manual rating application which may produce an actuarial value slightly different than the official HHS calculator. Although we would expect any deviation to be small, you will have to consult with your actuarial consultant for a more precise determination of the plan's actuarial value. Cigna HealthCare does not provide actuarial certifications.
- 2 Cigna may pay on your behalf any applicable state tax or assessment imposed upon your plan by drawing upon the bank account.
- 3 In order to implement the requested benefit design, different funding arrangements (i.e., insured, self-insured and/or HMO) involving affiliated Cigna companies may be required with respect to plan participants residing in certain states.
- 4 Cigna HealthCare may have an agreement with your benefit advisor, under which the benefit advisor may be paid for providing marketplace intelligence or for the performance of administrative services. The qualification for and amount of this payment may be based upon overall business growth and/or retention levels. Any such payment is funded through Cigna HealthCare's general overhead.
- 5 the benefit advisor may qualify for incentive payment (monetary or non-monetary) from Cigna HealthCare. For example, the benefit advisor may receive payment based upon new sales, new customer growth or retention. This incentive payment is funded from Cigna HealthCare's general overhead.
- 6 Cigna HealthCare sponsors programs to inform benefit advisors about Cigna HealthCare's plan coverage and services (including producer advisory councils). The cost of these events is funded through Cigna HealthCare's general overhead.



### Gap Fund Acknowledgement

Are your employees reimbursed for their co-payments, co-insurance cost, deductibles or out of pocket expenses?

If so, please let us know the details below. If not, please still confirm and sign below.

We assume NO subsidization or reimbursement for any portion of the employees' cost-sharing responsibilities. And that's how we set the premium rates/charges for all benefit plans insured and/or administered for you by Cigna HealthCare companies ("Cigna HealthCare, we, us").

Subsidization/reimbursement is also known as "Gap Funding". That is because employees receive money to fund the gap between their cost-share responsibility and Cigna HealthCare's payments.

Do you offer any of these plans?  YES  NO

- Health Savings Account (HSA)
- Health Reimbursement Account (HRA)
- Other means to reimburse employees for health plan expenses

If YES, please confirm the following:

- How much is the employer funding amount? \_\_\_\_\_
- What is the reimbursement order? Does the HSA and/or HRA fund pay first, or something else? \_\_\_\_\_
- Is there an annual rollover provision for the fund?  YES  NO
- Any changes in employer funding in the past year or future year?  YES  NO
- If YES, please provide details: \_\_\_\_\_

Please notify Cigna HealthCare prior to implementing any "Gap Funding" program. Cigna HealthCare will determine if we need to change the premium rates/charges both now and in the future based on the information you provide.

Please affirm that the above information is true and complete. Thanks!

Gordon County Board of Commissioners

Date: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_