

Renewal Recommendations

For

City of Rapid City

FAI Administration Fees

Medical Administration Fee*	\$5.95 per employee per month
Utilization Review Fee*	\$1.65 per employee per month
Dental Administration Fee*	\$2.60 per employee per month
SelectFirst PPO Access Fee*	\$4.95 per employee per month
BeechStreet/TLC PPO Access Fee	25% of savings
NPPN PPO Access Fee	27% of savings
MedInnovations/PHCS PPO Fee	27% of savings
HIPAA Administration Fee*	\$10.00 per exiting employee
Flex Administration Fee*	\$ 5.00 per participating employee
Printing Benefit Booklet Fee	Cost Plus 20%

* This is the second year of a 2 year rate guarantee. (7-01-08 to 7-01-09)

Wellmark Stop Loss Renewal with \$85,000 Aggregating Specific

- **Specific Stop Loss Coverage / Specific Level \$100,000**

Single Rate: \$34.41 per employee per month

Family Rate: \$34.41 per employee per month

- **Aggregate Stop Loss Coverage**

Aggregate Rate: \$1.65 per employee per month

Aggregate Factors (Estimated Claims plus 125% corridor – carrier’s claim projection plus 25% additional claim risk):

Single: \$373.91

Family: \$934.78

STOP LOSS RECOMMENDATION

FAI standardly markets stop loss coverage to a number of carriers each year. This year FAI marketed to 11 carriers; 9 carriers declined because their rates were not competitive with Wellmark’s renewal. Two other carriers quoted, however, their quotes came in with an overall 13% and 17% increase.

Recommending the City renew with Wellmark for the greater cost savings of a 2% increase on premiums and 5% increase on aggregate factors.