



**BOARD OF SUPERVISORS AGENDA ITEM REPORT
CONTRACTS / AWARDS / GRANTS**

Award Contract Grant

Requested Board Meeting Date: 06/19/2018

* = Mandatory, information must be provided

or Procurement Director Award

***Contractor/Vendor Name/Grantor (DBA):**

Symetra Life Insurance Company

***Project Title/Description:**

Excess Loss/Stop Loss Insurance Coverage Services

***Purpose:**

Amendment of Award: Master Agreement No. MA-PO-13-511, Amendment No. 4. This amendment extends the termination date to 06/30/2019 and increases the contract award amount by \$1,500,000.00 for a cumulative not-to-exceed contract amount of \$4,500,000.00, and replaces Exhibit F3-Fee Proposal with Exhibit F4-Fee Proposal (effective 07/01/2018).

Administering Department: Human Resources.

***Procurement Method:**

Pursuant to Pima County Procurement Code 11.12.020, Competitive Sealed Proposals, on March 5, 2013, the Board of Supervisors approved an award of contract for an initial term of three (3) years and a contract amount of \$3,000,000.00 with two (2) one-year renewal options.

On June 2, 2016, the Procurement Director approved an amendment to extend the termination date to 06/30/2017 and replace Exhibit F1-Fee Proposal with Exhibit F2- Fee Proposal. One (1) renewal option remained.

On May 17, 2017, the Procurement Director approved an amendment to extend the termination date to 06/30/2018 and replace the fee schedule with Exhibit F3-Fee Proposal. No renewal options remained.

PRCUID:70513

Attachment: Contract Amendment No. 4.

***Program Goals/Predicted Outcomes:**

Protect Pima County Self Insurance Trust Fund against high claims.

***Public Benefit:**

To reduce costly employee turnover and maximize use of public funds by offering valuable incentive programs.

***Metrics Available to Measure Performance:**

Administrator satisfaction survey, turnover days in processing claim reimbursement and average ROI for the contracted years.

***Retroactive:**

No.

To COB: 6/14/18 (1)
Ver 13
Pgs. 7
Addendum

JUN 14 10 02 47 POC K E R D

Procure Dept 06/14/18 PM0243

Contract / Award Information

Document Type: _____ Department Code: _____ Contract Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Prior Contract Number (Synergen/CMS): _____

Expense Amount: \$* _____ Revenue Amount: \$ _____

***Funding Source(s) required:**

Funding from General Fund? Yes No If Yes \$ _____ % _____

Contract is fully or partially funded with Federal Funds? Yes No

***Is the Contract to a vendor or subrecipient?**

Were insurance or indemnity clauses modified? Yes No

If Yes, attach Risk's approval

Vendor is using a Social Security Number? Yes No

If Yes, attach the required form per Administrative Procedure 22-73.

Amendment / Revised Award Information

Document Type: MA Department Code: PO Contract Number (i.e., 15-123): 13-511

Amendment No.: 4 AMS Version No.: 13

Effective Date: ~~06/30/2018~~ 07/01/2018 New Termination Date: 06/30/2019

Prior Contract No. (Synergen/CMS): _____

Expense or Revenue Increase Decrease Amount This Amendment: \$ 1,500,000.00

Is there revenue included? Yes No If Yes \$ _____

***Funding Source(s) required:** Pima County Health Benefits Trust Fund.

Funding from General Fund? Yes No If Yes \$ _____ % _____

Grant/Amendment Information (for grants acceptance and awards) Award Amendment

Document Type: _____ Department Code: _____ Grant Number (i.e., 15-123): _____

Effective Date: _____ Termination Date: _____ Amendment Number: _____

Match Amount: \$ _____ Revenue Amount: \$ _____

***All Funding Source(s) required:**

*Match funding from General Fund? Yes No If Yes \$ _____ % _____

*Match funding from other sources? Yes No If Yes \$ _____ % _____

*Funding Source: _____

***If Federal funds are received, is funding coming directly from the Federal government or passed through other organization(s)?**

Contact: Meagan Lynch for Kelsey Braun, Procurement Officer *PLB*

Department: Procurement *Meagan Lynch* 6/14/18 Telephone: 724-9071

Department Director Signature/Date: _____ *6/14/18*

Deputy County Administrator Signature/Date: _____ *6-14-18*

County Administrator Signature/Date: _____ *6/14/18*

(Required for Board Agenda/Addendum Items)

<p>Pima County Department of Human Resources</p> <p>Project: Excess Loss/Stop Loss Insurance Coverage Service</p> <p>Contractor: Symetra Life Insurance Company 777 108th Avenue NE, Suite 1200 Bellevue, WA 98004</p> <p>Contract No.: MA-PO-13-511</p> <p>Contract Amendment No.: Four (4)</p>	<table border="1"> <tr> <td align="center">CONTRACT</td> </tr> <tr> <td>NO. <u>MA-PO-13-511</u></td> </tr> <tr> <td>AMENDMENT NO. <u>4</u></td> </tr> <tr> <td><small>This number must appear on all invoices, correspondence and documents pertaining to this contract.</small></td> </tr> </table>	CONTRACT	NO. <u>MA-PO-13-511</u>	AMENDMENT NO. <u>4</u>	<small>This number must appear on all invoices, correspondence and documents pertaining to this contract.</small>
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AMENDMENT NO. <u>4</u>					
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Orig. Contract Term: 07/01/2013 - 06/30/2016	Orig. Amount:	\$3,000,000.00
Termination Date Prior Amendment: 06/30/18	Prior Amendments Amount:	\$0.00
Termination Date This Amendment: 06/30/19	This Amendment Amount:	\$1,500,000.00
	Revised Total Amount:	\$4,500,000.00

CONTRACT AMENDMENT

The parties agree to amend the above-referenced contract as follows:

1. **Term.** The Contract terminates on June 30, 2019.
2. **Maximum Payment Amount.** The maximum amount the County will spend under this Contract, is increased by \$1,500,000.00. County's total payments to Contractor under this contract, including any sales taxes, will not exceed \$4,500,000.00.
3. **Compensation and Payments.** Exhibit F3-Fee Proposal is replaced with Exhibit F4-Fee Proposal (5 pages) attached herein.

The effective date of this Amendment is July 1, 2018.

All other provisions of the Contract not specifically changed by this Amendment remain in effect and are binding upon the parties.

PIMA COUNTY

Chairman, Board of Supervisors

Date

ATTEST

Clerk of the Board

Date

CONTRACTOR

David E. Manning
Authorized Officer Signature

David E. Manning
Printed Name and Title

6/11/18
Date

APPROVED AS TO FORM

Christopher Straub
Deputy County Attorney

CHRISTOPHER STRAUB

Print DCA Name

6-8-2018
Date

APPROVED AS TO CONTENT

Cathy Bohland
Cathy Bohland, Human Resources Director

6/8/18
Date



PROPOSAL FOR GROUP EXCESS LOSS INSURANCE

Proposal For
Pima County

Coverage Period
July 1, 2018 through June 30, 2019

Quote Expiration Date
June 15, 2018

Administrator
Aetna Life Insurance Company

Prepared by
Arizona Benefit Plans
Mike Hoffman
One East Camelback Road, Suite 840
Phoenix AZ,

Date Prepared
May 31, 2018

Symetra Life Insurance Company
777 108th Avenue NE, Suite 1200
Bellevue, WA 98004
www.symetra.com

Symetra[®] is a registered service mark of Symetra Life Insurance Company.

Pima County

INDIVIDUAL EXCESS LOSS COVERAGE

Coverages	Option 1	Option 2	Option 3
	Medical, Rx Card	Medical, Rx Card	Medical, Rx Card
Contract Type	12/15	12/15	12/15
Annual Specific Deductible per Individual	\$ 400,000	\$ 750,000	\$ 1,000,000
Aggregating Specific Additional Plan Liability	\$ 200,000	\$ 0	\$ 0
Maximum Lifetime Reimbursement	Unlimited	Unlimited	Unlimited
Maximum Policy Period Reimbursement	Unlimited	Unlimited	Unlimited
Reimbursement Percentage	100%	100%	100%
Quoted Rate Per Month	<u>Enrollment</u>		
Composite	5,250 \$ 12.74	\$ 7.52	\$ 4.97
Estimated Annual Premium	\$ 802,620	\$ 473,760	\$ 313,110
Quoted Rate(s) includes Commissions of	0.00%	0.00%	0.00%

OVERALL COST SUMMARY

	Option 1	Option 2	Option 3
Total Annual Fixed Costs	\$ 802,620	\$ 473,760	\$ 313,110
Variable Costs	\$ 0	\$ 0	\$ 0
Maximum Annual Liability	\$ 802,620	\$ 473,760	\$ 313,110

Pima County

QUALIFICATIONS AND CONTINGENCIES

The terms of this offer are tentative and may change based on the receipt and review of the following information by Symetra. Except as provided below, all requested information must be received no later than 15 days prior to the proposed effective date of coverage; otherwise, we reserve the right to withdraw the proposed terms and return any premiums remitted.

Plan sponsor's Plan Document or Plan Document Amendment is due no later than 90 days after the proposed effective/renewal date of Excess Loss Insurance coverage. Symetra may withhold Policy reimbursement prior to the receipt and acceptance of the final signed Plan Document/ Plan Document Amendment, which Symetra will expect to clearly express the benefits promised, obligations under federal law, and generally recognized provisions concerning discretionary authority of the plan sponsor with respect to benefit claims and exclusions of experimental/investigational treatment, non-medically necessary treatment, and off-label drug use (to the extent permitted by law).

Any secondary documents (i.e. "stop loss agreements", "procurement documents", "service contracts", etc.) must be disclosed to and approved by Symetra prior to Employer's acceptance of our RFP response. Subsequent undisclosed agreements may not be approved.

No special enrollment may occur following issuance of this Proposal.

Please provide details on any individual who has been hospital confined for 30 days or more in the most recent 12 months or is currently on an organ transplant list.

For inclusion of RX coverage under the specific and/or aggregate when there is a separate PBM, we require written documentation that we are in receipt of all prescription drug experience reports. Otherwise, RX will not be a covered expense under our stop loss policy.

FIRM RENEWAL OFFER:

Unless explicitly agreed upon or otherwise addressed in Symetra's quote, Symetra will not be bound by any procurement terms and conditions that conflict with the terms or provisions in Symetra's medical stop loss insurance policy.

** Renewal offer assumes all shock claims and claims of potential concern are disclosed, even if not yet paid. Any unfunded claims balance must be disclosed; otherwise such claims will not be considered eligible under the Excess Loss Policy.

Renewal assumes a FULL SERVICE HOSPITAL/PHYSICIAN PPO network with Aetna, with coinsurance incentives in all locations. If there are any changes, we will reserve the right to re-evaluate.

** Renewal assumes continuation of the current PPO plan design. If any plan changes are implemented, we will reserve the right to re-evaluate.

** Symetra assumes the underlying plan document only covers clinical trials as required by PPACA.

** CHDP Plans: Claims incurred that fall into the employer/employee funded segment of the plan will not be covered under the Excess Loss Contract.

** Symetra standard policy provisions, limitations and exclusions apply. In the event of early termination (mid policy period) Symetra will not provide coverage for run-out (e.g. 12/15) claims following the termination date.

** This proposal assumes that network fees are not on a % of savings basis and network fees are not included in the Stoploss as eligible claims.

Individual Excess Loss Advantage Provision

The employer will be reimbursed for covered expenses that exceed the Individual Deductible once the total amount of the Individual Advantage Deductible has been satisfied.

Covered expenses for more than one covered unit may be combined to satisfy the Individual Advantage Deductible.

**Plan Sponsor's Plan Document
Submission Requirements, Required Provisions & Minimum Standards
For Renewals**

Submission and Symetra Acceptance Required. As stated in Symetra's Renewal offer for Group Excess Loss Insurance, an Amended Plan Sponsor's Plan Document must be submitted to Symetra no later than 90 days after the renewal date of Excess Loss Insurance coverage. The Excess Loss Insurance policy ("Policy") requires that only eligible charges payable under the terms of the Plan Document as approved by Symetra will be covered expenses eligible for reimbursement under the Policy.

Symetra may withhold reimbursement of covered expenses prior to the receipt and acceptance of the final signed Plan Sponsor's revised Plan Document or amendment.

In reviewing the Plan Document or Amendment for acceptance, Symetra will consider whether the Plan Document or Amendment:

1. Contains basic contract elements for completeness and clarity (e.g., definitions, governing law).
2. Adequately addresses key plan components, including but not limited to eligibility rules, benefits promised, plan administration, discretionary language for court review of benefit claims, subrogation and coordination of benefits provisions.
3. Addresses the Plan's obligations under federal law, including
 - a. ERISA required provisions,
 - b. **PPACA required provisions; or**
 - c. **a statement of grandfathered status.**

Symetra will have no liability for reinsuring Plan Sponsor obligations that are not clearly stated in the Plan Document whether or not the Plan remains obligated in the absence of express inclusion. It is recommended that the Plan Document include express reference to other federal mandates and laws to which Plan is subject or a "conformity with law" provision.

4. Contains typical exclusions or limitations, including but not limited to:
 - a. Experimental/investigations treatment (except as required by PPACA),
 - b. Non-medically necessary treatment, and
 - c. Off-label drug use.

The absence of or inadequate treatment of these subjects in the Plan Document may result in a superseding provision in the Policy issued.