



414 W. Napa Street | 2<sup>nd</sup> Floor, Suite C | Sonoma, CA 95476  
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## AGENDA

### REMIF EXECUTIVE COMMITTEE MEETING (TELEPHONIC)

Monday, May 10, 2021 at 9:00 a.m. (will follow Transition Committee meeting)

1. City of Cotati
2. City of Eureka
3. City of Lakeport
4. City of Rohnert Park
5. City of Sebastopol

Members of the public have the option of commenting and/or attending this meeting telephonically by dialing (669) 900-9128 (Meeting ID: 898 6676 5945; Passcode: 063595).

**CALL TO ORDER: 9:00 A.M.** (will follow Transition Committee meeting)

### ROLL CALL

### PUBLIC COMMENT

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS.

### COMMUNICATIONS

### PRESENTATIONS

None

### CONSENT CALENDAR

1. Approval of the minutes from the REMIF Executive Committee meeting on March 16, 2021.

### ACTION (A) AND INFORMATION (I) CALENDAR:

2. Discussion and possible action on Health Care Committee's recommendations for the Pharmacy Benefit Plan for the REMIF self-insured health/medical plan (A);
3. Discussion on actuarial analysis of REMIF claims (I).

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## **ADJOURN INTO CLOSED SESSION**

Government Code Section 54956.95 – Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers’ compensation liability incurred by the joint powers’ agency or a local agency member of the joint powers’ agency.

Claimant: N. Coyle

Agency claimed against: City of Healdsburg

## **REPORT OUT OF CLOSED SESSION**

## **ADJOURNMENT OF REGULAR MEETING**



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## MINUTES

### REMIF EXECUTIVE COMMITTEE MEETING (TELEPHONIC) Tuesday, March 16, 2021 at 1:00 p.m.

#### CALL TO ORDER:

President McLaughlin called the meeting to order at 1:01 p.m.

#### ROLL CALL:

##### PRESENT

1. Damien O'Bid, Cotati
2. Pam Powell, Eureka (joined late)
3. Darrin Jenkins, Rohnert Park
4. Larry McLaughlin, Sebastopol
5. Kelly Buendia, Lakeport

##### ABSENT

None.

##### OTHERS PRESENT

Amy Northam, REMIF; Dale Allen

TIME RESERVED FOR THE PUBLIC TO OFFER COMMENTS REGARDING CONSENT CALENDAR AND/OR CLOSED SESSION ITEMS, OR BOARD BUSINESS NOT LISTED ON THE AGENDA. THE PUBLIC COMMENT PERIOD IS LIMITED TO FIVE MINUTES PER SPEAKER UNLESS ADDITIONAL TIME HAS BEEN ALLOWED BY THE CHAIRPERSON. STATE LAW PROHIBITS ACTION BY THE BOARD ON NON-AGENDA ITEMS. None

#### COMMUNICATIONS:

Staff briefly shared communications regarding the REMIF/PARSAC strategic partnership: liability program/contributions and the property program.

#### PRESENTATIONS:

None.



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## **CONSENT CALENDAR:**

Approval of the minutes from the REMIF Executive Committee meeting on January 26, 2021.

It was moved by Director O'Bid and seconded by Director Jenkins to approve the minutes of the REMIF Executive Committee from January 26, 2021. Motion passed. Votes were as follows:

Ayes: O'Bid, Buendia, Jenkins, McLaughlin.

Nos: n/a

Absent: Powell

## **ADJOURN INTO CLOSED SESSION:**

Government Code Section 54956.95 – Conference regarding a claim for the payment of tort liability losses, public liability losses, or workers' compensation liability incurred by the joint powers' agency or a local agency member of the joint powers' agency.

Claimant: D. Ward

Agency claimed against: City of Sebastopol

## **REPORT OUT OF CLOSED SESSION:**

None. Staff will proceed as directed.

## **ACTION (A) AND INFORMATION (I) CALENDAR:**

Staff presented information on the option to sell the REMIF building. Discussion was held on the building and the options to sell. Staff was given direction to provide a recommendation to the REMIF Board of Directors to explore selling the building.

## **ADJOURNMENT OF REGULAR MEETING:**

Meeting was adjourned at 1:40 p.m.



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## ITEM 2.0

### AGENDA ITEM SUMMARY

**TITLE: REMIF SELF-INSURED HEALTH PLAN: DISCUSSION AND ACTION ON PHARMACY BENEFIT PLAN**

**PRESENTED BY: AMY NORTHAM, GENERAL MANAGER**

#### **ISSUE**

Changes to the REMIF self-insured health care plan (medical, dental, vision) require ratification by the Board of Directors. A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provide recommendations to the Board of Directors for ratification. The REMIF Board of Directors delegated the authority on the Pharmacy Benefit Manager to the Executive Committee, after a recommendation is originated from the Health Care Committee.

#### **BACKGROUND**

REMIF has offered a self-insured health plan since 2015. The Board of Directors has contracted with RealCare/NFP as the broker for health care and other benefits. The plan uses the Anthem Blue Cross network and is administered through a third party, HealthComp. The Plan contracts with Elixir (formerly EnvisionRx) as the Pharmacy Benefits Manager.

A Health Care Committee has been appointed to review and discuss issues surrounding the REMIF health care plan and provides the following recommendation to the Executive Committee:

Pharmacy Benefit Manager:

A significant part of a Self-Funded Health Insurance Program is the Pharmacy Benefit Management (PBM) component. Over the last five years pharmacy expenses have made up 15.45% of overall claims spend, or about \$1.8 million per plan year. In addition, on average pharmacy expenses continue to rise at a faster pace than medical expenses.

The role of a PBM is to:

- develop and maintain the formulary
- manage contracts with pharmacies and networks
- negotiate discounts and rebates with drug manufacturers
- process and pay prescription drug claims
- provide clinical analysis and recommendations to improve performance

Since the inception of the REMIF Self-Funded Medical Plan in 2015, REMIF has contracted with EnvisionRx (now Elixir) for PBM services. July 1, 2021 will mark the beginning of the third year of a 3-year contract with Elixir. The agreement is a 100% pass through agreement that applies 100% of any manufacturer rebate available at the point of sale. Elixir reported \$347,283 in estimated Point of Sale Rx rebates last plan year.

Periodically, RealCare shops other PBM providers. This year proposals were received from:

- ii. Anthem
- iii. NFP Rx Solutions
- iv. RxBenefits

It is critical to note that no PBM proposal can guarantee savings. In providing “proposals” each PBM reprices past claims using their own current contractual rates and costs, comparing what the Plan paid versus what it would have paid if the claims had been processed under the competing contract terms. No one can guarantee what claims will be in the future, but past activity provides a snapshot to use as a basis of comparison.

There is a potential for considerable savings to the plan if we switch the PBM from Elixir to NFP Rx Solutions with Express Scripts (ESI). The Health Care Committee has carefully analyzed the PBM options (Anthem, NFP Rx Solutions and RxBenefits) and are recommending a change to NFP Rx Solutions with ESI. The documents reviewed by the Health Care Committee are attached to this staff report. At the last Health Care Committee meeting NFP RxSolutions updated their projected rebates by \$169,000 for a total potential savings of \$1,032,813. This, together with the other calculated fees and savings represents a revised potential net savings of \$787,988. A revised report is attached for your review.

**The Health Care Committee recommends that the REMIF Executive Committee terminate the contract with Elixir and enter into an agreement with NFP Rx Solutions for the plan’s PBM. Staff recommends the Executive Committee give authority to the General Manager to take steps necessary implement, including the authority to terminate the Elixir agreement and enter in a new agreement with NFP Rx Solutions.**

#### **FISCAL IMPACT**

None – health care costs paid by each member

#### **RECOMMENDED ACTIONS**

**The Health Care Committee recommends the REMIF Board of Directors renew the plan as follows:**

**The Health Care Committee recommends that the REMIF Executive Committee terminate the contract with Elixir and enter into an agreement with NFP Rx Solutions for the plan’s PBM. Staff recommends the Executive Committee give authority to the General Manager to take steps necessary implement, including the authority to terminate the Elixir agreement and enter in a new agreement with NFP Rx Solutions.**

## **ATTACHMENTS**

Renewal analysis

PBM Proposal Comparison for Committee

PBM Proposals

## REMIF PBM Comparison - Revised 4/28/21

### Financial Analysis

Based on claims from 2/1/20 through 1/31/21

Vendor	Elixir (Current)	NFP Rx Solutions ESI	RxBenefits CVS/Caremark	Anthem
<b>Total Estimated Current Claims Cost</b> (Ingredient cost - rebates + fees)	\$ 2,239,983	\$ 2,239,983	\$ 2,239,983	\$ 2,239,983
<b>Repriced Gross Claims Cost <sup>(1)</sup></b>	\$ 2,579,446	\$ 2,587,028	\$ 2,476,028	\$ 2,564,302
<b>Estimated Contract/Rebate Savings</b>				
Network/Contract Discount Differences	\$ -	\$ 7,582	\$ (103,418)	\$ (15,144)
Estimated Rebates	\$ (347,283)	\$ (1,032,813)	\$ (710,720)	\$ (600,000)
<b>Subtotal Potential Contract Savings</b>	<b>\$ (347,283)</b>	<b>\$ (1,025,231)</b>	<b>\$ (814,138)</b>	<b>\$ (615,144)</b>
Difference from current	\$ -	\$ (677,948)	\$ (466,855)	\$ (267,861)

<b>Estimated Clinical Program Savings <sup>(2)</sup></b>				
Manufacturer Specialty Copay Savings	\$ -	\$ (137,226)	\$ -	\$ -
Non-essential Drug Equivalent Program	\$ -	\$ (11,114)	\$ -	\$ -
Other Clinical Programs	\$ -	\$ -	\$ (141,917)	\$ -
<b>Subtotal Potential Clinical Program Savings</b>	<b>\$ -</b>	<b>\$ (148,340)</b>	<b>\$ (141,917)</b>	<b>\$ -</b>

<b>Estimated Fee Differences</b>				
Dispensing Fees	\$ 7,820	\$ 10,248	\$ 10,107	\$ 8,809
Transition Fees <sup>(3)</sup>	\$ -	\$ 49,890	\$ 10,000	\$ 10,000
PBM Offset Funds	\$ -	\$ (21,600)	\$ (10,728)	\$ (10,728)
<b>Estimated Fee Subtotal</b>	<b>\$ 7,820</b>	<b>\$ 38,538</b>	<b>\$ 9,379</b>	<b>\$ 8,081</b>

<b>Total Difference from Current</b>	<b>\$ 2,239,983</b>	<b>\$ 1,451,995</b>	<b>\$ 1,529,352</b>	<b>\$ 1,957,239</b>
<b>Potential Net Savings</b>	<b>\$ -</b>	<b>\$ 787,988</b>	<b>\$ 710,631</b>	<b>\$ 282,744</b>

One Time Implementation Credit Per Member (shown as PBM Offset Funds)

\$15.00 PM

\$6.00 PM

\$6.00 PM

(1) The Elixir cost is based on actual ingredient pricing. Alternate PBMs each calculate the their cost for the same claims based on their contracts. All vendors were provided the same exact data. NFP Rx Solutions took off 47 claims that were listed from 2019 through January 2020. The other vendors did not remove these claims.

(2) Elixir Specialty Copay Savings and Non-Essential Drug Program Savings are built in to the cost of claims already billed. The amount listed for RxBenefits includes estimated savings from their Low Clinical Value, High Dollar Clinical Review, Utilization Management and Manufacturer Assistance Programs, less fees.)

(3) Includes \$39,890 in ESI fees



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## ITEM II - A

### AGENDA ITEM SUMMARY

**TITLE: PHARMACY BENEFIT MANAGER PROPOSALS – Action**

**PRESENTED BY: PAT O'BRIEN, REALCARE**

#### **PBM Analysis**

A significant part of a Self-Funded Health Insurance Program is the Pharmacy Benefit Management (PBM) component. Over the last five years pharmacy expenses have made up 15.45% of overall REMIF claims spend, or about \$1.8 million per plan year. In addition, on average pharmacy expenses continue to rise at a faster pace than medical expenses.

The role of a PBM is to:

- develop and maintain the formulary
- manage contracts with pharmacies and networks
- negotiate discounts and rebates with drug manufacturers
- process and pay prescription drug claims
- provide clinical analysis and recommendations to improve performance

Since the inception of the REMIF Self-Funded Medical Plan in 2015, REMIF has contracted with EnvisionRx (now Elixir) for PBM services. July 1, 2021 marks the beginning of the third year of a 3 year contract with Elixir. The agreement is a 100% pass through agreement that applies 100% of any manufacturer rebate available at the point of sale. Elixir reported \$347,283 in estimated Point of Sale Rx rebates last plan year.

This year Anthem Blue Cross offered a PBM proposal to REMIF as part of the renewal of the JAA agreement regarding network access. Anthem's proposal for PBM services would require REMIF to move to the Anthem owned IngenioRx PBM, and would provide a one year discount on Anthem's JAA fees.

RealCare sought proposals from competing PBMs in order to provide a market check against the current contract and Anthem proposals. This report evaluates those proposals do determine:

- Potential Savings
  - Contractual
  - Clinical
- Disruption Impact
  - Pharmacy
  - Formulary
- Implementation

## Savings

It is critical to note that no PBM proposal can guarantee savings. In providing “proposals” each PBM reprices past claims using their own current contractual rates and costs, comparing what the Plan paid versus what it would have paid if the claims had been processed under the competing contract terms. No one can guarantee what claims will be in the future, but past activity provides a snapshot to use as a basis of comparison.

We broke down the proposals to look at the “Contractual” savings and the “Clinical” savings. Contractual savings is determined by the PBM’s contracted pricing for each category of drug (generic, mail order, Specialty, maintenance, etc.); available rebates, and the PBM’s published fees (claim fees, administrative fees, etc.) Clinical savings are garnered from programs initiated by the PBM to manage and maximize the most cost effective use of medications, (e.g. Prior Authorizations, Step Therapy, Non-essential drug exclusions, Manufacturer Copay Assistance, etc.)

Each PBM was provided data on claims from February 2020 through January 2021. Each PBM repriced the claims using their own contractual rates, and estimated the total cost of claims plus the potential for rebates and clinical savings. In addition, each PBM was asked to estimate the cost to transition to a new vendor effective 7/1/21. ***It should be noted that NFP found 47 claims that were outside of the time frame for comparison. These claims were eliminated and not included in their repricing.***

The table attached compares the results from each proposal. To estimate total savings potential we used the same “Total Estimated Current Claims Cost” for each vendor and then applied their unique repricing and savings projections. We subtracted the projected contractual and clinical savings and added in additional fees to obtain a potential net savings.

***Of the proposals submitted, the RxBenefits CVS/Caremark offered the most net savings at \$710,631. This was adjusted up from the original proposal due to an error in the comparison formula that we used. The next most significant savings was from NFP RxSolutions and ESI, at \$618,988. Anthem’s PBM savings came in at just \$282,744. It should also be noted that NFP has finalized a new 2021 agreement with ESI which will produce additional savings not identified here. The new contract will be discussed at the next meeting.***

Each PBM offers clinical programs to help manage and reduce the cost of prescription drugs. Two of the most popular and significant programs are the Manufacturer Specialty Copay programs and the Non-Essential Drug programs. Both of these are in use now with Elixir. However, each PBM’s program is unique and offers different savings. The

ESI Manufacturer Copay program was calculated to offer \$137,226 in savings. The CVS/Caremark program combined their savings estimate with their version of the Non-Essential Drug program offering \$141,917 in savings. Anthem did not list these savings. The Non-Essential Drug program identifies drugs with low clinical value that have alternative medications available at a lower cost (sometimes over the counter) and with higher efficacy. ESI estimated approximately \$11,000 in savings by utilizing this program. Other clinical programs include Step Therapy, Prior Authorization requirements, high claim oversight, etc.

It should be noted that both ESI and CVS/Caremark are known as “rebate aggregators.” This term refers to the ability of the PBM to collect manufacturer rebate dollars as a larger group. They then refund a portion of the rebates to the client. Larger PBMs can get larger rebates from the drug manufacturers.

## **Disruption**

There are two key components of disruption - the pharmacy network and the formulary. We looked at both components in comparing the PBMs.

### *Pharmacy Network Disruption*

Each of the PBMs cover the majority of the same pharmacies as Elixir. There are a few small pharmacies that have closed and are therefore not contracted. In addition, the specialty drugs are administered through a special pharmacy connection and will have to change. Here are the network disruption findings:

- In each case there are 72 members that will be impacted by the Specialty Pharmacy program switching to a new pharmacy.
- There are between 7 and 10 members who were using the closed pharmacies but they will most likely have already switched to a new pharmacy already.
- There are one or two pharmacies that came up as “non-network” with each vendor, but may actually be contracted. We are researching whether the pharmacy tax ID and identifying numbers were incorrect.

Overall the impact of a network change will be negligible for the majority of the members. The most significant impact would be to those taking Specialty medications. There is no way to avoid transitioning those prescriptions to a new Specialty pharmacy. However, those members can be allowed extra time to transition to the new pharmacy.

### *Formulary Disruption*

The formulary lists vary widely from vendor to vendor. Each PBM develops their own formulary using recommendations from their clinical teams. The goal of the formulary is to maximize the quality of health care at the most efficient cost. The formularies are continuously reviewed and updated and changes occur several times during a Plan Year.

The ESI and Anthem formularies are considered “closed” formularies. Closed formularies have drugs that are excluded or limited because of their cost/efficacy. Members who are prescribed drugs that are limited or excluded would be directed to take

alternative drugs on the formulary. Members can request Prior Authorization to take non-formulary drugs if needed, but this would be granted only if it is deemed medical necessary.

The CVS/Caremark formulary is a “managed” formulary. It too has limitations and restrictions. Requests for non-formulary drugs would be handled the same as with the other PBMs.

We asked each PBM to perform a disruption analysis. Their findings are provided below

#### NFP RxSolutions

##### ❖ Excluded Drugs

- 33 drugs excluded
- 21 drugs excluded “Brand for Generic”
- # of utilizers impacted is 180 or 10%
  - Of these, 7 are taking Specialty medications

##### ❖ Grandfathering is allowed on a limited basis

##### ❖ Formulary exceptions are allowed on a limited basis

#### RxBenefits

##### ❖ Excluded Drugs

- # of drugs excluded is unknown – list includes 263 total prescriptions, but this contains duplicate drugs
- # of utilizers impacted is 95 or 5%

##### ❖ Grandfathering may be allowed on a limited basis

##### ❖ No formulary exceptions are allowed

#### Anthem/IngenioRx

##### ❖ Excluded Drugs

- Approximately 25
- # of utilizers impacted is unknown

##### ❖ Grandfathering is allowed on a limited basis

##### ❖ Formulary exceptions are not allowed

There were several drugs that were excluded from both ESI and CVS, and others that were excluded from Anthem and one other PBM list. The overall impact to members would depend on which PBM is chosen.

Each PBM would work through the implementation process to transition members to new drugs, or work on obtaining new authorizations. All current authorizations would be honored with the new PBM.

## Implementation

The implementation process is critical to a successful transition of PBMs. The process normally takes 90 days however because of the timing of the REMIF renewal and Board meetings, it will be necessary to process the implementation in 60 days.

Each of the PBMs has confirmed that they can handle implementation in a 60 day period.

During the implementation process we will work with the new vendor to:

- Gather all necessary benefit documentation and paperwork

- Define and finalize the new group structure
  - Confirm eligibility requirements
  - Confirm transition files needed
  - Work with TPA to confirm data needs
  - Finalize billing setup
  - Confirm and finalize benefit specifications
  - Draft member communications
  - Identify members requiring “hands on” transition
  - Complete testing and verification of data transactions
  - Create and send new ID cards

These steps are crucial to the new plan. RealCare will work with the Health Committee and vendors to ensure a smooth transition.

# Renewal Analysis

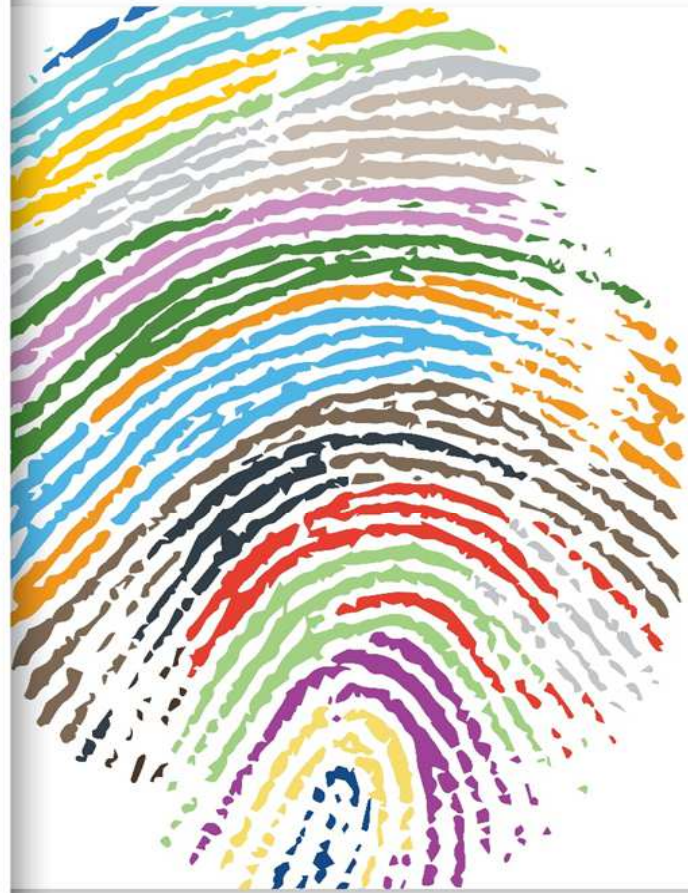
*For Plan Year Beginning  
July 1, 2021*



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*Developed with Data Through  
March 31, 2021*



**Prepared by:**

**Geoffrey S. Seibel**

*Vice President, Actuarial Services*

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# DISCLAIMER

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*This report is for the benefit of NFP and REMIF and should only be utilized by someone with the technical competence to understand the implications of the assumptions. This report should only be read or distributed in its entirety.*

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April 28, 2021

Ms. Patricia O'Brien  
Vice President  
RealCare Insurance Marketing, Inc.

Re: REMIF Health Plan

Dear Ms. O'Brien:

Attached, please find a Statement of Actuarial Opinion and a Statement of Actuarial Assumptions regarding an analysis of the REMIF health plan.

Claims paid from 4/1/2019 through 3/31/2021 were used for this analysis.

The purpose of the analysis was to estimate and recommend the REMIF rates for medical and prescription drugs for plan year beginning 7/1/2021.

In my opinion, the analysis fairly represents the REMIF health plan. Based upon this analysis, an increase of 0.11% from the current rates would be sufficient for the renewal plan year. Page 17 of this report details our assumptions related to the impact of COVID-19. Note that information is continuously changing, and this adjustment represents our estimated impact as of the date of this report. This is also the second year of a three year program to increase the retiree surcharge to 38.25% based on a retiree surcharge analysis performed in April 2020.

If you have any questions, please feel free to contact me.

Sincerely,



**Geoffrey S. Seibel, ASA, MAAA**  
Vice President, Actuarial Services  
*Corporate Benefits*  
*NFP Insurance Services, Inc.*

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# CURRENT PREMIUM EQUIVALENTS

Effective July 1, 2020

	Count	Current Premium Equivalents
<b>EPO 250 - Actives</b>		
Employee Only	161	\$837.00
Employee + 1	91	\$1,753.00
Employee + Family	167	\$2,503.00
<b>EPO 500 - Actives</b>		
Employee Only	41	\$725.00
Employee + 1	31	\$1,520.00
Employee + Family	21	\$2,171.00
<b>PPO 500 - Actives</b>		
Employee Only	14	\$720.00
Employee + 1	12	\$1,509.00
Employee + Family	23	\$2,155.00
<b>HSA 1400 - Actives</b>		
Employee Only	41	\$615.00
Employee + 1	24	\$1,287.00
Employee + Family	53	\$1,838.00
<b>EPO 250 - Retirees</b>		
Employee Only	27	\$1,109.00
Employee + 1	17	\$2,324.00
Employee + Family	5	\$3,318.00
<b>EPO 500 - Retirees</b>		
Employee Only	2	\$961.00
Employee + 1	5	\$2,015.00
Employee + Family	0	\$2,878.00
<b>PPO 500 - Retirees</b>		
Employee Only	2	\$954.00
Employee + 1	2	\$2,000.00
Employee + Family	2	\$2,857.00
<b>HSA 1400 - Retirees</b>		
Employee Only	8	\$815.00
Employee + 1	4	\$1,706.00
Employee + Family	0	\$2,436.00
<b>Blue Card 250 (Out of State) - Retirees</b>		
Employee Only	5	\$1,109.00
Employee + 1	5	\$2,324.00
Employee + Family	0	\$3,318.00
<b>Total Annualized Costs</b>		<b>\$14,473,872</b>
<b>Current Employee Count</b>		<b>763</b>
<b>Current PEPM</b>		<b>\$1,580.81</b>

# MEDICAL RENEWAL DEVELOPMENT

Renewal Date 7/1/2021

	Start End Midpoint	Experience Period 2 4/1/2019 3/31/2020 9/30/2019	Experience Period 1 4/1/2020 3/31/2021 9/30/2020
(1) Total Medical Claims (Page 16)		\$11,780,335	\$8,611,625
(2) Remove Large Claims (Page 18)		\$3,603,557	\$1,753,000
(3) Total Completed Claims ( (3) = (1) - (2) )		\$8,176,778	\$6,858,625
(4) Annual Trend Factor (Page 19)		5.7%	5.7%
(5) Months to Midpoint		27	15
(6) Total Medical Trend Factor ( (6) = [1 + (4)] ^ [(5) / 12] )		13.3%	7.2%
(7) Plan Change / Demographic Change Factor		0.1%	0.0%
(8) Trended Medical Claims ( (8) = (3) * [1 + (6)] * [1 + (7)] )		\$9,273,552	\$7,351,802
(9) Number of Large Claimants (Page 18)		11.25	6.25
(10) Large Claims Not Subject to Reimbursement ( (10) = (9) * \$200,000 )		\$2,539,554	\$1,393,524
(11) Total Projected Claims ( (11) = (8) + (10) )		\$11,813,106	\$8,745,326
(12) Employee Months (Page 16)*		9,715	9,502
(13) PEPM ( (13) = (11) / (12) )		\$1,215.97	\$920.37
(14) Period Weights		30%	70%
(15) Total Projected Renewal Year Medical Claims (PEPM)		\$1,009.05	
(16) COVID-19 Renewal Year Adjustment Factor		1.005	
(17) Total Projected Renewal Year Medical Claims Adjusted for COVID-19 (PEPM)		\$1,014.10	

\* Enrollment setback 2 months

# Rx RENEWAL DEVELOPMENT

Renewal Date 7/1/2021

	Experience Period 2	Experience Period 1
Start	4/1/2019	4/1/2020
End	3/31/2020	3/31/2021
Midpoint	9/30/2019	9/30/2020

(1) Total Rx Claims (Page 16)	\$2,030,546	\$1,951,989
(2) Annual Trend Factor (Page 19)	10.9%	11.3%
(3) Months to Midpoint	27	15
(4) Total Rx Trend Factor ( (4) = [1 + (2)] ^ [(3) / 12] )	26.3%	14.3%
(5) Plan Change / Demographic Change Factor	0.1%	0.0%
(6) Trended Rx Claims ( (6) = (1) * [1 + (4)] * [1 + (5)] )	\$2,565,347	\$2,231,501
(7) Employee Months (Page 16)*	9,724	9,457
(8) PEPM ( (8) = (6) / (7) )	\$263.82	\$235.96
(9) Period Weights	30%	70%
(10) Total Projected Renewal Year Rx Claims (PEPM)	\$244.32	
(11) COVID-19 Renewal Year Adjustment Factor	1.000	
(12) Total Projected Renewal Year Rx Claims Adjusted for COVID-19 (PEPM)	\$244.32	

\* Enrollment setback 1 month

# TOTAL RENEWAL DEVELOPMENT

Renewal Date 7/1/2021

Current Employee Count 763

Claims	Renewal Year Expected Costs		
	PEPM	Annualized	
(1) Total Medical Claims (Line 17 Page 6)	\$1,014.10	\$9,285,056	
(2) Total Rx Claims (Line 12 Page 7)	\$244.32	\$2,236,994	
(3) Total Expected Renewal Year Claims ( (3) = (1) + (2) )	\$1,258.42	\$11,522,050	
<b>Fixed Fees</b>			
(4) Administrative Fees	\$23.05	\$211,046	
(5) Specific Stop Loss Fees	\$213.58	\$1,955,538	
(6) Aggregate Stop Loss Fees	\$3.56	\$32,595	
(7) Consulting Fees	\$22.50	\$206,010	
(8) REMIF Admin Fee	\$32.77	\$300,000	
(9) REACH Air Ambulance	\$4.58	\$41,934	
(10) Anthem JAA	\$24.08	\$220,449	
(11) Total Fixed Fees (Sum of (4) through (10) )	\$324.11	\$2,967,573	
<b>Renewal Summary</b>			<b>Percent Change from Current</b>
(12) Current Expected Costs (Page 5)	\$1,580.81	\$14,473,872	
(13) Renewal Expected Costs ( (13) = (3) + (11) )	\$1,582.53	\$14,489,623	0.11%
(14) Renewal Expected Costs with Margin @ 1.5%	\$1,601.40	\$14,662,454	1.30%

# RENEWAL PREMIUM EQUIVALENTS

## Plan Year Beginning July 1, 2021 - As-Is

	Renewal Premium Equivalents Based On:				Plan Specific Rate Change Based On:	
	Renewal Count	Expected Claims	1.5% Margin	COBRA (Includes 2%)	Expected Claims	1.5% Margin
<b>EPO 250 - Actives</b>						
Employee Only	161	\$835.82	\$845.79	\$852.53	-0.14%	1.05%
Employee + 1	91	\$1,750.52	\$1,771.40	\$1,785.54	-0.14%	1.05%
Employee + Family	167	\$2,499.47	\$2,529.28	\$2,549.45	-0.14%	1.05%
<b>EPO 500 - Actives</b>						
Employee Only	41	\$723.98	\$732.61	\$738.46	-0.14%	1.05%
Employee + 1	31	\$1,517.85	\$1,535.96	\$1,548.21	-0.14%	1.05%
Employee + Family	21	\$2,167.93	\$2,193.79	\$2,211.29	-0.14%	1.05%
<b>PPO 500 - Actives</b>						
Employee Only	14	\$718.98	\$727.56	\$733.36	-0.14%	1.05%
Employee + 1	12	\$1,506.87	\$1,524.84	\$1,537.01	-0.14%	1.05%
Employee + Family	23	\$2,151.96	\$2,177.63	\$2,195.00	-0.14%	1.05%
<b>HSA 1400 - Actives</b>						
Employee Only	41	\$614.13	\$621.46	\$626.41	-0.14%	1.05%
Employee + 1	24	\$1,285.18	\$1,300.51	\$1,310.89	-0.14%	1.05%
Employee + Family	53	\$1,835.40	\$1,857.30	\$1,872.11	-0.14%	1.05%
<b>EPO 250 - Retirees</b>						
Employee Only	27	\$1,131.72	\$1,145.21	\$1,154.35	2.05%	3.27%
Employee + 1	17	\$2,370.25	\$2,398.52	\$2,417.65	1.99%	3.21%
Employee + Family	5	\$3,384.33	\$3,424.70	\$3,452.01	2.00%	3.22%
<b>EPO 500 - Retirees</b>						
Employee Only	2	\$980.28	\$991.97	\$999.88	2.01%	3.22%
Employee + 1	5	\$2,055.21	\$2,079.72	\$2,096.31	2.00%	3.21%
Employee + Family	0	\$2,935.43	\$2,970.44	\$2,994.14	2.00%	3.21%
<b>PPO 500 - Retirees</b>						
Employee Only	2	\$973.52	\$985.13	\$992.99	2.05%	3.26%
Employee + 1	2	\$2,040.33	\$2,064.67	\$2,081.14	2.02%	3.23%
Employee + Family	2	\$2,913.79	\$2,948.55	\$2,972.07	1.99%	3.20%
<b>HSA 1400 - Retirees</b>						
Employee Only	8	\$831.55	\$841.47	\$848.18	2.03%	3.25%
Employee + 1	4	\$1,740.16	\$1,760.92	\$1,774.97	2.00%	3.22%
Employee + Family	0	\$2,485.18	\$2,514.82	\$2,534.88	2.02%	3.24%
<b>Blue Card 250 (Out of State) - Retirees</b>						
Employee Only	5	\$1,131.72	\$1,145.21	\$1,154.35	2.05%	3.27%
Employee + 1	5	\$2,370.25	\$2,398.52	\$2,417.65	1.99%	3.21%
Employee + Family	0	\$3,384.33	\$3,424.70	\$3,452.01	2.00%	3.22%
<b>Total Annualized Costs</b>		<b>\$14,489,623</b>	<b>\$14,662,454</b>			
<b>Renewal Employee Count</b>		<b>763</b>	<b>763</b>			
<b>Renewal PEPM</b>		<b>\$1,582.53</b>	<b>\$1,601.40</b>			
<b>Overall Percent Change</b>		<b>0.11%</b>	<b>1.30%</b>			

Retiree rates include changing the retiree surcharge to 35.40% from the current retiree surcharge of 32.56%

# RENEWAL PREMIUM EQUIVALENTS

## Plan Year Beginning July 1, 2021 - NFP Rx/ESI

	Renewal Premium Equivalents Based On:				Plan Specific Rate Change Based On:	
	Renewal Count	Expected Claims	1.5% Margin	COBRA (Includes 2%)	Expected	1.5% Margin
					Claims	
<b>EPO 250 - Actives</b>						
Employee Only	161	\$800.16	\$809.70	\$816.16	-4.40%	-3.26%
Employee + 1	91	\$1,675.84	\$1,695.83	\$1,709.36	-4.40%	-3.26%
Employee + Family	167	\$2,392.83	\$2,421.37	\$2,440.69	-4.40%	-3.26%
<b>EPO 500 - Actives</b>						
Employee Only	41	\$693.09	\$701.36	\$706.95	-4.40%	-3.26%
Employee + 1	31	\$1,453.10	\$1,470.43	\$1,482.16	-4.40%	-3.26%
Employee + Family	21	\$2,075.45	\$2,100.20	\$2,116.95	-4.40%	-3.26%
<b>PPO 500 - Actives</b>						
Employee Only	14	\$688.31	\$696.52	\$702.08	-4.40%	-3.26%
Employee + 1	12	\$1,442.58	\$1,459.79	\$1,471.43	-4.40%	-3.26%
Employee + Family	23	\$2,060.15	\$2,084.72	\$2,101.35	-4.40%	-3.26%
<b>HSA 1400 - Actives</b>						
Employee Only	41	\$587.93	\$594.94	\$599.69	-4.40%	-3.26%
Employee + 1	24	\$1,230.35	\$1,245.03	\$1,254.96	-4.40%	-3.26%
Employee + Family	53	\$1,757.10	\$1,778.06	\$1,792.24	-4.40%	-3.26%
<b>EPO 250 - Retirees</b>						
Employee Only	27	\$1,083.43	\$1,096.36	\$1,105.10	-2.31%	-1.14%
Employee + 1	17	\$2,269.13	\$2,296.19	\$2,314.51	-2.36%	-1.20%
Employee + Family	5	\$3,239.94	\$3,278.59	\$3,304.74	-2.35%	-1.19%
<b>EPO 500 - Retirees</b>						
Employee Only	2	\$938.46	\$949.65	\$957.23	-2.35%	-1.18%
Employee + 1	5	\$1,967.53	\$1,990.99	\$2,006.88	-2.36%	-1.19%
Employee + Family	0	\$2,810.20	\$2,843.72	\$2,866.40	-2.36%	-1.19%
<b>PPO 500 - Retirees</b>						
Employee Only	2	\$931.99	\$943.10	\$950.63	-2.31%	-1.14%
Employee + 1	2	\$1,953.29	\$1,976.59	\$1,992.35	-2.34%	-1.17%
Employee + Family	2	\$2,789.49	\$2,822.76	\$2,845.27	-2.36%	-1.20%
<b>HSA 1400 - Retirees</b>						
Employee Only	8	\$796.07	\$805.57	\$811.99	-2.32%	-1.16%
Employee + 1	4	\$1,665.92	\$1,685.80	\$1,699.24	-2.35%	-1.18%
Employee + Family	0	\$2,379.15	\$2,407.53	\$2,426.74	-2.33%	-1.17%
<b>Blue Card 250 (Out of State) - Retirees</b>						
Employee Only	5	\$1,083.43	\$1,096.36	\$1,105.10	-2.31%	-1.14%
Employee + 1	5	\$2,269.13	\$2,296.19	\$2,314.51	-2.36%	-1.20%
Employee + Family	0	\$3,239.94	\$3,278.59	\$3,304.74	-2.35%	-1.19%
<b>Total Annualized Costs</b>		<b>\$13,871,461</b>	<b>\$14,036,919</b>			
<b>Renewal Employee Count</b>		<b>763</b>	<b>763</b>			
<b>Renewal PEPM</b>		<b>\$1,515.01</b>	<b>\$1,533.08</b>			
<b>Overall Percent Change</b>		<b>-4.16%</b>	<b>-3.02%</b>			

Retiree rates include changing the retiree surcharge to 35.40% from the current retiree surcharge of 32.56%

# RENEWAL PREMIUM EQUIVALENTS

## Plan Year Beginning July 1, 2021 - Rx Benefits/CVS/Caremark

	Renewal Premium Equivalents Based On:				Plan Specific Rate Change Based On:	
	Renewal Count	Expected Claims	1.5% Margin	COBRA (Includes 2%)	Expected Claims	1.5% Margin
<b>EPO 250 - Actives</b>						
Employee Only	161	\$794.88	\$804.36	\$810.78	-5.03%	-3.90%
Employee + 1	91	\$1,664.79	\$1,684.64	\$1,698.08	-5.03%	-3.90%
Employee + Family	167	\$2,377.05	\$2,405.40	\$2,424.59	-5.03%	-3.90%
<b>EPO 500 - Actives</b>						
Employee Only	41	\$688.52	\$696.73	\$702.29	-5.03%	-3.90%
Employee + 1	31	\$1,443.51	\$1,460.73	\$1,472.38	-5.03%	-3.90%
Employee + Family	21	\$2,061.75	\$2,086.34	\$2,102.99	-5.03%	-3.90%
<b>PPO 500 - Actives</b>						
Employee Only	14	\$683.77	\$691.92	\$697.44	-5.03%	-3.90%
Employee + 1	12	\$1,433.06	\$1,450.16	\$1,461.73	-5.03%	-3.90%
Employee + Family	23	\$2,046.56	\$2,070.97	\$2,087.49	-5.03%	-3.90%
<b>HSA 1400 - Actives</b>						
Employee Only	41	\$584.05	\$591.02	\$595.73	-5.03%	-3.90%
Employee + 1	24	\$1,222.24	\$1,236.81	\$1,246.68	-5.03%	-3.90%
Employee + Family	53	\$1,745.51	\$1,766.33	\$1,780.42	-5.03%	-3.90%
<b>EPO 250 - Retirees</b>						
Employee Only	27	\$1,076.29	\$1,089.12	\$1,097.81	-2.95%	-1.79%
Employee + 1	17	\$2,254.16	\$2,281.04	\$2,299.24	-3.01%	-1.85%
Employee + Family	5	\$3,218.57	\$3,256.96	\$3,282.94	-3.00%	-1.84%
<b>EPO 500 - Retirees</b>						
Employee Only	2	\$932.27	\$943.39	\$950.91	-2.99%	-1.83%
Employee + 1	5	\$1,954.54	\$1,977.86	\$1,993.64	-3.00%	-1.84%
Employee + Family	0	\$2,791.65	\$2,824.95	\$2,847.49	-3.00%	-1.84%
<b>PPO 500 - Retirees</b>						
Employee Only	2	\$925.84	\$936.88	\$944.35	-2.95%	-1.79%
Employee + 1	2	\$1,940.40	\$1,963.54	\$1,979.21	-2.98%	-1.82%
Employee + Family	2	\$2,771.08	\$2,804.13	\$2,826.50	-3.01%	-1.85%
<b>HSA 1400 - Retirees</b>						
Employee Only	8	\$790.82	\$800.25	\$806.64	-2.97%	-1.81%
Employee + 1	4	\$1,654.93	\$1,674.67	\$1,688.03	-2.99%	-1.84%
Employee + Family	0	\$2,363.46	\$2,391.65	\$2,410.72	-2.98%	-1.82%
<b>Blue Card 250 (Out of State) - Retirees</b>						
Employee Only	5	\$1,076.29	\$1,089.12	\$1,097.81	-2.95%	-1.79%
Employee + 1	5	\$2,254.16	\$2,281.04	\$2,299.24	-3.01%	-1.85%
Employee + Family	0	\$3,218.57	\$3,256.96	\$3,282.94	-3.00%	-1.84%
<b>Total Annualized Costs</b>		<b>\$13,779,941</b>	<b>\$13,944,306</b>			
<b>Renewal Employee Count</b>		<b>763</b>	<b>763</b>			
<b>Renewal PEPM</b>		<b>\$1,505.02</b>	<b>\$1,522.97</b>			
<b>Overall Percent Change</b>		<b>-4.79%</b>	<b>-3.66%</b>			

Retiree rates include changing the retiree surcharge to 35.40% from the current retiree surcharge of 32.56%

# RENEWAL PREMIUM EQUIVALENTS

## Plan Year Beginning July 1, 2021 - Anthem

	Renewal Premium Equivalents Based On:				Plan Specific Rate Change Based On:	
	Renewal Count	Expected Claims	1.5% Margin	COBRA (Includes 2%)	Expected Claims	1.5% Margin
<b>EPO 250 - Actives</b>						
Employee Only	161	\$810.19	\$819.85	\$826.39	-3.20%	-2.05%
Employee + 1	91	\$1,696.84	\$1,717.08	\$1,730.78	-3.20%	-2.05%
Employee + Family	167	\$2,422.82	\$2,451.72	\$2,471.27	-3.20%	-2.05%
<b>EPO 500 - Actives</b>						
Employee Only	41	\$701.78	\$710.15	\$715.81	-3.20%	-2.05%
Employee + 1	31	\$1,471.31	\$1,488.86	\$1,500.73	-3.20%	-2.05%
Employee + Family	21	\$2,101.45	\$2,126.52	\$2,143.48	-3.20%	-2.05%
<b>PPO 500 - Actives</b>						
Employee Only	14	\$696.94	\$705.25	\$710.87	-3.20%	-2.05%
Employee + 1	12	\$1,460.66	\$1,478.08	\$1,489.87	-3.20%	-2.05%
Employee + Family	23	\$2,085.97	\$2,110.85	\$2,127.69	-3.20%	-2.05%
<b>HSA 1400 - Actives</b>						
Employee Only	41	\$595.30	\$602.40	\$607.20	-3.20%	-2.05%
Employee + 1	24	\$1,245.77	\$1,260.63	\$1,270.69	-3.20%	-2.05%
Employee + Family	53	\$1,779.12	\$1,800.34	\$1,814.70	-3.20%	-2.05%
<b>EPO 250 - Retirees</b>						
Employee Only	27	\$1,097.01	\$1,110.10	\$1,118.95	-1.08%	0.10%
Employee + 1	17	\$2,297.56	\$2,324.97	\$2,343.51	-1.14%	0.04%
Employee + Family	5	\$3,280.55	\$3,319.68	\$3,346.16	-1.13%	0.05%
<b>EPO 500 - Retirees</b>						
Employee Only	2	\$950.22	\$961.55	\$969.22	-1.12%	0.06%
Employee + 1	5	\$1,992.18	\$2,015.94	\$2,032.02	-1.13%	0.05%
Employee + Family	0	\$2,845.41	\$2,879.35	\$2,902.32	-1.13%	0.05%
<b>PPO 500 - Retirees</b>						
Employee Only	2	\$943.66	\$954.92	\$962.54	-1.08%	0.10%
Employee + 1	2	\$1,977.76	\$2,001.35	\$2,017.32	-1.11%	0.07%
Employee + Family	2	\$2,824.44	\$2,858.13	\$2,880.93	-1.14%	0.04%
<b>HSA 1400 - Retirees</b>						
Employee Only	8	\$806.05	\$815.66	\$822.17	-1.10%	0.08%
Employee + 1	4	\$1,686.80	\$1,706.92	\$1,720.54	-1.13%	0.05%
Employee + Family	0	\$2,408.97	\$2,437.70	\$2,457.15	-1.11%	0.07%
<b>Blue Card 250 (Out of State) - Retirees</b>						
Employee Only	5	\$1,097.01	\$1,110.10	\$1,118.95	-1.08%	0.10%
Employee + 1	5	\$2,297.56	\$2,324.97	\$2,343.51	-1.14%	0.04%
Employee + Family	0	\$3,280.55	\$3,319.68	\$3,346.16	-1.13%	0.05%
<b>Total Annualized Costs</b>		<b>\$14,045,291</b>	<b>\$14,212,821</b>			
<b>Renewal Employee Count</b>		<b>763</b>	<b>763</b>			
<b>Renewal PEPM</b>		<b>\$1,534.00</b>	<b>\$1,552.30</b>			
<b>Overall Percent Change</b>		<b>-2.96%</b>	<b>-1.80%</b>			

Retiree rates include changing the retiree surcharge to 35.40% from the current retiree surcharge of 32.56%

# PLAN DECREMENT ANALYSIS

Rx Vendor Savings	Rx Claims Impact	Fixed Fee Impact	Total Savings
(1) NFP Rx/ESI	-\$618,162	\$0	-\$618,162
(2) RxBenefits/CVS/Caremark	-\$709,683	\$0	-\$709,683
(3) Anthem	-\$282,367	-\$161,966	-\$444,333

# STATEMENT OF ACTUARIAL OPINION

I, Geoffrey S. Seibel, am Vice President, Actuarial Services, NFP Insurance Services, Inc. I am a member of the American Academy of Actuaries.

I have been asked for an analysis of the REMIF health plan renewal premium increase as of 7/1/2021.

I have examined the claims, premiums and enrollment history for the REMIF health plan paid from 4/1/2019 through 3/31/2021. I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the Client and/or Health Comp/Elixir. In other respects, my estimations included such underlying assumptions and methods as I considered necessary and appropriate.

In my opinion, the analysis fairly represents the REMIF health plan. Based upon this analysis, an increase of 0.11% from the current rates would be sufficient for the renewal plan year. Page 17 of this report details our assumptions related to the impact of COVID-19. Note that information is continuously changing, and this adjustment represents our estimated impact as of the date of this report. This is also the second year of a three year program to increase the retiree surcharge to 38.25% based on a retiree surcharge analysis performed in April 2020.

I confirm the information I have provided in this report represents an independent, professional assessment of the above noted plan renewal and related accounts as of measurement date. I do not have a relationship with REMIF that would hinder my independence related to the information I have provided REMIF.

The attached analysis is an estimate; the exact amount cannot be determined since various assumptions were made. Also, the more recent claims during the period of analysis are not fully mature yet.

Actuarial methods, considerations and analysis used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for this statement of opinion.



Geoffrey S. Seibel  
Member, American Academy of Actuaries  
April 28, 2021

# STATEMENT OF ACTUARIAL ASSUMPTIONS

I, Geoffrey S. Seibel, am Vice President, Actuarial Services, NFP Insurance Services, Inc. I am a member of the American Academy of Actuaries.

I have been asked for an analysis of the REMIF health plan renewal premium increase as of 7/1/2021.

I have given an Actuarial Opinion regarding the Client's Health Plan. I relied upon underlying records and/or summaries prepared by the responsible officers or employees of the Client and/or Health Comp/Elixir. In other respects, my estimations included such underlying assumptions and methods as I considered necessary and appropriate.

Actuarial methods, considerations and analysis used in forming my opinion conform to the relevant Standards of Practice as promulgated from time to time by the Actuarial Standards Board, which standards form the basis for this statement of opinion.

## Assumptions and methods:

- 1) Census as of 1/31/2021 was used; assumed no population growth after 1/31/2021.
- 2) Historical equivalent premiums and claims were used unadjusted from the administrator - Health Comp/Elixir, except medical claims from May 2020 through October 2020 were adjusted to remove the estimated effect of COVID-19 from the experience.
- 3) No discounting or accruing of any values (i.e. no present value calculations).
- 4) Data was checked for reasonableness but not fully audited.
- 5) Claims rate was based on 100% experience and 0% manual claims rate.
- 6) Medical trends were based on a 0% weighting of plan experience and 100% national surveys and Rx trends were based on a 0% weighting of plan experience and 100% national surveys.
- 7) Claims used were on a paid basis. Enrollment setback 2 months in the medical development and 1 month in the Rx development.
- 8) HealthMaps was used to determine applicable plan and demographic mix changes.
- 9) Assumed medical and Rx administrative fees of \$23.05 PEPM for the renewal plan year.
- 10) Specific stop loss premium of \$213.58 for the renewal plan year.
- 11) Aggregate stop loss premium of \$3.56 PEPM for the renewal plan year.
- 12) Historical large claims not subject to reimbursement have been based on the renewal plan year stop loss coverage levels of a \$200,000 specific stop loss deductible. This analysis also assumes the \$600,000 laser for one member is still in place for the renewal plan year.
- 13) Consulting Fees of \$22.50 PEPM.
- 14) See page 17 for information regarding adjustments related to COVID-19 for this analysis.
- 15) REMIF Admin Fee of \$32.77 PEPM.
- 16) REACH Air Ambulance of \$4.58 PEPM.
- 17) Anthem JAA of \$24.08 PEPM.
- 18) A margin for adverse deviation of 1.5% was requested. It is the position of NFP that margin should not be included in equivalent premiums that will be used for either COBRA purposes or as the basis for setting employee contributions.
- 19) Rx savings associated with the various PBMs were provided by RealCare and have been checked for reasonableness but not fully audited.
- 20) Other assumptions as shown in the workpapers attached.



Geoffrey S. Seibel  
Member, American Academy of Actuaries  
April 28, 2021

# EXPERIENCE HISTORY

## REMIF Medical and Rx Experience

Paid Month	Subscriber Months	Member Months	Gross Paid Medical Claims	Gross Paid Rx Claims	Total Gross Paid Medical + Rx
Feb-19	803	1,849			
Mar-19	803	1,853			
Apr-19	811	1,872	1,557,282	147,804	1,705,086
May-19	806	1,841	1,471,427	193,953	1,665,381
Jun-19	799	1,831	1,147,193	184,361	1,331,554
Jul-19	809	1,884	800,630	132,425	933,055
Aug-19	815	1,899	436,217	216,270	652,487
Sep-19	812	1,886	650,854	181,982	832,836
Oct-19	816	1,889	930,343	160,832	1,091,175
Nov-19	815	1,889	555,452	173,877	729,329
Dec-19	814	1,884	1,095,766	194,545	1,290,310
Jan-20	812	1,869	1,049,534	123,609	1,173,143
Feb-20	812	1,854	828,690	147,318	976,008
Mar-20	809	1,842	1,256,947	173,571	1,430,518
Apr-20	808	1,847	1,396,286	148,171	1,544,457
May-20	808	1,847	672,687	149,213	821,900
Jun-20	799	1,828	597,616	138,060	735,677
Jul-20	792	1,823	661,209	149,018	810,227
Aug-20	787	1,819	663,873	173,481	837,354
Sep-20	790	1,826	676,200	199,639	875,838
Oct-20	785	1,813	684,710	172,613	857,322
Nov-20	778	1,807	854,354	142,753	997,107
Dec-20	772	1,799	423,548	150,204	573,752
Jan-21	762	1,786	631,677	185,650	817,326
Feb-21	767	1,786	590,287	143,397	733,685
Mar-21	773	1,796	759,178	199,790	958,968
<b>Totals</b>					
<b>4-1-19 to 3-31-20</b>	9,730	22,440	\$11,780,335	\$2,030,546	\$13,810,881
<b>4-1-20 to 3-31-21</b>	9,421	21,777	\$8,611,625	\$1,951,989	\$10,563,614

### Enrollment Setback Totals

2-Month Setback	Medical	
2-1-19 to 1-31-20	9,715	22,446
2-1-20 to 1-31-21	9,502	21,891
1-Month Setback	Rx	
3-1-19 to 2-29-20	9,724	22,451
3-1-20 to 2-28-21	9,457	21,823

# COVID-19 ADJUSTMENTS

## REMIF Adjustments by Month for COVID-19

Month	Expected Medical Claims Prior to COVID-19	Impact of Deferred Services <sup>1</sup>	Impact of COVID-19 <sup>2</sup>	Revised Expected Medical Claims	Expected Rx Claims <sup>3</sup>
Jul-21	\$1,001.87	0.0%	0.5%	\$1,006.88	\$242.58
Aug-21	\$940.99	0.0%	0.5%	\$945.69	\$227.84
Sep-21	\$1,009.92	0.0%	0.5%	\$1,014.97	\$244.53
Oct-21	\$981.33	0.0%	0.5%	\$986.23	\$237.61
Nov-21	\$1,018.17	0.0%	0.5%	\$1,023.26	\$246.53
Dec-21	\$1,001.07	0.0%	0.5%	\$1,006.07	\$242.39
Jan-22	\$1,026.48	0.0%	0.5%	\$1,031.61	\$248.54
Feb-22	\$1,030.73	0.0%	0.5%	\$1,035.88	\$249.57
Mar-22	\$1,001.55	0.0%	0.5%	\$1,006.55	\$242.50
Apr-22	\$1,039.15	0.0%	0.5%	\$1,044.35	\$251.61
May-22	\$1,009.72	0.0%	0.5%	\$1,014.77	\$244.48
Jun-22	\$1,047.63	0.0%	0.5%	\$1,052.87	\$253.66
<b>Totals</b>	<b>\$1,009.05</b>	<b>0.0%</b>	<b>0.5%</b>	<b>\$1,014.10</b>	<b>\$244.32</b>
<b>COVID-19 Adjustment Factor</b>				<b>Medical 1.005</b>	<b>Rx 1.000</b>

<sup>1</sup> On March 19, 2020, the CDC recommended that all non-essential procedures be postponed. Deferred services reflects the claims impact for these delayed services. Negative percentages reflect claim decreases while positive percentages reflect claim increases as delayed services are ultimately realized.

<sup>2</sup> COVID-19 cost impacts will vary as outbreaks occur. As infection rates throughout the country decrease, the claims impact of COVID-19 will normalize.

<sup>3</sup> The impact of COVID-19 on prescription drug claims is expected to be minimal until a vaccination is available. This analysis assumes no impact of COVID-19 on expected prescription drug claims for the renewal plan year.

# LARGE CLAIMS EXPERIENCE

## (1) Reconcile Large Claim Reporting Periods with Experience Periods

Large Claim Reporting Period	Start Date	End Date	Experience Period 2	Experience Period 1
A	7/1/2018	6/30/2019	25.0%	0.0%
B	7/1/2019	6/30/2020	75.0%	25.0%
C	7/1/2020	3/31/2021	0.0%	100.0%

## (2) Assign Claims Exceeding Spec to Experience Period (Amounts)

Large Claim Reporting Period	Claimant	Total Claims Paid	Experience Period 2	Experience Period 1	Lasered Amount
A	1	\$883,598	\$220,900	\$0	600,000
A	2	\$755,522	\$188,880	\$0	
A	3	\$407,785	\$101,946	\$0	
A	4	\$360,252	\$90,063	\$0	
A	5	\$262,609	\$65,652	\$0	
A	6	\$225,695	\$56,424	\$0	
B	1	\$481,719	\$361,289	\$120,430	600,000
B	2	\$452,738	\$339,554	\$113,185	
B	3	\$377,923	\$283,442	\$94,481	
B	4	\$326,626	\$244,969	\$81,656	
B	5	\$311,418	\$233,564	\$77,855	
B	6	\$257,361	\$193,021	\$64,340	
B	7	\$255,941	\$191,955	\$63,985	
B	8	\$254,549	\$190,912	\$63,637	
B	9	\$239,917	\$179,938	\$59,979	
B	10	\$233,866	\$175,399	\$58,466	
B	11	\$233,627	\$175,220	\$58,407	
B	12	\$213,538	\$160,153	\$53,384	
B	13	\$200,366	\$150,275	\$50,092	
C	1	\$280,340	\$0	\$280,340	600,000
C	2	\$257,108	\$0	\$257,108	
C	3	\$255,655	\$0	\$255,655	

## (3) Assign Claims Exceeding Spec to Experience Period (Counts)

Large Claim Reporting Period	# of Claimants	Experience Period 2	Experience Period 1
A	6	1.50	0.00
B	13	9.75	3.25
C	3	0.00	3.00

	Experience Period 2	Experience Period 1
(4) Total Claim Amount ( Sum of (2) )	\$3,603,557	\$1,753,000
(5) Count of Claims Exceeding Spec ( Sum of (3) )	11.25	6.25
(6) Amounts Below Spec ( (5) * \$200,000 )	\$2,539,554	\$1,393,524
(7) Implied Recovery ( (4) - (6) )	\$1,064,004	\$359,476

## Future Trend Rates

	Medical	Rx	Med/Rx
Aon Consulting's 2020 Health Trend Survey	5.3%	11.3%	6.5%
2020 PWC's- Behind the Numbers	4.7%	11.3%	6.0%
2020 Segal Health Plan Cost Trend Survey	6.8%	11.3%	7.7%
2020 Willis Towers Watson Survey	6.2%	11.3%	7.2%
<b>National Health Care Trend Survey Averages</b>	<b>5.7%</b>	<b>11.3%</b>	<b>6.8%</b>

## Historical Trend Rates

	Medical	Rx	Med/Rx
2020	5.7%	11.3%	6.8%
2019	6.0%	8.1%	6.4%

## Fraction of Each Trend Year in Each Renewal Period

	Period 3 (Not Used)	Period 2	Period 1
2021	99.4%	99.4%	99.4%
2020	100.0%	100.0%	25.3%
2019	100.0%	25.3%	0.0%



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## ITEM 3.0

### AGENDA ITEM SUMMARY

**TITLE: DISCUSSION ON WORKERS' COMPENSATION AND LIABILITY  
ACTUARIAL STUDY**

**PRESENTED BY: AMY NORTHAM, GENERAL MANAGER; RITESH SHARMA,  
FINANCE DIRECTOR**

#### BACKGROUND

The attached actuarial reports utilize claims data as of 12/31/20. The actuary (AON) uses 10 years of claims and payroll data to determine what the funding loss rate would have been for REMIF for the upcoming year.

The actuarial report for the worker's compensation program shows the loss rate for the 2021/221 year, undiscounted and net of member deductibles, at \$3.87. This is a decrease of 3% from prior year rate of \$3.99.

The actuarial report for the Liability program shows the loss rate for the 2021/22 year, undiscounted and net of member deductibles, at \$2.65. This is an increase of 14% from prior year rate of \$2.33. It should be noted the 2020/21-year self-insured retention (SIR) increased from \$500,000 to \$750,000.

Staff will discuss the result of the evaluation on the actuarial study.

#### FISCAL IMPACT

None.

#### RECOMMENDED ACTION

None. Information item only.

#### ATTACHMENTS (to be provided)

REMIF Actuarial draft report for Auto/General Liability (based on 12/31/20 data)

REMIF Actuarial draft report for Workers' Compensation (based on 12/31/20 data)