

**THE SCHOOL BOARD OF SARASOTA COUNTY, FLORIDA**

**FINANCIAL SERVICES DEPARTMENT**

**M\_E\_M\_O\_R\_A\_N\_D\_U\_M**

TO: Mitsi Corcoran, Chief Financial Officer  
FROM: Lynn Peterson, Risk Manager  
DATE: September 23, 2015  
SUBJECT: Florida Blue Claims Administration Services Agreement

The School Board of Sarasota County, FL wishes to establish a self-insured Group Health Plan for covered members and their dependents. The District will piggyback off of the City of Jacksonville contract with Florida Blue. The contract agreement will be effective January 1, 2016, for up to three (3) years and guarantee the service fees (as stated below) through December 31, 2018 with two (2) one year renewal options for 2019 and 2020.

The contract rate for 2016 and 2017 will be \$34.70 per employee per month (PEPM). In 2018 the rate will be \$36.44 PEPM. The 2019 renewal option rate is \$38.25 PEPM and in 2020 it is \$40.17 PEPM. The Budget Forecast attached includes the projected cost for this contract.

The contract also includes the following benefits and services:

- \$120,000 Annual Wellness Funds
- On-Site Representative
- Retiree Billing
- COBRA Services
- Stop Loss Reporting

Recommendation

It is recommended the administrative service agreement between the School Board of Sarasota County, Florida and Florida Blue for medical claims services be approved as presented.

Attachments

## Medical Self Funding Budget Projection

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Paid Claims with Individual Stop Loss	\$ 35,252,600	\$ 43,046,200	\$ 46,411,000	\$ 50,035,600
Beginning of Period IBNR	-	5,036,100	5,430,000	5,854,400
End of Period IBNR	<u>5,036,100</u>	<u>5,430,000</u>	<u>5,854,400</u>	<u>6,311,600</u>
Change in IBNR	<u>5,036,100</u>	<u>393,900</u>	<u>424,400</u>	<u>457,200</u>
Incurred Claims with Individual Stop Loss	40,288,700	43,440,100	46,835,400	50,492,800
Interest Credit on IBNR	(75,500)	(157,000)	(169,300)	(182,500)
Transitional Reinsurance Fee	193,900	-	-	-
PCORI	15,100	15,600	16,000	16,500
Risk - Individual Stop Loss @ \$500K	1,189,200	1,427,000	1,712,400	2,054,900
All Other Retention	<u>2,401,900</u>	<u>2,401,900</u>	<u>2,510,600</u>	<u>2,623,600</u>
Total Net Expenses	<u>3,724,600</u>	<u>3,687,500</u>	<u>4,069,700</u>	<u>4,512,500</u>
<b>Total Estimated Cost to Sarasota Schools</b>	<b>\$ 44,013,300</b>	<b>\$ 47,127,600</b>	<b>\$ 50,905,100</b>	<b>\$ 55,005,300</b>



Prepared by Aon | Health & Benefits

