

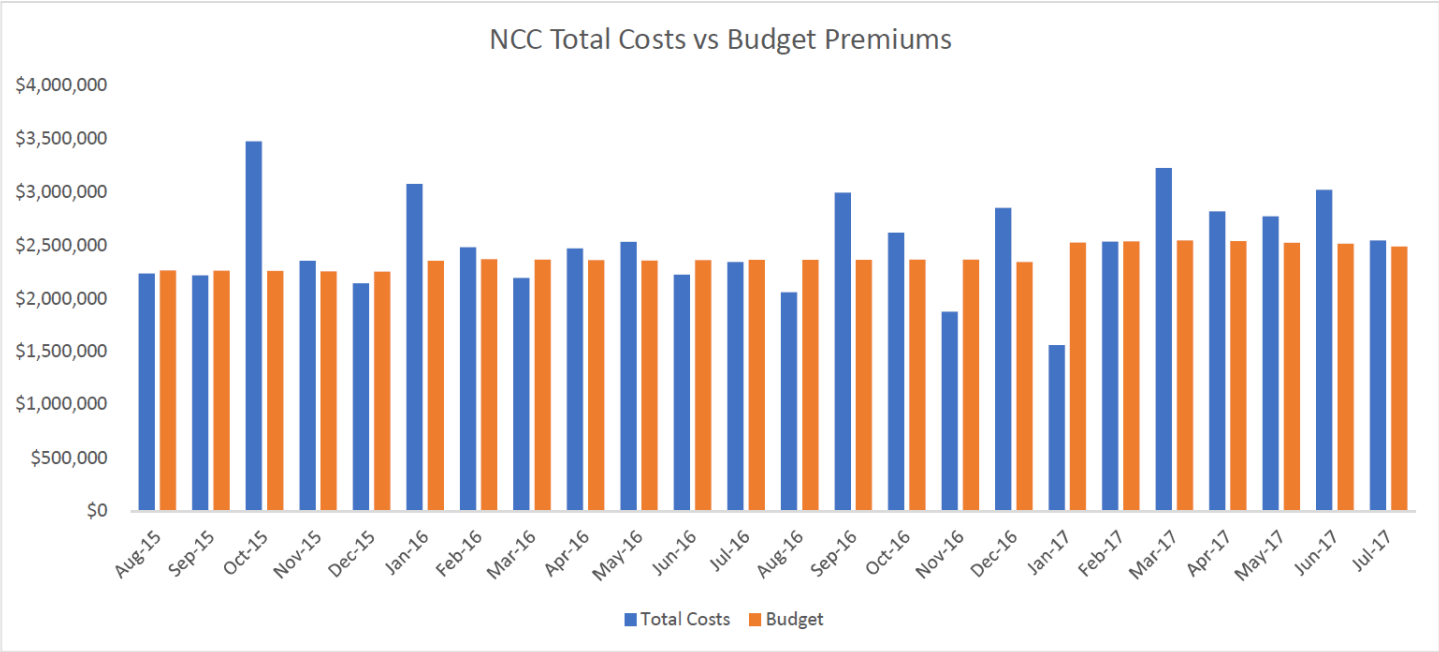
Medical Plan Discussion

New Castle County



Data Evaluated for 2018 Medical Renewal

The County during calendar year 2017 experienced an uptick in total costs due to an increase in large claimants.



New Castle County



Large Claims

	Data Used in 2018 Renewal Projection						2018 Plan Year	
	Prior (Aug 15 -Jul 16)		Curr (Aug 16 -Jul 17)		Expected		(Jan 18 - Dec 18)	
	# of Claimants	Total Paid	# of Claimants	Total Paid	# of Claimants	Total Paid	# of Claimants	Total Paid
Claims > \$375k	4	\$2,122,328	5	\$3,559,181	2.8	\$1,523,500	2	\$876,384
Claims \$250k - \$375k	3	\$890,650	3	\$871,127	3.9	\$1,171,500	5	\$1,407,106
<u>Claims \$100k - \$250k</u>	<u>31</u>	<u>\$4,302,774</u>	<u>36</u>	<u>\$5,223,811</u>	<u>29</u>	<u>\$4,316,000</u>	<u>30</u>	<u>\$4,215,358</u>
Totals	38	\$7,315,752	44	\$9,654,119	35.7	\$7,011,000	37	\$6,498,848

- Fortunately, in CY2018 the County experienced a much lower rate of high-cost claims

New Castle County



Time Period	Total Costs	Total Budget Rate	Costs/ Budget Ratio
8/15-7/16	\$29,774,436	\$27,846,857	106.9%
8/16-7/17	\$30,890,223	\$29,494,845	104.7%

The County loss ratio dropped 20% in CY2018.

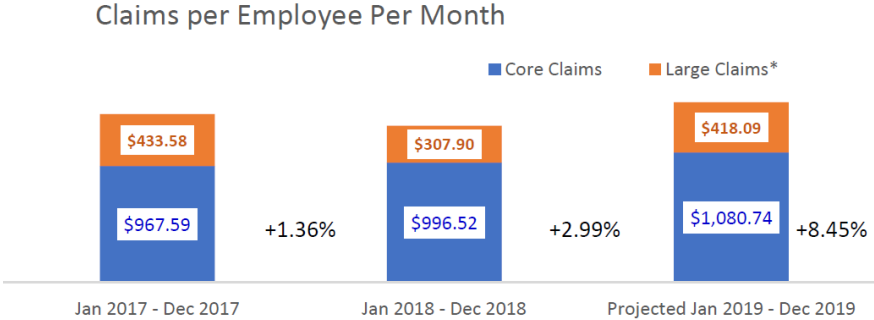
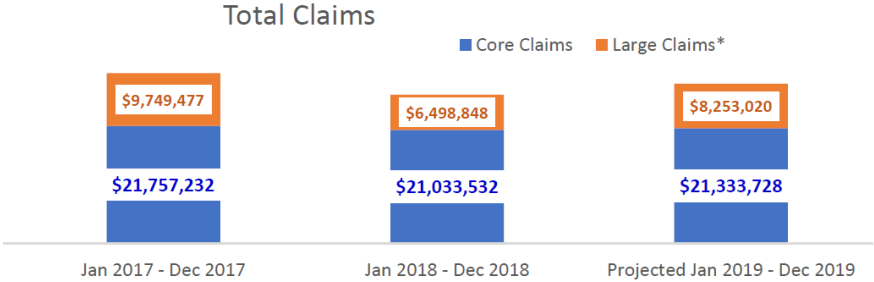
Actual 2018 Costs			
1/18 - 12/18	\$28,621,330	\$32,796,088	87.3%

New Castle County



- Based on the number of covered lives, and looking at the calendar year projection vs. budget year (7/1/19 - 6/30/20), \$21,333,728 would be assumed as the normal steady claim costs.
- Based on the number of covered lives, and looking at the calendar year projection vs. budget year (7/1/2019 – 6/30/20), \$ 8,253,020 would be assumed as the high-cost claims.
- USI would expect that the experience would resume as it has in the past (the CY2018 is anticipated to be one-time in nature) and that the projections provided for CY2019 assume the “typical” % of high-cost claims and steady claims.

Historical "Core claims" (under \$100,000) & projected 2019 "Core Claims"



* Note: large claims amounts do not include stop loss reimbursements