CITY COUNCIL INFORMAL MEETING
JUNE 2, 2025
602 S. Main St.| 5th Floor Council Chambers | Joplin MO 64801
5:15 P.M.

AGENDA

1. SEMI ANNUAL INSURANCE UPDATE BY SEGAL

Documents:

CITY OF JOPLIN - PRELIMINARY BUDGET TO ACTUAL REPORT.PDF
CITY OF JOPLIN - ANCILLARY LINES RFP REPORT EFFECTIVE JANUARY 1, 2026.PDF
CITY OF JOPLIN - MEDICAL PPO AND RX ANALYSIS - FINAL REPORT EFFECTIVE JANUARY 1, 2026.PDF

Notice posted at 12 p.m. on this the 29th day of May, 2025. (RSMo 610.020)

City of Joplin

Preliminary Budget to Actual Report

May 5, 2025 / Kim Wixson

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Segal

Discussion Objectives

2024 and 2025 YTD Financial Statements

Projected vs. Actual Income and Expenses

- **Twelve-Month Period Ending December 31, 2024**
- **Three-Month Period Ending March 31, 2025**

Medical and Prescription Drug Large Claimant Experience

2024 and 2025 YTD Claims, Enrollment and Utilization Summaries

2024 Financial Statement (Cash Basis)

	January	February	March	April	May	June	July	August	September	October	November	December	Total
Beginning Balance	**$2,966,970**	**$3,188,585**	**$3,146,988**	**$3,092,842**	**$3,296,911**	**$3,477,043**	**$3,307,544**	**$3,482,598**	**$3,439,115**	**$3,408,495**	**$3,601,668**	**$3,539,413**	**$2,966,970**
Income													
City Contributions	$492,688	$492,476	$488,268	$488,757	$488,026	$491,675	$494,509	$505,713	$498,001	$501,305	$505,764	$274,026	$5,721,208
Employee Contributions[1]	120,806	121,611	121,457	117,892	117,993	117,517	119,416	119,834	116,222	119,855	119,096	74,490	1,386,190
Interest Income[2]	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	**$613,494**	**$614,088**	**$609,725**	**$606,649**	**$606,019**	**$609,192**	**$613,925**	**$625,547**	**$614,223**	**$621,159**	**$624,861**	**$348,517**	**$7,107,398**
Expense													
Medical[3]	$297,268	$291,096	$365,629	$252,387	$8,909	$505,062	$274,365	$281,121	$287,400	$288,657	$313,734	$407,611	$3,573,238
Stop Loss Reimbursements	(220,172)	(6,169)	(1,499)	138,148	-	-	-	-	-	(570)	(26,179)	(25,786)	(142,227)
Prescription Drug	190,877	242,339	172,644	176,753	281,312	142,616	237,862	259,415	224,954	237,718	267,790	231,317	2,665,597
Prescription Drug Rebates[4]	(1,724)	-	-	(290,161)	-	(1,525)	(202,677)	-	-	(228,562)	-	-	(724,650)
Dental Premium	28,403	28,715	28,877	28,646	27,809	28,287	28,547	28,867	28,977	28,757	28,957	29,097	343,937
Vision Premium	3,861	3,908	3,909	3,885	3,859	3,844	3,902	3,910	3,913	3,916	3,922	3,969	46,799
Life Premium	10,622	10,831	10,910	10,840	10,802	10,732	10,854	10,991	11,267	11,296	11,219	11,402	131,767
Stop-Loss Premium	60,375	59,700	61,196	59,282	59,288	60,089	60,303	60,520	61,267	61,196	61,528	61,613	726,358
Medical Administration	21,897	22,342	21,292	21,239	21,953	22,605	21,688	21,095	22,087	22,124	22,434	22,327	263,086
Special Events & Promotions	470	5	(2,004)	(918)	686	468	1,108	194	2,063	540	794	25	3,431
Fees & Permits	-	-	-	-	-	3,597	-	-	-	-	-	-	3,597
Administration[5]	-	2,917	2,917	2,480	11,267	2,917	2,917	2,917	2,917	2,917	2,917	2,917	39,997
Total	**$391,879**	**$655,684**	**$663,870**	**$402,581**	**$425,886**	**$778,692**	**$438,870**	**$669,030**	**$644,844**	**$427,987**	**$687,116**	**$744,491**	**$6,930,930**
Operating Surplus/(Deficit)	**$221,615**	**($41,597)**	**($54,146)**	**$204,068**	**$180,133**	**($169,500)**	**$175,055**	**($43,483)**	**($30,620)**	**$193,173**	**($62,255)**	**($395,975)**	**$176,468**
Ending Balance	**$3,188,585**	**$3,146,988**	**$3,092,842**	**$3,296,911**	**$3,477,043**	**$3,307,544**	**$3,482,598**	**$3,439,115**	**$3,408,495**	**$3,601,668**	**$3,539,413**	**$3,143,438**	**$3,143,438**
Active/COBRA Lives	519	520	525	522	522	522	520	523	524	524	523	523	522
Retiree Lives	8	7	2	5	5	5	7	4	3	3	4	4	5
Total	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**	**527**

1 Employee Contributions include Retiree and COBRA contributions.

2 Interest income includes "Other Income" line item from financial statements.

3 Medical and prescription drug payments are combined on the financial statements prepared by the City. We have estimated monthly medical claims using monthly prescription drug claims as reported by the network carriers.

4 Prescription drug rebates from UHC are received on a quarterly basis.

5 Administration expense includes "Operating Equipment" and "Building Improvements" line items from financial statements.

2025 YTD Financial Statement (Cash Basis)

	January	February	March	Total
Beginning Balance	**$3,143,438**	**$3,706,099**	**$3,418,377**	**$3,143,438**
Income				
City Contributions	$759,196	$264,593	$757,834	$1,781,624
Employee Contributions[1]	180,171	77,330	176,909	434,411
Interest Income[2]	-	-	-	-
Total	**$939,368**	**$341,924**	**$934,743**	**$2,216,035**
Expense				
Medical[3]	$256,833	$244,380	$268,786	$769,999
Stop Loss Reimbursements	(54,089)	-	(175)	(54,264)
Prescription Drug	247,484	252,840	219,117	719,441
Prescription Drug Rebates[4]	(210,784)	(3,410)	-	(214,194)
Dental Premium	30,166	29,436	29,876	89,479
Vision Premium	4,174	4,117	4,161	12,452
Life Premium	12,190	12,095	12,150	36,435
Stop-Loss Premium	64,873	64,996	65,209	195,077
Medical Administration	22,596	22,057	22,518	67,171
Special Events & Promotions	347	218	(3,308)	(2,742)
Fees & Permits	-	-	-	-
Administration[5]	2,917	2,917	2,917	8,750
Total	**$376,706**	**$629,646**	**$621,251**	**$1,627,603**
Operating Surplus/(Deficit)	**$562,661**	**($287,722)**	**$313,492**	**$588,432**
Ending Balance	**$3,706,099**	**$3,418,377**	**$3,731,870**	**$3,731,870**
Active/COBRA Lives	539	539	535	269
Retiree Lives	4	4	3	2
Total	**543**	**543**	**538**	**271**

1 Employee Contributions include Retiree and COBRA contributions.

2 Interest income includes "Other Income" line item from financial statements.

3 Medical and prescription drug payments are combined on the financial statements prepared by the City. We have estimated monthly medical claims using monthly prescription drug claims as reported by the network carriers.

4 Prescription drug rebates from UHC are received on a quarterly basis.

5 Administration expense includes "Operating Equipment" and "Building Improvements" line items from financial statements.

Projected vs. Actual 2024

Income	Projected PEPM	Projected 12 Mo. Total	Actual PEPM	Actual 12 Mo. Total	% Difference PEPM	% Difference 12 Mo. Total
City Contributions	$927.54	$5,876,900	$904.68	$5,721,208	-2.5%	-2.6%
Employee Contributions[1]	225.51	1,428,854	219.20	1,386,190	-2.8%	-3.0%
Interest Income[2]	NP	NP	-	-	N/A	N/A
Total Income	**$1,153.05**	**$7,305,754**	**$1,123.88**	**$7,107,398**	**-2.5%**	**-2.7%**
Expenses						
Medical[3]	$586.65	$3,717,000	$563.69	$3,564,804	-3.9%	-4.1%
Prescription Drug[3], [4]	393.06	2,490,400	405.95	2,567,231	3.3%	3.1%
Prescription Drug Rebates	(98.26)	(622,600)	(114.59)	(724,650)	16.6%	16.4%
Dental Premium	53.85	341,200	54.39	343,937	1.0%	0.8%
Vision Premium	7.37	46,700	7.40	46,799	0.4%	0.2%
Life Premium	20.34	128,900	20.84	131,767	2.5%	2.2%
Stop-Loss Premium	112.88	715,200	114.86	726,358	1.8%	1.6%
Medical Administration[5]	40.91	259,200	41.60	263,086	1.7%	1.5%
ACA Fees	0.54	3,400	0.57	3,597	5.6%	5.8%
Administration	NP	NP	6.87	43,428	N/A	N/A
Total Expense	**$1,117.34**	**$7,079,400**	**$1,101.58**	**$6,966,357**	**-1.4%**	**-1.6%**
Operating Surplus (Deficit)	**$35.71**	**$226,354**	**$22.00**	**$141,041**	**N/A**	**N/A**
Active	521		522		0.2%	
Retiree and COBRA	7		5		-28.6%	
Total Employees	**528**		**527**		**-0.2%**	

NP = Not Projected

N/A = Not Applicable

1 Includes Retiree/COBRA Contributions

2 Interest Income includes "Other Income" line item from financial statements.

3 Medical and prescription drug claims are net of estimated stop-loss reimbursements. Actual stop-loss reimbursements were lagged by 3 months.

4 Prescription drug claims as reported by UMR (net of estimated stop-loss reimbursements).

5 Medical Administration includes variable fees paid to UMR.

Projected vs. Actual 2025 YTD

Income	Projected PEPM	Projected 3 Mo. Total	Actual PEPM	Actual 3 Mo. Total	% Difference PEPM	% Difference 3 Mo. Total
City Contributions	$972.00	$1,539,600	$1,095.71	$1,781,624	12.7%	15.7%
Employee Contributions[1]	235.84	373,600	267.17	434,411	13.3%	16.3%
Interest Income[2]	NP	NP	-	-	N/A	N/A
Total Income	**$1,207.84**	**$1,913,200**	**$1,362.88**	**$2,216,035**		
Expenses						
Medical[3]	$621.84	$985,000	$473.55	$769,999	-23.8%	-21.8%
Prescription Drug[3], [4]	440.21	697,300	442.46	719,441	0.5%	3.2%
Prescription Drug Rebates	(110.05)	(174,300)	(131.73)	(214,194)	19.7%	22.9%
Dental Premium	53.85	85,300	55.03	89,479	2.2%	4.9%
Vision Premium	7.37	11,700	7.66	12,452	3.9%	6.4%
Life Premium	23.11	36,600	22.41	36,435	-3.0%	-0.5%
Stop-Loss Premium	129.81	205,600	119.97	195,077	-7.6%	-5.1%
Medical Administration[5]	40.91	64,800	41.31	67,171	1.0%	3.7%
ACA Fees	0.55	900	-	-	-100.0%	-100.0%
Administration	NP	NP	3.69	6,008	N/A	N/A
Total Expense	**$1,207.60**	**$1,912,900**	**$1,034.35**	**1,681,867**	**-14.3%**	**-12.1%**
Operating Surplus (Deficit)	**$0.24**	**$300**	**$329.00**	**$534,168**	**N/A**	**N/A**
Active	521		538		3.3%	
Retiree and COBRA	7		4		-42.9%	
Total Employees	**528**		**542**		**2.7%**	

NP = Not Projected

N/A = Not Applicable

1 Includes Retiree/COBRA Contributions

2 Interest Income includes "Other Income" line item from financial statements.

3 Medical and prescription drug claims are net of estimated stop-loss reimbursements. Actual stop-loss reimbursements were lagged.

4 Prescription drug claims as reported by UMR (net of estimated stop-loss reimbursements).

5 Medical Administration includes variable fees paid to UMR.

Large Claims (medical and Rx combined)

Claim Range	Jan 2022 - Dec 2022 Claimants	Jan 2022 - Dec 2022 Total Claims	Jan 2023 - Dec 2023 Claimants	Jan 2023 - Dec 2023 Total Claims	Jan 2024 - Dec 2024 Claimants	Jan 2024 - Dec 2024 Total Claims	Jan 2025 - Mar 2025 Claimants	Jan 2025 - Mar 2025 Total Claims	Total All Periods Claimants	Total All Periods Total Claims
$50,000 - $99,999	11	$793,619	4	$281,738	18	$1,245,135	2	$125,612	35	$2,446,105
$100,000 - $149,999	5	$598,462	4	$504,062	2	$222,212	0	$0	11	$1,324,737
$150,000 - $199,999	0	$0	3	$532,338	2	$333,252	0	$0	5	$865,589
$200,000 - $249,999	0	$0	1	$233,907	1	$227,492	0	$0	2	$461,399
$250,000 - $499,999	2	$732,875	2	$574,922	0	$0	0	$0	4	$1,307,797
$500,000 - $999,999	1	$679,895	0	$0	0	$0	0	$0	1	$679,895
>$999,999	0	$0	0	$0	0	$0	0	$0	0	$0
Total	**19**	**$2,804,852**	**14**	**$2,126,966**	**23**	**$2,028,092**	**2**	**$125,612**	**58**	**$7,085,522**
% Change from Previous Year	-	-	-26.3%	-24.2%	64.3%	-4.6%	-91.3%	-93.8%		
Total Claims	**$6,316,934**		**$6,132,392**		**$6,162,195**		**$1,396,015**		**$20,007,535**	
Percent of Total Claims	44.4%		34.7%		32.9%		9.0%		35.4%	

Diagnosis Category	Jan 2022 - Dec 2022 Claimants	Jan 2022 - Dec 2022 Total Claims	Jan 2023 - Dec 2023 Claimants	Jan 2023 - Dec 2023 Total Claims	Jan 2024 - Dec 2024 Claimants	Jan 2024 - Dec 2024 Total Claims	Jan 2025 - Mar 2025 Claimants	Jan 2025 - Mar 2025 Total Claims	Total All Periods Claimants	Total All Periods Total Claims
Prescription Drugs	6	$544,824	5	$660,659	13	$1,267,208	2	$125,612	26	$2,598,303
Factors influencing health status and contact with health services	2	$541,449	2	$396,215	1	$60,128	0	$0	5	$997,792
Neoplasms	3	$798,102	1	$133,485	1	$65,988	0	$0	5	$997,575
Diseases of the musculoskeletal system and connective tissue	2	$158,635	1	$86,481	0	$0	0	$0	3	$245,116
Covid-19	1	$60,033	0	$0	0	$0	0	$0	1	$60,033
Injury, poisoning, and certain other consequences of external causes	2	$212,033	0	$0	0	$0	0	$0	2	$212,033
Diseases of the circulatory system	1	$123,351	1	$321,224	3	$215,903	0	$0	5	$660,478
Diseases of the digestive system	0	$0	1	$199,821	3	$257,172	0	$0	4	$456,994
Mental, Behavioral and Neurodevelopmental disorders	0	$0	0	$0	1	$96,244	0	$0	1	$96,244
Certain infections and parasitic diseases	1	$302,291	0	$0	0	$0	0	$0	1	$302,291
Endocrine, nutritional and metabolic diseases	1	$64,134	0	$0	0	$0	0	$0	1	$64,134
Diseases of the nervous system	0	$0	1	$151,348	0	$0	0	$0	1	$151,348
Diseases of the respiratory system	0	$0	1	$126,065	1	$65,448	0	$0	2	$191,513
Congenital malformations, deformations and chromosomal abnormalities	0	$0	1	$51,667	0	$0	0	$0	1	$51,667

2024 & 2025 YTD Enrollment Split

2024

	January	February	March	April	May	June	July	August	September	October	November	December
Members												
Single	297	306	302	304	305	299	304	304	307	311	312	309
Family	229	232	229	226	227	228	228	231	233	232	232	232
Total	**526**	**538**	**531**	**530**	**532**	**527**	**532**	**535**	**540**	**543**	**544**	**541**
Employees												
Single	297	306	302	304	305	299	304	304	307	311	312	309
Family	843	850	844	835	838	844	848	858	863	860	860	860
Total	**1,140**	**1,156**	**1,146**	**1,139**	**1,143**	**1,143**	**1,152**	**1,162**	**1,170**	**1,171**	**1,172**	**1,169**

2025

	January	February	March	April	May	June	July	August	September	October	November	December
Members												
Single	317	318	313									
Family	226	225	224									
Total	**543**	**543**	**537**									
Employees												
Single	317	318	313									
Family	835	831	829									
Total	**1,152**	**1,149**	**1,142**									

2024 & 2025 YTD Medical Claims

Month	Paid Medical Claims	Employees	Members	Paid Medical Per Employee Per Month	Paid Medical Per Member Per Month
January 2024	$293,071	526	1140	$557.17	$257.08
February 2024	$322,836	538	1156	$600.07	$279.27
March 2024	$244,099	531	1146	$459.70	$213.00
April 2024	$277,601	530	1139	$523.78	$243.72
May 2024	$227,033	532	1143	$426.75	$198.63
June 2024	$286,768	527	1143	$544.15	$250.89
July 2024	$277,212	532	1152	$521.08	$240.64
August 2024	$261,728	535	1162	$489.21	$225.24
September 2024	$303,582	540	1170	$562.19	$259.47
October 2024	$322,017	543	1171	$593.03	$274.99
November 2024	$287,324	544	1172	$528.17	$245.16
December 2024	$393,327	541	1169	$727.04	$336.46
YTD - 2024	**$3,496,598**	**535**	**1,155**	**$544.64**	**$252.28**
January 2025	$119,916	543	1152	$220.84	$104.09
February 2025	$278,295	543	1149	$512.51	$242.21
March 2025	$278,362	537	1142	$518.37	$243.75
YTD - 2025	**$676,574**	**541**	**1,148**	**$416.87**	**$196.45**
3 Month - 2024	**$860,006**	**532**	**1,147**	**$538.85**	**$249.93**
% Change	**-21.3%**	**1.7%**	**0.1%**	**-22.6%**	**-21.4%**

2024 & 2025 YTD Prescription Drug Claims

Month	Paid Rx Claims	Employees	Members	Paid Rx Per Employee Per Month	Paid Rx Per Member Per Month
January 2024	$190,877	526	1140	$362.88	$167.44
February 2024	$242,339	538	1156	$450.44	$209.64
March 2024	$172,644	531	1146	$325.13	$150.65
April 2024	$176,753	530	1139	$333.50	$155.18
May 2024	$281,312	532	1143	$528.78	$246.12
June 2024	$142,616	527	1143	$270.62	$124.77
July 2024	$237,862	532	1152	$447.11	$206.48
August 2024	$259,415	535	1162	$484.89	$223.25
September 2024	$224,954	540	1170	$416.58	$192.27
October 2024	$237,718	543	1171	$437.79	$203.00
November 2024	$267,790	544	1172	$492.26	$228.49
December 2024	$231,317	541	1169	$427.57	$197.88
YTD - 2024	**$2,665,597**	**535**	**1,155**	**$415.20**	**$192.32**
January 2025	$247,484	543	1152	$455.77	$214.83
February 2025	$252,840	543	1149	$465.64	$220.05
March 2025	$219,117	537	1142	$408.04	$191.87
YTD - 2025	**$719,441**	**541**	**1,148**	**$443.28**	**$208.90**
3 Month - 2024	**$605,859**	**532**	**1,147**	**$379.61**	**$176.07**
% Change	**18.7%**	**1.7%**	**0.1%**	**16.8%**	**18.6%**

2024 & 2025 YTD Total Medical and Prescription Drug Claims

Month	Sum of Total Paid Claims	Employees	Members	Paid Total Claims Per Employee Per Month	Paid Total Claims Per Member Per Month
January 2024	$483,948	526	1,140	$920.05	$424.52
February 2024	$565,175	538	1,156	$1,050.51	$488.91
March 2024	$416,742	531	1,146	$784.83	$363.65
April 2024	$454,355	530	1,139	$857.27	$398.91
May 2024	$508,345	532	1,143	$955.54	$444.75
June 2024	$429,384	527	1,143	$814.77	$375.66
July 2024	$515,074	532	1,152	$968.18	$447.11
August 2024	$521,142	535	1,162	$974.10	$448.49
September 2024	$528,536	540	1,170	$978.77	$451.74
October 2024	$559,734	543	1,171	$1,030.82	$478.00
November 2024	$555,114	544	1,172	$1,020.43	$473.65
December 2024	$624,644	541	1,169	$1,154.61	$534.34
YTD - 2024	**$6,162,195**	**535**	**1,155**	**$959.84**	**$444.60**
January 2025	$367,400	543	1,152	$676.61	$318.92
February 2025	$531,136	543	1,149	$978.15	$462.26
March 2025	$497,479	537	1,142	$926.40	$435.62
YTD - 2025	**$1,396,015**	**541**	**1,148**	**$860.14**	**$405.35**
3 Month - 2024	**$1,465,865**	**532**	**1,147**	**$918.46**	**$426.00**
% Change	**-4.8%**	**1.7%**	**0.1%**	**-6.3%**	**-4.8%**

Enrollment and Claims

	CY 2021	CY 2022	CY 2023	CY 2024	CY 2025 thru 3/31
Average Enrolled Participants					
Total - Enrolled Employees	494	476	497	535	541
Total - Enrolled Members	1,165	1,111	1,117	1,155	1,148
Paid Expenses [1]					
Total Paid Expenses (medical and Rx)	**$5,721,037**	**$6,316,934**	**$6,132,392**	**$6,162,195**	**$1,396,015**
Paid Expenses - Per Employee Per Month	$965.09	$1,105.91	$1,028.23	$959.84	$860.14
Paid Expenses - Per Member Per Month	$409.23	$473.82	$457.50	$444.60	$405.35

[1] Paid expenses do not reflect stop-loss reimbursements

Utilization Summary

Admissions/Visits/Services by Provider Type	CY 2021	CY 2022	CY 2023	CY 2024
Inpatient facility (admissions)	105	75	82	89
Outpatient (visits)	1,766	1,611	1,701	1,968
Professional (visits)	9,010	8,782	8,905	8,825
Paid Claims by Provider Type[1]				
Inpatient facility	$1,126,992	$1,144,535	$861,634	$701,769
Outpatient	$639,323	$1,083,792	$937,309	$896,633
Professional	$1,825,406	$1,567,725	$1,623,269	$1,414,606
Total	**$3,591,721**	**$3,796,052**	**$3,422,212**	**$3,013,008**
Paid Claims Per Admission/Visit/Service				
Inpatient Per Adminssion	$10,733.26	$15,260.47	$10,507.73	$7,885.04
Outpatient Per Visit	$362.02	$672.74	$551.03	$455.61
Professional Per Visit	$202.60	$178.52	$182.29	$160.30

[1] Paid claims do not reflect stop-loss reimbursements

Disclaimers

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June 2, 2025

City of Joplin

Request for Proposal Analysis of Dental, Vision, Basic Life and AD&D, Supplemental Life and Long-Term Disability Proposals

Effective January 1, 2026

Kimberly Wixson, Senior Vice President and Health Consultant
Brian Hunter, Associate Health Consultant

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Segal

Agenda

- **Introduction**
- **Executive Summary**
  - **Financial Summaries**
  - **Final Scoring**
  - **Recommendations**
- **Appendices**

Introduction

- The City of Joplin (City) currently provides Dental, Vision, Basic Life and AD&D, Supplemental Life, and Long-Term Disability (LTD) benefits to its employees and eligible dependents on a fully insured basis under the following arrangements:
  - **Dental:** Delta Dental of Missouri (Delta Dental)
  - **Vision:** EyeMed
  - **Basic and Supplemental Life and AD&D:** Symetra
  - **Long-Term Disability (LTD):** MetLife
- On behalf of the City, Segal solicited proposals from organizations capable of providing the current Dental, Vision, Basic Life and AD&D, Supplemental Life and LTD benefits for the City's active employees, eligible retirees (Dental and Vision only) and eligible dependents for a January 1, 2026 effective date.
- Segal solicited proposals from vendors that can match the City's current plan designs on a fully-insured basis. A '◆' in the chart below indicates that the carrier submitted a quote in response to the request.

Company Name	Dental	Vision	Life, AD&D, Supplemental Life, LTD
Aetna	◆	◆	
Anthem	◆	◆	
Delta Dental (Dental Incumbent)	◆	◆	
EyeMed (Vision Incumbent)		◆	
Guardian	◆		
MetLife (LTD Incumbent)	◆	◆	◆
National Vision Administrators (NVA)		◆	
Prudential			◆
Symetra (Life and AD&D Incumbent)			◆
UnitedHealthcare (UHC)			

Introduction

- An initial evaluation of major criteria, including items such as fees/premiums, financial terms, networks and benefits, was completed, and the following vendors were selected for finalist presentations and Best And Final Offers (BAFOs):
  - **Dental:** Delta Dental (incumbent) and MetLife
  - **Vision:** EyeMed (incumbent) and NVA
  - **Life, AD&D, LTD:** MetLife (LTD incumbent) and Symetra (Life and AD&D incumbent)

BAFO highlights include:

Dental

- MetLife provided approximately $6,400 in annual rate reductions to their fully-insured premiums
- Delta Dental and MetLife provided fully-insured rates with increases to members' annual and lifetime orthodontia maximums at $1,000 and $1,500 amounts, respectively (current maximums are $750)

Vision

- NVA reduced their annual vision premium by $400 for the full plan option
- EyeMed kept the premiums at the current levels

Life and Disability

- Symetra has reduced their annual life and disability proposal premium by $16,500
- MetLife has reduced their annual life and disability proposal premium by $3,500

Introduction

Allowances and Credits

Dental

- Delta Dental did not provide any allowances or credits.
  - Rates are guaranteed for **2 years**.
- MetLife provided an open enrollment allowance of 3% of premium and a communication allowance of 3% of premium (approximately $9,000 - $10,500) that applies to the contributory coverages (dental and life)
  - Rates are guaranteed for **3 years**, with 2 years flat and a 9% increase in year 3 for the match of the current plan design, and a 7% increase in both years 2 and 3 for the alternative plan designs

Vision

- Both EyeMed and NVA provided 4-year rate guarantees.
- NVA offered one-time credits of $250 each for implementation, communications, open enrollment and audit allowances
- EyeMed did not provide any credits or allowances

Life and Disability

- MetLife provided an open enrollment allowance of 3% of premium and a communication allowance of 3% of premium (approximately $2,800) that applies to the contributory coverages (dental and life)
  - Rates are guaranteed for **3 years**
- Symetra did not provide any credits or allowances
  - Rates are guaranteed for **2 years**

Executive Summary

Financial Summary – Dental BAFO Rates

- The following table shows the premium rates from each bidder based on the current plan design and increasing both the annual maximum and lifetime orthodontia to $1,000 and $1,500, respectively:

	Current Delta Dental		Delta Dental - Renewal	MetLife - Initial	Delta Dental - BAFO	Delta Dental - BAFO $1,000	Delta Dental - BAFO $1,500	MetLife - BAFO	MetLife - BAFO $1,000	MetLife - BAFO $1,500
City of Joplin	**Lives**	**Rates**	**Year 1**		**Year 1**					
Single Coverage	230	$30.06	$30.06	$25.55	$30.06	$33.58	$37.05	$25.01	$26.76	$29.24
Family Coverage	290	$79.94	$79.94	$67.95	$79.94	$91.00	$102.23	$66.53	$69.31	$77.47
Total Premium	**520**	**$361,200**	**$361,200**	**$307,000**	**$361,200**	**$409,400**	**$458,000**	**$300,600**	**$315,100**	**$350,300**

- The following table shows the premium rates from each bidder based on the current plan design and increasing both the annual maximum and lifetime orthodontia to $1,000 and $1,500, respectively, **with all or most preventive/diagnostic dental services not applied to a member's annual maximum**:

	Current Delta Dental		Delta Dental - Renewal	MetLife - Initial	Delta Dental - BAFO	Delta Dental - BAFO $1,000	Delta Dental - BAFO $1,500	MetLife - BAFO	MetLife - BAFO $1,000	MetLife - BAFO $1,500
City of Joplin	**Lives**	**Rates**	**Year 1**		**Year 1**					
Single Coverage	230	$30.06	$30.06	$25.55	Not Offered	$34.58	$37.86	$26.01	$27.83	$29.82
Family Coverage	290	$79.94	$79.94	$67.95	Not Offered	$93.76	$104.48	$69.19	$77.13	$79.02
Total Premium	**520**	**$361,200**	**$361,200**	**$307,000**		**$421,700**	**$468,100**	**$312,600**	**$327,000**	**$357,300**

Premiums are based on 520 employees in enrolled in dental coverage through the City

Executive Summary

Financial Summary – Dental BAFO Annual Premiums

	1st Year Costs				
Delta Dental - Current	**$361,200**	**% Difference From Current**	**$ Difference From Current**	**Rate Guarantee**	**Financial Rank**
Delta Dental - BAFO $750	$361,200	0.0%	$0	2 Years	7
Delta Dental - BAFO $1,000	$409,400	13.3%	$48,200	2 Years	8
Delta Dental - BAFO $1,500	$458,000	26.8%	$96,800	2 Years	10
Delta Dental - BAFO $1,000 MaxAdvantage	$421,700	16.7%	$60,500	2 Years	9
Delta Dental - BAFO $1,500 Max Advantage	$468,100	29.6%	$106,900	2 Years	11
MetLife – BAFO Current	$300,600	-16.8%	($60,600)	3 years	1
MetLife - BAFO $1,000	$315,100	-12.8%	($46,100)	3 years	3
MetLife - BAFO $1,500	$350,300	-3.0%	($10,900)	3 years	5
MetLife - BAFO $750 excl Prev/Diag	$312,600	-13.5%	($48,600)	3 years	2
MetLife - BAFO $1,000 excl Prev/Diag	$327,600	-9.3%	($33,600)	3 years	4
MetLife - BAFO $1,500 excl Prev/Diag	$357,300	-1.1%	($3,900)	3 years	6

	Multi - Year Costs (Cumulative)		
	1 Year Cost	**2 Year Cost**	**3 Year Cost**
Delta Dental - BAFO $750	$361,200	$722,400	
Delta Dental - BAFO $1,000	$409,400	$818,800	
Delta Dental - BAFO $1,500	$458,000	$916,000	
Delta Dental - BAFO $1,000 MaxAdvantage	$421,700	$843,400	
Delta Dental - BAFO $1,500 Max Advantage	$468,100	$936,200	
MetLife – BAFO Current	$300,600	$601,200	$928,800
MetLife - BAFO $1,000	$315,100	$630,200	$1,012,900
MetLife - BAFO $1,500	$350,300	$700,600	$1,126,200
MetLife - BAFO $750 excl Prev/Diag	$312,600	$625,200	$965,900
MetLife - BAFO $1,000 excl Prev/Diag	$327,600	$655,200	$1,053,300
MetLife - BAFO $1,500 excl Prev/Diag	$357,300	$714,600	$1,148,700

Delta Dental's Max Advantage does not apply the cost for many preventive/diagnostic services to the annual maximum.

Similarly, the MetLife excl Prev/Diag does not apply preventive/diagnostic services to the annual maximum.

Financial Summary (continued)

Vision Fully-Insured Premium Rates

Fees	Employees	EyeMed (Current)	EyeMed (Renewal)	NVA - Initial	EyeMed - BAFO	NVA - BAFO
Exam only						
Employee Only	37	$1.43	$1.43	$1.06	$1.43	$1.06
Employee + Spouse	6	$2.72	$2.72	$2.02	$2.72	$2.02
Employee + Child(ren)	3	$2.87	$2.87	$2.13	$2.87	$2.13
Family	15	$4.22	$4.22	$3.13	$4.22	$3.13
Composite Rate (PMPM)	61	$2.31	$2.31	$1.72	$2.31	$1.72
Annual Premium		**$1,700**	**$1,700**	**$1,300**	**$1,700**	**$1,300**
Full Plan						
Employee Only	173	$5.33	$5.33	$4.72	$5.33	$4.67
Employee + Spouse	80	$10.12	$10.12	$8.96	$10.12	$8.86
Employee + Child(ren)	27	$10.65	$10.65	$9.43	$10.65	$9.32
Family	131	$15.65	$15.65	$13.86	$15.65	$13.70
Composite Rate (PMPM)	411	$9.90	$9.90	$8.77	$9.90	$8.67
Annual Premium		**$48,800**	**$48,800**	**$43,200**	**$48,800**	**$42,800**
Total Annual Premium	**472**	**$50,500**	**$50,500**	**$44,500**	**$50,500**	**$44,100**

	Credits and Allowances	
	EyeMed	NVA
Fee Guarantee	4 Years	4 Years
Implementation Allowance	Not Offered	$250
Communication Allowance		$250
Open Enrollment Allowance		$250
Audit Allowance		$250
Performance Guarantees		Not Offered

Total Annual Premiums are based on 472 members enrolled in Vision benefits on a 4-tier coverage basis (employee only, employee + spouse, employee + child(ren), and family)

Executive Summary

Financial Summary – Basic Life, AD&D, and LTD (City of Joplin Paid Coverages)

			Monthly Rate per $1,000 of Benefit, Member Life / AD&D and per $100 of Covered Payroll LTD				
	Volume	**Total Enrollment**	**Current**	**MetLife Initial**	**Symetra Initial**	**MetLife BAFO**	**Symetra BAFO**
Life	**$41,532,500**	**555**	$0.167	$0.125	$0.200	$0.118	$0.167
AD&D	**$41,532,500**	**555**	$0.020	$0.021	$0.020	$0.021	$0.020
Long Term Disability – Active	**$2,093,600**	**507**	$0.180	$0.162	$0.150	$0.162	$0.150
Long Term Disability – Pension	**$173,300**	**30**	$0.183	$0.165	$0.150	$0.165	$0.150
Total Annual Life Premium			$83,200	$62,300	$99,700	$58,800	$83,200
Total Annual AD&D Premium			$10,000	$10,500	$10,000	$10,500	$10,000
Total Annual LTD Premium			$49,000	$44,100	$40,800	$44,100	$40,800
Total Annual Life and AD&D Premium			**$142,200**	**$116,900**	**$150,500**	**$113,400**	**$134,000**
$ Difference From Current			N/A	($25,300)	$8,300	($28,800)	($8,200)
% Difference From Current			N/A	-17.8%	5.8%	-20.3%	-5.8%
Rate Guarantee			N/A	3 Years	2 Years	3 Years	2 Years

- Currently, Basic Life and AD&D coverage are with Symetra, while the LTD coverage is with MetLife
- Rate Guarantees
  - MetLife's rates are guaranteed for 3 years.
  - Symetra's rates are guaranteed for 2 years.
- Volume and enrollment are based on the employee census as of February 2025.

Executive Summary

Financial Summary – Basic Life, AD&D, and LTD (City of Joplin Paid Coverages)

Life and AD&D Coverage

Company Name	Proposed Annual Life Premium	Proposed Annual AD&D Premium	Total Employer Paid Costs	Savings / (Cost) from Current	% Difference From Current	Rank
Current - Symetra	$83,200	$10,000	**$93,200**			
MetLife - Initial	$62,300	$10,500	$72,800	$20,400	-21.89%	
MetLife - BAFO	$58,800	$10,500	**$69,300**	$23,900	-25.64%	1
Symetra - Initial	$99,700	$10,000	$109,700	($16,500)	17.70%	
Symetra - BAFO	$83,200	$10,000	**$93,200**	$0	0.00%	2

Long-Term Disability Coverage

Company Name	Proposed Annual LTD Premium	Total Employer Paid Costs	Savings / (Cost) from Current	% Difference From Current	Rank
Current - MetLife	$49,000	**$49,000**	**N/A**	**N/A**	**N/A**
MetLife	$44,100	**$44,100**	$4,900	-10.00%	2
Symetra	$40,800	**$40,800**	$8,200	-16.73%	1

- Rate Guarantees
  - MetLife's rates are guaranteed for 3 years
  - Symetra's rates are guaranteed for 2 years
- MetLife and Symetra did not make any improvements to their LTD quotes through the BAFO request
- Volume and enrollment are based on the employee census as of February 2025

Executive Summary

*Financial Summary – Supplemental Life (City of Joplin **Employee** Paid Costs)*

Company Name	Proposed Annual Supplemental Life Premium	Proposed Annual Supplemental Dependent Life Premium	Proposed Annual Child Life Premium	Total Employee Paid Costs	Savings / (Cost) from Current	% Difference From Current	Rank
Current - Symetra	$43,800	$9,900	$1,400	**$55,100**			
MetLife	$43,700	$9,900	$1,400	**$55,000**	$100	-0.2%	1
Symetra	$50,800	$11,400	$1,400	**$63,600**	($8,500)	15.4%	2

- Symetra and MetLife did not make any improvements to their Supplemental Life Rates through the BAFO request
- Rates are age banded
- Rate Guarantees
  - MetLife's rates are guaranteed for 3 years
  - Symetra's rates are guaranteed for 2 years

Executive Summary

Scoring – Dental

Category	Points	Delta	MetLife	Aetna	Anthem	Guardian
Financials	30.00	23.64	30.00	23.21	25.44	25.62
Capability	10.00	9.99	9.19	10.00	9.16	9.60
Network	25.00	25.00	21.80	15.35	21.07	16.58
Match Benefits	25.00	25.00	24.09	25.00	23.33	24.85
Organization Information	10.00	9.26	9.16	8.69	10.00	9.35
Subtotal	**100.00**	**92.89**	**94.24**	**82.25**	**89.00**	**86.00**

Executive Summary

Scoring – Vision

Category	Points	Delta	EyeMed	MetLife	Aetna	Anthem	NVA
Financials	30.00	25.17	26.14	25.72	23.18	26.10	30.00
Capability	10.00	9.14	9.61	9.47	9.62	9.67	10.00
Network	25.00	24.58	25.00	22.25	21.19	22.67	20.13
Match Benefits	25.00	17.29	25.00	21.81	19.68	23.41	21.54
Organization Information	10.00	9.39	9.51	8.91	8.35	9.33	10.00
Subtotal	**100.00**	**85.57**	**95.26**	**88.16**	**82.02**	**91.18**	**91.67**

Executive Summary

Scoring – Basic Life and AD&D and Supplemental Life

Category	Points	MetLife	Symetra	Prudential
Financials	30.00	30.00	24.43	24.17
Capability	30.00	30.00	29.36	30.00
Match Benefits	30.00	26.79	30.00	29.73
Organization Information	10.00	9.84	10.00	9.46
Subtotal	**100.00**	**96.63**	**93.79**	**93.36**

Executive Summary

Scoring – Long-Term Disability (LTD)

Category	Points	MetLife	Symetra	Prudential
Financials	30.00	26.75	30.00	22.98
Capability	30.00	30.00	27.31	28.45
Match Benefits	30.00	30.00	28.63	29.01
Organization Information	10.00	10.00	10.00	9.50
Subtotal	**100.00**	**96.75**	**95.94**	**89.94**

Recommendations

Dental, Vision, Basic Life and AD&D, Supplemental Life and Long-Term Disability

- **Dental:** As the highest scorer, award MetLife and implement the $1,000 increase in the annual and orthodontia lifetime maximum excluding preventive and diagnostic services from the annual maximum
  - This improves the benefit significantly by increasing both the annual maximum and orthodontic lifetime maximum by $250
  - This "extends" the annual maximum since preventive services will not be applied to it – leaving more available to cover basic/restorative and major services
  - This still keeps cost below current levels for a savings of $33,600
- **Vision:** As the highest scorer, award EyeMed – this is the incumbent
- **Basic and Supplemental Life and AD&D:** As the highest scorer, award MetLife
- **Long-Term Disability:** As the highest scorer, award MetLife – this is the incumbent

Based on the bundling of Dental, Basic Life and AD&D, Supplemental Life and Long-Term Disability, MetLife is willing to offer an additional 2% reduction in the Dental premium, which results in an additional savings of approximately $6,200 or $6,500 annually for the current and recommended plan designs, respectively

Appendices

- **Appendix A: Financial Ratings**
- **Appendix B: Dental Appendices**
- **Appendix C: Vision Appendices**

Appendix A
Financial Ratings

- When available, Segal selects A.M. Best or Standard & Poor's rating because of their depth of coverage of insurance companies and overall reputation as a rating service. Several other rating services also provide ratings of insurance companies and managed care organizations.

	Aetna	Anthem	Delta Dental of Missouri	EyeMed	Guardian	MetLife	NVA	Symetra	UMR
A.M. Best	A	A	While we are not observed by insurance rating services, FSL is. They are rated as A 'Excellent' (July 2024) by A.M. Best Company.	A*	A++	A+	A**	A	A
Standard & Poor's	A-	AA-		Not Rated	AA+	AA-	Not Rated	A	A+

- EyeMed's rating is through Fidelity Security Life Insurance and NVA's is through National Guardian Life insurance.

Segal believes it is important to consider the financial strength of insurance companies and managed care organizations that are candidates for initial selection or renewal as insurers or service providers to employee benefit plans. Therefore, we are providing the current claims paying ability rating that was available to us on the date this document was prepared for the insurance companies or managed care organizations under consideration.

When available, we select Standard & Poor's and A.M. Best because of their excellent overall reputation as rating services. In addition, they evaluate more insurance companies than most of the other comparable rating services. Several other rating services (e.g., Duff & Phelps and Moody's) also provide claims paying ability evaluations of insurance companies and managed care organizations. You may wish to consult these other services before making a decision regarding the initial selection or renewal of an insurance company or managed care organization.
Insurance company and managed care organization rating category explanations are attached. For example, Standard & Poor's ratings range from "Vulnerable" to "Secure". In particular, they regard "vulnerable" companies (i.e., ratings of BB+ and lower) to be at relatively serious risk in terms of meeting both claims and creditor obligations. Insurance companies in this category should be researched carefully before being selected.

Finally, Segal does not itself perform insurance company or managed care organization credit quality evaluations and does not offer any warranty as to the scope or reliability (e.g., with respect to an organization's ability to meet future obligations) of the insurance company or managed care organization evaluations performed by Standard & Poor's, A.M. Best, or any other rating services.
Segal is not responsible for providing monitoring on an ongoing basis.

Appendix A
Financial Rating Descriptions – A.M. Best

Rating*		Category
Investment Grade Or Secure		
A+	A++	Superior - "superior ability to meet their ongoing obligations to policyholders"
A	A-	Excellent - "excellent ability to meet their ongoing obligations to policyholders"
B+	B++	Good - "good ability to meet their ongoing obligations to policyholders"
Below Investment Grade Or Vulnerable		
B	B-	Fair - "fair ability to meet their current obligations to policyholders, but their financial strength is vulnerable to adverse changes in underwriting and economic conditions"
C+	C++	Marginal - "marginal ability to meet their current obligations to policyholders, but their financial strength is vulnerable to adverse changes in underwriting and economic conditions"
C	C-	Weak - "weak ability to meet their current obligations to policyholders, but their financial strength is very vulnerable to adverse changes in underwriting and economic conditions"
D	-	Poor - "poor ability to meet their current obligations to policyholders, but their financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions"
E		Under Regulatory Supervision - "status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action and has been taken to delay or otherwise limit policyholder payments."
F		In Liquidation - "status assigned to insurers that are publicly placed, via court order into liquidation after a finding of insolvency, or the international equivalent"
S		Rating Suspended - "status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to lack of timely or adequate information; or in cased when continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements."
NR		No Rating - "status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best."

*Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Appendix A
Financial Rating Descriptions – Standard and Poor's

Rating*	Category
	Investment Grade or Secure
AAA	Extremely strong capacity to meet its financial commitments. 'AAA' is the highest insurer financial enhancement rating assigned by S&P Global Ratings.
AA	Very strong capacity to meet its financial commitments. It differs from the highest-rated insurers only to a small degree.
A	Strong capacity to meet its financial commitments, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in higher-rated categories.
BBB	Adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the insurer's capacity to meet its financial commitments.
	Below Investment Grade or Vulnerable
BB	Less vulnerable in the near term than other lower-rated insurers. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the insurer's inadequate capacity to meet its financial commitments
B	More vulnerable than the insurers rated 'BB', but the insurer currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the insurer's capacity or willingness to meet its financial commitments.
CCC	Currently vulnerable and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.
CC	Currently highly vulnerable.
D	Currently has failed to pay one or more of its financial obligations when it came due. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.
SD	Currently has failed to pay one or more of its financial obligations when it came due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, but it will continue to meet its payment obligations on other issues or classes of obligations.

*The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to refine relative standing within each category.

Dental Appendices

- **Administrative Fees/Premiums and Allowances (Appendix B)**
- **Network Provider Match (Appendix C)**
- **MetLife Sample Average Charge Comparison to 90th Percentile (Appendix D)**
- **Dental Top 50 Utilized Provider Listing (Appendix E)**

Appendix B

Dental Administrative Fee Guarantees/Allowances

	Delta Dental - Initial	MetLife - Initial	Delta Dental - BAFO	MetLife - BAFO
Fee Guarantee	2 Years	3 Years, 2 years flat with a 9% rate cap in year 3	2 Years	3 Years, 2 years flat with a 9% rate for the match of the current plan design, and a 7% increase in both years 2 and 3 for the alternative plan designs.
Implementation Allowance	Not Offered	3% of Premiums (Approximately $9,200)	Not Offered	3% of Premiums (Approximately $9,000-$10,500)
Communication Allowance	Not Offered	3% of Premiums (Approximately $9,200)	Not Offered	3% of Premiums (Approximately $9,000-$10,500)
Performance Guarantees	Not Offered	Not Offered	Not Offered	Not Offered

Appendix C

Network Provider Match

	DPPO Network Disruption
Aetna	51.6%
Anthem	55.1%
Delta Dental PPO	37.5%
Delta Dental Premier	58.0%
Delta Dental - Combined	95.0%
Guardian	58.4%
MetLife*	58.9%

*MetLife has confirmed that they will reimburse out-of-network providers at the 90% percentile of Usual and Customary which means that 90% of providers in the area charge that rate or less to greatly reduce any potential for balance billing. Please see next page for additional details.

- Segal provided a list of utilized providers for the January 2024 through December 2024 time frame and requested each bidder to indicate whether that provider is in their respective networks.
- The results above are weighted based on the claim volume for each provider.
- Delta Dental's combined PPO and Premier Networks provided the highest match for dental providers (95.0%).
- MetLife's network provided the second highest match for dental providers (58.9%).
- Guardian's combined networks provided the third highest match for dental providers (58.4%).
- Appendix C contains a listing of the City's top 50 utilized dental providers for each bidder.

Appendix D

MetLife Sample Average Charge Comparison to 90th Percentile

- The following is based on the 648 three-digit zip code

Category of Service	Procedure Code	Description	Average Submitted	90th Percentile	Difference between 90th and Average
DIAGNOSTIC	00120	Periodic oral evaluation - established patient	$56.81	$70	$13.19
DIAGNOSTIC	00140	Limited oral evaluation - problem focused	$89.03	$112	$22.97
DIAGNOSTIC	00150	Comprehensive oral evaluation - new or established patient	$102.31	$128	$25.69
DIAGNOSTIC	00180	Comprehensive periodontal evaluation - new or established patient	$126.63	$166	$39.37
DIAGNOSTIC	00210	Intraoral - complete series (including bitewing images)	$161.75	$198	$36.25
DIAGNOSTIC	00220	Intraoral - periapical first image	$35.07	$42	$6.93
DIAGNOSTIC	00230	Intraoral - periapical each additional image	$30.84	$37	$6.16
DIAGNOSTIC	00240	Intraoral - occlusal image	$61.36	$63	$1.64
DIAGNOSTIC	00270	Bitewings - single image	$32.59	$44	$11.41
DIAGNOSTIC	00272	Bitewings - two image	$45.42	$68	$22.58
DIAGNOSTIC	00274	Bitewings - four images	$72.56	$86	$13.44
DIAGNOSTIC	00330	Panoramic image	$133.90	$158	$24.10
DIAGNOSTIC	00364	Cone beam CT capture and interpretation with limited field of view - less	$150.20	$231	$80.80
PREVENTIVE	01110	Prophylaxis - adult	$102.27	$123	$20.73
PREVENTIVE	01120	Prophylaxis - child	$71.56	$90	$18.44
PREVENTIVE	01206	Topical application of fluoride varnish	$42.82	$56	$13.18
PREVENTIVE	01208	Topical application of fluoride - excluding varnish	$44.05	$53	$8.95
PREVENTIVE	01351	Sealant - per tooth	$66.17	$83	$16.83
RESTORATIVE	02140	Amalgam - one surface, primary or permanent	$143.18	$186	$42.82
RESTORATIVE	02150	Amalgam - two surfaces, primary or permanent	$187.94	$212	$24.06
RESTORATIVE	02160	Amalgam - three surfaces, primary or permanent	$204.54	$237	$32.46
RESTORATIVE	02330	Resin-based composite - one surface, anterior	$184.98	$224	$39.02
RESTORATIVE	02331	Resin-based composite - two surfaces, anterior	$232.98	$274	$41.02
RESTORATIVE	02332	Resin-based composite - three surfaces, anterior	$276.64	$337	$60.36
RESTORATIVE	02335	Resin-based composite - four or more surfaces (anterior)	$350.19	$402	$51.81
RESTORATIVE	02391	Resin-based composite - one surface, posterior	$212.08	$251	$38.92
RESTORATIVE	02392	Resin-based composite - two surfaces, posterior	$265.17	$315	$49.83
RESTORATIVE	02393	Resin-based composite - three surfaces, posterior	$324.48	$371	$46.52
RESTORATIVE	02394	Resin-based composite - four or more surfaces, posterior	$392.60	$444	$51.40
RESTORATIVE	02740	Crown - porcelain/ceramic substrate	$1,299.45	$1,510	$210.55
RESTORATIVE	02750	Crown - porcelain fused to high noble metal	$1,227.24	$1,514	$286.76
RESTORATIVE	02920	Recement or re-bond crown	$115.75	$162	$46.25
RESTORATIVE	02930	Prefabricated stainless steel crown, primary tooth	$315.56	$394	$78.44
RESTORATIVE	02940	Interim direct restoration	$122.72	$192	$69.28
RESTORATIVE	02950	Core buildup, including any pins	$305.57	$366	$60.43
RESTORATIVE	02954	Prefabricated post and core in addition to crown	$410.07	$480	$69.93
ENDODONTICS	03320	Endodontic therapy, premolar tooth (excluding final restoration)	$1,078.68	$1,174	$95.32
ENDODONTICS	03330	Endodontic therapy, molar tooth (excluding final restoration)	$1,255.84	$1,360	$104.16
PERIODONTICS	04341	Periodontal scaling and root planning - four or more contiguous teeth or	$317.30	$344	$26.70
PERIODONTICS	04342	Periodontal scaling and root planning - one to three teeth, per quadrant	$238.17	$304	$65.83
PERIODONTICS	04346	Scaling in presence of generalized moderate or severe gingival	$195.28	$232	$36.72
PERIODONTICS	04381	Delivery of Antimicrobial Agents	$123.66	$172	$48.34
PERIODONTICS	04910	Periodontal maintenance	$160.70	$184	$23.30
PROSTHODONTICS, REMOVABLE	05110	Complete denture, maxillary (upper)	$1,468.12	$2,114	$645.88
IMPLANT SERVICES	06010	Surgical placement of implant body: endosteal implant	$1,876.01	$2,356	$479.99
IMPLANT SERVICES	06057	Custom abutment	$819.14	$1,009	$189.86
IMPLANT SERVICES	06058	Abutment supported porcelain/ceramic crown	$1,432.72	$1,510	$77.28
PROSTHODONTICS, FIXED	06240	Pontic - porcelain fused to high noble metal	$1,227.24	$1,515	$287.76
PROSTHODONTICS, FIXED	06750	Crown - porcelain fused to high noble metal	$1,227.24	$1,515	$287.76
ORAL AND MAXILLOFACIAL SURGERY	07140	Extraction, erupted tooth or exposed root (elevation and/or forceps	$171.35	$266	$94.65
ORAL AND MAXILLOFACIAL SURGERY	07210	Extraction, erupted tooth requiring removal of bone/or sectioning of tooth	$262.90	$346	$83.10
ORAL AND MAXILLOFACIAL SURGERY	07230	Removal of impacted tooth - partially bony	$466.32	$481	$14.68
ORAL AND MAXILLOFACIAL SURGERY	07240	Removal of impacted tooth - completely bony	$538.56	$575	$36.44
ORAL AND MAXILLOFACIAL SURGERY	07953	Bone replacement graft - per site	$576.16	$674	$97.84
ADJUNCTIVE GENERAL SERVICES	09110	Palliative treatment of dental pain per visit	$113.30	$154	$40.70
ADJUNCTIVE GENERAL SERVICES	09222	Deep sedation/general anesthesia - first 15 minutes	$283.96	$290	$6.04
ADJUNCTIVE GENERAL SERVICES	09223	Deep sedation/general anesthesia - each subsequent 15 minute	$263.35	$290	$26.65
ADJUNCTIVE GENERAL SERVICES	09310	Consultation, (diagnostic service provided by dentist or physician other	$97.44	$122	$24.56

In all cases, the 90th percentile is higher than the average charge within the 648 zip code.

The 90th percentile is about 17.8% higher than the average charge.

This reimbursement level should minimize balance billing and member disruption.

In addition, 8 of the top 14 providers have been sent to MetLife's provider recruiting department.

Appendix E

Dental Provider Listing – Top 50

Rank	Specialty	First Name	Last Name	State	Zip	Paid Claims	Aetna	Anthem	Delta Dental	Guardian	MetLife
1	General Dentistry	CRAIG	HAYES JR	MO	64804	$17,230			☐		
2	General Dentistry	EDWARD	MCALLISTER	MO	64804	$13,442		◆	☐	◆	◆
3	Pediatric Dentistry	BRETT	WILSON	MO	64804	$13,134	◆	◆	◆	◆	◆
4	General Dentistry	GREGORY	KIVETT JR	MO	64804	$11,950			☐		
5	General Dentistry	STEPHEN	MENKE	MO	64804	$11,078	◆	◆	☐	◆	◆
6	General Dentistry	JOHN	JOSEPH	MO	64804	$10,546			☐		
7	General Dentistry	PARTH	PATEL	MO	64804	$10,357			☐		
8	General Dentistry	ROBERT	RENGER	MO	64804	$9,171			☐		
9	General Dentistry	JOHN	DURLING	MO	64804	$8,900	◆	◆	☐	◆	◆
10	General Dentistry	JAY	BROWN	MO	64804	$6,958	◆		☐	◆	◆
11	General Dentistry	CONNER	PAUSTIAN	MO	64804	$6,836			☐		
12	General Dentistry	JOSHUA	PLATNER	MO	64804	$6,306	◆	◆	◆	◆	◆
13	General Dentistry	ALEX	TALBOTT	MO	64801	$6,243	◆	◆	◆	◆	◆
14	General Dentistry	DALE	KUNKEL	MO	64870	$6,027	◆	◆	◆	◆	◆
15	General Dentistry	RICARDO	LEMUS	MO	64804	$5,838	◆	◆		◆	◆
16	General Dentistry	LOUIS	DRACKERT	MO	64836	$5,570	◆		◆	◆	◆
17	General Dentistry	GRANT	KIRK	MO	64804	$5,371			☐		
18	General Dentistry	RANDALL	ROHMILLER	MO	64834	$5,364	◆	◆	☐	◆	◆
19	General Dentistry	JON	REAGAN JR	MO	64850	$4,533			☐		
20	General Dentistry	DAN	YOUNG	MO	64804	$3,733			☐		◆
21	Oral Surgery	MATTHEW	SHEFFER	MO	64804	$3,548	◆	◆	◆	◆	◆
22	General Dentistry	ROBERT	HERRON JR	KS	66762	$3,381	◆	◆	☐	◆	
23	General Dentistry	MICHAEL	WOODY	MO	64836	$3,205	◆		◆	◆	◆
24	General Dentistry	ALAN	CLARK	MO	64801	$3,035	◆	◆	◆	◆	◆
25	Pediatric Dentistry	ALEX	OLSON	MO	64804	$3,001	◆	◆	◆	◆	◆

◆ = In-Network Provider – PPO Network
☐ = In-Network Provider –Delta Dental Premier Network

= Out-of-Network Provider

City, state and zip code are not necessarily indicative of the location of the provider. They are derived from information associated with the Taxpayer Identification Number of the provider and may correspond to a billing location.

Appendix E *(continued)*

Dental Provider Listing – Top 50

Rank	Specialty	First Name	Last Name	State	Zip	Paid Claims	Aetna	Anthem	Delta Dental	Guardian	MetLife
26	General Dentistry	WILLIAM	HERRINGTON	MO	64836	$2,982	◆	◆	◆	◆	◆
27	Oral Surgery	DALE	BAYS	MO	64804	$2,974		◆	◆		◆
28	Endodontics	BRADLEY	LAIRD	MO	64804	$2,852		◆	☐		
29	General Dentistry	CHARLES	MCGINTY	MO	64801	$2,821			☐		
30	General Dentistry	MARK	WESTHOFF	MO	64836	$2,414			☐		
31	General Dentistry	WILLIAM	RICE	MO	64870	$2,342	◆	◆	◆	◆	◆
32	General Dentistry	DEREK	SCHNEICKERT	MO	64801	$2,333	◆	◆	◆	◆	◆
33	General Dentistry	KIRBY	ROBINSON	MO	64804	$2,247	◆		☐	◆	
34	Orthodontics	AVTAR	GREWAL	MO	64836	$2,245		◆	◆	◆	◆
35	Orthodontics	MICHAEL	LAFERLA	MO	64804	$2,222					
36	General Dentistry	BRETT	COTHAM	MO	64804	$2,186	◆	◆	◆	◆	◆
37	General Dentistry	JANET	MCDONALD	MO	64804	$2,081	◆	◆		◆	◆
38	Pediatric Dentistry	ABBY	BOSCHERT	MO	65714	$2,040	◆	◆	◆	◆	◆
39	General Dentistry	BRADY	YOST	MO	64836	$1,967	◆	◆	◆	◆	◆
40	General Dentistry	MARK	SALADIN	MO	64836	$1,890			◆		
41	General Dentistry	MISTY	DEATON	MO	64850	$1,881			☐		
42	General Dentistry	JORDAN	TAYLOR	MO	64804	$1,650	◆	◆	◆	◆	◆
43	General Dentistry	BEAU	BOLDING	KS	66713	$1,563	◆	◆	◆	◆	◆
44	General Dentistry	CAMERON	WILLIS	KS	66713	$1,534	◆	◆	◆	◆	◆
45	General Dentistry	JACOB	HAMBY	MO	64804	$1,379	◆	◆	◆	◆	◆
46	General Dentistry	RICHARD	REED	MO	64804	$1,265	◆	◆	◆	◆	◆
47	General Dentistry	GREYSON	SPRIGGS	MO	64801	$1,242		◆	☐		
48	General Dentistry	BRIAN	REAVLEY	MO	64759	$1,227			☐		
49	General Dentistry	RACHEL	PERSSON	MO	64836	$1,148	◆		◆	◆	◆
50	General Dentistry	BRIAN	LEACH	MO	65747	$1,065			☐		
Total							**29**	**29**	**47**	**31**	**31**

◆ = In-Network Provider – PPO Network
☐ = In-Network Provider – Delta Dental Premier Network

= Out-of-Network Provider

City, state and zip code are not necessarily indicative of the location of the provider. They are derived from information associated with the Taxpayer Identification Number of the provider and may correspond to a billing location.

Vision Appendices

- **Network Penetration (Appendix E)**

Appendix E

Provider Network Depth and Access

	Ophthalmologist	
	Eyemed	**NVA**
Unique Locations	6	0
Unique Providers	**2**	**1**
Access Points	7	1

	Optometrist	
	Eyemed	**NVA**
Unique Locations	76	16
Unique Providers	**96**	**50**
Access Points	260	130

Total Access			
Percentage of Participants with Access to:	**Mileage from Home**	**EyeMed**	**NVA**
1 Ophthalmologist	5 Miles	33.3%	3.6%
2 Optometrists	5 Miles	66.1%	65.7%

- The geographic area for provider depth was based on the three-digit zip code data from the census that represents 99% of the participants in the City's population. All counts are reported by the bidders.
- Unique Locations - Offices, regardless of who is in office.
- Unique Providers – Distinctive number of vision licenses in an office.
- Access points - Every provider at every location—the most common way to display a network. For example, if one provider practices at five different office locations, this results in five access points.
- Network Access summary provides the percentage of retirees with access to each provider type within the defined mileage distance from the retiree's home zip code.
- Network Access based on 472 participants currently enrolled in the vision program.

June 2, 2025

City of Joplin, Missouri

Medical PPO and Prescription Drug Request for Proposal Analysis Effective January 1, 2026

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Segal

Agenda

- ✓ Executive Summary
  - ✓ Financial Overview
  - ✓ Claim Projections
  - ✓ Stop-Loss
  - ✓ Medical Plan Scoring
  - ✓ Prescription Drug Plan Scoring
  - ✓ Overall Medical and Prescription Drug Plan Scoring
  - ✓ Summary of Proposals
  - ✓ Health Savings Account (HSA) Fact Sheet
  - ✓ Weight Loss Drugs – GLP-1s
  - ✓ Recommendations
- ✓ Appendices

Executive Summary

Background Information and the RFP Process

- On behalf of the City of Joplin, Missouri (the City), Segal prepared a Request for Proposal (RFP), which was sent to organizations capable of providing medical and prescription drug services to eligible City employees, retirees and dependents.
- Each medical and prescription drug bidder was asked to provide proposals for an administrative services only (ASO) arrangement for both medical and prescription drug services.
  - Currently the City has an ASO arrangement with UMR.
  - UMR is the third-party administration (TPA/ASO) affiliate of UnitedHealthcare (UHC), the largest business unit of UnitedHealth Group.
  - The City utilizes the UnitedHealthcare Choice Plus PPO network
- Each organization was asked to provide a proposal with an effective date of January 1, 2026.

Vendor	Submitted PPO Proposal	Submitted PBM Proposal
Anthem BlueCross BlueShield (Anthem)	◆	◆
Aetna Inc. (Aetna)	◆	◆
Cigna Healthcare Solutions (Cigna)		
UnitedHealthcare Services (UHC) *via UMR* (Incumbent)	◆	◆

- Cigna declined to quote stating they could not provide a competitive proposal.
- The following sections compare the proposals submitted by each bidder.

Executive Summary *(continued)*

Financial Overview of Medical PPO ASO Proposals

- The chart below highlights the key information relevant to the Medical PPO ASO RFP analysis:

Financial Proposal Highlights	UMR	Aetna	Anthem
Year 1 Administrative Fees (PEPM)*	$40.82	$33.39	$39.95
Administrative Fee Guarantee	5 Years, with Rate Increases from 2.5% - 3.0% each Year	5-Year Guarantee, 3 Years Flat, 3% Increases in Years 4 and 5	3-Year Guarantee, 2 Years Flat, 2.8% Increase in Year 3
Estimated Average Discount - Primary Network	70.1%	58.6%	66.8%
Estimated Network Penetration - Primary Network	98.8%	98.6%	98.4%
Allowances and Credits - 5-Year Total	$100,000	$161,000	$25,000
Guarantees - Total at Risk	$87,700	$54,300	$64,600

*PEPM= Per Employee Per Month

- Administrative fees above do not include credits associated with prescription drug rebates. All rebates are included in the pharmacy benefit management (PBM) analysis section of this report.
- The network discounts for bidders are based on a blend of bidder-reported discounts by 3-digit zip codes, bidder-reported discounts to Uniform Data Submission (UDS) and bidder-reported repricing results based on the City's actual 2024 experience.
- Anthem's proposal includes the BlueCard Program, which provides access to other Blues plans for members and dependents residing in states where Anthem is not the Blues plan. BlueCard fees are passed through via the claim files from the "host" Blues plan. These estimated fees are included in the administrative fees above, based on the City's utilization.

Executive Summary *(continued)*

Overall Financial Analysis Per Employee Per Month (PEPM)

- The financial summary table below illustrates the overall combined medical PPO and PBM first year plan (cost)/savings of each proposal compared to UMR's proposal to continue the current arrangement:

Description	UMR - Current	UMR	Aetna	Anthem
Medical Cost (PEPM)	$620	$620	$860	$700
Medical Administrative Fees (PEPM)	$40.82	$40.82	$33.89	$39.95
Prescription Drug Cost (PEPM)	$362	$253	$321	$259
Employee Assistance Program (PEPM)	$1.56	$2.38	$1.63	$1.83
Stop-Loss Insurance (PEPM)	TBD	TBD	TBD	TBD
HSA (PEPM)*	$0.00	$1.75	Not Provided	$2.45
Total Combined Cost (PEPM)	$1,024	$918	$1,217	$1,004
Total Annual Cost	**$6,662,500**	**$5,969,400**	**$7,914,300**	**$6,527,300**
Savings/(Cost) from Current		$693,100	($1,251,800)	$135,200
Percent from Current		-10.4%	18.8%	-2.0%

Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decreases as the projection period increases. The actual experience in a self-funded plan could vary. As such, the projected costs are illustrative only and show a comparison of the vendors based on historical data; these costs should not be used for budgeting purposes.

- Total Annual costs are based on an assumed enrollment of 542 employees as of April 2025.
- All costs have been projected to January 1, 2026.
- Estimated rebates are included in the projected prescription drug costs.

*HSA PEPM costs would be applied only to those employees who have an HSA account; not all of the enrollment

Executive Summary *(continued)*

Overall Financial Analysis Aggregate Costs

Description	UMR - Current	UMR	Aetna	Anthem
Medical Costs				
Claims Cost	$4,032,500	$4,032,500	$5,593,400	$4,552,800
Administrative Fees	$265,500	$265,500	$220,400	$259,800
Total Medical Cost	$4,298,000	$4,298,000	$5,813,800	$4,812,600
Prescription Drug Costs				
Plan Cost Before Rebates	$3,224,900	$3,084,100	$3,104,600	$3,042,200
Rebates	($870,500)	($1,439,500)	($1,014,800)	($1,355,400)
Rx Plan Cost After Rebates	$2,354,400	$1,644,600	$2,089,800	$1,686,800
Total Medical + Rx Costs	$6,652,400	$5,942,600	$7,903,600	$6,499,400
Savings/(Cost) from Current	-	$709,800	($1,251,200)	$153,000
Percent Savings/(Cost) from Current	-	10.7%	(-18.8%)	2.3%

Note: Costs are based on an assumed enrollment of 542. Medical costs are based on the City's actual experience in calendar year 2024. All costs have been projected to January 1, 2026. Medical costs do not include EAP or HSA costs.

Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decreases as the projection period increases. The actual experience in a self-funded plan could vary. As such, the projected costs are illustrative only and show a comparison of the vendors based on historical data; these costs should not be used for budgeting purposes.

Executive Summary *(continued)*

Financial Overview of PBM Proposals

Description	UMR - Current	UMR	Aetna	Anthem
Plan Cost Before Rebates	$3,224,900	$3,084,100	$3,104,600	$3,042,200
Rebates	$870,500	$1,439,500	$1,018,400	$1,355,400
Plan Cost After Rebates	$2,354,400	$1,644,600	$2,089,800	$1,686,800
Year 1 - Plan Cost Price Improvements		**$709,800**	**$264,600**	**$667,600**
Plan Cost Before Rebates	$3,583,500	$3,431,700	$3,430,100	$3,370,200
Rebates	$901,300	$1,706,700	$1,129,600	$1,556,500
Plan Cost After Rebates	$2,682,200	$1,725,000	$2,300,500	$1,813,700
Year 2 - Plan Cost Price Improvements		**$957,200**	**$381,700**	**$868,500**
Plan Cost Before Rebates	$4,000,600	$3,836,400	$3,808,200	$3,752,100
Rebates	$935,600	$1,933,600	$1,281,100	$1,798,000
Plan Cost After Rebates	$3,065,000	$1,902,800	$2,527,100	$1,954,100
Year 3 - Plan Cost Price Improvements		**$1,162,200**	**$537,900**	**$1,110,900**
Total 3-Year Plan Cost Savings		**$2,829,200**	**$1,184,200**	**$2,647,000**

Executive Summary *(continued)*

Claim Projections

- The cost projections represent estimated medical and prescription drug claims cost for the 2026 plan year
- Medical and Prescription drug costs have been trended from 2024 to 2026 using the following annual trend factors:
  - Medical: 7%
  - Prescription Drugs: 10%*
- Trend accounts for a combined increase of approximately $1,000,000 projecting claims from 2024 to 2026 or about $500,000 increase each year
- Any cost savings shown only reflect the difference between the current contract terms to the new proposed contract terms, they do not offset expected trend
- Each year, costs increase by trend so “savings” will be reduced due to annual trend increases

*Prescription drug trends incorporate several different factors (cost and use) based on drug type (generic, brand, specialty) and channel (retail, retail-90, mail, specialty). This factor illustrates an overall average trend.

Executive Summary *(continued)*

Stop-Loss Insurance

- In order to provide a proposal for stop-loss insurance, carriers typically require a minimum of 9 months of claims utilization for the current stop-loss period. For a January 1, 2026 effective date, carriers would require claims detail through at least September 30, 2025.
- Each finalist was asked to provide preliminary rates for comparison purposes. All of the premium rates proposed by the finalists were comparable to the current arrangement.
- A separate stop-loss RFP will be conducted in late 2025 in order to obtain firm stop-loss insurance quotes for January 1, 2026.

Executive Summary *(continued)*

Medical Plan Scoring

- The following table outlines the overall scoring for each of the bidders, broken out by the scoring categories included in the RFP

Category	Points	UMR	Aetna	Anthem
Financials	30.00	30.00	23.79	27.60
Capability	30.00	29.45	30.00	28.51
Network	15.00	13.76	15.00	14.30
Match Benefits	15.00	15.00	14.32	13.98
Organization	10.00	10.00	8.88	8.91
Subtotal	**100.00**	**98.21**	**91.99**	**93.30**

Executive Summary *(continued)*

Prescription Drug Plan Scoring

- The following table outlines the overall scoring for each of the bidders, broken out by the scoring categories included in the RFP

Category	Points	UMR	Aetna	Anthem
Financials	30.00	30.00	25.43	29.18
Capability	20.00	17.26	20.00	18.17
Formulary	20.00	20.00	11.05	10.76
Network	20.00	18.04	16.86	20.00
Organization	10.00	9.75	10.00	9.84
Subtotal	**100.00**	**95.05**	**83.34**	**87.95**

Executive Summary *(continued)*

Overall Medical and Prescription Drug Plan Scoring

- The following table outlines the overall scoring for each of the bidders, broken out by the scoring categories included in the RFP

Category	Points	UMR	Aetna	Anthem
Combined Total	**100.00**	**97.26**	**89.40**	**91.70**

- The medical and prescription drug scores are weighted 70% medical and 30% prescription drug, which aligns with projected costs

Executive Summary *(continued)*

Summary of Proposals

- UMR was the highest-scoring bidder overall, scored well in all categories, and was the highest bidder on:
  - Medical and Prescription Drug Financials
  - Medical Benefits
  - Prescription Drug Formulary
  - Medical Organization
- Aetna was the lowest-scoring bidder overall, scored well in all categories but Medical and Prescription Drug Financials, and was the highest-scoring bidder on:
  - Medical and Prescription Drug Capability which includes claims processing, customer service, EAP and wellness programs
  - Prescription Drug Organization which includes financial status and contractual questions
- Anthem was the second highest bidder overall, scored well in all categories, and was the highest bidder on:
  - Prescription Drug Network
- All bidders provided comprehensive and thoughtful responses, as is shown by the bidders' scores being very close to each other

Executive Summary *(continued)*

Health Savings Account (HSA) Qualified Plan Fact Sheet

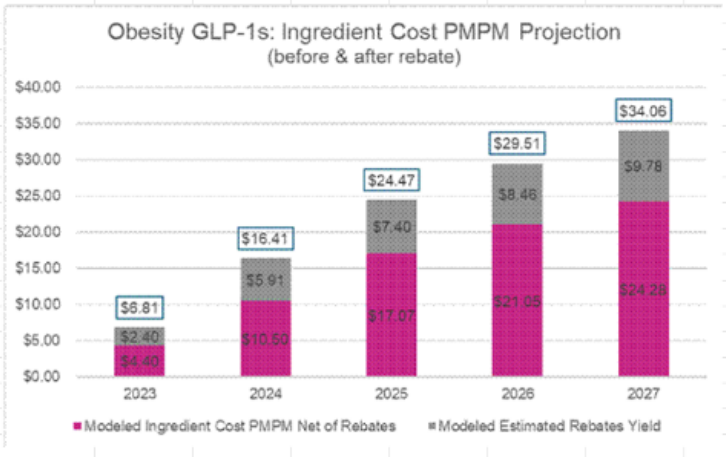
Item	Description
Deductible	All non-preventive services must be subject to the deductible, including office visits and prescription drugs – preventive services and prescription drugs may be covered at 100%
	The IRS sets a minimum deductible, which is indexed each year – it is $1,650 for individual coverage and $3,300 for family coverage for 2025
	Full family deductible applies - one or many individuals on a contract must reach the family deductible before any services move to coinsurance – the minimum family deductible is $3,300 for 2025
HSA	You can contribute tax-free to the HSA - $4,300 for individual coverage and $8,550 for family coverage and $1,000 “catch-up” contribution for those 55 and older
	Triple tax savings – no tax on contributions, no tax on earnings, no tax when taken out for qualified expenses
	You don’t lose your money if you don’t use it – it is a savings account, not a spending account
	Qualified expenses include medical, prescription drug, dental, vision and hearing out-of-pocket costs like an FSA, but you can also use it for COBRA, Medicare Advantage and long-term care premiums
	There is no time limit on reimbursing yourself for qualified expenses – make sure you keep receipts for your taxes in case you are audited
	It is portable - you can take it with you from employer to employer and use it in retirement
	If you use your HSA for non-qualified expenses, the reimbursement is subject to a 20% penalty and normal income taxes

Executive Summary *(continued)*

Weight-Loss Drugs – GLP-1s

- UMR has provided estimates of the cost impact of adding GLP-1 drugs for weight loss
- The gross cost increase for 2025 is 12% and the net cost increase (net of rebates) is 11.2%
  - 2024 gross costs: $24.47 PMPM increase x 1,151 members x 12 months = $337,980
  - 2024 net costs: $17.07 PMPM increase x 1,151 members x 12 months = $235,771

	2025	2026	2027
Gross of Rebates			
Projected Rx Claims	$2,789,200	$3,123,900	$3,498,800
Projected Employees	528	528	528
PEPM	$440.21	$493.04	$552.21
Projected BBs	1,143	1,143	1,143
PPPM	$203.35	$227.76	$255.09
OPTUM AOM BOB (PPPM)	$24.47	$29.51	$34.06
Impact on RX (gross)	12.0%	13.0%	13.4%
Net of Rebates			
Projected Rebates	($697,300)	($781,000)	($874,700)
Projected RX Claims (net of rebates)	$2,091,900	$2,342,900	$2,624,100
Projected BBs	1,143	1,143	1,143
PPPM	$152.52	$170.82	$191.32
OPTUM AOM BOB (PPPM) (net of rebates)	$17.07	$21.05	$24.28
Impact on RX (net of rebates)	11.2%	12.3%	12.7%



Recommendations

- **Medical/ Prescription Drug RFP:** Based on the final scoring, award the business to UMR – the incumbent
  - The medical discounts on the broad network have proven to be accurate and remain very competitive
  - The prescription drug rebates will increase substantially in the new contract period, so this should positively impact the net drug costs
- **HSA-Qualified Plan:** We recommend surveying the City's population to understand the desire for this plan
  - The HSA is an excellent way to save for healthcare expenses in retirement with triple tax savings, but the plan must comply with certain requirements – higher deductible, all services apply to the deductible, full family deductible – making them less attractive to some employees
  - If implemented, we would design a plan that is actuarially equivalent or lower to the current plan so it would not negatively impact the City's costs
- **Weight loss drugs (GLP-1s):** We recommend continuing to evaluate coverage for these drugs
  - At this point, the cost of these medications can be over $1,000 per month and medical cost savings have not yet been documented since these are newer medications on the market
  - Finding the right partners and programs to support members while on these medications is critical to ensure adherence to achieve meaningful weight loss and then to maintain it – new programs are starting, but there are no long-term studies showing their effectiveness
  - On May 12, 2025, President Trump signed an executive order (EO) on lowering prescription drug cost. It would provide most-favored-nation price targets to bring prices for American patients in line with comparably developed nations. If implemented, the EO could bring the costs for all drugs including weight loss drugs down significantly. As an example, Wegovy is $1,348 in the US and $328 in Germany[1].
  - We will evaluate allowing coverage to members who have a higher BMI (obese/morbidly obese). Currently UMR offers a program that will cover members who have a BMI of 30 or more (considered obese) or BMI of 27 with a weight-related comorbidty along with the Virta Weight Engage Program to support members with nutritional and other support while taking these medications.

1 How Do Prices of Drugs for Weight Loss in the U.S. Compare to Peer Nations' Prices? | KFF

Agenda

- ✓ Executive Summary
- ✓ **Appendices**
  - **PBM Pricing Models – Traditional and Transparent**
  - **PBM Financial Details – One-Year**
  - **PBM Financial Details – Three Years**
  - **PBM Contractual Details**
  - **Inpatient Hospital Disruption**
  - **Outpatient Hospital Disruption**
  - **Non-Hospital Provider Disruption**
  - **Prescription Drug Formulary Disruption**
  - **PBM Plan Sponsor Fiduciary Models**
  - **Financial Ratings**
  - **Report Caveats**

PBM Pricing Models

Traditional and Transparent

Traditional (Spread) PBM Pricing

Traditional PBM pricing is the older and more commonly used model. In this arrangement, the PBM negotiates with drug manufacturers and pharmacies for discounts and rebates. The PBM then charges its client a negotiated price for prescription drugs and pays the pharmacy a different price, typically a lower price. The difference between the two prices is the PBM's profit. Here are the pros and cons of traditional PBM pricing:

Pros:

- **Cost Predictability:** With a well negotiated PBM contract containing the correct terms and guarantee language, plans have a clearer understanding of what their overall pharmacy benefit costs will be, making budgeting more manageable.
- **Potential Cost Savings:** Traditional PBMs may be able to negotiate substantial discounts with manufacturers and pharmacies, resulting in cost savings for clients so long as they have competitively negotiated discounts with their PBM.

Cons:

- **Opacity:** The primary drawback of traditional PBM pricing is the lack of insight into what makes up their pharmacy benefit costs. Clients may not have full visibility into the actual costs, rebates, and discounts secured by the PBM, potentially leading to overpayment.
- **Conflict of Interest:** Traditional PBMs may be incentivized to choose higher-cost drugs or formulary options that offer larger rebates, which can conflict with the best interests of the client.

Transparent (Pass-Through) PBM Pricing

Transparent PBM pricing, on the other hand, offers greater visibility into the actual costs and fees associated with managing pharmacy benefits. With this model, PBMs pass on all discounts, rebates, and fees directly to the client, eliminating the profit "spread" that a traditional PBM makes between what they charge the client and what they pay the pharmacy. Transparent PBMs predominately generate revenue by charging a separate, fixed administrative fee for their services on each claim. Here are the pros and cons of transparent PBM pricing:

Pros:

- **Visibility:** Clients can see all costs, including discounts and rebates, ensuring that they know exactly where their money is going.
- **Fewer Conflicts of Interest:** Transparent PBMs have no incentive to favor higher-cost drugs or formulary options, as their revenue is derived solely from administrative fees.

Cons:

- **Administrative Costs:** While the administrative fees are fixed, they might be higher than the PBM markup in the traditional model, potentially increasing overall costs for clients.
- **Cost-management:** Transparent pricing can be more expensive than traditional pricing since the PBM isn't incentivized to aggressively manage the price a client pays a pharmacy.

PBM Financial Details – One-Year

- Bidders were asked to propose a 3-year contract term, assuming an effective date of January 1, 2026, for a self-funded traditional pricing arrangement that includes annual pricing and rebate guarantees and 100% pass-through of rebates for a $0 administrative fee for basic PBM services. Bidders were also asked to provide a secondary bid for a transparent pass-through arrangement of all discounts and rebates for a low administrative fee. Proposals were based on an average of 542 total lives.

Year 1 Projected Pricing Improvements	Current	UMR (Traditional)	UMR (Pass Through)	Aetna (Traditional)	Anthem (Traditional)	Anthem (Pass Through)
Gross Drug Cost (Before Rebates)	$3,422,300	$3,281,700	$3,281,700	$3,301,800	$3,239,400	$3,239,400
(+) Administrative Fees	$0	$0	$24,900	$0	$0	$15,500
(-) Member Cost Share	$197,400	$197,600	$197,600	$197,200	$197,200	$197,200
Net Drug Cost (Before Rebates)	$3,224,900	$3,084,100	$3,109,000	$3,104,600	$3,042,200	$3,057,700
(-) Rebates	$870,500	$1,439,500	$1,439,500	$1,014,800	$1,355,400	$1,355,400
Net Drug Cost (After Rebates)	$2,354,400	$1,644,600	$1,669,500	$2,089,800	$1,686,800	$1,702,300
Total Price Improvements After Rebates ($)		**$709,800**	**$684,900**	**$364,600**	**$667,600**	**$652,100**
Total Price Improvements After Rebates (%)		**30.1%**	**29.1%**	**11.2%**	**28.4%**	**27.7%**

Note: All projections are based on the following assumptions:

• Experience Period: Projections are based on the 1/1/2024 – 12/31/2024 claims experience provided by UMR trended to the three-year projection period. The 2025 guaranteed pricing, including minimum guaranteed rebates, from the current contract was used for all projected years of the "Current Terms" baseline.

• Segal normative trend is applied across all offers.

• Cost and Utilization for compound, vaccine, paper claim and other excluded products have been separated in this analysis and assumed to have similar costs under each projection. Generic dispensing rate (GDR) increases are applied in all years of the projection. These projections do not include guaranteed generic dispensing rates, clinical program costs or implementation credit allowances, if applicable. Financial guarantees may be adjusted for caveats made in the minimum contractual requirements.

• Each bidder provided a pricing offer tailored to the City. The total cost for the City was calculated individually for each bidder. Each bidder proposed specialty lists and drug pricing exclusions that were accounted for individually for each bidder in the total financial analysis.

• Member cost share was based on the current plan designs and current lives.

• An exclusive specialty network arrangement in place under the current contract and all bids

• Claims costs for Humira biosimilars have been adjusted based on the bidders' proposals.

The projections in this report are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, health trend rates and claims volatility. The accuracy and reliability of health projections decrease as the projection period increases. Segal's pricing guidance is not intended to provide legal advice. Issues involving the interpretation of laws/regulations should be referred to legal counsel for authoritative advice.

PBM Financial Details – Three-Years

- Bidders were asked to propose a 3-year contract term, assuming an effective date of January 1, 2026, for a self-funded traditional pricing arrangement that includes annual pricing and rebate guarantees and 100% pass-through of rebates for a $0 administrative fee for basic PBM services. Bidders were also asked to provide a secondary bid for a transparent pass-through arrangement of all discounts and rebates for a low administrative fee. Proposals were based on an average of 542 total lives.

3 Year Projected Pricing Improvements	Current	UMR (Traditional)	UMR (Pass Through)	Aetna (Traditional)	Anthem (Traditional)	Anthem (Pass Through)
Gross Drug Cost (Before Rebates)	$11,410,300	$10,954,200	$10,954,200	$10,943,100	$10,764,800	$10,764,800
(+) Administrative Fees	$0	$0	$75,100	$0	$0	$46,800
(-) Member Cost Share	$601,300	$602,000	$602,000	$600,200	$600,300	$600,300
Net Drug Cost (Before Rebates)	$10,809,000	$10,352,200	$10,427,300	$10,342,900	$10,164,500	$10,211,300
(-) Rebates	$2,707,400	$5,079,800	$5,079,800	$3,425,500	$4,709,900	$4,709,900
Net Drug Cost (After Rebates)	$8,101,600	$5,272,400	$5,347,500	$6,917,400	$5,454,600	$5,501,400
Total Price Improvements After Rebates ($)		**$2,829,200**	**$2,754,100**	**$1,184,200**	**$2,647,000**	**$2,600,200**
Total Price Improvements After Rebates (%)		**34.9%**	**34.0%**	**14.6%**	**32.7%**	**32.1%**

Note: All projections are based on the following assumptions:

• Experience Period: Projections are based on the 1/1/2024 – 12/31/2024 claims experience provided by UMR trended to the three-year projection period. The 2025 guaranteed pricing, including minimum guaranteed rebates, from the current contract was used for all projected years of the "Current Terms" baseline.

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• An exclusive specialty network arrangement in place under the current contract and all bids

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PBM Contractual Details

Key Contractual Terms

- Bidders were asked to propose a 3-year contract term, assuming an effective date of January 1, 2026, for a self-funded traditional pricing arrangement that includes annual pricing and rebate guarantees and 100% pass-through of rebates for a $0 administrative fee for basic PBM services. Bidders were also asked to provide a secondary bid for a transparent pass-through arrangement of all discounts and rebates for a low administrative fee. Proposals were based on an average 542 total lives.
- Below is a summary of key contractual terms noted within each PBM's proposal, followed by clarification on any terms they disagreed with or partially agreed to.

Requested Terms	UMR	Aetna	Anthem
Allowances and Credits			
Implementation Allowance	N/A (incumbent)	$2,710 ($5 Per Member)	$100,000 (term of contract)
Annual General Pharmacy Allowance	$1,626 ($3 Per Member Per Year)	$1,084 ($2 Per Member Per Year)	
Market Check Rights			
Annual Market Check	● One time per term	● Not offered	● One time per term
Audit Rights			
Annual	●	●	●
Audit up to 24 Months	●	●	●
Termination Provisions			
Without Cause Rights	●	●	●
Termination Written Notice	●	●	● 90 Days
Penalty for Early Termination	● Retain earned but unpaid rebates	● Retain earned but unpaid rebates and no reconciliation	● $3 PEPM for remainder of initial term

Chart Key: ● Agreed ● Partially Agreed ● Disagreed

Inpatient Hospital Provider Disruption

Inpatient Hospital Provider Disruption

Provider Name	Provider City	Provider State	Provider Specialty Desc	Eligible Charges	UMR	Aetna	Anthem
FREEMAN HEALTH SYSTEM	Joplin	MO	HOSPITAL	$1,168,700	◆	◆	◆
MERCY HOSPITAL JOPLIN	Joplin	MO	HOSPITAL	$409,249	◆	◆	◆
RESEARCH MEDICAL CENTER	Kansas City	MO	HOSPITAL	$325,270	◆	◆	◆
CHILDRENS MERCY HOSPITAL	Kansas City	MO	HOSPITAL	$169,942	◆	◆	◆
L E COX MEDICAL CENTERS	Springfield	MO	HOSPITAL	$161,865	◆	◆	◆
GRAND FALLS CENTER FOR RECOVER	Joplin	MO	HOSPITAL	$146,355			
MERCY HOSP SPRINGFIE	Springfield	MO	HOSPITAL	$84,099	◆	◆	◆
COMMUNITY HOSPICES OF AMERICA	Joplin	MO	HOSPICE	$45,600	◆	◆	◆
BJH NORTH CAMPUS	Saint Louis	MO	HOSPITAL	$31,047	◆	◆	◆
SPRINGWOODS	Fayetteville	AR	HOSPITAL	$24,200	◆	◆	◆
NEOSHO MEMORIAL HOSPITAL	Chanute	KS	HOSPITAL	$17,392	◆	◆	◆
THE RECOVERY VILLAGE MARYLAND	Upper Marlboro	MD	HOSPITAL	$10,400	◆	◆	◆
AVALON JOPLIN	Joplin	MO	HOSPICE	$6,225	◆	◆	◆
FREEMAN NEOSHO HOSPITAL	Neosho	MO	HOSPITAL	$3,555	◆	◆	◆
NEW DIRECTIONS	Joplin	MO	HOSPITAL	$2,354	◆	◆	◆
PHELPS COUNTY REGIONAL MEDICAL	Rolla	MO	HOSPITAL	$0	◆	◆	◆
Total Count of In-Network Providers					**15**	**15**	**15**

◆ = In-Network Provider

= Out-of-Network Provider

Outpatient Hospital Provider Disruption

Top 25 Outpatient Hospital Provider Disruption

Provider Name	Provider City	Provider State	Provider Specialty Desc	Eligible Charges	UMR	Aetna	Anthem
FREEMAN HEALTH SYSTEM	Joplin	MO	HOSPITAL	$2,759,207	◆	◆	◆
MERCY HOSPITAL JOPLIN	Joplin	MO	HOSPITAL	$772,021	◆	◆	◆
UNIVERSITY OF KANSAS HOSPITAL	Kansas City	KS	HOSPITAL	$362,062	◆	◆	◆
MERCY SPECIALTY HOSPITAL SOUTH	Galena	KS	HOSPITAL	$324,890	◆	◆	◆
SURGICAL CTR	Joplin	MO	SURGERY CENTER	$297,780	◆	◆	◆
MIDWEST DIVISON OPRMC LLC	Leawood	KS	HOSPITAL	$259,221	◆	◆	◆
MERCY HOSPITAL CARTHAGE	Carthage	MO	HOSPITAL	$151,179	◆	◆	◆
32ND STREET SURGERY CENTER	Joplin	MO	SURGERY CENTER	$137,775	◆	◆	◆
L E COX MEDICAL CENTERS	Springfield	MO	HOSPITAL	$112,708	◆	◆	◆
MERCY HOSP SPRINGFIE	Springfield	MO	HOSPITAL	$101,524	◆	◆	◆
FAYETTEVILLE VAMC	Joplin	MO	HOSPITAL	$78,765	◆	◆	◆
MUSKOGEE VAMC	Joplin	MO	HOSPITAL	$59,511	◆	◆	◆
MD ANDERSON CANCER	Houston	TX	HOSPITAL	$53,386	◆	◆	◆
COX MONETT HOSPITAL	Monett	MO	#N/A	$41,634	◆	◆	◆
ARKANSAS CHILDRENS NORTHWEST I	Springdale	AR	HOSPITAL	$37,277	◆	◆	◆
MERCY HOSPITAL NORTHWEST ARKAN	Rogers	AR	HOSPITAL	$30,504	◆	◆	◆
SM PRAIRIE STAR	Lenexa	KS	SURGERY CENTER	$25,967	◆	◆	◆
KU MEDWEST AMBULATO	Leawood	KS	SURGERY CENTER	$23,484	◆	◆	◆
RESEARCH MEDICAL CENTER	Kansas City	MO	HOSPITAL	$22,808	◆	◆	◆
CHILDRENS MERCY HOSPITAL	Leawood	KS	HOSPITAL	$19,796	◆	◆	◆
FREEMAN NEOSHO HOSPITAL	Neosho	MO	HOSPITAL	$18,542	◆	◆	◆
CITIZENS MEMORIAL HOSPITAL	Bolivar	MO	HOSPITAL	$16,081	◆	◆	◆
BAPTIST MEDICAL CENTER LITTLE	Little Rock	AR	HOSPITAL	$14,651	◆	◆	◆
OCHSNER ST MARY	Morgan City	LA	HOSPITAL	$11,965	◆	◆	◆
BAYLOR SCOTT WHITE H	Woodway	TX	HOSPITAL	$8,863	◆	◆	◆
Total Count of In-Network Providers					**25**	**25**	**25**

◆ = In-Network Provider

= Out-of-Network Provider

Non-Hospital Provider Disruption

Top 50 Non-Hospital Provider Disruption

Provider Name	Provider City	Provider State	Provider Specialty Desc	Eligible Charges	UMR	Aetna	Anthem
UPPAL,GULSHAN,MD	Joplin	MO	NEUROLOGY	$2,061,324	◆	◆	◆
FOGARTY,CHERYL,A,MD	Joplin	MO	OBSTETRICS & GYNECOLOGY	$298,298	◆	◆	◆
QUEST DIAGNOSTICS	San Juan Capistrano	CA	INDEPENDENT LAB	$248,710	◆	◆	◆
GOODEN,DAVID,DO	Joplin	MO	ANESTHESIOLOGY	$156,229	◆	◆	◆
SMITH,SHARI,L,DO	Joplin	MO	PEDIATRICS	$120,767	◆	◆	◆
MATLOCK,STEPHEN,M,MD	Joplin	MO	DERMATOLOGY	$69,630	◆	◆	◆
JOSEPH,MICHAEL,E,MD	Joplin	MO	ALLERGY AND IMMUNOLOGY	$53,284	◆	◆	◆
MAY,DANICA,MD	Mission	KS	UROLOGY	$50,859	◆	◆	◆
LEE,SUNGHOON,MD	Springfield	MO	NEUROLOGICAL SURGERY	$49,736	◆	◆	◆
MEIER,KELLY,J,DO	Joplin	MO	PEDIATRICS	$43,294	◆	◆	◆
APRIA DME	Carl Junction	MO	DURABLE MEDICAL EQUIPMENT	$43,208	◆	◆	◆
CHILDRENS,MERCY HOSP AMB,MD	Kansas City	MO	AMBULANCE	$42,335	◆	◆	◆
BARNES,BRYAN,D,DO	Joplin	MO	FAMILY PRACTICE	$40,748	◆	◆	◆
NEWKIRK,MARY,APRN NP FNP	Webb City	MO	NURSE PRACTITIONER	$39,973	◆	◆	◆
KING,TAMI,PMHNP BC	Joplin	MO	PSYCHIATRY	$38,923	◆	◆	◆
HARGRODER,DAVID,E,MD	Carthage	MO	TRAUMATIC SURGERY	$36,833	◆	◆	◆
LABORATORY CORPORATION OF AMER	Overland Park	KS	INDEPENDENT LAB	$35,812	◆	◆	◆
BOREN,STEVEN,CRNA CNA RNA	Joplin	MO	NURSE ANESTHETIST	$35,607	◆	◆	◆
MORNINGSTAR,JULIE,LPC MS MA	Joplin	MO	COUNSELOR/THERAPIST	$34,950	◆	◆	◆
ROGERS,ALISON,M,MPT PT	Joplin	MO	PHYSICAL & OCCUPATIONAL THERAPY	$34,729	◆	◆	◆
SHAH,HEERAL,R,MD	Joplin	MO	OPHTHALMOLOGY	$33,470	◆	◆	◆
HANDOKO YANG,MAUREEN,MD PHD	Galena	KS	CHILD NEUROLOGY	$30,422	◆	◆	◆
WILSON,LUKE,A,MD	Galena	KS	RADIOLOGY	$23,964	◆	◆	◆
PORT,JOHN,D,MD PHD	Rochester	MN	RADIOLOGY DIAGNOSTIC	$23,646	◆	◆	◆
VO,MAI,V,MD	Springfield	MO	PEDIATRICS	$22,434	◆	◆	◆

◆ = In-Network Provider

= Out-of-Network Provider

Non-Hospital Provider Disruption *(continued)*

Top 50 Non-Hospital Provider Disruption *continued*

Provider Name	Provider City	Provider State	Provider Specialty Desc	Eligible Charges	UMR	Aetna	Anthem
HARRIS,ALYSSA,EPT	Joplin	MO	ELECTRODIAGNOSTIC MEDICINE	$22,406	◆	◆	
PERRY,AMY,PMHNP	Joplin	MO	PSYCHIATRY	$21,099	◆	◆	◆
WAGNER,KRISTIN,D,NP APRN FNP	Galena	KS	NURSE PRACTITIONER	$20,132	◆	◆	◆
WALKER,RENEE,A,DO	Joplin	MO	OTORHINOLARYNGOLOGY	$19,420	◆	◆	◆
COATS,ROBERT,A,CRNA	Galena	KS	NURSE ANESTHETIST	$18,330	◆	◆	◆
PHYSICIAN SERVICES O,,MD	O Fallon	MO	PUBLIC HEALTH	$18,095	◆		◆
ALLIANCE REHAB & MED EQUI	Ozark	MO	DURABLE MEDICAL EQUIPMENT	$17,581	◆	◆	◆
PFEFFER,SEAN,C,MD	Joplin	MO	FAMILY PRACTICE	$16,333	◆	◆	◆
PATTERSON,MEGAN,F,MD	Joplin	MO	ALLERGY AND IMMUNOLOGY	$16,289	◆	◆	◆
NATERA	Austin	TX	INDEPENDENT LAB	$15,600	◆	◆	◆
GAVULA,VERONICA,H,PA	Kansas City	MO	PHYSICIAN ASSISTANT	$15,363	◆	◆	◆
MAWD PATHOLOGY GROU	Joplin	MO	INDEPENDENT LAB	$15,021	◆	◆	◆
GREEN COUNTRY EMERG	Joplin	MO	EMERGENCY MEDICINE	$14,756	◆	◆	◆
BECK,PEGGY,A,LSCSW	Joplin	MO	SOCIAL WORKER	$14,640	◆	◆	◆
LINCARE	Carl Junction	MO	DURABLE MEDICAL EQUIPMENT	$14,583	◆	◆	◆
ANCHA,SUDHAKAR,MD	Joplin	MO	GASTROENTEROLOGY	$13,525	◆	◆	◆
METRO ER TRANSPORT	Joplin	MO	AMBULANCE	$13,494	◆	◆	
CARDIONET	Malvern	PA	LAB, X-RAY AND DIAGNOSTIC MEDICINE	$12,750	◆	◆	◆
PHELAN,NATHANIEL,M,MD	Joplin	MO	DERMATOLOGY	$12,032	◆	◆	◆
HOLMES,ERNEST,S,IV,MD	Neosho	MO	PEDIATRICS	$11,710	◆	◆	◆
BOCK,KELLY,CRNA	Joplin	AR	NURSE ANESTHETIST	$11,492	◆	◆	◆
PUTNAM,WAYNE,E,DO	Springfield	MO	RADIOLOGY DIAGNOSTIC	$11,171	◆	◆	◆
PATTERSON,CRAIG,MD	Joplin	MO	PATHOLOGY	$11,058	◆	◆	◆
BADWEY,TIMOTHY,M,MD	Kansas City	MO	ORTHOPEDIC SURGERY	$11,042	◆	◆	◆
CICCARELLI,JOHN	Lenexa	KS	ORTHOPEDIC SURGERY	$10,950	◆		◆
Total Count of In-Network Providers					**50**	**48**	**48**

◆ = In-Network Provider

= Out-of-Network Provider

Prescription Drug Formulary Disruption

- Formulary analysis is based on the City's historical claims experience, dates of service 1/1/24–12/31/24, and an average of 542 total lives.
- PBMs typically update their formulary a minimum of two times per year. The below is reflective of each PBM's current formulary.
- The table below illustrates potential member impact under each proposed formulary. Note: Members may be counted more than once if they are taking more than one impacted drug

	UMR	Aetna	Anthem
Formulary Proposed	Select	Standard	Direct Plus
Confirm the PBM agrees to grandfather the City's current formulary for up to 90 days following the contract effective date, with no impact on rebate guarantees.	●	●	●
Positive Member Impact			
Higher Copay Tier to a Lower Copay Tier	85	36	26
Negative Member Impact			
Excluded Drugs	0	39	58
Lower Copay Tier to a Higher Copay Tier	16	24	27
Total Negative Member Impact	**16**	**63**	**85**
Chart Key	● Agreed ● Disagreed		

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	UMR	Aetna	Anthem
Formulary Disruption			
Drug Name Category/Member Impact	**Select Formulary (Open)**	**Standard Control with ACSF**	**National Direct Plus**
Top Excluded Drugs	N/A	**Albuterol Sulfate** 22 members	**Synthroid/NP Thyroid** 12 members
	N/A	**Epinephrine** 11 members	**Symbicort** 10 members
	N/A	**Sutab** 4 members	**Vyvanse** 5 members
	N/A	**Victoza** 3 members	**Contour Test Strips** 5 members
	N/A	**Aimovig** 2 members	**Ventolin** 2 members
Top Negative Tier Placement Drugs	**Xyosted** 5 members	**BD Needles** 12 members	**Xyosted** 5 members
	Cequa 2 members	**NP Thyroid** 5 members	**Aimovig** 2 members
	Xifaxan 2 members	**Combivent Respimat** 4 members	**Rinvoq** 2 members
	Lagevrio 2 members	**Evotaz** 1 member	**Xolair** 1 member
	Veozah 1 member	**Taltz** 1 member	**Otezla** 1 member

PBM Plan Sponsor Fiduciary Obligations

Fiduciary Duty: Recently there have been lawsuits filed by employees and former participants in a self-insured employer sponsored health plan, asserting that the employer or plan sponsor breached its fiduciary duty under ERISA by mismanaging the plan's prescription drug benefits. While two of these lawsuits have recently been dismissed, it does not affect employers' continued emphasis on fiduciary governance. Plan fiduciaries will be better able to defend against future claims if they can show that they periodically conduct request for proposals (RFPs) to select a PBM, reviewed available market options (including traditional and transparent offers), compared all fees and costs, and negotiated favorable terms that contain appropriate rights for plan fiduciaries and maximize value for the plan.

Take 10 steps to satisfy fiduciary obligations

As plan sponsors move to address plan costs and ensure that they have a reasonable contract, it is important to keep in mind the plan's fiduciary duties. When selecting and monitoring their service providers, plan fiduciaries have an obligation to use a prudent decision-making process. Fiduciaries must act in the sole interests of their participants and beneficiaries, and follow well-established paths to ensure they make a prudent selection.

As part of this process, plan sponsors should consider taking these steps:

1. Examine whether the plan's selection process for service providers is appropriate.
2. Determine whether to create a special committee to monitor decision-making.
3. Scrupulously document all fiduciary decision-making processes.
4. Provide fiduciary training to all plan fiduciaries — as well non-fiduciaries involved in plan administration, so they know how to avoid inadvertently becoming fiduciaries — and update the training as necessary.
5. Periodically conduct requests for proposals (RFPs) to select a PBM. Issuing an RFP is particularly important when moving to a more transparent pass-through arrangement, both to ensure that the plan obtains the best contract and to eliminate concerns about modifying payment terms mid-agreement.
6. Be strategic about RFP vendors. Consider asking smaller PBMs to bid, and reserve the right to use different vendors for each component of the program (e.g., specialty pharmacy and utilization management).
7. Ensure that the professional advisors assisting the fiduciaries in conducting the RFP do not have any vested interest or compensation associated with the winning PBM. The advisor should not have a relationship to a PBM that would present a conflict of interest with the plan.
8. Ask professional advisors and legal counsel to closely scrutinize the PBM contract to ensure it accurately reflects the agreement, contains appropriate rights for the fiduciaries and maximizes value for the plan.
9. Include audit rights in the contract, both the right to audit payments under the agreement and the right to audit rebates. Make sure audit rights are clear. Plan sponsors should leverage audit rights to ensure that the PBM is complying with its agreement.
10. Consider performing a market check mid-contract to maintain competitive pricing through the contract terms.

Financial Ratings

Financial Ratings

- When available, Segal selects A.M. Best or Standard & Poor's rating because of their depth of coverage of insurance companies and overall reputation as a rating service. Several other rating services also provide ratings of insurance companies and managed care organizations.

	Aetna	Anthem	UMR
A.M. Best	A March 2024	A December 2023	December 2023
Standard and Poor's	A- December 2024	AA- April 2023	A+ July 2024

Segal believes it is important to consider the financial strength of insurance companies and managed care organizations that are candidates for initial selection or renewal as insurers or service providers to employee benefit plans. Therefore, we are providing the current claims paying ability rating that was available to us on the date this document was prepared for the insurance companies or managed care organizations under consideration.

When available, we select Standard & Poor's and A.M. Best because of their excellent overall reputation as rating services. In addition, they evaluate more insurance companies than most of the other comparable rating services. Several other rating services (e.g., Duff & Phelps and Moody's) also provide claims paying ability evaluations of insurance companies and managed care organizations. You may wish to consult these other services before making a decision regarding the initial selection or renewal of an insurance company or managed care organization.

Insurance company and managed care organization rating category explanations are attached. For example, Standard & Poor's ratings range from "Vulnerable" to "Secure". In particular, they regard "vulnerable" companies (i.e., ratings of BB+ and lower) to be at relatively serious risk in terms of meeting both claims and creditor obligations. Insurance companies in this category should be researched carefully before being selected.

Finally, Segal does not itself perform insurance company or managed care organization credit quality evaluations and does not offer any warranty as to the scope or reliability (e.g., with respect to an organization's ability to meet future obligations) of the insurance company or managed care organization evaluations performed by Standard & Poor's, A.M. Best, or any other rating services.

Segal is not responsible for providing monitoring on an ongoing basis.

Financial Rating Descriptions

A.M. Best

Rating*		Category
Investment Grade Or Secure		
A+	A++	Superior - "superior ability to meet their ongoing obligations to policyholders"
A	A-	Excellent - "excellent ability to meet their ongoing obligations to policyholders"
B+	B++	Good - "good ability to meet their ongoing obligations to policyholders"
Below Investment Grade Or Vulnerable		
B	B-	Fair - "fair ability to meet their current obligations to policyholders, but their financial strength is vulnerable to adverse changes in underwriting and economic conditions"
C+	C++	Marginal - "marginal ability to meet their current obligations to policyholders, but their financial strength is vulnerable to adverse changes in underwriting and economic conditions"
C	C-	Weak - "weak ability to meet their current obligations to policyholders, but their financial strength is very vulnerable to adverse changes in underwriting and economic conditions"
D	-	Poor - "poor ability to meet their current obligations to policyholders, but their financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions"
E		Under Regulatory Supervision - "status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action and has been taken to delay or otherwise limit policyholder payments."
F		In Liquidation - "status assigned to insurers that are publicly placed, via court order into liquidation after a finding of insolvency, or the international equivalent"
S		Rating Suspended - "status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to lack of timely or adequate information; or in cased when continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements."
NR		No Rating - "status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best."

*Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+" or a minus "-".

Financial Rating Descriptions

Standard and Poor's

Rating*	Category
	Investment Grade or Secure
AAA	Extremely strong capacity to meet its financial commitments. 'AAA' is the highest insurer financial enhancement rating assigned by S&P Global Ratings.
AA	Very strong capacity to meet its financial commitments. It differs from the highest-rated insurers only to a small degree.
A	Strong capacity to meet its financial commitments, but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than insurers in higher-rated categories.
BBB	Adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the insurer's capacity to meet its financial commitments.
	Below Investment Grade or Vulnerable
BB	Less vulnerable in the near term than other lower-rated insurers. However, it faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions that could lead to the insurer's inadequate capacity to meet its financial commitments
B	More vulnerable than the insurers rated 'BB', but the insurer currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the insurer's capacity or willingness to meet its financial commitments.
CCC	Currently vulnerable and is dependent upon favorable business, financial, and economic conditions to meet its financial commitments.
CC	Currently highly vulnerable.
D	Currently has failed to pay one or more of its financial obligations when it came due. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due.
SD	Currently has failed to pay one or more of its financial obligations when it came due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, but it will continue to meet its payment obligations on other issues or classes of obligations.

*The ratings from "AA" to "CCC" may be modified by the addition of a plus or minus sign to refine relative standing within each category.

Report Caveats

- This bid analysis report is for the sole use of plan sponsor and its authorized representatives involved in the competitive bid. Some material provided by the bidders may be deemed proprietary and confidential to the bidder and may not be disclosed or shared with any third parties other than the authorized employees, directors, unless required by public disclosure laws or other legal requirements.
- The projections in this presentation are estimates of future costs and are based on information available to Segal at the time the projections were made. Segal has not audited the information provided. Projections are not a guarantee of future results. Actual experience may differ due to, but not limited to, such variables as changes in the regulatory environment, local market pressure, trend rates, and claims volatility. The accuracy and reliability of projections decrease as the projection period increases.