

**BERRIEN RESA
SELF-FUNDED OPTIONS EFFECTIVE 7/01/2021**

CURRENT ENROLLMENT: SINGLE 65 FAMILY 152 TOTAL 217	CURRENT PRIORITY HEALTH/ ASR	OPTION 1 PRIORITY HEALTH/ ASR	OPTION 2 PRIORITY HEALTH/ ASR	OPTION 3 PRIORITY HEALTH/ ASR	OPTION 4 PRIORITY HEALTH/ ASR
SPECIFIC STOP LOSS COVERAGE					
Specific Deductible	\$100,000	\$100,000	\$110,000	\$125,000	\$150,000
Aggregating Specific Deductible	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Single Premium	\$88.00	\$93.95	\$82.80	\$73.72	\$61.38
Family Premium	\$221.35	\$236.33	\$208.27	\$185.45	\$154.39
Benefits Covered	MED/RX	MED/RX	MED/RX	MED/RX	MED/RX
Accumulator Type	INDIVIDUAL	INDIVIDUAL	INDIVIDUAL	INDIVIDUAL	INDIVIDUAL
Specific Contract Basis	18/12	24/12	24/12	24/12	24/12
ANNUAL SPECIFIC STOP LOSS PREMIUM	\$472,382	\$504,347	\$444,468	\$395,762	\$329,484
AGGREGATE STOP LOSS COVERAGE					
Single Aggregate Factor	\$918.41	\$834.84	\$846.72	\$856.38	\$869.54
Family Aggregate Factor	\$2,310.18	\$2,099.96	\$2,129.84	\$2,154.15	\$2,187.24
Annual Expected Claims	\$3,944,102	\$3,585,202	\$3,636,216	\$3,677,717	\$3,734,214
Annual Aggregate Attachment Point	\$4,930,128	\$4,481,502	\$4,545,270	\$4,597,146	\$4,667,767
Aggregate Premium Rate	\$9.79	\$10.48	\$10.62	\$10.75	\$10.91
Benefits Covered	MED/RX	MED/RX	MED/RX	MED/RX	MED/RX
Aggregate Contract Basis	18/12	24/12	24/12	24/12	24/12
Run-In Limit	N/A	N/A	N/A	N/A	N/A
ANNUAL AGGREGATE STOP LOSS PREMIUM	\$25,493	\$27,290	\$27,654	\$27,993	\$28,410
ADMINISTRATION FEES					
Medical Administration Fee	\$59.34	\$56.98	\$56.98	\$56.98	\$56.98
Dental Administration Fee	\$2.50	\$3.00	\$3.00	\$3.00	\$3.00
Vision Administration Fee	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Provider Network Access Fee	Included	Included	Included	Included	Included
Case Management/Certification Fee	Included	Included	Included	Included	Included
Prescription Drug Administration Fee	Included	Included	Included	Included	Included
COBRA Administration Fee	Included	Included	Included	Included	Included
Flexible Spending Fee	\$6.45	\$6.45	\$6.45	\$6.45	\$6.45
ANNUAL ADMINISTRATION FEES	\$181,733	\$176,890	\$176,890	\$176,890	\$176,890
TOTAL COST RECAP					
EST. FIXED RUN-OUT COSTS	N/A	N/A	N/A	N/A	N/A
EST. CLAIM RUN-OUT COSTS	N/A	N/A	N/A	N/A	N/A
IMPLEMENTATION CREDIT	N/A	N/A	N/A	N/A	N/A
EST. ANNUAL FIXED COSTS	\$729,609	\$758,527	\$699,013	\$650,645	\$584,783
% Change from Current		4.0%	-4.2%	-10.8%	-19.8%
EST. ANNUAL EXPECTED COSTS	\$4,673,711	\$4,343,728	\$4,335,228	\$4,328,362	\$4,318,997
% Change from Current		-7.1%	-7.2%	-7.4%	-7.6%
EST. ANNUAL MAXIMUM COSTS	\$5,659,737	\$5,240,029	\$5,244,282	\$5,247,791	\$5,252,550
% Change from Current		-7.4%	-7.3%	-7.3%	-7.2%

Note:

The above fixed, expected, and maximum costs include the liability for the aggregating specific shown above.

PRIORITY HEALTH CONTINGENCIES

- Pricing assumes Priority Health will return 100% of prescription drug formulary rebates to the plan sponsor.
- Quotes include a renewal specific stop-loss premium cap of 35%. Priority Health Stop Loss does not mandate lasers at renewal but can offer them as an option if requested.
- Priority Health Stop Loss does not mandate lasers at renewal but can offer them as an option if requested.
- The claims projection illustrated includes the group's expected claims liability and Provide Incentive Program payments (PIP).
- Rates, fees and /or claims projections do NOT reflect amounts for any applicable future tax and/or required benefits as regulated by ACA and will be adjusted as necessary to incorporate such required tax and/or benefits.
- Priority Health reserves the right to re-rate if there is modification and/or redistribution of members between plans as illustrated which impacts rates by more than 10%.
- Actively at work waiver subject to approval of Specific Excess Medical Expense Coverage Disclosure Statement.
- Claims after 4/1/2020 in the experience period have been actuarially adjusted for the impact of Covid 19. The purpose of this adjustment is to reflect the best estimate for prospective claims
- Quote assumes policyholder will access the Priority Health network and networks listed in the Administrative Fees section.
- Aggregate is settled based on the distribution of members tier and factor at the member tier level. Minimum Annual Attachment point will be 100% of the Annual Aggregate Attachment Point as stated in the proposal.

Berrien Regional Education Service Agency - Renewal Summary (24/12 Contract)

Effective Date: July 1, 2021
 Projected Enrolled Contracts: 217
 Projected Enrolled Members: 612
 Singles: 65
 Family: 152

Administrative Cost

Line of business: Med & Rx
 Rx rebate strategy: 100% Returned to customer

Monthly fee per employee	Current Period	Renewal Period	\$ Change	% Change
Base administrative	\$59.00	\$56.64	-\$2.36	-4.0%
Cigna network (\$8.10 PEPM - 9 contracts)	\$0.34	\$0.34	\$0.00	0.0%
Agent fee	\$0.00	\$0.00	\$0.00	0.0%
Total	\$59.34	\$56.98	-\$2.36	-4.0%
Monthly projected cost	\$12,876	\$12,364	-\$512	-4.0%
Annual projected cost	\$154,511	\$148,365	-\$6,145	-4.0%

Stop-loss Cost

Specific deductible: \$100,000
 Specific benefits covered: Med & Rx
 Specific contract type: 24/12
 Aggregating specific: \$50,000
 Aggregate margin: 125%
 Aggregate benefits covered: Med & Rx
 Aggregate contract type: 24/12
 Specific stop-loss agent fee: 0.0%

Monthly	Current Period	Renewal Period	\$ Change	% Change
Specific Premiums:				
Single	\$88.00	\$93.95	\$5.95	6.8%
Family	<u>\$221.35</u>	<u>\$236.33</u>	<u>\$14.98</u>	<u>6.8%</u>
Composite	\$181.41	\$193.68	\$12.27	6.8%
Aggregate Premium:	\$9.79	\$10.48	\$0.69	7.0%
Monthly projected cost (premium)	\$41,490	\$44,303	\$2,813	6.8%
Annual projected cost (premiums)	\$497,876	\$531,631	\$33,756	6.8%
Aggregate Factors:				
Single	\$918.41	\$834.84	-\$83.57	-9.1%
Family	<u>\$2,310.18</u>	<u>\$2,099.96</u>	<u>-\$210.22</u>	<u>-9.1%</u>
Composite	\$1,893.29	\$1,721.00	-\$172.29	-9.1%
Monthly minimum attachment point:	\$410,844	\$373,458	-\$37,386	-9.1%
Annual minimum attachment point:	\$4,930,128	\$4,481,492	-\$448,636	-9.1%

Projected Annual Cost

Annual	Current Period	Renewal Period	\$ Change	% Change
Administrative cost	\$154,511	\$148,365	-\$6,145	-4.0%
Specific premium	\$472,382	\$504,341	\$31,959	6.8%
Aggregate premium	\$25,493	\$27,290	\$1,797	7.0%
Medical & Rx claims	\$3,998,728	\$3,585,194	-\$413,535	-10.3%
Est. projected annual cost	\$4,651,115	\$4,265,190	-\$385,924	-8.3%
Est. maximum liability annual cost (excludes rebates)	\$5,582,514	\$5,161,489	-\$421,026	-7.5%

Berrien Regional Education Service Agency - Illustrative Rates

Effective Date: July 1, 2021
 Projected Enrolled Contracts: 217
 Projected Enrolled Members: 612

**Brief Plan Design Summary - For Detailed Plan Summary Please Reference
 Schedule of Benefits.**

Plan Design	Current
Product:	PPO
Subproduct:	TRAD
INN Coinsurance:	100%
OON Coinsurance:	80%
INN Deductible (Family 2x):	\$500
OON Deductible (Family 2x):	\$1,000
INN Coinsurance Maximum / HSA TrOOP (Family 2x):	\$0
OON Coinsurance Maximum / HSA TrOOP (Family 2x):	\$3,000
Office Visit Copay:	\$30
Specialist Copay:	\$30
Rx Plan:	3-Tier \$20/\$50/\$100- Contraceptives - Mail Order 2- Closed Formulary

Illustrative Rates*	
Enrollment	217
Single	\$744.98
Double	\$1,638.97
Family	\$2,160.45

*Illustrative Rates are based on fully incurred Expected Liability.
 Includes fully incurred Paid Claims, Stop-loss, and Administrative
 Fees.

Berrien Regional Education Service Agency - Alternative Stop-loss Options

Effective Date: July 1, 2021
 Projected Enrolled Contracts: 217
 Projected Enrolled Members: 612

Alternative Stop-loss Options

Per Employee Per Month (PEPM)	Illustrated	Option 1	Option 2	Option 3
Enrollment				
Single	65	65	65	65
<u>Family</u>	<u>152</u>	<u>152</u>	<u>152</u>	<u>152</u>
Total	217	217	217	217
Administrative fee				
Base administrative	\$56.64	\$56.64	\$56.64	\$56.64
Cigna network (\$8.10 PEPM - 9 contracts)	\$0.34	\$0.34	\$0.34	\$0.34
<u>Agent fee</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>	<u>\$0.00</u>
Total	\$56.98	\$56.98	\$56.98	\$56.98
Specific				
Specific deductible	\$100,000	\$110,000	\$125,000	\$150,000
Aggregating specific deductible	\$50,000	\$50,000	\$50,000	\$50,000
Specific benefits covered	Med & Rx	Med & Rx	Med & Rx	Med & Rx
Specific contract type	24/12	24/12	24/12	24/12
Specific premiums				
Single	\$93.95	\$82.80	\$73.72	\$61.38
<u>Family</u>	<u>\$236.33</u>	<u>\$208.27</u>	<u>\$185.45</u>	<u>\$154.39</u>
Composite	\$193.68	\$170.69	\$151.98	\$126.53
Aggregate				
Aggregate Margin	125%	125%	125%	125%
Aggregate Coverage	Med & Rx	Med & Rx	Med & Rx	Med & Rx
Contract Type	24/12	24/12	24/12	24/12
Aggregate Premium PEPM	\$10.48	\$10.62	\$10.75	\$10.91
Aggregate Factors				
Single	\$834.84	\$846.72	\$856.38	\$869.54
<u>Family</u>	<u>\$2,099.96</u>	<u>\$2,129.84</u>	<u>\$2,154.15</u>	<u>\$2,187.24</u>
Composite	\$1,721.00	\$1,745.50	\$1,765.42	\$1,792.54

Projected Annual Cost

Annual	Illustrated	Option 1	Option 2	Option 3
Administrative fee	\$148,365	\$148,365	\$148,365	\$148,365
Stop-loss premiums	\$531,631	\$472,121	\$423,756	\$357,883
<u>Expected claims</u>	<u>\$3,585,194</u>	<u>\$3,636,218</u>	<u>\$3,677,722</u>	<u>\$3,734,212</u>
Total	\$4,265,190	\$4,256,704	\$4,249,843	\$4,240,460

Variance \$		-\$8,487	-\$15,348	-\$24,730
Variance %		-0.2%	-0.4%	-0.6%

Maximum Liability Cost

Annual	Illustrated	Option 1	Option 2	Option 3
Administrative fee	\$148,365	\$148,365	\$148,365	\$148,365
Stop-loss premiums	\$531,631	\$472,121	\$423,756	\$357,883
<u>Maximum Liability Cost</u>	<u>\$4,481,492</u>	<u>\$4,545,272</u>	<u>\$4,597,152</u>	<u>\$4,667,765</u>
Total	\$5,161,489	\$5,165,758	\$5,169,273	\$5,174,013

Variance \$		\$4,269	\$7,784	\$12,524
Variance %		0.1%	0.2%	0.2%

Please reference the self-funded proposal exhibits for all assumptions and proposal guidelines.

Berrien Regional Education Service Agency - Terms & Conditions

Effective Date: July 1, 2021

Proposal assumptions and qualifications:

- Pricing assumes Priority Health will return 100% of Prescription Drug formulary rebates to the plan sponsor.
- The claims projection illustrated includes the group's expected claims liability and Provider Incentive Program payments (PIP).
- Rates, fees, and/or claims projections do NOT reflect amounts for any future paid claims tax or similar tax that may be imposed by the State of Michigan and will be adjusted as necessary to incorporate such tax.
- Rates, fees, and/or claims projections do NOT reflect amounts for any applicable future tax and/or required benefits as regulated by ACA and will be adjusted as necessary to incorporate such required tax and/or benefits.
- Priority Health reserves the right to re-rate if there is modification and/or redistribution of members between plans as illustrated which impacts rates by more than 10%.
- Actively at work waiver subject to approval of Specific Excess Medical Expense Coverage Disclosure Statement.
- Any inaccurate or incomplete data submitted to Priority Health may require changes at final underwriting.
- Priority Health is not bound by any typographical errors or omissions contained herein.
- Priority Health utilizes the CIGNA provider network for access to out of state providers for individuals that require healthcare services while traveling outside the Priority Health network access area. A travel network access fee as a % of savings will be billed charged as a line item on your weekly funding with detailed reporting to support provided upon request. This fee is not charged if the individual resides out of the Priority Health network access area and their primary network is CIGNA.
- Claims after 4/1/2020 in the experience period have been actuarially adjusted for the impact of Covid 19. The purpose of this adjustment is to reflect the best estimate for prospective claims.
- Regardless of a group's final contract decision, protected health information received by Priority Health for purposes of underwriting, premium rating, and other activities related to assessing prospective or renewing policies will not be used or disclosed except as may be required by law.

Stop-loss proposal assumptions:

- Stop-loss premium is billed at the member tier level (single/family)
- Stop-loss assumes actively working employees only. Early and Post 65 Retirees are excluded from the policy.
- Specific Deductible is per member
- Quote assumes policyholder will access the Priority Health network and networks listed in the Administrative Fees section.
- Aggregate is settled based on the distribution of members tier and factor at the member tier level. Minimum Annual Attachment Point will be 100% of the Annual Aggregate Attachment Point as stated in the proposal.
- Priority Health Stop-loss does not mandate Lasers at renewal but can offer them as an option if requested
- If stop-loss is moved to another carrier, an additional fee of \$5 PEPM will be added to Administrative Fees
- This proposal expires if applications are not requested within three months after delivery of the quote.

Required documents to execute renewal ASO/LFO contract and stop-loss policy:

- Stop-loss claims will be pended or not eligible for prefunding without the fully executed copy of the Group's Fee Disclosure.

Berrien Regional Education Service Agency - Summary of Definitions

Effective Date: July 1, 2021

Aggregate Benefits Covered the claim type that is covered under the aggregate stop-loss policy

Aggregate Contract Type the period used to determine reimbursements eligibility based on the incurred and/or paid date of claims. The first number represents the period in which the claim is incurred, and the second number indicates the period in which the claim must be paid

Aggregate Factors the dollar figures that are used to calculate a plan's maximum risk

Aggregate Margin the maximum threshold (percentage) claim liability for the entire group

Aggregate Stop-Loss protects the plan against the accumulation of claims from the entire group that exceed a pre-determined and agreed upon amount

Aggregating Specific an additional level of financial responsibility for a plan that is shared between two or more individuals. The plan pays all claims up to each participant's individual specific deductible, and an additional amount up to the aggregating specific deductible before Priority Health pays

Annual Trend the expected annual increase in unit claims cost and utilization

Capitation the fixed pre-arranged monthly payments received by a physician, clinic or hospital per patient enrolled in a health plan or pre capita

Experience Contracts the total enrolled contracts during the Experience Period. (applicable to renewal only)

Experience Members the total enrolled members during the Experience Period. (applicable to renewal only)

Illustrative Rates the expected cost for paid claims, stop-loss and administrative fees

Incurred But Not Report (IBNR) is claims that have transpired, but have not yet been reported to Priority Health to be paid.

Large Claims the number of members whose claims exceeded the Specific Deductible during the claims experience and their total claim amount. Detail is also provided about members and costs for claims over 50% of the pooling point

Line of Business the agreed upon services Priority Health will service under the administrative policy

Mature is illustrative cost on a "Paid" contract basis

Provider Incentive Program (PIP) incentive pool for rewarding providers that meet PIP requirements

Rx Rebate Arrangement the agreed upon strategic rebate arrangement elected by customer

Specific Benefits Covered the claim type that is covered under the specific stop-loss policy

Specific Contract Type the period used to determine reimbursements eligibility based on the incurred and/or paid date of claims. The first number represents the period in which the claim is incurred, and the second number indicates the period in which the claim must be paid.

Specific Deductible is the dollar amount to be paid by the plan on each covered individual before the stop-loss policy reimburses expenses incurred during the contract period

Specific Stop Loss the form of excess risk coverage that provides protection for the plan against a high claim on any one individual plan participant