

# ASO Standard Pricing Assumptions

Lexington Fayette Urban Government

Effective Date: 01/01/2016 - 12/31/2016



The services, rates and fees within this proposal assume an effective date of January 01, 2016 through December 31, 2016.

Anthem Health Plans of Kentucky, Inc. reserves the right to revise this proposal under any of the following circumstances.

(1) a change to the Plan benefits initiated by Employer that results in a substantial change in the services to be provided by Anthem Health Plans of Kentucky, Inc..

(2) a change in ownership;

(3) a change in the total number of Subscribers resulting in a +/- 10% of the number of Subscribers enrolled for coverage on the date of the Administrative Services Fee was last modified;

(4) a change in Employer Contribution;

(5) a change in nature of Employer's business resulting in a change in its designated Standard Industrial Classification ["SIC"] code;

(6) a change in applicable law that results in an increase in the cost or amount of administrative services from those currently being provided by Anthem Health Plans of Kentucky, Inc.. The cost for our standard reporting package is included in the proposed ASO fee. Non-standard reports may be subject to an additional fee depending on the complexity and frequency requested.

(7) if material errors or omissions are found after the quote is issued, we reserve the right to revise the quote in any manner or rescind the quote even if you are unaware of the material error or omission. Additionally, we reserve the right to rescind the proposal in its entirety based on our review of all the information submitted during the proposal process.

Electronic eligibility or tape feeds must be in a format compatible with our systems.

Anthem Health Plans of Kentucky, Inc.'s proposal assumes claims incurred prior to the effective date are not included unless specifically noted.

In the unlikely event the ASO arrangement is terminated by Lexington Fayette Urban Government during the implementation phase, the costs incurred by Anthem Health Plans of Kentucky, Inc. in setting up and installing the group will be the responsibility of Lexington Fayette Urban Government.

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This proposal assumes that Anthem Health Plans of Kentucky, Inc. will be the only carrier offered.

Quoted rates are subject to review of audited financial statements and Dunn & Bradstreet reports prior to final sale.

Lexington Fayette Urban Government must sign the administrative services agreement prior to the effective date, or agree to abide by Anthem Health Plans of Kentucky, Inc.'s standard administrative practices until the administrative services agreement is signed. If Lexington Fayette Urban Government does not agree to this provision, claims processing could be delayed until an agreement is signed.

If Lexington Fayette Urban Government is delinquent in payment for the weekly claims billing, Anthem Health Plans of Kentucky, Inc. will not process further claims until the account is brought current.

Assessments include charges for the Vaccine Program, High Risk Assessment and VT Health IT Reinvestment Fund.

Non-grandfathered plans will include Preventive Care as defined by regulation without cost sharing on In-Network services.

Anthem Health Plans of Kentucky, Inc. shall retain the difference, if any, between the invoiced amount to Lexington Fayette Urban Government and the amount paid to the pharmacy benefit manager for prescription drugs dispensed to members as a portion of Anthem Health Plans of Kentucky, Inc.'s reasonable compensation for services provided to Lexington Fayette Urban Government.

ASO fees and stop loss premiums will be invoiced on the first full week of the month and due within three business days. Claims are billed weekly.

This proposal expires 60 days from the date of release of this proposal or on the effective date whichever is sooner.

The fees assume 2,794 Subscribers. If the actual number of Subscribers differs by +/-10%, Anthem reserves the right to revise the fees.

A change in the contract period will require a recalculation of fees.

Anthem Blue Cross and Blue Shield assumes that participation for Lexington Fayette Urban Government is within our guidelines. The minimum acceptable participation is the greater of (a) 50% of total eligible full-time employees or (b) 75% of net eligible full-time employees. Net eligible is total eligible less any spousal waivers.

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An eligible employee is defined as an active, permanent employee who works for pay or profit at least 30 hours per week, 50 weeks per year as of the effective date and who completes the group imposed waiting period.

Anthem Health Plans of Kentucky, Inc. requires that Lexington Fayette Urban Government contributes a minimum of 50% of the employee premium for all active and retired employees enrolled in the group health plan.

Blue Card Fees will be billed to the group.

Our proposal for ASO excludes commission (commission would be disclosed here if applicable).

Section 1341 of the Affordable Care Act (ACA or Health Care Reform Law) provides that a transitional reinsurance program be established in each state to help stabilize premiums for coverage in the individual market during the years 2014 through 2016. ACA Reinsurance Fees in 2014 are estimated to be \$5.25 per participant per month. This quote or renewal **DOES NOT** include the ACA Reinsurance Fees, since it is assumed that the employer will remit payment to HHS directly.

At this time, it is not known if additional guidance and clarification from the U.S. Department of Health and Human Resources will require additional changes to benefits and rates. If so, we will communicate revised benefit and rate information as soon as it is available.

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The benefits reflected in this quotation may have been adjusted to comply with changes required by the Affordable Care Act beginning in 2014.

NOTE: For new business groups only; Anthem Underwriting requires 8 months of Anthem data for the 1st year renewal.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Anthem Underwriting Issue Date: 08/11/2015

# ASO Standard Stop Loss Assumptions

Lexington Fayette Urban Government

Effective Date: 01/01/2016 - 12/31/2016



All medical benefits administered by Anthem are included under the Specific and Aggregate Stop Loss Agreement except for the following:

Claims for services and supplies considered experimental.

Claims for benefits not covered by the underlying benefit plan, which are paid by Anthem outside the plan at Lexington Fayette Urban Government's request.

Human Organ Transplant / Bone Marrow Transplant (HOT/BMT) is included under the stop loss agreement.

If you are a current Anthem ASO client with Stop Loss Coverage and renew annually with a contract basis other than 24/12; there may be potential gaps in your Stop Loss Coverage. Should you wish to transition to a contract type without any potential coverage gaps, Anthem will be happy to provide a transition strategy and proposal upon request from your sales representative.

## ASO SPECIFIC STOP LOSS

The Specific Stop Loss coverage will be effective January 01, 2016.

Claims that are paid January 01, 2016 through December 31, 2016 are included under the Stop Loss Agreement.

Specific Stop Loss Coverage: Medical and Drug

The Specific Stop Loss Maximum is Unlimited per agreement period.

The Specific Stop Loss Maximum and Limit are administered on a Per Member basis.

Specific Stop Loss claims above the selected Specific Stop Loss Limit will not count towards satisfaction of the Aggregate Stop Loss Limit.

Specific Stop Loss rates are net of commissions.

# ASO Standard Stop Loss Assumptions

Lexington Fayette Urban Government

Effective Date: 01/01/2016 - 12/31/2016



Due to the gap in experience from the end of the experience period to the effective date of this proposal / renewal, Anthem reserves the right to review updated claims information 3 months prior to the effective date and make changes if necessary.

## ASO AGGREGATE STOP LOSS

No Coverage

No Coverage

No Coverage

No Coverage

No Coverage

No Coverage

The Actively-at-Work provision may be waived, subject to disclosure of claims paid by the prior carrier. Specific Stop Loss claims above the selected Specific Stop Loss Limit will not count towards satisfaction of the Aggregate Stop Loss Limit.

No Coverage

No Coverage

No Coverage

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

Anthem Underwriting issue Date: 08/11/2015

# Medicare Secondary Payer



## Employer Status Form

Please complete this form to assist with compliance with the Medicare Secondary Payer regulations of the Centers for Medicare and Medicaid Services (CMS). You may want to check with your legal counsel to confirm the Medicare Secondary Payer requirements.

Group name <i>Lewington-fayette Urban County Government</i>	Group contact <i>John Maxwell</i>
Group identification no. <i>004007832</i>	Telephone no.

The business or organization ("Group") named above:

Does NOT  Does

have 20 or more employees for each working day in each of 20 or more calendar weeks in the current calendar year or the preceding calendar year, and

Does NOT  Does

have 100 or more employees on 50 percent or more of its regular business days during the preceding calendar year.

"Employees" include (even if they are not eligible for Anthem group health plan benefits):

- Part-time, full-time and leased employees;
- Persons not working but receiving payments normally subject to FICA taxes, such as persons on disability for the first six months.

If the Group is part of a controlled group of employers under IRC Sec. 52(a) and (b) or an affiliated service under IRC Sec. 414(m), then all employees in the aggregated group of employers must be included in the count of the Group's employees.

The Group agrees to notify Anthem Blue Cross and Blue Shield as soon as the statement above is no longer true.

The Group employed \_\_\_\_\_ (number) of such "employees" as of \_\_\_\_\_ (date).

If this form states a change in the category (i.e., under 20, over 20 or over 100 employees) for the Group, then a copy of the business' or organization's latest wage and tax statement must be attached and returned with this form.

I certify that the information provided above is true to the best of my knowledge and belief.

Group administrator signature	Date
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Life and Disability products are underwritten by Anthem Life Insurance Company.  
In Indiana: Anthem Blue Cross and Blue Shield is a trade name of Anthem Insurance Companies, Inc.  
In Kentucky: Anthem Blue Cross and Blue Shield is the trade name of Anthem Health Plans of Kentucky, Inc.  
In most of Missouri, Anthem Blue Cross and Blue Shield is the trade name of RightCHOICE® Managed Care, Inc. (RIT).  
Healthy Alliance® Life Insurance Company (HALIC) and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc.). RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits.  
In Ohio: Anthem Blue Cross and Blue Shield is the trade name of Community Insurance Company.  
In Wisconsin, Blue Cross Blue Shield of Wisconsin ("BCBSWI") underwrites or administers the PPO and indemnity policies; CompCare Health Services Insurance Corporation ("CompCare") underwrites or administers the HMO policies; and CompCare and BCBSWI collectively underwrite or administer the POS policies.  
Independent licensees of the Blue Cross and Blue Shield Association.  
© Anthem is a registered trademark. The Blue Cross and Blue Shield names and symbols are registered marks of the Blue Cross and Blue Shield Association.

ASO

Lexington Fayette Urban Government  
Group Number(s): 004007832  
Effective Date: 01/01/2016 - 12/31/2016



ENROLLMENT	EE Only	EE + Spouse	EE + Child(ren)	EE + Family	Total Contracts
Total Number of Current Contracts	1,614	305	237	638	2,794

ANTHEM ADMINISTRATIVE RATES	Current	Renewal
Administrative Rate - DOES NOT INCLUDE RX FOR PPO	\$34.29	\$35.32
Vision	\$0.92	\$0.92
Cobra	\$0.80	\$0.80
360 Health	\$0.00	\$0.00
TOTAL FIXED COST - PEPM	\$36.01	\$37.04
Total [12 Month Contract Period] Premium	\$1,207,343.28	\$1,241,877.12

BROKER COMMISSION	Current	Renewal
Broker Commission Fee	\$0.00	\$0.00
Total [12 Month Contract Period] Premium	\$0.00	\$0.00

SPECIFIC STOP LOSS	Current	Renewal
Benefits Covered:	Medical and Drug	Medical and Drug
Contract Basis	Paid Basis	Paid Basis
Specific Stop Loss Deductible - Per Member	\$250,000	\$250,000
Specific Stop Loss Rate	\$32.17	\$33.78
Commission % included in above Rate	0.00%	5.00%
Total [12 Month Contract Period] Premium	\$1,078,595.76	\$1,132,508.78

AGGREGATE STOP LOSS	Current	Renewal
Benefits Covered	No ASL Coverage	No ASL Coverage
Contract Basis		
Aggregate Stop Loss Corridor		
Aggregate Stop Loss Rate		
Commission % included in above Rate		
Total [12 Month Contract Period] Premium		

OVERALL COST SUMMARY	Current	Renewal
Total Fixed Costs	\$2,285,939.04	\$2,374,385.90

Authorized Signature \_\_\_\_\_

Date \_\_\_\_\_



Lexington Fayette Urban Government  
 Group Number(s): 004007632  
 Effective Date: 01/01/2016 - 12/31/2016  
 Anthem Sales Representative: Lynn Lundy

Select One	Non-Grandfathered Benefit Plan Renewal PPO Plan	Non-Grandfathered Benefit Plan Renewal PPO Plan	Non-Grandfathered Benefit Plan Renewal CDHP Plan	Non-Grandfathered Benefit Plan Renewal CDHP Plan Network Non-Network	Totals
Deductible (single/family) Out-of-Pocket Maximum (single/family) Physician / Specialist Office Services Copayment Inpatient Facility Copay Inpatient Facility Conurance Outpatient Surgery Facility Copay Outpatient Surgery Facility Conurance Emergency Room Services (copay/coins) Urgent Care Services (copay/coins) Lifetime Maximum Rx Tier Rx - Retail Pharmacy Rx - Mail Order Pharmacy Rx - Deductible / Cost Shares	CURRENT BENEFITS	CURRENT BENEFITS	CURRENT BENEFITS	CURRENT BENEFITS	
<b>ENROLLMENT - Employees</b>	1,614				1,614
Subscriber Only:	305				305
Subscriber + Spouse:	237				237
Subscriber + Child(ren):	638				638
Subscriber + Family:	2,794				2,794
Total Number of Employees					
<b>ENROLLMENT - Members</b>					
Total Number of Members	5,582				5,582
<b>Expected Claims Liability</b>					
<b>ASSUMPTIONS</b>	See Assumptions Page				
Benefits may be subjected to approval by CET.					

Authorized Signature _____	Authorized Signature _____	Authorized Signature _____	Authorized Signature _____
Date _____	Date _____	Date _____	Date _____

These rates include changes to the standard medical plan to ensure compliance with the requirements of the recently enacted federal health care reform legislation. Some of the changes in the standard medical plan include no lifetime maximums, elimination of certain annual limits, and the expansion of the definition of dependents. Refer to your sales brochure(s) for benefit details and limitations. This benefit description is intended to be a brief outline of coverage. The entire provisions of benefits and exclusions are contained in the Group Contract. In the event of a conflict between the Group Contract and this description, the terms of the Group Contract will prevail.