

# ASO

Lexington Fayette Urban County Government

Group Number(s): 004007832

Effective Date: 01/01/2021 - 12/31/2021



ENROLLMENT	EE Only	EE + Spouse	EE + Child(ren)	EE + Family	Total Contracts
Total Number of Current Contracts	1,818	318	295	698	3,129
ANTHEM ADMINISTRATIVE RATES	Current	Proposal 2			
Administrative Rate	\$31.70		\$32.81	3.50%	
BlueCard Fees are incl in admin fee	\$0.00		\$0.00		
Rx Rebate Share of 100%	\$0.00		\$0.00		
CondCare/CC/FM/ACQCP/CM/NL/AHAG/HEQ	\$0.00		\$0.00		
Ingenio Rx Admin Fee	\$0.00		\$3.90		
TOTAL FIXED COST - PEPM	\$31.70		\$36.71	15.80%	
Total [12 Month Contract Period]	\$1,190,271.60		\$1,378,387.08		
BROKER COMMISSION	Current	Proposal 2			
Broker Commission Fee	\$0.00		\$0.00		
Total [12 Month Contract Period]	\$0.00		\$0.00		
SPECIFIC STOP LOSS	Current	Proposal 2			
Benefits Covered	Medical and Drug		Medical and Drug		
Contract Basis	Paid Basis		Paid Basis		
Specific Stop Loss Deductible - Per Member	\$350,000		\$350,000		
Specific Stop Loss Rate	\$28.50		\$28.50	0.00%	
Commission % included in above Rate	0.00%		0.00%		
Total [12 Month Contract Period]	\$1,070,118.00		\$1,070,118.00		
AGGREGATE STOP LOSS	Current	Proposal 2			
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]	\$0.00		\$0.00		
OVERALL COST SUMMARY	Current	Proposal 2			
Total Fixed Costs	\$2,260,389.60		\$2,448,505.08	8.30%	

Anthem Underwriting Issue Date: 01/13/2020

Authorized Signature

Date

# ASO Standard Pricing Assumptions

Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021



The services, rates and fees within this proposal assume an effective date of January 01, 2021 through December 31, 2021.

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 County 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 County Government.

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

# ASO Standard Pricing Assumptions

Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021



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

Lexington Fayette Urban County 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 County Government does not agree to this provision, claims processing could be delayed until an agreement is signed.

If Lexington Fayette Urban County 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 County 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 County 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 3,129 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 County 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.

# ASO Standard Pricing Assumptions



Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021

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 County Government contributes a minimum of 50% of the employee premium for all active and retired employees enrolled in the group health plan.

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

**Admin Fee Increase:**

**for 01/2022 through 12/2022 = 0%**

**for 01/2023 through 12/2023 = 0%**

**Specific Stop Loss Rate Increase:**

**for 01/2022 through 12/2022 = no more than 30%**

**for 01/2023 through 12/2023 = no more than 30%**

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.

Pharmacy Benefit Administration - There will be additional fees for the following pharmacy services:

Prior Authorization - Level 1	included
Prior Authorization - Level 2 (Physician Review)	included
Vaccine Administration	included
Pharmacy Gaps in Care Messaging	included
On Site Pharmacy No Bill No Remit	included
Paper/Member Submit Claims/Custom/Ad Hoc Letters	included
Step Therapy	included

# ASO Standard Pricing Assumptions

Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021



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

The following BlueCard Fees will be included in the ASO Administrative Fee:

The Access Fee is charged at a percentage no greater than 2.4% of the discount/differential subject to a maximum of \$2,000 per claim.

The AEA Fee is \$4.00 per professional provider claim and \$9.75 per institutional claim.

Occasionally, Anthem and a Host Blue may contract for a lower fee by combining the Access Fee and AEA Fee.

The Central Financial Agency Fee is \$0.35 per payment notice.

The ITS Transaction Fee is \$0.05 per claims transaction.

Some BlueCard Fees may not be charged in Anthem states. For a complete description of these fees, please consult your ASO Agreement.

Under final rules issued by EEOC, under the Americans with Disabilities Act and the Genetic Information Nondiscrimination Act, wellness incentives are subject to certain limits in some situations. Incentive limits may also apply under the Affordable Care Act. Employers are responsible for taking steps to comply with all legally-required incentive limits. Please consult your attorneys or advisors for additional information, as needed.

The Mental Parity and Addiction Equity Act of 2008 ("MHPAEA") requires that group health plan and group health insurers apply the same treatment and financial limits to mental health and substance abuse disorder benefits as they do to medical surgical limits. Anthem standard processes have been reviewed to comply with non-quantitative treatment limits. Plan sponsors are responsible for ensuring that their plan designs are compliant with all applicable federal laws governing plan design, including MHPAEA.

Enhanced Personal Health Care program administration - The fee for Anthem's oversight of EPHC with providers or vendors is 25% of the per attributed member per month amount charged to the client for the provider performance bonus portion of the EPHC program.

Non-network claim discount. The fee will be equal to 50% of the savings achieved on certain non-network claims.

Subrogation Services - The charge is 25% of gross subrogation recovery

Overpayment Identification and Claims Prepayment Analysis Activities - The charge to employer is 25% of the a) amount recovered from review of claims and membership data and audits of Provider and Vendor activity to identify overpayments and b) the difference between the amount the employer would have been charged absent prepayment analysis activities and the amount that was charged to the employer following performance of the prepayment analysis activities. This includes, but is not limited to, activities related to COB, duplicates, contract compliance and eligibility.

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Authorized Signature

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Date

# ASO Standard Stop Loss Assumptions

Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021



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 County 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, 2021.

Claims that are paid January 01, 2021 through December 31, 2021 are included under the Stop Loss Agreement.

If a member exceeds the specific stoploss limit for 2 consecutive years, Anthem has the ability to partially laser that member through a higher specific stoploss limit. In such instance, Anthem will estimate the ongoing expense associated with the member and will use half of that amount as the specific stoploss limit for that member if the Employer specific stoploss limit is less than that amount.

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.

Upon offer and acceptance of renewal, the specific stoploss coverage premium rate will not increase by more than 30% from the prior year rate for 2022 and 2023.

# ASO Standard Stop Loss Assumptions

Lexington Fayette Urban County Government

Effective Date: 01/01/2021 - 12/31/2021



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

LFUCG does not have aggregate coverage.

Aggregate Stop Loss Coverage: No ASL Coverage

Stoploss rates are FIRM.

This proposal expires 30 days from the date of its release or on the effective date, whichever is sooner.

Proposal Date: 05/06/2020  
Effective Date: 01/01/2021  
Proposal Valid Through: 06/05/2020

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Authorized Signature

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Date

# COBRA Fees

## Lexington Fayette Urban County Government

Contract Period: 1/1/2021 – 12/31/2021

	COBRA Flat Fee (PPPM)	COBRA Qualifying Event Fee (One-Time Fee)	Implementation Fee
1,000 – 5,000 Eligible Employees	\$13.58 per participant per month	\$13.58 per participant	\$1,000

\*Groups under 1,000 eligible employees will be billed on a per contract per month basis. Eligible employee counts will be confirmed quarterly.

### Cobra is comprised of the following elements:

- Reliable notifications and tracking
- Monthly beneficiary collection invoices
- Billing and collection of COBRA premiums
- Anthem Premium disbursement to employer
- Payment via ACH direct debit
- Optional open enrollment services
- Toll-free participant customer service support
- 24-hour access to account information via Web
- Toll-free employer customer service support
- Real-time online management reporting
- Imaged documentation of COBRA notifications sent
- Monitor regulations and implement new federal COBRA requirements as necessary
- The cost for standard programming in Anthem's standard format.

### Anthem's proposed COBRA fees assume the following:

The flat and qualifying event fees shown above assumes the 2% of premium COBRA admin charge will be retained by Anthem. If client requests to retain the 2% charge, the COBRA fees would increase by 25%.



## Optional COBRA Services:

- o New Plan Participant Notification: \$2.90 per notice (Recommended: Notifications include COBRA General Rights notifications communicating the newly eligible employees rights and responsibilities to notify the employer of a Qualifying Event that could trigger a COBRA event.)
- o HIPAA Special Enrollment Notification: \$2.90 per notice
- o Outside Carrier Health Plan Eligibility Communication: \$25.00 per carrier per month
- o Outside Carrier Eligibility Communication and Premium Remittance: \$50.00 per carrier per month
- o Open Enrollment Support Services:
  - a. Comprehensive Package (Anthem sends complete Open Enrollment Kits directly to the members and processes the forms) –
    - » \$15.00 per packet – plus related postage expenses
  - b. Optional packages are offered only on an exception basis. Additional pricing is applicable.
- o Retro-Active New Plan Participant Notification: \$2.00 per notice
- o Retro-Active HIPAA Special Enrollment Notification: \$2.00 per notice
- o Past Due Notices: \$1.00 per notice
- o Custom Programming: \$125.00 per hour

Signed \_\_\_\_\_

Date \_\_\_\_\_