



CITY OF DELRAY BEACH
CITY ATTORNEY'S OFFICE
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LEGAL REVIEW FORM

This form is to be used solely for the legal review of documents not including procurement agreements. Procurement Agreements are reviewed under a separate cover. This form shall only be completed by a member of the City Attorney's Office.

Date of Review: 9/13/24

Document Name: Amendment to Administrative Services Agreement Only Cigna Health and Life Insurance Company and Stop Loss Amendment.

Document Type: Amendment to Agreement

Submitted by: Alexa DeFranco

This document is approved as to form and legal sufficiency.

This document is approved as to form and legal sufficiency; however, the undersigned made the following change(s):

This document is not approved as to form and legal sufficiency for the following reason(s):

NOTES: See below as to Pricing.

s/Kelly W. Brandon, Esq.
Attorney

Copy to:

___ City Attorney's Office (with a copy of the approved document)

	Current	Renewal	Renewal	
Insurance TPA	Cigna	Cigna Year 4	Cigna Year 5	
Admin Rate	\$ 28.35	\$ 28.92	\$ 29.50	* 2% ASO increase in year 4 & year 5
Individual Stop Loss Rate	\$ 106.40	\$ 117.04	\$ 117.04	
Aggregate Stop Loss Rate	\$ 7.02	\$ 7.02	\$ 7.02	
Claims Factor	\$ 1,060.34	\$ 1,178.58	\$ 1,178.58	* claims cost increase per year
Max Claims Factor	\$ 1,272.41	\$ 1,414.30	\$ 1,414.30	* claims cost unknown for year 5
				2 year cost
Admin Cost	\$ 319,448	\$ 325,837	\$ 332,353	\$ 658,190
Individual Stop Loss Prem	\$ 1,198,915	\$ 1,318,807	\$ 1,318,807	\$ 2,637,613
Aggregate Stop Loss Prem	\$ 79,101	\$ 79,101	\$ 79,101	\$ 158,203
Total Stop Loss	\$ 1,278,017	\$ 1,397,908	\$ 1,397,908	\$ 2,795,816
Total Fixed Cost	\$ 1,597,464	\$ 1,723,745	\$ 1,730,262	\$ 3,454,006
Expected Claims Cost	\$ 14,337,493	\$ 15,936,287	\$ 15,936,287	\$ 31,872,575
Total Expected & Fixed Cost	\$ 15,934,958	\$ 17,660,032	\$ 17,666,549	\$ 35,326,581
	Year 3	Year 4	Year 5	
Wellness Funds	\$ 100,000	\$ 100,000	\$ 100,000	
Discretionary Funds	\$ -	\$ -	\$ -	
Total Incentives	\$ 100,000	\$ 100,000	\$ 100,000	
Average Incentives per year				
Estimated Pharmacy Rebates	\$ 712,444	\$ 1,203,622	\$ 1,203,622	
Est. Ann Cost Less Inc/Rebates	\$ 15,122,514	\$ 16,356,410	\$ 16,362,927	
Wellbeing Coordinator Est. Cost	\$ 175,000.00	\$ 175,000.00	\$ 175,000.00	
Est Cost Less WBC	\$ 14,947,514	\$ 16,181,410	\$ 16,187,927	
Admin Cost		2.00%	2.00%	
Individual Stop Loss Prem		10.00%	0.00%	
Aggregate Stop Loss Prem		0.00%	0.00%	
Total Stop Loss		9.38%	0.00%	
Total Fixed Cost		7.91%	0.38%	
Expected Claims Cost		11.15%	0.00%	
Total Expected & Fixed Cost		10.83%	0.04%	
Est. Annual Cost Less Inc/Rebates		8.16%	0.04%	