

City of Independence

MEMORANDUM

DATE: October 25, 2023

TO: Zachary Walker, City Manager

FROM: Michael Veit, Stay Well Committee Chairman

SUBJECT: Stay Well Committee October 25, 2023



The Stay Well Committee made the following recommendation at the October 25, 2023, meeting:

- To recommend to the City Manager to accept the 2024 Stop-Loss renewal from SunLife.

Background Information:

With the City of Independence providing health insurance as a Self-Funded provider we are awarded the opportunity to purchase Stop-Loss Insurance. This type of insurance is a protection for our health insurance and financial stability of the Stay Well Plan. The way Stop-Loss insurance works for The City is The Stay Well fund is responsible for the first \$275,000.00 of any medical/rx claim and then any amount over this will be reimbursed from the Stop-Loss Carrier.

With the high-cost medical/rx claims the Stay-Well fund has endured over the years this has been a great protection for the Healthcare Fund. As of September 30, 2023, the Stay Well Plan has seen 5 high-cost claims over the \$275,000.00 amount for a total of \$2,062,188.00. With our current Stop-Loss policy the Stay Well Fund has been reimbursed \$687,188.00 of this amount.

Stop-Loss renewals are based on a 1-year contract. CBiz sent out for an RFP and had several competitive offers. The Stay Well Committee recommended staying with our current provider for 2024. SunLife quoted a 2024 Renewal with an increase of 3.4% or \$59,620 from our 2023 rate. The 2024 rate would be \$1,798,277.

If you have any additional questions on the recommendations from the Stay Well Committee, please contact me.

Thank you,

Michael Veit

Michael Veit, Chairman
Stay Well Committee – 816-547-3783