



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER _____

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DATE: 02/21/2024

SUBJECT: **APPROVAL OF THE UNITED HEALTHCARE INSURANCE
COMPANY STOP LOSS MEMORANDUM OF UNDERSTANDING**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court approve the United Healthcare Insurance Company (UHC) Stop Loss Memorandum of Understanding (MOU), effective January 1, 2024.

BACKGROUND

On August 29, 2023, the Commissioners Court, through Court Order #141538, 141539, 141540, 141541, 141542 and 141543, approved benefit offerings and the contribution rates for funding employee healthcare benefits in 2024 which included Stop Loss/reinsurance coverage with UHC for Plan Year 2024.

Reinsurance with UHC was first approved effective January 1, 2011. The “Excess Loss Insurance” policy was purchased without prescription drug (Rx) coverage through December 31, 2019. The “Specific Deductible per Covered Person” remains at the 2010 level, \$500,000.00. Pricing and coverage effective dates are referenced in the policy on the “Schedule of Benefits” page titled as Exhibit A. That page is replaced each year when the annual renewal is addressed. Exhibit B “Experience Refund Endorsement” allows for reimbursement of a portion of the stop loss premium when the stop loss experience has been favorable. Exhibit C “Specific Terminal Liability Endorsement” extends the stop loss protection of the plan for high dollar claims that were incurred during the policy plan year but paid within a ninety (90) day period following termination of the stop loss contract.

The MOU updates the policy with a replacement “Schedule of Benefits” page that reflects the following 2024 policy information: Specific Deductible per Covered Person of \$500,000.00 and Specific Excess Loss Insurance Premium of \$57.02 per subscriber per month. The 2024 monthly premium represents a nineteen percent (19%) increase over the 2023 monthly rate of \$47.99 per subscriber per month. The monthly rate applies to every primary member enrolled in the PEBC medical plans (HDP/PPO), namely employees, retirees, and COBRA participants. The reinsurance policy provides reimbursement per Covered Persons. The benefit period covers medical expenses incurred from January 1, 2011 through December 31, 2024 and outpatient prescriptions filled through CVS Caremark from January 1, 2020 through December 31, 2024 and paid from January 1, 2024 through December 31, 2024.

SUBMITTED BY:	Human Resources	PREPARED BY: APPROVED BY:	Maila Dumaup Anjanie Ramnarine
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The MOU and Exhibit A “Schedule of Benefits” for Plan Year 2024 include the provisions that were authorized by the Commissioners Court. The MOU, Exhibit A, Exhibit B and Exhibit C have been reviewed as to form by the Criminal District Attorney’s Office and include the necessary statement from UHC acknowledging compliance with Texas Government Code Chapter 808 and Section 2271.002.

FISCAL IMPACT

The financial impact for Plan Year 2024 is approximately \$2,886,124.00 and is available in account 65100-2024/1914100000/575129.