

# 2024 Renewal Results



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A business of Marsh McLennan

# Cigna 2024 Medical Renewal

## Executive Summary



The status quo renewal requested increase is 19% (\$606k) over current costs:

- The negotiated status quo renewal reflects a 9.5% (\$303k) increase over current premiums; a savings of \$303k from the status quo renewal
- WSTA will receive \$60,000 guaranteed surplus premium credit for the 2024 plan year per the sold 2023 plan year Cigna proposal

Mercer recommends renewing the medical and pharmacy coverage with Cigna for the following reasons:

- The renewal is a fair/favorable renewal as it relates to medical trends:
  - Insurance premiums were expected to rise faster than inflation
  - Cost of care has increased due to the healthcare industry paying higher wages and other costs (i.e., increase pharmacy cost due to new and existing drugs)
  - Health payers are negotiating pricing with hospitals while provider profit margins continue to erode
  - WSTA has marketed your medical and pharmacy coverage each year for the past few years
    - Concerns that carriers will decline to quote or we will receive uncompetitive proposals due to the frequency of RFPs received
    - Finally changing a carrier partners can take a lot of time and effort from the standpoint of HR and benefit management teams of the employer organization. The team may face such issues as time management and system/program limitations

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PPO Gold Rates (OAP Buy up)	Enrollment	2023	2024	2023	2024
		Cigna - Current (OAP Buy Up)	Cigna - Negotiated Renewal (OAP Buy Up)	Cigna - Current (OAP Buy Up)	Cigna - Initial Renewal (OAP Buy Up)
EE	144	\$1,360.13	\$1,489.48	\$1,360.13	\$1,618.64
EE + SP	5	\$2,837.24	\$3,107.09	\$2,837.24	\$3,376.51
EE + CH	17	\$2,176.21	\$2,383.18	\$2,176.21	\$2,589.83
FM	3	\$4,024.62	\$4,407.40	\$4,024.62	\$4,789.57
<b>Total Estimated Annual Premiums</b>		<b>\$3,109,372</b>	<b>\$3,405,082</b>	<b>\$3,109,372</b>	<b>\$3,700,350</b>
\$ Difference to Current		n/a	\$295,710	n/a	\$590,978
% Difference to Current		n/a	9.5%	n/a	19.0%

PPO Silver Rates (OAP Base)	Enrollment	2023	2024	2023	2024
		Cigna - Current (OAP Base)	Cigna - Negotiated Renewal (OAP Base)	Cigna - Current (OAP Base)	Cigna - Initial Renewal (OAP Base)
EE	1	\$1,274.05	\$1,391.96	\$1,274.05	\$1,512.38
EE + SP	2	\$2,657.69	\$2,903.70	\$2,657.69	\$3,154.89
EE + CH	0	\$2,038.48	\$2,227.16	\$2,038.48	\$2,419.84
FM	0	\$3,769.92	\$4,118.87	\$3,769.92	\$4,475.18
<b>Total Estimated Annual Premiums</b>		<b>\$79,073</b>	<b>\$86,392</b>	<b>\$79,073</b>	<b>\$93,866</b>
\$ Difference to Current		n/a	\$7,319	n/a	\$14,793
% Difference to Current		n/a	9.3%	n/a	18.7%

SUMMARY	Enrollment	2023	2024	2023	2024
		Cigna Current	Cigna Negotiated Renewal	Cigna Current	Cigna Initial Renewal
Gold PPO	169	\$3,109,000	\$3,405,000	\$3,109,000	\$3,700,000
Silver PPO	3	\$79,000	\$86,000	\$79,000	\$94,000
<b>Total Annual Cost</b>	<b>172</b>	<b>\$3,188,000</b>	<b>\$3,491,000</b>	<b>\$3,188,000</b>	<b>\$3,794,000</b>
\$ Difference to Current		-	\$303,000	-	\$606,000
% Difference to Current		-	9.5%	-	19.0%

