



# Faxon Academy Board Presentation October 20, 2020 Renewal Review for 2021 Plan Year

Presented By: Justin Spewock,  
Kathy Burns & Teresa Preble



# Consulting Team



## Agenda

- 1. Introductions
- 2. Overview of Current Benefits
- 3. Renewals and other Options

## Your Gallagher Service Team

Strategy



**Area Vice President**  
**Justin Spewock**  
21+ Years Experience

Service



**Account Manager**  
**Kathy Burns**  
21+ Years Experience



**Benefit Analyst**  
**Teresa Preble**  
5+ Years Experience

Support



**Area President**  
**Lenny Brucato**  
13+ years Experience



**Wellbeing & Engagement**  
**Joy Burton**  
19+ years Experience



**Voluntary Benefits**  
**Grant Downs**  
12+ years Experience



**Retirement Consulting**  
**Dean Chambos**  
30+ years Experience



**Compliance**  
**Nancy Farnam**  
26+ years Experience



**HR Benefits Technology**  
**Don Leith**  
12+ years Experience



**Financial Benefits**  
**John Edgerton**  
25+ years Experience



**Pharmacy Consultant**  
**Brian Lemoine**  
25+ years Experience

## Gallagher's Approach to Client Service



## About Gallagher

1927

Founded in

\$5b

Total Adjusted  
Brokerage & Risk  
Management Revenue

30,000 +

Employees Worldwide

850+

Offices in 35 Countries

150+

Countries Served

# 2020 Benefit Plans

## Medical/Rx BCBSM / BCN

- Renewal 01/01/2021
- BCBSM
  - PPO \$1,000 20%
- BCN
  - HMO \$1,000 20%

## Dental BCBSM

- Renewal 01/01/2021
- Voluntary
  - \$50/\$150 Deductible
  - 100/80/50
  - \$1,000 Max
  - Ortho: 50% \$1,000 Max

## Vision BCBSM

- Renewal 01/01/2021
- Voluntary
  - 12/12/12
  - \$10 Copayment Exam
  - \$10 Copayment Lenses
  - \$130 Frame Allowance

## Ancillary Metlife

- Renewal 01/01/2021
- ER Paid LTD
  - 60% up to \$6,000
  - 90<sup>th</sup> day
  - Own OCC
- Life & AD&D
  - \$25,000
- Voluntary STD
  - 60% up to \$1,500
  - 11 Weeks
  - 15 day accident or illness
- Vol Life

## Other Colonial Life

- All Voluntary

# Medical Carriers Quoted

## Medical/Rx

Carrier	Funding Model	Status
BCBSM	Fully Insured	Renewal Received
BCN	Fully Insured	Renewal Received
BCN	Self Funded	Received
Priority Health	Fully Insured	DTQ - 30% over HMO
UHC	Fully Insured	DTQ - not competitive

Fully Insured Renewal



Faxon	Current 2020 - BCBSM/BCN			Renewal 2021 - BCBSM/BCN		
	BCBSM \$1,000	BCN \$1,000	Total	BCBSM \$1,000	BCN \$1,000	Total
Coinsurance (In/Out)	20% / 40%	20%		20% / 40%	20%	
Deductible (In/Out)						
Single	\$1,000 / \$2,000	\$1,000		\$1,000 / \$2,000	\$1,000	
Family	\$2,000 / \$4,000	\$2,000		\$2,000 / \$4,000	\$2,000	
Coinsurance Max (In/Out)						
Single	\$2,500 / \$5,000	\$2,500		\$2,500 / \$5,000	\$2,500	
Family	\$5,000 / \$10,000	\$5,000		\$5,000 / \$10,000	\$5,000	
Total Out of Pocket Max (In/Out)						
Single	\$6,350 / \$12,700	\$6,600		\$6,350 / \$12,700	\$6,600	
Family	\$12,700 / \$25,400	\$13,200		\$12,700 / \$25,400	\$13,200	
Hospital Care	20% / 40% after ded	20% after ded		20% / 40% after ded	20% after ded	
Office Visit	\$30 / 40% after ded	\$20 Copay		\$30 / 40% after ded	\$20 Copay	
Specialist	\$50 / 40% after ded	\$40 Copay		\$50 / 40% after ded	\$40 Copay	
Urgent Care	\$60 / 40% after ded	\$50 Copay		\$60 / 40% after ded	\$50 Copay	
Emergency Room Copay	\$150 / \$150 Copay	\$150 Copay		\$150 / \$150 Copay	\$150 Copay	
<b>PRESCRIPTION DRUGS</b>						
Generic	\$15 /\$15 + 25%	\$10 Copay		\$15 /\$15 + 25%	\$10 Copay	
Formulary Brand	\$50 / \$50 + 25%	\$30 Copay		\$50 / \$50 + 25%	\$30 Copay	
Non-Formulary Brand	\$70 / \$70 + 25%	\$60 Copay		\$70 / \$70 + 25%	\$60 Copay	
<b>Assumed Participation</b>						
Single	1	0	1	1	0	1
Two-Person	0	0	0	0	0	0
Family	0	0	0	0	0	0
Total	1	0	1	1	0	1
<b>Monthly Rates</b>						
Single	\$517.22	\$356.45		\$635.91	\$420.95	
Two-Person	\$1,241.34	\$855.49		\$1,526.18	\$1,010.28	
Family	\$1,551.68	\$1,069.37		\$1,907.72	\$1,262.84	
<b>Premium Only Analysis</b>						
Estimated Monthly Premium	\$517	\$0	\$517	\$636	\$0	\$636
Estimated Annual Premium.	\$6,207	\$0	\$6,207	\$7,631	\$0	\$7,631
<i>Dollar Change from Current</i>				\$1,424	\$0	\$1,424
<i>Percent Change from Current</i>				22.95%		22.95%
<b>Other Cost Factors</b>						
Taxes						
PCORI Fees	Included in Premium	Included in Premium		Included in Premium	Included in Premium	
Health Insurers Provider Fee	Included in Premium	Included in Premium		Included in Premium	Included in Premium	
<b>Subtotal Taxes</b>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Cost Analysis</b>						
<b>Estimated Annual Cost</b>	<b>\$6,207</b>	<b>\$0</b>	<b>\$6,207</b>	<b>\$7,631</b>	<b>\$0</b>	<b>\$7,631</b>
<i>Dollar Change from Current</i>				\$1,424	\$0	\$1,424
<i>Percent Change from Current</i>				22.95%		22.95%



# FAXON Contributions / For Current and Projected for 2021

<u>24 pays</u>		
<u>BCBSM 1000</u>	<u>BCN 1000</u>	<u>GPS/Faxon Contribution</u>
<u>Rates</u>	<u>Rates</u>	-
\$517.22	\$356.45	\$285.00
\$1,241.34	\$855.49	\$550.00
\$1,551.68	\$1,069.37	\$650.00
<u>EE Weekly</u>	<u>EE Weekly</u>	
\$116.11	\$35.73	
\$345.67	\$152.75	
\$450.84	\$209.69	
<u>EE Total Monthly</u>	<u>EE Total Monthly</u>	
\$232.22	\$71.45	
\$691.34	\$305.49	
\$901.68	\$419.37	
<u>EE Yearly</u>	<u>EE Yearly</u>	<u>Annual HMO Savings over PPO</u>
\$2,786.64	\$857.40	\$1,929.24
\$8,296.08	\$3,665.88	\$4,630.20
\$10,820.16	\$5,032.44	\$5,787.72

2020

<u>20 pays</u>		
<u>BCBSM 1000</u>	<u>BCN 1000</u>	<u>GPS/Faxon Contribution</u>
<u>Rates</u>	<u>Rates</u>	-
\$517.22	\$356.45	\$285.00
\$1,241.34	\$855.49	\$550.00
\$1,551.68	\$1,069.37	\$650.00
<u>EE Weekly</u>	<u>EE Weekly</u>	
\$139.33	\$42.87	
\$414.80	\$183.29	
\$541.01	\$251.62	
<u>EE Total Monthly</u>	<u>EE Total Monthly</u>	
\$232.22	\$71.45	
\$691.34	\$305.49	
\$901.68	\$419.37	
<u>EE Yearly</u>	<u>EE Yearly</u>	<u>Annual HMO Savings over PPO</u>
\$2,786.64	\$857.40	\$1,929.24
\$8,296.08	\$3,665.88	\$4,630.20
\$10,820.16	\$5,032.44	\$5,787.72

<u>24 pays</u>		
<u>BCBSM 1000</u>	<u>BCN 1000</u>	<u>GPS/Faxon Contribution</u>
<u>Rates</u>	<u>Rates</u>	-
\$635.91	\$420.95	\$285.00
\$1,526.18	\$1,010.28	\$550.00
\$1,907.72	\$1,262.84	\$650.00
<u>EE Weekly</u>	<u>EE Weekly</u>	
\$175.46	\$67.98	
\$488.09	\$230.14	
\$628.86	\$306.42	
<u>EE Total Monthly</u>	<u>EE Total Monthly</u>	
\$350.91	\$135.95	
\$976.18	\$460.28	
\$1,257.72	\$612.84	
<u>EE Yearly</u>	<u>EE Yearly</u>	<u>Annual HMO Savings over PPO</u>
\$4,210.92	\$1,631.40	\$2,579.52
\$11,714.16	\$5,523.36	\$6,190.80
\$15,092.64	\$7,354.08	\$7,738.56

2021

<u>20 pays</u>		
<u>BCBSM 1000</u>	<u>BCN 1000</u>	<u>GPS/Faxon Contribution</u>
<u>Rates</u>	<u>Rates</u>	-
\$635.91	\$420.95	\$285.00
\$1,526.18	\$1,010.28	\$550.00
\$1,907.72	\$1,262.84	\$650.00
<u>EE Weekly</u>	<u>EE Weekly</u>	
\$210.55	\$81.57	
\$585.71	\$276.17	
\$754.63	\$367.70	
<u>EE Total Monthly</u>	<u>EE Total Monthly</u>	
\$350.91	\$135.95	
\$976.18	\$460.28	
\$1,257.72	\$612.84	
<u>EE Yearly</u>	<u>EE Yearly</u>	<u>Annual HMO Savings over PPO</u>
\$4,210.92	\$1,631.40	\$2,579.52
\$11,714.16	\$5,523.36	\$6,190.80
\$15,092.64	\$7,354.08	\$7,738.56

Enrollment

Single	1
Two Person	0
Family	<u>0</u>
	1

Total Expected Cost

2021 Hard Caps

Single	\$6,685.17	\$7,043.89
Two Person	\$13,980.75	\$14,730.96
Family	\$18,232.31	\$19,210.66

Total Hard Cap

\$6,685	\$7,044
---------	---------

\*\*Difference

-\$479	\$587
--------	-------

\*\*A positive number indicates the Total Expected Cost is over the total hard cap. A negative number indicates the Total Expected Cost is under the total hard cap.

Please note, these numbers are intended as a pro forma only to show total expected cost versus the hard cap. They are not final PA 152 calculations and final PA 152 calculations may vary.

## Dental

Carrier	Funding Model	Status
BCBSM	Vol Fully Insured	Renewal Received

## Vision

Carrier	Funding Model	Status
BCBSM	Vol Fully Insured	Renewal Received



# Voluntary Dental Renewal

GPS	2020 - Current - BCBSM	2021 - Renewal - BCBSM
<b>Dental - Voluntary</b>	<b>Employee Costs</b>	<b>Employee Costs</b>
<b>Dental Network</b>	DNoA	DNoA
<b>Dentist Reimbursement</b>		
In Network Reimbursement	Negotiated Fees	Negotiated Fees
OON Reimbursement		
<b>Deductible</b>		
Annual Deductible	\$50/\$150	\$50/\$150
<b>Coinsurance Percentages</b>		
<b>Class 1 - Preventive Services</b>		
-- Exam(covered percentage)	100%	100%
-- X-rays bitewing	100%	100%
-- Prophylaxis (Cleaning)	100%	100%
<b>Class 2 - Basic Services</b>		
-- X-rays panoramic	100%	100%
-- Sealents (19yrs and younger)	100%	100%
-- Fillings (Permanent Adult)	80%	80%
-- Recementation of Crowns, Inlays and Onlays	80%	80%
-- Recementation of Veneers and Bridges	80%	80%
-- Oral Surgery, Including Extractions	80%	80%
-- Root Canal (Permanent)	80%	80%
<b>Class 3 - Major Services</b>		
-- Onlays and Crowns (Permanent Teeth, Age 12+)	50%	50%
-- Bridges (Fixed Partial Dentures, Age 16+)	50%	50%
-- Endosteal Implants (Age 16+)	50%	50%
<b>Class 4 - Orthodontia</b>		
-- Minor Treatment for Tooth Guidance Appliance	50%	50%
-- Minor Treatment to Control Harmful Habits	50%	50%
-- Interceptive & Comprehensive Ortho Treatment	50%	50%
<b>Maximum Payments</b>		
Dental (Annual/Member)	\$1,000	\$1,000
Orthodontics (Lifetime/Member)	\$1,000	\$1,000
<b>1. Participation <sup>A</sup></b>		
Total	62	62
<b>2. Monthly Rates</b>		
Single	\$33.05	\$33.05
2 Person	\$66.10	\$66.10
Family	\$115.68	\$115.68
<b>3. Total Monthly Cost</b>	\$3,553	\$3,553
<b>4. Total Annual Cost</b>	\$42,635	\$42,635
<i>Dollar Change from Current</i>		\$0.00
<i>Percent Change from Current</i>		0.00%
<b>Rate Guarantee</b>	1 year	1 year

# Voluntary Vision Renewal

GPS	2020 - Current - BCBSM		2021 - Current - BCBSM	
Vision - Voluntary	BCBS/VSP Choice Network		BCBS/VSP Choice Network	
	In-Network	Out-of-Network	In-Network	Out-of-Network
Network	Employee Costs		Employee Costs	
	12 Months		12 Months	
Vision Exam				
Optometrist	\$10 Copay	Reimburse up to \$45 less \$10 copay	\$10 Copay	Reimburse up to \$45 less \$10 copay
Ophthalmologist	\$10 Copay	Reimburse up to \$45 less \$10 copay	\$10 Copay	Reimburse up to \$45 less \$10 copay
Lenses	12 Months		12 Months	
Single	\$10 Copay	Reimburse up to allowed amount; less \$10 Copay	\$10 Copay	Reimburse up to allowed amount; less \$10 Copay
Bi-Focal	Combined \$10 Copay	\$75 Copay	Combined \$10 Copay	\$75 Copay
Tri-Focal	Combined \$10 Copay	\$100 Copay	Combined \$10 Copay	\$100 Copay
Lenticular	Combined \$10 Copay	\$75 Copay	Combined \$10 Copay	\$75 Copay
Standard Progressive Lens	\$60 Copay	N/A	\$60 Copay	N/A
UV Treatment	\$14 Copay	N/A	\$14 Copay	N/A
Plastic Scratch Coating	\$15-\$29 Copay	N/A	\$15-\$29 Copay	N/A
Polycarbonate - Adults	\$23-\$28 Copay	N/A	\$23-\$28 Copay	N/A
Polycarbonate - Kids	Combined \$10 Copay	N/A	Combined \$10 Copay	N/A
Anti-Reflective Coating	\$37 -\$75 Copay	N/A	\$37 -\$75 Copay	N/A
Photocromatic / Transitions Plastic	Combined \$10 Copay	N/A	Combined \$10 Copay	N/A
Frames	12 Months		12 Months	
	\$130 Allowance less \$10 Copay	Reimburse up to \$70; less \$10 Copay	\$130 Allowance less \$10 Copay	Reimburse up to \$70; less \$10 Copay
Contact Lenses	12 Months		12 Months	
Medically necessary	\$10 Copay	Reimburse up to \$210; less \$10 Copay	\$10 Copay	Reimburse up to \$210; less \$10 Copay
Elective	\$130 Allowance	\$105 Allowance	\$130 Allowance	\$105 Allowance
<b>Assumed Participation *</b>				
Total	57		57	
<b>Monthly Rates</b>				
Single		\$7.21		\$6.93
Two Person		\$14.43		\$13.87
Family		\$23.95		\$23.02
<b>Monthly Cost</b>	\$708		\$681	
<b>Annual Cost</b>	\$8,496		\$8,166	
Dollar Change from Current			-\$329.88	
Percent Change from Current			-3.88%	

# Ancillary Carriers Quoted

## Ancillary

Carrier	Funding Model	Status
MetLife		Renewal Received

# Life/AD&D Renewal

Faxon	2020 - Current - MetLife	2020 - Renewal - MetLife
Life Insurance/AD&D Plan	MetLife	MetLife
<b>Life &amp; AD&amp;D Benefit Amount</b> Class 1: All F/T Employees 30+ hours	\$25,000	\$25,000
<b>Waiver of Premium Benefit</b> <b>Accelerated Living Benefit</b> <b>Airbag Benefit</b> <b>Seatbelt Benefit</b>	6 months prior to age 60 80% to \$500,000 5% to \$10,000 10% to \$25,000	6 months prior to age 60 80% to \$500,000 5% to \$10,000 10% to \$25,000
<b>Reduced Benefit based on Age:</b> <div>                         at age 65                          at age 70                          at age 75                          Term at Retirement                     </div>	35% 40% 25%	35% 40% 25%
<b>Conversion</b> <b>Portability</b>	Yes No	Yes No
<b>1. Number of Participants *</b>		
Employee	3	3
<b>2. Volume of Coverage **</b>		
Employee	\$75,000	\$75,000
AD&D	\$75,000	\$75,000
<b>3. Insured Rate (per \$1,000)</b>		
Employee	\$0.141	\$0.141
AD&D	\$0.016	<u>\$0.016</u>
<b>4. Total Monthly Cost</b>	<b>\$12</b>	<b>\$12</b>
<b>5. Total Annual Cost</b>	<b>\$141</b>	<b>\$141</b>
<b>Rate Guarantee</b>	11/30/2020	11/30/2022

\*Participation & Volume based on 09/2020 Invoice

# Long Term Disability Renewal

FAXON	2020 - Current - MetLife	2020 - Renewal - MetLife
<b>Long Term Disability</b>	<b>MetLife</b>	<b>MetLife</b>
<b>Class</b> <i>Class One: All F/T Employees</i>	60% to \$6,000	60% to \$6,000
<b>Own Occ</b>	36 months	36 months
<b>Benefit Taxability</b>	Taxable	Taxable
<b>Disability Definition</b>	Sickness or injury; unable to earn 80% of pre-disability	Sickness or injury; unable to earn 80% of pre-disability
<b>Partial Disability</b>	80% / 80%	80% / 80%
<b>Benefit Duration</b>	RBD with SSNRA	RBD with SSNRA
<b>Elimination Period</b>	90 days	90 days
<b>Mental/Nervous</b>	24 months	24 months
<b>Alcohol/Substance Abuse</b>	24 months	24 months
<b>Pre-existing Condition</b>	3/12	3/12
<b>Social Security Offset</b>	Family	Family
<b>Survivor Benefit</b>	3 months	3 months
<b>FICA Match Benefit</b>	no	no
<b>W-2 Preparation</b>	yes	yes
<b><u>Number of Participants *</u></b>	3	3
<b><u>Volume of Benefit *</u></b>		
<b><u>Insured Rate (per \$100 of payroll)</u></b>	\$0.325	\$0.325
<b><u>Total Monthly Cost</u></b>	\$23.57	\$23.57
<b><u>Total Annual Cost</u></b>	<b>\$283</b>	<b>\$283</b>
<b><u>Rate Guarantee</u></b>	11/30/2020	11/30/2022

\*Participation & Volume based on 09/2020 Invoice

Thank you.

Justin Spewock, Area Vice President - Contact #: 517 204-0914

Kathy Burns, Account Manager - Contact #: 517-798-8604

Teresa Preble, Benefit Analyst - Contact #: 517-798-8606

2600 Telegraph Rd, Ste 100  
Bloomfield Hills, MI 48302



Insurance | Risk Management | Consulting



# Confidentiality Statement & Disclaimers

At Gallagher Benefit Services, Inc. we pride ourselves on the skills, experience and integrity of our employees, our intellectual capital, and the results we achieve for our clients and their enrollees. We work diligently to ensure the work we do meets and exceeds your objectives as our client.

As such, all information provided in this report and associated materials is proprietary and confidential. It is intended solely for use by Global Psychological Services, Inc.

These materials and subsequent information may not be shared with, copied for or released to any individual or organization without the express written permission of Global Psychological Services, Inc. and Arthur J. Gallagher.

## **Legal Disclaimer**

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It does not necessarily fully address all of your specific issues. It should not be construed as, nor is it intended to provide, legal advice. Questions regarding specific issues should be addressed by your general counsel or an attorney who specializes in this practice area.

## **Coverage Disclaimers**

**IMPORTANT:** This analysis is an outline of the coverages proposed by the carrier(s), based on information provided by your company. It does not include all of the terms, coverages, exclusions, limitations, and conditions of the actual contract language. The policies and contracts themselves must be read for those details. Policy forms for your reference will be made available upon request.

## **Renewal/Financial Disclaimer**

This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.