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Date: July 28, 2023  
To: Governor of Guam  
From: Government of Guam Health Insurance Negotiating Team  
Subject: Health Insurance Negotiations for FY 2024

Hafa Adai! Health insurance negotiations for FY 2024 were successfully concluded in accordance with the group health insurance benefit law for active employees, retirees, survivors, and foster children of the Government of Guam (GovGuam) found in Chapter 4 of Title 4, Section 4301, Guam Code Annotated. In this memo, the Government of Guam Health Insurance Negotiating Team (the Team) presents its findings for the Government of Guam Group Health Insurance Program for FY 2024.

### New for FY 2024

GovGuam has expressed the desire to move towards a self-funded model and has taken incremental steps towards this goal over the past few years. GovGuam transitioned to an exclusive self-funded model for dental benefits in FY 2022 and an exclusive self-funded model for pharmacy benefits in FY 2023. GovGuam is recommending a transition to an entirely self-funded model for FY 2024, which includes medical, pharmacy, and dental benefits.

The Team is recommending a non-exclusive self-funded contract arrangement for medical benefits with the up to three bidders who submitted qualifying responses (SelectCare, StayWell, and TakeCare) as the third party administrators ("TPAs"), an exclusive self-funded contract arrangement for pharmacy benefits with SelectCare as the TPA and an exclusive self-funded contract arrangement with NetCare as the TPA for dental benefits for FY 2024.

### Current Estimated Annual Premiums for FY 2023 and Proposed Annual Contributions for FY 2024

Below are the total estimated annual premiums for FY 2023 and annual contributions for FY 2024 medical, pharmacy, and dental benefits based on enrollment as of May 2023. The portion of the premium/contribution paid by GovGuam, and employees/retirees is shown separately.

**FIGURE 1a: ESTIMATED ANNUAL MEDICAL AND PHARMACY PREMIUMS/RATES FOR FY 2023 and FY 2024 (\$ MILLIONS)**

Medical and Pharmacy Benefits	FY 2023	FY 2024
GovGuam contributions	\$100,625,000	\$114,505,000
Employee/retiree contributions	\$34,408,000	\$27,036,000 to \$41,244,000
<b>Total premiums/rates</b>	<b>\$135,033,000</b>	<b>\$141,454,00 to \$155,749,000</b>

**FIGURE 1b: ESTIMATED ANNUAL DENTAL RATES FOR FY 2023 and FY 2024 (\$ MILLIONS)**

Dental Benefits	FY 2023	FY 2024
GovGuam contributions	\$3,569,000	\$3,909,000
Employee/retiree contributions	\$4,468,000	\$5,059,000
<b>Total rates</b>	<b>\$8,036,000</b>	<b>\$8,968,000</b>

The above premiums for FY 2023 are not final since the FY 2023 year is not yet complete. Variation in enrollment may cause variation in the above premium estimates. Any funds due to GovGuam through the

"Participating Contract Agreement"<sup>1</sup> will be calculated and paid out as appropriate at the end of April 2024 in accordance with the current contracts.

### Savings Achieved Through Negotiations

Each of the TPAs submitted two proposals:

1. Initial proposals: Initial proposals in response to the RFP.
2. Best and final offers (BAFOs): Final proposals following negotiation meetings with each of the finalists.

Since GovGuam is negotiating for administrative fees for a self-funded program, the direct savings are calculated as changes from the initial to the BAFO administrative fee proposal. There was also a material source of indirect savings in the form of the increased competition that we saw in the initial proposals relative to prior years. GovGuam received proposals from four TPAs for FY 2024 (three for medical/pharmacy and four for dental), which is an improvement over the two proposals that GovGuam received for FY 2023. The move to self-funding did increase competitiveness amongst TPAs.

GovGuam is expecting to pay between \$29.35 and \$50.60 PEPM in administrative fees to TPAs for FY 2024.<sup>2</sup> As a result of the negotiation meetings, the TPAs reduced their administrative fees but were more competitive in their exclusive bids compared to their non-exclusive bids. The figure below summarizes the initial and BAFOs provided by SelectCare, StayWell, and TakeCare for medical and pharmacy administrative fees.

**FIGURE 2: INITIAL AND BAFO MEDICAL AND PHARMACY ADMINISTRATION FEES**

TPA	Exclusive		Non-Exclusive	
SelectCare	Initial	BAFO	Initial	BAFO
Medical	\$23.75	\$21.75	\$23.75	\$23.75
Pharmacy	\$5.00	\$4.50	\$5.00	\$5.00
StayWell				
Medical	\$27.00	\$27.00	\$27.00	\$27.00
Pharmacy	Bundled with Medical	Bundled with Medical	Bundled with Medical	Bundled with Medical
TakeCare				
Medical	\$35.00	\$28.00	\$55.00	\$45.00
Pharmacy	\$3.50	\$3.50	\$4.50	\$4.50

**Notes:**

StayWell's offer is a combined rate for medical and pharmacy; TakeCare's BAFO states "Will not quote non-exclusive" for Foster; TakeCare's prior year pharmacy PEPM was \$3.50; TakeCare's non-exclusive requires minimum participation of 60%.

NetCare's dental administrative fees were \$1.90 PEPM or \$277,000 lower compared to the FY 2023 TPAs. NetCare did not participate in the FY 2023 Request for Proposal (RFP), hence their participation in FY 2024 shows more competitiveness in this year's RFP.

<sup>1</sup> Through this agreement, if the ratio of medical claims to medical premiums for the fiscal year is lower than 86%, the carriers will refund GovGuam the difference between the actual claims to premiums ratio and 86%.

<sup>2</sup> This translates to a total of \$4.8 million if all members select SelectCare for medical, \$5.3 million if all members select StayWell for medical, and \$8.2 million if all members select TakeCare for medical.

## **Process for FY 2024**

Prior to the release of the FY 2024 RFP, the Team, together with Milliman, Inc.'s Public Employer Health Plan team (the Milliman Team), successfully completed the analysis of whether GovGuam should fully insure or self-fund medical, pharmacy, and dental benefits.<sup>3</sup>

FY 2024's process required TPAs to submit the following:

### ***Medical and Pharmacy***

- Non-exclusive and exclusive proposals for the administration cost of a self-funded plan, with a preference for medical and pharmacy to be bundled
- Detailed information about provider reimbursement

### ***Dental***

- Non-exclusive and exclusive proposals for the administration cost of a self-funded plan
- Detailed information about provider reimbursement

GovGuam asked TPAs to submit their medical and pharmacy proposals assuming the same medical and pharmacy plan design as FY 2023.<sup>4</sup> GovGuam asked TPAs to submit their dental proposals assuming an increase in the annual maximum from \$1,000 to \$1,500 per year. The Team recommended to increase the dental benefits to recognize increases in the charges for dental services.

The RFP was distributed via the Department of Administration's website on April 18, 2023, and receipt was acknowledged by the following TPAs:

1. NetCare (Netcare Life and Health)
2. SelectCare (Tokio Marine Pacific Insurance, Calvo's SelectCare)
3. StayWell (Island Home Insurance Company)
4. TakeCare (TakeCare Insurance Company Inc.)

Proposals were received from all four TPAs listed above and were screened under the Phase 1, Initial Screening. Three of four TPAs (all except for NetCare) submitted proposals for medical and pharmacy benefits. All four TPAs submitted proposals for dental benefits, which showed greater competition over recent prior years when only the incumbent TPAs submitted proposals.

Consistent with the Phase 2, Evaluation, provisions of the RFP, the Team evaluated the exclusive and non-exclusive proposals, scored them, and voted to invite three TPAs to negotiate for medical and pharmacy benefits and for dental benefits for FY 2024.

The Team chose to negotiate with SelectCare, StayWell, and TakeCare for medical/pharmacy benefits.

The Team chose to negotiate with NetCare, SelectCare, and TakeCare for dental benefits. StayWell's dental proposal was bundled with medical, which the Team considered as non-responsive to the desired contracting strategy as communicated in the RFP.

The Milliman Team assisted the Team in reviewing, comparing, and quantifying the potential operational and financial impacts of each proposal.

During Phase 3, Negotiations, the Team evaluated the exclusive and non-exclusive medical and pharmacy proposals, and the exclusive dental proposals, including the financial terms therein.

During Phase 4, Final Ranking, the Team scored the TPA proposals from the finalists that were invited to Phase 3, Negotiations. Milliman conducted a financial analysis of the TPAs pricing terms, which was used in the final ranking of the pricing terms. The Team voted to move forward with SelectCare, StayWell, and TakeCare as the non-exclusive TPAs for medical benefits, SelectCare as the exclusive TPA for pharmacy benefits, and NetCare as the exclusive TPA for dental benefits.

The Team recognizes that there is the requirement to identify one plan as the base plan pursuant to law. Since SelectCare has the lowest combined administrative fees and provider reimbursement rates for non-exclusive medical benefits, it will be considered as the base plan. Any other medical plans will be

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<sup>3</sup> A more comprehensive analysis of whether to self-fund or fully insured can be found in Milliman's February 3, 2023, report titled "Government of Guam Self-funding feasibility study."

<sup>4</sup> There is one modification to the HSA plan to be compliant with the IRS minimum requirements for deductibles for individuals in a family plan.

considered as buy-up options. The GovGuam contribution towards all three medical plans will be equivalent, with employees/retirees paying the difference in contributions between SelectCare contributions and the higher cost contributions for StayWell and TakeCare.

Public Law 35-92 amended 4 GCA §4302(c)(9) to require that the Team forward the most economical and beneficial health insurance proposals for the GovGuam employees, retirees, survivors, and foster children to the Governor for FY 2024 group health insurance.

The Team's recommendation is presented in this memo for the Governor's consideration and approval.

#### **Analysis and Recommendations for FY 2024**

The Team scored each TPA's exclusive and non-exclusive medical and pharmacy proposals separately from the dental proposal.<sup>5</sup> Foster was grouped with employees and retirees for the purpose of selecting TPAs for FY 2024.

#### ***Recommendation for Medical***

The Team voted, and therefore recommends that SelectCare, StayWell, and TakeCare be awarded non-exclusive contracts for administration of medical benefits and that SelectCare be awarded an exclusive contract for pharmacy benefits. This recommendation is based on the relative pricing and administrative fees among TPAs.

The decision to recommend a non-exclusive medical contract over an exclusive medical contract was not without much discussion. Although SelectCare's projected medical claim costs and administrative fees for FY 2024 are lower than those of both StayWell and TakeCare, the Team ultimately voted to offer a non-exclusive medical contract based on the Team's collective interpretation of GCA § 4302(c)(9) and 4 GCA 4301.1(f) and the interpretation of and definition of exclusive and non-exclusive contracts included in these sections of the law. The Team requested a legal opinion from the Attorney General's office regarding the legality of offering an exclusive contract, but was informed that the Attorney General was "unwilling to sign any memorandum which could be used against the Government in the event a protest eventuates" according to the Chief Deputy Attorney General. As such, the Team voted for a non-exclusive medical contract based on its understanding of governing law. All three TPAs scored similarly in the Phase 2 operational scoring and are similarly capable of administering the benefit. Here are a few examples of factors that made each TPA stand out in the procurement:

- SelectCare has stronger contractual pricing in the United States, fewer member complaints, and is fairly easy to work with as a current partner.
- StayWell appeared to recognize the importance of partnership and expressed a willingness to work with GovGuam to manage its high cost diabetes and End Stage Renal Disease (ESRD) members.
- TakeCare seems to do more to manage care, which includes using prior authorization and care coordination more effectively and using plan design to steer members towards more efficient providers and/or treatment options. Anecdotally, TakeCare also seems to have the more attractive gym benefit.

Of the three qualifying bids for non-exclusive medical bids, StayWell has the highest projected claims costs for FY 2024. This is driven by higher provider reimbursement rates, including in the US. StayWell's rates look slightly lower than TakeCare's in the final funding rates because StayWell's rates do not include a gym benefit. StayWell offers members discounted gym memberships, but did not bid PEPM rates for gym in its bid.

Depending on the performance in the FY 2024 TPA contracts and if there are changes to the current law to clarify if exclusive contracts are permissible, GovGuam could consider a fully exclusive contract in the future. If the Team recommended an exclusive medical contract for FY 2024, SelectCare would have been the recommended TPA based on (1) a lower administrative fee, (2) stronger contractual pricing in the United States, and (3) modestly stronger pharmacy pricing.

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<sup>5</sup> A comprehensive overview of the process, comparison, and scoring can be found in Milliman's July 3, 2023, slide deck titled "Group Health Insurance RFP Phase III Negotiations and BAFO Evaluations." These slides are attached with this briefing memo.

### ***Recommendation for Pharmacy***

The Team voted, and therefore recommends that SelectCare be awarded an exclusive contract for administration of pharmacy benefits. The decision to recommend SelectCare over StayWell and TakeCare was largely driven by (1) expected differences in pricing for specialty drugs and (2) the traditional rebate structure included in its bid. SelectCare's administrative fee proposal was \$1.00 PEPM higher than TakeCare's administrative fee proposal, but its expected claims costs was about \$5.00 PEPM lower, resulting in the lowest net funding rates compared to the other two bidders.

### ***Recommendation for Dental***

The Team voted, and therefore recommends that NetCare be awarded an exclusive contract for administration of dental benefits. The decision to recommend NetCare over SelectCare and TakeCare was largely driven by (1) a significantly lower administrative fee and (2) responsiveness and ability to provide knowledgeable and substantive information during the negotiation meeting. All three TPAs scored similarly in the Phase 2 operational scoring and all three TPAs have similar reimbursement levels to dental providers. NetCare's administrative proposal was almost \$2.00 PEPM lower than the second most competitive proposal.

### **Development of Required Revenue and Rates**

#### ***Development of Total Required Revenue***

Required revenue by plan and employee was developed by the Milliman Team, using claims experience from FY 2022 to ensure that the plan is adequately funded. Claims were summarized by plan design, adjusted for claims incurred but not paid (IBNP), trended to FY 2024, and adjusted for expected provider reimbursement differences. Foster is rated separately from plans offered to actives and retirees. In the medical and pharmacy rate development, which was calculated on a moderately conservative basis, we included an estimate of rebates expected to be credited to GovGuam, an estimate for the non-recoverable cost of stop loss premiums, and a margin of 2% of projected claims costs. An additional administrative fee has been added to the rate development to reflect additional administration, data management, and professional services fees that the DOA will likely incur as a result of offering a non-exclusive medical contract since there will be additional work involved in coordinating among the three medical TPAs. In the dental rate development, we adjusted the expected claims costs by 15% to reflect the increase in the benefit from a \$1,000 to a \$1,500 annual maximum and added a margin of 2% of projected claims costs.

We recommend including a margin, as stated above, on top of our best estimate to improve the likelihood that actual claims are reasonably similar to projected claims. Transitions create greater amounts of uncertainty, which may require a margin to cover claims costs. GovGuam should also consider building reserves to protect against claims volatility, such as unexpected high-cost claims or a particularly high-cost year. A contribution to surplus is usually included in the cost build-up during the first few self-funded years and during other times of growth. The surplus is intended to protect GovGuam from losses in the Health Benefits Fund which would have to be transferred to the General Fund rather than fund the health benefits, we can further review to determine whether we should build more of a contribution to surplus into the rates.

Milliman discussed areas of conservatism in its rate development. The medical and pharmacy rates contain conservatism in the estimated rebates and explicit margin. We also understand that the FY 2022 claims experience may have been higher than usual because members did not have the usual access to care in the Philippines and Taiwan. The dental rates contain conservatism only in the explicit margin. However, this is a major transition year for GovGuam and is an appropriate year to have more conservatism with the plan to release conservatism over time to minimize shock premium increases to GovGuam's members.

Numerical detail behind the rating calculations can be found in Appendix A.

### ***Development of GovGuam and Employee Contributions***

The Team recommends the following approach to distributing the total rates between GovGuam and employees/retirees. The Team considered how to make the transition from two carrier options to a single self-funded TPA option more acceptable for employees and is recommending the following approach:

For medical and pharmacy:

- Tier slopes (ratio of each Class total premium to Class I total premium) were set to be similar to FY 2023 tier slopes for the active-employee rates. Tier slopes for the RSP plan were set to follow the principle that the marginal cost to add a non-Medicare spouse/domestic partner or non-Medicare children to the RSP plan should be similar to the non-RSP plans.
- For HSA2000 active employee rates, set FY 2024 20% higher than the base plan FY 2023 rates.
- For HSA2000 retiree rates, set FY 2024 equal to the FY 2024 active-employee rates.
- For PPO1500 active employee rates, set FY 2024 20% higher than the base plan FY 2023 rates.
- For HSA2000 retiree rates, set FY 2024 equal to the FY 2024 active-employee rates
- For RSP, for SelectCare (the base plan), set Class I and IIa retiree-employee rates to \$0 and Class IIb, III, IVa, and IVb rates to \$50. For the buy-up plans, set the GovGuam contribution as the minimum of the base plan. The buy-up plan and the retiree contribution is calculated as the difference between the total and GovGuam contributions.

Other:

- Dental: Employees/retirees pay a proportion of the total premium and GovGuam pays the rest. The team structured the proposed contributions so that employees contribute to the explicit margin, but retirees do not.
- Foster: GovGuam pays the full cost for the foster benefit.

Gym costs: Gym costs are included in the total premium rates for all actives, retirees, and RSP enrollees who enroll with SelectCare and TakeCare. Subscribers who select the StayWell medical benefit have no gym benefit. Estimated GovGuam, employee/retiree, and total premiums for FY 2023 and FY 2024 by plan are included in Appendix B.

### **Considerations for Self-funded Medical, Pharmacy, and Dental Benefits**

This section discusses:

- How self-funding addresses premium increases caused by adverse selection,
- Other considerations for self-funding the medical benefit,
- Mitigating risks of self-funding.

#### ***Addressing Premium Increases Caused by Adverse Selection***

GovGuam has experienced large premium increases over the past few years, due to some factors that are expected to continue under self-funding and other factors that are a result of health plan choice and adverse selection. The high prevalence of diabetes and high cost trends are expected to continue under a self-funded plan. However, GovGuam thinks it can manage the premium impact of adverse selection as part of its self-funded transition.

GovGuam's FY 2023 and earlier premiums demonstrate adverse selection between carriers. The healthy, less costly members pay less to be in GovGuam's base carrier plan while the sicker, more costly members pay more to be in the buy-up carrier's plan. People with poor health are typically more willing to pay more for the provider networks and care management differences of the buy-up carrier's plans.

A review of the claims data from FY 2022 shows that GovGuam's buy-up carrier appears to have a disproportionate share of members receiving dialysis treatment compared to the base carrier. These dialysis patients are part of the reason that the buy-up carrier's premiums are higher than the base carrier's premiums for the same medical benefit. After reviewing the reimbursement rates in the FY 2024 TPA proposals, we think that the payment rates to providers are on the same order of magnitude for both the base carrier and buy-up carrier, so the premium differences are likely driven mainly by the health status of each carrier's enrollees.

It is not GovGuam's intent to charge sick members more for the care they need to manage their health conditions. Self-funding is one of several options GovGuam could have chosen to manage the premium impact of adverse selection. The funding rates set for each TPA for FY 2024 reflect the combined risk of all members in that plan design.<sup>6</sup>

### ***Other Considerations for Self-funding the Medical Benefit***

Many plan sponsors who move from a fully insured arrangement to a self-funded arrangement do so because they are large enough that their claims costs are stable, and the plan sponsor can reduce costs by eliminating the insurer's profit load and premium tax paid to the state. There are other non-financial reasons to move to self-funding, such as a desire for control, innovation, and transparency.

GovGuam has a desire for more control over the health benefits offered to its employees. When members have questions about covered benefits or formularies, oftentimes GovGuam has learned that an insurer has made a plan design change that GovGuam did not approve and was not aware of. For example, insurers had some flexibility in considering whether or not to cover certain maintenance medications at no cost sharing in high deductible plans in response to IRS notice 2019-45.<sup>7</sup> The current insurer chose to cover these medications at no cost sharing but did not communicate this to GovGuam, which leads to member confusion and makes it harder for GovGuam to effectively serve its members.

Some plan sponsors have a desire to pursue innovative solutions to rising healthcare costs. For example, if GovGuam wanted to negotiate a direct contract with a hospital system that served a large number of its employees, under a self-funded arrangement it would be able to implement this change and receive the financial benefit right away rather than waiting for 1-3 years for the improved experience to be reflected in premium rates. Being self-funded allows the plan sponsor to reap the benefit of their innovative solutions in real time.

Finally, being self-funded allows a greater level of transparency. Self-funded plan sponsors tend to monitor the data more closely. If GovGuam shifts to a self-funded arrangement, it can implement a reporting package to monitor claims experience and emerging trends so that it can make informed decisions about how to handle emerging trends in real time rather than when the premiums are submitted during the annual rate negotiation process.

### ***Mitigating Risks of Self-Funding***

Similar to how an insurance company can mitigate risks of mispricing and outlier claims, there are strategies for managing the risks associated with self-funding. The goal of these strategies is to try to ensure the amount that GovGuam has budgeted for its health benefits will be sufficient to pay the benefits promised to its members. High cost claimants are one of the biggest risks against achieving this goal, so Milliman has recommended that GovGuam purchase stop loss insurance to protect against unexpected high cost claimants.

- **Stop loss coverage:** GovGuam still needs to purchase stop loss coverage for FY 2024. That vendor selection decision is commonly done outside of the selection of a TPA. GovGuam will be required to pay a monthly premium for its stop loss coverage. The recommendation to purchase stop loss coverage is common for self-funded plans. The proposed rates reflect an estimated cost for stop loss coverage, but GovGuam still needs to take steps to procure this insurance coverage. Stop loss insurance is to protect GovGuam but is not visible to the member as part of their employee health benefits.
- **Developing a monitoring plan:** Under a self-funded arrangement, GovGuam will benefit if claims are low but will receive the full downside risk if claims are higher than budgeted. As such, GovGuam will need to monitor claims experience more closely to decide if it should take active efforts to manage and reduce claims spend. That monitoring step would include estimating claims incurred each month and tracking trends by major service category (inpatient, outpatient, professional, pharmacy, and other) and other key drivers of claims experience. GovGuam will also need to make sure these reports are reviewed on a regular basis with an action plan for adverse findings. Since the TPA does

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<sup>6</sup> For FY 2024, GovGuam is removing health status differences across plans, but there are also health status differences between the HSA2000 and PPO1500 plans. If needed in future years, GovGuam may also consider removing health status differences between the plan designs.

<sup>7</sup> <https://www.irs.gov/pub/irs-drop/n-19-45.pdf>

not carry financial risk, they are unlikely to monitor claims experience as closely as they would in a fully insured arrangement.

#### Future Opportunities for GovGuam Under Self-Funding

There are risks associated with self-funding, but GovGuam also has a number of opportunities to manage its health benefit differently. Here are a few ideas that GovGuam and the Team are considering:

1. Work with TPAs to ensure that enrollees with ESRD are managed appropriately, for example, ensuring that these enrollees enroll with Medicare after the 30 month waiting period and that their on-island/off-island treatment is coordinated and approved appropriately.
2. Encourage Medicare eligible retirees to enroll in Medicare so that Medicare pays as primary and GovGuam pays as secondary.
3. Work with the TPA to apply for retiree drug subsidies (RDS) through CMS. The RDS Program reimburses plan sponsors for a portion of their qualifying prescription drug cost, otherwise covered by Medicare Part D. In general, the subsidy payments are calculated as 28% of a qualifying retiree's allowable prescription drug costs subject to a dollar threshold and maximum.
4. Identify site of care efficiencies and consider opportunities to steer care to the Philippines and Taiwan when it would be more economical for the member and GovGuam.
5. Use plan design to encourage more efficient care (e.g., lower cost drugs, more primary care).
6. Monitor claims experience to identify more opportunities.
7. Conduct an RFP process for a Pharmacy Benefit Manager (PBM) or Group Purchasing Organization contract for a self-funded pharmacy benefit for FY 2025 – FY2027.

#### Next Steps


Thank you for the opportunity to present the results of the FY 2024 Group Health Insurance Negotiations. The following items below are for your consideration and approval. I am available should you have any questions or need additional clarifications. *Si Yu'us Ma'ase*.

*Senseramente,*



Edward M Birn  
Date:2023-07-31  
T14:29:17+10:00

Edward M. Birn

<b>FY 2024 Group Health Negotiations For Employees, Retirees, and Foster Children</b>	<b>Approved</b>	<b>Disapproved</b>
Medical Self-Funded – Non-Exclusive Plan - SelectCare		X
Medical Self-Funded – Non-Exclusive Plan - StayWell		X
Medical Self-Funded – Non-Exclusive Plan - TakeCare		X
Pharmacy Self-Funded – Exclusive Plan - SelectCare	X	
Dental Self-Funded – Exclusive Plan – NetCare	X	
Foster Self-Funded – Exclusive Plan – SelectCare	X	
Medical Self-Funded – GovGuam DOA to procure stop loss insurance contract	X	
 Lourdes A. Leon Guerrero Governor of Guam		8/3/2023 Date

## Dental Administrative Fees

Category	NetCare	SelectCare	TakeCare
Administrative fee	<u>Initial</u> Exclusive: \$1.10 PEPM Non-exclusive: \$1.10 PEPM  <u>BAFO</u> Exclusive: \$1.10 PEPM Non-exclusive: \$1.10 PEPM	<u>Initial</u> Exclusive: \$3.30 PEPM Non-exclusive: \$3.30 PEPM  <u>BAFO</u> Exclusive: \$3.00 PEPM Non-exclusive: \$3.30 PEPM	<u>Initial</u> Exclusive: \$4.50 PEPM Non-exclusive: \$7.50 PEPM  <u>BAFO</u> Exclusive: \$3.50 PEPM Non-exclusive: \$5.50 PEPM
Basis for reimbursement	Percentile of NDAS	Percentile of NDAS	Percentile of NDAS
Average reimbursement	<ul style="list-style-type: none"> <li>General: 90% of 70th Percentile</li> <li>Specialist: 90% of 80th Percentile</li> </ul>	<ul style="list-style-type: none"> <li>General: 70th Percentile</li> <li>Specialist: 70th Percentile</li> </ul>	<ul style="list-style-type: none"> <li>General: 67th Percentile</li> <li>Specialist: 75th Percentile</li> </ul>

**Notes:**

- NetCare did not revise their administrative fees from initial to BAFO.
- TakeCare's prior year PEPM was \$3.50.
- TakeCare is requiring at least 60% participation requirement under a non-exclusive agreement.
- The three reimbursement proposals are very similar.

Source: Exhibits B and E and responses to clarification questions provided after negotiation meetings

**Appendix A1 - Development of Total Projected Revenue for FY 2024 Medical, Pharmacy, and Dental Benefits**  
**Assuming Non-Exclusive Medical TPA Contract Awarded to SelectCare, Exclusive Pharmacy TPA Contract Awarded to SelectCare**  
**Exclusive Foster Medical TPA Contract Awarded to TakeCare; Exclusive Dental TPA Contract Awarded to NetCare**  
**Based on Claims Experience from SelectCare and TakeCare in FY 2022**

Description	HSA2000	PPO1500	RSP	Foster*****	Dental
<b>Claims FY 2022</b>					
- Medical	\$18,103,442	\$54,117,799	\$4,586,096	\$1,119,700	\$0
- Pharmacy	\$2,801,149	\$16,696,903	\$5,059,757	\$59,907	\$0
- Pharmacy rebates (estimated as 20% of pharmacy)	(\$560,230)	(\$3,339,381)	(\$1,011,951)	(\$11,961)	\$0
- Dental	\$0	\$0	\$0	\$0	\$6,586,091
- Adjustment for claims IBNP	\$1,625,030	\$3,834,107	\$650,930	\$44,832	\$540,193
Employee/Retiree Months FY 2022	52,258	72,487	23,358	6,058	138,158
Claims PEPM	\$420.40	\$983.75	\$397.50	\$200.14	\$51.58
Annual trend	1.07	1.07	1.07	1.07	1.04
Months of trend	24	24	24	24	24
Demographic adjustment	1.00	1.00	1.00	1.00	1.00
Geographic adjustment	1.00	1.00	1.00	1.00	1.00
Change in basis for provider reimbursement*	1.02	1.02	1.00	1.00	1.00
Benefit adjustment	1.00	1.00	1.00	1.00	1.15
Other adjustments	1.00	1.00	1.00	1.00	1.00
<b>Projected adjusted claims PEPM for FY 2024</b>	<b>\$494.16</b>	<b>\$1,156.35</b>	<b>\$455.93</b>	<b>\$230.64</b>	<b>\$64.21</b>
<b>Administrative expenses PEPM</b>					
Estimated additional Rx administrative costs	\$28.25	\$28.25	\$28.25	\$26.25	\$1.10
Margin (2% of projected claims)	\$0.62	\$2.65	\$2.50	\$0.11	\$0.00
Marginal cost of stoploss (estimated as 5% of claims) **	\$9.88	\$23.13	\$9.12	\$4.61	\$1.28
Cost of additional DOA admin for non-exclusive contract ***	\$39.47	\$39.47	\$39.47	\$39.47	\$0.00
	\$1.93	\$1.93	\$1.93		
<b>Projected funding rate PEPM for FY 2024</b>	<b>\$574.31</b>	<b>\$1,251.78</b>	<b>\$537.19</b>	<b>\$301.09</b>	<b>\$66.60</b>
<b>Projected enrollment (using May 2023 enrollment) ****</b>	<b>4,776</b>	<b>6,038</b>	<b>2,165</b>	<b>606</b>	<b>12,157</b>
<b>Projected total annual funding needed</b>	<b>\$32,914,769</b>	<b>\$80,698,082</b>	<b>\$13,956,294</b>	<b>\$2,189,522</b>	<b>\$9,336,758</b>

Notes:

\* Slide 13 of July 3, 2023, "Group Health Insurance RFP Phase III Negotiations and BAFO Evaluations" presentation has more detail about this adjustment.

\*\* GovGuam has not begun the process of defining a target stoploss attachment point or gathering stoploss quotes. This number is subject to change.

\*\*\* Additional administration costs for a non-exclusive contract to cover costs such as: DOA staff to coordinate among TPAs, multiple data management solutions, and professional services.

\*\*\*\* Due to data limitations with the FY 2023 enrollment data, we have not made an adjustment for the enrollment that moved from the PPO to the HSA between FY 2022 and FY 2023. In future years, we recommend calculating a demographic adjustment for these plan shifts.

\*\*\*\*\* Foster was awarded as an exclusive contract to SelectCare. Differences in Foster rates across non-exclusive TPAs driven by average assumed stoploss rates.

**Appendix A2 - Development of Total Projected Revenue for FY 2024 Medical, Pharmacy, and Dental Benefits**  
**Assuming Non-Exclusive Medical TPA Contract Awarded to StayWell; Exclusive Pharmacy TPA Contract Awarded to SelectCare**  
**Exclusive Foster Medical TPA Contract Awarded to TakeCare; Exclusive Dental TPA Contract Awarded to NetCare**  
**Based on Claims Experience from SelectCare and TakeCare in FY 2022**

Description	HSA2000	PPO1600	RSP	Foster ****	Dental
<b>Claims FY 2022</b>					
– Medical	\$18,103,442	\$54,117,799	\$4,586,096	\$1,119,700	\$0
– Pharmacy	\$2,801,149	\$16,696,903	\$5,059,757	\$59,907	\$0
– Pharmacy rebates (estimated as 20% of pharmacy)	(\$560,230)	(\$3,339,381)	(\$1,011,951)	(\$11,981)	\$0
– Dental	\$0	\$0	\$0	\$0	\$6,586,091
– Adjustment for claims IBNP	\$1,625,030	\$3,834,107	\$650,930	\$44,832	\$540,193
Employee/Retiree Months FY 2022	52,258	72,487	23,358	6,058	138,158
Claims PEPM	\$420.40	\$983.75	\$397.50	\$200.14	\$51.58
Annual trend	1.07	1.07	1.07	1.07	1.04
Months of trend	24	24	24	24	24
Demographic adjustment	1.00	1.00	1.00	1.00	1.00
Geographic adjustment	1.00	1.00	1.00	1.00	1.00
Change in basis for provider reimbursement *	1.13	1.13	1.00	1.00	1.00
Benefit adjustment	1.00	1.00	1.00	1.00	1.15
Other adjustments	1.00	1.00	1.00	1.00	1.00
<b>Projected adjusted claims PEPM for FY 2024</b>	<b>\$547.45</b>	<b>\$1,281.06</b>	<b>\$455.93</b>	<b>\$230.64</b>	<b>\$64.21</b>
Administrative expenses PEPM	\$31.50	\$31.50	\$31.50	\$26.25	\$1.10
Estimated additional Rx administrative costs	\$0.62	\$2.65	\$2.50	\$0.11	\$0.00
Margin (2% of projected claims)	\$10.95	\$25.62	\$9.12	\$4.61	\$1.28
Marginal cost of stoploss (estimated as 5% of claims) **	\$43.30	\$43.30	\$43.30	\$43.30	\$0.00
Cost of additional DOA admin for non-exclusive contract ***	\$1.93	\$1.93	\$1.93		
<b>Projected funding rate PEPM for FY 2024</b>	<b>\$635.75</b>	<b>\$1,386.07</b>	<b>\$544.28</b>	<b>\$304.92</b>	<b>\$66.60</b>
<b>Projected enrollment (using May 2023 enrollment) ****</b>	<b>4,776</b>	<b>6,038</b>	<b>2,165</b>	<b>606</b>	<b>12,157</b>
<b>Projected total annual funding needed</b>	<b>\$38,436,176</b>	<b>\$100,428,772</b>	<b>\$14,140,364</b>	<b>\$2,217,411</b>	<b>\$9,336,768</b>

Notes:

\* Slide 13 of July 3, 2023, "Group Health Insurance RFP Phase III Negotiations and BAFO Evaluations" presentation has more detail about this adjustment.

\*\* GovGuam has not begun the process of defining a target stoploss attachment point or gathering stoploss quotes. This number is subject to change.

\*\*\*Additional administration costs for a non-exclusive contract to cover costs such as: DOA staff to coordinate among TPAs, multiple date management solutions, and professional services.

\*\*\*\* Due to data limitations with the FY 2023 enrollment data, we have not made an adjustment for the enrollment that moved from the PPO to the HSA between FY 2022 and FY 2023. In future years, we recommend calculating a demographic adjustment for these plan shifts.

\*\*\*\*\* Foster was awarded as an exclusive contract to SelectCare. Differences in Foster rates across non-exclusive TPAs driven by average assumed stoploss rates.

**Appendix A3 - Development of Total Projected Revenue for FY 2024 Medical, Pharmacy, and Dental Benefits**  
**Assuming Non-Exclusive Medical TPA Contract Awarded to TakeCare; Exclusive Pharmacy TPA Contract Awarded to SelectCare**  
**Exclusive Foster Medical TPA Contract Awarded to TakeCare; Exclusive Dental TPA Contract Awarded to NetCare**  
**Based on Claims Experience from SelectCare and TakeCare in FY 2022**

Description	HSA2000	PPO1500	RSP	Foster ****	Dental
<b>Claims FY 2022</b>					
- Medical	\$18,103,442	\$54,117,799	\$4,586,096	\$1,119,700	\$0
- Pharmacy	\$2,801,149	\$16,596,903	\$5,059,757	\$59,907	\$0
- Pharmacy rebates (estimated as 20% of pharmacy)	(\$560,230)	(\$3,339,381)	(\$1,011,951)	(\$11,961)	\$0
- Dental	\$0	\$0	\$0	\$0	\$6,586,091
- Adjustment for claims IBNP	\$1,625,030	\$3,834,107	\$650,930	\$44,832	\$540,193
Employee/Retiree Months FY 2022	52,258	72,487	23,358	6,058	138,158
Claims PEPM	\$420.40	\$983.75	\$397.50	\$200.14	\$51.58
Annual trend	1.07	1.07	1.07	1.07	1.04
Months of trend	24	24	24	24	24
Demographic adjustment	1.00	1.00	1.00	1.00	1.00
Geographic adjustment	1.00	1.00	1.00	1.00	1.00
Change in basis for provider reimbursement *	1.05	1.05	1.00	1.00	1.00
Benefit adjustment	1.00	1.00	1.00	1.00	1.15
Other adjustments	1.00	1.00	1.00	1.00	1.00
<b>Projected adjusted claims PEPM for FY 2024</b>	<b>\$510.62</b>	<b>\$1,192.29</b>	<b>\$455.93</b>	<b>\$230.64</b>	<b>\$64.21</b>
<b>Administrative expenses PEPM</b>					
Estimated additional Rx administrative costs	\$49.50	\$49.50	\$49.50	\$26.25	\$1.10
Margin (2% of projected claims)	\$0.62	\$2.65	\$2.50	\$0.11	\$0.00
Marginal cost of stoploss (estimated as 5% of claims) **	\$10.21	\$23.85	\$9.12	\$4.61	\$1.28
Cost of additional DOA admin for non-exclusive contract ***	\$40.59	\$40.59	\$40.59	\$40.59	\$0.00
	\$1.93	\$1.93	\$1.93		
<b>Projected funding rate PEPM for FY 2024</b>	<b>\$613.47</b>	<b>\$1,310.81</b>	<b>\$559.57</b>	<b>\$302.21</b>	<b>\$66.60</b>
<b>Projected enrollment (using May 2023 enrollment) ****</b>	<b>4,776</b>	<b>6,038</b>	<b>2,165</b>	<b>606</b>	<b>12,157</b>
<b>Projected total annual funding needed</b>	<b>\$26,159,294</b>	<b>\$94,976,103</b>	<b>\$14,537,567</b>	<b>\$2,197,896</b>	<b>\$9,335,758</b>

Notes:

\* Slide 13 of July 3, 2023, "Group Health Insurance RFP Phase III Negotiations and BAFO Evaluations" presentation has more detail about this adjustment.

\*\* GovGuam has not begun the process of defining a target stoploss attachment point or gathering stoploss quotes. This number is subject to change.

\*\*\*Additional administration costs for a non-exclusive contract to cover costs such as: DOA staff to coordinate among TPAs, multiple data management solutions, and professional services.

\*\*\*\* Due to data limitations with the FY 2023 enrollment data, we have not made an adjustment for the enrollment that moved from the PPO to the HSA between FY 2022 and FY 2023. In future years, we recommend calculating a demographic adjustment for these plan shifts.

\*\*\*\*\* Foster was awarded as an exclusive contract to SelectCare. Differences in Foster rates across non-exclusive TPAs driven by average assumed stoploss rates.

**Appendix A4 - Development of Total Projected Revenue for FY 2024 Medical, Pharmacy, and Dental Benefits**  
**Assuming Exclusive Medical TPA Contract Awarded to SelectCare**  
**Exclusive Pharmacy TPA Contract Awarded to SelectCare; Exclusive Dental TPA Contract Awarded to NetCare**  
**Based on Claims Experience from SelectCare and TakeCare in FY 2022**

Description	HSA2000	PPO1500	RSP	Foster	Dental
<b>Claims FY 2022</b>					
-- Medical	\$18,103,442	\$54,117,799	\$4,586,096	\$1,119,700	\$0
-- Pharmacy	\$2,801,149	\$16,696,903	\$5,056,757	\$59,907	\$0
-- Pharmacy rebates (estimated as 20% of pharmacy)	(\$560,230)	(\$3,339,381)	(\$1,011,951)	(\$11,981)	\$0
-- Dental	\$0	\$0	\$0	\$0	\$6,586,091
-- Adjustment for claims IBNP	\$1,625,030	\$3,834,107	\$650,930	\$44,832	\$540,193
Employee/Retiree Months FY 2022	52,258	72,487	23,358	6,058	136,158
Claims PEPM	\$420.40	\$983.75	\$397.50	\$200.14	\$51.58
Annual trend	1.07	1.07	1.07	1.07	1.04
Months of trend	24	24	24	24	24
Demographic adjustment	1.00	1.00	1.00	1.00	1.00
Geographic adjustment	1.00	1.00	1.00	1.00	1.00
Change in basis for provider reimbursement *	1.02	1.02	0.99	1.00	1.00
Benefit adjustment	1.00	1.00	1.00	1.00	1.15
Other adjustments	1.00	1.00	1.00	1.00	1.00
<b>Projected adjusted claims PEPM for FY 2024</b>	<b>\$494.16</b>	<b>\$1,156.35</b>	<b>\$455.93</b>	<b>\$230.64</b>	<b>\$64.21</b>
<b>Administrative expenses PEPM</b>					
Estimated additional Rx administrative costs	\$26.25	\$26.25	\$26.25	\$26.25	\$1.10
Margin (2% of projected claims)	\$0.62	\$2.65	\$2.50	\$0.11	\$0.00
Marginal cost of stoploss (estimated as 5% of claims) **	\$9.88	\$23.13	\$9.12	\$4.61	\$1.28
	\$39.47	\$39.47	\$39.47	\$39.47	\$0.00
<b>Projected funding rate PEPM for FY 2024</b>	<b>\$570.38</b>	<b>\$1,247.86</b>	<b>\$533.27</b>	<b>\$301.09</b>	<b>\$66.60</b>
<b>Projected enrollment (using May 2023 enrollment) ***</b>	<b>4,776</b>	<b>6,038</b>	<b>2,165</b>	<b>606</b>	<b>12,157</b>
<b>Projected total annual funding needed</b>	<b>\$32,689,741</b>	<b>\$90,414,606</b>	<b>\$13,854,291</b>	<b>\$2,189,522</b>	<b>\$9,335,758</b>

Notes:

\* Slide 13 of July 3, 2023, "Group Health Insurance RFP Phase III Negotiations and BAFQ Evaluations" presentation has more detail about this adjustment.

\*\* GovGuam has not begun the process of defining a target stoploss attachment point or gathering stoploss quotes. This number is subject to change.

\*\*\* Due to data limitations with the FY 2023 enrollment data, we have not made an adjustment for the enrollment that moved from the PPO to the HSA between FY 2022 and FY 2023. In future years, we recommend calculating a demographic adjustment for these plan shifts.

**Appendix B: Comparison of FY 2024 claims PEPM and funding rates for exclusive vs. non-exclusive medical TPA contract  
FY 2024 pharmacy TPA contract awarded to SelectCare in all scenarios**

Description	HSA2000	PPO1500	RSP	Foster	Total
<b>Projected adjusted claims PEPM for FY 2024</b>					
Exclusive contract: Medical and Pharmacy TPA contract awarded to SelectCare	\$494.16	\$1,158.35	\$455.93	\$230.64	
Non-exclusive medical contract: SelectCare	\$494.16	\$1,158.35	\$455.93	\$230.64	
Non-exclusive medical contract: StayWell	\$547.45	\$1,281.08	\$455.93	\$230.64	
Non-exclusive medical contract: TakeCare	\$510.62	\$1,192.29	\$455.93	\$230.64	
<b>Projected funding rate PEPM for FY 2024</b>					
Exclusive contract: Medical and Pharmacy TPA contract awarded to SelectCare	\$570.38	\$1,247.86	\$533.27	\$301.09	
Non-exclusive medical contract: SelectCare	\$574.31	\$1,251.78	\$537.19	\$301.09	
Non-exclusive medical contract: StayWell	\$635.75	\$1,386.07	\$544.28	\$304.92	
Non-exclusive medical contract: TakeCare	\$613.47	\$1,310.81	\$559.57	\$302.21	
<b>Projected total annual funding needed (\$'millions)</b>					
Exclusive contract: Medical and Pharmacy TPA contract awarded to SelectCare	\$32,680,000	\$90,415,000	\$13,854,000	\$2,190,000	\$139,149,000
Non-exclusive medical contract: SelectCare	\$32,915,000	\$90,699,000	\$13,956,000	\$2,190,000	\$139,760,000
Non-exclusive medical contract: StayWell	\$38,436,000	\$100,429,000	\$14,140,000	\$2,217,000	\$153,222,000
Non-exclusive medical contract: TakeCare	\$35,159,000	\$94,976,000	\$14,538,000	\$2,198,000	\$146,871,000
<b>Additional cost for non-exclusive medical contract vs. exclusive</b>					
<b>Projected funding rate PEPM for FY 2024</b>					
Non-exclusive medical contract: SelectCare	\$3.93	\$3.93	\$3.93	\$0.00	
Non-exclusive medical contract: StayWell	\$65.37	\$138.21	\$11.01	\$3.84	
Non-exclusive medical contract: TakeCare	\$43.09	\$62.96	\$26.30	\$1.12	
<b>Projected total annual funding needed (\$'millions)</b>					
Non-exclusive medical contract: SelectCare	\$225,000	\$284,000	\$102,000	\$0	\$611,000
Non-exclusive medical contract: StayWell	\$3,746,000	\$10,014,000	\$286,000	\$27,000	\$14,073,000
Non-exclusive medical contract: TakeCare	\$2,469,000	\$4,561,000	\$684,000	\$8,000	\$7,722,000
<b>Non-exclusive vs. exclusive contracts</b>					
<b>Projected adjusted claims PEPM for FY 2024</b>					
Non-exclusive medical contract: SelectCare	0.0%	0.0%	0.0%	0.0%	
Non-exclusive medical contract: StayWell	10.8%	10.8%	0.0%	0.0%	
Non-exclusive medical contract: TakeCare	3.3%	3.1%	0.0%	0.0%	
<b>Projected funding rate PEPM for FY 2024</b>					
Non-exclusive medical contract: SelectCare	0.7%	0.3%	0.7%	0.0%	
Non-exclusive medical contract: StayWell	11.5%	11.1%	2.1%	1.3%	
Non-exclusive medical contract: TakeCare	7.6%	5.0%	4.9%	0.4%	

**Note:**

Non-exclusive contract PEPMs and funding rates have been calculated using total membership.

The rates shown in this exhibit do not include gym benefits.

**Adjustments to non-exclusive contract rates:**

Assume additional DOA administration of \$300,000 required for non-exclusive medical contract. This cost has been estimated for the additional DOA staff that will be required to coordinate among TPAs, data management, and professional services.

Apply non-exclusive administrative rates provided by each TPA for medical in BAFO.

Provider reimbursement factor adjusted based on estimated relative costs by TPA: "GovGuam FY2024 RFP Phase III - Negotiations.pdf"

Appendix C1 - Proposed Total Rates and Government and Employee/Retiree Contributions  
for FY 2024 Medical and Pharmacy Benefits  
With a Comparison to FY 2023 Rates by Carrier  
Contract type: Medical: Non-Exclusive Selections | Pharmacy: Exclusive Selections | Dental: Exclusive Network

Plan Description	Plan	Class	Enrollment	Current FY 2023 Rates			Current FY 2024 Rates			Proposed FY 2024 Rates			Increase to Employee/Retiree - Selections		Increase to Employee/Retiree - TotalCost	
				- Selections			- TotalCost			- Selections Non-Exclusive			Per Pay Period	Per Year	Per Pay Period	Per Year
				Total	Gov	Emp	Total	Gov	Emp	Total	Gov	Emp				
<b>HEALTHCARE</b>																
HEALTHCARE ACTIVE	I	202	388	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$54.67)	(\$1,420)	Active
				\$150.84	\$102.75	\$47.09	\$110.46	\$108.42	\$2.04	\$150.01	\$148.56	\$1.45				
				\$321.89	\$165.90	\$155.99	\$222.14	\$177.06	\$45.08	\$304.28	\$290.18	\$14.10				
				\$283.12	\$132.45	\$150.68	\$131.37	\$145.16	\$16.21	\$246.77	\$208.32	\$48.45				
HEALTHCARE RETIREE	IV	850	850	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$143.40)	(\$3,728)	Active
				\$428.23	\$214.73	\$213.50	\$293.26	\$254.43	\$38.83	\$408.21	\$337.61	\$70.60				
				\$406.54	\$201.53	\$205.01	\$280.64	\$247.47	\$33.17	\$405.37	\$402.72	\$2.65				
				\$314.20	\$152.19	\$162.01	\$278.51	\$247.66	\$30.85	\$411.02	\$372.42	\$38.60				
HEALTHCARE RETIREE	IV	44	44	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$189.50)	(\$4,546)	Active
				\$873.24	\$442.17	\$431.07	\$645.54	\$585.84	\$59.70	\$511.26	\$464.21	\$47.07				
				\$728.98	\$372.88	\$356.10	\$545.54	\$485.84	\$59.70	\$405.37	\$372.42	\$32.95				
				\$108.12	\$53.71	\$54.41	\$14.08	\$14.08	\$0.00	\$923.62	\$847.14	\$76.48				
<b>PHYSICIAN</b>																
PHYSICIAN ACTIVE	I	2,332	2,332	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$54.67)	(\$1,420)	Active
				\$389.84	\$251.54	\$138.30	\$284.68	\$207.51	\$77.17	\$389.27	\$305.43	\$83.83				
				\$752.32	\$391.14	\$361.18	\$568.38	\$492.67	\$75.71	\$686.60	\$596.58	\$90.02				
				\$458.33	\$238.90	\$219.43	\$348.23	\$232.67	\$115.56	\$448.75	\$337.90	\$110.85				
PHYSICIAN RETIREE	IV	761	761	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$197.79)	(\$5,038)	Active
				\$879.43	\$491.66	\$387.77	\$750.31	\$511.38	\$238.93	\$805.61	\$518.66	\$286.95				
				\$712.35	\$341.02	\$371.33	\$633.47	\$350.16	\$283.31	\$684.20	\$370.33	\$313.87				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	119	119	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	85	85	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	1,170	1,170	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$712.35	\$341.02	\$371.33	\$633.47	\$350.16	\$283.31	\$684.20	\$370.33	\$313.87				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	249	249	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	85	85	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	1,170	1,170	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$712.35	\$341.02	\$371.33	\$633.47	\$350.16	\$283.31	\$684.20	\$370.33	\$313.87				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	249	249	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
<b>PHYSICIAN</b>																
PHYSICIAN RETIREE	IV	85	85	Active (Monthly)			Active (Monthly)			Active (Monthly)			Active	(\$194.60)	(\$5,038)	Active
				\$1,210.79	\$684.17	\$526.62	\$1,050.40	\$680.33	\$370.07	\$1,013.46	\$1,357.12	\$243.66				
				\$2,000.18	\$1,408.32	\$591.87	\$1,740.19	\$1,248.66	\$491.53	\$1,623.83	\$1,922.08	\$318.25				
				\$1,465.38	\$1,071.05	\$394.33	\$1,298.79	\$1,006.16	\$292.64	\$1,013.46	\$1,357.12	\$243.66				

**Appendix C2 - Proposed Total Rates and GovQuam and Employee/Relative Contributions  
for FY 2024 Medical and Pharmacy Benefits  
with a Comparison to FY 2023 Rates by Carrier**

**Contract type: Medical: Non-exchange, Staywell | Pharmacy: Exclusive, SelectCare, Dental Exclusive, Medicare**

Plan	Class	Enrollment	Current FY 2023 Rates				Current FY 2023 Rates				Proposed FY 2024 Rates				Increase to Employee/Relative			
			- SelectCare				- TotalCare				- Staywell Non-exclusive				Per Pay Period			
			Total	Gov	Emp	Total	Total	Gov	Emp	Total	Total	Gov	Emp	Total	Period	Per Year	Per Year	Per Year
<b>PRO1500</b>																		
HSA/HDHP	I	2,332	\$159.64	\$102.75	\$57.08	\$110.46	Active (Bluewell)	\$108.42	\$2.04	Active (Bluewell)	\$163.97	\$148.50	\$15.47	\$14.41	(\$42.67)	(\$1,106)	\$12.37	\$322
	II	388	\$321.69	\$165.90	\$155.89	\$222.14	Active (Bluewell)	\$177.06	\$45.08	Active (Bluewell)	\$327.93	\$250.18	\$77.75	\$77.75	(\$78.24)	(\$2,024)	\$32.67	\$850
	III	710	\$283.12	\$132.45	\$150.68	\$181.37	Active (Bluewell)	\$145.16	\$36.21	Active (Bluewell)	\$270.55	\$208.32	\$62.22	\$62.22	(\$66.49)	(\$1,726)	\$28.01	\$728
	IV	850	\$428.73	\$214.73	\$214.00	\$290.28	Active (Bluewell)	\$234.43	\$56.85	Active (Bluewell)	\$442.71	\$337.81	\$105.10	\$105.10	(\$100.00)	(\$2,831)	\$48.27	\$1,203
HSA/HDHP	I	397	\$408.66	\$201.53	\$117.05	\$299.68	Active (Bluewell)	\$287.87	\$21.81	Active (Bluewell)	\$444.08	\$402.72	\$41.36	\$41.36	(\$40.69)	(\$2,009)	\$39.15	\$940
	II	119	\$814.30	\$505.79	\$308.51	\$596.72	Active (Bluewell)	\$475.88	\$120.84	Active (Bluewell)	\$888.15	\$752.42	\$135.74	\$135.74	(\$142.77)	(\$3,427)	\$208.00	\$528.5
	III	44	\$678.74	\$442.17	\$236.57	\$495.17	Active (Bluewell)	\$445.94	\$39.23	Active (Bluewell)	\$556.54	\$444.21	\$112.33	\$112.33	(\$111.24)	(\$2,909)	\$68.10	\$1,746
	IV	66	\$1,106.12	\$572.98	\$533.13	\$814.06	Active (Bluewell)	\$750.33	\$63.73	Active (Bluewell)	\$1,012.49	\$847.14	\$165.36	\$165.36	(\$211.77)	(\$5,083)	\$101.63	\$2,439
<b>PRO1500</b>																		
HSA/HDHP	I	2,332	\$159.64	\$102.75	\$57.08	\$110.46	Active (Bluewell)	\$108.42	\$2.04	Active (Bluewell)	\$163.97	\$148.50	\$15.47	\$14.41	(\$42.67)	(\$1,106)	\$12.37	\$322
	II	457	\$752.32	\$381.71	\$370.62	\$596.38	Active (Bluewell)	\$532.87	\$163.51	Active (Bluewell)	\$854.13	\$768.58	\$85.55	\$85.55	(\$83.07)	(\$2,160)	\$94.04	\$2,445
	III	852	\$593.33	\$296.90	\$296.43	\$456.33	Active (Bluewell)	\$312.81	\$143.51	Active (Bluewell)	\$539.66	\$317.80	\$221.76	\$221.76	(\$21.67)	(\$583)	\$76.05	\$1,977
	IV	761	\$876.43	\$491.08	\$444.75	\$750.51	Active (Bluewell)	\$511.38	\$239.13	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
HSA/HDHP	I	1,170	\$712.35	\$344.02	\$168.33	\$603.97	Active (Bluewell)	\$550.16	\$83.81	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
	II	249	\$1,483.08	\$1,077.08	\$406.00	\$1,208.78	Active (Bluewell)	\$1,088.15	\$200.64	Active (Bluewell)	\$1,771.61	\$1,357.12	\$414.49	\$414.49	(\$40.47)	(\$1,037)	\$204.85	\$4,817
	III	119	\$1,210.79	\$806.77	\$404.02	\$1,056.40	Active (Bluewell)	\$800.55	\$157.85	Active (Bluewell)	\$1,116.12	\$852.58	\$263.54	\$263.54	(\$27.29)	(\$775)	\$133.86	\$3,213
	IV	98	\$2,000.19	\$1,486.32	\$513.87	\$1,748.73	Active (Bluewell)	\$1,489.60	\$259.08	Active (Bluewell)	\$2,018.64	\$1,522.08	\$496.56	\$496.56	(\$34.31)	(\$823)	\$238.50	\$5,724
<b>PRO1500</b>																		
HSA/HDHP	I	1,486	\$367.33	\$187.98	\$159.34	\$194.13	Active (Bluewell)	\$179.13	\$20.00	Active (Bluewell)	\$190.63	\$160.63	\$30.00	\$30.00	(\$159.34)	(\$4,254)	\$0.00	\$0
	II	524	\$679.37	\$398.23	\$313.14	\$378.33	Active (Bluewell)	\$378.33	\$0.00	Active (Bluewell)	\$364.12	\$364.12	\$0.00	\$0.00	(\$313.14)	(\$875)	\$0.00	\$0
	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,200.35	Active (Bluewell)	\$1,023.82	\$176.53	Active (Bluewell)	\$1,994.44	\$1,994.44	\$0.00	\$0.00	(\$1,023.82)	(\$2,717)	\$970.62	\$2,467
	IV	65	\$818.48	\$818.48	\$0.00	\$907.26	Active (Bluewell)	\$803.25	\$24.01	Active (Bluewell)	\$1,311.38	\$1,311.38	\$0.00	\$0.00	(\$818.48)	(\$2,130)	\$492.90	\$1,242
HSA/HDHP	I	1,170	\$712.35	\$344.02	\$168.33	\$603.97	Active (Bluewell)	\$550.16	\$83.81	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
	II	249	\$1,483.08	\$1,077.08	\$406.00	\$1,208.78	Active (Bluewell)	\$1,088.15	\$200.64	Active (Bluewell)	\$1,771.61	\$1,357.12	\$414.49	\$414.49	(\$40.47)	(\$1,037)	\$204.85	\$4,817
	III	119	\$1,210.79	\$806.77	\$404.02	\$1,056.40	Active (Bluewell)	\$800.55	\$157.85	Active (Bluewell)	\$1,116.12	\$852.58	\$263.54	\$263.54	(\$27.29)	(\$775)	\$133.86	\$3,213
	IV	98	\$2,000.19	\$1,486.32	\$513.87	\$1,748.73	Active (Bluewell)	\$1,489.60	\$259.08	Active (Bluewell)	\$2,018.64	\$1,522.08	\$496.56	\$496.56	(\$34.31)	(\$823)	\$238.50	\$5,724
<b>PRO1500</b>																		
HSA/HDHP	I	1,486	\$367.33	\$187.98	\$159.34	\$194.13	Active (Bluewell)	\$179.13	\$20.00	Active (Bluewell)	\$190.63	\$160.63	\$30.00	\$30.00	(\$159.34)	(\$4,254)	\$0.00	\$0
	II	524	\$679.37	\$398.23	\$313.14	\$378.33	Active (Bluewell)	\$378.33	\$0.00	Active (Bluewell)	\$364.12	\$364.12	\$0.00	\$0.00	(\$313.14)	(\$875)	\$0.00	\$0
	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,200.35	Active (Bluewell)	\$1,023.82	\$176.53	Active (Bluewell)	\$1,994.44	\$1,994.44	\$0.00	\$0.00	(\$1,023.82)	(\$2,717)	\$970.62	\$2,467
	IV	65	\$818.48	\$818.48	\$0.00	\$907.26	Active (Bluewell)	\$803.25	\$24.01	Active (Bluewell)	\$1,311.38	\$1,311.38	\$0.00	\$0.00	(\$818.48)	(\$2,130)	\$492.90	\$1,242
HSA/HDHP	I	1,170	\$712.35	\$344.02	\$168.33	\$603.97	Active (Bluewell)	\$550.16	\$83.81	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
	II	249	\$1,483.08	\$1,077.08	\$406.00	\$1,208.78	Active (Bluewell)	\$1,088.15	\$200.64	Active (Bluewell)	\$1,771.61	\$1,357.12	\$414.49	\$414.49	(\$40.47)	(\$1,037)	\$204.85	\$4,817
	III	119	\$1,210.79	\$806.77	\$404.02	\$1,056.40	Active (Bluewell)	\$800.55	\$157.85	Active (Bluewell)	\$1,116.12	\$852.58	\$263.54	\$263.54	(\$27.29)	(\$775)	\$133.86	\$3,213
	IV	98	\$2,000.19	\$1,486.32	\$513.87	\$1,748.73	Active (Bluewell)	\$1,489.60	\$259.08	Active (Bluewell)	\$2,018.64	\$1,522.08	\$496.56	\$496.56	(\$34.31)	(\$823)	\$238.50	\$5,724
<b>PRO1500</b>																		
HSA/HDHP	I	1,486	\$367.33	\$187.98	\$159.34	\$194.13	Active (Bluewell)	\$179.13	\$20.00	Active (Bluewell)	\$190.63	\$160.63	\$30.00	\$30.00	(\$159.34)	(\$4,254)	\$0.00	\$0
	II	524	\$679.37	\$398.23	\$313.14	\$378.33	Active (Bluewell)	\$378.33	\$0.00	Active (Bluewell)	\$364.12	\$364.12	\$0.00	\$0.00	(\$313.14)	(\$875)	\$0.00	\$0
	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,200.35	Active (Bluewell)	\$1,023.82	\$176.53	Active (Bluewell)	\$1,994.44	\$1,994.44	\$0.00	\$0.00	(\$1,023.82)	(\$2,717)	\$970.62	\$2,467
	IV	65	\$818.48	\$818.48	\$0.00	\$907.26	Active (Bluewell)	\$803.25	\$24.01	Active (Bluewell)	\$1,311.38	\$1,311.38	\$0.00	\$0.00	(\$818.48)	(\$2,130)	\$492.90	\$1,242
HSA/HDHP	I	1,170	\$712.35	\$344.02	\$168.33	\$603.97	Active (Bluewell)	\$550.16	\$83.81	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
	II	249	\$1,483.08	\$1,077.08	\$406.00	\$1,208.78	Active (Bluewell)	\$1,088.15	\$200.64	Active (Bluewell)	\$1,771.61	\$1,357.12	\$414.49	\$414.49	(\$40.47)	(\$1,037)	\$204.85	\$4,817
	III	119	\$1,210.79	\$806.77	\$404.02	\$1,056.40	Active (Bluewell)	\$800.55	\$157.85	Active (Bluewell)	\$1,116.12	\$852.58	\$263.54	\$263.54	(\$27.29)	(\$775)	\$133.86	\$3,213
	IV	98	\$2,000.19	\$1,486.32	\$513.87	\$1,748.73	Active (Bluewell)	\$1,489.60	\$259.08	Active (Bluewell)	\$2,018.64	\$1,522.08	\$496.56	\$496.56	(\$34.31)	(\$823)	\$238.50	\$5,724
<b>PRO1500</b>																		
HSA/HDHP	I	1,486	\$367.33	\$187.98	\$159.34	\$194.13	Active (Bluewell)	\$179.13	\$20.00	Active (Bluewell)	\$190.63	\$160.63	\$30.00	\$30.00	(\$159.34)	(\$4,254)	\$0.00	\$0
	II	524	\$679.37	\$398.23	\$313.14	\$378.33	Active (Bluewell)	\$378.33	\$0.00	Active (Bluewell)	\$364.12	\$364.12	\$0.00	\$0.00	(\$313.14)	(\$875)	\$0.00	\$0
	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,200.35	Active (Bluewell)	\$1,023.82	\$176.53	Active (Bluewell)	\$1,994.44	\$1,994.44	\$0.00	\$0.00	(\$1,023.82)	(\$2,717)	\$970.62	\$2,467
	IV	65	\$818.48	\$818.48	\$0.00	\$907.26	Active (Bluewell)	\$803.25	\$24.01	Active (Bluewell)	\$1,311.38	\$1,311.38	\$0.00	\$0.00	(\$818.48)	(\$2,130)	\$492.90	\$1,242
HSA/HDHP	I	1,170	\$712.35	\$344.02	\$168.33	\$603.97	Active (Bluewell)	\$550.16	\$83.81	Active (Bluewell)	\$1,040.08	\$818.66	\$221.42	\$221.42	(\$120.50)	(\$3,134)	\$175.10	\$3,262
	II	249	\$1,483.08	\$1,077.08	\$406.00	\$1,208.78	Active (Bluewell)	\$1,088.15	\$200.64	Active (Bluewell)	\$1,771.61	\$1,357.12	\$414.49	\$414.49	(\$40.47)	(\$1,037)	\$204.85	\$4,817
	III	119	\$1,210.79	\$806.77	\$404.02	\$1,056.40	Active (Bluewell)	\$800.55	\$157.85	Active (Bluewell)	\$1,116.12	\$852.58	\$263.54	\$263.54	(\$27.29)	(\$775)	\$133.86	\$3,213
	IV	98	\$2,000.19	\$1,486.32	\$513.87	\$1,748.73	Active (Bluewell)	\$1,489.60	\$259.08	Active (Bluewell)	\$2,018.64	\$1,522.08	\$496.56	\$496.56	(\$34.31)	(\$823)	\$238.50	\$5,724
<b>PRO1500</b>																		
HSA/HDHP	I	1,486	\$367.33	\$187.98	\$159.34	\$194.13	Active (Bluewell)	\$179.13	\$20.00	Active (Bluewell)	\$190.63	\$160.63	\$30.00	\$30.00	(\$159.34)	(\$4,254)	\$0.00	\$0
	II	524	\$679.37	\$398.23	\$313.14	\$378.33	Active (Bluewell)	\$378.33	\$0.00	Active (Bluewell)	\$364.12	\$364.12	\$0.00	\$0.00	(\$313.14)	(\$875)	\$0.00	\$0
	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,200.35	Active (Bluewell)	\$1,023.82	\$176.53	Active (Bluewell)	\$1,994.44	\$1,994.44	\$0.00	\$0.00	(\$1,023.82)	(\$2,717)	\$970.62	\$2,467
	IV	65	\$818.48	\$818.48	\$0.00	\$907												

**Appendix C.1. Proposed Total Rates and Government and Employee/Retiree Contributions  
for FY 2024 Medical and Pharmacy Benefits  
With a Comparison to FY 2023 Rates by Carrier**  
Contract Type: Medical: Non-Exclusive, Tobacco: Pharmacy: Exclusive, Salaried: Dental: Exclusive, Medicare

Plan Description		Current FY 2023 Rates			Current FY 2023 Rates			Proposed FY 2024 Rates			Increase to Employee/Retiree - Salaried		Increase to Employee/Retiree - Tobacco		
Plan	Class	Enrollment	Total	Gov	Emp	Total	Gov	Emp	Total	Gov	Emp	Per Pay Period	Per Year	Per Pay Period	Per Year
<b>PRO1600</b>															
HEALTHCARE	I	2,332	\$159.84	\$102.75	\$57.08	\$110.46	\$100.42	\$2.04	\$164.53	\$149.56	\$2.97	Active	(\$22.11)	(\$3.75)	\$32.85
HEALTHCARE	II	386	\$321.89	\$185.90	\$155.99	\$222.14	\$177.06	\$45.08	\$342.75	\$250.16	\$92.57	Active	(\$63.42)	(\$1.64)	\$64.79
ACTIVE	III	710	\$283.12	\$132.45	\$150.68	\$181.37	\$145.16	\$36.21	\$287.37	\$208.32	\$81.05	Active	(\$49.63)	(\$1.28)	\$44.64
RETIREE	IV	850	\$424.73	\$214.73	\$214.00	\$283.26	\$224.43	\$58.83	\$453.50	\$337.61	\$115.89	Active	(\$89.11)	(\$2.55)	\$57.06
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
HEALTHCARE	I	387	\$406.58	\$231.53	\$172.05	\$289.88	\$237.87	\$52.01	\$457.01	\$402.72	\$54.30	Active	(\$70.75)	(\$1.88)	\$52.09
HEALTHCARE	II	118	\$814.30	\$335.79	\$278.51	\$596.72	\$247.86	\$348.86	\$885.53	\$752.42	\$133.11	Active	(\$145.46)	(\$3.48)	\$84.27
ACTIVE	III	44	\$878.74	\$442.17	\$226.57	\$495.17	\$455.94	\$39.23	\$568.43	\$464.21	\$104.22	Active	(\$132.35)	(\$3.17)	\$84.89
RETIREE	IV	66	\$1,108.12	\$728.98	\$377.13	\$814.06	\$750.33	\$63.73	\$1,005.51	\$847.14	\$158.38	Active	(\$118.75)	(\$2.25)	\$94.65
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	2,332	\$338.84	\$201.64	\$137.20	\$264.68	\$207.51	\$57.16	\$335.62	\$208.43	\$127.18	Active	(\$28.62)	(\$7.44)	\$51.82
PRO1600	II	457	\$752.32	\$381.71	\$370.62	\$506.38	\$392.87	\$113.51	\$644.93	\$506.58	\$138.34	Active	(\$92.28)	(\$2.39)	\$84.63
ACTIVE	III	652	\$583.33	\$299.90	\$283.43	\$458.33	\$312.61	\$145.71	\$536.67	\$317.90	\$218.77	Active	(\$74.66)	(\$1.94)	\$73.08
RETIREE	IV	781	\$978.43	\$491.69	\$484.75	\$750.51	\$511.38	\$239.13	\$881.44	\$518.86	\$362.58	Active	(\$142.16)	(\$3.69)	\$103.46
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$712.35	\$544.02	\$168.33	\$633.87	\$550.16	\$83.81	\$866.21	\$703.63	\$162.58	Active	(\$5.76)	(\$1.38)	\$70.77
PRO1600	II	248	\$1,483.00	\$1,077.06	\$405.92	\$1,298.78	\$1,009.15	\$289.64	\$1,703.93	\$1,357.12	\$346.81	Active	(\$59.21)	(\$1.42)	\$137.17
ACTIVE	III	119	\$1,210.78	\$686.77	\$524.02	\$1,058.40	\$800.55	\$257.85	\$1,084.02	\$824.38	\$259.63	Active	(\$64.59)	(\$1.54)	\$101.78
RETIREE	IV	98	\$2,000.19	\$1,458.32	\$551.87	\$1,748.73	\$1,489.66	\$259.08	\$2,528.48	\$1,922.06	\$606.41	Active	(\$115.49)	(\$2.77)	\$167.35
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,498	\$247.33	\$187.29	\$60.04	\$194.13	\$154.13	\$40.00	\$225.28	\$191.99	\$33.28	Active	(\$128.05)	(\$3.25)	\$35.29
PRO1600	II	524	\$678.37	\$386.23	\$292.14	\$1,070.53	\$737.33	\$333.20	\$1,422.07	\$1,044.26	\$377.80	Active	(\$275.54)	(\$6.89)	\$37.80
ACTIVE	III	58	\$1,023.82	\$1,023.82	\$0.00	\$1,023.82	\$1,023.82	\$0.00	\$1,023.82	\$1,023.82	\$0.00	Active	(\$275.54)	(\$6.89)	\$37.80
RETIREE	IV	58	\$819.48	\$819.48	\$0.00	\$819.48	\$819.48	\$0.00	\$819.48	\$819.48	\$0.00	Active	(\$275.54)	(\$6.89)	\$37.80
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees (Semi-Monthly)			Retirees			
PRO1600	I	1,170	\$1,170.88	\$1,070.39	\$100.49	\$1,001.10	\$1,001.10	\$0.00	\$1,001.10	\$1,001.10	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
PRO1600	II	248	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
ACTIVE	III	119	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active	(\$118.18)	(\$2.95)	\$115.23
RETIREE	IV	98	\$1,550.33	\$1,050.33	\$500.00	\$1,050.33	\$1,050.33	\$0.00	\$1,050.33	\$1,050.33	\$0.00	Active			

**Appendix C4 - Proposed Total Rates and Employee/Retiree Contributions  
for FY 2024 Medical and Pharmacy Benefits  
With a Comparison to FY 2023 Rates by Center  
Contract by Center: Medical Facilities, SelectCare Pharmacy, Exclusive SelectCare Dental Exclusive, Netcare**

Plan Description		Current FY 2023 Rates				Current FY 2023 Rates				Proposed FY 2024 Rates				Increase to Employee/Retiree - SelectCare		Increase to Employee/Retiree - TableCare	
Plan	Class Enrollment	Total	Gov	Emp	Total	Gov	Emp	Total		Gov	Emp	Total		Per Pay Period	Per Year	Per Pay Period	Per Year
<b>SELECT CARE MEDICAL PLAN (A)</b>																	
SELECTCARE	I	2,332	\$159.64	\$201.24	\$157.80	\$234.86	\$207.51	\$37.36	\$238.34	\$205.51	\$92.83	\$343.85	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	457	\$152.32	\$201.24	\$157.80	\$234.86	\$207.51	\$37.36	\$238.34	\$205.51	\$92.83	\$343.85	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	457	\$152.32	\$201.24	\$157.80	\$234.86	\$207.51	\$37.36	\$238.34	\$205.51	\$92.83	\$343.85	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	781	\$152.32	\$201.24	\$157.80	\$234.86	\$207.51	\$37.36	\$238.34	\$205.51	\$92.83	\$343.85	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	1,110	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	249	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	397	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	119	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	44	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	65	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
<b>SELECT CARE PHARMACY PLAN (A)</b>																	
SELECTCARE	I	1,489	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	524	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	524	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	56	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	1,110	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	249	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	397	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	119	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	44	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	65	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
<b>SELECT CARE DENTAL PLAN (A)</b>																	
SELECTCARE	I	608	\$307.50	\$307.50	\$0.00				\$307.50	\$307.50	\$0.00		Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	608	\$307.50	\$307.50	\$0.00				\$307.50	\$307.50	\$0.00		Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	608	\$307.50	\$307.50	\$0.00				\$307.50	\$307.50	\$0.00		Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	608	\$307.50	\$307.50	\$0.00				\$307.50	\$307.50	\$0.00		Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	1,489	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	524	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	524	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	56	\$247.53	\$187.89	\$159.34	\$194.13	\$164.13	\$30.00	\$190.53	\$164.13	\$26.40	\$354.63	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	1,110	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	249	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	119	\$172.25	\$244.02	\$168.33	\$250.97	\$227.16	\$23.81	\$274.78	\$250.97	\$23.81	\$525.75	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	I	397	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	II	119	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	III	44	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89
SELECTCARE	IV	65	\$408.56	\$535.79	\$375.05	\$538.88	\$477.88	\$61.00	\$599.88	\$538.88	\$61.00	\$1,138.76	Active	(\$1,420)	\$0.41	\$11.89	\$11.89

Notes:  
Current enrollment: Total annual impact assuming enrollment as of May 2023 for Medical and Pharmacy and March 2023 for Dental.  
Dental rates increase as shown primarily by the 15% increase in benefit formula. The annual maximum increased from \$1,000 in FY 2023 to \$1,500 in FY 2024.

Appendix C3: Proposed Total Rates and Gov/Govom and (employee/Retiree Contributions for exclusive and non-exclusive contracts

Plan Description			Proposed FY 2024 Rates - SelectCare Exclusive			Proposed FY 2024 Rates - SelectCare Non-exclusive			Proposed FY 2024 Rates - StayWell Non-exclusive			Proposed FY 2024 Rates - TotalCare Non-exclusive		
Plan	Class	Enrollment	Total	Gov	Emp	Total	Gov	Emp	Total	Gov	Emp	Total	Gov	Emp
<b>NSA3000</b>														
			Active (Monthly)			Active (Monthly)			Active (Monthly)			Active (Monthly)		
	I	2,202	\$150.98	\$146.86	\$2.43	\$162.01	\$149.86	\$2.43	\$183.97	\$149.56	\$14.41	\$194.63	\$149.56	\$34.87
	II	388	\$302.25	\$248.16	\$54.10	\$304.29	\$250.18	\$54.10	\$327.93	\$250.18	\$77.75	\$342.75	\$250.18	\$92.57
	III	710	\$248.10	\$204.65	\$43.44	\$248.77	\$208.32	\$40.45	\$270.56	\$208.32	\$64.23	\$297.87	\$208.32	\$89.55
	IV	850	\$403.47	\$334.88	\$70.85	\$403.21	\$337.61	\$75.80	\$442.71	\$337.61	\$105.10	\$463.80	\$337.61	\$116.89
			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)		
	I	397	\$402.63	\$399.87	\$2.66	\$403.37	\$402.72	\$2.66	\$444.08	\$402.72	\$41.35	\$457.01	\$402.72	\$54.30
	II	119	\$805.94	\$746.83	\$58.80	\$811.02	\$752.42	\$58.60	\$886.15	\$752.42	\$133.74	\$988.83	\$752.42	\$136.41
	III	44	\$607.63	\$480.78	\$147.07	\$611.28	\$484.21	\$147.07	\$558.54	\$484.21	\$74.33	\$608.43	\$484.21	\$124.22
	IV	66	\$917.38	\$840.88	\$76.48	\$923.82	\$847.14	\$76.68	\$1,012.48	\$847.14	\$165.33	\$1,092.61	\$847.14	\$145.46
<b>PPO1600</b>														
			Active (Monthly)			Active (Monthly)			Active (Monthly)			Active (Monthly)		
	I	2,332	\$299.34	\$205.51	\$92.83	\$299.27	\$208.43	\$92.83	\$327.07	\$205.43	\$120.18	\$336.82	\$205.43	\$120.18
	II	457	\$598.84	\$364.73	\$232.21	\$598.80	\$368.58	\$230.21	\$654.13	\$368.58	\$285.55	\$664.83	\$368.58	\$296.24
	III	862	\$481.23	\$318.37	\$174.86	\$482.75	\$317.80	\$174.94	\$538.68	\$317.80	\$220.88	\$558.87	\$317.80	\$241.07
	IV	781	\$803.31	\$516.35	\$286.96	\$805.81	\$518.88	\$286.94	\$883.08	\$518.88	\$364.20	\$908.44	\$518.88	\$389.56
			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)		
	I	1,170	\$801.89	\$701.12	\$100.67	\$804.20	\$703.83	\$100.67	\$885.81	\$703.83	\$182.18	\$908.21	\$703.83	\$194.38
	II	249	\$1,603.86	\$1,352.10	\$251.56	\$1,608.86	\$1,367.12	\$251.74	\$1,771.81	\$1,367.12	\$404.69	\$1,708.83	\$1,367.12	\$341.71
	III	119	\$1,010.65	\$821.23	\$189.42	\$1,013.81	\$824.38	\$189.43	\$1,118.12	\$824.38	\$293.74	\$1,084.02	\$824.38	\$259.64
	IV	88	\$1,827.23	\$1,518.38	\$310.87	\$1,832.93	\$1,522.88	\$310.05	\$2,019.84	\$1,522.08	\$497.76	\$1,938.48	\$1,522.08	\$416.40
<b>SELECT SUPPLEMENTAL PLAN (RSP)</b>														
			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)		
	I	1,498	\$180.53	\$180.53	\$0.00	\$181.58	\$181.58	\$0.00	\$190.63	\$180.63	\$9.00	\$223.28	\$180.63	\$42.65
	II	524	\$381.34	\$381.34	\$0.00	\$384.26	\$384.26	\$0.00	\$381.26	\$381.26	\$0.00	\$422.07	\$381.26	\$40.81
	III	-	\$848.00	\$821.00	\$27.00	\$848.87	\$824.87	\$24.00	\$844.12	\$824.87	\$19.25	\$878.77	\$824.87	\$53.90
	IV	58	\$312.26	\$287.26	\$25.00	\$314.36	\$288.36	\$26.00	\$311.38	\$288.36	\$23.02	\$348.04	\$288.36	\$59.68
	P/A	85	\$1,010.51	\$985.53	\$24.98	\$1,015.20	\$990.20	\$25.00	\$1,008.08	\$990.20	\$17.88	\$1,043.73	\$990.20	\$53.53
	P/B	-	\$1,010.53	\$985.53	\$24.98	\$1,015.20	\$990.20	\$25.00	\$1,008.08	\$990.20	\$17.88	\$1,043.73	\$990.20	\$53.53
<b>ADDITIONAL</b>														
	I	608	\$301.09	\$301.09	\$0.00	\$301.09	\$301.09	\$0.00	\$304.82	\$301.09	\$3.73	\$302.21	\$301.09	\$1.12
<b>DENTAL</b>														
			Active (Monthly)			Active (Monthly)			Active (Monthly)			Active (Monthly)		
	I	1,187	\$20.23	\$11.46	\$8.77	\$20.23	\$11.46	\$8.77	\$20.23	\$11.46	\$8.77	\$20.23	\$11.46	\$8.77
	II	1,488	\$43.50	\$15.12	\$28.38	\$43.50	\$15.12	\$28.38	\$43.50	\$15.12	\$28.38	\$43.50	\$15.12	\$28.38
	III	1,687	\$35.41	\$12.63	\$22.78	\$35.41	\$12.63	\$22.78	\$35.41	\$12.63	\$22.78	\$35.41	\$12.63	\$22.78
	IV	1,813	\$57.86	\$20.37	\$37.49	\$57.86	\$20.37	\$37.49	\$57.86	\$20.37	\$37.49	\$57.86	\$20.37	\$37.49
			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)			Retiree (Semi-Monthly)		
	I		\$21.92	\$12.87	\$9.05	\$21.92	\$12.87	\$9.05	\$21.92	\$12.87	\$9.05	\$21.92	\$12.87	\$9.05
	II		\$47.13	\$16.86	\$30.27	\$47.13	\$16.86	\$30.27	\$47.13	\$16.86	\$30.27	\$47.13	\$16.86	\$30.27
	III		\$38.36	\$14.17	\$24.19	\$38.36	\$14.17	\$24.19	\$38.36	\$14.17	\$24.19	\$38.36	\$14.17	\$24.19
	IV		\$62.47	\$22.88	\$39.59	\$62.47	\$22.88	\$39.59	\$62.47	\$22.88	\$39.59	\$62.47	\$22.88	\$39.59
<b>Total Annual Spend</b>			<b>Total</b>	<b>Gov</b>	<b>Emp</b>	<b>Total</b>	<b>Gov</b>	<b>Emp</b>	<b>Total</b>	<b>Gov</b>	<b>Emp</b>	<b>Total</b>	<b>Gov</b>	<b>Emp</b>
NSA3000			\$33,380,942	\$29,948,320	\$3,411,862	\$33,648,000	\$30,174,338	\$3,473,662	\$36,436,176	\$30,174,338	\$6,261,838	\$38,426,076	\$30,174,338	\$8,251,740
PPO1600			\$91,238,728	\$67,698,598	\$23,538,212	\$91,591,188	\$67,962,864	\$23,628,212	\$100,426,772	\$67,962,864	\$32,463,907	\$98,048,066	\$67,962,864	\$30,085,202
RSP			\$16,141,844	\$14,885,844	\$85,800	\$16,248,000	\$14,937,700	\$85,800	\$14,149,371	\$14,871,107	\$278,174	\$18,018,222	\$14,937,700	\$1,880,522
Foster			\$2,189,522	\$2,189,522	\$0	\$2,189,522	\$2,189,522	\$0	\$2,217,411	\$2,189,522	\$27,889	\$2,189,522	\$2,189,522	\$0
Dental			\$4,988,023	\$3,908,881	\$1,079,142	\$4,988,023	\$3,908,881	\$1,079,142	\$4,988,023	\$3,908,881	\$1,079,142	\$4,988,023	\$3,908,881	\$1,079,142
<b>Total FY 2024 cost</b>			<b>\$148,896,861</b>	<b>\$117,892,188</b>	<b>\$30,994,796</b>	<b>\$148,896,861</b>	<b>\$118,113,641</b>	<b>\$30,783,260</b>	<b>\$162,190,752</b>	<b>\$118,113,641</b>	<b>\$41,845,719</b>	<b>\$168,736,122</b>	<b>\$118,113,641</b>	<b>\$43,867,061</b>

**Exhibit 1: Estimated FY 2024 Foster Funding Rate under exclusive contracts**

	<b>SelectCare</b>	<b>StayWell</b>	<b>TakeCare</b>
Projected claims PEPM for FY 2024	\$230.64	\$262.48	\$226.82
Administrative expenses PEPM	\$26.25	\$31.50	\$32.50
Estimated additional Rx administrative costs	\$0.11	\$0.11	\$0.11
Margin (2% of projected claims)	\$4.61	\$5.25	\$4.54
<b>Projected funding rate PEPM for FY 2024 *</b>	<b>\$261.62</b>	<b>\$299.34</b>	<b>\$263.97</b>
<b>Projected enrollment (using May 2023 enrollment)</b>	<b>606</b>	<b>606</b>	<b>606</b>
<b>Projected total annual funding needed</b>	<b>\$1,902,504</b>	<b>\$2,176,819</b>	<b>\$1,919,617</b>

**Notes:**

\* Prior to incorporating marginal cost for stoploss.

The projected claims PEPM for FY 2024 have been calculated using FY 2022 claims experience for SelectCare.

Adjustments have been made for:

Differences in provider reimbursement rates, with a focus on on-island professional care differences among TPAs.

Annual trend of 7% per year.

Adjustments were not made for formulary, preventive drug list, or utilization management differences.

Assumes pharmacy benefits are exclusive with SelectCare for all three medical TPAs shown.

Please see slide deck "GovGuam FY 2024 RFP Phase III – Negotiations.pdf" (shared on 6/30/2023) for more detail about expected claims cost differences by bidder.

The data used to produce this funding rate build up is consistent with the rates provided in the draft Governor's Briefing memo

(Shared on 7/12/2023).



## OFFICE OF LEGAL COUNSEL

*Ufisinan I Maga'hågan Guåhan*  
Office of the Governor of Guam

LOURDES A. LEON GUERRERO  
Governor of Guam

JOSHUA F. TENORIO  
Lieutenant Governor of Guam

August 4, 2023

**EDWARD M. BIRN**

*Director*

DEPARTMENT OF ADMINISTRATION

590 S. Marine Corps Drive

Suite 224, ITC Building

Tamuning, Guam 96913

**Re: Health Insurance Negotiations for FY 2024**

*Håfa Adai* Director Birn,

Governor Leon Guerrero has provided feedback regarding the Government of Guam Health Insurance Negotiating Team's recommendation for the Government of Guam Health Insurance Program for FY 2024. Enclosed are the following: 1) Governor's Memo, 2) Team Recommendations with the approvals/disapprovals, and 3) Appendixes.

Any questions or concerns can be sent directly to the Legal Counsels via email at: [leslie.travis@guam.gov](mailto:leslie.travis@guam.gov), [jeffrey.moots@guam.gov](mailto:jeffrey.moots@guam.gov), [joseph.perez@guam.gov](mailto:joseph.perez@guam.gov), or [janice.camacho-perez@guam.gov](mailto:janice.camacho-perez@guam.gov). You may also call our office at (671) 473-1117/8.

*Senseramente,*

**JEFFREY A. MOOTS**

*Legal Counsel*

cc via email: *Maga'hågan Guåhan*  
*Sigundo Maga'låhen Guåhan*

LOURDES A. LEON GUERRERO  
GOVERNOR



JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN  
OFFICE OF THE GOVERNOR OF GUAM

Date: August 3, 2023  
To: Government of Guam Health Insurance Negotiating Team  
From: Lourdes A. Leon Guerrero, Governor of Guam  
Subject: Health Insurance Negotiations for FY 2024

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*Hafa Adai* Health Insurance Negotiating Team,

I am writing in reference to your July 28, 2023 Memorandum ("7/28/2023 Memo") regarding the Health Insurance Negotiations for FY 2024. On behalf of the thousands of government employees, retirees, and families who rely on Government of Guam group health insurance benefits, I extend my thanks to the Negotiating Team for its efforts during the negotiations, and for laying the groundwork for the self-funded insurance benefits model discussed in your 7/28/2023 Memo. For reasons discussed herein, and pursuant to the authority provided by 4 GCA § 4301(a), I intend to move forward with an entirely self-funded model for FY 2024, with (1) a self-funded arrangement for medical benefits with SelectCare acting as the exclusive Third-Party Administrator; (2) a self-funded arrangement for pharmacy benefits with SelectCare acting as the exclusive Third-Party Administrator, and (3) a self-funded arrangement for dental benefits with NetCare acting as the exclusive Third-Party Administrator (4) a self-funded arrangement for benefits for Foster Care children with SelectCare acting as exclusive Third-Party Administrator.

Title 4 GCA § 4301(a) authorizes the Governor to enter contracts and reject proposals with insurance companies authorized to do business in Guam for group insurance, including but not limited to hospitalization, medical care, life and accident for all employees. Section 4301(a) further provides that "[h]ealth benefits provided under this authority may be self-funded and administered by a third party." The 7/28/2023 Memo recommends non-exclusive contracts for administration of medical benefits to three vendors, SelectCare, StayWell, and TakeCare, identifying SelectCare as "the base plan" and providing options to "buy-up" to the other plans. The 7/28/2023 Memo notes that this recommendation was made pursuant to law<sup>1</sup>.

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<sup>1</sup> The 7/28/2023 Memo notes that the Attorney General declined to provide an opinion as to the legality of offering an exclusive Third-Party Administrator contract. 5 GCA § 5150 provides that the Attorney General *shall* serve as legal counsel *and* provide necessary legal services on government solicitations estimated to result in an award of \$500,000 or more. Guam law *requires* the Attorney General to advise on this procurement. Notwithstanding the Attorney General's refusal to comply with his mandate, this matter is of extreme urgency, and I intend to proceed as discussed herein.

However, in review of 4 GCA Chapter 4 Article 3 as a whole, it appears that Guam law does not contemplate non-exclusive administrator contracts for self-funded models. Specifically, Section 4301(a), which authorizes self-funded insurance models, further provides that such benefits may be “administered by a third party.” This language implies that a single entity will be selected to administer the self-funded program for each benefit.

Further, while Article 3 provisions do provide for exclusive and non-exclusive contracts, these provisions expressly apply to programs that are not self-funded, whereby vendors themselves provide health insurance. The definitions for exclusive and non-exclusive proposals provided in 4 GCA §§ 4301.1(e) and (f), respectively, expressly refer to health insurance *providers*, not third party administrators.

Further, third party administrators, and the services provided by a third party administrator, do not meet the definition of a health insurance provider as defined by 4 GCA § 4301.1(a). This section defines Health Insurance Provider as “companies or other legal entities providing or applying to provide *health insurance or provision of healthcare* to government employees and retirees and foster children.” The companies that are competing for the third party administrator contract are not applying to provide health insurance or provisions of healthcare to the affected persons. The companies are competing to provide administrative services to the government of Guam, which is itself the Health Insurance provider.

Under 4 GCA §§ 4301.1(e) and (f), which discuss exclusive and non-exclusive proposals, both apply to health insurance *providers*. The request for proposals (RFP) the Department of Administration (DOA) prepared solicited for the services of third party administrators in each benefit category, not health insurance providers. The RFP did not solicit proposals for the provision of medical insurance, and the consequent negotiations were limited to third party administrator services for the contemplated self-funded programs. Because we are moving to a self-funded model of group insurance for each benefit category, as authorized by 4 GCA § 4301(a), the provisions that require base plans and buy-up options, and that authorize non-exclusive contracts to multiple vendors, do not apply. Accordingly, the award of non-exclusive contracts for third party administration of self-funded programs, is not contemplated or authorized in Guam law.

The language of 4 GCA § 4302(c)(9), which allows employees to select the insurance provided by another qualifying plan, is also not applicable in this situation because there is only one plan, which is self-funded. The only insurance that will be available under a self-insured plan is the plan created by the government of Guam. While the vendors that responded to the RFP do provide insurance services, their proposals were limited to the scope of the RFP, which solicited administrative support to the government of Guam, not health insurance or provisions of healthcare to the affected persons.

The 7/28/2023 Memo acknowledges that SelectCare was the lowest cost option among comparable Phase 2 operational scoring and administrative capability. Because, as discussed, I do not believe

To: Government of Guam Health Insurance Negotiating Team  
Fr: Lourdes A. Leon Guerrero, *Governor of Guam*  
Date: August 3, 2023  
Re: Health Insurance Negotiations for FY 2024

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Page 3 of 3

Guam law authorizes multiple third-party administrators in each category, and the authorizations for non-exclusive contracts only apply to providers of health insurance benefits, I have determined that the award of exclusive third-party administrator contracts as provided above is in the best interest of our affected employees, retirees and their families, and instruct you to proceed accordingly. Consistent with the negotiating team's recommendation, I further approve your request to procure stop loss insurance for the Medical self-funded plan.

*Senseramente,*



**LOURDES A. LEON GUERRERO**

*Maga'hågan Guåhan*

Governor of Guam

cc: Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*, Lt. Governor of Guam

---

**Informational Briefing on GovGuam FY 2024 Health Insurance Plan**

1 message

**Vice Speaker Tina Rose Muña Barnes** <senatormunabarnes@guamlegislature.org>

Tue, Aug 8, 2023 at 2:35 PM

To: "Edward M. Birn" &lt;edward.birn@doa.guam.gov&gt;

Cc: phnotice@guamlegislature.org

Dear Director Birn,

Please see attached letter from Vice Speaker Tina Rose Muña Barnes. Kindly confirm receipt of this email.

V/R

Chirag B.

*Sinseru yan Minagâhet,***Chirag M. Bhojwani***Chief of Staff*[cbhojwani@guamlegislature.org](mailto:cbhojwani@guamlegislature.org)**Office of the Vice Speaker • Tina Rose Muña Barnes**

Committee Federal, Foreign &amp; Regional Affairs, Human Resources, Hagåtña Revitalization, Public Libraries, Telecommunications, and Technology

37th Guam Legislature

*I Mina'trentai Siette na Liheslaturan Guåhan*

Guam Congress Building | 163 Chalan Santo Papa Hagåtña, GU 96910

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*Gumai pribilehu yan konfedensia este siha na mensâhi. Solo espesiátmente para hágu ma entensioña pat ma aturisa para unrisibi. Sen prubidu kumu ti un ma aturisa para manribisa, na'setbe, pat mandespácha. Yanggen lachi ninisibu-mu nu este na mensâhi, put fabot ago' guatu gi l numa'huyong gi as [cbhojwani@guamlegislature.org](mailto:cbhojwani@guamlegislature.org) yan despues destrosa todú siha l kopian mensâhi. Si Yu'os ma'àse'.*

--

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**08.08.23 Informational Briefing on GovGuam FY 2024 Health Insurance Plan.pdf**

1556K



Office of the Vice Speaker

**TINA ROSE MUÑA BARNES**

*I Mina'trentai Siette na Liheslaturan Guåhan*

**37<sup>th</sup> Guam Legislature**

August 08, 2023

**Mr. Edward Birn**

Director

Department of Administration

**Subject: Informational Briefing on GovGuam FY 2024 Health Insurance Plan**

Dear Director Birn:

*Buenas yan Håfa Adai!* As the oversight Chairwoman of the Committee on Human Resources, I write to you today to seek your availability to meet in regard to an upcoming informational briefing that my committee will be holding relative to the FY 2024 GovGuam Health Insurance Plan. Over the last few weeks, my office has been receiving multiple inquiries from our GovGuam employees and retirees relative to how a Self-Insurance model would impact existing care with established providers. Furthermore, I have been made aware of a few local providers who have indicated through social media that they will cease accepting GovGuam employees and retirees under the proposed new Self-Insurance model. It is my desire that an informational briefing will allow for these concerns to be addressed. I look forward to your favorable response and continued partnership. Please do not hesitate to contact me should you have any questions or concerns.

*Sinseru yan Minagahit*

**Tina Rose Muña Barnes**

**Vice Speaker, 37<sup>th</sup> Guam Legislature**



UFISINAN I MAGA'HÅGAN GUÅHAN  
OFFICE OF THE GOVERNOR OF GUAM

**FOR IMMEDIATE RELEASE - August 8, 2023**

**SELF-INSURANCE: SAME BENEFITS AND COVERAGE,  
MORE COST-EFFECTIVE, FASTER APPROVAL OF CLAIMS**

Hagåtña, Guam - The Government of Guam will be fully self-insuring for its Fiscal Year 2024 GovGuam Group Health Plan. Though coverage and benefits will remain generally the same as prior years, employees can expect lower premiums than they would have paid with a private insurance carrier.

Under this self-insurance model, rather than contracting with an insurance carrier, the government of Guam itself provides health insurance benefits, which are administered through a third-party administrator. Instead of paying premiums to off-island insurance carriers who control the review and payout of claims, this model ensures that our government retains control over premiums and the claims process. Though we currently contract with local insurance companies that our people are familiar with, the reality is these local companies serve as brokers for large off-island insurance groups. These local companies sell and administer insurance policies on behalf of these off-island insurance groups, effectively acting as third party administrators for these carriers.

Under this self-insurance model, a local third-party administrator will continue to collect premiums from all GovGuam units, and instead of remitting our premiums to off-island carriers, the administrator will remit them to the established GovGuam fund. The government in turn will remit payments to the administrator to resolve claims. The self-insurance will allow for a claims resolution process that is more beneficial to our hard-working government employees and their families. This model will also allow our government to lower premiums once reserves are built up and offer more customized benefits to our subscribers.

Many other states and large risk groups have moved toward adopting similar self-insurance models due to their cost-effectiveness and flexibility, and the control these models provide over the claims process. While critics suggest that self-insurance is not workable for our island, the fact is that GovGuam *already* uses self-insurance to pay for dental and pharmaceutical coverage. In fact, GovGuam has self-insured dental coverage for the last two years through an exclusive contract with a third party administrator.

Based on the data the Negotiating Team has provided, Governor Leon Guerrero has determined that the Guam Code requires an exclusive administrator for a self-insured plan, and has authorized the following selection for FY24:

(1) a self-funded arrangement for medical benefits with SelectCare acting as the exclusive Third-Party Administrator; (2) a self-funded arrangement for pharmacy benefits with SelectCare acting as the exclusive Third-Party Administrator, and (3) a self-funded arrangement for dental benefits with NetCare acting as the exclusive Third-Party Administrator (4) a self-funded arrangement for coverage for Foster Care children with SelectCare acting as exclusive Third-Party Administrator.

“We have been working toward this self-insurance model for years, and I am pleased that we are ready to fully take advantage of its benefits, as many other states and groups around the country have,” said Governor Leon Guerrero. “Through this self-insurance model, our government will save more money on health insurance in the long run, while improving the benefits we provide to our employees and their families.”

###



Eliza G. Dames &lt;eliza.dames@guam.gov&gt;

**NEWS: SELF-INSURANCE: SAME BENEFITS AND COVERAGE, MORE COST-EFFECTIVE, FASTER APPROVAL OF CLAIMS**

1 message

Krystal Paco-San Agustin <krystal.paco@guam.gov>  
Bcc: eliza.dames@guam.gov

Tue, Aug 8, 2023 at 2:02 PM

**FOR IMMEDIATE RELEASE - August 8, 2023****SELF-INSURANCE: SAME BENEFITS AND COVERAGE,  
MORE COST-EFFECTIVE, FASTER APPROVAL OF CLAIMS**

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###



***Krystal Paco-San Agustin, MPA, CM***

Director of Communications

Office of the Governor of Guam

Ricardo J. Bordallo Governor's Complex

Hagåtña, Guam 96910

Phone: 671.472.8931

 **NEWS\_SELF-INSURANCE\_ SAME BENEFITS AND COVERAGE, MORE COST-EFFECTIVE, FASTER APPROVAL OF CLAIMS.pdf**  
417K



August 14, 2023

Ref: DOA 23-0370

**Mr. Edward A. Birn**  
Director  
Guam Department of Administration  
Suite 224, ITC Building  
590 S. Marine Corps Drive  
Tamuning, Guam 96913

**Subject: Legal Opinion; Government of Guam Self Insurance & TPAs**

*Hafa Adai* Director Birn:

We understand that you were confronted recently by statements from Senators Thomas Fisher and Frank Blas Jr. asserting the requirement that insurers obtain a Certificate of Insurance from Guam's Insurance and Banking Commissioner from the Dept. of Revenue and Taxation applies to Third Party Administrators (hereinafter "TPAs"), and also possibly the government of Guam itself.

### **Question Presented**

**Do Third Party Administrators, or the government of Guam itself acting as an insurer (insurance carrier), require a Certificate of Insurance to provide group health insurance to government of Guam employees and retirees.**

Answer: No.

### **Discussion**

Under Guam law, it provides,

**§ 15101. Authority of Insurer.** A person shall not transact insurance in Guam as an insurer without being admitted, and when admitted, shall not transact any class of insurance which is not specifically authorized by his certificate.

**Office of the Attorney General**  
**Douglas B. Moylan · Attorney General of Guam**

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**"Guam's Toughest Law Enforcers"**

22 GCA § 15101. The question here is whether a TPA is a "*person*" within the meaning of 22 GCA § 15101, such that the requirement of that Section that insurers obtain a Certificate of Insurance applies to TPAs.

Title 22 GCA Chapter 29 is *not* to the contrary. 22 GCA Chapter 29 "*Medical Care Insurance*" applies to "*Medicare Supplement Policies*." The question is whether TPA's offer Medicare Supplemental Policies.

22 GCA § 29101(f) defines Medicare Supplement Policy as follows:

- (f) Medicare Supplement Policy means a group of individual policy of accident and sickness insurance or a subscriber contract of hospital and medical service associations or health maintenance organizations, other than a policy issued pursuant to contract under Section 1876 or Section 1833 of the Federal Social Security Act (42 U.S.C. Section 1395 et. seq.), or an issued policy under a demonstration project authorized pursuant to amendments to the Federal Social Security Act, which is advertised, marketed or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical or surgical expenses of persons eligible for Medicare. (Emphasis added).

It is not necessary to determine whether the services of a TPA amounts to a Medicare Supplement Policy, because 22 GCA § 29102(c) states:

- (c) The provisions of this Chapter are not intended to prohibit or apply to insurance policies or health care benefit plans, including group conversion policies, provided to Medicare eligible persons which policies are not marketed or held to be Medicare supplement policies or benefit plans. (Emphasis added).

TPAs are *not* "marketed or held to be Medicare supplement policies or benefit plans." Thus, the requirements of 22 GCA Chapter 29 "*Medical Care Insurance*" do apply to TPAs. Title 22 GCA § 12104(u) defines, for the purposes of Title 22, as follows:

- (u) "Person" means any *person*, association, organization, partnership, business trust, or corporation. (Emphasis added).

A TPA is not an association, organization, partnership, business trust or corporation within the meaning of 22 GCA § 15101, because, as will appear, *a person* is a non-governmental entity, and under the rules of statutory construction, an association, organization, partnership, business trust or corporation would necessarily also be non-governmental. The rule of statutory construction applicable is *ejusdem generis*. The *ejusdem generis* rule requires that where in a statute there are general words following specific words, the general words must be confined to things of the same kind as specifically mentioned.

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The U.S. Supreme Court has held that, in legal usage, the word "person" does not include the government. In *Return Mail, Inc. v. United States Postal Service et. al.* 139 S.Ct., 1853, 1861-1863 (2019) the U.S. Supreme Court applied a "longstanding interpretive presumption that 'person' does not include the sovereign," and thus did not apply to a Federal agency like the Postal Service. The U.S. Supreme Court said "[T]his presumption reflects 'common usage.'" *United States v. Mine Workers*, 330 U. S. 258, 275, 67 S.Ct., 677, 91 L.Ed 884 (1947).

Finally, it is a well-accepted legal principal that an earlier legislature cannot bind a later legislature, and that a subsequent legislature until they change the law is changed is bound by the earlier legislature's laws that are passed. 48 USC § 1423a. The opinion or desire of any one or many senators is just that until they act in concert to duly pass a law repealing or amending an earlier legislation. *Id.* In this case the prior Guam Legislature passed the law that allowed the government of Guam to be self-insured. Guam Pub. L. 32-189:3 (gen. P.L. 32-189). In those legislative pronouncements (laws), the government of Guam did not require that the government of Guam go through the Insurance & Banking Commissioner at DRT, or any other regulatory agency for the government of Guam to act like an insurance carrier.

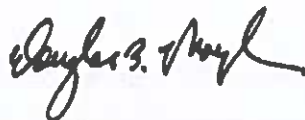
Neither did the earlier Legislature include laws that require the TPAs to obtain any special licensing. The government of Guam as its own sovereign has the authority to pass laws that allow it to act in all areas not otherwise prohibited in Federal law and in rightful subjects of legislation. 48 USC § 1423a.

The foregoing analysis forecloses any necessity for the Department of Administration to obtain a Certificate of Insurance. Although the Government of Guam can be self-insured, and is arguably an insurer (insurance carrier), only "persons" are required to obtain a Certificate of Insurance. As shown above, the U.S. Supreme Court has held that "persons" does not refer to governmental entities. Hence, DOA would logically not be required to obtain a Certificate of Insurance.

### Conclusion

Therefore, applying the rule *ejusdem generis*, the word "person" in the definition of "person" of 22 GCA § 12104(u), and the words following, apply to nongovernmental agencies only. Thus, the requirement, set forth in 22 GCA § 15101 that insurers obtain a Certificate of Insurance does *not* apply to Third Party Administrators arranging for the provision of health care benefits to Government of Guam employees and retirees, nor does it apply to the government of Guam by virtue of laws earlier passed by the Guam Legislature. Thank you.

Respectfully,



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