



**Medical Rate Exhibit for: Town of Bedford**

*Rating Renewal: July      Rating Tier: Large      Rating Type: Standard*

Current Benefit Option(s)	Enrollment Type	Enrollee Counts as of 09/20	07/20 Rates	07/21 Rates GMR	% Change
AB20IPDED(07L)-R10/25/40M10/40/70/3K(L)	Single	16	\$ 806.47	\$ 866.95	7.5%
	2-Person	4	\$ 1,612.94	\$ 1,733.90	7.5%
	Family	20	\$ 2,177.47	\$ 2,340.77	7.5%
AB20IPDED(07L)-RX10/20/45/3K(L)	Single	12	\$ 833.67	\$ 896.19	7.5%
	2-Person	7	\$ 1,667.34	\$ 1,792.38	7.5%
	Family	12	\$ 2,250.91	\$ 2,419.72	7.5%
ABSOS25/50/3KDED(07L)-R10/25/40M10/40/70/5K(L)	Single	0	\$ 475.99	\$ 511.69	7.5%
	2-Person	0	\$ 951.98	\$ 1,023.37	7.5%
	Family	0	\$ 1,285.17	\$ 1,381.55	7.5%
BC2T20(07L)-R10/25/40M10/40/70/3K(L)	Single	6	\$ 871.36	\$ 936.71	7.5%
	2-Person	6	\$ 1,742.72	\$ 1,873.41	7.5%
	Family	19	\$ 2,352.67	\$ 2,529.11	7.5%
BC3T20(07L)-RX10/20/45/3K(L)	Single	1	\$ 918.29	\$ 987.16	7.5%
	2-Person	6	\$ 1,836.58	\$ 1,974.32	7.5%
	Family	12	\$ 2,479.39	\$ 2,665.33	7.5%
<b>Monthly Total for Actives / Early Retirees</b>		<b>121</b>	<b>\$ 213,666.68</b>	<b>\$ 229,690.63</b>	<b>7.5%</b>

Current Benefit Option(s)	Enrollment Type	Enrollee Counts as of 09/20	07/20 Rates	07/21 Rates GMR	% Change
MC3(07L)-R10/25/40M10/40/70(LCY)	Single	10	\$ 544.43	\$ 585.26	7.5%
MC3(07L)-RX10/20/45(LCY)	Single	4	\$ 562.74	\$ 604.95	7.5%
MCNRX(07L)	Single	13	\$ 225.06	\$ 241.94	7.5%
<b>Monthly Total for Medicomp Retirees</b>		<b>27</b>	<b>\$ 10,621.04</b>	<b>\$ 11,417.62</b>	<b>7.5%</b>
<b>Grand Monthly Total</b>		<b>148</b>	<b>\$ 224,287.72</b>	<b>\$ 241,108.25</b>	<b>7.5%</b>

**Alternative Benefit Option(s):** HealthTrust offers a full range of comprehensive Benefit Options. Please consult with your Benefits Advisor to learn more about the Benefit Options that may best meet your Group's needs and work within HealthTrust's underwriting guidelines.



October 13, 2020

Mr. Rick Sawyer  
Town Manager  
Town of Bedford  
24 North Amherst Road  
Bedford, NH 03110

Dear Mr. Sawyer:

The HealthTrust Board of Directors met on October 6, 2020 to set renewal rates for the FY2022 renewal period. Enclosed are the Guaranteed Maximum Rates (GMR) for your Member Group's renewal of medical coverage for the period of July 1, 2021 through June 30, 2022 for your current benefit plans. Also included are the renewal rates for dental, life, short-term and long-term disability coverage, if applicable. Your Benefits Advisor can work directly with you to provide alternative benefit options and applicable rates. Please see the enclosed transmittal for your Member Group's specific renewal rates for all your coverage lines.

This year's rating process uses a different claims experience period than is typically utilized to set medical and dental rates as a result of COVID-19's disruption to normal claims activity. Starting March of 2020, the COVID-19 pandemic resulted in the cancellation or deferral of a significant volume of elective and non-emergency medical and dental care that would have taken place during the period of March through June 2020 but for the state of emergency. As a result, for the current rating, Milliman's actuarial review utilized a 12 month claims experience period from March 2019 through February 2020 that ended just prior to the impact of COVID-19.

#### **Medical Rates**

The Guaranteed Maximum Rate adjustment for all Member Groups renewing medical coverage for FY2022 (*July 1, 2021 – June 30, 2022*) is an *overall average increase of 6.2%*. This increase primarily is due to projected medical and prescription trend and increased claims utilization. ***Your Member Group's rate change will vary from this overall average increase based in part on your Group's own claims experience.*** If you are a Group in the Small Group Rating Tier (50 and Under), or part of a combined rating group, your rate reflects the claims experience of that combined rating group.

The GMR provides rate projection information and locks-in a maximum rate for your budgeting purposes based on the most-up-to-date data available at this time. Rates are then revisited in the spring utilizing updated claims and cost data. The HealthTrust Board of Directors will establish the final July "revisit" rates on March 16, 2021.

#### **Dental Rates**

For Member Groups currently participating in HealthTrust's dental coverage, *there is no rate change for FY2022 (July 1, 2021 – June 30, 2022).*

As a reminder, the HealthTrust Board of Directors voted to implement a one-time, temporary increase of the annual plan year benefit maximums by 50% for the current FY2021 plan year (July 1, 2020 through June 30, 2021). This was done to assist individuals who may have been impacted by the COVID-19 pandemic due to the temporary closure of dental offices for non-emergency care during the last four months of the prior plan year.

#### **Short-Term Disability Coverage**

For Member Groups currently participating in HealthTrust's short-term disability coverage, there is an *overall base rate increase of 4.0%* for FY2022 (*July 1, 2021 – June 30, 2022*) due to increased claims volume and average claim duration. ***However, your Member Group's actual rate adjustment will vary from the overall increase depending on your Group's experience and demographic make-up.***

### **Long-Term Disability Coverage**

For Member Groups currently participating in HealthTrust's long-term disability coverage, *there is no rate change for FY2022 (July 1, 2021 – June 30, 2022)*

### **Life Coverage**

For Member Groups currently participating in HealthTrust's life coverage, *there is no rate change for FY2022 (July 1, 2021 – June 30, 2022)*.

### **Benefit Advantage**

For Member Groups currently participating in HealthTrust's Benefit Advantage Health Reimbursement Arrangement (HRA) and enhanced Flexible Spending Account (FSA) services, *there is no change to the per participant/per month fees*. As a reminder, there are no annual fees and FSA and HRA administrative services per participant/per month fees continue to be waived for participants enrolled in the following HealthTrust medical plans: AB15/40IPDED, ABSOS20/40/1KDED, ABSOS25/50/3KDED, ABSOS30/60/5KDED, ABHD/5K/20COIN and LUMENOS2500.

### **FY2020 Return of Surplus**

The HealthTrust Board of Directors also voted at the October 6<sup>th</sup> meeting to return \$18,786,984 of surplus to HealthTrust Members who participated in HealthTrust's medical, dental and/or short-term disability coverage lines during FY2020 (*July 1, 2019 – June 30, 2020*) in proportion to each Member Groups' respective contributions for such coverages. Member Groups will receive a separate notification next week that will include information by coverage line regarding your Group's share of the Return of Surplus as applicable. At that time, reports will be available, on the Secure Member Portal (SMP), detailing the enrollment numbers and contributions on which your Member Group's share of the Return of Surplus was determined. These reports can be accessed on the SMP by your Member Group's designated Benefit Administrator.

### **Enclosures**

Please review the following enclosures for additional details on your renewal, the rating process, benefit enhancements and updates:

- Member Group Transmittal (*includes monthly contribution rates for all of your coverage lines*)
- Member Group Medical Rate Exhibit
- Medical and Prescription Benefit Options (*includes monthly contribution rates for existing benefit options and alternatives*)
- How Your Rate is Determined - *The Rating Process, Capital Adequacy Reserve and Return of Surplus*
- FY2022 Plan Enhancements and Updates

### **Timeline**

#### **Benefit Changes Notification Deadline – May 21, 2021**

Your Benefits Advisor, Teresa Williams, will be contacting you to discuss the renewal and work with you to review available options and assist with any changes you may be considering. Please note that requests for any coverage changes must be communicated to us and completed prior to May 21, 2021 to be effective July 1, 2021.

### **Meet with your Benefits and Wellness Advisors**

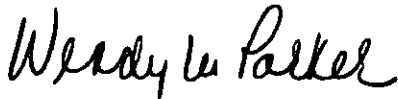
Your Benefits Advisor is available to work with you to schedule virtual meetings to review the following key education and reporting tools.

- **Benefit Education Sessions** –Customized Benefit Education presentations, benefit comparisons, and digital benefit packets are available in the Secure Member Portal (SMP) to make it even easier to educate your employees about their benefit plans, medical consumerism, and wellness programs, including how they can access tools and resources through the HealthTrust Secure Enrollee Portal.
- **Rating Summary**– a report showing how your Group's rates were calculated. (*Also available to Small Groups showing the 50 and under summary*)

- **Stewardship Report** (*for Groups with 100 or more Enrollees*) – a detailed report showing your Group's membership data, medical and prescription claims utilization data, wellness program participation and recommendations.

Thank you for your continued participation with HealthTrust. If you have any questions or concerns, please do not hesitate to contact Teresa at 800.527.5001.

Sincerely,



Wendy Lee Parker  
Executive Director

Enclosures

cc: Jonathan Strong, Union President Bedford Prof Firefighters, Town of Bedford  
Robert Lavoie, Police Union President, Bedford Police Department  
Jon LaFreniere Sr., Public Works Shop Steward, Town of Bedford



### Town of Bedford ("Member")

HealthTrust, Inc. ("HealthTrust") hereby provides the following rates for coverage(s) currently offered to Member with respect to the July 1, 2021 to June 30, 2022 Coverage Period:

### Medical Coverage and Rates

#### July 2021 Medical Renewal

The following Guaranteed Maximum Rates shall apply from July 1, 2021 to June 30, 2022

Rating Renewal	July	Rating Tier	Large	
Probationary Period	0M	Rating Type	Standard	
Benefit Option(s)		Single	2-Person	Family
AB20IPDED(07L)-R10/25/40M10/40/70/3K(L)		\$866.95	\$1,733.90	\$2,340.77
AB20IPDED(07L)-RX10/20/45/3K(L)		\$896.19	\$1,792.38	\$2,419.72
ABSOS25/50/3KDED(07L)-R10/25/40M10/40/70/5K(L)		\$511.69	\$1,023.37	\$1,381.55
BC2T20(07L)-R10/25/40M10/40/70/3K(L)		\$936.71	\$1,873.41	\$2,529.11
BC3T20(07L)-RX10/20/45/3K(L)		\$987.16	\$1,974.32	\$2,665.33
MC3(07L)-R10/25/40M10/40/70(LCY)		\$585.26		
MC3(07L)-RX10/20/45(LCY)		\$604.95		
MCNRX(07L)		\$241.94		

Monthly rates and continued Member Group coverage are subject to applicable HealthTrust minimum participation requirements including, without limitation:  
1) at least 75 % participation of Eligible Employees who do not otherwise have group medical coverage; and  
2) Employees who elect to cover dependents must enroll all of their Eligible Dependents (other than dependent children age 19 and over) who do not otherwise have group medical coverage.

HealthTrust reserves the right to change the rates at any time if there is a 10% or more increase or decrease in enrollment

#### PROBATIONARY PERIOD EXCEPTIONS

None

#### SPECIAL NOTES

None

# Dental Coverage and Rates

July 2021 Dental Renewal

The following rates shall apply from July 1, 2021 to June 30, 2022

Rating Renewal July

Probationary Period 0M\*

<u>Benefit Option(s)</u>	<u>Single</u>	<u>2-Person</u>	<u>Family</u>
OPTION 1Q	\$50.30	\$96.89	\$168.99

Monthly rates and continued Member Group coverage are subject to applicable HealthTrust minimum participation requirements including, without limitation:

1) at least 75 % participation of Eligible Employees who do not otherwise have group dental coverage; and

2) Employees who elect to cover dependents must enroll all of their Eligible Dependents (other than dependent children age 19 and over) who do not otherwise have group dental coverage.

## BENEFIT SCHEDULE

<u>Benefit Option(s)</u>	<u>Coverage A</u>	<u>Coverage B</u>	<u>Coverage C</u>	<u>Plan Year Maximum</u>	<u>Coverage D</u>	<u>Coverage D Maximum</u>	<u>Deductible</u>
OPTION 1Q	100%	80%	80%	\$1,000	50%	\$1,000	\$25/\$75

## PROBATIONARY PERIOD EXCEPTIONS

\*After one year of continuous employment, the Town will pay 90% of employee coverage. This will be considered a qualifying event and enrollment can occur at this time.

## SPECIAL NOTES

# Short-term Disability Coverage and Rates

July 2021 STD Renewal

The following rates shall apply from July 1, 2021 to June 30, 2022

Rating Renewal July  
 Suffix # 004

## BENEFIT SCHEDULE

Class	Class Name	Probationary Period	Benefit Amount (% of Base Weekly Earnings)	Maximum Weekly Benefit	Maximum Benefit Period	Waiting Period	
						Accident	Illness
1	All Eligible Non-Union Employees	0M	66.67%	\$1,000	13 weeks	1 day(s)	8 day(s)
2	All Eligible Police Employees	0M	66.67%	\$1,000	13 weeks	1 day(s)	8 day(s)
3	Bedford DPW	0M	66.67%	\$1,000	13 weeks	1 day(s)	8 day(s)
4	All Eligible Fire Employees	0M	66.67%	\$1,000	13 weeks	1 day(s)	8 day(s)

## CONTRIBUTORY STATUS AND PARTICIPATION REQUIREMENTS

Class	Class Name	Contributory Y/N	Participation
1	All Eligible Non-Union Employees	N	100%
2	All Eligible Police Employees	N	100%
3	Bedford DPW	N	100%
4	All Eligible Fire Employees	N	100%

## RATE

Each \$10 of Weekly Benefit Per Month \$0.23

Monthly rates and continued Member Group coverage are based on 75% participation of Eligible Employees if contributory status is Y or 100% participation if contributory status is N, per applicable HealthTrust minimum participation requirements.

## PROBATIONARY PERIOD EXCEPTIONS

None

## SPECIAL NOTES

Evidence of Insurability needed for all late enrollees (contributory groups only).

# Life Coverage and Rates

July 2021 Life Renewal

The following rates shall apply from July 1, 2021 to June 30, 2022

Rating Renewal            July  
 Suffix #                    004  
 BAE means Base Annual Earnings, if applicable

## BASIC LIFE BENEFIT SCHEDULE

Class	Class Name	Probationary Period	Coverage	AD&D	Guarantee Issue	Maximum Benefit
1	All Eligible Fire Employees	0M	1 x BAE	1 x BAE	\$120,000	\$120,000
2	All Eligible Non-Union Employees	0M	1 x BAE	1 x BAE	\$120,000	\$120,000
3	All Eligible Police	0M	1 x BAE	1 x BAE	\$120,000	\$120,000

## CONTRIBUTORY STATUS AND PARTICIPATION REQUIREMENTS

Class	Basic Life Contributory Status Y/N	Basic Life Participation	Supplemental Contributory Status Y/N	Supplemental Participation	Dependent Contributory Status Y/N	Dependent Participation
1	N	100%	N/A	N/A	N/A	N/A
2	N	100%	N/A	N/A	N/A	N/A
3	N	100%	N/A	N/A	N/A	N/A

## RATES

BASIC LIFE FOR EACH \$1,000 OF BENEFIT	\$0.15
BASIC AD&D FOR EACH \$1,000 OF BENEFIT	\$0.02

*Monthly rates and continued Member Group coverage are subject to applicable minimum participation requirements including, without limitation: 75% participation of Eligible Employees if contributory status is Y or 100% participation if contributory status is N for Basic Life. Other requirements may apply.*

## PROBATIONARY PERIOD EXCEPTIONS

None

## SPECIAL NOTES

Basic Life Evidence of Insurability required for: Any amount in excess of the Guarantee Issue; all late applicants (contributory groups only); salary increases greater than \$25,000. Life and AD&D benefits reduce to 50% at age 70.





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**BILLING SERVICES**

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Member Group has separately contracted with HealthTrust for the following Billing Services with respect to any selected medical and dental plan coverages:

COBRA     Retirees

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**ADDITIONAL TERMS**

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**Summary of Benefits and Coverage ("SBC") Compliance:** HealthTrust, Inc. agrees to prepare and provide Member with an SBC for each medical plan coverage option listed on this transmittal. Member must distribute the SBCs to applicable eligible individuals. These obligations will be performed in accordance with (i) the statutory and regulatory requirements for SBCs under the Affordable Care Act ("ACA"), and (ii) related SBC compliance information provided to Member by HealthTrust, Inc.

**Maximum Probationary Period Compliance:** The eligibility conditions and probationary period requirements for enrollment in each medical plan coverage option listed on this transmittal must comply with the 90-Day Maximum Waiting Period rule of the ACA.

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**AGREEMENT AND AUTHORIZATION**

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Member agrees that the coverages elected herein are subject to the terms and conditions of the HealthTrust Membership Agreement, the HealthTrust Bylaws and applicable Coverage Documents.

**Note:** This Transmittal is for informational purposes and not for signature. You will receive the final Transmittal for signature in March 2021.



**Medical Rate Exhibit for: Town of Bedford**

*Rating Renewal: July      Rating Tier: Large      Rating Type: Standard*

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<b>Monthly Total for Medicomp Retirees</b>		<b>27</b>	<b>\$ 10,621.04</b>	<b>\$ 11,417.62</b>	<b>7.5%</b>

<b>Grand Monthly Total</b>		<b>148</b>	<b>\$ 224,287.72</b>	<b>\$ 241,108.25</b>	<b>7.5%</b>
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**Alternative Benefit Option(s):** HealthTrust offers a full range of comprehensive Benefit Options. Please consult with your Benefits Advisor to learn more about the Benefit Options that may best meet your Group's needs and work within HealthTrust's underwriting guidelines.



Town of Milford

Medical and Prescription Benefit Options  
Guaranteed Maximum Monthly Rates for 7/1/2021 - 6/30/2022

Member Groups may choose ONE medical plan from each colored section with a maximum of three medical options per employee group. One prescription plan may be chosen per medical plan. Please consult with your Benefits Advisor if you are considering plan changes.

Medical Plan Type	Access Blue New England HMO	Access Blue New England HMO with Deductible			
		Plan Name	AB20	AB15/40/PEDED	ABS020/40/1KDED
Visit Copay	\$20	\$15	\$20	\$25	\$30
Specialty Visit Copay	\$20	\$40	\$40	\$50	\$60
Walk-In Center Copay	\$20	\$15	\$20	\$25	\$30
Urgent Care Copay	\$50	\$125	\$50	\$75	\$100
ER Copay	\$100	\$250	\$100	\$150	\$250
Standard Deductible (per person/per family)	\$0	\$1,000 / \$3,000	\$1,000 / \$3,000	\$3,000 / \$9,000	\$5,000 / \$12,000
Chiropractic Visits/Copay	12 / \$20	12 / \$15	Unlimited / \$20	Unlimited / \$25	Unlimited / \$30
Therapy Visits (PT/OT/ST)/Copay	60 / \$20	60 / \$15	60 / \$20	60 / \$25	60 / \$30
Acupuncture Visits/Copay	N/A	12 / \$15	12 / \$20	12 / \$25	12 / \$30
Durable Medical Equipment	You pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%	\$100 deductible, then you pay 20%
MRI, CT scan, PET, MRA	You pay \$0	Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$125 at SOS providers. Otherwise, Standard Deductible
X-Rays and Ultrasounds	You pay \$0	You pay \$0	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$125 at SOS providers. Otherwise, Standard Deductible
Labs (including allergy testing)	You pay \$0	You pay \$0	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible	You pay \$0 at SOS providers. Otherwise, Standard Deductible
Maximum Out-of-Pocket (medical and RX expenses combined)	\$3,000 / \$6,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$5,000 / \$10,000	\$7,150 / \$14,300

Medical Plan Type	High Deductible Health Plans (HSA Qualified)		
	Plan Name	LUMENOS2500	ABHD/5K/20COIN
Standard Deductible	\$2,500 per person / \$5,000 per 2-person or family (1)	\$5,000 per person / \$10,000 per family	
Standard Coinsurance	0% (In-Network); 30% (Out-of-Network)	20%	
Coinsurance Maximum	N/A (In-Network); \$2,500 / \$5,000 (Out-of-Network) (1)	\$1,550 per person, per year; \$3,100 per family, per year	
Chiropractic Visits	Unlimited	Unlimited	
Therapy Visits (PT/OT/ST)	60 Visits	60 Visits	
Acupuncture Visits	12 Visits	12 Visits	
Durable Medical Equipment	Standard Deductible and/or Coinsurance	Standard Deductible and/or Coinsurance	
Prescription Drugs	Standard Deductible and/or Coinsurance	Standard Deductible and/or Coinsurance	
Maximum Out-of-Pocket (medical and RX expenses combined)	\$2,500 / \$5,000 (In-Network); \$5,000 / \$10,000 (Out-of-Network) (1)*	\$6,550 / \$13,100	
	single	\$736.43	\$508.92
	2-person	\$1,472.85	\$1,017.83
	family	\$1,988.35	\$1,374.07

(1) For LUMENOS2500: If you are enrolled at the 2-person or family level, eligible expenses incurred by you or any of your enrolled family members count toward satisfying the entire 2-person/family deductible and/or coinsurance.

Monthly Medical Rates with Prescription Benefit Option RX10/20/45					
single	\$903.55	\$777.61	\$728.30	\$528.89	\$487.99
2-person	\$1,807.10	\$1,555.22	\$1,456.61	\$1,057.77	\$975.98
family	\$2,439.58	\$2,099.55	\$1,966.42	\$1,427.99	\$1,317.57

OR

Monthly Medical Rates with Prescription Benefit Option R10/25/40M10/40/70					
single	\$874.12	\$752.29	\$704.61	\$511.69	\$472.13
2-person	\$1,748.24	\$1,504.58	\$1,409.22	\$1,023.37	\$944.25
family	\$2,360.12	\$2,031.18	\$1,902.44	\$1,381.55	\$1,274.74

RX = Copays for both retail and mail order R = Copays for retail (up to 34 day supply) M = Copays for Maintenance Choice (up to 90 day supply)

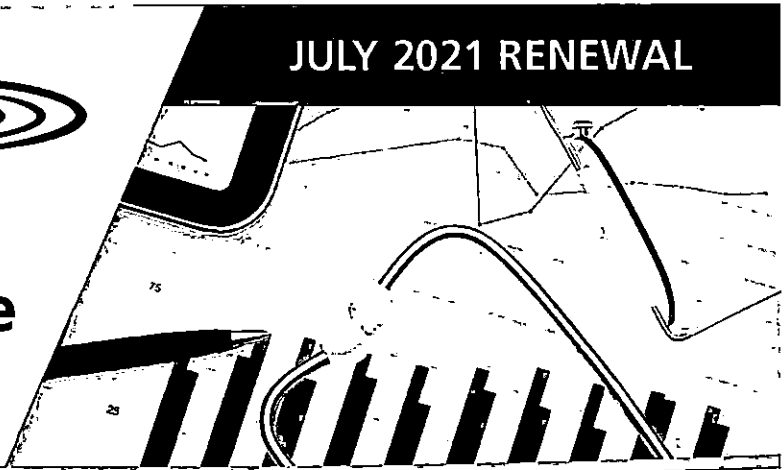
Medicare Supplemental Plans (MC3)	
MC3 with RX Coverage	RX10/20/45
single	\$604.95
MC3 with RX Coverage	R10/25/40M10/40/70
single	\$585.26
MCNRX (No RX Coverage)	N/A
single	\$241.94

DISCLAIMER: These are Guaranteed Maximum Rates which will be revisited in the spring with the opportunity to be lowered. Monthly rates are based on a minimum of 75% participation of all eligible employees who do not otherwise have group medical coverage. Active employees and retirees must be offered the same prescription drug coverage. HealthTrust reserves the right to change these rates if there is a +/- 10% in enrollment. Any deductible and benefit limits shown are per plan year (July 1 through June 30). These charts are intended for summary purposes only. Details of coverage are set forth in separate documents, which govern these plans.



JULY 2021 RENEWAL

# How HealthTrust Medical Rates are Determined



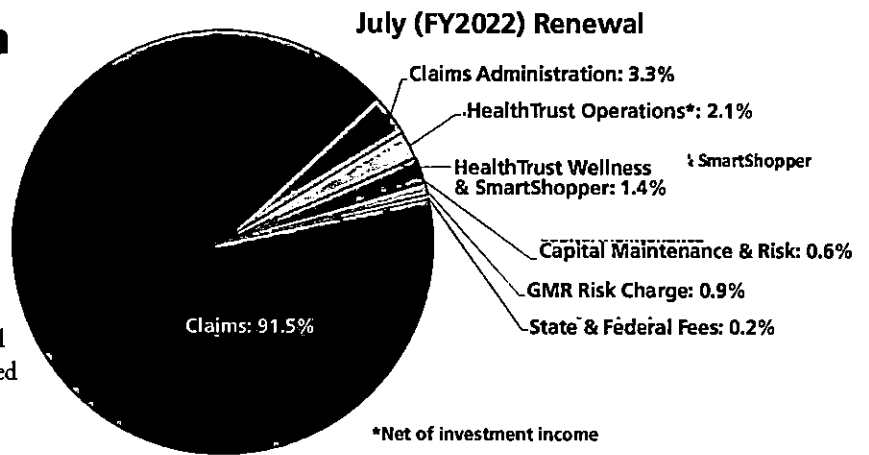
## Rating Process

The renewal rates were set by the HealthTrust Board of Directors (HealthTrust Board) on October 6, 2020 as the last step in our comprehensive rate setting process. Staff and external actuaries (Milliman) work together to review historical claims data that is then projected forward using the latest trend forecasts to derive the change required, if any, in renewal rates. This information is presented to the Board's Finance & Personnel Committee for their review and consideration. The Finance & Personnel Committee determines the recommended renewal rates, which are then presented at two public hearings for Members. Finally, the HealthTrust Board adopts the renewal rates, taking into consideration feedback received from the two public hearings and the recommendation by the Finance & Personnel Committee.

This year's rating process used a different claims experience period than is typically utilized to set medical and dental rates as a result of COVID-19's disruption to normal claims activity. Starting March of 2020, the COVID-19 pandemic resulted in the cancellation or deferral of a significant volume of elective and non-emergency medical and dental care that would have taken place during the period of March through June 2020 but for the state of emergency. As a result, for the current rating, Milliman's actuarial review utilized a 12-month claims experience period from March 2019 through February 2020 that ended just prior to the impact of COVID-19.

## Medical Contribution Components

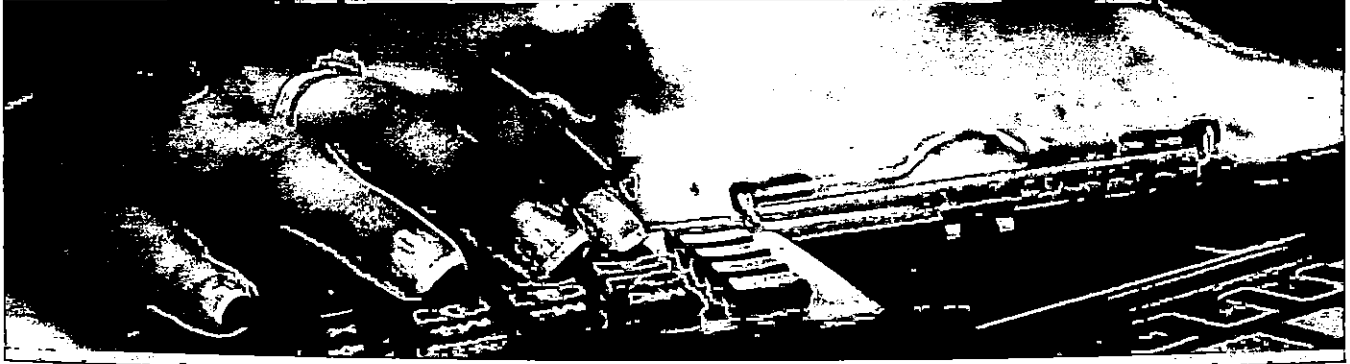
The overall medical rates are comprised of several components. Claims are the largest component at approximately 92% of the rate, 3.3% for Claims Administration, 2.1% for HealthTrust's Operations (net of investment income), 1.4% for Wellness and SmartShopper. The remainder of the rate is for required state vaccine fees (0.2%) and Capital Maintenance and risk charges recommended by the actuary (1.5%) for needed reserves.



## Medical Plan Relativities

HealthTrust works with its actuaries from time to time to determine the relative cost of the different medical benefit options we offer. At this time, the percentage rate change for each benefit option will remain the same as the overall percentage rate change for Member Groups.

# CAPITAL ADEQUACY RESERVE AND RETURN OF SURPLUS



## Capital Adequacy Reserve Level

Annually the HealthTrust Board determines the target level for HealthTrust's capital adequacy reserve. The purpose of a capital adequacy reserve is to ensure that all future obligations for the payment of claims and expenses are fully paid even if HealthTrust's actual experience differs from the rating assumptions used to set the contribution rates. Check out our video explaining Capital Adequacy Reserve on our website [www.healthtrustnh.org](http://www.healthtrustnh.org), in the "Who We Are" section under Financials.

HealthTrust locks in the rates it charges for future coverage based on the actuaries' best information known at this time. However, actual future claims costs may be significantly higher than predicted for numerous reasons. The capital adequacy reserve exists to make sure HealthTrust can pay claims and expenses even if future performance differs from the projections used to set rates.

The HealthTrust Board has established a policy that it shall rely on the opinion of a qualified actuary using a sound actuarial methodology to determine the target capital adequacy reserve level for HealthTrust to meet its obligations to pay claims and expenses, even if the rating assumptions end up being too low. This policy is consistent with the NH Supreme Court's 2014 decision which addresses how such reserves should be set.

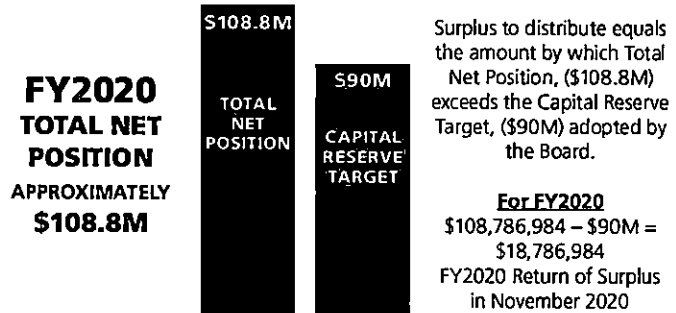
HealthTrust retained the Milliman firm, one of the preeminent actuarial firms in the country, to determine, using an actuarially sound methodology, how much capital adequacy reserve HealthTrust needed as of the start of this fiscal year, July 1, 2020. Milliman recommended that HealthTrust should target a capital adequacy reserve level of \$90 million to \$140 million. This amount provides HealthTrust with a 95% confidence level that it can meet all its obligations over a 5-year period. Milliman recommends that HealthTrust use that confidence level as it provides only a 5% chance of insolvency over the next five years. Where in this range the reserve needs to be depends on whether HealthTrust has pricing flexibility to respond to adverse situations as they develop.

Based on this actuarial recommendation, the HealthTrust Board established a capital adequacy reserve target level of \$90 million as of June 30, 2020.

## Return of Surplus

After the Board sets the capital adequacy reserve level, it determines whether there is any surplus to return to Members. The 2020 Fiscal Year audited financial statement Net Position is \$108.8 million, which exceeds the Capital Reserve Target (\$90M) adopted by the Board. Therefore, for FY2020, there will be a Return of Surplus in the amount of \$18.8 million to Members for the fiscal year ending June 30, 2020.

\*Once the HealthTrust 2020 Fiscal Year audited financial statement is finalized, it will be posted online on our website [www.healthtrustnh.org](http://www.healthtrustnh.org), in the "Who We Are" section under Financials.





JULY GROUPS (FY2022)

HealthTrust values our Member Groups and we strive to continually enhance our benefits and programs to meet and exceed your Group's expectations.

## Plan Enhancements and Updates

### Early Intervention Services

- HealthTrust medical benefit options will now provide coverage for medically necessary early intervention services at no cost share, with the exception of our High Deductible Health Plans (LUMENOS2500 and ABHD/5K/20COIN) where only the Standard Deductible (no Coinsurance, if applicable) will continue to apply. **Effective September 18, 2020**
- Early intervention services are covered from birth to the covered dependent's third birthday. Eligible covered dependents are those with significant functional physical or mental deficits due to a developmental disability or delay. Covered services include medically necessary physical, speech/language and occupational therapy, nursing care, and psychological counseling provided by eligible behavioral health providers, such as clinical social workers.

### Telemedicine Services

- HealthTrust medical benefit options currently provide expanded access to telemedicine services, including audio-only services, on the same basis as coverage for in-person visits during the COVID-19 State of Emergency. HealthTrust will now continue to provide this expanded telemedicine coverage on an ongoing basis. **Effective November 1, 2020**

### Prescription Diabetic Insulin

- All CVS Caremark prescription coverage plans will limit the applicable copayment for covered diabetic insulin to no more than \$30 for each 30-day supply. Copayments will remain the same for diabetic insulin filled through the mail service pharmacy or CVS retail pharmacy (Maintenance Choice) for up to a 90-day supply. All other plan provisions remain in effect. **Effective 1/1/2021 for CVS Caremark Prescription Plans**
- High Deductible Health Plans (LUMENOS2500 and ABHD/5K/20COIN) with Anthem/IngenioRx prescription coverage will limit cost sharing for covered diabetic insulin medications to no more than \$30 for each 30-day supply or \$90 for a 90-day supply, and the Standard Deductible and/or Coinsurance will not apply. **Effective 7/1/2021 for Anthem/IngenioRx Prescription Plans**

#### **Keep your Employees Informed – Encourage them to create their SEP Account today!**

Encourage your covered employees and retirees to create their Secure Enrollee Portal (SEP) account for 24/7 access to digital ID cards, coverage documents, a Secure Message Center, Single Sign-On buttons to Anthem, CVS Caremark, Delta Dental, Onlife, and other vendor partner websites and resources.

Use the flyer and forward-ready email in your BA Toolkit in the SMP to remind employees to set up their account today!

