SUDLER INSURANCE SERVICES, INC.

February 1, 2020

Board of Trustees
International Union of Operating Engineers Local 487
Health and Welfare Fund
911 Ridgebrook Rd.
Sparks, MD 21152

Dear Trustees:

Renewal negotiations are complete for the April 1st, 2020 effective date. This report contains the United Health Care Claims Experience, Key Utilization Categories, Shock Claims and Renewal.

Claims Experience

See attachment

Key Utilization Categories

1. Inpatient hospital days cost and diagnosis for each claimant:
   - 60 admissions, 70 admissions last year.
   - Top 5 Primary Conditions: Coronary Artery Disease, Pregnancy, Asthma, Cancer, Neurology

2. Average length of stay per Hospital stay:

   - 4.6 average days, 5.7 average days last year.

3. Outpatient visits.
   - ER Visits: 354 visits, 358 visits last year.
   - Top 5 Visit Drivers: Abdominal Pain, Upper Respiratory Infection, Intervertebral Disc Disorders, Open Wounds of Extremities, Superficial Injury/Contusion

   - Urgent Care Visits: 400 visits, 387 last year.
   - Top 5 UC Visit Drivers: Upper Respiratory Infect, Intervertebral Disc Disorder, Sprains & Strains, Acute Bronchitis, Urinary Tract Infection

   - Virtual Visits: 21 visits, 9 visits last year.

   - Surgeries: 146 surgeries, 154 surgeries last year. (Colonoscopies, endoscopies, etc. are included in this category.

4. PCP number of visits and diagnosis for each claimant.
   - PCP Visits: 1,912 visits, 1,893 last year.
   - Top 5 Primary Conditions: Neonatal, Hepatology, Gastroenterology, COPD, Asthma

5. Specialist number is visits and diagnosis for each claimant.
   - Specialist Visits: 2,059 visits, 2,036 visits last year.
   - Top 5 Primary Conditions: Congestive Heart Failure, Cancer, CAD, COPD, Nephrology

Shock Claims

See attachment

Thank you,

Bob Sudler

5850 Coral Ridge Drive • Suite 103-C • Coral Springs, Florida 33076
Direct Line (954) 341-4202 • Facsimile (954) 827-3232

Operating Engineers Local 487 Health and Welfare Fund

Claims Data/Medical Loss Ratio/Shock Claims

Claims Data/Medical Loss Ratio

Year/Month	Members	Subscribers	Premium	Medical	Capitation	Pharmacy	MLR
2018-09	1,465	629	$637,821	$525,318	$22,614	$88,683	99.8%
2018-10	1,478	635	$643,205	$505,404	$22,804	$94,627	96.8%
2018-11	1,494	638	$650,232	$364,430	$23,145	$84,133	72.5%
2018-12	1,481	632	$644,334	$480,946	$22,866	$97,784	93.4%
2019-01	1,491	635	$647,754	$397,333	$22,943	$96,197	79.7%
2019-02	1,469	624	$637,755	$485,351	$22,588	$109,604	96.8%
2019-03	1,462	621	$635,167	$626,269	$25,232	$96,608	117.8%
2019-04	1,488	633	$754,605	$478,439	$25,194	$99,469	79.9%
2019-05	1,488	635	$757,718	$369,751	$25,424	$104,285	65.9%
2019-06	1,474	632	$752,715	$402,628	$25,288	$79,963	67.5%
2019-07	1,475	632	$751,922	$323,080	$25,255	$113,962	61.5%
2019-08	1,456	625	$745,192	$272,341	$25,038	$118,708	55.8%

Current Period	81.2%
Prior Period	106.6%

Shock Claims

Claimant Ranking	Diagnosis	Status	Total
Claimant 1	Fractured Vertebrae	CLOSED	$636,380.72
Claimant 2	Lung Cancer	OPEN	$469,548.50
Claimant 3	Heart Disease	CLOSED	$204,577.01
Claimant 4	Atrial Fibrilation	OPEN	$166,491.12
Claimant 5	Cancer	OPEN	$159,792.11
Claimant 6	Kidney Failure	OPEN	$138,944.36
Claimant 7	Vascular Disease	OPEN	$129,519.78
Claimant 8	Colitus	OPEN	$109,024.35
Claimant 9	Lung Cancer	OPEN	$104,850.23
Claimant 10	Nervous System	OPEN	$104,186.31
Claimant 11	Cervical Cancer	CLOSED	$104,035.26

International Union of Operating Engineers Local 487 Health and Welfare Fund
United Healthcare Renewal
Effective Date 4/1/2020

Renewal

NHP/United Plans

Benefits	NHP HMO FOSH-M1	United HMO	United POS	
	In Network	In Network	In Network	Out Network
Preventive Care	No Copay	No Copay	No Copay	40% After Ded.
· preventive office visits	No Copay	No Copay	No Copay	40% After Ded.
· pap smear and mammogram	No Copay	No Copay	No Copay	40% After Ded.
· prostate screening	No Copay	No Copay	No Copay	40% After Ded.
· child immunizations to age 18	No Copay	No Copay	No Copay	40% After Ded.
· flu and pneumonia immunizations	No Copay	No Copay	No Copay	40% After Ded.
· endoscopic services	No Copay	No Copay	No Copay	40% After Ded.
PCP Visit	$30 Copay	$30 Copay	$30 Copay	40% After Ded.
Specialist Visit	$50 Copay	$50 Copay	$50 Copay	40% After Ded.
Individual Deductible	$1,500	$1,500	$1,500	$3,000
Family Deductible	$3,000	$3,000	$3,000	$9,000
Coinsurance	20% After Ded.	20% After Ded.	20% After Ded.	40% After Ded.
Maximum Out-Of-Pocket	$2,500/$5,000	$2,500/$5,000	$2,500/$5,000	$9,000/$27,000
Lifetime Maximum	Unlimited	Unlimited	Unlimited	Unlimited
Hospital Inpatient Services	20% After Ded.	20% After Ded.	20% After Ded.	40% After Ded.
Outpatient Surgery (H / FS)	20% After Ded./$175 Copay	20% After Ded./ $175 Copay	20% After Ded. /$175 Copay	40% After Ded.
Diagnostic MRI, CT Scan (H / FS)	20% After Ded. /$175 Copay	20% After Ded./ $175 Copay	20% After Ded. /$175 Copay	40% After Ded.
Emergency Room/ Urgent Care	$200 /$50 Copay	$200 /$50 Copay	$200 /$50 Copay	$200 Copay
RX	$20/$40/$60	$20/$40/$60	$20/$40/$60	Not Covered
RX Mail Order	$40/$80/$120	$40/$80/$120	$40/$80/$120	Not Covered
Dental	Separate Coverage	Separate Coverage	Separate Coverage	Separate Coverage
Vision	Separate Coverage	Separate Coverage	Separate Coverage	Separate Coverage
Mental Health & Substance Abuse				
· Inpatient	20% After Ded.	20% After Ded.	20% After Ded.	40% After Ded.
· Outpatient	$50 Copay	$50 Copay	$50 Copay	40% After Ded.
Rate Details	**NHP HMO FOSH-M1**	**United HMO**	**United POS**	
HMO / PPO				
Employee Only 223 / 9	**$615.56**	**$849.54**	**$849.54**	
Employee + One 162 / 5	**$1,292.78**	**$1,784.15**	**$1,784.15**	
Family 223 / 6	**$1,815.95**	**$2,506.20**	**$2,506.20**	
Monthly Premium	**$751,657.00**	**$31,604.00**		
Annual Premium	**$9,019,885.00**	**$379,246.00**		

Increase % ***2.3% + 2.6% (ACA)= 4.9%***

Current Rates will be held until June 1, 2020. Renewal Rates with 4.9% increase will be effective on June 1, 2020 for 10 months.

HMO/POS has a Combined Out of Pocket of $2,500/$5,000 for Medical and RX.

Deductible is on the contract year.

Lab work is done at Lab Corp and Quest Diagnostics.

International Union of Operating Engineers Local 487 Health and Welfare Fund
United Dental and Vision Renewal
Effective Date 4/1/2020

Dental (Solstice)

	United Option D1056
Calendar Year Deductible	
Single	None
Family	None
Appointments	
D0120 Office Visit	$0
D0180 Comprehensive Evaluation	$0
Preventive/Restoration	
D1110 Prophylaxis (Cleaning)	$0
D2140 Amalgam (Grey Cavity Filling)	$0
D2330 Resin (White Cavity Filling)	$20
Most Common Services	
D2740 Crown	$195
D3310 Root Canal	$100
D7111 Tooth Extraction	$20
D8070 Orthodontics (Children)	$1,800
D5110 Complete Denture	$210
Rates	
Employee:	**$11.41**
Employee + One:	**$22.26**
Family:	**$36.52**
Increase %	***-6.8%***

Vision

	United Option V1357
Exam Copay	$20
Lens and Frames	
Single	$0
Bifocal	$0
Trifocal	$0
Retail Frames	$130 Allowance
Contact Lenses	
Extended Wear	$105 Allowance
Disposable	$105 Allowance
Rates	
Employee: 205	**$3.88**
Employee + One: 180	**$7.37**
Family: 228	**$10.74**
0%	