

Third Part Administrator (TPA) Renewal Proposal Hometown Health – current TPA

The new TPA agreement with HTH will be effective for a three-year term effective January 1, 2015. The monthly per employee fees for 2015, 2016 and 2017 are shown below (the 2015 fees are a 3% increase over the 2014 fees). LP has reviewed this proposal and believes the renewal pricing remains within market norms.

	Jan 1, 2015 - Dec 31, 2015	Jan 1, 2016 - Dec 31, 2016	Jan 1, 2017 - Dec 31, 2017
Medical / Dental Claims Administration	\$15.27 / pepm	\$15.73 / pepm*	\$16.20/ pepm*
Hometown Health PPO Network	\$1.28 / pepm	\$1.32 / pepm*	\$1.36 / pepm*
Utilization Management	\$2.50 / pepm	\$2.58 / pepm*	\$2.66 / pepm*
Total	\$19.05 / pepm	\$19.63 / pepm	\$20.22 / pepm
Large Case Management	\$110 per hour	\$110 per hour	\$110 per hour
Dental PPO Network	*\$0.70 Current 2015 Passthrough		
COBRA Administration	*\$1.25 Current 2015 Passthrough		
National Network	*\$4.80 Current 2015 Passthrough		

*These fees increase by 3% in 2016 and by 3% in 2017.

DCPEA Formulary Package Proposal

1. Move to the Hometown Health Formulary
2. Provide a 6-month grandfather clause for members disrupted
 - a. Allows for adequate time to meet with doctors
 - b. Majority of members have time off in June
3. Eliminate the \$50 prescription deductible
 - a. Helps offset some cost to members impacted by formulary change
 - b. Minimal financial impact to the plan (\$27k estimate)