aetna®

An Aetna Renewal
Presented to

Nassau County Board Of County Commissioners

Financial Renewal Overview: January 01, 2023 through December 31, 2023
Control Number: 109714

Shannon Blakeslee
Director of Underwriting
Public & Labor
South East Region
Phone: 860-273-3600
Blakeslees@aetna.com

March 16, 2022

David Gimler
Sr. Underwriting Consultant
Public & Labor
South East Region
Phone: 860-273-3261
Gimlerd@aetna.com

Nassau County Board Of County Commissioners
Laura Scott
96135 Nassau Place, Suite 5
Yulee, FL 32097

Dear Laura Scott:

Thank you for allowing us to serve your health insurance and health benefit needs during the past year.

This package provides information to help you develop the future benefits program for Nassau County Board Of County Commissioners. As we approach the anniversary of our relationship in the journey to better health, we are pleased to present you with this renewal for your 2023 policy period.

It's important to understand the full financial picture of your benefit plan. Therefore, the enclosed package provides the following important information about the cost of your current program and the value we bring to you.

- **Future Program Costs**
  This section illustrates the cost projections to operate your current benefit program for the period 1/1/2023 through 12/31/2023.
- **Fully Insured Medical Plans**
  For the period 1/1/2023 through 12/31/2023 the cost to operate your current medical plans will not change compared to the current rate.
- **Programs and Services**
  This section provides a summary of programs and services included in your plan of benefits.
- **Caveats**
  Our renewal offer is contingent upon the parameters outlined here. It is important to note that deviations from these assumptions may result in additional charges and/or adjustments on our Medical quotations. Please review this section thoroughly.

If there are no changes that impact the conditions of this renewal as outlined in our Caveats section, the rates will remain in effect through December 31, 2023.

Please review the additional important information found at the following URL:

https://www.aetna.com/document-library/lg-insured-medical-uw-disclosures-01-01-2022.pdf

This information is incorporated in and is a part of this proposal. This quote is subject to all the terms and conditions set forth in this URL. In the event that any information contained herein conflicts or is inconsistent with the information in the Underwriter Disclosure document, the information in your Package shall prevail.

If you'd like to make any plan changes or if you have any questions, please contact Kim Howe by December 01, 2022 at 813-775-0621. It's been a pleasure working with you and I look forward to our continued relationship.

Sincerely,

Shannon Blakeslee
Director of Underwriting
Public & Labor
South East Region

David Gimler
Sr. Underwriting Consultant
Public & Labor
South East Region

Each insurer has sole financial responsibility for its own products.

Health benefits and health insurance plans contain limitations and exclusions.

Nassau County Board Of County Commissioners

Why Aetna? Effective Date: January 01, 2023

We're more than products and programs. **We offer a health care experience that's more caring, more** connected and closer to home. With a holistic approach we join members on their personal health journey, removing barriers along the way. And we work proactively to help every member achieve their goals and stay on a path to better health.

Because you have unique needs we offer customized, tailored solutions. And we have a plan to take care of each of your employees, helping to increase engagement, improve outcomes and boost productivity.

We know health care can be overwhelming. So we work together with you to help make each member of your team a stronger individual. Stronger individuals lead to a stronger workforce. And when you have a stronger workforce, you can achieve stronger results.

As we continue to reimagine the health care experience, we're honored to be recognized for our work: https://www.aetna.com/about-us/aetna-awards-recognition.html

"Aetna" is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies.

The Aetna companies include:

Aetna Health Inc., Aetna Health of California Inc., Aetna Health of the Carolinas Inc., Aetna Health of Washington Inc., Aetna Health Insurance Company of Connecticut, Aetna Health Insurance Company of New York, Corporate Health Insurance Company; Aetna Life Insurance Company; Aetna Dental Inc.; and/or Aetna Dental of California Inc.; Aetna Health of Utah Inc. Certain dental plans are available only for groups of a certain size in accordance with underwriting guidelines. Managed care plans may not cover all health care expenses. Contracts should be read carefully to determine which health care services are covered. While this material is believed to be accurate as of the print date, it is subject to change. For more specific information about the coverage details, including limitations, exclusions, and other plan requirements, please contact an Aetna representative.

Aetna has various programs for compensating producers (agents, brokers and consultants). If you would like information regarding compensation programs for which your producer is eligible, payments (if any) which Aetna has made to your producer, or other material relationships your producer may have with Aetna, you may contact your producer or your Aetna account representative. Information regarding Aetna's program compensating producers is also available at: www.aetna.com

The information contained in this proposal is confidential and should not be shared with anyone other than your broker or benefit plan consultant.

Nassau County Board Of County Commissioners

Contact Information

Account Manager:	Kimberley Howe	Email:	HoweK@aetna.com
Telephone Number:	813-775-0621		

Assumptions

Contract State:	FL	Lives:	777
Pooling Level:	$250,000	Sic Code:	9199
Commissions:	0.00%	Mem/EE Ratio:	1.35
Health Insurance Assessment%*:	0.00%	Rx Formulary:	Advanced Control Formulary Aetna Insured

Proposed Rates

Effective Date: January 1, 2023 **End Date:** December 31, 2023

Coverage	Lives	Current Rates	Proposed Rates	% Change
PPO (Open Choice)				
PPO				
EE	1	$1,016.43	$1,016.43	0.00%
EE + SP	0	$2,105.08	$2,105.08	0.00%
EE + Children	0	$1,911.85	$1,911.85	0.00%
Family	0	$3,228.82	$3,228.82	0.00%
Total	1	$1,016.43	$1,016.43	0.00%
HSA OA POS (Managed Choice)				
HDHP HSA				
EE	60	$707.25	$707.25	0.00%
EE + SP	8	$1,463.94	$1,463.94	0.00%
EE + Children	7	$1,329.62	$1,329.62	0.00%
Family	6	$2,245.49	$2,245.49	0.00%
Total	81	$76,926.80	$76,926.80	0.00%
AWH Baptist SVHC HMO OA HMO (Health Network Only)				
AWH BAPTIST HNONLY 2500				
EE	396	$747.16	$747.16	0.00%
EE + SP	23	$1,546.63	$1,546.63	0.00%
EE + Children	21	$1,404.67	$1,404.67	0.00%
Family	18	$2,372.25	$2,372.25	0.00%
Total	458	$403,646.42	$403,646.42	0.00%
OA HMO (Health Network Only)				
HNONLY 500				
EE	141	$962.63	$962.63	0.00%
EE + SP	13	$1,992.57	$1,992.57	0.00%
EE + Children	21	$1,809.64	$1,809.64	0.00%
Family	9	$3,056.19	$3,056.19	0.00%
Total	184	$227,142.39	$227,142.39	0.00%
OA POS (Managed Choice)				
OA MC				
EE	32	$1,016.43	$1,016.43	0.00%
EE + SP	10	$2,105.08	$2,105.08	0.00%
EE + Children	8	$1,911.85	$1,911.85	0.00%
Family	3	$3,228.82	$3,228.82	0.00%
Total	53	$78,557.82	$78,557.82	0.00%

Total Medical Lives	**777**
Current Monthly Total Amount Due	**$787,289.86**
Proposed Monthly Total Amount Due	**$787,289.86**
Total % Change	**0.00%**
Proposed Annual Total Amount Due	**$9,447,478.32**

Clarifications

*The Affordable Care Act imposed the health insurance assessment effective January 1 2014. This rate quote includes, where permitted, an estimate proportionate allocation of expenses associated with these fees.

Nassau County Board Of County Commissioners

Experience Exhibit **Effective Date: January 01, 2023**

- This exhibit displays the historical experience used in the development of the rates.
- Claims displayed are incurred claims and have been completed.
- Claims experience includes National Advantage Program access fees (for savings achieved on covered claims with non-network providers and on high dollar, in-network facility claims).
- Claims may include adjustments for Value Based Contracts.
- This exhibit may include information from other carriers.

Current Year's Experience - Experience Group 1

Month	Members	Premium	Total Medical FFS/Caps	Rx Claims
202012	1,032	$649,173	$661,347	$174,152
202101	1,027	$749,246	$528,471	$199,767
202102	1,030	$753,938	$516,741	$152,160
202103	1,028	$677,677	$284,395	$210,201
202104	1,032	$755,621	$490,216	$228,901
202105	1,032	$757,389	$509,223	$158,975
202106	1,038	$762,304	$437,609	$194,374
202107	1,031	$758,197	$476,459	$175,203
202108	1,034	$761,558	$474,511	$218,731
202109	1,038	$763,252	$459,706	$159,667
202110	1,042	$766,298	$409,444	$192,742
202111	1,035	$761,087	$311,652	$239,688
TOTALS	**12,399**	**$8,915,742**	**$5,559,775**	**$2,304,562**
	Current Year Incurred Claims PMPM		**$448.40**	**$185.87**

Premium Development

Current Monthly Amount Due	$787,290
Current Subscribers	777
Current Members	1,051
Current Premium PMPM	**$749.09**

Nassau County Board Of County Commissioners

Rate Change Development — Effective Date: January 01, 2023

- The components of your renewal rate change are detailed below.
- The current Net Adjusted Incurred Claims Per Member Per Month (PMPM) are trended forward to the Renewal Rate Period.
- Based on customer size by experience rating group, claims over a certain threshold are removed to normalize the claims experience in order to minimize large yearly fluctuations.
- A large claim adjustment is added to the Incurred Claims PMPM, and blended with Manual Claims PMPM, if applicable, to develop a blended expected claim PMPM. An adjustment for renewal benefit change is added if applicable.
- The Underwriting Adjustment includes a factor to modify the claims during the months affected by COVID-19.
- State taxes, commissions, and other adjustments are then added resulting in the final required premium PMPM.

Experience Grouping: Experience Group 1

		Current Year Experience
Next Contract Period:	1/1/2023 - 12/31/2023	
Claim Basis:		Incurred
Year Experience Period:		12/1/2020 - 11/30/2021
Paid Through:		1/31/2022
Subscriber Months:		9,214
Member Months:		9,214
Experience Period Average Members:		1,033

	Current Subscribers: 777 / Current Members: 1,051	Current Year Experience Med + Cap PMPM	Current Year Experience Rx PMPM	Current Year Experience Total PMPM
1	Incurred Claims	$448.40	$185.87	$634.27
2	Deductible Supression	0.9998		0.9999
3	Incurred Claims x Deductible Suppression Factor	$448.32	$185.87	$634.18
4	Pooled Claims	$2.73	$0.00	$2.73
5	Pooling Charge			
	a. Pooling Point	$250,000	$250,000	$250,000
	b. Pooling Factor (non-capitated Med & Rx claims only)	5.88%	5.88%	
	c. Pooling Charge	$26.15	$10.93	$37.08
6	Incurred Claims w/ Pooling (3 - 4 + 5c)	$471.73	$196.80	$668.53
7	Adjustment for Change in Network	0.9272	0.9869	0.9447
8	Adjustment for Change in Plan	0.9261	0.9763	0.9415
9	Adjustment for Change in Demographics	1.0002	1.0000	1.0001
10	Underwriting Adjustment	0.9475	1.0739	0.9878
11	Adjusted Incurred Claims (6 x 7 x 8 x 9 x 10)	$383.84	$203.63	$587.48
12	Trend			
	a. Annual Trend Factor	10.87%	12.65%	11.49%
	b. # of Months of Trend	25.0	25.0	25.0
	c. Projection Factor	1.2397	1.2816	1.2542
13	Exp. Based Projected Claims (11 x 12c)	$475.86	$260.97	$736.83
14	Experience Weighting	100%	100%	100%
		Blended Results Med + Cap	Rx	Total
15	Experience Blended Projected Claims	$475.86	$260.97	$736.83
16	Experience Credibility	100.0%	100.0%	100.0%
17	Manual (CRC) Projected Claims	$710.76	$192.15	$902.91
18	Blended Projected Claims	$475.86	$260.97	$736.83
19	Large Claim Adjustment			$0.00
20	Retention Charges		**Total**	**Total**
	a. Administrative Component		11.33%	$95.37
	b. Broker Commission Component		0.00%	$0.00
	c. Premium Tax Component		1.11%	$9.38
	d. Health Insurance Assessment		0.00%	$0.00
	e. Total Retention Charges (a + b + c + d)		12.45%	$104.75
21	Projected Premium			$841.58
22	Multi Product Discount			$0.00
23	Rate Adjustment			($92.49)
24	Proposed Premium			$749.09
25	Producer Services Fee Component			$0.00
26	Total Amount Due			$749.09
27	Estimated Current Total Amount Due			$749.09
28	Required Rate Change (excludes 22 & 23)			12.35%
29	Proposed Rate Change (26 / 27 - 1)			0.00%

Nassau County Board Of County Commissioners

Programs and Services - Fully Insured Funding				Effective Date: January 01, 2023
Program Summary	PPO	HDHP HSA	AWH BAPTIST HNONLY 2500	HNONLY 500
Account Management				
Designated Account Management Team	Yes	Yes	Yes	Yes
Designated Service Center	Yes	Yes	Yes	Yes
Open Enrollment Marketing Material	Yes	Yes	Yes	Yes
ID Cards	Yes	Yes	Yes	Yes
Network Services				
Institutes of Excellence™	Yes	Yes	Yes	Yes
No Cost/Low Cost Designated Walk In Clinic (MinuteClinic®)	Yes	Yes	Yes	Yes
National Advantage™ Program	Yes	Yes	Yes	Yes
National Medical Excellence Program®	Yes	Yes	Yes	Yes
Teladoc®	Yes	Yes	Yes	Yes
Care Management				
Aetna Enhanced Maternity Program	Yes	Yes	Yes	Yes
Aetna One Choice ®	Yes	Yes	Yes	Yes
Enhanced Clinical Review	Yes	Yes	Yes	Yes
MedQuery® with Member Messaging	Yes	Yes	Yes	Yes
Regional Case Management	Yes	Yes	Yes	Yes
Utilization Management	Yes	Yes	Yes	Yes
Member Resources				
Member Services	Yes	Yes	Yes	Yes
Member Website and Mobile Experience	Yes	Yes	Yes	Yes
Wellness Programs and Services				
Aetna Healthy Commitments℠ - Enhanced Biometric	Yes	Yes	Yes	Yes
Attain by Aetna℠ (Apple Watch Program)	Yes	Yes	Yes	Yes
Simple Steps (Aetna or Redbrick HRA)	Yes	Yes	Yes	Yes
Reporting				
Utilization Management Reporting	Yes	Yes	Yes	Yes
Behavioral Health				
AbleTo Network – member cost share may apply	Yes	Yes	Yes	Yes
Applied Behavioral Analysis (ABA)	Yes	Yes	Yes	Yes
Behavioral Health Condition Mgmt - Standard	Yes	Yes	Yes	Yes
Managed Behavioral Health	Yes	Yes	Yes	Yes
Allowances				
Technology/Communication Allowance	Yes	Yes	Yes	Yes
Annual Wellness Allowance	Yes	Yes	Yes	Yes

Programs and Services - Fully Insured Funding Effective Date: January 01, 2023

Program Summary	OA MC
Account Management	
Designated Account Management Team	Yes
Designated Service Center	Yes
Open Enrollment Marketing Material	Yes
ID Cards	Yes
Network Services	
Institutes of Excellence™	Yes
No Cost/Low Cost Designated Walk In Clinic (MinuteClinic®)	Yes
National Advantage™ Program	Yes
National Medical Excellence Program®	Yes
Teladoc®	Yes
Care Management	
Aetna Enhanced Maternity Program	Yes
Aetna One Choice ®	Yes
Enhanced Clinical Review	Yes
MedQuery® with Member Messaging	Yes
Regional Case Management	Yes
Utilization Management	Yes
Member Resources	
Member Services	Yes
Member Website and Mobile Experience	Yes
Wellness Programs and Services	
Aetna Healthy Commitments℠ - Enhanced Biometric	Yes
Attain by Aetna℠ (Apple Watch Program)	Yes
Simple Steps (Aetna or Redbrick HRA)	Yes
Reporting	
Utilization Management Reporting	Yes
Behavioral Health	
AbleTo Network – member cost share may apply	Yes
Applied Behavioral Analysis (ABA)	Yes
Behavioral Health Condition Mgmt - Standard	Yes
Managed Behavioral Health	Yes
Allowances	
Technology/Communication Allowance	Yes
Annual Wellness Allowance	Yes

Allowances	
Technology/Communication Allowance	**Cost**
We are including an technology/communication allowance of up to $5,000 that may be used toward technology communication related expenses incurred during the January 01, 2023 toDecember 31, 2023 plan year. These funds will be available as of the effective date of the period. Expenses incurred in the prior year for the open enrollment of the January 01, 2023 to December 31, 2023 policy year will be reimbursed from the January 01, 2023 to December 31, 2023 allowance. This provides the plan sponsor a budget or allowance of money from which they can draw to offset reasonable, identifiable expenses. The plan sponsor cannot draw on more than the amount of the allowance provided. The plan sponsor should only use the technology/communication allowance to offset expenses it actually incurs as a result of moving their business to us or promoting new products with us. It can be applied to reimburse the plan sponsor for identifiable charges for the reasonable value of services performed. Some examples of the transition-related expenses it could be applied against are: • Issuing our Summary Plan Descriptions (creating, printing, mailing) • Maintaining our subscriber/member records due to the transition of business • Handling our subscriber enrollment • Our Member communications (creating, printing, mailing) • Our system front-end charges Our preferred method of payment of technology/communication-related expenses is directly to the vendor. Payment will be made once the expenses are incurred and invoice(s) are provided. Invoices mustbe submitted to us within 60 days following the close of the plan year. Expenses incurred in the prior policy year for the open enrollment of the January 01, 2023 to December 31, 2023 policy year will be reimbursed from the January 01, 2023 to December 31, 2023 allowance. Should a customer terminate their policy with us, the allowance cannot be used to fund communication expenses related to the newcarrier's policy. Any expenses beyond the technology/communication allowance are the responsibility of the plan sponsor. Any balance of this allowance fund remaining at the end of the policy year will be forfeited. Any amounts paid by us to a plan sponsor to offset or reimburse that plan sponsorfor expenses incurred as a result of contracting with us for benefits plan administration services will be paid in accordance with applicable law. We advise plan sponsors to determine appropriate accounting for these payments with their own counsel or accountant. Any plan sponsor receiving an technology/communication allowance or other payments from us that offset or reimburse expenses that would otherwise be paid from plan assets should consult with their ERISA counsel to determine if such allowance must be credited to plan assets. They should also consult with counsel regarding the accounting or reporting of such payments. We assume the funding of any technology/communication budget is either at the request of your Plan Administrator acting in their fiduciary capacity to your Plan or for the exclusive benefit of your Plan.	Included

Annual Wellness Allowance	Cost
We are including a wellness allowance of up to $75,000 that may be used towards reasonable wellness services procured by the Plan Sponsor from third party vendors to pay for wellness-related expense such as wellness fairs, biometric screenings and on-site flu vaccinations incurred during the January 01, 2023 to December 31, 2023 plan year. These funds will be available as of the effective date of the period. Our preferred method of payment of wellness-related expenses is directly to the vendor. Payment will be made once the expenses are incurred and invoice(s) are provided. Invoices must be submitted to us within 60 days following the close of the plan year. Expenses must be for wellness related programs or activities that are designed to promote the health and well being of plan participants, or to educate the participants about healthy lifestyles and choices. Any expenses beyond the Wellness Allowance are the responsibility of the customer. Any balance of this allowance fund remaining at the end of the policy year will be forfeited. Any amounts ("Wellness allowance") paid by Aetna to a plan sponsor to offset or reimburse such plan sponsor for any expense or costs incurred as a result of contracting with Aetna for benefits plan administration services, shall be paid in accordance with applicable law. Plan sponsors are advised to determine appropriate accounting for these payments with their own counsel or accountant. Any plan sponsor receiving a wellness allowance or other payments from us that offset or reimburse expenses that would otherwise be paid from plan assets, should consult with their ERISA counsel to determine if such allowance must be credited to plan assets, and for additional counsel regarding the accounting for reporting of such payments. We assume the funding of any wellness budget is either at the request of your Plan Administrator acting in their fiduciary capacity to your Plan or for the exclusive benefit of your Plan.	Included

Nassau County Board Of County Commissioners

Caveats - Fully Insured Funding — Effective Date: January 01, 2023

We are relying on information from the Plan Sponsor and its representatives in establishing the rates and terms of this proposal. If any of this information is inaccurate or incomplete and has a material impact on the cost of the programs, we reserve the right to adjust our rates and terms. For example, but without limitation, Aetna may change rates if there is a material deviation from the rate quotation assumptions, manufacturer Rebate contracts, or if the Plan Sponsor is unable to provide us with the requested information. As another example, if additional information related to this quotation is made available to us at a later date, we reserve the right to reassess, and potentially revise, this quotation based upon analysis of that information. For states that require approval of rate filings, your final rate may be different if the quoted rates are not approved by the effective date of coverage.

Documentation

Summary of Renewal Rates, Experience and Rate Change Development

The attached Summary of Renewal Rates exhibit outlines your premium rates for the upcoming policy period. The Experience exhibit(s) displays your experience for the most recent 12 months and adjusts for any plan change (if applicable). The Rate Change Development takes the current experience, and adds on trend, a large claim adjustment factor, expenses, taxes and/or producer service fees/commissions to develop the required premium.

Assumptions

Prospective Quoting

The quoted insured medical rates are offered on a prospectively rated basis. No policy year accounting balance will be calculated for these coverages.

Billing and Payment of Premium

Amount due is payable on the first day of the month covered by the invoice. If the amount due is not paid in full within 30 days, we reserve the right to terminate the contract and/or assess late premium payment charges.

Claim Fiduciary

Aetna will be the ERISA claim fiduciary for medical coverages. As claim fiduciary, Aetna will be responsible for final claim determination and the legal defense of disputed benefit payments for medical.

Producer Compensation

We are not serving as billing and collection agent for producer service fee, therefore such fee is not included in this renewal and commissions have also been excluded from our quoted rates.

Contributions

We standardly require that the employer contribute 75% of the employee cost, or 50% of the total employee and dependent cost. Employer contributions may not favor other medical plans over that of the Aetna plans. Our plan will have neutral to favorable employer contributions after adjusting for plan design, compared to other medical plans, including consumer directed plans (HRA and/or H.S.A. models). In option situations, employer contributions must not disadvantage our offering.

Mandates

Benefit provisions are subject to state, local, and federal mandates. Future mandates will be incorporated in the plan(s) as of the date required by law and may require rate adjustments.

Medical Service Center

Claim administration and member services for the quoted plans will be managed centrally by the Tampa, FL Service Center. Members will be able to reach the Member Service representatives Monday through Friday,from 8 a.m. to 6 p.m., EST.

Plan Design

This renewal is based on the current benefit plan designs, plus any noted deviations. Our standard provisions, contract wording and claim settlement practices will apply for items not specifically outlined.

Prescription Drug Benefits

Prescription drug benefits are included and will be provided through Aetna Pharmacy Management.

Aetna Specialty Pharmacy℠ Program

The Aetna Specialty Pharmacy℠ program covers specialty prescription drugs when filled through a network retail or specialty pharmacy, including CVS Specialty© Pharmacy. CVS Specialty is an ideal specialty pharmacy for members needing injectable and specialty medications. Members receive the full support of CVS Specialty's clinical staff, including pharmacists, registered nurses, certified pharmacy technicians and regional clinical liaisons. In addition to providing convenient access to specialty medications, CVS Specialty provides educational support to help members, their family members and caregivers manage self-injectable medications. CVS Specialty also offers enhanced care coordination and access to health care providers, so care delivery is streamlined and effective.

Each prescription is limited to a maximum supply. Depending on plan design, members may be required to fill specialty drug prescriptions at a network specialty pharmacy, unless an emergency exists.

Point of Service Rebates

This proposal may include point of service rebates ("POS Rebates") favorable to, and shared with, eligible subscribers and dependents. However, Aetna reserves the right to make appropriate changes to the premium offered hereunder in the event POS Rebates are discontinued, in whole or in part, on account of any material changes made to
(i) the laws, rules and/or regulations applicable to POS Rebates or
(ii) any material drug manufacturer rebate contracts providing the source for POS Rebates.

Run-In Claim Processing

Expenses associated with run-in claims from any prior plan (claims incurred prior to the effective date of our plan) are excluded from the proposed rates.

Network Re-Contracting

In addition to standard fee-for-services rates, contracted rates with network providers may also be based on case and/or per diem rates and in some circumstances, include risk-adjustment calculations, quality incentives, pay-for-performance and other incentive and adjustment mechanisms. These mechanisms may include payments to organizations that may refer to themselves as accountable care organizations ("ACOs") and patient-centered medical homes ("PCMHs"), in the form of accountable care payments (ACP) and incentive arrangements based on clinical performance and cost-effectiveness. The ACP amount is based upon an assessment for each member who is already accessing providers in an ACO, and is assessed retrospectively on a quarterly basis and collected through established claim wire. Each ACO will have a different ACP based on the clinical efficiencies targeted and network negotiations. The ACP assists the ACO in funding transformation of the health care system to improve quality, reduce costs and enhance the patient experience by:

- Identifying and engaging patients at risk for health crises sooner through more data-sharing
- Increasing patient engagement in best-in-class care management programs through doctor-driven outreach
- Delivering better health outcomes through increased collaboration between the health plan and ACO providers

Aetna Intellectual Property

Under the Group Policy, you may have access to certain of Aetna's Customer reporting systems. Aetna represents that it has either the ownership rights or the right to use all of the intellectual property used by Aetna in providing the Services under the Group Policy ("Aetna IP"). Aetna will grant you, as the Customer, a nonexclusive, non-assignable, royalty free, limited right to use certain of the Aetna IP for the purposes described in the Group Policy. You agree not to modify, create derivative product from, copy, duplicate, decompile, dissemble, reverse engineer or otherwise attempt to perceive the source code from which any software component of the Aetna IP is compiled or interpreted. Nothing in the Group Policy shall be deemed to grant any additional ownership rights in, or any right to assign, sublicense, sell, resell, lease, rent or otherwise transfer or convey, the Aetna IP to you.

We reserve the right to revise the premium, modify the terms of the offer, or terminate if:

Member/Subscriber Ratio

The enrolled member to subscriber ratio increases or decreases by more than 10% from the 1.35 ratio assumed in this quote.

Enrollment

The actual enrollment in total or by plan changes by more than 10% compared with what was proposed.
The plan sponsor offers coverage to employees previously not eligible under the plan without prior notification.
(Change in census is based on additions and subtractions - a 60 life group who adds 3 people and takes away 3 others has a 6 person change in census even though they stay at 60 lives.)

Participation and Contribution Rules

Under Affordable Care Act (ACA) and state insurance regulations, a group health insurance policy may be non-renewed for certain reasons. We reserve the right to non-renew for failure to comply with certain requirements such as participation and/or contribution rules.

Contract Provisions

The final benefit provisions, account structure, claim payment requirements or services change from those proposed.

Covered Lives, Demographics

A 5.0% percent change in the demographics and/or geographic mix of the enrolled group in aggregate or in any site with at least 100 enrolled subscribers. A 10 percent change in the total number of subscribers enrolled in each individual product or in aggregate, including the impact of new or terminating locations and/or groups.

Retiree & COBRA Members

The premium rates assume that the pre-65 retirees, COBRA and non-Medicare disabled participants combined comprise less than five percent of the total Aetna covered group and that this group doesn't vary in size by more than two percent from the previous year. For option (slice) offerings, pre-65, COBRA and non-Medicare disabled participants must be eligible for the same benefits as the active population. Retirees are not included among the eligible population. We expect Medicare primary individuals to pursue such coverage. The premium rates assume that COBRA participants comprise less than ten percent of the total Aetna covered group. Include if customer covers Medicare eligible retirees which is non-standard - Medicare eligibles must participate in both Medicare Part A and Medicare Part B.

Quoted Benefits and Administration

A material change is a change that materially affects the cost of the plan. A material change includes, but is not limited to, changes caused by any legislative or regulatory requirement, changes impacting standard contract provisions, claim settlement practices, plan administration, plan benefits or changes to the programs and services we offer you.

Additional Products and Services

Costs for special services, that are not included or assumed in the rate guarantee will be direct-billed after such services have been rendered. For example, the Plan Sponsor will be subject to additional charges for customized communication materials. The costs for these types of services will depend upon the actual services performed and will be determined at the time the service is requested.

Additional

Please review the additional important information found at the following URL:
https://www.aetna.com/document-library/lg-insured-medical-uw-disclosures-01-01-2022.pdf

This information is incorporated in and is a part of this proposal. This quote is subject to all the terms and conditions set forth in this URL. In the event that any information contained herein conflicts or is inconsistent with the information in the Underwriter Disclosure document, the information in your Package shall prevail.

Medical Disclosure Information

At the time of annual enrollment, your plan participants should be provided with the Medical Disclosure information related to their plan of benefits. Go to our corporate website and enter the state followed by the word 'Disclosure' in the search field Please provide the applicable Medical Disclosure document and any required Addendum to your plan participants. If you have any questions, please contact your broker or account management team.

Health Care Reform Caveats

Affordable Care Act (ACA) Taxes and Fees

The Affordable Care Act (ACA) imposed several fees/assessments. The Health Insurance Provider Fee (HIF) was applicable in 2020, but a federal omnibus bill signed on December 20, 2019 repealed the HIF for 2021 and beyond.
Still applicable in 2023 is Patient-Centered Outcomes Research Trust Fund fee (PCORI). It applies to issuers of specified health insurance policies and plan sponsors of applicable self-insured health plans. The fee was set to end in 2019, but it was extended for 10 years through 2029. The fee applies to policy or plan years ending on or after October 1, 2012, and before October 1, 2029.

This rate quote includes, as applicable, an estimate of the PCORI fee. We reserve the right to modify the rate, or otherwise recoup such fees, based on future regulatory guidance, subsequent state regulatory approvals, or if estimates are materially insufficient.