


Cameron County

Dental Financial Renewal

October 01, 2022 through
September 30, 2023

Customer Number - 00143726, 00169664





**Stronger workforce,
stronger results**

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July 14, 2022

Mr. Gilberto Elizondo, Jr.
Director of Administrative Services
Cameron County
1100 E. Monroe St.
Brownsville, TX 78520

Dear Gilberto Elizondo, Jr.:

Thank you for allowing us to serve your health insurance and health benefit needs during the past year. This collaboration has produced impactful results and savings. As a health company that appreciates your unique needs and resources, we curate experiences that are meaningful, inspiring and deliver results. This helps us amplify your ability to realize your full business potential. Enclosed is your Aetna dental renewal for the October 01, 2022 through September 30, 2023 contract year.

We go local to join your employees on their health care journeys. We help them achieve their goals and live their best lives. Because when your workforce is healthy, your company is healthy, too. Your costs decrease and your employees are more productive, driving greater success for your organization.

For additional details about your programs and services, please contact your Account Executive. Renewal information regarding other products insured with us will be provided in separate documents.

The Fully-Insured renewal includes the following:

- Rates
- Renewal Assumptions including Commissions
- Included Program & Services
- Plan Benefit Information

Summary of changes

- Your rates are changing by 6.0 percent.

Please notify your Account Executive with your acceptance of these terms by July 01, 2022. If we don't hear from you by this date, we'll assume the information in this renewal package is acceptable.

These terms remain in effect through September 30, 2023.

If there are no changes impacting this renewal as outlined in your Renewal Assumptions, the rates remain in effect through September 30, 2023. You can contact your Account Executive, Wayne Parker Jr

if you have any questions or need any additional information at 281-637-5024 or ParkerAW@aetna.com.

We're equally committed to helping your people get healthy and making health care easy for you. By aligning member health with your business ambitions we can build a personalized plan that promotes a healthy culture and boosts your bottom line.

Sincerely,



Eileen Reppy
Underwriting Director



Molly Donahue
Sr Analyst, Underwriter

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 that offer, underwrite or administer benefit coverage include: Aetna Health Inc., Aetna Health of California Inc., Aetna Dental Inc., Aetna Dental of California Inc., Aetna Health Insurance Company, Health Insurance Company of New York, Aetna Life Insurance Company (Aetna). In Maryland, by Aetna Health Inc., 151 Farmington Avenue, Hartford, CT 06156.

Each insurer has sole financial responsibility for its own products.

Health benefits and health insurance plans contain limitations and exclusions.

Policy form numbers include GR-9/GR-9N, GR-23, GR-29/GR-29N, GR-700-W, and/or GR-88435.

Cameron County

Dental Renewal Rates

Effective October 01, 2022

Policyholder Number: 0143726

Control Number: 0169664

- Please refer to the Financial Assumptions for terms and conditions of this renewal.
- Please refer to the Financial Assumptions regarding an explanation of the Health Insurer Fee PEPM.

<i>DPPO</i>				
Coverage Categories	Current/Assumed Employees	Current Rates	Renewal Rates	% Change
Emp Only	524	\$20.11	\$21.32	6.0%
Emp + One Dependent	203	\$37.54	\$39.79	6.0%
Emp + Family	290	\$56.77	\$60.18	6.0%
Monthly Total	1,017	\$34,621.56	\$36,698.21	6.0%
Monthly Totals	1,017	\$34,621.56	\$36,698.21	6.0%

"Aetna" is the brand name used for products and services provided by one or more of the Aetna group of subsidiary companies. PPO/PDN is underwritten by Aetna Life Insurance Company. DMO is underwritten by Aetna Life Insurance Company, except as follows: Arizona, Georgia: Aetna Health Inc. California: Aetna Dental of California Inc. Maryland, Missouri, North Carolina, Texas: Aetna Dental Inc. New Jersey: Aetna Dental Inc. and Aetna Life Insurance Company.

Cameron County

Rate Change Development

Effective October 01, 2022

Policyholder Number - 0143726

Control Number - 0169664

- The components of your renewal rate change are detailed below.
- The current Net Adjusted Incurred Claims Per Employee Per Month (PEPM) are trended forward to the Renewal Rate Period.
- Administration Expenses, state premium taxes, and commissions are then added resulting in the final required premium PEPM.
- Refer to the Dental Renewal Assumptions - Financial & Administrative page regarding an explanation of the Health Insurer Fee PEPM.

<u>PPO (excluding DMO)</u>	<u>PPO Dental</u>
1. Net Adjusted Incurred Claims PEPM May 1, 2021 - May 1, 2022	\$37.61
2. Annual Trend	4.5%
3. Months to Trend Experience	17.0
Experience Period: May 1, 2021 - May 1, 2022	Midpoint--> 11/1/2021
Renewal Rate Period: October 1, 2022 - October 1, 2023	Midpoint--> 4/1/2023
4. Trended Experience Incurred Claims PEPM	\$40.03
5. Experience Credibility	100.0%
6. Manual Claims PEPM	\$0.00
7. Manual Weight (100% minus #5 above)	0.0%
8. Blended NET Expected Claims PEPM	\$40.03
9. Margin for Claim Fluctuation (only applies if retrospective)	Not Applicable
10. Expenses (includes 10.00% commissions and 2.14% premium taxes)	\$13.87
11. Health Insurer Fee PEPM(0.00%)	\$0.00
12. RENEWAL Premium PEPM (#8 + #9 + #10 + #11)	\$53.90
Current Employees 1,017	
13. Current Premium PEPM	\$34.04
14. Calculated Rate Change (#12 / #13) - 1	58.3%
15. Needed Premium PEPM (#13 x (1 + #14))	\$53.90
16. Recommended Rate Change	6.0%
17. Recommended Premium PEPM ((1+#16) x #13)	\$36.08

Renewal Assumptions

Cameron County
October 01, 2022 through September 30, 2023

Aetna Life Insurance Company
Customer Number - 00143726, 00169664

The objective of the following financial assumptions is to ensure the accuracy and integrity pertaining to the Dental benefits included in this renewal. We reserve the right to evaluate the risk if material changes have occurred from the original quote in one or more of the following financial conditions.

Unforeseen events during the renewal process may cause the risk profile of our plans to change. These events may occur during or after the open enrollment period, or Renewal Policy Year. We reserve the right to change our rates at any time during the policy year, effective on the date the change occurred, subject to state and federal mandates.

If your policy terminates, you will be billed and responsible for any outstanding amounts from the prior policy periods.

If any of the changes outlined below occur, we may recalculate your premium rates:

Covered Lives and Demographics

- There is a 15 percent change in the total number of subscribers enrolled in each individual Aetna product or in aggregate, including the impact of new or terminating locations and/or groups.
- A change in the demographic and/or geographic mix of the eligible group from that assumed at the time the guarantee is established.

Participation & Contribution Strategy

Our standard assumption under a voluntary arrangement is that coverage is on an employee-pay-all basis. The minimum participation requirement for this contribution structure is 30 percent of total eligible lives. For Voluntary plans, where permitted by state law, late entrant rules will be applied at annual enrollment (i.e., no true "open enrollment") as well as throughout the year.

Plan Design

The renewal is based on the current plan design. Our standard provisions, contract wording and claim guidelines settlement practices will apply for items not specifically outlined. Our guidelines allow for a change in plan on the renewal date only, unless initiated by legislative actions. If a material change in the plan is initiated by and approved by us, an adjustment to the rates may apply.

Changes

We reserve the right to modify our products, services, rates and fees, in response to legislation, regulation or requests of government authorities resulting in changes to plan benefits and to recoup any material fees, costs, assessments, or taxes due to changes in the law even if no benefit or plan changes are mandated.

We also reserve the right to modify this proposal in the event of a material change in:

- The plan of benefits offered, including state mandates
- A change in claim payment requirements or procedures; or
- A change in federal or state premium taxes or assessments

Aetna Intellectual Property

Renewal Assumptions

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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, disassemble, 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.

Open Enrollment Opportunity

We expect equal access to potential and/or existing members when offered on an option basis for purposes of communication, enrollment, benefits fairs, etc. For new offerings and/or locations, our quote assumes an active open enrollment will occur.

Please provide us with open enrollment materials including employee contribution rates for all plan options, eligibility definitions for all plans (retiree, part-time designs for all sites where our insured product is offered). Our goal is to give you and your members accurate and reasonable offerings based on the most complete information we have available.

Inaccurate or Incomplete Information

We use the information you provide us to develop our rates. 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, your rates may change if there is a material deviation from the rate quotation assumptions or if you are 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 re-assess, and potentially revise, this quotation based upon analysis of that information.

Additional Financial Information

Listed below are brief descriptions of some of the important features of the dental plans quoted. Statements made in this package are based on facts, as they exist today. Our statements are not legal representations or warranties. This renewal is not a substitute for your Group Policy. Our obligation will be limited to the terms of the policy.

- **Renewal** – Our contract provides for automatic renewal upon the completion of each contract period unless either party terminates. This provision may be invoked in accordance with its terms at any time during the continuance of the contract (i.e., is not just limited to termination occurring on the renewal date). Under state insurance regulations, a group health insurance policy may be non-renewed for certain reasons. These may include us no longer offering coverage or a specific product in the market and the plan no longer meeting the contribution or participation requirements.
- **Premium Payments** – If you fail to make your required premium payments as outlined in the provisions of your contract, this will result in policy termination. The amount due is payable on the first day of the monthly coverage period covered by the invoice. If the amount due is not paid in full within 30 days, your contract and plan coverage may terminate. We have the right to assess late premium payment and costs of collection charges if the invoice is not paid in full within 30 days.
- **Dependent Eligibility** - Eligible dependents include an employee's spouse and children up to the limiting age of the plan. Individuals cannot be covered as an employee and dependent under the same plan, nor may both under the same plan cover children eligible for coverage through both parents. Dependents must enroll in same benefit option as the employee. Domestic partners may be covered as eligible

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dependents if the employer elects this designation at contract effective date or renewal date. Coverage is available to eligible dependents who are same sex or opposite sex partners. If the plan sponsor elects to cover domestic partners, the plan sponsor is responsible for determining whether the domestic partner is eligible.

- Plan eligibility - Our rates assume that permanent full-time employees work a minimum of 25 hours per week on a regularly scheduled basis and that eligible dependents include an employee's spouse and children up to the limiting age of the plan. Our rates assume that temporary employees are not eligible for coverage.
- Dental Rates - The proposed dental renewal rates are contingent upon both medical and dental lines of coverage renewing with Aetna.
- Alternate Office Processing (AOP) – We regularly use both internal and external claim adjudication services to meet service requirements of our business. These services may be located inside or outside of the United States. Our quality standards and controls apply to all claims regardless of where they are processed. Standard pricing assumptions are in effect based on type of product, auto-adjudication, plan design, and customer specific requirements. We may adjust rates based on the above factors and/or where you wish to limit use of Alternative Office Processing (AOP).
- Enrollment Assumptions - The quoted rates assume there will be one predetermined annual enrollment period when all eligible employees have a choice of enrolling in any of the available plans. During open enrollment our representatives will have the opportunity to provide plan information to your members. We have assumed that the plan of benefits will be extended to all groups included in our current eligibility files. Our renewal assumes that coverage will not be extended to any additional groups of employees without additional census and rate determination. A summary of assumed enrollment by plan option has been provided in the rate exhibit.
- Run-Off Claim Processing - Your rates include the expenses associated with the processing of run-off claims following cancellation.
- Disclosure Statement - We have various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your agent, broker, or consultant is eligible, payments (if any) which Aetna has made to your agent, broker, or consultant; or other material relationships your agent, broker, or consultant may have with us, you may contact your agent, broker, or consultant; or your account representative. Information regarding our programs for compensating agents, brokers, or consultants is also available at www.aetna.com.
- Additional Products and Services - Costs for special services rendered, which are not included or assumed in the pricing guarantee will be direct billed. For example, would be subject to additional charges for customized communication materials, as well as costs associated with custom reporting, programming, etc. The costs for these types of services would depend upon the actual services performed and would be determined at the time the service is requested.

Compensation

Yvonne Ortegon is currently shown as your "Agent of Record" or "Broker of Record," we currently pay them a commission in the amount of 10.0% of premium. Unless we hear otherwise from you by July 01, 2022, we will assume that you wish to maintain this arrangement for the upcoming term of the Agreement.

We honor "Agent of Record" or "Broker of Record" letters when an agent, broker, or consultant takes over an Aetna case from another agent, broker, or consultant. Please have an appropriate representative from your organization sign the letter using your organization's letterhead. The change will become effective on the first day of the month after your payment unit receives the "Agent of Record" or "Broker of Record" letter, unless another future date is designated in the letter.

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We have various programs for compensating agents, brokers and consultants. If you would like information regarding compensation programs for which your agent, broker, or consultant is eligible, payments (if any) which Aetna has made to your agent, broker, or consultant, or other material relationships your agent, broker, or consultant may have with Aetna, you may contact your agent, broker or consultant, or Wayne Parker Jr in our Aetna Field Office. Information regarding our programs for compensating agents, brokers and consultants is also available at www.aetna.com.

Conformity with Law

We believe this renewal conforms to all applicable local, state and federal laws.

Conclusion

Our offering assumes it will be accepted in its entirety. We also assume the current coverage, products and services you have will continue to be offered. Should there be a material change in these regards, we reserve the right to review and re-price this renewal. Prior to accepting the rates in this renewal, you shall notify us of any material deviation, current or expected, from these assumptions.

Programs & Services

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Your plan includes the following services and programs

General Administration

- Experienced Account Management
- Customer Team Services
- Communication Materials
- Aetna Claim Fiduciary
- External Review
- Eligibility

Claim and Member Services

- Claim Administration
- Member Services
- Aetna Voice Advantage®
- Enhanced Customer Servicing Framework

Network Information

- Network Management
- Dental PPO II
- ExtendSM Network
- Provider Relations
- Dental Out of Network Savings

Aetna Discount Program*

- at home products
- fitness
- hearing
- natural products and services
- oral health care
- vision
- weight management

Web tools

- Member website and mobile experience
- Claim Research/Forms/Contact Us
(English and Spanish Version)

*The Aetna Discount Programs are part of your health benefits and insurance plan. Please log into Aetna member website to see a list of the discounts that are available to use.

Programs and services may not be available in all service areas or under all benefit plans.

Cameron County

Middle Market Bundle up Discount Program

Effective Date: October 1, 2022

Aetna's ability to integrate products and services to provide innovative customer solutions continues to be key element of our value proposition and a competitive differentiator for us in the marketplace.

In support of our overall integration story, reflecting internal and external feedback on the existing integrated pricing program, and to our strong commitment to continue to increase Bundle up Discount, we are updating our Bundle up Discount pricing programs as outlined below.

Dental participation must be over 40% for Bundle up Discount to be applied to rates.

The pricing below reflects our belief that, because of our integration capabilities, customers with multiple product lines have better retention rates, have higher close ratios, and also realize clinical (Dental/Medical Integration (DMI) and Integrated Health & Disability (IHD)) and administrative savings.

Contact Information

Quoted Annual Premium **\$440,378.48**

Existing Bundle up Discount - due to Medical Coverage

Current Premium PEPM with Existing Bundle up Discount	\$34.04
Existing Bundle up Discount	-2.00%
Current Premium PEPM without Existing Bundle up Discount	\$34.73