

MARIA LONGO  
CONTROLLER



BENJAMIN ZORICH  
CHIEF DEPUTY CONTROLLER

DAVID NEELY  
SOLICITOR

BEAVER COUNTY COURTHOUSE  
THIRD STREET - BEAVER, PENNSYLVANIA 15009-2196  
TELEPHONE: 724-728-5700

1/31/2022

Dear Commissioners,

I am providing this letter to again outline a potential cost savings for the county. These are the updated numbers for what we are spending on Stop Loss Insurance and the potential savings if we self-funded.

It is detailed in the table below.

| Year | Yearly cost for Stop Loss (A) | Reimbursements from Stop Loss (B) | # of members with claims over threshold* | # of members with claims \$75k -threshold | Loss (Income) from Stop Loss (A-B) |
|------|-------------------------------|-----------------------------------|--|---|------------------------------------|
| 2021 | \$845,697                     | \$216,000                         | 4  | 12  | \$629,627                          |
| 2020 | \$677,943                     | \$684,646                         | 7  | 19  | (\$6,703)                          |
| 2019 | \$504,428                     | \$682,861                         | 7  | 11  | (\$178,433)                        |
| 2018 | \$471,368                     | \$220,908                         | 3  | 8   | \$250,460                          |
| 2017 | \$456,121                     | \$54,371                          | 3  | 3   | \$401,750                          |
| 2016 | \$407,475                     | \$229,941                         | 4  | 9   | \$177,534                          |
| 2015 | \$373,758                     | \$188,504                         | 4  | 12  | \$185,254                          |
| 2014 | \$328,218                     | \$308,191                         | 4  | 11  | \$20,027                           |

## numbers not provided by Caputo

\* Threshold was \$150k for 2020 and prior, \$175k for 2021

As you can see from the table, the yearly cost of carrying Stop Loss Insurance has exceeded our yearly claims (refunds) except in 2019 & 2020. This means, the county would save money by not carrying the Stop Loss Insurance. Over the 8 year period detailed in the table, the county would have saved over \$1.5 million dollars if we did not purchase the insurance and just self-funded everything. In looking at this data, I see minimal risk to discontinuing our Stop Loss Insurance and recommend we discontinue to save the county a significant amount each year. Since Stop Loss is purchased annually, we can monitor the high claims and purchase the insurance if we see a trend upward. We have not yet. Also, if we keep our current threshold, the insurance will go up 15% for 2022.

Sincerely,

Maria Longo  
Beaver County Controller

Cc: Human Resources  
Solicitor  
Corey Troutman