**DEPARTMENT OF EMPLOYEE SERVICES**

MEMORANDUM

TO: Greg Pease, Chairperson
Professional Services Evaluation Committee

FROM: Bob Parr, Chief, Compensation and Benefits Division
Mary DiPerna, Manger, Compensation and Benefits Division

SUBJECT: P37-13 SS#3 – TRICARE Supplement

DATE: August 3, 2016

---

This is to recommend that the City approve the third amendment to the contract with Selman Corporation for the TRICARE Supplement plan. The contract shall be for a one-year period effective January 1, 2017 through December 31, 2017 with the option to renew for one (1) additional one year period.

The TRICARE Supplement plan will be offered to employees that currently have TRICARE and want to opt out of the City's health insurance. The City will not subsidize or incentivize this plan and it will be paid for solely by the employees that choose to voluntarily enroll in this plan. For your reference, I have attached a copy of the proposal from ASI which outlines the details of the product as well as the cost of those services.

Attachments:

TRICARE proposal

Office of Employee Benefits 117 W Duval St., Suite 150 | Jacksonville, FL 32202
| Phone: 904 630 1314 | Fax: 904 630 1294 | www.coj.net

**SelmanCo**

Insurance Administrative Services
from an Extraordinary Partner

July 25, 2016

Mary Diperna
City of Jacksonville
117 W. Duval Street, Suite 480
Jacksonville, FL 32202

Subject: **TRICARE Supplement Plan Renewal for the 2017 Benefit Year**

Dear Mary:

This is in response to your request for the 2017 renewal of the TRICARE Supplement Plan for City of Jacksonville (Client ID 0001644).

**Rate Submission** – Due to the nature and type of plan, Selman & Company does not perform underwriting methodology of the TRICARE Supplement. Information for all groups participating in the plan are aggregated in one corporate rated pool. Therefore, Selman does not look at claims experience separately or at the nature or size of the client.

The GEA TRICARE Supplement Plan benefits and monthly rates will remain unchanged for the 2017 Plan Year. The rates are guaranteed for the time period of January 1, 2017 to December 31, 2017.

| **Tier Level** | **Employees By Tier** | **Current Premium Rates** | **2017 Premium Rates** |
|---|---|---|---|
| Employee Only | 3 | $67.50 | $67.50 |
| Employee plus Spouse | 4 | $132.50 | $132.50 |
| Employee plus Child(ren) | 2 | $132.50 | $132.50 |
| Employee plus Family | 4 | $178.50 | $178.50 |

**State of Washington residents**

Effective March 1, 2016 the Washington Department of Insurance mandated rate and benefit changes to the TRICARE Supplement Plan for residents of Washington state. The following rates should be used for state of Washington residents only.

| Tier Level | Employees By Tier | Current Premium Rates | 2016/2017 Premium Rates |
|---|---|---|---|
| Employee Only | 0 | $67.50 | $44.17 |
| Employee plus Spouse | 0 | $132.50 | $86.17 |
| Employee plus Child(ren) | 0 | $132.50 | $86.17 |
| Employee plus Family | 0 | $178.50 | $116.50 |

The supplement plan will continue to provide the following benefits for TRICARE covered services:

When TRICARE Standard/Extra is used:

- 50% of the TRICARE Standard Outpatient Deductible of $150 per person (maximum $300 per family)
- 100% of the TRICARE Standard Outpatient Deductible of $150 per person (maximum $300 per family) if employee is a resident of the state of Washington.
- 100% of the TRICARE Standard/Extra cost share
- 100% of Excess Charges up to TRICARE's Legal Limits (non-participating providers)

When TRICARE Prime/Point of Service (POS) is used:

- 100% of the TRICARE Prime copayments
- 25% of the POS deductible of $300 per person (maximum $600 per family)
- 100% of the POS cost share
- 100% of Excess Charges up to the TRICARE's Legal Limits (non-participating providers)

When TRICARE Reserve Select (TRS) is used:

- 100% of the TRICARE Reserve Select Outpatient Deductible of $150 per person (maximum $300 per family) if Rank E4 or lower.
- 50% of the TRICARE Reserve Select Outpatient Deductible of $150 per person (maximum $300 per family) if Rank E5 or higher.
- 100% of the TRICARE Reserve Select cost share
- 100% of Excess Charges up to TRICARE's Legal Limits (non-participating providers)

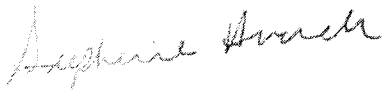
Covered expenses are subject to supplement plan deductible of $100 per individual (maximum $200 per family) plus exclusions and limitations still apply.

**Mandatory Benefit and/or Contract Changes** – TRICARE and the TRICARE Supplement Plan is an excepted benefit. Therefore, ACA is not applicable. There are no mandatory benefits or contract changes to the supplement plan for the 2017 year.

I would like to express my sincere appreciation for City of Jacksonville's business and for your continued participation in the TRICARE Supplement Plan. We look forward to working with you and City of Jacksonville in continuing our relationship for another benefit year.

If you have questions, please do not hesitate to contact me at 800-638-2610, extension 262 or via email at shrouda@selmanco.com.

Sincerely,



Stephanie Hrouda
Client Manager