



MEMO

DATE: October 11, 2011

TO: Vickie Robinson, City of Las Vegas
Dan Rigato, City of Las Vegas

FROM: Tanna Prince

SUBJECT: 2012 HMO and PPO Rate Renewals

Sierra Health and Life PPO Plan

The current PPO plan design is no longer offered by SHL. Therefore, we recommend that the City adopt the next available plan option, which includes higher annual deductibles (\$500/\$1,000 vs. \$250/\$500), higher out-of-pocket maximums and higher prescription drug copayments. Rates for this option are 12% lower than those for the current PPO plan.

HPN HMO

The renewal calls for a 7% increase, which is well within current trend factors. Because rates for the HMO are significantly lower than rates for the CDH and PPO options, we do not recommend decreasing benefit levels in this plan.

Please let me know if you have any questions.