

HUB

Risk & Insurance | Employee Benefits | Retirement & Private Wealth



Health Fund 2023 / 2024

Senior Account Executive— Monica Blakeley
Benefits Analyst – Carson Brooks

Today's Presenter



Monica Blakeley, VP Employee Benefits *HUB International*

- ▶ 30+ years of Experience, Broker/Consulting & Carrier
- ▶ Public Sector Lead Consultant working with the City on Strategy and overseeing the Employee Benefits program and HUB Team
- ▶ Expertise in Contact Negotiations, Carrier Relationship Management,
- ▶ Client Financial Cost Management, Compliance, and Project Management

Maintaining a competitive plan that meets the needs of employees and reduces cost where possible for a fiscally responsible plan.

2023 Plan Experience

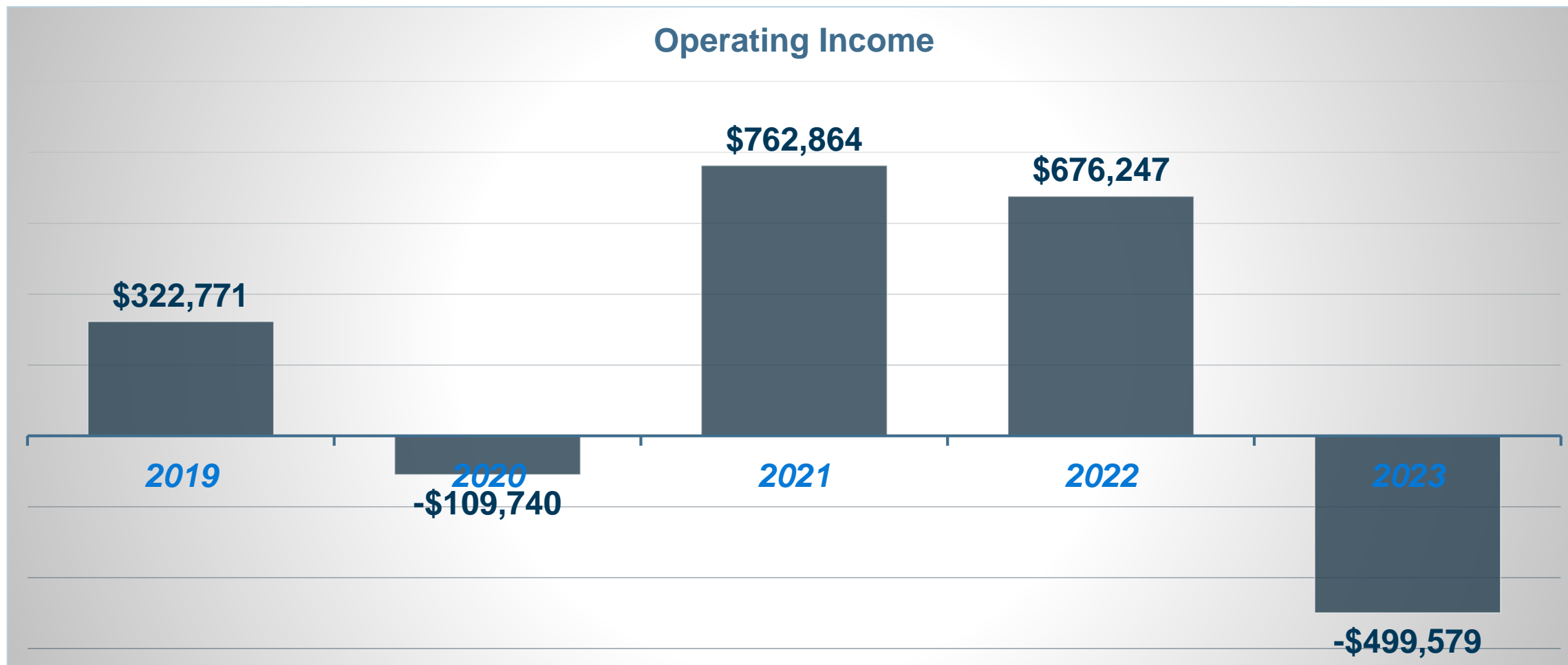


- Claims (medical/pharmacy) increased by **33.4%** from previous year.
- Stop loss ratio increased by **66%** from previous year.
- The city had a loss of **\$499,579**.

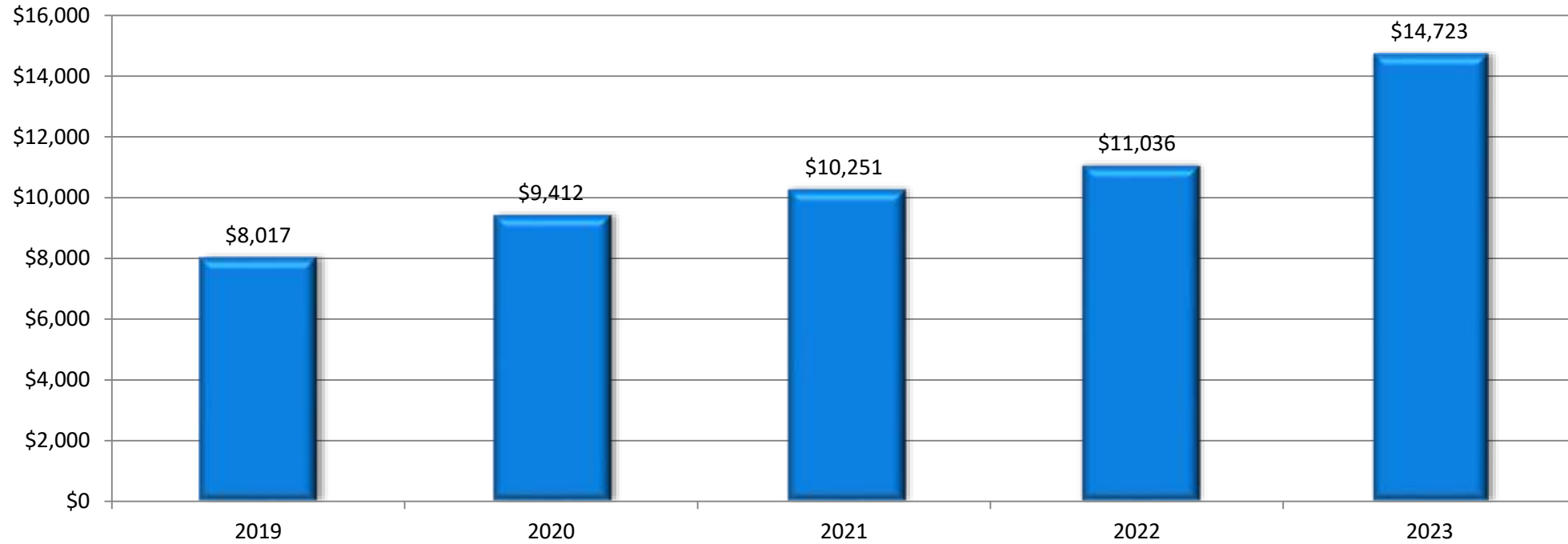
Health Fund Experience



Operating Income

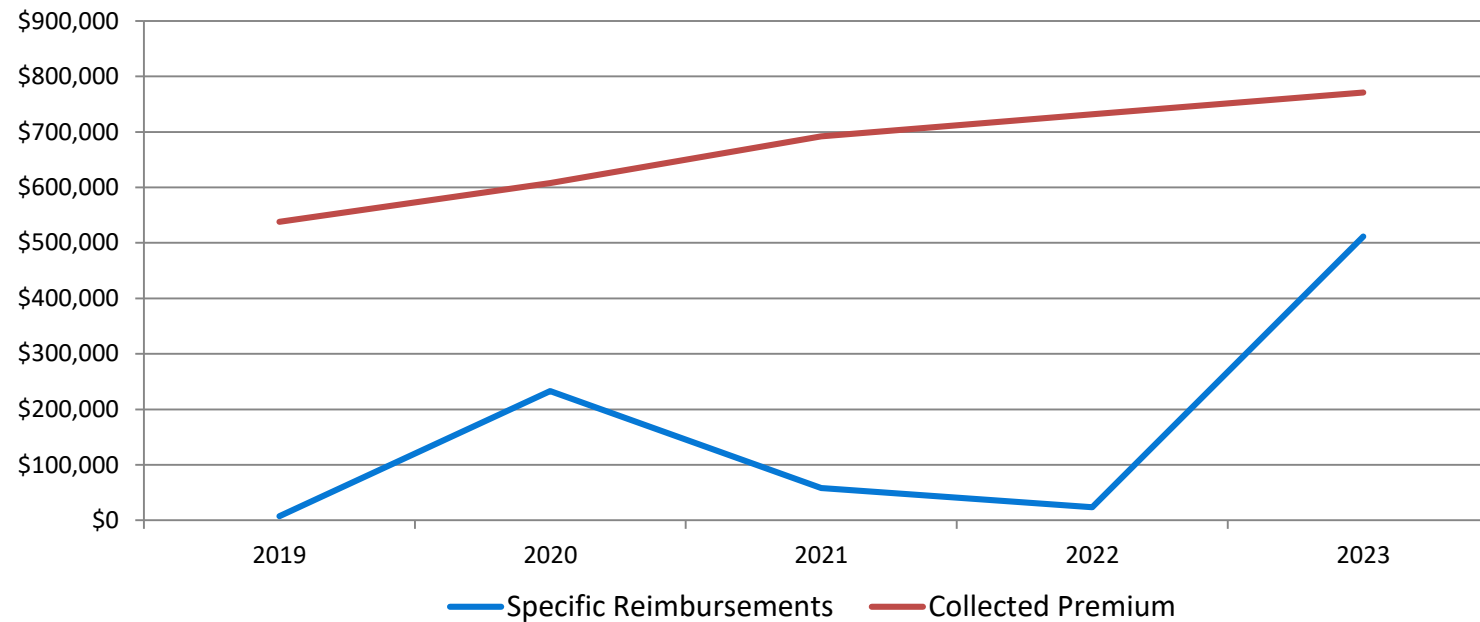


Total Gross Paid Claims – Per Capita



	Total	% Δ from Previous
2019	\$8,017	n/a
2020	\$9,412	17.4%
2021	\$10,251	8.9%
2022	\$11,036	7.7%
2023	\$14,723	33.4%

Specific Stop Loss Analysis



Plan Year	Specific Reimbursements	Collected Premium	Loss Ratio	# of claimants
2019	\$7,405	\$537,917	1%	1
2020	\$233,150	\$607,637	38%	3
2021	\$58,036	\$691,977	8%	2
2022	\$23,770	\$731,711	3%	2
2023	\$511,730	\$770,910	66%	6

The HUB logo is displayed in a bold, white, sans-serif font. The background of the slide features a dark blue gradient with two large, overlapping circles: a medium blue circle on the left and a dark navy blue circle on the right.

HUB

Risk & Insurance | Employee Benefits | Retirement & Private Wealth

How does past performance impact projection?

Budget Projection: 2024 - 2025



Partial Self Funded Budget Projection	Actual 2022-2023	Updated 2023 - 2024 Projection	Projected 2024-2025 (4.24.24)
Net Medical and Rx Claims	\$4,632,095	\$5,085,702	\$5,495,516
Medical / Rx Administration Fees	\$20,297	\$21,590	\$20,290
Stop Loss Fees	\$761,244	\$849,000	\$1,002,048
Health Care Reform Fees (PCORI)	\$1,719	\$1,839	\$1,972
Minus Estimated Rx Rebates	-\$222,607	-\$220,000	-\$237,013
Total Health Care Expenses	\$5,192,748	\$5,738,132	\$6,282,812
HSA Funding (Max)	\$420,000	\$465,000	\$465,000
HRA Funding	\$5,000	\$5,000	\$5,000
Wellness Plan / Communication Funding	\$30,000	\$50,000	\$50,000
HUB Consultant Cost + GASB	\$49,400	\$49,400	\$49,400
EAP Cost	\$12,842	\$13,500	\$13,905
Spending Account Fees	\$7,300	\$10,250	\$10,250
Cobra Fees	\$2,000	\$2,250	\$2,250
Total Other Miscellaneous Expenses	\$526,542	\$595,400	\$595,805
Total Plan Cost	\$5,719,290	\$6,333,532	\$6,878,617
\$ Change from Prior Year	-	\$614,242	\$545,085
% Change from Prior Year	-	10.7%	8.6%
Change from Year	n/a	Actual 2022 - 2023	Projected 2023-2024
Employee / Retiree Count	354	377	377

Dental Projections: 2024 - 2025



Dental Budget Projection	Actual 2022-2023	Updated 2023 - 2024 Projection	Projected 2025	2024- (4.24.24)
Dental Claims	\$253,365	\$270,351		\$281,165
Dental Administration Fees	\$19,953	\$20,064		\$20,465
Total Dental Plan Cost	\$273,318	\$290,415	\$301,631	
\$ Change from Prior Year	n/a	\$17,097		\$11,215
%Change from Year	n/a	6.3%		3.9%
Change from Year	n/a	Actual 2022-2023	Projected	2023- 2024
Enrollment / Retiree Count	400	415		415

Budget Assumptions

- Projected 2023 – 2024
 - Projected Claims – Last 24 months projected claims through plan year end (including trend)
 - 7.3% medical trend
 - 9.8% pharmacy trend
- ASO 3% trend annually
- Stop Loss Fees
 - 18% Trend Increase annually
- Projected 2024 – 2025
 - 8% Trend Increase (Blended Medical and Pharmacy)
- Projected 2025 – 2026
 - 8% Trend Increase (Blended Medical and Pharmacy)
- Healthcare Reform – PCORI Fees
 - 7% Trend Increase annually
- Projected Dental Claims
 - Projected Claims – Last 24 months projected claims through plan year end (including trend)
 - 4% dental trend

Plan Spend – 2023 Plan Year



Month	ENROLLMENT ¹			CLAIMS DATA					FIXED COST			EMPLOYER NET COST EE		BUDGET DATA		
	HDHP	PPO	Total	HDHP	PPO	Stop Loss	Rx Rebates	Total	Admin	Stop Loss	Total	Contribs ²	Net Cost	Total Cost	Total Premium	Surplus
2023-01	267	86	353	\$250,365	\$109,107	\$0	(\$51,921)	\$307,551	\$1,610	\$63,183	\$64,793	(\$51,657)	\$320,687	\$372,344	\$443,913	\$71,569
2023-02	267	86	353	\$132,643	\$96,187	\$0	\$0	\$228,830	\$1,610	\$63,183	\$64,793	(\$51,852)	\$241,771	\$293,623	\$443,665	\$150,042
2023-03	267	86	353	\$161,797	\$146,791	\$0	\$0	\$308,589	\$1,610	\$63,183	\$64,793	(\$51,852)	\$321,530	\$373,382	\$443,665	\$70,283
2023-04	268	89	357	\$295,827	\$138,451	\$0	(\$50,791)	\$383,487	\$1,628	\$63,899	\$65,527	(\$53,133)	\$395,882	\$449,014	\$451,507	\$2,493
2023-05	268	91	359	\$266,255	\$122,757	\$0	\$0	\$389,012	\$1,637	\$64,257	\$65,894	(\$53,804)	\$401,102	\$454,906	\$453,960	(\$947)
2023-06	270	92	362	\$450,205	\$229,988	(\$8,567)	\$0	\$671,626	\$1,651	\$64,794	\$66,445	(\$54,301)	\$683,770	\$738,071	\$456,652	(\$281,419)
2023-07	271	92	363	\$248,225	\$117,992	(\$2,661)	(\$59,435)	\$304,121	\$1,655	\$64,973	\$66,629	(\$54,992)	\$315,757	\$370,750	\$460,365	\$89,615
2023-08	271	93	364	\$428,341	\$134,806	(\$2,997)	\$0	\$560,150	\$1,660	\$65,152	\$66,812	(\$55,367)	\$571,595	\$626,962	\$461,760	(\$165,202)
2023-09	271	92	363	\$267,873	\$117,290	(\$27,369)	\$0	\$357,793	\$1,655	\$64,973	\$66,629	(\$55,432)	\$368,990	\$424,422	\$461,777	\$37,355
2023-10	270	89	359	\$509,522	\$124,730	(\$8,749)	(\$61,845)	\$563,658	\$1,637	\$64,257	\$65,894	(\$55,404)	\$574,149	\$629,552	\$458,426	(\$171,126)
2023-11	270	91	361	\$263,038	\$134,448	(\$29,092)	\$0	\$368,394	\$1,646	\$64,615	\$66,262	(\$56,289)	\$378,367	\$434,655	\$461,840	\$27,184
2023-12	267	93	360	\$380,198	\$157,534	(\$36,942)	\$0	\$500,790	\$1,642	\$64,436	\$66,078	(\$57,304)	\$509,564	\$566,868	\$464,990	(\$101,878)
Total	3,227	1,080	4,307	\$3,654,289	\$1,630,081	(\$116,378)	(\$223,992)	\$4,944,000	\$19,640	\$770,910	\$790,550	(\$651,385)	\$5,083,165	\$5,734,550	\$5,462,521	(\$272,029)
Avg/PEPM	269	90	359	\$1,132.41	\$1,509.33	(\$27.02)	(\$52.01)	\$1,147.90	\$4.56	\$178.99	\$183.55	(\$151.24)	\$1,180.21	\$1,331.45	\$1,268.29	(\$63.16)

Plan Spend – 2023 / 2024 Fiscal Year



Month	ENROLLMENT ¹			CLAIMS DATA					FIXED COST			EMPLOYER NET COST		BUDGET DATA		
	HDHP	PPO	Total	HDHP	PPO	Stop Loss	Rx Rebates	Total	Admin	Stop Loss	Total	EE Contribs ²	Net Cost	Total Cost	Total Premium	Surplus
2023-10	270	89	359	\$509,522	\$124,730	(\$37,564)	(\$61,845)	\$534,843	\$1,637	\$64,257	\$65,894	(\$55,404)	\$545,333	\$600,737	\$458,426	(\$142,311)
2023-11	270	91	361	\$263,038	\$134,448	(\$34,620)	\$0	\$362,866	\$1,646	\$64,615	\$66,262	(\$56,289)	\$372,839	\$429,127	\$461,840	\$32,712
2023-12	267	93	360	\$380,198	\$157,534	(\$90,520)	\$0	\$447,212	\$1,642	\$64,436	\$66,078	(\$57,304)	\$455,986	\$513,290	\$464,990	(\$48,300)
2024-01	283	94	377	\$229,670	\$102,887	\$0	(\$53,655)	\$278,902	\$1,719	\$73,210	\$74,929	(\$51,033)	\$302,798	\$353,831	\$477,531	\$123,700
2024-02	280	92	372	\$136,145	\$91,777	\$0	\$0	\$227,922	\$1,696	\$72,239	\$73,935	(\$51,382)	\$250,475	\$301,857	\$477,357	\$175,500
2024-03	282	94	376	\$167,185	\$112,873	\$0	\$0	\$280,058	\$1,715	\$73,015	\$74,730	(\$52,009)	\$302,779	\$354,788	\$484,627	\$129,839
2024-04																
2024-05																
2024-06																
2024-07																
2024-08																
2024-09																
Total	1,652	553	2,205	\$1,685,758	\$724,249	(\$162,704)	(\$115,501)	\$2,131,803	\$10,055	\$411,773	\$421,828	(\$323,421)	\$2,230,210	\$2,553,631	\$2,824,771	\$271,140
Avg/PEPM	275	92	368	\$1,020.43	\$1,309.67	(\$73.79)	(\$52.38)	\$966.80	\$4.56	\$186.75	\$191.31	(\$146.68)	\$1,011.43	\$1,158.11	\$1,281.08	\$122.97

Medical Contributions – Active Employees



Enrollment	
HSA Plan	Full Time Employees
Employee Only	270
+ Spouse	28
+ Child(ren)	45
+ Family	88
Premium Contributions	270
HSA Contributions	270
Total Contributions	270

Unit Costs - Monthly			
Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
\$657.29	\$657.29	100.0%	\$0.00
\$788.76	\$678.02	86.0%	\$110.74
\$460.12	\$419.78	91.2%	\$40.34
\$1,380.34	\$1,186.60	86.0%	\$193.74
\$4,100,747	\$3,837,165	93.6%	\$263,582
\$431,000	\$431,000	100.0%	
\$4,531,747	\$4,268,165	94.2%	\$263,582

Total Costs - Monthly
Total Employee Contribution (\$)
\$0.00
\$110.74
\$40.34
\$193.74

Copay Plan	Full Time Employees
Employee Only	97
+ Spouse	8
+ Child(ren)	21
+ Family	13
Premium Contributions	97

Medical Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)
\$902.83	\$859.27	95.2%	\$43.56
\$1,083.39	\$713.84	65.9%	\$369.55
\$631.99	\$416.41	65.9%	\$215.58
\$1,895.95	\$1,249.23	65.9%	\$646.72
\$1,609,929	\$1,368,534	85.0%	\$241,395

Total Employee Contribution (\$)
\$43.56
\$413.11
\$259.14
\$690.28

All Plans	367
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\$6,141,676	\$5,636,699	91.8%	\$504,977
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Retiree – Total Funding Rates



		Unit Costs - Monthly
HSA Plan	Current Retirees	Medical Rate
Employee Only	10	\$788.75
+ Spouse	0	\$946.51
+ Child(ren)	0	\$552.14
+ Family	1	\$1,656.41
Premium Contributions	10	\$114,527

Copay Plan	Current Retirees	Medical Rate
Employee Only	1	\$1,083.40
+ Spouse	0	\$1,300.06
+ Child(ren)	0	\$1,841.78
+ Family	0	\$2,275.14
Premium Contributions	1	\$13,001

Retiree Total Contributions	11	\$127,528
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Dental Contributions



Enrollment		Unit Costs - Monthly				Total Costs - Monthly
DPPO Base	Subscribers	Dental Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)
Employee	335	\$35.89	\$35.89	100.0%	\$0.00	\$0.00
+ Family	157	\$62.84	\$3.22	5.1%	\$59.62	\$59.62
Total Contributions	335	\$262,662	\$150,339	57.2%	\$112,323	

DPPO Buy Up	Subscribers	Dental Rate	City Contribution (\$)	City Contribution (%)	Employee Contribution (\$)	Total Employee Contribution (\$)
Employee	80	\$38.92	\$35.88	92.2%	\$3.04	\$3.04
+ Family	48	\$68.18	\$3.22	4.7%	\$64.96	\$68.00
Total Contributions	80	\$76,635	\$36,300	47.4%	\$40,336	

Total Contributions	415	\$339,298	\$186,639	55.0%	\$152,659	
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Risk & Insurance | Employee Benefits | Retirement & Private Wealth

How are we addressing?

Necessary steps for a fiscally “healthy” plan

- Review in detail health plan revenue and expenditures
- Conduct request for proposals (RFP) for major coverages
- Market Stop Loss
- Evaluate fully-insured plans vs. staying self-insured
- Evaluate plan designs and contribution levels
- Focus on claim analysis to better understand preventative programs or disease management programs (ex: diabetes)

Preliminary Renewal Timeline

➤ **February / March**

- *Benefit Strategy Meeting – February 29th*
- *Complete Action Items from Strategy Meeting*
- *Monthly Reporting*

➤ **April**

- *Complete Action Items from Benefit Strategy Meeting*
- *Monthly Reporting*

➤ **May**

- *Claims Update*
- *Budget Projection*
- *Draft RFP Supplied*
- *Plan Design Options (Price out)*
- *Finalize Timeline*
- *Monthly Reporting*

➤ **June**

- *Utilization Review with UHC – Date TBD*
- *Release RFP (late June)*
- *Monthly Reporting*

➤ **July**

- *Pre-Open Enrollment Strategy Meeting*
- *RFP Due (Date TBD)*
- *Monthly Reporting*

➤ **August**

- *RFP Presentation & Recommendations*
- *Begin Vendor Implementations*
- *Update Bentek*
- *Continue Open Enrollment Preparations*
- *Monthly Reporting*

➤ **September**

- *Preliminary Stop Loss Renewal Due*
- *Continue Vendor Implementations*
- *Continue Open Enrollment Preparations*
- *Council Approval (if moving Fully Insured)*
- *Monthly Reporting*

➤ **October**

- *Finalize Stop Loss Renewal*
- *Conduct Open Enrollment (Oct. 28th Start)*
- *Complete Applications*
- *Monthly Reporting*

Preliminary Renewal Timeline

- **November**
 - *Finalize Vendor Implementations*
 - *Finalize Open Enrollment (Nov. 8th)*
 - *Council Approval (if City stay Partial Self Funded / Stop Loss)*
 - *Monthly Reporting*

- **December**
 - *Conduct Post Open Enrollment Meetings*
 - *Release ID Cards*
 - *Monthly Reporting*

- **January**
 - *New Plan Year Begins*
 - *Monthly Reporting*

Thank you.