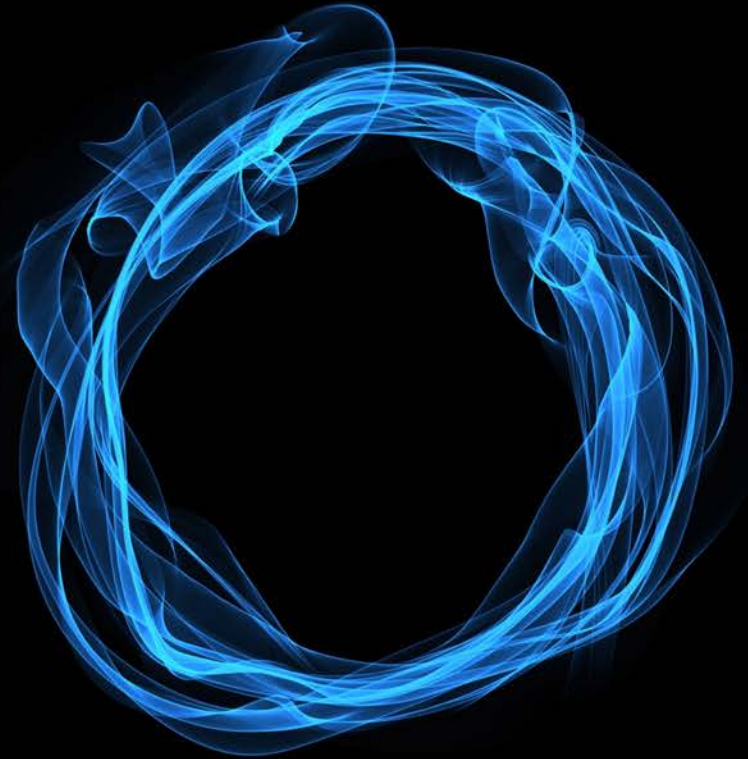


2021 Renewal Planning

Westport BOE
January 11, 2021



Westport BOE Claim Experience

Medical Claims

<u>Month</u>	<u>Employees</u>	<u>Members</u>	<u>Premium</u>	<u>Total Claims</u>	<u>Claims PEPM</u>
Jul-19	786	2087	\$1,463,103	\$1,662,355	\$2,114.96
Aug-19	798	2,120	\$1,478,443	\$1,428,797	\$1,790.47
Sep-19	800	2,112	\$1,461,022	\$1,327,471	\$1,659.34
Oct-19	801	2,112	\$1,508,364	\$1,467,144	\$1,831.64
Nov-19	801	2,116	\$1,473,737	\$1,856,686	\$2,317.96
Dec-19	795	2,110	\$1,490,548	\$1,285,884	\$1,617.46
Jan-20	799	2,095	\$1,466,508	\$1,604,669	\$2,008.35
Feb-20	797	2,088	\$1,480,507	\$1,544,801	\$1,938.27
Mar-20	794	2,080	\$1,462,824	\$1,511,166	\$1,903.23
Apr-20	795	2,082	\$1,466,484	\$1,159,824	\$1,458.90
May-20	794	2,084	\$1,470,008	\$669,959	\$843.78
Jun-20	795	2,090	\$1,472,756	\$943,431	\$1,186.71
Jul-20	792	2,097	\$1,475,724	\$1,277,586	\$1,613.11
Aug-20	790	2,093	\$1,462,432	\$1,363,930	\$1,726.49
Sep-20	789	2,103	\$1,474,145	\$1,677,918	\$2,126.64

October 2018 - September 2019	786	2,065	\$16,479,073	\$15,904,782	\$1,686.26	97%
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October 2019 - September 2020	795	2,096	\$17,704,037	\$16,362,998	\$1,714.84	92%
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Claims Over \$250k ISL				\$472,408	\$1,998.40	90%
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Westport BOE Claim Experience

High Cost Claimants

October 2019 - September 2020

<u>Claimant #</u>	<u>ICD 10 Code</u>	<u>Total Paid Claims</u>
1	Other forms of heart disease	\$366,436
2	Radiation related disorders of the skin and subcutaneous tissue	\$347,020
3	Malignant neoplasms	\$342,956
4	Certain disorders involve the immune mechanism	\$338,483
5	Demyelinating diseases of the central nervous system	\$294,331
6	Ischaemic heart diseases	\$283,182
7	Malignant neoplasms	\$226,946
8	Other congenital malformations	\$208,479
9	Restricted diagnosis	\$174,485
10	Demyelinating diseases of the central nervous system	\$167,494
11	Other forms of heart disease	\$159,569
12	Diseases of oesophagus, stomach and duodenum	\$154,511

Westport BOE Claim Experience

Dental Claims

Current Rolling-12 Month Experience

					Plan Expenses	Plan Cost Totals	
Month	Employees	Dental	Total Gross Claims	Gross Claims PEPM	Admin Fees	Total Plan Cost	Plan Cost PEPM
November 2019	983	\$101,583	\$101,583	\$103	\$4,846	\$106,429	\$108
December 2019	977	\$122,893	\$122,893	\$126	\$4,817	\$127,709	\$131
January 2020	975	\$109,011	\$109,011	\$112	\$4,807	\$113,818	\$117
February 2020	973	\$103,866	\$103,866	\$107	\$4,797	\$108,663	\$112
March 2020	971	\$96,613	\$96,613	\$99	\$4,787	\$101,400	\$104
April 2020	972	\$16,401	\$16,401	\$17	\$4,792	\$21,193	\$22
May 2020	970	\$16,351	\$16,351	\$17	\$4,782	\$21,133	\$22
June 2020	962	\$82,881	\$82,881	\$86	\$4,743	\$87,623	\$91
July 2020	964	\$85,469	\$85,469	\$89	\$4,859	\$90,328	\$94
August 2020	962	\$92,601	\$92,601	\$96	\$4,848	\$97,449	\$101
September 2020	967	\$75,836	\$75,836	\$78	\$4,874	\$80,710	\$83
October 2020	976	\$62,065	\$62,065	\$64	\$4,919	\$66,984	\$69
Total	11,652	\$965,569	\$965,569	\$83	\$57,870	\$1,023,439	\$88

FY 2022 State Plan Rate Estimate

Partnership Plan

<u>Anthem Medical Plan</u>	<u>Enrollment</u>	<u>FY2020</u>	<u>Enrollment</u>	<u>FY2021</u>	<u>ESTIMATED</u> <u>FY2022*</u>
Employee Only	229	\$914.97	226	\$997.52	\$1,092.28
Employee + 1	141	1,965.90	146	2,139.07	\$2,342.28
Family	386	2,403.78	389	2,614.73	\$2,863.13
Gross Active Cost	756	█ \$16,974,949	761	\$18,658,485	\$20,431,041
<u>Pre-65 Retirees</u>					
Employee Only	15	\$1,165.46	19	\$1,240.96	\$1,358.85
Employee + 1	10	2,507.45	8	2,664.30	\$2,917.41
Family	0	3,066.61	1	3,257.35	\$3,566.80
Gross Pre-65 Cost	25	\$510,677	█ 28	\$577,800	\$632,691
<u>Post-65 Retirees</u>					
Employee Only	9	\$2,083.85	0	2,213.75	\$2,424.06
Employee + 1	0	4,529.06	0	4,805.76	\$5,262.31
Family	0	5,547.94	0	5,885.80	\$6,444.95
Gross Post-65 Retiree Cost	9	\$225,056		\$0	\$0
Annual Gross Cost	790	\$17,710,682		\$19,236,284	\$21,063,731

*Rates reflect 6% rate adjustment plus additional Fairfield count adjustment of 3.5%

Rates reflect cost without HEP

State Plan vs. Self-Funded

Self-funded HDHP Offering

	<u>2021 FY Projection</u>	<u>2022 FY Projection</u>
Medical Claims	\$13,976,893	\$14,323,554
Rx Claims	3,040,338	3,115,745
Administrative Fees	409,698	409,698
Network Access Fees	160,108	168,113
Stop Loss Premium	1,253,984	1,311,111
ACA Fees	5,278	5,342
HSA Contribution	1,318,000	1,296,000
Pharmacy Adjustments	-423,360	-444,528
Total Expected Medical Cost	\$19,740,939	\$20,185,035

Partnership Plan

<u>Anthem Medical Plan</u>	<u>Enrollment</u>	<u>FY2021</u>	<u>ESTIMATED FY2022*</u>
Employee Only	226	\$997.52	\$1,092.28
Employee + 1	146	2,139.07	\$2,342.28
Family	389	2,614.73	\$2,863.13
Gross Active Cost	761	\$18,658,485	\$20,431,041
<u>Pre-65 Retirees</u>			
Employee Only	19	\$1,240.96	\$1,358.85
Employee + 1	8	2,664.30	\$2,917.41
Family	1	3,257.35	\$3,566.80
Gross Pre-65 Cost	28	\$577,800	\$632,691
Annual Gross Cost		\$19,236,284	\$21,063,731
Estimated Savings		\$504,654	-\$878,697

*Rates reflect 6% rate adjustment plus additional Fairfield count adjustment of 3.5%
Rates reflect cost without HEP

State Plan vs. Fully Insured

	<u>FY 2020</u> State Plan	<u>FY 2021</u> Estimated State Plan	<u>FY 2022</u> Estimated State Plan	<u>FY 2021</u> Cigna FI Quote*	<u>FY 2022</u> Cigna FI Quote*
Annual Gross Premium	\$17,710,682	\$18,861,876	\$20,087,898	\$15,900,419	\$17,172,452
HSA Seeding	-	-	-	\$1,283,000	\$1,283,000
Total Annual Gross Cost	\$17,710,682	\$18,861,876	\$20,087,898	\$17,183,419	\$18,455,452
\$ Change	N/A	\$1,151,194	\$1,226,022	-\$527,263	\$1,272,033
% Change	N/A	6.5%	6.5%	-3.0%	7.4%
BOE Cost Share at 80%	\$14,168,546	\$15,089,501	\$16,070,319	\$14,003,335	\$15,020,962

** Illustrative exhibit only; numbers are based upon quoting for July 1, 2020 Effective date

Fiscal Year Actual and Projections

Fiscal Year	2020	2021	2022
	<i>Actual</i>	<i>Projection</i>	<i>Updated Projection</i>
			<i>Projection</i>
<u>Paid Claims</u>			
Dental	<u>1,045,612</u>	<u>1,098,030</u>	<u>1,133,391</u>
2021 Change from 2020 Actual, 2022 Change from 2021 Projected		5.0%	11.7%
			3.2%
<u>Enrollment</u>			
Dental	976	977	977
			977
<u>Plan Expenses</u>			
Dental Admin Fees	57,711	59,899	59,899
			60,785
Total Dental Plan Cost	\$1,103,323	\$1,157,929	\$1,193,290
2021 Change from 2020 Actual, 2022 Change from 2021 Projected			3.1%
			11.1%

Next Steps

- Explore a fully insured arrangement from the market
 - Aetna, Anthem, Cigna and UHC quotes to be requested
 - Release RFP request week of January 18
 - Allow 2-week timeline for responses
- Await renewal to be released from the state
 - Anticipate to be available in March/April

Appendix

FY 2020 Projection Detailed Work-Up



UNCOMMONLY INDEPENDENT

Dental Self-Funded Projection

Self Funded Dental Through March 2020

	All	
	PEPM	Projected
Rolling-24 Month Experience		
Projected Lives (as of October 2020)		976
Current Claims Experience (Apr 2019 - Mar 2020)		
Average Lagged Lives (1 Month)		977
Net Claims	\$101.64	\$1,190,419
Current Experience Period Weighting		100%
Prior Claims Experience (Apr 2018 - Mar 2019)		
Average Lagged Lives (1 Month)		967
Net Claims	\$88.59	\$1,037,532
Prior Experience Period Weighting		0%
Combined Claims Experience	\$101.64	\$1,190,419
Annual Trend Assumption		3.0%
Months of Trend		12
Effective Trend Assumption		3.0%
Projected Claims	\$104.69	\$1,226,131
Self-Funded Renewal Projection:		
ASO Administration Fees (+3.0%)	\$5.19	\$60,785
Total ASO Fixed Costs	\$5.19	\$60,785
Total ASO Projected Cost	\$109.88	\$1,286,917
Current ASO Accrual Rate Cost (as of Oct 2019)	\$95.01	\$1,112,778
ASO Accrual Rate Increase %		15.6%
ASO Accrual Rate Increase \$		\$174,139

Medical Self-Funded Projection

Effective Date: July 1, 2021

		Medical-Rx	
		PMPM	Projected Total
Rolling-12 Month Experience			
Projected Lives (as of September 2020)			2,103
Current Claims Experience (Oct 2019 - Sep 2020)			
Average Lagged Lives (1 Month)			2,097
Gross Claims		\$566.55	\$14,297,432
Stop Loss Adjustments		(\$18.78)	(\$473,854)
Net Claims		\$547.77	\$13,823,578
Current Experience Period Weighting			80%
Prior Claims Experience (Oct 2018 - Sep 2019)			
Average Lagged Lives (1 Month)			2,057
Gross Claims		\$603.03	\$15,217,955
Stop Loss Adjustments		\$0.00	\$0
Net Claims		\$603.03	\$15,217,955
Prior Experience Period Weighting			20%
Combined Claims Experience		\$569.07	\$14,361,159
Annual Trend Assumption			8.5%
Months of Trend			21
Effective Trend Assumption			15.3%
Blended Claims		\$656.40	\$16,565,003
COVID 19			5.3%
Projected Claims		\$691.05	\$17,439,299
Self-Funded Renewal Projection:			
ASO Admin Fee (PMPM)		\$16.23	\$409,698
Network Access Fee		\$6.66	\$168,113
Stop Loss Premium (PMPM)		\$51.95	\$1,311,111
H.S.A. Seeding		\$51.36	\$1,296,000
Rx Rebates		(\$17.61)	(\$444,528)
Total ASO Fixed Costs		\$108.59	\$2,740,395
Total ASO Projected Cost		\$799.64	\$20,179,693
Current ASO Accrual Rate Cost		\$762.26	\$19,236,284
ASO Accrual Rate Increase %			4.9%
ASO Accrual Rate Increase \$			\$943,409