

PfISD Insurance Committee Meeting

February 28, 2024

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1. Level Set
2. Open Enrollment Feedback
3. New Pharmacy Programs
4. Financial Update
5. Looking Ahead
6. Updates & Reminders

Agenda

Level Set

Benefit Changes for 2024

- Removed BCBS HD plan
- Changes to plan design for all Medical plans
- Increased district contribution from \$410 to \$435 plus district infusing of additional funds
- Renewed with current pharmacy benefit manager & implemented programs to reduce cost
- Removed district contribution to ID Protection
- Cost saving strategies discussed but not selected:
 - HMO network
 - Eliminating district contribution to HSA

Level Set

Medical Plan Design Changes

		BCBS Choice		HCH		BCBS Choice		BCBS		HCH	
		BCBS High Plan		HCH Low Plan		BCBS Low Plan		BCBS HD Plan		HCH HD Plan	
Medical - Plan Features	Plan Network										
		<i>In Network Only</i>		<i>In Network Only</i>		<i>In Network Only</i>		<i>In Network Only</i>		<i>In Network Only</i>	
	Individual Deductible	\$1,500	~~\$2,250~~	\$2,000	~~\$2,750~~	\$2,600	~~\$3,100~~	\$3,000		\$3,300	~~\$3,500~~
	Family Deductible	\$3,000	~~\$4,500~~	\$4,000	~~\$5,500~~	\$5,200	~~\$6,200~~	\$6,000		\$6,600	~~\$7,000~~
	Embedded or Aggregate (HSA plans only)	Embedded		Embedded		Embedded		Embedded		Embedded	
	Coinsurance Paid by the Plan	80%		80%		70%		70%		70%	
	Individual Maximum Out of Pocket*	5000	~~\$5,500~~	5500	~~\$6,000~~	\$6,500		\$6,750		\$6,750	~~\$7,500~~
	Family Maximum Out of Pocket*	10000	~~\$11,000~~	11000	~~\$12,000~~	\$13,000		\$13,500		\$13,500	~~\$15,000~~
	Primary Office Visit	\$35 copay		\$20 copay		\$40 copay		70% after deductible		70% after deductible	
	Specialist Office Visit	\$50 copay		\$35 copay		\$55 copay		70% after deductible		70% after deductible	
	Virtual Visit	\$0 copay		\$0 copay		\$0 copay		100% after deductible		100% after deductible	
	Inpatient Hospital	80% after deductible		80% after deductible		70% after deductible		70% after deductible		70% after deductible	
	Outpatient Surgery	80% after deductible		80% after deductible		70% after deductible		70% after deductible		70% after deductible	
	ER - Facility	\$400 ~~\$500~~ copay + 80%		\$400 ~~\$500~~ copay + 80%		\$500 copay + 70% after deductible		70% after deductible		70% after deductible	
	ER - Physician	after deductible		after deductible		deductible		70% after deductible		70% after deductible	
	Urgent Care	\$50 copay		\$35 copay		\$55 copay		70% after deductible		70% after deductible	
EE Rates	<i>In-Network Prescriptions</i>										
	Retail Prescription Drugs (30 days)	\$15 / \$40 / \$65 / 10% to		\$15 / \$40 / \$65 / 10% to		\$15 / \$50 / \$75 / 10% to		70% after deductible		70% after deductible	
	Mail Order Prescription Drugs (90 days)	3x retail		3x retail		3x retail		70% after deductible		70% after deductible	
	Employee Rates	Current	Renewal	Current	Renewal	Current	Renewal	Current	Renewal	Current	Renewal
	Employee Only	\$185.00	\$189.00	\$63.00	\$68.00	\$80.00	\$84.00	\$50.00	n/a	\$0.00	\$20.00
	Employee + Spouse	\$730.00	\$785.00	\$560.00	\$605.00	\$600.00	\$650.00	\$540.00	n/a	\$440.00	\$490.00
	Employee + Children	\$570.00	\$610.00	\$390.00	\$420.00	\$410.00	\$445.00	\$370.00	n/a	\$282.00	\$310.00
	Employee + Family	\$1,120.00	\$1,212.00	\$870.00	\$949.00	\$940.00	\$1,030.00	\$850.00	n/a	\$722.00	\$809.00

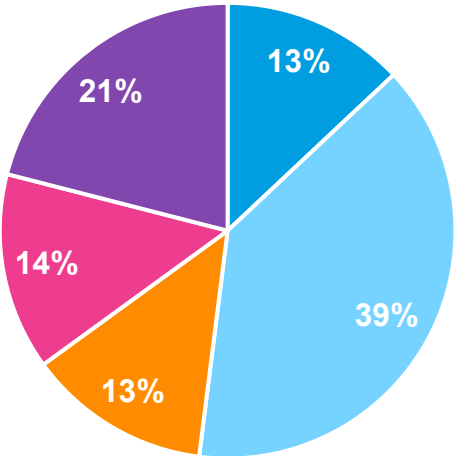
Open Enrollment Feedback

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Enrollment Results

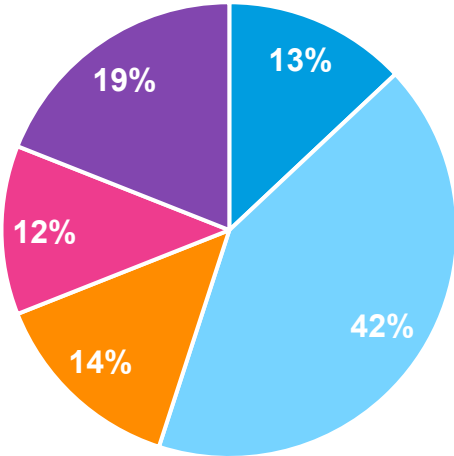
2022 Enrollment

- BCBS High Plan
- BCBS Low Plan
- BCBS HD Plan
- HCH Low Plan
- HCH HD Plan



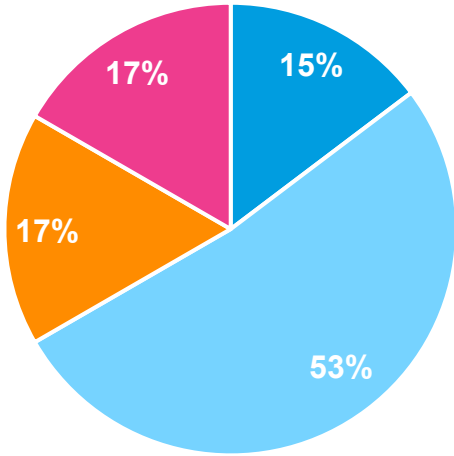
2023 Enrollment

- BCBS High Plan
- BCBS Low Plan
- BCBS HD Plan
- HCH Low Plan
- HCH HD Plan



2024 Enrollment

- BCBS High Plan
- BCBS Low Plan
- HCH Low Plan
- HCH HD Plan



NEW! Pharmacy Programs

Launching April 2024

- Copay Assistance Program (CAP) with **SaveOnSP**
 - Utilizes drug manufacturer copay assistance cards to reduce the cost of the specialty medications to the plan
 - Member pays \$0 at the pharmacy
- Patient Assistance Program (PAP) with **ImpaxRx**
 - Assists members who qualify with obtaining low or no cost specialty medications through alternate sources of funding

Financial Update

The background of the slide features a series of overlapping, wavy lines in a teal color. These lines create a sense of movement and depth, starting from the bottom and extending upwards towards the right side of the frame. The lines are of varying thickness and are arranged in a way that they appear to flow across the page.

Current State of the Plan

- Our plan is self-funded. What does that mean?
 - BCBS & HCH process claims with funding from district and participants
 - Majority of plan costs come from claims
 - Choices participants make affect the overall cost
- Healthcare costs, including our cost, have continued to rise each year
- 2022 and 2023 costs ran higher than budgeted (due to unexpected level of high cost claimants)
- 2024 claims cost are expected to exceed budget

YOY Funding Summary

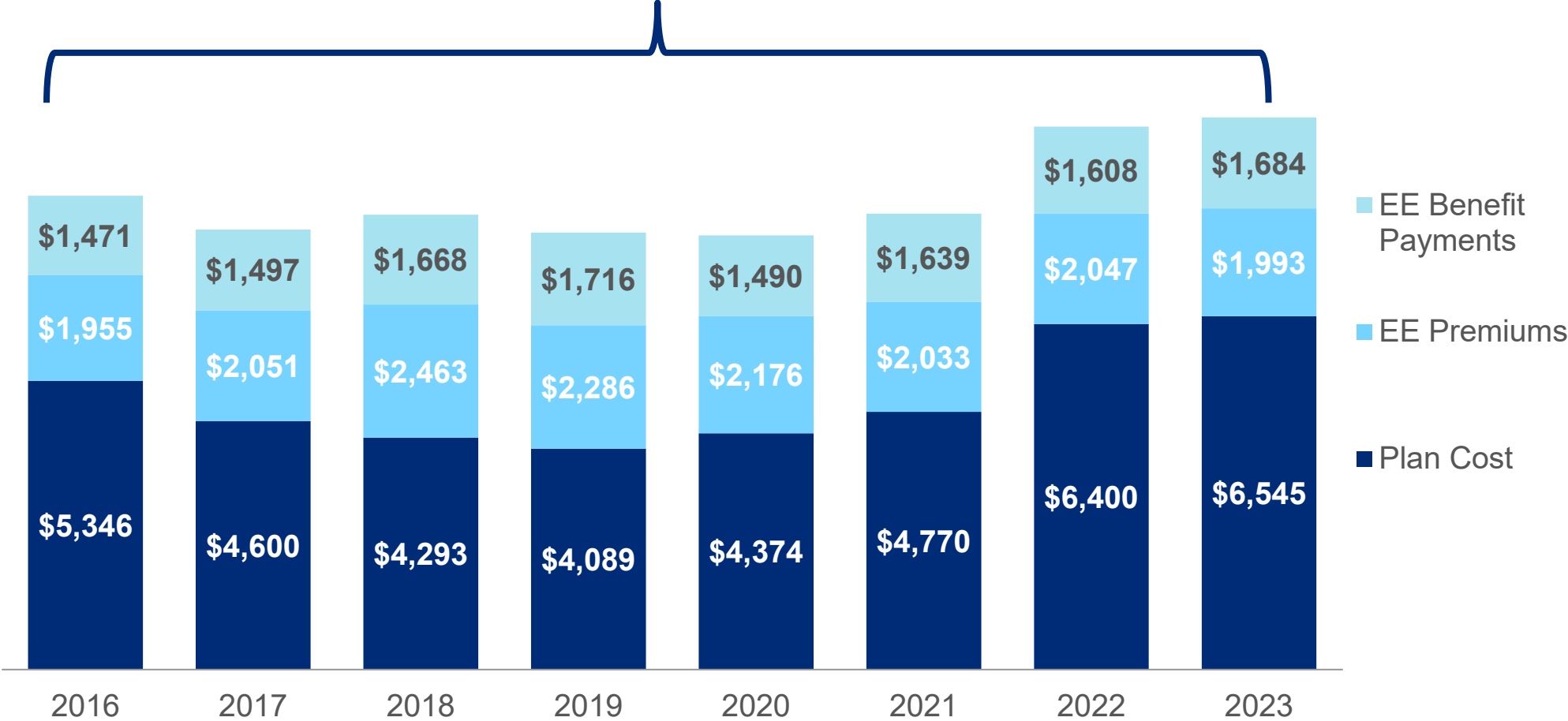
	2016	2017	2018	2019	2020	2021	2022	2023	2024 Projected
Total Medical / Rx Paid Claims	\$15,783,120	\$14,930,418	\$15,402,745	\$15,805,169	\$17,712,740	\$18,604,136	\$21,609,970	\$22,666,339	\$23,513,489
PMPM	\$365.25	\$330.11	\$336.54	\$335.74	\$350.36	\$369.75	\$461.16	\$485.82	\$503.98
% Increase		-9.6%	1.9%	-0.2%	4.4%	5.5%	24.8%	5.3%	3.8%
District Funding PEPM	\$375	\$400	\$400	\$400	\$400	\$400	\$400	\$410	\$435
High Cost Claimant Impact (\$100k+)	12 claimants \$2.21MM	11 claimant \$1.73MM	16 claimants \$2.49MM	18 claimants \$3.1MM	24 claimants \$4.1MM	27 claimants \$4.83MM	38 claimants \$7.39MM	36 claimants \$8.34MM	
Surplus/Deficit	Deficit (\$2,069,672)	Surplus \$555,998	Surplus \$1,276,502	Surplus \$2,112,223	Surplus \$1,383,122	Surplus \$348,659	Deficit (\$3,982,758)	Deficit (\$4,142,893)	Deficit (\$1,336,408)
Strategies	- Removed chronic condition management - Dropped Mid & High non-engaged plans - Removed Compass incentive program	- Discontinued non-engaged plans - Increased deductibles/copays - Carved out Rx Added 4th tier specialty copay - Eliminated Q4 deductible carryover	- Added HDHP - Increased deductibles/copays - Removed iNGAGEDhealth	- Move to UHC with EPO/ACO plans \$0 premium plan - Removed Compass - Added CAP programs with RxB - Introduced HSA contribution	- Replaced ACO plan with EPO - Moved to new AUM & opioid program with RxB	- Consolidated Mid & High plans - Implemented Naviguard - Removed SaveonSP - HSA to half match - Increased ISL	- Moved from UHC to BCBS/HCH 5 plan designs - HSA to match only	Minor plan design changes to comply with IRS limits	- Removed BCBS HD plan - Plan design changes - Implement PAP & CAP Programs \$1MM infusion
National Medical/Rx Trend*	6.2%	5.5%	5.7%	5.7%	6.0%	7.0%	6.5%	6.0%	7.0%

*PwC Health Research Institute 2016-2024
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Medical & Rx Per Employee Per Year

Your Cost Versus the Districts Cost Year over Year

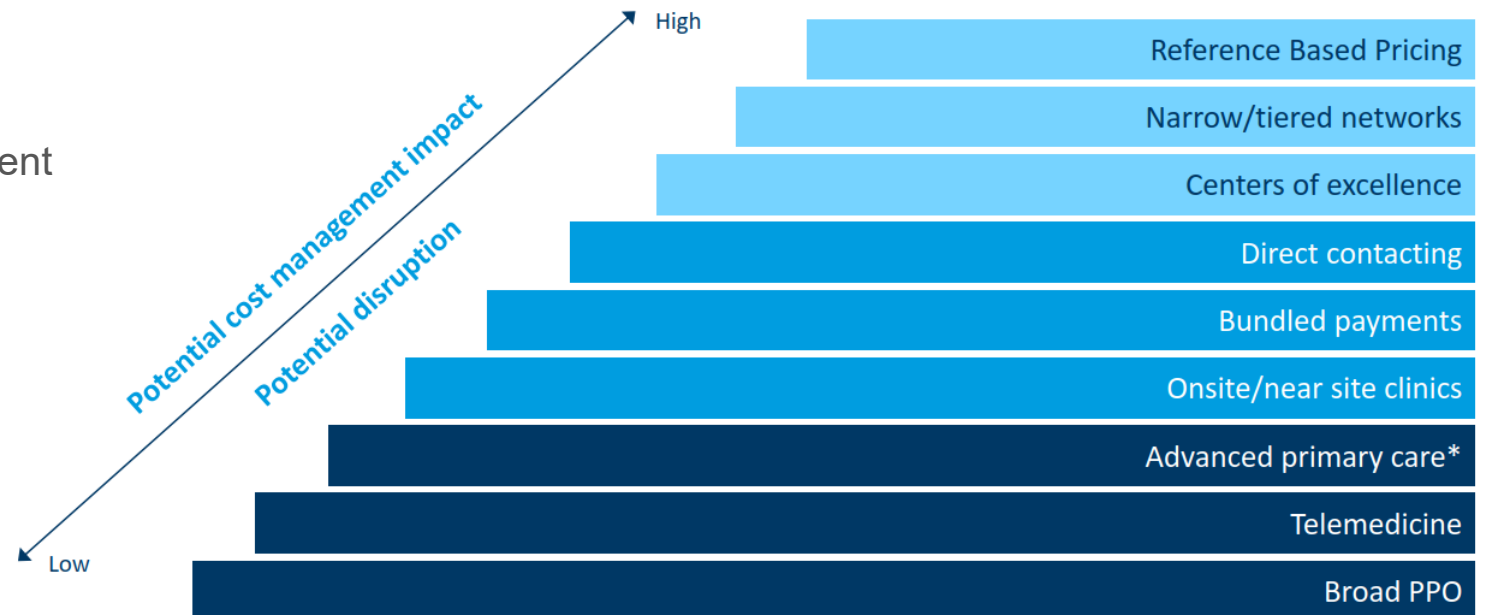
EE Cost = 1.3% Avg Increase Year Over Year



Medical Strategy for 2025

What's next?

- RFP Results to evaluate medical vendors
- Look at creative strategies to control cost (Balance preserving healthy benefits vs disrupting the population)
 - Network strategies (Including HMO)
 - Virtual and/or Direct Primary Care
 - Utilization Management
 - Wellness Initiatives & Condition Management
 - Flexible copay plan



*e.g. PCP assignment/selection, specialist referral requirements, etc.

Cost Management Programs

- Direct Primary Care (or Virtual) Model
 - Requires participants to see primary care doctor before a specialist
 - Generally faster than “traditional” HMO model; but still a gatekeeper
 - Expected to lower plan cost by steering to the appropriate level of care
- Adding Utilization Management Programs
 - Oversight of select services to ensure medical necessity
 - Expected to lower plan cost by eliminating “waste”
- Wellness Initiatives & Chronic Condition Management
 - Goal to engage participants BEFORE they become the next High-Cost Claimant

Cost Management Programs

- Flexible Copay Plan Design
 - Copays range based on provider value (value = outcomes & cost)
 - Expected to mean lower plan costs by steering to high value providers
 - Example:

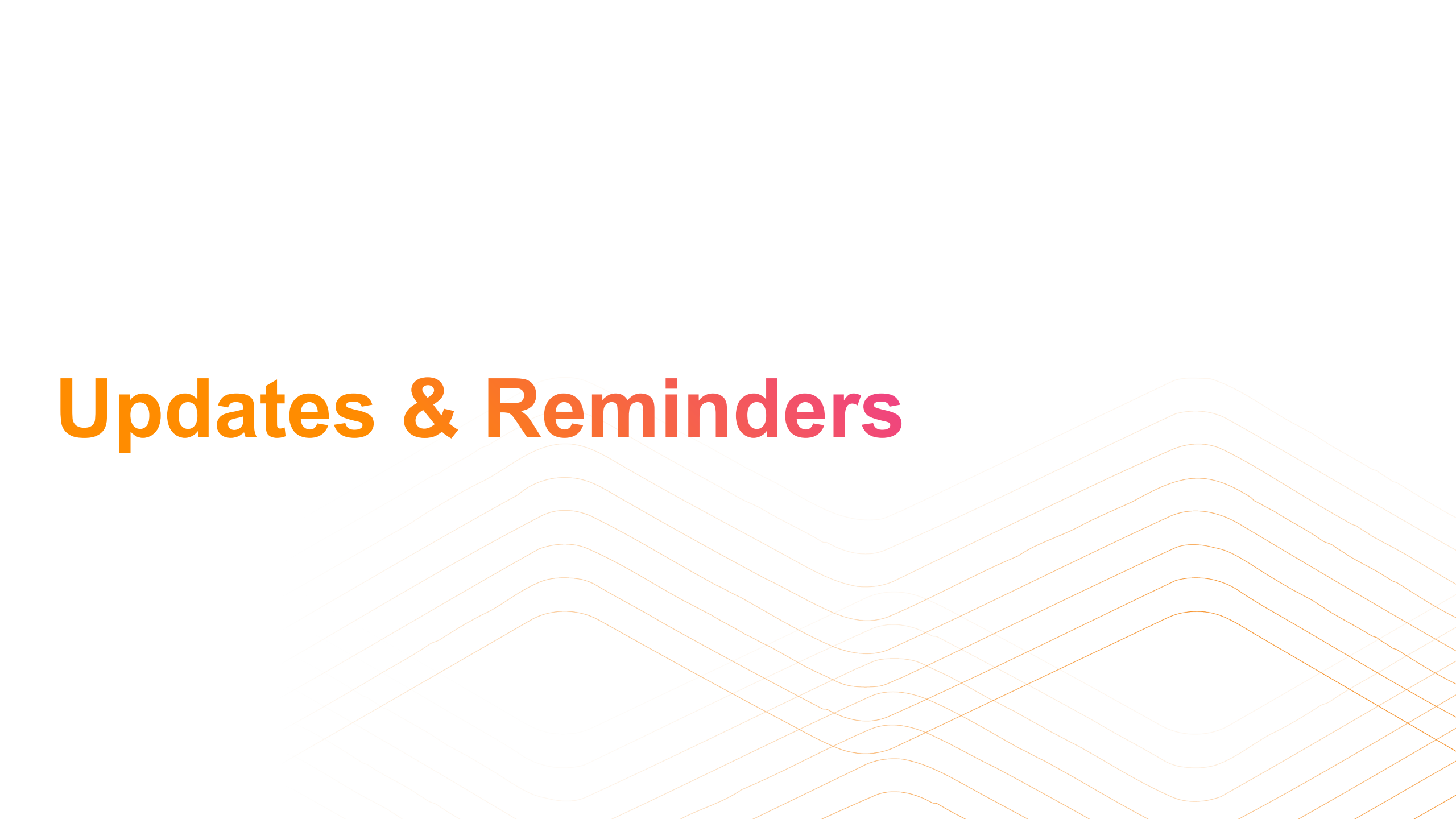
\$3,500 Maximum OOP			
PCP office visit	\$20	\$25	\$45
Specialist office visit	\$40	\$55	\$90
Urgent Care	\$40	\$55	\$90
ER	\$350	\$350	\$350
Outpatient Surgery	\$750	\$1,200	\$3,500
Inpatient Hospital Stay	\$1,800	\$2,400	\$3,500

Looking Ahead - RFPs and Timelines

Marketing Strategies for 2025

- RFP 1 – Medical Admin, EAP, HSA, FSA & COBRA
 - RFP released on 2/15/2024
 - RFP due 3/18/2024
 - Anticipated decision at the 5/16/2024 Board Meeting
- RFP 2 – Dental, Vision, Basic & Voluntary Life, Disability
 - RFP releases on 3/8/2024
 - RFP due 4/2/2024
 - Anticipated decision at the 6/20/2024 Board Meeting

Updates & Reminders

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Be On The Lookout

In 2024

- Communication Campaign
 - Important information in Benefits Brief and PflSD Insider app
 - More information on what's included in your benefit plan
 - How to access the benefits already available to you
- Benefits Survey
 - Feedback from employees on the benefits program today
 - Opinions on possible benefit changes for 2025
 - Additional benefits employees would like to see added to the program

Don't Forget About....

- Telemedicine with MDLive
 - No cost to members on the High or Low plans
 - No cost after deductible to members on the HD plan
- Pet Insurance with MetLife
 - Customizable plans
 - Enroll at anytime at www.metlife.com/getpetquote and entering **Pflugerville ISD** as your employer or call 1-800-GET-MET8
- Wellness Benefit with Cigna
 - Members enrolled in the Cigna Accident, Critical Illness or Hospital Indemnity can receive a benefit for completing a preventive exam or screening
 - \$50 - \$100 depending on coverage elected

Next Meetings....

- April 16, 2024 – discuss results from RFP 1 – Medical Admin, EAP, HSA, FSA & COBRA
- May 14, 2024 – discuss results from RFP 2 – Dental, Vision, Basic & Voluntary Life, Disability

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