

PfISD Insurance Committee Meeting

April 16, 2024

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1. Financial Update
2. Benefits Survey Results
3. Medical, HSA, FSA, COBRA RFP Updates
4. Updates & Reminders

Agenda

Financial Update



Current State of the Plan

- 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

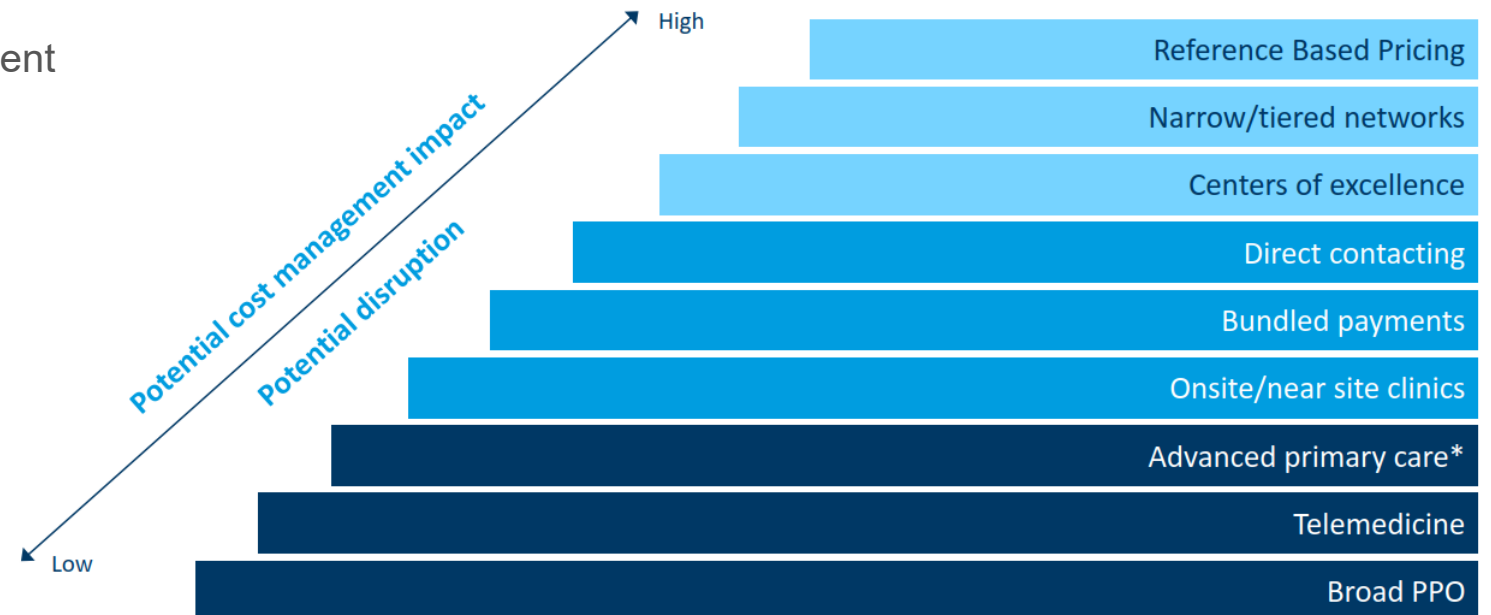
	2016	2017	2018	2019	2020	2021	2022	2023	2024 Projected
Total Medical / Rx Paid Claims	\$15,783,120	\$14,930,418	\$15,402,745	\$15,805,169	\$17,712,740	\$18,604,136	\$21,609,970	\$22,666,339	\$22,716,113
PMPM	\$365.25	\$330.11	\$336.54	\$335.74	\$350.36	\$369.75	\$461.16	\$485.82	\$505.47
% Increase		-9.6%	1.9%	-0.2%	4.4%	5.5%	24.8%	5.3%	4.0%
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	<i>YTD: 4 claimant \$561k</i>
Surplus/Deficit	<i>Deficit (\$2,069,672)</i>	<i>Surplus \$555,998</i>	<i>Surplus \$1,276,502</i>	<i>Surplus \$2,112,223</i>	<i>Surplus \$1,383,122</i>	<i>Surplus \$348,659</i>	<i>Deficit (\$3,982,758)</i>	<i>Deficit (\$4,142,893)</i>	<i>Deficit (\$1,509,938)</i>
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
Marsh & McLennan Agency LLC

Medical Strategy for 2025

What's next?

- 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.

Benefits Survey Results

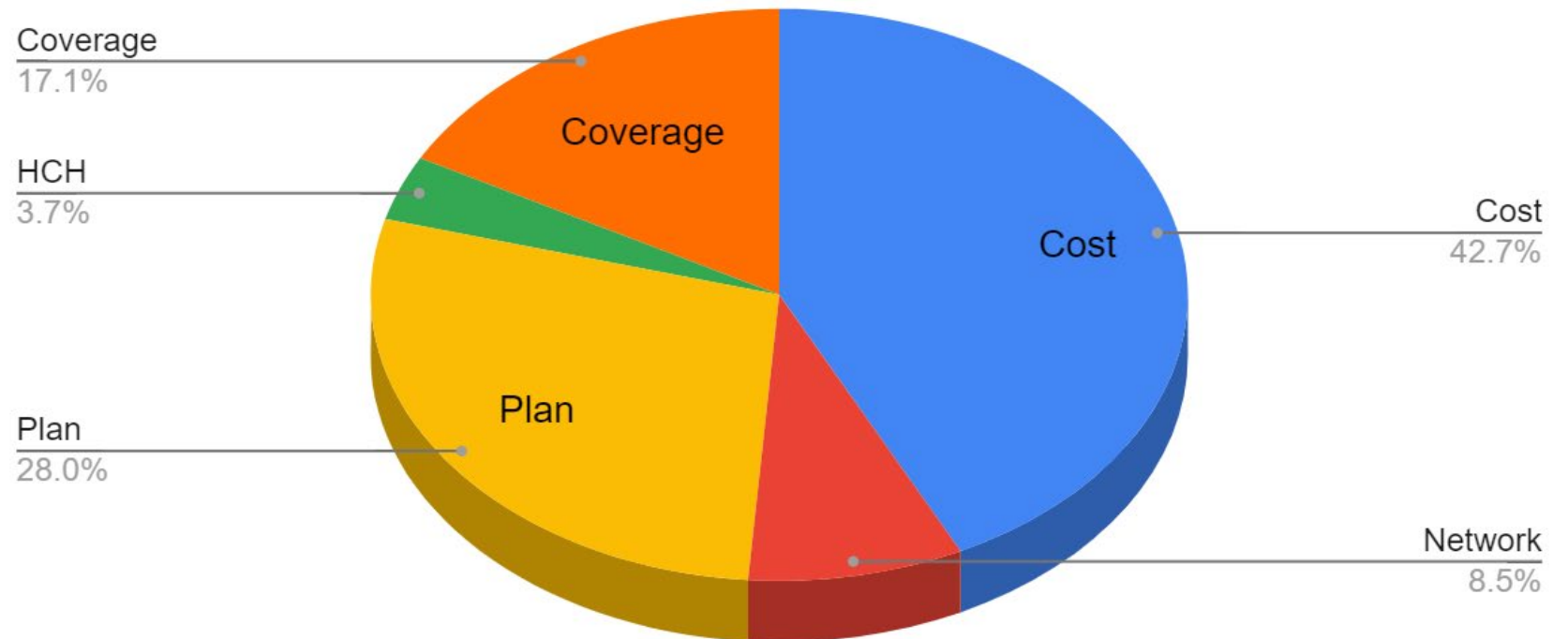
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Benefit Survey Results

Medical Takeaways

- 189/221 employees had PfISD Medical Coverage
 - BCBS - 140
 - HCH - 53
- Overall Rating “Average”
- Rating overall reasons
 - Cost 65%
 - Network
- Did you know your employer contributes \$25 to your HSA?
 - 54% answered **No**
- Do you know how to look up providers prior to electing a plan?
 - 72% answered **Yes**

One thing you would change on our medical plan?

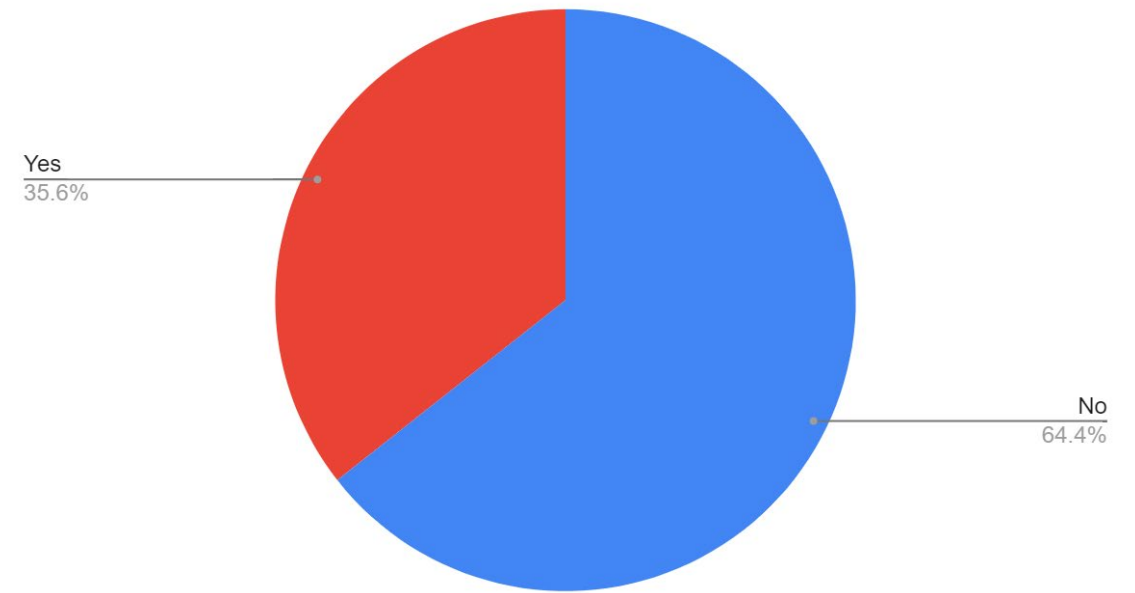


Benefit Survey Results Cont'd

Dental & Vision Takeaways

- Dental
 - 71% of responses from PfISD employees are currently enrolled in our Dental Plan
 - 70% rated our PfISD Dental Plan “Average”
 - 84% of responses are not aware of our Dental Rollover Benefit
- Vision
 - 66 % of responses from PfISD employees are currently enrolled in our Vision Plan
 - 74% rated our PfISD Vision Plan “Average”
 - 60% willing to entertain higher premiums for a richer plan

Willing to pay a higher premium for a richer Dental Plan?



RFP Results



Medical Admin RFP Respondents

Medical

National Carriers

- BCBS
- Cigna

High Performance Networks

- Healthcare Highways
- HPI

Direct Primary Care/Virtual Primary Care

- BCBS
- Cigna
- Frontier
- HCH
- HPI

Reference Based Pricing

- HPI
- Frontier
- HealthComp

Medical Admin RFP Finalists

- Medical Claims Administrator:
 - Blue Cross Blue Shield
 - Healthcare Highways
 - Cigna
- Direct primary care: Frontier
- Reference Based Pricing: TBD

Provider Disruption Analysis

BCBS Population				
	BCBS - Blue Choice	BCBS - Blue Essentials	HCH	Cigna OAP
In Network Providers	7768	7072	4003	7698
% IN	98.8%	90.0%	50.9%	97.9%
Out of Network Providers	92	788	3857	162
% OON	1.2%	10.0%	49.1%	2.1%
HCH Population				
	BCBS - Blue Choice	BCBS - Blue Essentials	HCH	Cigna OAP
In Network Providers	1764	1662	1397	1786
% IN	97.8%	92.2%	77.5%	99.1%
Out of Network Providers	39	141	406	17
% OON	2.2%	7.8%	22.5%	0.9%
Overall				
	BCBS - Blue Choice	BCBS - Blue Essentials	HCH	Cigna OAP
% IN	98.6%	90.4%	55.9%	98.1%
% OON	1.4%	9.6%	44.1%	1.9%

HSA, FSA and COBRA Finalists

- HSA, FSA, and COBRA
 - Ameriflex
 - Inspira
 - WEX
- HSA Only
 - Gulf Coast Educators Federal Credit Union

Updates & Reminders

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Next Meetings....

- May 14, 2024
 - Update after finalist meetings for RFP 1 – Medical administration, HSA, FSA, COBRA
 - Discuss results from RFP 2 – Dental, Vision, Basic & Voluntary Life, Disability