PARMA CITY SCHOOLS DISTRICT

MINUTES

INSURANCE COMMITTEE MEETING

November 19, 2024

Meeting called to order at 2:00 p.m.

Financials

- Sean discussed the Financials for the Insurance Fund. The fund balance as of 10/31/2024 was $2,898,621. Expenditures exceeded revenues for the month of October by $73,945.

Wellness

- There was no wellness update.

Oswald

- Oswald provided their monthly financial update. Oswald provided three options to reduce expenditures. The first option, RxOC Trend Package, includes strep therapy, prior authorization and drug quantity management. The second option, Encircle Rx Diabetes requires A1C documentation for diabetes and proper prescriber and pharmacy management through GLP-1 anti-fraud protection. The third option, Encircle Rx Weight Loss increases the BMI criteria to receive a GLP-1 drug. The unions will take back the options to their members. We will discuss options at the next meeting.

Meeting was adjourned at 2:32 p.m.

Next meeting: 12/10/24

FY 2025 Insurance Claims

	MMO	Express Scripts	Total	
11/15/24	488,985.90	141,837.53	630,823.43	Not included in Month-End Fund Balance
11/08/24	360,814.46	134,116.11	494,930.57	Not included in Month-End Fund Balance
11/01/24	450,214.84	134,116.11	584,330.95	Not included in Month-End Fund Balance
10/25/24	247,182.05	225,600.90	472,782.95	
10/18/24	309,215.96	154,603.08	463,819.04	
10/11/24	402,199.91	227,432.96	629,632.87	
10/04/24	212,303.58	180,980.97	393,284.55	
09/27/24	406,883.59	186,209.25	593,092.84	
09/20/24	378,928.07	164,561.92	543,489.99	
09/13/24	352,071.54	128,670.67	480,742.21	
09/06/24	252,991.39	115,166.22	368,157.61	
08/30/24	546,125.72	102,626.43	648,752.15	
08/23/24	469,840.91	146,939.12	616,780.03	
08/16/24	396,373.91	177,403.73	573,777.64	
08/09/24	663,034.78	184,274.34	847,309.12	
08/02/24	446,186.05	131,102.08	577,288.13	
07/26/24	397,998.02	186,254.23	584,252.25	
07/19/24	356,959.02	192,167.46	549,126.48	
07/12/24	271,142.38	141,349.40	412,491.78	
07/05/24	246,375.22	248,530.08	494,905.30	

Fiscal Year		**2025**		**2024**		**2023**
FY Beg. Balance (cash)	**$**	**5,996,606.30**	**$**	**6,985,590.17**	**$**	**6,795,523.85**
Premiums						
Employees - Med/Rx	$	1,135,462.83	$	3,078,436.35	$	3,142,631.17
Vision - Emp	$	392.32	$	1,131.04	$	130,611.53
Board of Education - Med/Rx	$	6,969,205.91	$	20,624,545.46	$	21,320,951.37
Vision - BoE	$	40,095.30	$	123,338.26	$	931.68
Misc	$	35,742.30	$	43,760.96	$	140,010.50
Total Revenue	***$***	***8,180,898.66***	***$***	***23,871,212.07***	***$***	***24,735,136.25***
Total Expense	***$***	***11,278,884.09***	***$***	***24,860,195.94***	***$***	***24,545,069.93***
Reserve Gain/(Loss)	***$***	***(3,097,985.43)***	***$***	***(988,983.87)***	***$***	***190,066.32***
Claims						
Medical	$	7,077,148.33	$	15,911,171.06	$	16,726,665.33
Prescription	$	2,769,731.68	$	5,699,333.25	$	4,864,063.60
Vision	$	34,072.22	$	96,190.00	$	82,607.75
Fixed Costs & Other						
Administration Fee	$	306,460.22	$	612,044.86	$	784,277.35
Stop Loss Premiums	$	975,493.97	$	2,250,725.34	$	1,862,905.66
Grail	$	-	$	2,547.00		
Consultant/Legal Fees	$	79,645.50	$	236,264.37	$	199,687.79
Subrogation	$	4,124.16	$	6,548.94	$	2,745.24
Health Fair/Wellness	$	5,950.48	$	11,709.66	$	12,034.21
ACA Fees	$	7,323.15	$	-	$	-
Misc	$	18,934.38	$	33,661.46	$	10,083.00
FY Ending Balance (cash)	**$**	**2,898,620.87**	**$**	**5,996,606.30**	**$**	**6,985,590.17**

FY 2025 Insurance Fund by Month

Total FYTD		Ref	July	August	September	October
	Premiums					
$ 1,135,462.83	Employees	(3)	$ 251,585.16	$ 356,767.04	$ 258,585.36	$ 268,525.27
$ 392.32	Vision - Emp	(5)	$ 82.29	$ 124.76	$ 82.53	$ 102.74
$ 6,969,205.91	Board of Education	(2)	$ 1,653,749.57	$ 1,634,594.86	$ 1,762,275.77	$ 1,918,585.71
$ 40,095.30	Vision - BOE	(4)	$ 9,927.18	$ 9,610.08	$ 9,890.49	$ 10,667.55
$ 35,742.30	Misc	(1)	$ 35,742.30	$ -	$ -	
$ 8,180,898.66	***Total Revenue***		*$ 1,951,086.50*	*$ 2,001,096.74*	*$ 2,030,834.15*	*$ 2,197,881.27*
$ 11,278,884.09	***Total Expense***		*$ 3,159,805.35*	*$ 3,002,281.93*	*$ 2,844,970.77*	*$ 2,271,826.04*
$ (3,097,985.43)	***Reserve Gain/(Loss)***		*$ (1,208,718.85)*	*$ (1,001,185.19)*	*$ (814,136.62)*	*$ (73,944.77)*
	Claims					
$ 7,077,148.33	Medical	(1)	$ 1,718,660.69	$ 2,059,783.12	$ 2,138,711.93	$ 1,159,992.59
$ 2,769,731.68	Prescription	(2)	$ 897,494.95	$ 630,277.54	$ 419,926.09	$ 822,033.10
$ 34,072.22	Vision	(5)	$ -	$ 15,592.20	$ 7,571.11	$ 10,908.91
	Fixed Costs & Other					
$ 306,460.22	Administration Fee	(4)	$ 148,603.01	$ 51,705.32	$ 52,963.76	$ 53,188.13
$ 975,493.97	Stop Loss Premiums	(3)	$ 364,408.60	$ 203,042.08	$ 202,617.10	$ 205,426.19
$ -	Grail		$ -			
$ 79,645.50	Consultant/Legal Fees	(6)	$ 18,488.60	$ 34,430.30	$ 8,545.60	$ 18,181.00
$ 4,124.16	Subrogation	(7)	$ 330.02	$ 829.44	$ 868.58	$ 2,096.12
$ 5,950.48	Health Fair/Wellness	(9)	$ 5,950.48	$ -		$ -
$ 7,323.15	ACA Fees	(8)	$ -	$ -	$ 7,323.15	$ -
$ 18,934.38	Misc	(10)	$ 5,869.00	$ 6,621.93	$ 6,443.45	$ -

FY 2024 Insurance Fund by Month

Total FYTD			July	August	September	October
	Premiums					
$ 846,539.01	Employees	(3)	$ 120,560.46	$ 220,801.46	$ 253,998.70	$ 251,178.39
$ 310.04	Vision - Emp	(5)	$ 43.27	$ 71.27	$ 113.42	$ 82.08
$ 6,307,912.90	Board of Education	(2)	$ 1,569,487.28	$ 1,565,495.84	$ 1,393,079.19	$ 1,779,850.59
$ 37,516.29	Vision - BOE	(4)	$ 9,315.53	$ 9,343.94	$ 8,304.30	$ 10,552.52
$ 31,417.69	Misc	(1)	$ 27,500.00	$ -		$ 3,917.69
$ 7,223,695.93	***Total Revenue***		*$ 1,726,906.54*	*$ 1,795,712.51*	*$ 1,655,495.61*	*$ 2,045,581.27*
$ 8,219,705.49	***Total Expense***		*$ 2,871,508.45*	*$ 1,722,770.95*	*$ 1,767,708.94*	*$ 1,857,717.15*
$ (996,009.56)	***Reserve Gain/(Loss)***		*$ (1,144,601.91)*	*$ 72,941.56*	*$ (112,213.33)*	*$ 187,864.12*
	Claims					
$ 5,165,945.56	Medical	(1)	$ 1,647,810.33	$ 998,270.12	$ 1,497,817.15	$ 1,022,047.96
$ 1,696,048.66	Prescription	(2)	$ 679,501.89	$ 460,869.05	$ 1,828.70	$ 553,849.02
$ 32,332.85	Vision	(5)	$ 7,856.01	$ 8,508.26	$ 8,536.78	$ 7,431.80
	Fixed Costs & Other					
$ 257,606.38	Administration Fee	(4)	$ 101,228.17	$ 51,310.04	$ 52,011.73	$ 53,056.44
$ 934,813.95	Stop Loss Premiums	(3)	$ 374,946.17	$ 186,461.16	$ 184,988.14	$ 188,418.48
$ -	Grail		$ -	$ -	$ -	$ -
$ 98,195.90	Consultant/Legal Fees	(6)	$ 31,360.12	$ 12,915.66	$ 22,193.66	$ 31,726.46
$ 2,135.73	Subrogation	(7)	$ 319.30	$ 296.66	$ 332.78	$ 1,186.99
$ -	Health Fair/Wellness	(9)	$ -	$ -	$ -	$ -
$ -	ACA Fees	(8)	$ -	$ -	$ -	$ -
$ 32,626.46	Misc	(10)	$ 28,486.46	$ 4,140.00	$ -	$ -

Parma City School District Health Care Committee Meeting

November 19, 2024

Kelsey Finucan
Tracie Collins

We See Risk So You See Opportunity

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Oswald Monthly Report

Claim Experience - Prior Year

	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Total	Average	PEPY
Medical Claims	$1,392,477	$1,724,247	$1,073,455	$1,071,518	$1,326,638	$1,232,913	$1,467,222	$1,363,890	$1,541,274	$1,484,303	$1,468,899	$1,542,117	$16,688,952	$1,390,746	$13,964
Prescription Claims	$551,915	$611,719	$479,289	$690,202	$476,617	$691,173	$662,565	$541,675	$586,755	$622,758	$737,602	$736,741	$7,389,011	$615,751	$6,182
Rx Rebates	($122,890)	($122,890)	($122,890)	($130,324)	($130,324)	($130,324)	($145,547)	($145,547)	($145,547)				($1,196,284)	($132,920)	($1,001)
Total Claims	$1,821,501	$2,213,075	$1,429,854	$1,631,396	$1,672,931	$1,793,762	$1,984,241	$1,760,018	$1,982,482	$2,107,061	$2,206,501	$2,278,858	$22,881,679	$1,873,576	$19,145
Fees/Premium	$235,257	$234,270	$236,794	$238,769	$238,220	$238,440	$236,080	$236,410	$237,452	$237,342	$237,398	$237,288	$2,843,721	$236,977	$2,379
Total Cost	$2,056,759	$2,447,345	$1,666,648	$1,870,165	$1,911,151	$2,032,202	$2,220,321	$1,996,428	$2,219,934	$2,344,403	$2,443,898	$2,516,146	$25,725,400	$2,143,783	$21,523
Reimbursed Claims													($432,276)		($362)
Grand Total													$25,293,124	$2,107,760	$21,163

	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	Jun 24	Total	Average	PEPY
Subscribers Medical/Rx	1,190	1,184	1,195	1,201	1,202	1,204	1,193	1,193	1,198	1,197	1,193	1,192	14,342	1,195	
Medical/Rx Claim PEPM	$1,530.67	$1,869.15	$1,196.53	$1,358.36	$1,391.79	$1,489.84	$1,663.24	$1,475.29	$1,654.83	$1,760.28	$1,849.54	$1,911.79		$1,596	$19,145

Claims Experience - Current Year

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Total	Average	PEPY
Medical Claims	$2,018,729	$2,046,220	$1,370,195	$1,667,441									$7,102,585	$1,775,646	$18,123
Prescription Claims	$721,654	$608,153	$670,016	$645,493									$2,645,315	$661,329	$6,750
Rx Rebates													$0	$0	$0
Total Claims	$2,740,383	$2,654,373	$2,040,211	$2,312,934									$9,747,900	$2,436,975	$24,872
Fees/Premium	$250,194	$250,550	$253,918	$255,454									$1,010,116	$252,529	$2,577
Total Cost	$2,990,577	$2,904,923	$2,294,128	$2,568,387									$10,758,016	$2,689,504	$27,450
Reimbursed Claims													($189,951)		($485)
Grand Total													$10,568,064	$2,642,016	$26,965

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Total	Average	PEPY
Subscribers Medical/Rx	1,165	1,162	1,183	1,193									4,703	1,176	
Medical/Rx Claim PEPM	$2,352.26	$2,284.31	$1,724.61	$1,938.78										$2,075	$24,872

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Oswald Monthly Report (cont.)

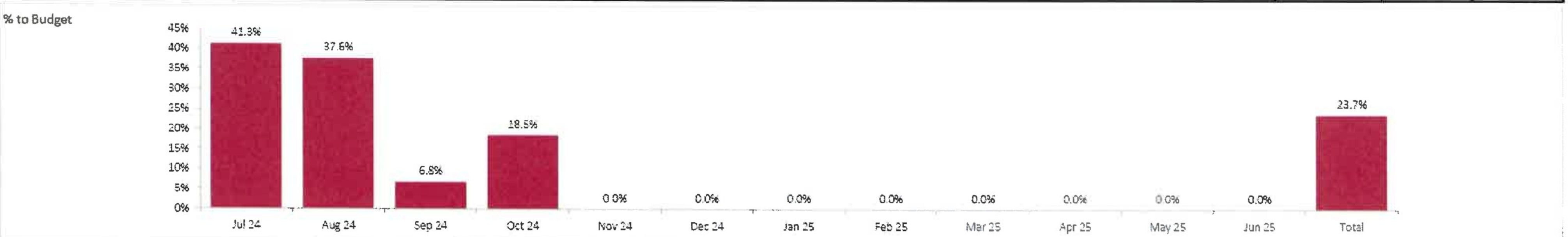
Large Claims: July 2024 - June 2025	Claims	Estimated Reimbursement
HCC 1	$389,951	($189,951)
HCC 2	$177,064	
HCC 3	$158,905	
HCC 4	$150,162	
HCC 5	$142,516	
HCC 6	$106,262	
	$1,124,860	($189,951)

Plan Information	
Insurer/Medical	MMO
Rx	ESI
Contract Type	Self-Insured
Specific Stop-Loss Coverage	Medical/Rx
Specific Stop-Loss Deductible	$200,000
Aggregate Stop-Loss Coverage	Medical/Rx
Aggregate Stop-Loss Corridor	115%

Due to reporting limitations, reimbursements are shown on medical claims only.
The stop loss contract covers both medical and Rx claims so actual reimbursements may differ.

Year to Date Actual vs Budgeted Plan Cost

	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25	Mar 25	Apr 25	May 25	Jun 25	Total	Average	PEPY
Budget Plan Cost	$2,116,312	$2,110,862	$2,149,010	$2,167,176									**$8,543,360**	$2,135,840	$21,799
Actual Plan Cost	$2,990,577	$2,904,923	$2,294,128	$2,568,387									**$10,568,064**	$2,689,504	$26,965
% Actual to Budget	141.3%	137.6%	106.8%	118.5%									**123.7%**		



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Cost Containment Considerations

Medical Plan Changes	Rx Management Programs	Rate Adjustment
$945,000	$3,500,000	+5.64% effective 2/1/25
		+$1,500,000 annual revenue to the fund

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Potential Medical Plan Design Changes

Gold Plans (PEA and OAPSE)

- Deductible to $500/$1,000 Network and $1,000/$2,000 OON
- Coinsurance Limit to $1,000/$2,000 Network and $2,000/$4,000 OON
- MOOP – Kept the same
- Combined Savings: $847,000

Silver Plan (SMP500)

- Deductible to $1,000/$2,000 Network and $2,000/$4,000 OON
- Coinsurance Limit to $2,000/$4,000 Network and $4,000/$8,000 OON
- MOOP – Kept the same
- Combined Savings: $98,000

Making changes to all 3 plans would result in a combined savings of $945,000

Save on SP
weekly claims

Pharmacy Plan Considerations

Recommendation	Fees	Estimated Savings	Member Impact
RxOC Unlimited Trend Package	$23k Certified $9k Classified $1k Bronze/SMP	$2.1 mil Certified $1.1 mil Classified $68k Bronze/SMP	452 Certified 281 Classified 37 Bronze/SMP
EncircleRx Diabetes	$0.25 PMPM ($7.8k) 3:1 ROI Guarantee	$170k	TBD
EncircleRx Weight Loss	$1.25 PMPM ($39k) 3:1 ROI Guarantee	$159k	TBD

RxOC Unlimited Trend Package: includes step therapy, prior authorization and drug quantity management; the unlimited package includes all-inclusive pricing option to implement any or all available programs with no fee changes over the life of the contract.

EncircleRx Diabetes: this program requires A1C documentation for diabetes; also ensures proper prescriber and pharmacy management through GLP-1 anti-fraud protection to ensure appropriate prescribing, filling and adherence.

EncircleRx Weight Loss: this program increases the BMI criteria to receive a GLP-1, requires demonstrated patient engagement, and requires appropriate prescriber and pharmacy management

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Claims Underwriting | Potential Rate Adjustment 2/1/25

Claims Projection

Medical/Rx

	Medical		Prescription Drug		Combined	
Experience Period	October-23 Through September-24	October-22 Through September-23	October-23 Through September-24	October-22 Through September-23	October-23 Through September-24	October-22 Through September-23
Total Paid Claims	$17,933,918	$17,193,650	$7,745,911	$5,934,206	$25,679,829	$23,127,856
Less Total Large Claims	$2,993,754	$3,505,589			$2,993,754	$3,505,589
Net Claims	**$14,940,164**	**$13,688,061**	**$7,745,911**	**$5,934,206**	**$22,686,075**	**$19,622,267**
Annual Trend[1]	7.40%	7.40%	9.80%	9.80%		
Trend Adjustment	1.080	1.160	1.107	1.215		
Demographic Adjustment	0.990	0.980	0.990	0.980		
Plan Change Adjustment	1.000	1.000	1.000	1.000		
Projected Claims (Excludes Large Claims)	$15,980,065	$15,565,399	$8,485,815	$7,066,053	$24,465,880	$22,631,452
Large Claims Under the Specific Deductible	$2,200,000	$2,200,000			$2,200,000	$2,200,000
Total Projected Claims	**$18,180,065**	**$17,765,399**	**$8,485,815**	**$7,066,053**	**$26,665,880**	**$24,831,452**
Average Enrollment[2]	**1,191**	**1,196**	**1,190**	**1,194**		
Projected Claims PEPM	**$1,271.69**	**$1,238.27**	**$594.08**	**$493.20**	**$1,865.77**	**$1,731.46**
Experience Period Weighting	80.00%	20.00%	80.00%	20.00%	80.00%	20.00%
Weighted Projected Claims						
Average PEPM	$1,265.00		$573.90		$1,838.91	
Less Expected Rebates	$0.00		$99.43		$99.43	
Average PEPM	$1,265.00		$474.47		$1,739.48	
Final Projected Claims PEPM					$1,739.48	

[1]Trend from 2023 Segal Trend Survey
[2]Medical enrollment lagged two months

This projection represents the status quo: past plan changes have been taken into account, but no future plan changes (mandated or otherwise) have been included. Significant consideration for past enrollment and claims experience are utilized in the projection. Fluctuations in future enrollment or claims experience may impact these results.

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Potential Rate Adjustment | 2/1/25

Claims Cost and Fixed Fees Summary

Medical/Rx

PEPM Cost Summary	Current	Projected Change	Estimated Projected
Projected Claims PEPM	$1,635.11	6.4%	$1,739.48
Administrative Fees PEPM	$40.32	0.0%	$40.32
Chronic Condition Management Fee	$2.50	0.0%	$2.50
Specific Stop Loss Fee PEPM	$163.66	0.0%	$163.66
Aggregate Stop Loss Fee PEPM	$9.12	0.0%	$9.12
Total Cost PEPM	**$1,850.71**	**5.64%**	**$1,955.08**

Projected Annual Cost	Current		Estimated Projected
Enrollment	1,197		1,197
Projected Claims	$23,486,678	6.4%	$24,985,868
Total Fixed Fees	$3,096,916	0.0%	$3,096,916
Total Budgeted/Projected Annual Cost	$26,583,593	5.64%	$28,082,784

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Potential Rate Adjustment | 2/1/25

Premium Equivalent Rates

Medical/Rx

	Current		Projected		
Plan & Tier	Enrollment	Medical and Drug Rates	Medical and Drug Rates	Rate Change	COBRA Rates
PEA SMP PPO					
Employee Only	206	$966.36	$1,020.86	5.64%	$1,041.28
Employee + Family	417	$2,578.99	$2,724.43	5.64%	$2,778.92
OAPSE SMP PPO					
Employee Only	252	$1,027.50	$1,085.45	5.64%	$1,107.16
Employee + Family	157	$2,743.30	$2,898.01	5.64%	$2,955.97
SMP500					
Employee Only	79	$891.09	$941.34	5.64%	$960.17
Employee + Family	71	$2,378.73	$2,512.88	5.64%	$2,563.14
Bronze					
Employee Only	13	$647.58	$684.10	5.64%	$697.78
Employee + Family	2	$1,728.94	$1,826.44	5.64%	$1,862.97
Total Annual Cost	1,197	$26,583,593	$28,082,784	5.64%	

Exhibit includes ASO fees and stop loss premium but does not include PCORI fees.

Note: Rate adjustment will help levelized costs going forward but does not include additional revenue to rebuild reserve.

Recommendation to potentially add reserve replenishment factor effective 7/1/25 based on additional months of experience

Foundational Pharmacy Strategies | Proposal

Client Specific Support	• Pharmacy benefit assessment and develop a strategic plan to manage the benefit • Perform Pharmacy Benefit Manager (PBM) Request for Proposal (RFP), if deemed necessary • Support PBM implementation, if deemed necessary • Review monthly claims data for high-cost claimants, provide notification to advisor and/or client and coordinate with plan vendors to manage the patient's care • Provide monthly claim dashboard reports with cost trends identified and an executive summary of performance • Perform quarterly, semi-annual and annual review of claims data with advisor and/or client • Support client with pharmacy vendor contract negotiations • Act as a mediator between advisor/client and PBM to ensure the pharmacy benefit is running effectively • Support plan with pharmacy related strategies, such as diabetes and weight loss programs, cell and gene therapy, and biosimilar opportunities	$2.25 per employee per month ($31,725 annually) 1:1 ROI Guarantee

Foundational Pharmacy Strategies is a group of pharmacy benefit experts that have come together to assist employers, and other payors navigate the complex pharmacy benefit Industry.

They focus recommendations to clients based on data analytics and industry best practices. Their mission is to provide independent/honest pharmacy benefit expertise to employee benefit advisors, health plans and employers.

Their goal is to support employers with pharmacy benefit solution evaluation and procurement and ongoing program oversight and management.

Price: $2.25 PEPM
(partially covered by
ESI PMF fund)