



2025-2026 Budget Work Session

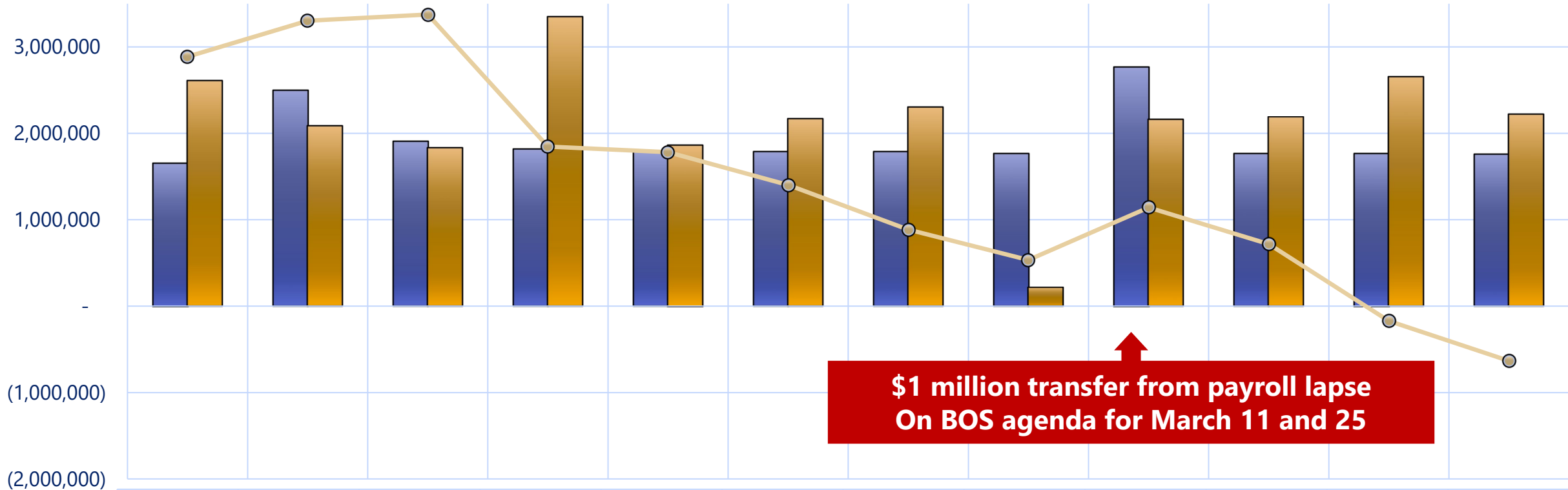
March 13, 2025

◆ Health Insurance Wrap Up ◆ Budget Proposal ◆



2025 Health Insurance Claims Exposure

Actual Activity YTD Projected Estimates



**\$1 million transfer from payroll lapse
On BOS agenda for March 11 and 25**

	7/31/2024	8/31/2024	9/30/2024	10/31/2024	11/30/2024	12/31/2024	1/31/2025	2/28/2025	3/31/2025	4/30/2025	5/31/2025	6/30/2025
Revenues	1,647,566	2,496,753	1,901,615	1,815,536	1,792,370	1,784,845	1,785,248	1,762,609	2,760,545	1,763,645	1,761,545	1,757,045
Expenditures	2,607,920	2,082,346	1,828,486	3,344,383	1,857,630	2,163,287	2,302,391	211,451	2,154,795	2,185,159	2,651,856	2,219,498
Reserves	2,887,588	3,301,995	3,375,124	1,846,277	1,781,017	1,402,575	885,432	534,590	1,140,340	718,825	(171,486)	(633,939)



Short-term Strategies

- Request BOS to approve transfer of **\$1.0 million** from payroll lapse ✓
- Request BOS to appropriate new funds to facilities for **\$191,524** ✓
- Consider not contributing \$92,290 to the OPEB Trust from the Health Insurance Fund for fiscal year 2025 ✓
- Other balances on hold for now

	Current Balance	Avis Check	Remaining Balance
Minor Capital special projects	1,428,515.85	191,524	1,620,039.85
Major Capital special projects	1,901,319.81		1,901,319.81



Covering Budget Exposures

Payroll lapse from 7/1/24 to 2/28/25	2,850,442	
Payroll lapse for open positions 3/1/25 to 6/30/25	<u>1,707,092</u>	
		4,557,534
Revenue deficit due to lower ADM	(559,330)	
Maximum exposure for PTO/Sick payouts	(682,094)	
Maximum exposure for electricity overruns	(803,000)	
Bonus payment for filled positions June 2025*	(931,503)	
Transfer payroll lapse to Health Insurance Fund	<u>(1,000,000)</u>	
		<u>(3,981,300)</u>
Net remaining payroll lapse		576,234

*Estimate presented during the February 13 Work Session. It is the local portion if RCPS provided \$1,000 payment (\$646 net) to all filled positions. The General Assembly officially adopted this for a June 2025 payment and allows the amount to be reduced.



Long-term Strategies Considered

Change Plan Design

- Yes – added 3rd Option & HMO option

Add a 2% margin to premiums

- Yes – this was in the claims cost estimate

Eliminate school couple rate

- No – we lowered it to help employees

Charge higher premium for retirees

- No – it would have reversed benefit of \$3000 for EEWP

Consider Going Fully Insured

- No – it would have increased our costs by 5.0% to 7.5% (\$1.2 to \$1.8 million)



Long-term Strategies Considered

Learn about hybrid insurance

- Learned about different plans and adding HMO

Aggregate stop loss

- Effective when 125% over claims estimate (not useful)

Medical Clinic ROI

- School Board voted to discontinue

OPEB Trust

- Agreed to revised funding schedule FY27

\$2.2 million fleet transfer

- Moved one-time transfer from fleet to Health Fund of \$2.2 million
- Added another \$433,397

Health Insurance





Insurance Rate Changes

Third Plan Option Added

- Health Keepers HMO
- \$3,400 deductible
- Estimate migration of 25%

Health Savings Account (HSA)

- Attached to Health Keepers \$3,400
- \$1,200 for single coverage
- \$2,400 for non-single coverage

Employer Contributions

- Vary by insurance coverage tier
- Remain consistent across plan options

Family School Couple

- Increased employer contribution
- Higher savings to employees

Non-Wellness Rates

- Non-wellness rates eliminated
- Wellness incentives will continue but tied to Employer contributions for HRA or HSA

Contract Terms

- For analysis purposes, all rates are based on 12-month contracts



Health Keepers HMO

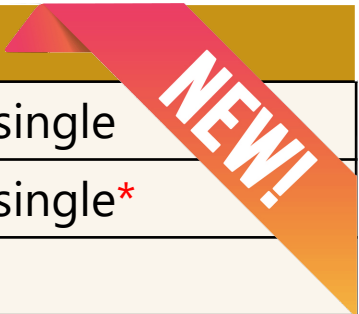
- Disruption is minimal
 - 98.4% of current PPO providers are in the HMO network
- An employee/retiree must live or work in VA to enroll
 - Some retirees live out of state
 - Want to maintain one PPO plan

Provider Name	Grouping	Specialty Type	#
Bauer V Daniel	PCP	Internal Medicine	4
Clark Carolyn	PCP	Internal Medicine	4
Cronk H Paul	Specialist	Chiropractic	3
Culkin F Bonnie	PCP	Family Practice	7
Dellabadia John	PCP	General Practice	1
Doria W Joseph	Specialist	Neurology	1
Free Motion Physical Therapy	Specialist	Physical Therapist	2
Haas A Colleen	Specialist	Chiropractic	1
Haas S Michael	Specialist	Chiropractic	2
Hagan Charlotte	Specialist	Psychiatry	1
Hussey B Stephen	Specialist	Chiropractic	2
II Jones N Ezekiel	PCP	Family Practice	9
II Mollica James Philip	Specialist	Chiropractic	1
III Dorsett D Richard	Specialist	Chiropractic	2
Jaeger M Anne	PCP	Internal Medicine	4
Keeter A Elizabeth	Specialist	Chiropractic	3
May M Troy	Specialist	Chiropractic	7
Nguyen Hoang Son	PCP	Internal Medicine	3
Pivot Physical Therapy	Specialist	Physical Therapist	12
Rich C Daryl	Specialist	Chiropractic	16
Schueler Donald Mark	Specialist	Chiropractic	1
Shepherd Austin Brian	Specialist	Chiropractic	8
Subei O Mhd	PCP	General Practice	1
Trochim Lloyd Aaron	Specialist	Chiropractic	1
Wilson Kendall Howard	Specialist	Chiropractic	3



HRA versus HSA

	Health Reimbursement (HRA)	Health Savings (HSA)
Employer Contributions	\$500 single / \$1,000 non-single	\$1,200 single / \$2,400 non-single
Employee Contributions	No	\$4,300 single / \$8,550 non-single*
Account Owner	Roanoke County Public Schools	Employee
Fund Use	Qualified medical, Rx, dental, vision	Qualified medical, Rx, dental, vision Can be used outside employer's plan
Deductible/OOP Max	As specified in health insurance plan	Minimums specified by IRS code
FSA	Can use flexible spending account	Replaces flexible spending account
Rollover	Limited to \$25,000	100%, always
Leave Plan (Not RCPS)	No new contributions Use for COBRA, otherwise reverts to RCPS	No new contributions Qualified medical, Rx, dental, vision
Retiree	No new contributions Qualified medical expenses	No new contributions Qualified medical, Rx, dental, vision
Terminate	No new contributions Use for COBRA, otherwise reverts to RCPS	No new contributions Qualified medical, Rx, dental, vision





Health Insurance Plans – Draft Option A

		Key Care PPO 1000		Key Care PPO 2000		Health Keepers HMO 3400	
		Individual	Family	Individual	Family	Individual	Family
Employer HRA or HSA contribution		\$500	\$1,000	\$500	\$1,000	\$1,200	\$2,400
Deductible (first pay)	in-network	\$1,000	\$2,000	\$2,000	\$4,000	\$3,400	\$6,800
	out-of-network	\$1,500	\$3,000	\$3,000	\$6,000	\$4,000	\$8,000
Employee Coinsurance	in-network	20%	20%	20%	20%	20%	20%
	out-of-network	40%	40%	40%	40%	40%	40%
Maximum out-of-pocket	in-network	\$3,500	\$7,000	\$5,000*	\$10,000*	\$6,000	\$12,000
	out-of-network	\$5,250	\$10,500	\$7,500	\$14,000	\$7,500	\$14,000
Retail prescription copays		\$10 / \$25 / \$40 20% of Rx up to \$100		\$10 / \$40 / \$80 20% of Rx up to \$200		\$10 / \$40 / \$80	
Mail order prescription copays		2x Retail		2x Retail		- 2x Retail	
Prescription maximum out-of-pocket		\$2,500	\$10,000	Combined w/ medical		Combined w/ medical	

Routine Wellness Visits are 100% free to employee, otherwise deductible must be covered before coinsurance kicks in. Prescriptions in HRA are ONLY subject to copays. Prescriptions in HSA are subject to deductible before copays kicks in.

*Anthem honored the maximum in-network out of pocket of \$4,000 and \$8,000 for the KC 2000 plan as approved by the School Board for school year 2024-2025, however it will go to the actual rates of \$5,000 and \$10,000 for 2025-2026.



Health Insurance Premiums – Draft Option A

	2025 Key Care 1000 (PPO)				2026 Key Care 1000 (PPO)				
	EE	ER	Premium	HRA	EE	ER	Premium	HRA	EE ▲
Single	115.80	656.14	771.94	500	185.00	740.00	925.00	500	69.20
Employee + Minor	405.28	752.64	1,157.92	1,000	499.50	888.00	1,387.50	1,000	94.22
Employee + Spouse	694.74	849.14	1,543.88	1,000	814.00	1,036.00	1,850.00	1,000	119.26
Family	868.44	1,061.42	1,929.86	1,000	1,054.50	1,258.00	2,312.50	1,000	186.06
Family for School Couple	578.96	1,350.90	1,929.86	1,000	536.50	1,776.00	2,312.50	1,000	-42.46
	2025 Key Care 2000 (PPO)				2026 Key Care 2000 (PPO)				
	EE	ER	Premium	HRA	EE	ER	Premium	HRA	EE ▲
Single	64.46	580.10	644.56	500	113.50	740.00	853.50	500	49.04
Employee + Minor	290.06	676.78	966.84	1,000	392.26	888.00	1,280.26	1,000	102.20
Employee + Spouse	515.64	773.48	1,289.12	1,000	671.00	1,036.00	1,707.00	1,000	155.36
Family	644.56	966.84	1,611.40	1,000	875.76	1,258.00	2,133.76	1,000	231.20
Family for School Couple	402.86	1,208.54	1,611.40	1,000	357.76	1,776.00	2,133.76	1,000	-45.10
					2026 Health Keepers 3400 (HMO)				
	EE	ER	Premium	HSA					
	0.00	740.00	740.00	1,200					
	222.00	888.00	1,110.00	2,400					
	444.00	1,036.00	1,480.00	2,400					
	592.00	1,258.00	1,850.00	2,400					
	74.00	1,776.00	1,850.00	2,400					



Health Insurance Plans – Draft Option B

		Key Care PPO 1000		Health Keepers HMO 2000		Health Keepers HMO 3400	
		Individual	Family	Individual	Family	Individual	Family
Employer HRA or HSA contribution		\$500	\$1,000	\$500	\$1,000	\$1,200	\$2,400
Deductible (first pay)	in-network	\$1,000	\$2,000	\$2,000	\$4,000	\$3,400	\$6,800
	out-of-network	\$1,500	\$3,000	\$3,000	\$6,000	\$4,000	\$8,000
Employee Coinsurance	in-network	20%	20%	20%	20%	20%	20%
	out-of-network	40%	40%	40%	40%	40%	40%
Maximum out-of-pocket	in-network	\$3,500	\$7,000	\$5,000*	\$10,000*	\$6,000	\$12,000
	out-of-network	\$5,250	\$10,500	\$7,500	\$14,000	\$7,500	\$14,000
Retail prescription copays		\$10 / \$25 / \$40 20% of Rx up to \$100		\$10 / \$40 / \$80 20% of Rx up to \$200		\$10 / \$40 / \$80	
Mail order prescription copays		2x Retail		2x Retail		- 2x Retail	
Prescription maximum out-of-pocket		\$2,500	\$10,000	Combined w/ medical		Combined w/ medical	

Routine Wellness Visits are 100% free to employee, otherwise deductible must be covered before coinsurance kicks in. Prescriptions in HRA are ONLY subject to copays. Prescriptions in HSA are subject to deductible before copays kicks in.

*Anthem honored the maximum in-network out of pocket of \$4,000 and \$8,000 for the KC 2000 plan as approved by the School Board for school year 2024-2025, however it will go to the actual rates of \$5,000 and \$10,000 for 2025-2026.



Health Insurance Premiums – Draft Option B

	2025 Key Care 1000 (PPO)				2026 Key Care 1000 (PPO)				
	EE	ER	Premium	HRA	EE	ER	Premium	HRA	EE ▲
Single	115.80	656.14	771.94	500	185.00	740.00	925.00	500	69.20
Employee + Minor	405.28	752.64	1,157.92	1,000	499.50	888.00	1,387.50	1,000	94.22
Employee + Spouse	694.74	849.14	1,543.88	1,000	814.00	1,036.00	1,850.00	1,000	119.26
Family	868.44	1,061.42	1,929.86	1,000	1,054.50	1,258.00	2,312.50	1,000	186.06
Family for School Couple	578.96	1,350.90	1,929.86	1,000	536.50	1,776.00	2,312.50	1,000	-42.46
	2025 Key Care 2000 (PPO)				2026 Health Keepers 2000 (HMO)				
	EE	ER	Premium	HRA	EE	ER	Premium	HRA	EE ▲
Single	64.46	580.10	644.56	500	93.14	740.00	833.14	500	28.68
Employee + Minor	290.06	676.78	966.84	1,000	361.72	888.00	1,249.72	1,000	71.66
Employee + Spouse	515.64	773.48	1,289.12	1,000	630.28	1,036.00	1,666.28	1,000	114.64
Family	644.56	966.84	1,611.40	1,000	824.86	1,258.00	2,082.86	1,000	180.3
Family for School Couple	402.86	1,208.54	1,611.40	1,000	306.86	1,776.00	2,082.86	1,000	-96.00
					2026 Health Keepers 3400 (HMO)				
	EE	ER	Premium	HSA					
	0.00	740.00	740.00	1,200					
	222.00	888.00	1,110.00	2,400					
	444.00	1,036.00	1,480.00	2,400					
	592.00	1,258.00	1,850.00	2,400					
	74.00	1,776.00	1,850.00	2,400					



Health Insurance Fund Budget

Health Insurance Cost – Draft Option A

Premiums	26,060,720
Transfer from General Fund	2,765,277
Interest	100,000
Total Revenues	28,925,997

Paid claims	23,121,500
HRA and HSA contributions	1,309,500
Contractual services (clinic)	206,400
Professional services (consultant)	50,000
Computer software (ALEX)	-
Flu shots	25,000
ACA taxes & fees	10,400
Total Expenditures	24,722,800

Net Revenue/Expenditures **4,203,197**

Health Insurance Cost – Draft Option B

Premiums	25,854,124
Transfer from General Fund	2,765,277
Interest	100,000
Total Revenues	28,719,401

Paid claims	22,914,400
HRA and HSA contributions	1,309,500
Contractual services (clinic)	206,400
Professional services (consultant)	50,000
Computer software (ALEX)	-
Flu shots	25,000
ACA taxes & fees	10,400
Total Expenditures	24,515,700

Net Revenue/Expenditures **4,203,701**



What's Next?

- Mar 20 – Adopt Budget
- Mar 24 – Last Day for Governor's action on legislation
- Apr 2 – Reconvened Session
- Apr 8 – Present budget to BOS

