

HCPC MEETING MINUTES

DATE AND TIME: 5/16/18 3:00 PM

LOCATION: Risk Management Building

VOTING MEMBERS:

x	Stephanie Bohrsen	KPESA
x	Joel Burns	KPEA
x	Vaughn Dosko	KPAA
x	Matt Fischer	KPEA
x	Liz Hayes	District
x	John O'Brien	District
x	Bruce Rife	KPEA
Absent	Tracy Silta	KPESA
x	John Sanborn	KPESA
x	Kristen Vix	District
x	David Brighton	KPEA
New X	Laura Wertanen	KPESA
New X	Robert Ernst	KPEA

QUORUM PRESENT: (NINE MEMBERS NEEDED) X YES NO

ADMINISTRATION/CONSULTANTS:

x	Stacey Cockroft	Benefits Manager
x	Dave Jones	Plan Administrator
x	Colleen Savoie	Parker-Smith-Feek Consultant

GUESTS PRESENT:

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A. CALL TO ORDER BY Matt F TIME 3:05pm .

1. **Approval of Agenda x as written, with flexibility x with additions**
 - a. MOTION: John O SECOND: Liz H VOTE: Unanimous
2. **Approval of Minutes March 22, 2018 x as written. with amendments**
 - a. MOTION: John O SECOND: Liz H VOTE: Unanimous

B. REPORTS

1. **Dave Jones, Plan Administrator.**
 Colleen updated info to Dave Jones for projected rates.
 Another big month for Claims, over 3 million. Stop Loss brought back down to 2.8 million
 The employee contribution for HDHP exceeded the employee share of costs by approximately \$200,000 for the year to date.
 Next year's employee contribution for the traditional plan is estimated at 733.52 per month for 9 month employees and \$550.14 per month for 12 month employees for the 18-19 year.
2. **Stacey Cockroft, Benefits Manager.**
 Stop Loss – thru April waiting on \$285,000.00+- for reimbursement.
 Set Health Care Committee meetings for 18-19 year.
3. **Liz Hayes, Director of Finance**

Liz provided report and clarified a few numbers, otherwise, no questions asked.

4. Colleen Savoie, Parker-Smith-Feek Consultant

Colleen provided handouts for non-PPO proposed changes with savings of we changed to 70% reimbursement or 60% reimbursement. 70% saves about \$394,000.00, 60% saves about \$580,000.00 just based on the reduced reimbursement rate. This assumes the non-PPO reimbursement does not accrue to the out-of-pocket maximum, which is consistent with the current language for non-PPO facilities in Anchorage. However, the goal is to encourage employees to use PPO providers and to encourage local providers to contract at reasonable rates. If these non-PPO providers joined Aetna and offered 20% discount the plan would save about \$340,000.

Durable medical equipment not an issue with us very little use.

Infertility testing use only cost \$24,000

Abortion use cost was \$21,000

Handout for Prescription drug change if went to 10% coinsurance for generic medications, 20% for preferred brands and 50% for non-preferred brands. Specialty medications would have a 10% coinsurance up to \$150 / script. Mixed feelings on this that it would fall on employees ONLY and some would be hurt and others would save. Future discussions needed. We need to provide incentives for our employees to take generics or cost effective brands. Estimated savings low of \$150,000 with no behavior change, high of \$530,000 with behavior change Employees NEED to change!

Surgery Center of Kenai handout showed the cost difference between CPH and the charges were so much higher that the committee voted to EXCLUDE coverage for the Surgery Center of Kenai starting September 1, 2018. John O motioned, Robert E seconded it, with a unanimous vote.

Tier Health plan illustration was brought but it is a negotiation item so no discussion was done.

C. OLD BUSINESS

Review of Current Health Plan language tabled until next Fall. John O motioned, John S seconded it, and vote was unanimous.

D. NEW BUSINESS.

1. Appeal process- David B. Discussed and there is a process in place already.
2. Special enrollment-Kristen V. Discussed another open enrollment so employees could decide if they want the Traditional or HDHP plan since the contribution next year will increase. Concern over too many open enrollments and figuring out AETNA. No decision made as John O stated that that is the Plan Administrator's call to make, not the committee.

Robert Ernts was introduced as Bruce Rife's replacement for next year's member.

The meeting ended and the agenda item mentioned for next Fall meeting is:

Review of Current Health Plan Language.

E. ADJOURN TIME 4:54pm

a. MOTION John O SECOND Liz H VOTE Unanimous

F. NEXT MEETINGS The calendar dates for HCPC meetings at the Risk Management building were set for the 2018-2019 school year:

- Wednesday, August 29, 2018, 3-5 PM
- Thursday, September 19, 2018, 3-5 PM

- **Wednesday, October 10, 2018, 3-5 PM**
- **Wednesday, November 28, 2018, 3-5 PM**
- **Wednesday, January 15, 2019, 3-5 PM**
- **Wednesday, February 20, 2019, 3-5 PM (early release day)**
- **Thursday, March 20, 2019, 3-5 PM**
- **Wednesday, April 17, 2019, 3-5 PM**
- **Wednesday, May 15, 2019. 3-5 PM**

Stacey Cockroft

To: Dave Jones; David Brighton; Elizabeth Hayes; Joel Burns; John O'Brien; Kristen Vix; Laura Wertanen; Matt Fischer; Rachel Sinclair; Robert Ernst; Stephanie Bohrsen; Vaughn Dosko
Cc: Broker
Subject: Specific Stop Loss Report

Good Morning,

Below is the 2018 Specific Stop Loss report through today.

Subscriber	Relationship	Total Amt	Amt over Spec	Amt Requested	Amt Reimbursed	Non Reimbursed Expenses	Amt Open
1	Dependent	\$1,141,561.76	\$921,561.76	\$921,561.76	\$777,836.11		\$143,725.65
2	Dependent	\$1,110,209.54	\$890,209.54	\$890,209.54	\$751,679.01		\$138,530.53
3	Self	\$280,088.41	\$60,088.41	\$60,088.41	\$0.00		\$60,088.41
4	Spouse	\$285,714.68	\$65,714.68	\$65,714.68	\$0.00		\$65,714.68
		\$2,817,574.39	\$1,937,574.39	\$1,937,574.39	\$1,529,515.12	\$0.00	\$408,059.27

Thank you,

Stacey Cockroft

Kenai Peninsula Borough School District

Employee Benefits Manager

148 N. Binkley St. Soldotna, AK 99669

Phone: (907) 714-8879 Fax: (907) 262-9645

scockroft@kpbsd.k12.ak.us



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BridgeHealth Savings Report 8/29/2018

Procedure Area	Regionally Adjusted Average	BH Case Rate	Case Management Fee	Travel Expenses	Total MI&G	Case Total Cost	Savings
General Surgery	\$17,083.54	\$5,146.00	\$1,029.20	\$3,882.38	\$600.00	\$10,657.58	\$6,425.96
Orthopedic	\$77,705.68	\$25,975.00	\$3,896.25	\$2,256.04	\$1,667.90	\$33,795.19	\$43,910.49
Orthopedic	\$70,677.03	\$28,000.00	\$4,200.00	\$3,527.81	\$900.00	\$36,627.81	\$34,049.22
Orthopedic	\$49,465.54	\$17,250.00	\$3,450.00	\$3,106.40	\$1,100.00	\$24,906.40	\$24,559.14
Orthopedic	\$23,892.37	\$10,815.00	\$2,163.00	\$4,454.96	\$700.00	\$18,132.96	\$5,759.41
	\$238,824.16	\$87,186.00	\$14,738.45	\$17,227.59	\$4,967.90	\$124,119.94	\$114,704.22

There are also three additional pending surgeries



Utilization Report

July 2018

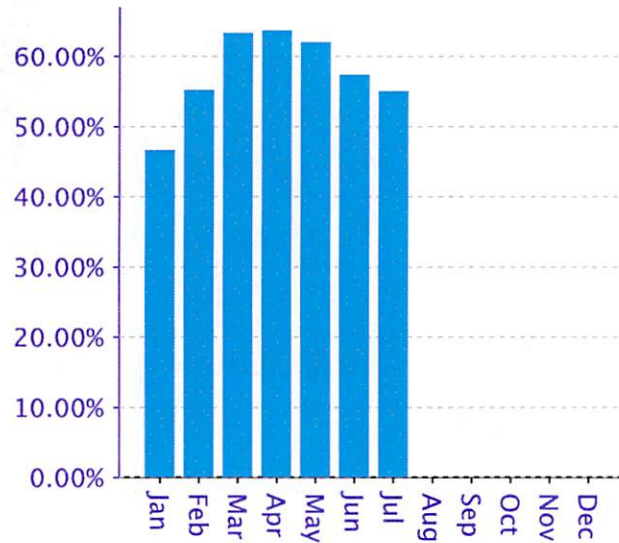
Kenai Peninsula Borough School District

CLAIMS SAVINGS & UTILIZATION

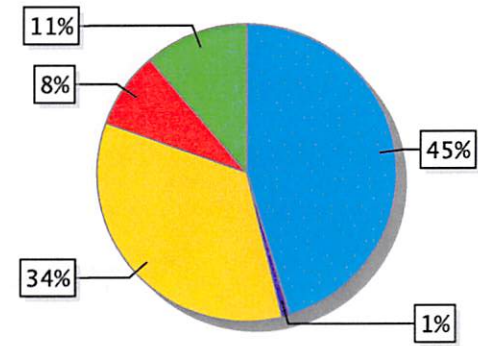
ANNUALIZED UTILIZATION

55.1%

(YTD total consults x 12 / # months accrued) / YTD average primaries. The denominator for per member per month annualized utilization is YTD average eligible lives.



WHERE MEMBER WOULD HAVE GONE IF TELADOC WERE NOT AVAILABLE



■ PCP ■ Specialist ■ Urgent Care
■ Emergency Room ■ No Treatment

ANNUALIZED UTILIZATION TREND



REDIRECTION CLAIMS SAVINGS

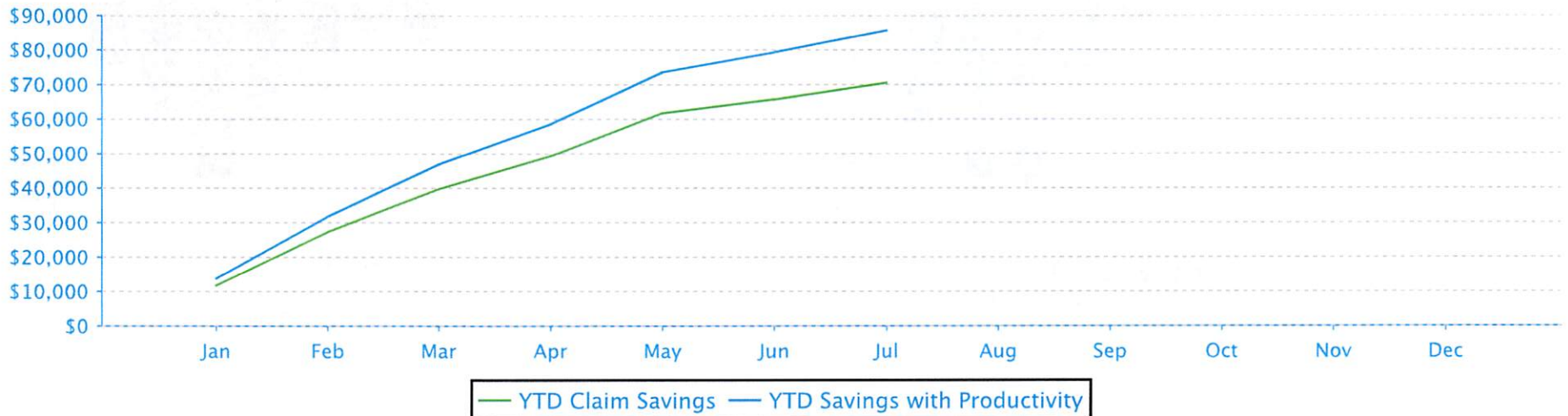
July 2018

YTD ALTERNATIVE CARE OPTIONS

	Your YTD Consult Count	Average Industry Cost	Teladoc Consult Cost	Net Claim Savings per Consult	Total Net Claim Savings
Primary Care Physician	162	\$129	\$40	\$89	\$14,418
Specialist	3	\$193	\$40	\$153	\$459
Urgent Care Clinic	122	\$161	\$40	\$121	\$14,762
Emergency Room	30	\$1,456	\$40	\$1,416	\$42,480
No Treatment	40	\$0	\$40	\$(40)	\$(1,600)
Total	357		\$40		\$70,519

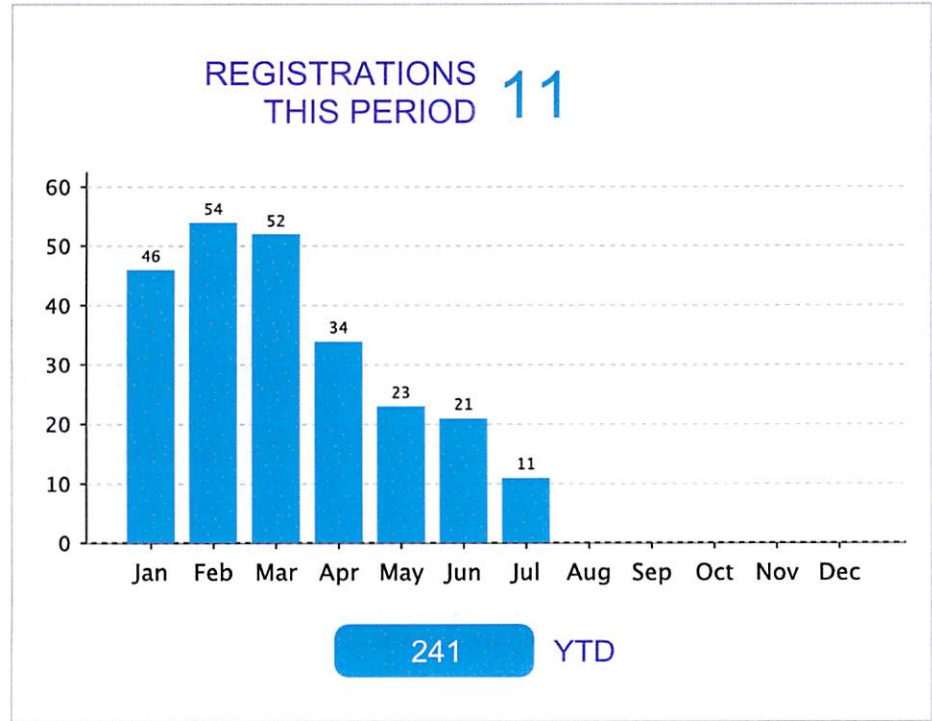
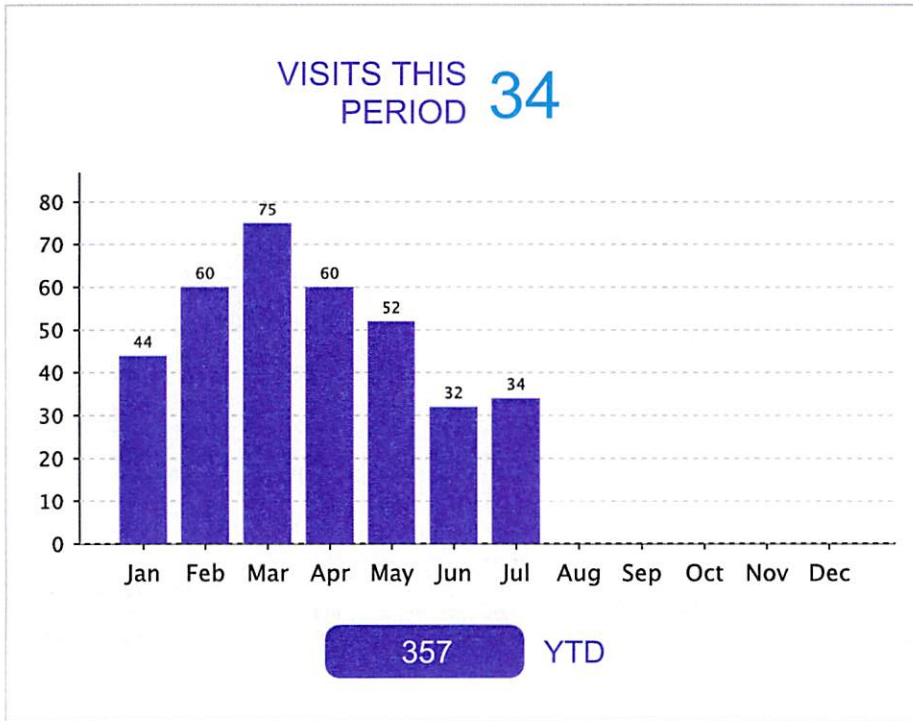
*Savings calculation based on claims impact only using average healthcare blue book values and your specific employee redirection statistics; **does not include monthly Teladoc Administrative fees**. Please refer to your ROI statement for cost-savings analysis using your specific monthly Teladoc Administrative fees. (To obtain a current ROI statement, request through your Aetna Account Manager.)

COST ANALYSIS ILLUSTRATION



MEMBER ACTIVITY

July 2018

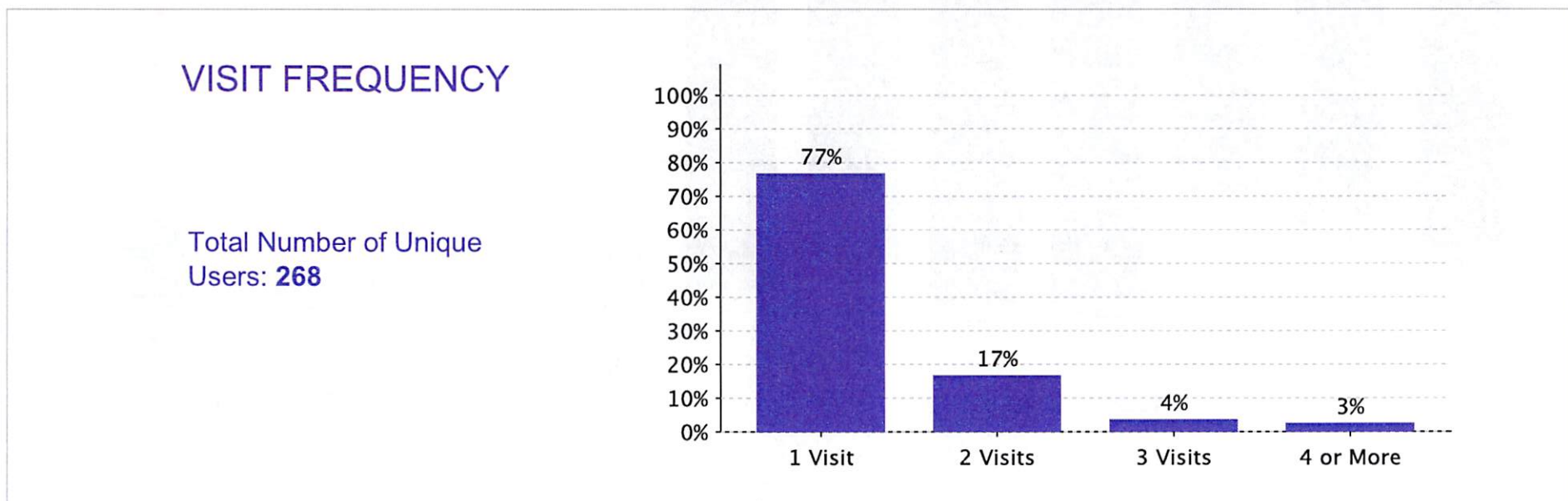
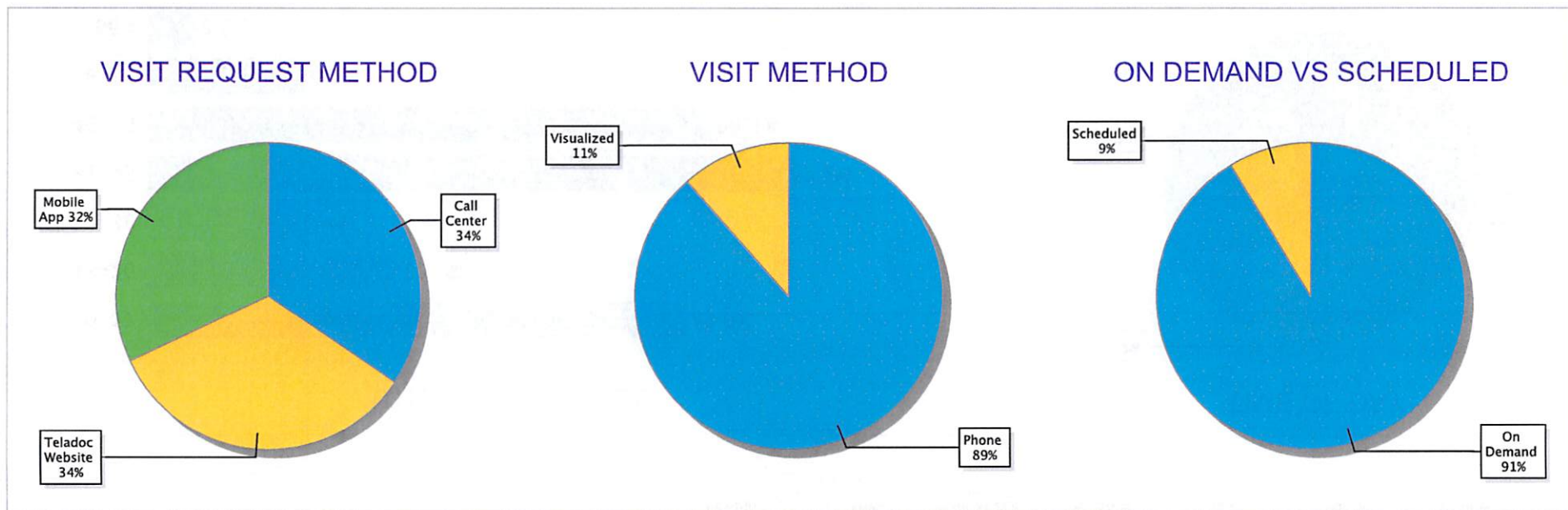


	VISITS		MEMBERSHIP		REGISTRATIONS		MEDICAL HISTORY COMPLETIONS	
	Report Period	YTD	Report Period	YTD AVG	Report Period	Since Inception	Report Period	Since Inception
Primaries	18	192	1,031	1,111	7	459	6	342
Dependents	16	165	2,151	2,292	4	323	4	280
Eligible Lives	34	357	3,182	3,403	11	782	10	622

*YTD Average: Sum of each month's eligible lives divided by the number of calendar months the account is effective.
Eligible Lives: All members with access to the service (primaries & dependents).*

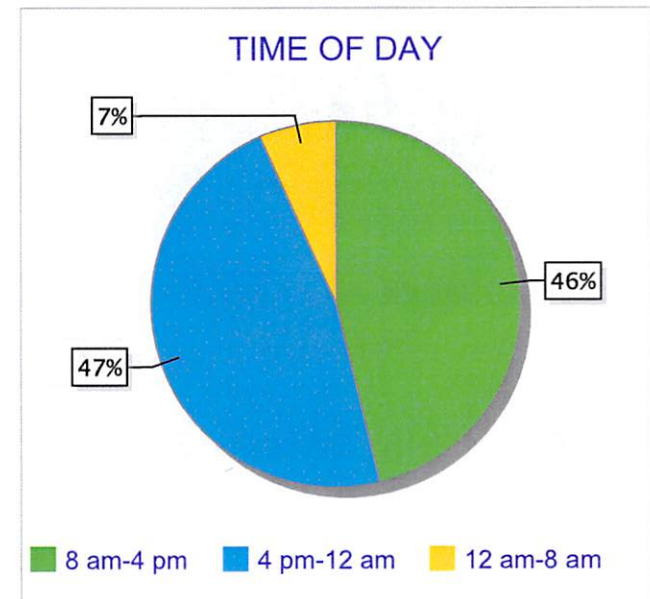
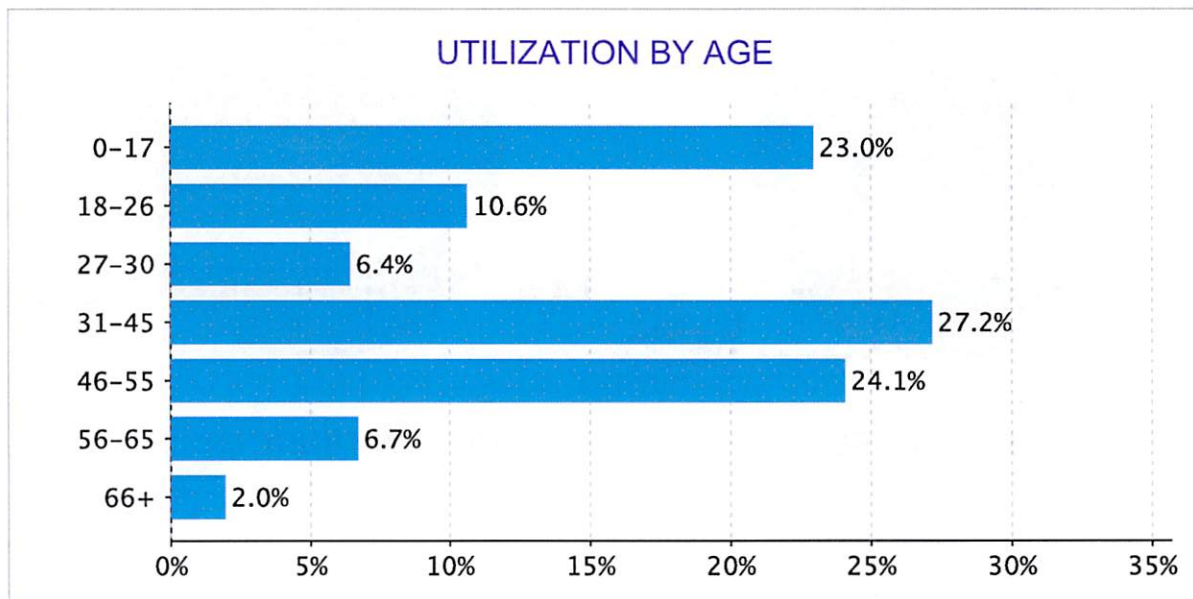
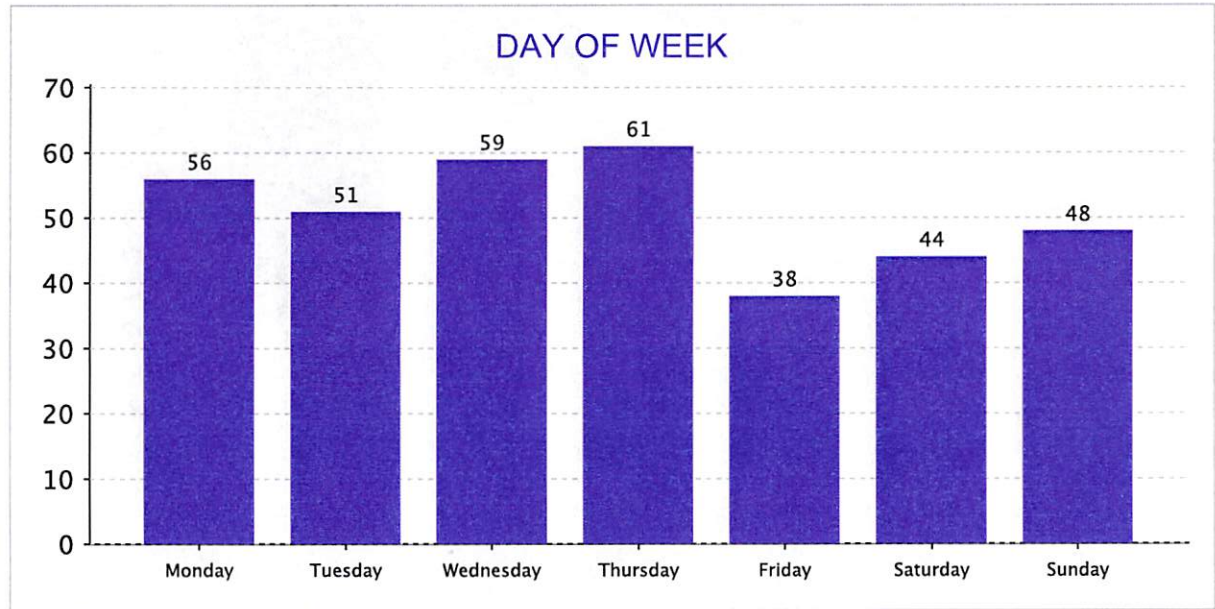
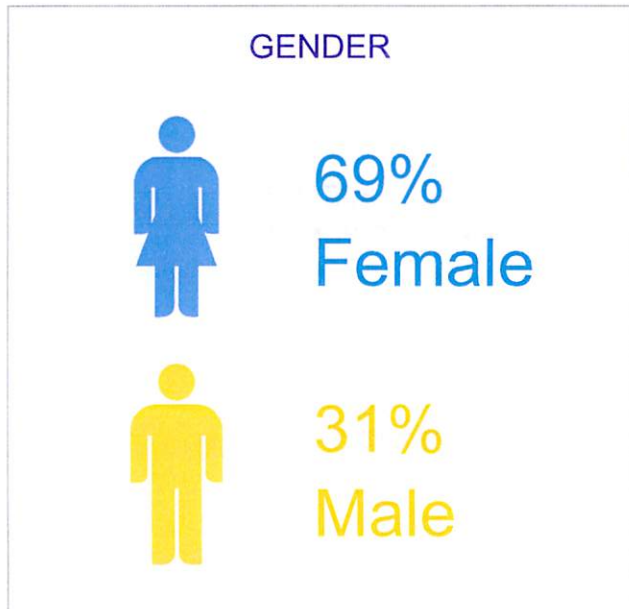
HOW YOUR MEMBERS RECEIVED CARE YTD

July 2018



WHO RECEIVED CARE AND WHEN YTD

July 2018



WHERE YOUR MEMBERS RECEIVED CARE YTD

July 2018

AVERAGE RESPONSE TIME YTD
The time between the visit request and when the physician contacted the member

16 minutes

REPORT PERIOD

10 min

State	Visits	% Visits
HAWAII	1	0.3%
INDIANA	1	0.3%
MINNESOTA	1	0.3%
NORTH DAKOTA	1	0.3%
PENNSYLVANIA	1	0.3%
WASHINGTON	1	0.3%
WISCONSIN	1	0.3%

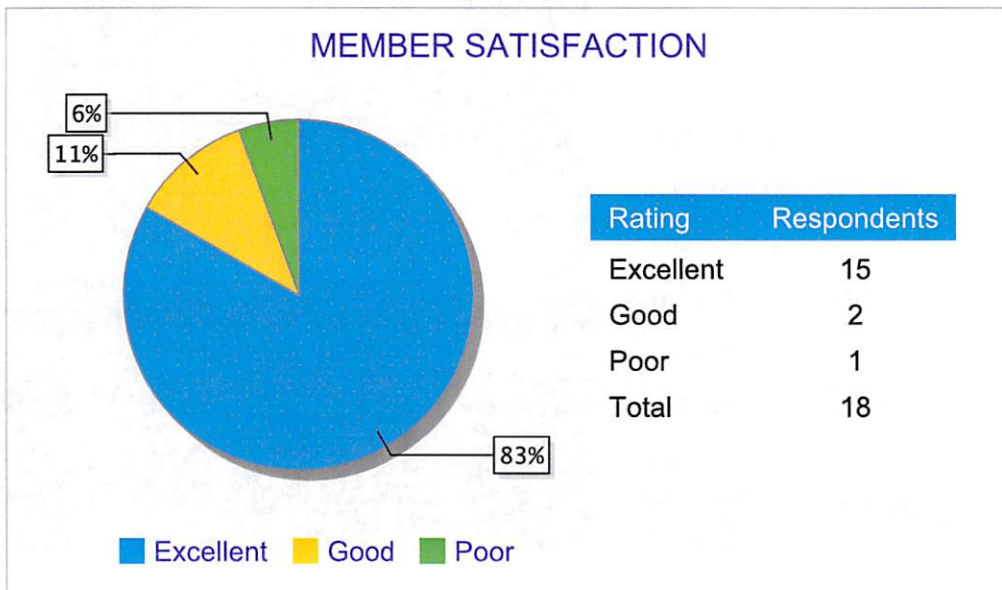
State	Visits	% Visits
ALASKA	321	89.9%
CALIFORNIA	7	2.0%
OHIO	6	1.7%
OREGON	3	0.8%
WYOMING	3	0.8%
ARIZONA	2	0.6%
COLORADO	2	0.6%
ILLINOIS	2	0.6%
TEXAS	2	0.6%
UTAH	2	0.6%

CLINICAL DETAILS YTD

July 2018

TOP DIAGNOSES	Frequency
Acute sinusitis, unspecified	8%
Acute upper respiratory infection, unspecified	7%
Cough	5%
Acute maxillary sinusitis, unspecified	5%
Dysuria	4%
Fever, unspecified	4%
Acute pharyngitis, unspecified	4%
Acute bronchitis, unspecified	3%
Urinary tract infection, site not specified	3%
Rash and other nonspecific skin eruption	3%

TOP PRESCRIPTIONS	Frequency
Amoxicillin 875 mg oral tablet	7%
Tessalon Perles 100 mg oral capsule	5%
Tamiflu 75 mg oral capsule	4%
Macrobid macrocrystals-monohydrate 100 mg oral capsule	4%
Flonase 50 mcg/inh nasal spray	4%
Amoxicillin 500 mg oral tablet	3%
Augmentin 875 mg-125 mg oral tablet	3%
Azithromycin 5 Day Dose Pack 250 mg oral tablet	3%
benzonatate 200 mg oral capsule	3%
amoxicillin 400 mg/5 mL oral powder for reconstitution	2%



PRESCRIPTIONS BY VISIT

Visits with Rx:	247
Total Rx:	340
% Visits with Rx:	69%
Visits without Rx:	110
Average Rx per Visit:	1.0

About the Teladoc Service

How would you rate the Teladoc service overall?

Outstanding	83.33 %	Responses	15
Good	11.11 %	Responses	2
Poor	5.56 %	Responses	1

How long have you had access to Teladoc?

Less than 6 months	16.67 %	Responses	3
Between 6 and 12 months	33.33 %	Responses	6
More than a year	38.89 %	Responses	7
Don't recall	11.11 %	Responses	2

In that time, how many consultations with a Teladoc physician have you had?

1-3	88.89 %	Responses	16
4-6	11.11 %	Responses	2

Was the Teladoc medical consultation for you or for a family member?

Self	83.33 %	Responses	15
Family member	16.67 %	Responses	3

How often when you have requested a Teladoc consultation did you get a call from the Teladoc physician as soon as you thought you needed it?

Always	88.89 %	Responses	16
Usually	11.11 %	Responses	2

CLIENT SATISFACTION SURVEY YTD

July 2018

How often when you have requested a Teladoc consultation did the Teladoc service make it easier to get the care or treatment you thought you needed?

Always	83.33 %	Responses	15
Usually	11.11 %	Responses	2
Sometimes	5.56 %	Responses	1

Overall, how would you compare your experience with your Teladoc consultation to your usual face-to-face experience with doctor consultations in terms of how useful the consultation was?

More useful	44.44 %	Responses	8
About the same	50.00 %	Responses	9
Less useful	5.56 %	Responses	1

Overall, how would you compare your experience with your Teladoc consultation to your usual face-to-face experience with doctor consultations in terms of how much time it took away from work or other activities?

Less time away	100.00 %	Responses	18
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Would you use the Teladoc service again?

Yes	94.44 %	Responses	17
Unsure	5.56 %	Responses	1

Did your Teladoc consultation resolve your immediate problem?

Yes	88.89 %	Responses	16
No	11.11 %	Responses	2

CLIENT SATISFACTION SURVEY YTD

July 2018

Did you get further care for the same problem during the week after your Teladoc consultation (other than filling a prescription)?

Yes	27.78 %	Responses	5
No	72.22 %	Responses	13

How likely are you to recommend Teladoc to a friend (Where 10=Extremely Likely and 1=Not Likely At All)

10	77.78 %	Responses	14
9	16.67 %	Responses	3
4	5.56 %	Responses	1

Access Method

Was your call answered in a timely manner?

Yes	16.67 %	Responses	3
No answer stored	83.33 %	Responses	15

Was the representative courteous and helpful?

Yes	16.67 %	Responses	3
No answer stored	83.33 %	Responses	15

How easy was it for you to schedule your consultation using the website?

Very easy	55.56 %	Responses	10
Fairly easy	27.78 %	Responses	5
No answer stored	16.67 %	Responses	3

CLIENT SATISFACTION SURVEY YTD

July 2018

How easy was it for you to find the information you wanted on the site?

Very easy	44.44 %	Responses	8
Fairly easy	38.89 %	Responses	7
No answer stored	16.67 %	Responses	3

Tell Us About the Teladoc Physician

Did the physician listen and understand your problem?

Yes	88.89 %	Responses	16
Somewhat	11.11 %	Responses	2

Did you feel comfortable asking the physician questions?

Yes	94.44 %	Responses	17
Somewhat	5.56 %	Responses	1

Overall, how would you rate the service provided by the Teladoc physician?

Outstanding	83.33 %	Responses	15
Good	5.56 %	Responses	1
Poor	11.11 %	Responses	2

Tell Us About The Teladoc Prescription Service

Did the pharmacy fill the prescription in a timely manner?

Yes	77.78 %	Responses	14
N/A	22.22 %	Responses	4

Did you encounter any other problems filling the prescription (other than timeliness)?

No	72.22 %	Responses	13
N/A	27.78 %	Responses	5

Kenai Peninsula Borough School District
 Health Care Committee Monthly recap
 as of July 31, 2018

<u>Reserve Account</u>	<u>As of 6-30-17</u>	<u>As of 6-30-18</u>	<u>FY18 Monthly Contribution - Traditional</u>
Employee Share	701,399.69	471,065.27	Employee Share * 388.70
Employer Share	1,353,713.48	1,572,408.17	Employer Share 1,976.04
			<u>2,364.74</u>
			<u>FY18 Monthly Contribution - HDHP</u>
			Employee Share * 252.26
			Employer Share 1,669.41
			<u>1,921.67</u>

This document is provided to the Health Care Committee as a work paper to recap the contributions to and expenditures from the Health Care Plan each month. It is to be used primarily as an aid in estimating costs of the plan to determine if changes should be made in employee contribution amounts. Every effort is made to provide current and accurate information, but this information is not audited until after the end of the fiscal year.

	Number of Employees	YTD Employees	Current Month Obligations	YTD Obligations	Contributions Current Month Collected	Contributions YTD Collected
Employees						
KPEA Employees	509	509	197,848.30	197,848.30		
KPEA Employees - HDHP	55	55	13,874.30	13,874.30		
KPEA Repay EE Reserve						
KPESA Employees	355	355	137,988.50	137,988.50	8,975.44	8,975.44
KPESA Employees - HDHP	37	37	9,333.62	9,333.62	1,062.20	1,062.20
KPESA Repay EE Reserve						
Administrators	50	50	19,435.00	19,435.00	4,275.70	4,275.70
Administrators - HDHP	5	5	1,261.30	1,261.30		
Admin Repay EE Reserve						
Board Members	4	4	1,554.80	1,554.80	1,100.00	1,100.00
Board Members - HDHP	1	1	252.26	252.26	252.26	252.26
Board Repay EE Reserve						
Exempt Employees	21	21	8,162.70	8,162.70	8,162.70	8,162.70
Exempt Employees - HDHP	4	4	1,009.04	1,009.04	796.65	796.65
Exempt Repay EE Reserve						
Affordable Care Act **	-	-	0.00	0.00		
ACA Empl Repay EE Reserve						
Total Employees on Payroll	1,041	1,041	390,719.82	390,719.82	24,624.95	24,624.95
COBRA Payers (FY18 = \$2215.88)	1	1	2,215.88	2,215.88	2,215.88	2,215.88
COBRA HD Payers (FY18 = \$1960.28)	1	1	1,960.28	1,960.28	5,880.84	5,880.84
Total Employees	1,043	1,043	394,895.98 *	394,895.98	32,721.67	32,721.67

* Current month employee obligations are a calculation of "Number of Employees" eligible for health care coverage during that month times the "Employee Share" (shown in the upper right corner of the sheet).

** Affordable Care Act (ACA) coverage is offered to employees once eligibility is determined. Eligibility is based on number of hours worked during the measurement period.

Employer						
Employer share	939	939	1,855,501.56	1,855,501.56	116,766.00	116,766.00
Employer share - HDHP	102	102	170,279.82	170,279.82	13,355.45	13,355.45
Total			2,420,677.36	2,420,677.36	162,843.12	162,843.12

+ Employee Share Split	FY18 Contribution Traditional	388.70	Subtotal	22,513.84	22,513.84
	Cobra	2,215.88	Subtotal	2,215.88	2,215.88
				<u>24,729.72</u>	<u>24,729.72</u>
	FY18 Contribution HDHP	252.26	Subtotal	2,111.11	2,111.11
	Cobra HD	1,960.28	Subtotal	5,880.84	5,880.84
				<u>7,991.95</u>	<u>7,991.95</u>
	Prior Year Reserve Repayment		TBD	Subtotal	-

Kenai Peninsula Borough School District	<u>Reserve Account</u>	<u>As of 6-30-17</u>	<u>As of 6-30-18</u>	<u>FY18 Monthly Contribution - Traditional</u>
Health Care Committee Monthly recap	Employee Share	701,399.69	471,065.27	Employee Share *
as of July 31, 2018	Employer Share	1,353,713.48	1,572,408.17	Employer Share
				388.70
				1,976.04
				2,364.74

Expenditures

Since the health care plan is self-funded, both employee and employer contributions are collected and bills are paid from the accumulated funds.

	TRADITIONAL		HDHP	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Claims				
Health Care Claims paid by TPA (Rehn)	1,563,352.65	1,563,352.65	32,055.35	32,055.35
Prescription Claims paid by Caremark	342,980.24	342,980.24	4,978.93	4,978.93
HRA	-	-	6,682.25	6,682.25
Total Claims Paid	1,906,332.89	1,906,332.89	43,716.53	43,716.53
Administration				
TPA (Rehn) fees and costs	23,395.85	23,395.85	-	-
TPA (Rehn) HRA fees and costs	-	-	2,271.81	2,271.81
Aetna Administration Fees	17,961.15	17,961.15	1,968.08	1,968.08
Consultant Fees	-	-	-	-
Stop Loss Premiums	180,255.35	180,255.35	19,751.38	19,751.38
Affordable Care Act Fee	5,184.63	5,184.63	568.10	568.10
Total Administration	226,796.98	226,796.98	24,559.37	24,559.37
Total Claims plus Administration	2,133,129.87	2,133,129.87	68,275.90	68,275.90
Adjustments				
Stop Loss reimbursements	(559,278.25)	(559,278.25)	-	-
Prescription Rebates	-	-	-	-
Health Care Claims refund	-	-	-	-
Other adjustments	-	-	-	-
Total Adjustments	(559,278.25)	(559,278.25)	-	-
Total Expenditures	1,573,851.62	1,573,851.62	68,275.90	68,275.90

Obligations/Contributions

Health care obligations and contributions provide employee and employer amounts of health care contributions using different calculation methods.

Obligations are estimates of funds that employees and the district will be obligated to contribute, based on the plan year (July through June).

Returning employees are covered by the health care plan for the entire plan year, meaning the 12 month period July through June; both employee and employer are obligated to pay for 12 months of coverage. New employees pay for coverage from date of hire through June, the end of the plan year. If an employee works at all during a month, both employee and employer pay for the entire month of coverage.

Actual Contributions made by employees and benefits paid by the employer during the payroll process are shown on the sheet in the columns labeled "Collected." The division of payments is governed by the Collective Bargaining Agreements and Memorandums of Understanding between the district and the employee groups.

Employee-paid contributions are deductions from payroll checks. Employees who work 12 months make contributions each pay period. Many school district employees do not work 12 months, so contributions are collected for those employees during the 9 month period from September through May.

For this reason, contributions are generally larger than obligations for September through May and contributions are generally smaller than obligations for June, July and August.

The "Collected" columns show what is actually available for paying health care costs. The "Obligations" show what is estimated to be available by month, based on number of employees at the current rate of contributions.

Kenai Peninsula Borough School District
 Healthcare Expenditures Split
 as of July 31, 2018

Traditional Plan				HDHP			
YTD Participants	939			YTD Participants	102		
Net Expenditures	1,573,851.62			Net Expenditures	68,275.90		
ER - Employer Cap \$1731.45	1,625,831.55			ER - Employer Cap \$1645.61	167,852.22		
EE - Employee Cap \$305.55	<u>286,911.45</u>			EE - Employee Cap \$182.85	<u>18,650.70</u>		
Total Cap Expenditure EE/ER	1,912,743.00			Total Cap Expenditure EE/ER	186,502.92		
Expenditures over Cap	-			Expenditures over Cap	-		
50/50 Split of Expenditures over Cap	-			50/50 Split of Expenditures over Cap	-		
ER Expenditures Up To Cap	781,608.35			ER Expenditures Up To Cap	61,448.31		
ER Expenditures Above Cap	<u>-</u>			ER Expenditures Above Cap	<u>-</u>		
Total ER Expenditures	781,608.35			Total ER Expenditures	61,448.31		
EE Expenditures Up To Cap	137,930.89			EE Expenditures Up To Cap	6,827.59		
EE Expenditures Above Cap	<u>-</u>			EE Expenditures Above Cap	<u>-</u>		
Total EE Expenditures	137,930.89			Total EE Expenditures	6,827.59		
Total ER & EE Expenditures	919,539.24			Total ER & EE Expenditures	68,275.90		
Traditional Summary				HDHP Summary			
Through July 2018	YTD EXP	YTD REV	REV Less EXP	Through July 2018	YTD EXP	YTD REV	REV Less EXP
Employer	1,337,773.88	116,766.00	(1,221,007.88)	Employer	61,448.31	13,355.45	(48,092.86)
Employee	<u>236,077.74</u>	<u>24,729.72</u>	<u>(211,348.02)</u>	Employee	<u>6,827.59</u>	<u>7,991.95</u>	<u>1,164.36</u>
Totals	1,573,851.62	141,495.72	(1,432,355.90)	Totals	68,275.90	21,347.40	(46,928.50)
Obligation per Employee FY18				Obligation per Employee FY18			
		<u>Year-to-date</u>				<u>Year-to-date</u>	
388.70 EE/1976.04 ER Split	2,364.74	2,364.74		252.26 EE/1669.41 ER Split	1,921.67	1,921.67	
Monthly Cost per Employee - ER		1424.68		Monthly Cost per Employee - ER		602.43	
Monthly Cost per Employee - EE + Cobra		<u>251.41</u>		Monthly Cost per Employee - EE + Cobra		<u>66.94</u>	
		1676.09				669.37	
Current Variance		688.65		Current Variance		1,252.30	

Obligations indicate the funds that will be accumulated per employee per month. Expenditures are amounts that have been paid through the plan.

A positive number for "current variance" represents the amount per employee per month that is estimated to be collected above the amount spent year-to-date. A negative number represents the amount of expenditures (per employee per month) that are more than what is estimated to be collected for payment of those expenditures.

HCPC MEETING MINUTES

DATE AND TIME: 3/22/18 3:00 PM

LOCATION: Risk Management Building

VOTING MEMBERS:

x	Stephanie Bohrsen	KPESA
x	Joel Burns	KPEA
x	Vaughn Dosko	KPAA
x	Matt Fischer	KPEA
x	Liz Hayes	District
x	John O'Brien	District
Phone	Bruce Rife	KPEA
x	Tracy Silta	KPESA
phone	John Sanborn	KPESA
x	Kristen Vix	District
x	David Brighton	KPEA

QUORUM PRESENT: (NINE MEMBERS NEEDED) X YES NO

ADMINISTRATION/CONSULTANTS:

x	Stacey Cockroft	Benefits Manager
x	Dave Jones	Plan Administrator
x	Colleen Savoie	Parker-Smith-Feek Consultant

GUESTS PRESENT:

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A. CALL TO ORDER BY Matt F TIME 3:03pm .

1. **Approval of Agenda as written, with flexibility x with additions**
 - a. MOTION: David B SECOND: Joel B VOTE: unanimous
2. **Approval of Minutes May 17, 2017 x as written. with amendments**
 - a. MOTION: Tracy S SECOND: Kristen V VOTE: unanimous

B. REPORTS

1. Dave Jones, Plan Administrator.

Annual meeting for Caremark/CVS prescriptions – Some claims are up but joining Caremark has paid off.

Within the Coop (not AK) 75+ pharmacies have been banned for excessive billing and possibly fraudulent prescriptions.

Without a few unusual large claims, our overall prescription drug costs have decreased.

National Cooperative RX undertook a request for proposal process for Prescription Benefits Managers. They will be renewing with Caremark with significant price reductions in the first year, and additional price reductions in years two and three.

Contribution sheet shows at the end of the year there will be a big excess for the High Deductible Plan, maybe reduce premiums toward end of the year.

HDHP such an excess talked about maybe set aside for that plan for future AND refund the employees in that plan.

Colleen said that for the most part most employees do not switch back and forth between the two plans.

The subcommittee will consider the options.

2. Stacey Cockcroft, Benefits Manager.

The 2017 stop loss year has been closed and all reimbursements in Jan-Feb hit the individual stop loss deductible already.

3. Liz Hayes, Director of Finance

Formats on report changed so cost of each plan is separated out.

Obligation for employee per month, both are positive to date. Traditional low \$\$, HDHP high \$\$.

4. Colleen Savoie, Parker-Smith-Feek Consultant

Briefly discussed the projection using data through November 2017. Colleen has been updating the projection internally, but has not provided an updated projection to the SD yet.

January claims were higher than expected but February is looking better.

Cost Savings Option sheet handed out and discussed on changes and the cost to employees. Options included changes to the prescription plan including moving from copays to a coinsurance model. The group discussed the possibility of reducing the coinsurance for non-PPO physicians and other providers to 60% of allowable costs. Some plans are also limiting the allowable expense to a percentage of Medicare. An estimate of the cost reduction impact of increasing deductibles and coinsurance was also discussed. This was noted that it is just a cost shift to the employee. Discussion of changing payroll deduction amounts was brought up.

C. OLD BUSINESS

1. Health committee communications: While this discussion was tabled, John and Liz indicated that they would negotiate with Tableau to use this platform for health information dissemination.
2. Wellness Program Options: This discussion was also tabled as members indicated that this topic deserves a separate meeting due to time limitations.

D. NEW BUSINESS.

a. Election of Chair and Secretary – Not done

b. Medical Travel options

Tracy Silta and Stephanie Bohrsen shared letters and instances of Doctor charges in our area compared to Anchorage. Tracy shopped around and saved the district \$1000. The Doctor sent her a heated letter on why she went and we discussed that employees should be doing this. Stacey will put out a list of questions/procedures that employees can use to “shop” for services. Then maybe the Doctor community might start paying attention and adjust prices. Two complaints were handed out on AK Regional as our preferred hospital and the experiences these patients/employees had with AK Regional and their concerns with having to use them.

BridgeHealth to take effect April 1, 2018.

Talked about how people will be informed (emails, mail-out).

Discussed how we want BridgeHealth to notify employees if their procedure would be a cost savings to the district. Concern about employees being notified and them wondering how this

company got their information. Dave and Stacey to discuss as they are setting up BridgeHealth for that option or not.

c. Hearing Aides

A participant requested the plan cover hearing aids. Colleen will provide cost estimates.

d. Vision Procedures – Lasik

A member requested the committee consider possibly covering this considering the potential cost savings for up to 10+ years of not buying glasses/contacts.

e. Stem Cell Therapies

Colleen will get more info on this. She is concerned about the additional liability to the District if experimental or investigational treatment were covered. These expenses would not be reinsured through stop loss.

John O'Brien ended the meeting stating that this committee is working and that we need to read the Health Plan Design by the next meeting (April 18th, 2018) to see if we need to update, make cuts, etc to save the plan money without detriment to the employee or district. Colleen provided new cost savings sheets as discussed earlier in this report.

E. ADJOURN TIME 5:05pm

a. MOTION John O SECOND Liz H VOTE unanimous

F. NEXT MEETINGS The calendar dates for HCPC meetings at the Risk Management building were set for the 2017-2018 school year:

- Wednesday, August 30, 2017, 3-5 PM
- Thursday, September 21, 2017, 3-5 PM
- Wednesday, October 11, 2017, 3-5 PM
- Wednesday, November 8, 2017, 3-5 PM
- Wednesday, January 10, 2018, 3-5 PM
- Wednesday, February 7, 2018, 3-5 PM (early release day)
- Thursday, March 22, 2018, 3-5 PM
- Wednesday, April 18, 2018, 3-5 PM
- Wednesday, May 16, 2018. 3-5 PM

KPBSD Health Care Contribution Amount Information

1. FY18 Cap Information

	FY18 Cap Amount <u>Traditional</u>	FY18 Cap Amount <u>HDHP</u>
District (85% Traditional - 90% HDHP)	\$ 1,731.45	\$ 1,645.61
Employee (15% Traditional - 10% HDHP)	\$ <u>305.55</u>	\$ <u>182.85</u>
Monthly Total	\$ 2,037.00	\$ 1,828.46

2. FY18 Contributions

	FY18 Contributions <u>Traditional</u>	FY18 Contributions <u>HDHP</u>
FY18 Broker Recommended Total Amount Monthly	\$ 2,141.55	\$ 1,876.39
Excess above Cap	\$ 104.55	\$ 47.93
50% of Excess	\$ 52.28	\$ 23.97
District	\$ 1,783.73	\$ 1,669.58
Employee	\$ <u>357.83</u>	\$ <u>206.81</u>
Total FY18 Amounts Per Broker Rec	\$ 2,141.55	\$ 1,876.39

3. Actual FY18 Employee Rates set by Health Care Sub-Committee

	388.7	252.26
Amount Over Broker Recommendation	\$ 30.87	\$ 45.45
Percentage Over Broker Recommendation	8.63%	21.98%

4. Contributions and Expenditures YTD Employee

	Revenues	Expenditures	Revenues Less Expenditures
Through February 8 Months	227,469.95	58,839.48	168,630.47
Per Month	28,433.74	7,354.94	21,078.81
Remaining 4 Months	113,734.98	29,419.74	84,315.24
Projected Totals	341,204.93	88,259.22	252,945.71



2018 SPECIAL ENROLLMENT

AUGUST 30th to SEPTEMBER 12th 2018

WHAT IS THE SPECIAL ENROLLMENT FOR?

Per IRS Regulation 26 CFR 1.125-4, the Kenai Peninsula Borough School District is allowing a Special Enrollment period due to a significant increase in the Traditional Plan's monthly contribution rate effective September 1, 2018. **During this Special Enrollment, ONLY those employees currently enrolled on the Traditional Health Plan may choose to switch to the High Deductible Health Plan, or decline coverage (see section below on page 2) effective September 1, 2018.** During this Special Enrollment, you may NOT make any other changes to your elections, such as adding a spouse or dependent child. Those changes may be made during the regular annual Open Enrollment Period that will occur from November 15, 2018 through December 15, 2018 with an effective date of January 1, 2019.

- ✓ **ENROLLMENT DEADLINE:** You MUST submit your Plan changes no later than 4:30 pm on September 12, 2018. All enrollment forms must be turned in to Stacey Cockroft at the District Office by the deadline.
- ✓ **NO CHANGES? No action is required from you; your current enrollment will remain the same.**
- ✓ Enrollment forms are included in this packet and will also be available online at <http://www.kpbsd.k12.ak.us/employees.aspx?id=5232>.
- ✓ All changes made during the Special Enrollment will be effective **September 1, 2018.**

YOUR MEDICAL OPTIONS

You may ONLY choose to switch from the Traditional Plan to the High Deductible Plan:

MEDICAL BENEFITS	TRADITIONAL PLAN	HIGH DEDUCTIBLE HEALTH PLAN (HDHP)
Annual Medical Deductible Individual Family	\$200 \$600	\$1,500 \$3,000
Reimbursement Percentage	Plan pays 80% Plan pays 60% (non-PPO facility)	
Out-of-Pocket Maximum (Not including deductible) Individual Family	\$1,000 \$3,000	\$2,000 \$4,000
Prescription Drug Coverage Generic Copay Preferred Brand Copay Non-Preferred Brand Copay Specialty Copay	\$5 \$25 \$50 \$100 (limited to a 30-day supply)	
Health Reimbursement Arrangement	None	\$750/year*
Employee Contribution Monthly (12 month deduction) Monthly Prorated (9 month deduction) Annual	\$TBD \$TBD \$TBD	\$TBD \$TBD \$TBD

**If you newly elect the HDHP, \$625 will be credited to your HRA account on September 1st for September 2018 – June 2019. Another \$750 will be credited on July 1st for the period July 2019 – June 2020.*

What is a Health Reimbursement Arrangement (HRA)?

An HRA allows KPBSD to set aside funds for you to spend on qualified health care expenses. Money not used in one calendar year can be rolled over from year-to-year. If you newly enroll in the High Deductible Health Plan during this Special Enrollment, KPBSD will contribute \$625 to your HRA account on September 1, 2018. If you are enrolled in the HRA on July 1st (the first day of the fiscal year), KPBSD will contribute another \$750 to your HRA account.

You may use these funds for you and your dependents who are enrolled in the HDHP. If you terminate KPBSD employment, the funds will be forfeited.

Your HRA funds may be used towards medical, prescription, dental, and vision expenses. The HRA will be administered by Rehn. A claim form is available to submit for HRA reimbursements.

How the HRA works with a Health Care Flexible Spending Account (FSA):

You may have both an HRA and enroll in a Health Care FSA. Expenses are paid from the Health Care FSA first, because that account is “use it or lose it.” A Flexible Spending Account is available to employees through American Fidelity. It is not a part of the health plan. For questions relating to the Flexible Spending Account, please contact Darcy Carter at darcy.carter@americanfidelity.com.

IRS rules do not permit changing your current FSA contribution or opening an FSA during this special mid-year enrollment.

YOU MAY BE ABLE TO DECLINE COVERAGE

- You may decline Health Plan coverage ONLY if you are currently enrolled in the Traditional Health Plan and have other health coverage outside of the KPBSD Health Plan that meets the minimum requirements of the Affordable Care Act (ACA). If you decline coverage, you pay no employee contribution. ***Please start this process early to ensure you are able to obtain the necessary Certificate of Coverage and Summary of Benefits and Coverage (SBC) from your current health plan by the September 12, 2018 deadline. Please note the SBC is not the “Summary of Benefits” located in the Plan summary, this document must be specifically requested from the other Plan. Please contact Stacey Cockroft at scockroft@kpbsd.k12.ak.us to request examples of what is required.***
- If you are double covered within the KPBSD health plan because you are both a KPBSD employee and a spouse or dependent of a KPBSD employee and have no coverage outside of KPBSD, you may not decline coverage.

HOW DO I CHANGE MY PLAN SELECTION?

➤ **STEP 1:**

If you decide to switch from the Traditional Plan to the High Deductible Health Plan, please fill out the enrollment form selecting the High Deductible Health Plan. If you would like to decline coverage, please fill out the enrollment form selecting “Declining Coverage” and obtain the necessary documents listed above. If you do not want to change your Plan selection, you do not need to submit a form.

➤ **STEP 2:**

Submit the completed enrollment form and applicable documents to Stacey Cockroft at the District Office by the 4:30 pm September 12, 2018 deadline. The enrollment form is included in this packet. Forms are also available online at:

<http://www.kpbsd.k12.ak.us/employees.aspx?id=5232>

FOR MORE INFORMATION:

- Go to our website: <http://www.kpbsd.k12.ak.us/employees.aspx?id=5232>
All documents and forms will be posted on the website.
- **QUESTIONS?** Contact Stacey Cockroft, Employee Benefits Manager, at 907-714-8879 or scockroft@kpbsd.k12.ak.us.



Kenai Peninsula Borough School District Health Care Plan Participant Enrollment Form



EMPLOYEE INFORMATION

Name of Employee:			Date of Enrollment or Change:		
Social Security Number:		Sex: <input type="checkbox"/> M <input type="checkbox"/> F	IHS (Indian Health Services) Eligible: <input type="checkbox"/> Y <input type="checkbox"/> N		
Address:			Date of Birth:		
City:	State:	Zip:	Marital Status:		
Phone:		Email:	Date of Marriage:		

TYPE OF ENROLLMENT/LEGAL DOCUMENTATION

Legal documentation is **REQUIRED** for all new enrollments and any changes made (marriage certificate, birth certificate, etc.):

New Enrollment
 Open Enrollment
 Change in Status
 DECLINING COVERAGE (Note: You may decline only if you have other health coverage outside KPBSD that meets the minimum Affordable Care Act requirements.)

Reason for electing, changing or declining coverage: _____

I wish to DECLINE Dental/Vision coverage (I understand this will NOT reduce/change my contribution amount)

COVERAGE AND DEPENDENT INFORMATION

One plan option must be selected:

Traditional Plan
 HDHPlan (Note: You may choose to opt-out of HRA reimbursements by contacting the Benefits Manager)

Add	Drop	Relationship to Employee	Last Name	First Name	Middle Initial	IHS Eligible	Social Security No.	Date of Birth	Employer	Gender
<input type="checkbox"/>	<input type="checkbox"/>	SPOUSE				<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F
<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F
<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F
<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F
<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F
<input type="checkbox"/>	<input type="checkbox"/>					<input type="checkbox"/> Y <input type="checkbox"/> N				<input type="checkbox"/> M <input type="checkbox"/> F

Is any child over the dependent age limit applying for coverage due to disability? No Yes → Complete the Request for Certification of Disabled Dependent form.

Does any dependent have a different mailing address? No Yes → _____

List Dependent name

Write in Dependent mailing address including City, State and ZIP Code

OTHER COVERAGE INFORMATION

Do you, your spouse and/or your covered dependents have other coverage for: If yes, please attach a Certificate of Creditable Coverage from your current carrier(s) – Certificates only apply to newly enrolled Employees & Dependents.

Medical No Yes
 Dental No Yes
 Vision No Yes
 Prescriptions No Yes
 Medicare No Yes

COVERAGE #1:
 Enrollee's Name: _____ Enrollee's Birth Date: _____ Plan Name: _____
 ID #: _____ Effective Date: _____ Individuals currently covered under this policy: _____

COVERAGE #2:
 Enrollee's Name: _____ Enrollee's Birth Date: _____ Plan Name: _____
 ID #: _____ Effective Date: _____ Individuals currently covered under this policy: _____

SIGNATURE

I declare that to the best of my knowledge, all of the information on this form is true and complete, and all of the persons for whom I am requesting enrollment are eligible for coverage. The changes on this form supersede all previous forms submitted. I UNDERSTAND THAT MISSTATEMENT, OMISSION OF MEDICAL INFORMATION OR FAILURE TO DISCLOSE ANY INFORMATION MAY BE USED AS A BASIS FOR RESCISSION OF COVERAGE FOR ME AND FOR MY DEPENDENTS, AND THAT I WILL BE GUILTY OF INSURANCE FRAUD. I authorize deductions, if any, from any earnings toward the cost of the coverage. A copy of this authorization shall be as valid as the original.

Sign Here → _____

Employee's Signature
Print Name
Date

THIS SECTION TO BE COMPLETED BY EMPLOYER

Exact date of full-time employment:			Effective Date:			Date Processed:			
Month	Day	Year	Month	Day	Year	Month	Day	Year	Plan Administrator

Kenai Peninsula Borough School District
Health Care Committee Monthly recap
as of June 30, 2018

Reserve Account	As of 6-30-16	As of 6-30-17	Monthly Contribution - Traditional
Employee Share	578,048.09	701,399.69	Employee Share * 392.15
Employer Share	1,350,262.27	1,353,713.48	Employer Share 1,783.73
			2,175.88
			Monthly Contribution - HDHP
			Employee Share * 255.71
			Employer Share 1,669.58
			1,925.29

This document is provided to the Health Care Committee as a work paper to recap the contributions to and expenditures from the Health Care Plan each month. It is to be used primarily as an aid in estimating costs of the plan to determine if changes should be made in employee contribution amounts. Every effort is made to provide current and accurate information, but this information is not audited until after the end of the fiscal year.

	Number of Employees	YTD Employees	Current Month Obligations	YTD Obligations	Contributions Current Month Collected	Contributions YTD Collected
Employees						
KPEA Employees	562	6,746	220,388.30	2,645,443.90	-	2,609,774.97
KPEA Employees - HDHP	62	715	15,854.02	182,832.65	-	181,151.76
KPEA Repay EE Reserve					-	25,592.79
KPESA Employees	369	4,482	144,703.35	1,757,616.30	9,350.63	1,733,272.95
KPESA Employees - HDHP	40	462	10,228.40	118,138.02	278.84	115,488.88
KPESA Repay EE Reserve					(3.45)	16,942.48
Administrators	54	643	21,176.10	252,152.45	4,447.41	250,480.37
Administrators - HDHP	5	61	1,278.55	15,598.31	-	15,321.56
Admin Repay EE Reserve					-	2,435.76
Board Members	4	49	1,568.60	19,215.35	1,900.00	17,276.74
Board Members - HDHP	1	6	255.71	1,534.26	252.26	1,513.56
Board Repay EE Reserve					-	63.02
Exempt Employees	23	269	9,019.45	105,488.35	8,474.90	104,250.06
Exempt Employees - HDHP	4	39	1,022.84	9,972.69	783.36	10,006.33
Exempt Repay EE Reserve					-	1,035.58
Affordable Care Act **	-	-	0.00	0.00	-	-
ACA Empl Repay EE Reserve						
Total Employees on Payroll	1,124	13,472	425,495.32	5,107,992.28	25,483.95	5,084,606.81
COBRA Payers (FY18 = \$2215.88)		25	-	52,894.00	-	52,822.76
COBRA HD Payers (FY18 = \$1960.28)	1	11	1,960.28	21,563.08	-	23,198.41
Total Employees	1,125	13,508	427,455.60 *	5,182,449.36	25,483.95	5,160,627.98

* Current month employee obligations are a calculation of "Number of Employees" eligible for health care coverage during that month times the "Employee Share" (shown in the upper right corner of the sheet).

** Affordable Care Act (ACA) coverage is offered to employees once eligibility is determined. Eligibility is based on number of hours worked during the measurement period.

Employer						
Employer share	1,012	12,189	1,805,134.76	21,741,884.97	105,384.39	21,640,748.64
Employer share - HDHP	112	1,283	186,992.96	2,142,071.14	8,347.90	2,136,326.09
Total			2,419,583.32	29,066,405.47	139,216.24	28,937,702.71
+ Employee Share Split						
Current Year Contribution Traditional			388.70	Subtotal	24,172.94	4,715,055.09
Cobra			2,215.88	Subtotal	-	52,822.76
					24,172.94	4,767,877.85
Current Year Contribution HDHP			252.26	Subtotal	1,314.46	323,482.09
Cobra HD			1,960.28	Subtotal	-	23,198.41
					1,314.46	346,680.50
Prior Year Reserve Repayment			3.45	Subtotal	(3.45)	46,069.63

Kenai Peninsula Borough School District	<u>Reserve Account</u>	<u>As of 6-30-16</u>	<u>As of 6-30-17</u>	<u>Monthly Contribution - Traditional</u>
	Employee Share	578,048.09	701,399.69	Employee Share * 392.15
Health Care Committee Monthly recap as of June 30, 2018	Employer Share	1,350,262.27	1,353,713.48	Employer Share <u>1,783.73</u>
				<u>2,175.88</u>

Expenditures

Since the health care plan is self-funded, both employee and employer contributions are collected and bills are paid from the accumulated funds.

	TRADITIONAL		HDHP	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Claims				
Health Care Claims paid by TPA (Rehn)	1,923,863.80	24,140,575.05	47,036.05	596,543.72
Prescription Claims paid by Caremark	753,564.69	5,657,090.74	5,330.02	59,659.61
HRA		-	3,569.89	52,991.93
Total Claims Paid	<u>2,677,428.49</u>	<u>29,797,665.79</u>	<u>55,935.96</u>	<u>709,195.26</u>
Administration				
TPA (Rehn) fees and costs	3,834.36	547,727.28	1,949.30	34,285.73
TPA (Rehn) HRA fees and costs		-	399.00	8,676.50
Aetna Administration Fees	19,579.35	229,057.11	2,186.23	24,243.88
Consultant Fees	5,037.51	60,783.96	562.49	6,416.03
Stop Loss Premiums	196,877.29	2,031,248.35	21,983.33	216,780.05
Affordable Care Act Fee	28,169.78	126,714.58	3,145.44	13,700.30
Total Administration	<u>253,498.29</u>	<u>2,995,531.28</u>	<u>30,225.79</u>	<u>304,102.49</u>
Total Claims plus Administration	<u>2,930,926.78</u>	<u>32,793,197.07</u>	<u>86,161.75</u>	<u>1,013,297.75</u>
Adjustments				
Stop Loss reimbursements	(285,770.28)	(4,128,038.84)		
Prescription Rebates	(18,201.43)	(694,294.08)	(445.00)	(19,427.64)
Health Care Claims refund	-	(989.78)	-	-
Other adjustments	(120.00)	(170.00)	-	-
Total Adjustments	<u>(304,091.71)</u>	<u>(4,823,492.70)</u>	<u>(445.00)</u>	<u>(19,427.64)</u>
Total Expenditures	<u>2,626,835.07</u>	<u>27,969,704.37</u>	<u>85,716.75</u>	<u>993,870.11</u>

Obligations/Contributions

Health care obligations and contributions provide employee and employer amounts of health care contributions using different calculation methods.

Obligations are estimates of funds that employees and the district will be obligated to contribute, based on the plan year (July through June).

Returning employees are covered by the health care plan for the entire plan year, meaning the 12 month period July through June; both employee and employer are obligated to pay for 12 months of coverage. New employees pay for coverage from date of hire through June, the end of the plan year. If an employee works at all during a month, both employee and employer pay for the entire month of coverage.

Actual Contributions made by employees and benefits paid by the employer during the payroll process are shown on the sheet in the columns labeled "Collected." The division of payments is governed by the Collective Bargaining Agreements and Memorandums of Understanding between the district and the employee groups.

Employee-paid contributions are deductions from payroll checks. Employees who work 12 months make contributions each pay period. Many school district employees do not work 12 months, so contributions are collected for those employees during the 9 month period from September through May.

For this reason, contributions are generally larger than obligations for September through May and contributions are generally smaller than obligations for June, July and August.

The "Collected" columns show what is actually available for paying health care costs. The "Obligations" show what is estimated to be available by month, based on number of employees at the current rate of contributions.

Kenai Peninsula Borough School District
 Healthcare Expenditures Split
 as of June 30, 2018

	Traditional Plan			HDHP		
YTD Participants	12,189			1,283		
Net Expenditures	27,970,083.26			993,491.22		
ER - Employer Cap \$1731.45	21,104,644.05			ER - Employer Cap \$1645.61	2,111,317.63	
EE - Employee Cap \$305.55	<u>3,724,348.95</u>			EE - Employee Cap \$182.85	<u>234,596.55</u>	
Total Cap Expenditure EE/ER	24,828,993.00			Total Cap Expenditure EE/ER	2,345,914.18	
Expenditures over Cap	3,141,090.26			Expenditures over Cap	-	
50/50 Split of Expenditures over Cap	<u>1,570,545.13</u>			50/50 Split of Expenditures over Cap	-	
ER Expenditures Up To Cap	21,104,644.05			ER Expenditures Up To Cap	894,142.10	
ER Expenditures Above Cap	<u>1,570,545.13</u>			ER Expenditures Above Cap	-	
Total ER Expenditures	22,675,189.18			Total ER Expenditures	894,142.10	
EE Expenditures Up To Cap	3,724,348.95			EE Expenditures Up To Cap	99,349.12	
EE Expenditures Above Cap	<u>1,570,545.13</u>			EE Expenditures Above Cap	-	
Total EE Expenditures	5,294,894.08			Total EE Expenditures	99,349.12	
Total ER & EE Expenditures	27,970,083.26			Total ER & EE Expenditures	993,491.22	
	Traditional Summary			HDHP Summary		
Through June 2018	YTD EXP	YTD REV	REV Less EXP	Through June 2018	YTD EXP	REV Less EXP
Employer	22,675,189.18	21,640,748.64	(1,034,440.54)	Employer	894,142.10	2,136,326.09
Employee	<u>5,294,894.08</u>	<u>4,767,877.85</u>	<u>(527,016.23)</u>	Employee	<u>99,349.12</u>	<u>346,680.50</u>
Totals	27,970,083.26	26,408,626.49	(1,561,456.77)	Totals	993,491.22	2,483,006.59
Obligation per Employee		<u>Year-to-date</u>		Obligation per Employee		<u>Year-to-date</u>
388.70 EE/1783.73 ER Split	2,172.43	26,069.16		252.26 EE/1669.58 ER Split	1,921.84	17,296.56
Monthly Cost per Employee - ER		1860.30		Monthly Cost per Employee - ER		696.92
Monthly Cost per Employee - EE + Cobra		<u>434.40</u>		Monthly Cost per Employee - EE + Cobra		<u>77.44</u>
		2294.70				774.35
Current Variance		(122.27)		Current Variance		1,147.49

Obligations indicate the funds that will be accumulated per employee per month. Expenditures are amounts that have been paid through the plan.

A positive number for "current variance" represents the amount per employee per month that is estimated to be collected above the amount spent year-to-date. A negative number represents the amount of expenditures (per employee per month) that are more than what is estimated to be collected for payment of those expenditures.

Kenai Peninsula Borough School District
 2019 Self-Funded Projected Rates

MEDICAL/RX	Enrollment	FY18 Rates	FY19 Projected Rates
Traditional Plan			
Employee Only	<u>1,010</u>	<u>\$2,172.43</u>	<u>\$2,442.59</u>
Monthly Total	1,010	\$2,194,154	\$2,467,012
Annual Total		\$26,329,852	\$29,604,138
PEPM		\$2,172.43	\$2,442.59
% Increase			12.4%
HDHP			
Employee Only	<u>114</u>	<u>\$1,921.84</u>	<u>\$1,801.20</u>
Monthly Total	114	\$219,090	\$205,336
Annual Total		\$2,629,077	\$2,464,037
PEPM		\$1,921.84	\$1,801.20
% Increase			-6.3%
Monthly Total	1,124	\$2,413,244	\$2,672,348
Annual Total		\$28,958,929	\$32,068,175
PEPM		\$2,147.01	\$2,377.53
% Increase			10.7%

FY19 Rate Projections 8/17/2018

1. FY18 Cap Related Information

	FY18 Cap Amount <u>Traditional</u>	FY18 Cap Amount <u>HDHP</u>
District (85% Traditional - 90% HDHP)	\$ 1,731.45	\$ 1,645.61
Employee (15% Traditional - 10% HDHP)	<u>\$ 305.55</u>	<u>\$ 182.85</u>
Monthly Total	\$ 2,037.00	\$ 1,828.46

2. FY19 Contributions At Marsh & McLennan Recommended Rate

	FY19 Contributions <u>Traditional</u>	FY19 Contributions <u>HDHP</u>
FY19 Broker Recommended Amount Monthly	\$ 2,442.59	\$ 1,801.20
Amount above/below Cap	\$ 405.59	\$ (27.26)
50% of Excess	\$ 202.80	\$ -
District	\$ 1,934.25	\$ 1,621.08
Employee*	<u>\$ 508.35</u>	<u>\$ 180.12</u>
Total FY19 Amounts Per Broker Rec	\$ 2,442.59	\$ 1,801.20

3. 9 Month Employee Rate Amount Calculation

	<u>Traditional</u>	<u>HDHP</u>
Employee* recommended monthly rate	\$ 508.35	\$ 180.12
Times 12 months for yearly total	\$ 6,100.20	\$ 2,161.44
Divided by 9 for monthly nine month contribution total	\$ 677.80	\$ 240.16

*Based on Broker Recommended Rates - HCPC Subcommittee may establish a different rate