



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

John O'Brien, Superintendent

148 North Binkley Street Soldotna, Alaska 99669-7520

Phone (907) 714-8888

August 28, 2019

Members of the KPBSD Health Care Plan Committee,

With the inability of the District, KPEA, and KPESA bargaining teams to reach a negotiated agreement at this time, which would include new health care plan options for our employees, it is incumbent upon the Health Care Plan Committee to take action immediately. I am highly concerned for our employees who are currently enrolled in the KPBSD Traditional Health Plan. Based on broker recommended rates, employees on the Traditional Health Care Plan will soon face deductions in their monthly paychecks of over \$1,000 (for 9-month employees) for their health care coverage. Without immediate action on the part of the Health Care Plan Committee, these rates could go into effect.

I ask that the Health Care Plan Committee provide guidance to the District's Health Care Plan Administrator (Mr. Dave Jones) at this afternoon's meeting. Should the District offer an immediate "Special Open Enrollment" period? A "Special Open Enrollment," enacted as soon as possible, would provide the option for employees currently in the Traditional Health Care Plan to switch to the High Deductible Health Plan (HDHP). Monthly contributions for the HDHP would be much lower than Traditional Health Care Plan contributions.

The last time the District conducted a "Special Open Enrollment," accusations of a "bait and switch" were made and continue to be made. In the interest of all District employees, I want to protect against such harmful allegations, and invite you to work with the District to provide fair and helpful information to employees in a Special Open Enrollment notice.

Beyond a "Special Open Enrollment" period, another option would be for the rate setting sub-committee to keep the employee contribution rates the same as the FY19 amounts until the next normal annual open enrollment period (mid-November through mid-December with an effective date of Jan. 1). This would serve as a temporary solution with any shortfall in contributions needing to be paid back by the respective parties.

I am hopeful that we can work together today in the interest of our employees on this very important decision. Furthermore, I offer that we commit to working together on the communication of these important health care decisions.

Sincerely,

John O'Brien
Superintendent

Stacey Cockroft

From: Stacey Cockroft
Sent: Thursday, August 22, 2019 4:03 PM
To: Anne McCabe; Dave Jones; David Brighton; Elizabeth Hayes; Jimmy Love; Joel Burns; Kristen Vix; Laura Wertanen; Matt Fischer; Robert Ernst; Stephanie Bohrsen; Vaughn Dosko
Subject: Specific Stop Loss 7/31/19

Good Afternoon,

Below is the Specific Stop loss Report through **7/31/2019**.

Subscriber	Total Amt	Amt over Spec	Amt Requested	Amt Reimbursed	Non Reimbursed Expenses	Amt Open
1	\$908,969.24	\$688,969.24	\$688,969.24	\$411,692.82		\$277,276.42
2	\$706,535.03	\$486,535.03	\$486,535.03	\$417,992.55		\$68,542.48
3	\$296,675.23	\$76,675.23	\$76,675.23	\$60,313.08		\$16,362.15
4	\$246,679.88	\$26,679.88	\$26,633.73	\$0.00		\$26,633.73
	\$2,158,859.38	\$1,278,859.38	\$1,278,813.23	\$889,998.45	\$0.00	\$388,814.78

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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KPBSD - Chiropractic, Massage Therapy & Rolfing

PlanID	SvcYear	Benefit	BilledTotal	PaidTotal	SvcTotals
800301	2017	Massage	\$134,232.72	\$94,845.78	1667
800301	2018	Massage	\$172,128.54	\$127,395.96	1598
800301	2019	Massage	\$60,465.50	\$47,245.30	535
800303	2017	Massage	\$1,378.00	\$168.24	18
800303	2018	Massage	\$23,981.98	\$8,616.34	205
800303	2019	Massage	\$21,147.50	\$9,239.58	205

PlanID	SvcYear	Benefit(s)	BilledTotal	PaidTotal	SvcTotals
800301	2017	Chiropractic	\$683,311.19	\$432,432.07	8352
800301	2018	Chiropractic	\$576,399.43	\$390,594.14	6270
800301	2019	Chiropractic	\$191,124.57	\$134,743.06	2149
800303	2017	Chiropractic	\$18,360.61	\$5,822.80	240
800303	2018	Chiropractic	\$97,977.86	\$25,529.79	1000
800303	2019	Chiropractic	\$94,396.17	\$38,642.18	997

PlanID	SvcYear	Benefit(s)	BilledTotal	PaidTotal	SvcTotals
800301	2017	Rolfing	\$102,723.40	\$67,862.44	619
800301	2018	Rolfing	\$80,393.44	\$61,232.52	415
800301	2019	Rolfing	\$17,724.54	\$13,749.56	96
800303	2017	Rolfing	\$1,570.00	\$370.00	10
800303	2018	Rolfing	\$23,349.44	\$9,475.91	124
800303	2019	Rolfing	\$17,838.42	\$8,809.69	89

800301 = Traditional Plan

800303 = High Deductible Plan

Kenai Peninsula Borough School District
 Health Care Committee Monthly recap
 as of June 30, 2019.

Reserve Account	As of 6-30-17	As of 6-30-18	FY19 Monthly Contribution - Traditional
Employee Share	701,399.69	471,065.27	Employee Share * 498.00
Employer Share	1,353,713.48	1,572,408.17	Employer Share 1,923.49
			2,421.49

FY19 Monthly Contribution - HDHP
Employee Share * 308.00
Employer Share 1,770.47
2,078.47

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	302	4,055	150,396.00	2,019,390.00	(24.28)	1,799,398.99
KPEA Employees - HDHP	301	3,184	92,708.00	980,672.00	21,245.67	1,216,505.25
KPEA Repay EE Reserve					-	150,979.44
KPESA Employees	185	2,574	92,130.00	1,281,852.00	8,334.05	1,131,598.06
KPESA Employees - HDHP	195	2,091	60,060.00	644,028.00	3,792.17	777,714.15
KPESA Repay EE Reserve					27.60	96,682.20
Administrators	20	306	9,960.00	152,388.00	1,010.19	128,629.13
Administrators - HDHP	38	387	11,704.00	119,196.00	3,023.99	143,944.22
Admin Repay EE Reserve					-	14,407.20
Board Members	1	19	498.00	9,462.00	275.00	6,445.48
Board Members - HDHP	3	34	924.00	10,472.00	825.00	10,639.39
Board Repay EE Reserve					-	476.10
Exempt Employees	11	137	5,478.00	68,226.00	5,656.46	65,848.74
Exempt Employees - HDHP	16	168	4,928.00	51,744.00	4,665.38	53,088.21
Exempt Repay EE Reserve					-	6,265.20
Affordable Care Act **	-	-	0.00	0.00		
ACA Empl Repay EE Reserve						
Total Employees on Payroll	1,072	12,955	428,786.00	5,337,430.00	48,831.23	5,602,621.76
COBRA Payers (FY19 = \$2215.88)	1	18	2,215.88	39,885.84	2,534.08	42,431.44
COBRA HD Payers (FY19 = \$1960.28)	1	8	1,960.28	15,682.24	-	15,459.58
Total Employees	1,074	12,981	432,962.16 *	5,392,998.08	51,365.31	5,660,512.78

* 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	520	7,109	1,000,214.80	13,674,090.41	58,081.15	12,120,270.40
Enrollment adjustments					-	1,468,221.78
Sub-Total					58,081.15	13,588,492.18
Employer share - HDHP	554	5,872	980,840.38	10,396,199.84	67,856.43	11,804,474.37
Enrollment adjustments - HDHP					-	(1,468,221.78)
Sub-Total					67,856.43	10,336,252.59
Total			2,414,017.34	29,463,288.33	177,302.89	29,585,257.55

+ Employee Share Split	FY19 Contribution Traditional	498.00	Subtotal	15,251.42	3,131,920.40
	Enrollment adjustments			-	384,722.40
	Cobra	2,215.88	Subtotal	2,534.08	42,431.44
				17,785.50	3,559,074.24
	FY19 Contribution HDHP	308.00	Subtotal	33,552.21	2,201,891.22
	Enrollment adjustments - HDHP			-	(384,722.40)
	Cobra HD	1,960.28	Subtotal	-	15,459.58
				33,552.21	1,832,628.40
	Prior Year Reserve Repayment	20.70	Subtotal	27.60	268,810.14

Expenditures

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

Claims	TRADITIONAL		HDHP	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Health Care Claims paid by TPA (Rehn)	1,933,224.93	17,563,135.40	667,456.74	5,208,509.04
Prescription Claims paid by Caremark	650,987.71	5,040,843.71	111,761.20	781,287.01
HRA	-	-	21,860.04	232,318.00
Total Claims Paid	2,584,212.64	22,603,979.11	801,077.98	6,222,114.05
Administration				
TPA (Rehn) fees and costs	14,382.32	217,741.40	-	-
TPA (Rehn) HRA fees and costs	-	-	31,681.75	177,592.17
Aetna Administration Fees	11,356.41	142,373.76	12,098.95	120,086.23
Consultant Fees	2,388.58	28,377.41	2,544.75	30,822.55
Stop Loss Premiums	146,539.83	1,648,010.27	156,121.28	1,440,248.30
Affordable Care Act Fee	-	70,323.67	-	45,652.69
Total Administration	174,667.14	2,106,826.51	202,446.73	1,814,401.94
Total Claims plus Administration	2,758,879.78	24,710,805.62	1,003,524.71	8,036,515.99
Adjustments				
Stop Loss reimbursements	(122,035.89)	(3,543,332.78)	-	-
Prescription Rebates	-	(498,816.46)	-	(167,752.38)
Health Care Claims refund	-	-	-	-
Claims reimbursements	(300.00)	(1,100.00)	-	-
Other adjustments	-	(25.00)	-	-
Total Adjustments	(122,335.89)	(4,043,274.24)	-	(167,752.38)
Total Expenditures	2,636,543.89	20,667,531.38	1,003,524.71	7,868,763.61

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, 2019**

	Traditional Plan			HDHP		
YTD Participants	7,109			YTD Participants	5,872	
Net Expenditures	20,667,531.38			Net Expenditures	7,868,763.61	
ER - Employer Cap \$1731.45	12,308,878.05			ER - Employer Cap \$1645.61	9,663,021.92	
EE - Employee Cap \$305.55	<u>2,172,154.95</u>			EE - Employee Cap \$182.85	<u>1,073,695.20</u>	
Total Cap Expenditure EE/ER	14,481,033.00			Total Cap Expenditure EE/ER	10,736,717.12	
Expenditures over Cap	6,186,498.38			Expenditures over Cap	-	
50/50 Split of Expenditures over Cap	<u>3,093,249.19</u>			50/50 Split of Expenditures over Cap	-	
ER Expenditures Up To Cap	12,308,878.05			ER Expenditures Up To Cap	7,081,887.25	
ER Expenditures Above Cap	<u>3,093,249.19</u>			ER Expenditures Above Cap	-	
Total ER Expenditures	15,402,127.24			Total ER Expenditures	7,081,887.25	
EE Expenditures Up To Cap	2,172,154.95			EE Expenditures Up To Cap	786,876.36	
EE Expenditures Above Cap	<u>3,093,249.19</u>			EE Expenditures Above Cap	-	
Total EE Expenditures	5,265,404.14			Total EE Expenditures	786,876.36	
Total ER & EE Expenditures	20,667,531.38			Total ER & EE Expenditures	7,868,763.61	
	Traditional Summary			HDHP Summary		
Through	YTD	YTD	REV Less	Through	YTD	YTD
January 2019	EXP	REV	EXP	January 2019	EXP	REV
Employer	15,402,127.24	13,588,492.18	(1,813,635.06)	Employer	7,081,887.25	10,336,252.59
Employee	<u>5,265,404.14</u>	<u>3,559,074.24</u>	<u>(1,706,329.90)</u>	Employee	<u>786,876.36</u>	<u>1,832,628.40</u>
Totals	20,667,531.38	17,147,566.42	(3,519,964.96)	Totals	7,868,763.61	12,168,880.99
	Obligation per Employee FY19			Obligation per Employee FY19		
498.00 EE/1923.49 ER Split	<u>2,421.49</u>	<u>2,421.49</u>		308.00 EE/1770.47 ER Split	<u>2,078.47</u>	<u>2,078.47</u>
Monthly Cost per Employee - ER		2166.57		Monthly Cost per Employee - ER		1206.04
Monthly Cost per Employee - EE + Cobra		<u>740.67</u>		Monthly Cost per Employee - EE + Cobra		<u>134.00</u>
		2907.23				1340.05
Current Variance		(485.74)		Current Variance		738.42

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	<u>Reserve Account</u>	<u>As of 6-30-18</u>	<u>As of 6-30-19</u>	<u>FY19 Monthly Contribution - Traditional</u>
	Employee Share	471,065.27	81,251.83	Employee Share * 498.00
Health Care Committee Monthly recap as of July 31, 2019.	Employer Share	1,572,408.17	3,087,396.93	Employer Share <u>1,923.49</u>
				2,421.49

	<u>FY20 Monthly Contribution - HDHP</u>
	Employee Share * 308.00
	Employer Share <u>1,770.47</u>
	2,078.47

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	269	269	133,962.00	133,962.00	-	-
KPEA Employees - HDHP	265	265	81,620.00	81,620.00	-	-
KPEA Repay EE Reserve						
KPESA Employees	159	159	79,182.00	79,182.00	6,474.00	6,474.00
KPESA Employees - HDHP	160	160	49,280.00	49,280.00	3,080.00	3,080.00
KPESA Repay EE Reserve						
Administrators	18	18	8,964.00	8,964.00	996.00	996.00
Administrators - HDHP	35	35	10,780.00	10,780.00	2,772.00	2,772.00
Admin Repay EE Reserve						
Board Members	1	1	498.00	498.00	275.00	275.00
Board Members - HDHP	3	3	924.00	924.00	825.00	825.00
Board Repay EE Reserve						
Exempt Employees	11	11	5,478.00	5,478.00	5,478.00	5,478.00
Exempt Employees - HDHP	16	16	4,928.00	4,928.00	4,620.00	4,620.00
Exempt Repay EE Reserve						
Affordable Care Act **			0.00	0.00		
ACA Empl Repay EE Reserve						
Total Employees on Payroll	937	937	375,616.00	375,616.00	24,520.00	24,520.00
COBRA Payers (FY20 = \$2534.08)	3	3	6,647.64	6,647.64	7,602.24	7,602.24
COBRA HD Payers (FY20 = \$1886.06)	5	5	9,801.40	9,801.40	11,316.36	11,316.36
Total Employees	945	945	392,065.04 *	392,065.04	43,438.60	43,438.60

* 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	461	461	886,728.89	886,728.89	51,934.23	51,934.23
Employer share - HDHP	484	484	856,907.48	856,907.48	65,507.39	65,507.39
Total			2,135,701.41	2,135,701.41	160,880.22	160,880.22

+ Employee Share Split	FY20 Contribution Traditional	498.00	Subtotal	13,223.00	13,223.00
	Cobra	2,534.08	Subtotal	7,602.24	7,602.24
				20,825.24	20,825.24
	FY20 Contribution HDHP	308.00	Subtotal	11,297.00	11,297.00
	Cobra HD	1,886.06	Subtotal	11,316.36	11,316.36
				22,613.36	22,613.36
	Prior Year Reserve Repayment	20.70	Subtotal	-	-

Expenditures

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

Claims	TRADITIONAL		HDHP	
	Current Month	Year-To-Date	Current Month	Year-To-Date
Health Care Claims paid by TPA (Rehn)	815,030.39	815,030.39	654,294.68	654,294.68
Prescription Claims paid by Caremark	19,983.67	19,983.67	64,502.35	64,502.35
HRA	-	-	26,723.68	26,723.68
Total Claims Paid	835,014.06	835,014.06	745,520.71	745,520.71
Administration				
TPA (Rehn) fees and costs	18,537.60	18,537.60	-	-
TPA (Rehn) HRA fees and costs	-	-	43,094.98	43,094.98
Aetna Administration Fees	9,947.92	9,947.92	10,444.24	10,444.24
Consultant Fees	-	-	-	-
Stop Loss Premiums	128,245.44	128,245.44	134,643.80	134,643.80
Affordable Care Act Fee	11,505.19	11,505.19	12,079.21	12,079.21
Total Administration	168,236.15	168,236.15	200,262.23	200,262.23
Total Claims plus Administration	1,003,250.21	1,003,250.21	945,782.94	945,782.94
Adjustments				
Stop Loss reimbursements	(213,029.49)	(213,029.49)	-	-
Prescription Rebates	-	-	-	-
Health Care Claims refund	-	-	-	-
Claims reimbursements	(300.00)	(300.00)	-	-
Other adjustments	-	-	-	-
Total Adjustments	(213,329.49)	(213,329.49)	-	-
Total Expenditures	789,920.72	789,920.72	945,782.94	945,782.94

Obligations/Contributions

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Kenai Peninsula Borough School District
 Healthcare Expenditures Split
 as of July 31, 2019.

Traditional Plan				HDHP			
YTD Participants	461			YTD Participants	484		
Net Expenditures	789,920.72			Net Expenditures	945,782.94		
ER - Employer Cap \$1731.45	798,198.45			ER - Employer Cap \$1645.61	796,475.24		
EE - Employee Cap \$305.55	<u>140,858.55</u>			EE - Employee Cap \$182.85	<u>88,499.40</u>		
Total Cap Expenditure EE/ER	939,057.00			Total Cap Expenditure EE/ER	884,974.64		
Expenditures over Cap	(149,136.28)			Expenditures over Cap	60,808.30		
50/50 Split of Expenditures over Cap	<u>(74,568.14)</u>			50/50 Split of Expenditures over Cap	<u>30,404.15</u>		
ER Expenditures Up To Cap	798,198.45			ER Expenditures Up To Cap	796,475.24		
ER Expenditures Above Cap	<u>(74,568.14)</u>			ER Expenditures Above Cap	<u>30,404.15</u>		
Total ER Expenditures	723,630.31			Total ER Expenditures	826,879.39		
EE Expenditures Up To Cap	140,858.55			EE Expenditures Up To Cap	88,499.40		
EE Expenditures Above Cap	<u>(74,568.14)</u>			EE Expenditures Above Cap	<u>30,404.15</u>		
Total EE Expenditures	66,290.41			Total EE Expenditures	118,903.55		
Total ER & EE Expenditures	789,920.72			Total ER & EE Expenditures	945,782.94		
Traditional Summary				HDHP Summary			
Through July 2019	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>	Through July 2019	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>
Employer	723,630.31	51,934.23	(671,696.08)	Employer	826,879.39	65,507.39	(761,372.00)
Employee	<u>66,290.41</u>	<u>20,825.24</u>	<u>(45,465.17)</u>	Employee	<u>118,903.55</u>	<u>22,613.36</u>	<u>(96,290.19)</u>
Totals	789,920.72	72,759.47	(717,161.25)	Totals	945,782.94	88,120.75	(857,662.19)
Obligation per Employee FY20				Obligation per Employee FY20			
498.00 EE/1923.49 ER Split	<u>2,421.49</u>	<u>2,421.49</u>		308.00 EE/1770.47 ER Split	<u>2,078.47</u>	<u>2,078.47</u>	
Monthly Cost per Employee - ER		1569.70		Monthly Cost per Employee - ER		1708.43	
Monthly Cost per Employee - EE + Cobra		<u>143.80</u>		Monthly Cost per Employee - EE + Cobra		<u>245.67</u>	
		1713.49				1954.10	
Current Variance		708.00		Current Variance		124.37	

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
 2019/20 Self-Funded Projected Rates

MEDICAL/RX	Enrollment	FY19 Rates	FY20 Projected Rates
Traditional Plan			
Employee Only	<u>520</u>	<u>\$2,421.49</u>	<u>\$3,129.09</u>
Monthly Total	520	\$1,259,175	\$1,627,129
Annual Total		\$15,110,098	\$19,525,548
PEPM		\$2,421.49	\$3,129.09
% Increase			29.2%
HDHP			
Employee Only	<u>552</u>	<u>\$2,078.47</u>	<u>\$2,015.63</u>
Monthly Total	552	\$1,147,315	\$1,112,628
Annual Total		\$13,767,785	\$13,351,535
PEPM		\$2,078.47	\$2,015.63
% Increase			-3.0%
Monthly Total	1,072	\$2,406,490	\$2,739,757
Annual Total		\$28,877,883	\$32,877,083
PEPM		\$2,244.86	\$2,555.74
% Increase			13.8%

Kenai Peninsula Borough School District
 2019/20 Self-Funded Projected Rates

MEDICAL/RX	Traditional Plan	HDHP
2018/19 Current Rate	\$2,421.49	\$2,078.47
2019/20 Projected Rates		
0% Migration to HDHP	\$3,129.09	\$2,015.63
10% Migration to HDHP	\$3,117.05	\$2,108.75
20% Migration to HDHP	\$3,146.14	\$2,159.11
30% Migration to HDHP	\$3,133.25	\$2,227.92
40% Migration to HDHP	\$3,116.16	\$2,287.28
50% Migration to HDHP	\$3,162.86	\$2,316.42
60% Migration to HDHP	\$3,144.93	\$2,363.24
70% Migration to HDHP	\$3,115.23	\$2,404.71
80% Migration to HDHP	\$3,056.16	\$2,441.69
90% Migration to HDHP	\$3,232.13	\$2,456.89
100% Migration to HDHP	\$2,941.41	\$2,487.69

Kenai Peninsula Borough School District
 Projected Self-Funded Costs

July 2018 - June 2019 Projected Rates	Annual Cost			PEPM		
	Traditional Plan	HDHP	Total	Traditional Plan	HDHP	Total
Average Monthly Enrollment	547	577	1,124	547	577	1,124
Net Claims	\$14,243,359	\$12,134,159	\$26,377,519	\$2,169.59	\$1,752.73	\$1,955.63
Administration (Rehn)	\$93,444	\$99,774	\$193,218	\$14.23	\$14.41	\$14.33
Administration (Rx)	\$4,033	\$4,334	\$8,367	\$0.61	\$0.63	\$0.62
Specific Stop Loss Premium	\$1,476,054	\$1,610,024	\$3,086,078	\$224.84	\$232.56	\$228.80
Aggregate Stop Loss Premium	\$17,649	\$18,932	\$36,580	\$2.69	\$2.73	\$2.71
Broker Fees	\$28,831	\$30,369	\$59,200	\$4.39	\$4.39	\$4.39
HRA Administration Fee	\$0	\$24,185	\$24,185	\$0.00	\$3.49	\$1.79
HRA Fund	\$0	\$432,688	\$432,688	\$0.00	\$62.50	\$32.08
Variable Costs	\$31,041	\$32,733	\$63,774	\$4.73	\$4.73	\$4.73
Total	\$15,894,411	\$14,387,198	\$30,281,609	\$2,421.08	\$2,078.17	\$2,245.08

July 2018 - June 2019 Actual Costs	Annual Cost			PEPM		
	Traditional Plan	HDHP	Total	Traditional Plan	HDHP	Total
Average Monthly Enrollment	591	489	1,081	591	489	1,081
Net Claims	\$17,159,432	\$4,765,851	\$21,925,283	\$2,418.52	\$811.76	\$1,625.54
Administration (Rehn)	\$100,820	\$83,427	\$184,247	\$14.21	\$14.21	\$13.66
Administration (Rx)	\$1,419	\$1,174	\$2,593	\$0.20	\$0.20	\$0.19
Aetna / Coalition Fees	\$144,880	\$119,886	\$264,766	\$20.42	\$20.42	\$19.63
Specific Stop Loss Premium	\$1,631,072	\$1,413,778	\$3,044,851	\$229.89	\$240.81	\$225.75
Aggregate Stop Loss Premium	\$22,835	\$19,935	\$42,770	\$3.22	\$3.40	\$3.17
Broker Fees	\$32,463	\$26,737	\$59,200	\$4.58	\$4.55	\$4.39
HRA Administration Fee	\$0	\$20,549	\$20,549	\$0.00	\$3.50	\$1.52
HRA Fund	\$0	\$366,938	\$366,938	\$0.00	\$62.50	\$28.30
Variable Costs	\$47,412	\$39,233	\$86,645	\$6.68	\$6.68	\$6.68
Total	\$19,140,332	\$6,857,507	\$25,997,840	\$2,697.72	\$1,168.03	\$1,928.83

July 2019 - June 2020 Projected Costs	Annual Cost			PEPM		
	Traditional Plan	HDHP	Total	Traditional Plan	HDHP	Total
Average Monthly Enrollment	520	552	1,072	520	552	1,072
Net Claims	\$17,262,171	\$10,511,689	\$27,773,860	\$2,766.37	\$1,586.91	\$2,159.04
Administration (Rehn)	\$94,497	\$100,313	\$194,810	\$15.14	\$15.14	\$15.14
Administration (Rx)	\$3,772	\$4,004	\$7,776	\$0.60	\$0.60	\$0.60
Aetna / Coalition Fees	\$138,579	\$147,107	\$285,686	\$22.21	\$22.21	\$22.21
Specific Stop Loss Premium	\$1,908,672	\$2,026,129	\$3,934,802	\$305.88	\$305.88	\$305.88
Aggregate Stop Loss Premium	\$26,208	\$27,821	\$54,029	\$4.20	\$4.20	\$4.20
Broker Fees	\$28,716	\$30,484	\$59,200	\$4.60	\$4.60	\$4.60
HRA Administration Fee	\$0	\$23,184	\$23,184	\$0.00	\$3.50	\$1.80
HRA Fund	\$0	\$414,000	\$414,000	\$0.00	\$62.50	\$32.18
Variable Costs	\$62,932	\$66,805	\$129,737	\$10.09	\$10.09	\$10.09
Total	\$19,525,548	\$13,351,535	\$32,877,083	\$3,129.09	\$2,015.63	\$2,555.74

Assumptions:

1. Projected enrollment based on February 2019 counts.
2. Net Claims are based on 10% weight on January - December 2017 claims, 70% weight on January - December 2018 claims, and 20% weight on January - February 2019 claims with 8% annual trend.
4. 2019/20 Fixed costs are estimated based on 6 months of the 2019 rates and 6 months of projected 2020 rate increases.
5. HRA fund of \$750 per year
6. Variable costs by plan are based on total variable costs pro-rated based on enrollment.
7. Projections assume no changes to the current plans.

KPBSD FY20 Rates Estimates

8/28/2019

Based on claims through June of 2019

1. KPBSD Cap Related Information

	KPBSD Cap Amount <u>Traditional</u>	KPBSD 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. FY20 Healthcare Rate Estimate - Claims Through Feb 2019

	FY20 Estimated Contributions <u>Traditional</u>	FY20 Estimated Contributions <u>HDHP</u>
FY20 Broker Recommended Amount Monthly	\$ 3,129.09	\$ 2,015.63
Amount above/below Cap	\$ 1,092.09	\$ 187.17
50% of Excess/Reduction	\$ 546.05	\$ 93.59
District	\$ 2,277.50	\$ 1,739.20
Employee	<u>\$ 851.60</u>	<u>\$ 276.43</u>
Total FY20 Amounts Per Broker Rec	\$ 3,129.09	\$ 2,015.63
District Yearly	\$ 27,329.94	\$ 20,870.37
Employee Yearly	\$ 10,219.14	\$ 3,317.19