

FY20 Health Care Revenue & Expense Summary

Traditional & HDHP 7/01/2019 to 12/31/2020

| Traditional | <u>Revenue</u> | <u>Expenditure</u> | <u>Net</u> |
|--------------------------|------------------------|------------------------|--------------------------|
| Employer | \$ 5,638,586.69 | \$ 8,043,291.66 | \$ (2,404,704.97) |
| Employee | \$ 1,348,166.03 | \$ 1,419,404.41 | \$ (71,238.38) |
| Total Traditional | \$ 6,986,752.72 | \$ 9,462,696.07 | \$ (2,475,943.35) |

| HDHP | <u>Revenue</u> | <u>Expenditure</u> | <u>Net</u> |
|-------------------|------------------------|------------------------|------------------------|
| Employer | \$ 4,887,372.29 | \$ 5,499,897.08 | \$ (612,524.79) |
| Employee | \$ 953,346.79 | \$ 970,570.07 | \$ (17,223.28) |
| Total HDHP | \$ 5,840,719.08 | \$ 6,470,467.15 | \$ (629,748.07) |

Combined Traditional & HDHP 7/01/2019 to 12/31/2020

| | <u>Revenue</u> | <u>Expenditure</u> | <u>Net</u> |
|-------------------------------------|-------------------------|-------------------------|--------------------------|
| Employer | \$ 10,525,958.98 | \$ 13,543,188.74 | \$ (3,017,229.76) |
| Employee | \$ 2,301,512.82 | \$ 2,389,974.48 | \$ (88,461.66) |
| Total Traditional & HDHP | \$ 12,827,471.80 | \$ 15,933,163.22 | \$ (3,105,691.42) |

HDHP (HRA & HSA) - 1/01/2020 to 6/30/2020

| | <u>Revenue</u> | <u>Expenditure</u> | <u>Net</u> |
|-----------------------------------|-------------------------|------------------------|------------------------|
| Employer | \$ 13,795,989.02 | \$ 8,413,921.11 | \$ 5,382,067.91 |
| Employee | \$ 2,204,717.57 | \$ 1,484,809.61 | \$ 719,907.96 |
| Total HDHP (HRA & HSA) | \$ 16,000,706.59 | \$ 9,898,730.72 | \$ 6,101,975.87 |

COMBINED TOTAL YEAR SUMMARY NUMBERS FY20

| | <u>Revenue</u> | <u>Expenditure</u> | <u>Net</u> |
|----------------------------|-------------------------|-------------------------|------------------------|
| Employer | \$ 24,321,948.00 | \$ 21,957,109.85 | \$ 2,364,838.15 |
| Employee | \$ 4,506,230.39 | \$ 3,874,784.09 | \$ 631,446.30 |
| TOTAL COMBINED YEAR | \$ 28,828,178.39 | \$ 25,831,893.94 | \$ 2,996,284.45 |

Stacey Cockroft

To: Anne McCabe; Dave Jones; David Brighton; Dylan Hooper; Elizabeth Hayes; Janette Latimer; Jimmy Love; Joel Burns; John Sanborn; Jordan Chilson; Matt Fischer; Nicolette Corbett; Vaughn Dosko
Subject: Specific Stop Loss 7/31/2020

Good Afternoon,

Below is the specific stop loss report through 7/31/2020. Please note the first two members have been lasered, so there will be no reimbursement for those individuals. One member is over the \$250,000 threshold, and we are waiting for a reimbursement of \$2,057.96 for them.

| Subscriber | Total Amt | Amt over Spec | Amt Requested | Amt Reimbursed | Non Reimbursed Expenses | Amt Open |
|--------------------|------------------------|---------------------|---------------------|---------------------|-------------------------|--------------------|
| 1 - LASERED | \$ 830,430.50 | | | | | |
| 2 - LASERED | \$ 818,072.90 | | | | | |
| 3 | \$ 281,598.09 | \$ 31,598.09 | \$ 31,598.09 | \$ 29,540.13 | | \$ 2,057.96 |
| 4 | \$ 214,735.20 | | | | | |
| 5 | \$ 181,825.86 | | | | | |
| 6 | \$ 152,921.05 | | | | | |
| 7 | \$ 137,152.31 | | | | | |
| 8 | \$ 179,325.38 | | | | | |
| 9 | \$ 128,241.96 | | | | | |
| 10 | \$ 140,967.86 | | | | | |
| 11 | \$ 145,516.97 | | | | | |
| | \$ 3,210,788.08 | \$ 31,598.09 | \$ 31,598.09 | \$ 29,540.13 | \$ - | \$ 2,057.96 |

Thank you,

Stacey Cockroft

Kenai Peninsula Borough School District

Employee Benefits Manager

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HDHP (HRA & HSA) - January 1, 2020 through June 30, 2020

Kenai Peninsula Borough School District
Health Care Committee Monthly recap
as of June 30, 2020.

| | | | |
|------------------------|----------------------|----------------------|---------------------------|
| <u>Reserve Account</u> | <u>As of 6-30-18</u> | <u>As of 6-30-19</u> | FY20 Monthly Contribution |
| Employee Share | 471,065.27 | 750,000.00 | HDHP - January - June |
| Employer Share | 1,572,408.17 | 2,418,648.76 | Employee Share * 369.67 |
| | | | Employer Share 2,094.82 |
| | | | <u>2,464.49</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 - HDHP | 556 | 3,333 | 205,536.52 | 1,232,110.11 | - | 1,232,996.24 |
| KPESA Employees - HDHP | 327 | 1,990 | 120,882.09 | 735,643.30 | 8,502.41 | 735,435.50 |
| Administrators - HDHP | 57 | 342 | 21,071.19 | 126,427.14 | 4,066.37 | 126,426.22 |
| Board Members - HDHP | 3 | 19 | 1,109.01 | 7,023.73 | 1,223.60 | 7,168.00 |
| Exempt Employees - HDHP | 26 | 161 | 9,611.42 | 59,516.87 | 9,611.42 | 59,516.87 |
| Total Employees on Payroll | 969 | 5,845 | 358,210.23 | 2,160,721.15 | 23,403.80 | 2,161,542.83 |
| COBRA HD Payers (FY20 = \$2055.94) | 3 | 14 | 6,167.82 | 28,783.16 | 12,335.64 | 43,174.74 |
| Total Employees | 972 | 5,859 | 364,378.05 * | 2,189,504.31 | 35,739.44 | 2,204,717.57 |
| * 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. | | | | | | |
| Total Employer | 969 | 5,845 | 2,029,880.58 | 12,244,222.90 | 1,677,866.90 | 13,795,989.02 |
| Total Employees + Employer | | | 2,394,258.63 | 14,433,727.21 | 1,713,606.34 | 16,000,706.59 |

Expenditures

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

HDHP

| | June | Year-To-Date |
|---|---------------------|----------------------|
| Claims | | |
| Health Care Claims paid by TPA (Rehn) | 1,503,236.14 | 5,316,887.43 |
| Prescription Claims paid by Caremark | 608,688.95 | 2,906,613.72 |
| HRA | 27,680.35 | 189,296.16 |
| HSA | 2,943.71 | 27,427.04 |
| Total Claims Paid | <u>2,142,549.15</u> | <u>8,440,224.35</u> |
| Administration | | |
| TPA (Rehn) fees and costs | 53,845.96 | 207,548.23 |
| Aetna Administration Fees | 22,150.38 | 132,934.36 |
| Consultant Fees | 4,933.33 | 29,599.98 |
| Stop Loss Premiums | 227,525.43 | 1,377,199.15 |
| RX Health | - | 3,200.00 |
| Affordable Care Act Fee | - | 44,832.16 |
| Total Administration | <u>308,455.10</u> | <u>1,795,313.88</u> |
| Total Claims plus Administration | <u>2,451,004.25</u> | <u>10,235,538.23</u> |
| Adjustments | | |
| Stop Loss reimbursements | - | (7,585.10) |
| Prescription Rebates | - | (330,303.91) |
| Health Care Claims refund | - | - |
| Claims reimbursements | - | - |
| Other adjustments - Legal Opinion | - | 1,081.50 |
| Total Adjustments | <u>-</u> | <u>(336,807.51)</u> |
| Total Expenditures | <u>2,451,004.25</u> | <u>9,898,730.72</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.

Traditional & HDHP (HRA) - July 1, 2019 through December 31, 2019

| | | | | |
|---|------------------------|----------------------|----------------------|--|
| Kenai Peninsula Borough School District | <u>Reserve Account</u> | <u>As of 6-30-18</u> | <u>As of 6-30-19</u> | <u>FY20 Monthly Contribution - Traditional</u> |
| | Employee Share | 471,065.27 | 750,000.00 | Employee Share * 469.36 |
| Health Care Committee Monthly recap as of June 30, 2020. | Employer Share | 1,572,408.17 | 2,418,648.76 | Employer Share <u>2,659.73</u> |
| | | | | 3,129.09 |
| | | | | <u>FY20 Monthly Contribution - HDHP</u> |
| | | | | Employee Share * 302.34 |
| | | | | Employer Share <u>1,713.29</u> |
| | | | | 2,015.63 |

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 | - | 1,687 | - | 791,810.32 | - | 790,871.60 |
| KPEA Employees - HDHP | - | 1,672 | - | 505,512.48 | - | 503,214.71 |
| KPEA Repay EE Reserve | | | | | | |
| KPESA Employees | - | 953 | - | 447,300.08 | - | 443,075.82 |
| KPESA Employees - HDHP | - | 1,083 | - | 327,434.22 | - | 327,286.42 |
| KPESA Repay EE Reserve | | | | | | |
| Administrators | - | 113 | - | 53,037.68 | - | 53,507.04 |
| Administrators - HDHP | - | 225 | - | 68,026.50 | - | 68,933.52 |
| Admin Repay EE Reserve | | | | | | |
| Board Members | - | 6 | - | 2,816.16 | - | 3,519.50 |
| Board Members - HDHP | - | 18 | - | 5,442.12 | - | 4,950.00 |
| Board Repay EE Reserve | | | | | | |
| Exempt Employees | - | 61 | - | 28,630.96 | - | 28,659.60 |
| Exempt Employees - HDHP | - | 97 | - | 29,326.98 | - | 29,931.66 |
| Exempt Repay EE Reserve | | | | | | |
| Affordable Care Act ** | | | - | 0.00 | - | |
| ACA Empl Repay EE Reserve | | | | | | |
| Total Employees on Payroll | - | 5,915 | - | 2,259,337.50 | - | 2,253,949.87 |
| COBRA Payers (FY20 = \$2534.08) | - | 11 | - | 28,532.47 | - | 28,532.47 |
| COBRA HD Payers (FY20 = \$1886.06) | - | 10 | - | 19,030.48 | - | 19,030.48 |
| Total Employees | - | 5,936 | Total | 2,306,900.45 | - | 2,301,512.82 |

* 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 | - | 2,820 | - | 7,500,438.60 | - | 5,638,586.69 |
| Employer share - HDHP | - | 3,095 | - | 5,302,632.55 | - | 4,887,372.29 |
| Total | | | | 15,109,971.60 | | 12,827,471.80 |

| | | | | | |
|-------------------------------|--------------------------------------|-----------------|-----------------|---|---------------------|
| + Employee Share Split | FY20 Contribution Traditional | 469.36 | Subtotal | - | 1,319,633.56 |
| | Cobra | 2,534.08 | Subtotal | - | 28,532.47 |
| | | | | - | 1,348,166.03 |
| | FY20 Contribution HDHP | 302.34 | Subtotal | - | 934,316.31 |
| | Cobra HD | 1,886.06 | Subtotal | - | 19,030.48 |
| | | | | - | 953,346.79 |

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) | 49,768.58 | 9,069,581.07 | 8,758.30 | 4,769,195.29 |
| Prescription Claims paid by Caremark | - | 2,025,151.61 | - | 540,006.38 |
| HRA | - | - | - | 167,348.39 |
| HSA | - | - | - | - |
| Total Claims Paid | 49,768.58 | 11,094,732.68 | 8,758.30 | 5,476,550.06 |
| Administration | | | | |
| TPA (Rehn) fees and costs | - | 124,404.44 | - | - |
| TPA (Rehn) HRA fees and costs | - | - | - | 157,263.21 |
| Aetna Administration Fees | - | 60,706.72 | - | 66,678.64 |
| Consultant Fees | - | 14,111.85 | - | 15,488.13 |
| Stop Loss Premiums | - | 797,193.41 | - | 875,763.76 |
| RX Health | - | - | - | - |
| Affordable Care Act Fee | - | 22,082.83 | - | 23,903.89 |
| Total Administration | - | 1,018,499.25 | - | 1,139,097.63 |
| Total Claims plus Administration | 49,768.58 | 12,113,231.93 | 8,758.30 | 6,615,647.69 |
| Adjustments | | | | |
| Stop Loss reimbursements | - | (2,383,308.73) | - | - |
| Prescription Rebates | - | (261,640.81) | - | (144,430.54) |
| Health Care Claims refund | - | - | - | - |
| Claims reimbursements | (586.32) | (5,586.32) | - | (750.00) |
| Other adjustments | - | - | - | - |
| Total Adjustments | (586.32) | (2,650,535.86) | - | (145,180.54) |
| Total Expenditures | 49,182.26 | 9,462,696.07 | 8,758.30 | 6,470,467.15 |

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.

HDHP (HRA & HSA) - January 1, 2020 through June 30, 2020

**Kenai Peninsula Borough School District
Healthcare Expenditures Split
as of June 30, 2020.**

| | |
|-----------------------------|---------------------|
| YTD Participants | 5,859 |
| Net Expenditures | 9,898,730.72 |
| ER - Employer portion (85%) | <u>8,413,921.11</u> |
| EE - Employee portion (15%) | <u>1,484,809.61</u> |
| Total ER & EE Expenditures | 9,898,730.72 |

| Through Current Month | YTD EXP | YTD REV | REV Less EXP |
|----------------------------------|---------------------|---------------------|-------------------------|
| Employer | 8,413,921.11 | 13,795,989.02 | 5,382,067.91 |
| Employee | <u>1,484,809.61</u> | <u>2,204,717.57</u> | <u>719,907.96</u> |
| Totals | 9,898,730.72 | 16,000,706.59 | 6,101,975.87 |

| Obligation per Employee FY20 | Year-to-date |
|--|---------------------|
| 369.67/2094.82ER Split | <u>2,464.79</u> |
| Monthly Cost per Employee - ER | 1436.07 |
| Monthly Cost per Employee - EE + Cobra | <u>253.42</u> |
| | 1689.49 |
| Current Variance | 775.30 |

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.

Traditional & HDHP (HRA) - July 1, 2019 through December 31, 2019

**Kenai Peninsula Borough School District
Healthcare Expenditures Split
as of May 31, 2020.**

| | Traditional Plan | | | | HDHP (HRA) | | |
|--|----------------------------|---------------------|-------------------------|--|---------------------------|---------------------|-------------------------|
| YTD Participants | 2,820 | | | YTD Participants | 3,095 | | |
| Net Expenditures | 9,462,696.07 | | | Net Expenditures | 6,470,467.15 | | |
| ER - Employer portion (85%) | <u>8,043,291.66</u> | | | ER - Employer portion (85%) | <u>5,499,897.08</u> | | |
| EE - Employee portion (15%) | <u>1,419,404.41</u> | | | EE - Employee portion (15%) | <u>970,570.07</u> | | |
| Total ER & EE Expenditures | 9,462,696.07 | | | Total ER & EE Expenditures | 6,470,467.15 | | |
| | Traditional Summary | | | | HDHP (HRA) Summary | | |
| Through Current Month | YTD EXP | YTD REV | REV Less EXP | Through Current Month | YTD EXP | YTD REV | REV Less EXP |
| Employer | 8,043,291.66 | 5,638,586.69 | (2,404,704.97) | Employer | 5,499,897.08 | 4,887,372.29 | (612,524.79) |
| Employee | <u>1,419,404.41</u> | <u>1,348,166.03</u> | <u>(71,238.38)</u> | Employee | <u>970,570.07</u> | <u>953,346.79</u> | <u>(17,223.28)</u> |
| Totals | 9,462,696.07 | 6,986,752.72 | (2,475,943.35) | Totals | 6,470,467.15 | 5,840,719.08 | (629,748.07) |
| Obligation per Employee FY20 | | Year-to-date | | Obligation per Employee FY20 | | Year-to-date | |
| 469.36 EE/2659.73 ER Split | 3,129.09 | 3,129.09 | | 302.34 EE/1713.29 ER Split | 2,015.63 | 2,015.63 | |
| Monthly Cost per Employee - ER | | 2852.23 | | Monthly Cost per Employee - ER | | 1777.03 | |
| Monthly Cost per Employee - EE + Cobra | | <u>503.33</u> | | Monthly Cost per Employee - EE + Cobra | | <u>313.59</u> | |
| | | 3355.57 | | | | 2090.62 | |
| Current Variance | | (226.48) | | Current Variance | | (74.99) | |

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.

HDHP (HRA & HSA) - July 1, 2020 through June 30, 2021

| | | | | |
|---|------------------------|----------------------|----------------------|--------------------------------|
| Kenai Peninsula Borough School District | <u>Reserve Account</u> | <u>As of 6-30-19</u> | <u>As of 6-30-20</u> | FY21 Monthly Contribution |
| Health Care Committee Monthly recap | Employee Share | 471,065.27 | 1,406,512.43 | <u>HDHP - July - June</u> |
| as of July 31, 2020. | Employer Share | 1,572,408.17 | 4,870,282.48 | Employee Share * 369.67 |
| | | | | Employer Share <u>2,223.83</u> |
| | | | | 2,593.50 |

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 - HDHP | 501 | 501 | 185,204.67 | 185,204.67 | (1,109.00) | (1,109.00) |
| KPESA Employees - HDHP | 308 | 308 | 113,858.36 | 113,858.36 | 8,533.23 | 8,533.23 |
| Administrators - HDHP | 56 | 56 | 20,701.52 | 20,701.52 | 4,066.37 | 4,066.37 |
| Board Members - HDHP | 3 | 3 | 1,109.01 | 1,109.01 | 1,722.66 | 1,722.66 |
| Exempt Employees - HDHP | <u>25</u> | <u>25</u> | <u>9,241.75</u> | <u>9,241.75</u> | <u>8,872.08</u> | <u>8,872.08</u> |
| Total Employees on Payroll | 893 | 893 | 330,115.31 | 330,115.31 | 22,085.34 | 22,085.34 |
| COBRA HD Payers (FY21 = \$2055.94) | <u>5</u> | <u>5</u> | <u>10,279.70</u> | <u>10,279.70</u> | <u>10,279.70</u> | <u>10,279.70</u> |
| Total Employees | 898 | 898 | 340,395.01 * | 340,395.01 | 32,365.04 | 32,365.04 |

* 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.

| | | | | | | |
|-----------------------------------|-----|-----|---------------------|---------------------|-------------------|-------------------|
| Total Employer | 893 | 893 | <u>1,985,880.19</u> | <u>1,985,880.19</u> | <u>129,801.78</u> | <u>129,801.78</u> |
| Total Employees + Employer | | | 2,326,275.20 | 2,326,275.20 | 162,166.82 | 162,166.82 |

Kenai Peninsula Borough School District

Health Care Committee Monthly recap
as of July 31, 2020.

Expenditures

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

HDHP

| Claims | July | Year-To-Date |
|---|---------------------|---------------------|
| Health Care Claims paid by TPA (Rehn) | 875,406.62 | 875,406.62 |
| Prescription Claims paid by Caremark | 85,151.47 | 85,151.47 |
| HRA | 39,550.34 | 39,550.34 |
| HSA | 56,800.00 | 56,800.00 |
| Total Claims Paid | 1,056,908.43 | 1,056,908.43 |
| Administration | | |
| TPA (Rehn) fees and costs | 25,936.57 | 25,936.57 |
| Aetna Administration Fees | 20,568.21 | 20,568.21 |
| Consultant Fees | - | - |
| Stop Loss Premiums | 211,761.00 | 211,761.00 |
| RX Health | - | - |
| Affordable Care Act Fee | 21,666.89 | 21,666.89 |
| Total Administration | 279,932.67 | 279,932.67 |
| Total Claims plus Administration | 1,336,841.10 | 1,336,841.10 |
| Adjustments | | |
| Stop Loss reimbursements | (29,540.13) | (29,540.13) |
| Prescription Rebates | - | - |
| Health Care Claims refund | - | - |
| Claims reimbursements | (698.17) | (698.17) |
| Other adjustments - Legal Opinion | - | - |
| Total Adjustments | (30,238.30) | (30,238.30) |
| Total Expenditures | 1,306,602.80 | 1,306,602.80 |

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.

HDHP (HRA & HSA) - July 1, 2020 through June 30, 2021

**Kenai Peninsula Borough School District
Healthcare Expenditures Split
as of July 31, 2020.**

| | |
|-----------------------------|---------------------|
| YTD Participants | 898 |
| Net Expenditures | 1,306,602.80 |
| ER - Employer portion (85%) | <u>1,110,612.38</u> |
| EE - Employee portion (15%) | <u>195,990.42</u> |
| Total ER & EE Expenditures | 1,306,602.80 |

| Through Current Month | YTD EXP | YTD REV | REV Less EXP |
|--------------------------|-------------------|------------------|---------------------|
| Employer | 1,110,612.38 | 129,801.78 | (980,810.60) |
| Employee | <u>195,990.42</u> | <u>32,365.04</u> | <u>(163,625.38)</u> |
| Totals | 1,306,602.80 | 162,166.82 | (1,144,435.98) |

| Obligation per Employee FY20 | | Year-to-date | Current Variance |
|--|----------|-----------------|------------------|
| 369.67/2223.83ER Split | 2,593.50 | 2,593.50 | |
| Monthly Cost per Employee - ER | | 1236.76 | 987.07 |
| Monthly Cost per Employee - EE + Cobra | | <u>218.25</u> | <u>151.42</u> |
| | | 1455.01 | |
| | | 1,138.49 | 1138.49 |

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.

Coverage differences not included in Marketing Analysis

| Benefit | Current Self-Insured Benefit | Premera Quote |
|--------------------------------------|---|--|
| Hospice Inpatient Facility | No Limit; life expectancy is 6 months or less | 10 days inpatient; within the 6 month lifetime maximum ; Out of Network 40% reduced benefit |
| Home Health Care | 1 visit per day up to 100 visits | 130 visits/Calendar Year; Out of Network 40% reduced benefit |
| Medical Access Transportation | No Limit; Coach airfare covered if treatment not available locally | 3 round trips per Calendar Year |
| Elective Procedure Travel | No Limit; Coach airfare covered if treatment not available locally | Prior Approval required; 1 round-trip per episode; parking \$35/day; Ferry \$50 each way; lodging \$50/day |
| Emergency Room Copay | \$250; only applies for non-emergency ER use | \$250 per admit |
| Rolfing | 20 visits per Calendar Year combined with Chiropractic | No Benefit |
| Rehab Inpatient Facility | No limit | 30 days per calendar year; Out of Network 40% reduced benefit |
| HRA Rollover | Rolls over if not used | NO ROLLOVER |
| Direct Contracts | AK Center for ENT Alaska Regional Hospital Alaska Regional Life Flight BridgeHealth Central Peninsula Hospital Coalition Health Center Denali Emergency Medical Associates Geneva Woods Birth Center Guardian Flight National Cooperative RX New Frontier Anesthesia Pathology Associates Renalogic Dialysis Cost Containment South Peninsula Hospital Surgery Center of Anchorage Teladoc | Not Customizable |

Specialty Medications Copay HRA & HSA Plan - Premera

| Medication | Cost | Current Copay <i>*HSA Plan</i> <i>Deductible must be met first</i> | Premera <i>*Deductible must be met first</i> <u>HSA & HRA</u> | Specialty - 30 day supply per fill |
|-------------------|--------------|---|---|---|
| Xolair | \$ 2,473.80 | \$ 100.00 | \$ 494.76 | <i>Deductibles and Out-of-Pocket limits would apply</i> |
| Enbrel | \$ 5,601.90 | \$ 100.00 | \$ 1,120.38 | |
| Norditropin | \$ 5,976.30 | \$ 100.00 | \$ 1,195.26 | |
| Simponi | \$ 7,906.24 | \$ 100.00 | \$ 1,581.25 | |
| Cosentyx | \$ 8,441.92 | \$ 100.00 | \$ 1,688.38 | |
| Temozolomide | \$ 8,445.95 | \$ 100.00 | \$ 1,689.19 | |
| Humira | \$ 11,203.34 | \$ 100.00 | \$ 2,240.67 | |
| Verzenio | \$ 13,633.49 | \$ 100.00 | \$ 2,726.70 | |
| Revlimid | \$ 20,862.69 | \$ 100.00 | \$ 4,172.54 | |



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Kenai Peninsula Borough School District

Fully Insured Marketing Review

August 26, 2020

Presenters:

Jennifer Meyhoff, Principal

Curt Hebert, VP, Benefits Consultant

Nicole Culbertson, VP, Benefits Consultant

Market Overview

- **Request for Proposal was released to Fully Insured insurance carriers on July 2, 2020.**
- **The insurance carriers were asked to provide proposals that most closely matched the current plan that Rehn & Associates administers for KPBSD.**
- **The RFP included the following data for underwriting purposes:**
 - Census data (membership demographics and enrollment)
 - Historical claims experience
 - Large claim data
 - Plan design
- **The RFP was sent securely to the carriers as part of HIPAA privacy requirements and carriers were asked to only use the data for underwriting purposes.**

Fully-Insured Carriers

The following carriers received the RFP:

| CARRIER NAME | LINE OF COVERAGE | EFFECTIVE DATE |
|------------------|--------------------------|-----------------|
| PEHT | Medical/Rx/Dental/Vision | January 1, 2021 |
| Premera | Medical/Rx/Dental/Vision | January 1, 2021 |
| Aetna | Medical/Rx/Dental/Vision | January 1, 2021 |
| Moda | Medical/Rx/Dental/Vision | January 1, 2021 |
| UnitedHealthcare | Medical/Rx/Dental/Vision | January 1, 2021 |

Market Overview – Public Education Health Trust



- The PEHT declined to provide a bid.

“Unfortunately, the Trust must decline to quote. Based on the information submitted for KPBSD, we were unable to secure stop-loss coverage for the Kenai population at a level that was satisfactory to the Trust and given the current COVID-19 environment, the Trust is not willing to take the additional risk at this time.”

July 16, 2020

Rainbow Chandler
Assistant Vice President
Marsh and McLennan Agency LLC
1031 W. 4th Ave, Suite 400
Anchorage, AK 99501

RE: Kenai Peninsula Borough School District (KPBSD) Request for Proposal

Dear Rainbow,

On behalf of the Public Education Health Trust (PEHT) and Aon, we thank you for the opportunity to quote on Kenai Peninsula Borough School District (KPBSD) health plan coverage for a January 1, 2021 effective date.

Unfortunately, the Trust must decline to quote. Based on the information submitted for KPBSD, we were unable to secure stop-loss coverage for the Kenai population at a level that was satisfactory to the Trust and given the current COVID-19 environment, the Trust is not willing to take the additional risk at this time.

Please feel free to reach out with any questions. Thanks again for this opportunity and we look forward to working with you again in the future on your client’s employee benefit needs.

Sincerely,

Doris Holzer
Vice President

Cc: Rhonda Prowell-Kitter, Public Education Health Trust
Greg Goldstein, Aon

Market Overview – Other Carriers

- **Premera provided a quote that this is included in this presentation.**
- **Aetna provided a proposal that was 3% higher than KPBSD's current rates, however it did not include dental and vision coverage which is currently 8% (*over the last 12 months this totaled \$1,967969*).**
- **Moda Health also released a proposal but it was 25% above KPBSD's current plan rates.**
- **UnitedHealthcare declined to quote due to large claim activity.**

Considerations Moving to a Fully-Insured Plan

- **Plan Design and Flexibility**

- Although fully insured carriers may come close to KPBSD's current plan design, they will not be able to match the benefit plan exactly. This may include nuances previously integrated into the plan. Requests for future changes will require approval from underwriting. Fully-insured plans are less flexible in their ability to adapt to an employer's evolving needs.

- **Claim Funding Surplus**

- If KPBSD were to move to a fully-insured plan, then any claims surplus would be lost as the fully-insured carrier would retain that for favorable years.

Considerations Moving to a Fully-Insured Plan (cont'd)

- **Run-Out Claims**

- If KPBSD were to move to a fully-insured plan in January, then the run-out claims (claims incurred in 2020 but paid in 2021) would need to be factored into the decision. Run out claims estimates are essentially those Incurred But Not Reported. The IBNR estimate for 2020 is calculated at \$3,342,000 (period ending 6/30/2020).

- **Unique Solutions**

- KPBSD will not have the option to implement unique cost savings solutions.
- No access to Coalition Health Fairs
- No Direct Contracting with local providers
- Rx Help Center was another potential solution to reduce KPBSD plan costs for large Rx claims. At this time all Rx claims will continue to be factored in future renewals whether you remain self-funded or transition to a fully-insured plan.

Marketing Analysis (also provided as a separate file)

Kenai Peninsula Borough School District
Health Plan Renewal & Marketing Analysis
Effective January 1, 2021

| Current Benefits | Current Self-Funding Rates & Networks / Cost Us | | Proposed Renewal Self-Funding Rates & Networks / Cost Us | | Fully Insured Premium Rate Costs | |
|---|---|--|--|--|--|--|
| | HS/PA | HS/PA | HS/PA | HS/PA | HS/HP | HS/HRA |
| <p>Network</p> <p>Deliverable</p> <p>Individual</p> <p>Family</p> <p>Contribution Percentage (plan cost share)</p> <p>ACA Out-of-Pocket Maximum (includes Rx copays)</p> <p>Out-of-Network</p> <p>Out-of-Network</p> <p>Family</p> <p>Out-of-Network</p> <p>ACA Out-of-Pocket Maximum (includes Rx copays)</p> <p>Individual</p> <p>Family</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> | <p>Hospital Only</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>80% Preferred (60% Participating 80% and subject to balance billing 60%)</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> <p>\$1,500</p> <p>\$1,000 (aggregate)</p> <p>80%</p> <p>80%</p> <p>Constant 60%</p> <p>Medical COPM excludes Rx copays</p> <p>No max for non-PPO facility charges</p> <p>No max for non-PPO facility charges</p> |
| <p>Prescription Drugs (in-network / preferred)</p> <p>Discretion (per person)</p> <p>Tier 1 / Generic</p> <p>Tier 2 / Preferred Brand</p> <p>Tier 3 / Non-Preferred Brand</p> <p>Tier 4 / Specialty</p> <p>Days Supply</p> <p>Mail Order</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> | <p>Subject to medical deductible, then</p> <p>\$0</p> <p>\$5</p> <p>\$5</p> <p>\$25</p> <p>\$50</p> <p>\$100</p> <p>Up to 100 days (participating pharmacies)</p> <p>1 = retail, up to 100-day supply</p> |
| <p>Adult Vision (in-network / preferred)</p> <p>Exam</p> <p>Materials</p> <p>Benefit Maximum</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> | <p>1 PCV, 80% coinsurance</p> <p>1 set of glasses or contact lenses PCV, 80% coinsurance</p> <p>\$100 (frames), \$100 (per lens) or \$600 for 2-year medically prescribed contact lenses</p> |
| <p>Adult Dental (in-network / preferred)</p> <p>Discretion (single / family)</p> <p>Basic</p> <p>Major</p> <p>Calendar Year Maximum Benefit</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> | <p>\$50 / \$150</p> <p>100%</p> <p>100%</p> <p>50%</p> <p>\$2,500</p> |
| <p>TOTAL Premium</p> <p>Employee & Spouse</p> <p>Employee & Children</p> <p>Employee & Children</p> <p>Estimated Birthday Premium</p> <p>Estimated Annual Premium</p> <p>Employer WELMSEA Contribution (100% PEP)</p> <p>Estimated Run-out Claims (BNA "Best Estimate" without Margin)</p> <p>Estimated Annual Premium</p> <p>Variance From Current</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> | <p>Basic (Range)</p> <p>15 - 194</p> <p>40 - 464</p> <p>6 - 88</p> <p>78 - 850</p> <p>\$192,230</p> <p>\$28,886,664</p> <p>Included</p> <p>N/A</p> <p>\$28,886,664</p> |

Notes:

- Deductible rates are subject to change based on final actuals.
- These are a first summary for comparison purposes only and do not constitute a contract. Refer to proposal documents for details. If any provision is inconsistent with the Plan Document, the Plan Document will govern.
- This is a first summary for comparison purposes only and is not considered a contract. Refer to proposal documents for details. If any provision is inconsistent with the Plan Document, the Plan Document will govern.
- All estimates are based upon the information available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party, or for any other purpose than for which it was issued by Marsh & McLennan Agency. Marsh & McLennan Agency is not responsible for the consequences of any unauthorized use.

Premera Rate Caps and Historical Performance

| KPBSD | Self-Funded Plan | | | Premera Fully Insured Proposal |
|---|------------------|-------------|--------------------------------------|--|
| | 2018 | 2019 | 2020 (Jan-Jun) | 2021 |
| Calendar Year Surplus | \$2,029,768 | \$388,063 | \$1,758,348 | <ul style="list-style-type: none"> • Year 2 and year 3 renewal rate cap budgeting stability: <ul style="list-style-type: none"> - 2022 renewal: 7% rate cap if dental is bought with medical 1/1/2021 - 2023 renewal: soft rate cap: <ul style="list-style-type: none"> - Up to 70% paid loss ratio: no rate increase - 71-80% PL paid loss ratio: 9.5% increase - 81-90% paid loss ratio: 15% rate increase - 91-100% paid loss ratio: 20% rate increase - 100%+ paid loss ratio: no rate cap |
| Calendar Year Total Net Cost Ratio | 93% | 99% | 88% | |
| Fiscal Year Reserves (period ending June 30 th) | \$2,043,473 | \$3,168,649 | Unaudited at the time of this report | |

All estimates are based upon the information available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Marsh & McLennan Agency. Marsh & McLennan Agency is not responsible for the consequences of any unauthorized use.



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Kenai Peninsula Borough School District
Health Plan Renewal & Marketing Analysis
Effective January 1, 2021

| Covered Benefits | Current (Self-Funded) | | Projected Renewal (Self-Funded) | | Fully Insured | |
|--|---|---|---|---|--|---|
| | Rehn & Associates / Sun Life | | Rehn & Associates / Sun Life | | Premiera Blue Cross | |
| | HDHP HSA | HDHP HRA | HDHP HSA | HDHP HRA | HS HDHP | HS HRA |
| Network | Hospital Only | Hospital Only | Hospital Only | Hospital Only | Hospital Only | Hospital Only |
| Deductible | | | | | | |
| Individual | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 | \$1,500 |
| Family | \$3,000 (aggregate) | \$3,000 (embedded) | \$3,000 (aggregate) | \$3,000 (embedded) | \$3,000 (aggregate) | \$3,000 (aggregate) |
| Coinsurance Percentage (plan cost share) | | | | | | |
| PPO Facility | 80% | 80% | 80% | 80% | 80% Preferred / 60% Participating | 80% Preferred / 60% Participating |
| Services outside PPO Network Area | 80% | 80% | 80% | 80% | 80% and subject to balance billing | 80% and subject to balance billing |
| Non-PPO Facility (non-emergency) | Constant 60% | Constant 60% | Constant 60% | Constant 60% | 40% | 40% |
| Out-of-Pocket Maximum (includes deductible) | | | | | | |
| Individual | <i>Medical OOPM excludes Rx copays</i> | <i>Medical OOPM excludes Rx copays</i> | <i>Medical OOPM excludes Rx copays</i> | <i>Medical OOPM excludes Rx copays</i> | <i>Includes Rx copays</i> | <i>Includes Rx copays</i> |
| In-Network | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 | \$3,500 |
| Out-of-Network | No max for non-PPO facility charges | No max for non-PPO facility charges | No max for non-PPO facility charges | No max for non-PPO facility charges | \$45,000 | \$45,000 |
| Family | | | | | | |
| In-Network | \$7,000 | \$7,000 | \$7,000 | \$7,000 | \$7,000 (embedded) | \$7,000 (embedded) |
| Out-of-Network | No max for non-PPO facility charges | No max for non-PPO facility charges | No max for non-PPO facility charges | No max for non-PPO facility charges | \$90,000 (embedded) | \$90,000 (embedded) |
| ACA Out-of-Pocket Maximum (includes Rx copays) | | | | | | |
| Individual | <i>In-network</i> | <i>In-network</i> | <i>In-network</i> | <i>In-network</i> | <i>In-network</i> | <i>In-network</i> |
| Family | \$6,900 | \$8,150 | \$6,900 | \$8,150 | \$8,150 | \$8,150 |
| | \$13,800 | \$16,300 | \$13,800 | \$16,300 | \$16,300 | \$16,300 |
| Prescription Drugs (in-network / preferred) | | | | | | |
| Deductible (per person) | Subject to medical deductible, then: | \$0 | Subject to medical deductible, then: | \$0 | Subject to medical deductible, then: | \$0 |
| Tier 1 / Generic | \$5 | \$5 | \$5 | \$5 | \$5 | \$5 |
| Tier 2 / Preferred Brand | \$25 | \$25 | \$25 | \$25 | \$25 | \$25 |
| Tier 3 / Non-Preferred Brand | \$50 | \$50 | \$50 | \$50 | \$50 | \$50 |
| Tier 4 / Specialty | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Days Supply | Up to 100 days (participating pharmacies) | Up to 100 days (participating pharmacies) | Up to 100 days (participating pharmacies) | Up to 100 days (participating pharmacies) | Up to 100 days (participating pharmacies) | Up to 100 days (participating pharmacies) |
| Mail Order | 1 x retail, up to 100-day supply | 1 x retail, up to 100-day supply | 1 x retail, up to 100-day supply | 1 x retail, up to 100-day supply | 1 x retail, up to 100-day supply | 1 x retail, up to 100-day supply |
| Adult Vision (in-network / preferred) | | | | | | |
| Exam | | | | | | |
| Materials | 1 PCY, 80% coinsurance | | 1 PCY, 80% coinsurance | | 1 PCY, 80% coinsurance (deductible waived) | |
| Benefit Maximum | 1 set of glasses or contact lenses PCY; 80% coinsurance \$100 (frames); \$150 per lens or \$600 for 2-pair medically prescribed contact lenses | | 1 set of glasses or contact lenses PCY; 80% coinsurance \$100 (frames); \$150 per lens or \$600 for 2-pair medically prescribed contact lenses | | Covered in full up \$300 combined exam and materials maximum P2CY | |
| Adult Dental (in-network / preferred) | | | | | | |
| Deductible (single / family) | | \$50 / \$150 | | \$50 / \$150 | | \$50 / \$150 |
| Preventive (deductible waived) | | | | | | |
| Basic | | 100% | | 100% | | 100% |
| Major | | 50% | | 50% | | 50% |
| Calendar Year Maximum Benefit | | \$2,500 | | \$2,500 | | \$2,500 |
| TOTAL Premium | | | | | | |
| Employee Only | Base Buy-up | | | | | |
| Employee & Spouse | 17 176 | | | | | |
| Employee, Spouse & Children | 40 464 | | | | | |
| Employee & Children | 6 88 | | | | | |
| Total | 78 892 | | | | | |
| Estimated Monthly Premium | | | | | | |
| Supercomposite | \$192,230 | \$2,198,325 | \$204,069 | \$2,333,713 | \$182,191 | \$2,102,358 |
| (4-Tier Rates) | | | | | | |
| Supercomposite (904.28) | \$2,464.49 | \$2,464.49 | \$2,616.27 | \$2,616.27 | \$1,001.59 | \$1,001.59 |
| (4-Tier Rates) (804.28) | (\$2,079.84) | (\$2,079.84) | (\$1,067.53) | (\$1,067.53) | \$2,248.62 | \$2,248.62 |
| Supercomposite (3,300.61) | \$2,464.49 | \$2,464.49 | \$2,616.27 | \$2,616.27 | \$3,019.61 | \$3,019.61 |
| (4-Tier Rates) (3,300.61) | (\$3,300.61) | (\$3,300.61) | (\$3,416.10) | (\$3,416.10) | \$1,775.06 | \$1,775.06 |
| Supercomposite (1,898.98) | \$2,464.49 | \$2,464.49 | \$2,616.27 | \$2,616.27 | \$1,775.06 | \$1,775.06 |
| (4-Tier Rates) (1,898.98) | (\$1,898.98) | (\$1,898.98) | (\$2,028.31) | (\$2,028.31) | | |
| Employer HRA/HSA Contribution (\$800 PEPY) | | Included | | Included | | Included |
| Estimated Run-out Claims (IBNR "Best Estimate" without Margin) | | N/A | | N/A | | N/A |
| Estimated Annual Premium | | \$28,686,664 | | \$30,453,383 | | \$27,414,587 |
| Variance from Current | | \$28,686,664 | | \$30,453,383 | | \$31,532,587 |
| | | | | 6.16% | | 9.92% |

Notes:
 1) Quoted rates are subject to change based on final enrollment.
 2) Fully insured plans exclude run-in claims incurred prior to the effective date.
 3) This is a brief summary for comparison purposes only and is not considered a contract; refer to proposals/contracts for details. If any provision is inconsistent with the Plan Document, the Plan Document will govern.
 4) All estimates are based upon the information available at a point in time, and are subject to unforeseen and random events. Therefore, any projection must be interpreted as having a likely range of variability from the estimate. Any estimate or projection may not be used or relied upon by any other party or for any other purpose than for which it was issued by Marsh & McLennan Agency. Marsh & McLennan Agency is not responsible for the consequences of any unauthorized use.