

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
	Employee Share	471,065.27	1,406,512.43	HDHP - July - June
Health Care Committee Monthly recap	Employer Share	1,572,408.17	4,870,282.48	Employee Share *
as of September 30, 2020.				Employer Share
				<u>2,223.83</u>
				2,616.27

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	557	1,618	218,589.08	634,967.92	290,251.40	289,142.40
KPESA Employees - HDHP	318	942	124,795.92	369,678.48	164,241.23	182,786.36
Administrators - HDHP	56	168	21,976.64	65,929.92	27,913.14	36,045.88
Board Members - HDHP	3	9	1,177.32	3,531.96	966.09	3,638.75
Exempt Employees - HDHP	25	75	9,811.00	29,433.00	9,958.36	28,105.80
Total Employees on Payroll	959	2,812	376,349.96	1,103,541.28	493,330.22	539,719.19
COBRA HD Payers (FY21 = \$2055.94)	2	12	4,111.88	24,671.28	2,055.94	17,770.32
Total Employees	961	2,824	380,461.84 *	1,128,212.56	495,386.16	557,489.51

* 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	959	2,812	<u>2,132,652.97</u>	<u>6,253,409.96</u>	<u>2,795,021.49</u>	<u>3,071,861.40</u>
Total Employees + Employer			2,513,114.81	7,381,622.52	3,290,407.65	3,629,350.91

Kenai Peninsula Borough School District

Health Care Committee Monthly recap
as of September 30, 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	September	Year-To-Date
Health Care Claims paid by TPA (Rehn)	1,224,422.19	4,094,045.90
Prescription Claims paid by Caremark	533,499.95	1,105,545.04
HRA	39,162.41	135,801.24
HSA	3,066.67	67,866.67
Total Claims Paid	1,800,151.22	5,403,258.85
Administration		
TPA (Rehn) fees and costs	19,799.07	71,235.27
Aetna Administration Fees	21,829.36	63,424.38
Consultant Fees	14,799.99	14,799.99
Stop Loss Premiums	232,231.23	659,753.16
RX Health	-	-
Affordable Care Act Fee	-	21,666.89
Total Administration	288,659.65	830,879.69
 Total Claims plus Administration	 2,088,810.87	 6,234,138.54
Adjustments		
Stop Loss reimbursements	-	(31,598.09)
Prescription Rebates	(46,606.49)	(227,334.33)
Health Care Claims refund	-	-
Claims reimbursements	(800.00)	(1,548.17)
Other adjustments - Legal Opinion	-	-
Total Adjustments	(47,406.49)	(260,480.59)
 Total Expenditures	 2,041,404.38	 5,973,657.95

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.

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

YTD Participants	2,824
Net Expenditures	5,973,657.95
ER - Employer portion (85%)	<u>5,077,609.26</u>
EE - Employee portion (15%)	<u>896,048.69</u>
Total ER & EE Expenditures	5,973,657.95

Through Current Month	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>
Employer	5,077,609.26	3,071,861.40	(2,005,747.86)
Employee	<u>896,048.69</u>	<u>557,489.51</u>	<u>(338,559.18)</u>
Totals	5,973,657.95	3,629,350.91	(2,344,307.04)

Obligation per Employee FY21		<u>Year-to-date</u>	<u>Current Variance</u>
392.44/2223.83ER Split	2,616.27	2,616.27	
Monthly Cost per Employee - ER		1798.02	425.81
Monthly Cost per Employee - EE + Cobra		<u>317.30</u>	<u>75.14</u>
		2115.32	
		500.95	500.95

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.



WHO IS RX HELP CENTERS AND WHAT DO WE DO?

Established in 2009, we're one of America's leading prescription advocacy groups. We provide unsurpassed, fee-based, concierge services at an extremely affordable price to our customers.

Our mission is to help individuals, employees, and employers fill the common and costly voids that are found in their prescription benefit plans.

Rx Help Centers is the SOLUTION to improving prescription medication costs and adherence for your employees through prescription medication advocacy.

ONGOING SUPPORT / SERVICE

Rx Help Centers works with the group, broker and/or third party administrator after the introduction of the program. This includes but isn't limited to:

- Participating in the development of the communications strategy.
- Developing, upon request, other communication materials.
- Hosting webinars.
- Providing monthly reports to identify participation and the success being realized by the program.
- Answering questions related to operational matters.
- Reviewing the performance of the program at intervals for the purpose of refining strategies.

GETTING A PROPOSAL FROM RX HELP CENTERS

For self-funded groups, the process starts with Rx Help Centers reviewing the most recent 12 months of detailed claims history furnished by the PBM or Third Party Administrator. The data is analyzed focusing on the higher cost maintenance brand name, single source generic and specialty drugs. A proposal is developed that estimates potential employer and employee savings and a return on investment based on the number of employees/dependents who would benefit from our services. Send the quote request form and rx claims data to quotes@rxhelpcenters.com

Gary Hinkle CLU, CEBS

Director of Account Management

✉ ghinkle@rxhelpcenters.com

☎ (866)478-9593 x212

☎ (317)413-7659

☎ (866)938-6151

Bill Stafford CLU, ChFC

President & COO

✉ bill@rxhelpcenters.com

☎ (317)863-9296

☎ (317)504-6312

☎ (866)938-6151



INTRODUCING RX HELP CENTERS

Helping employees and employers reduce pharmacy costs

Rx Help Centers, LLC is one of America's leading prescription advocacy organizations with a mission to help employees and the employer eliminate or significantly reduce the cost of the maintenance brand, single source generics and specialty drugs.

Established in 2009, Rx Help Centers serves hundreds of self-funded group clients of all sizes and thousands of members. Rx Help Centers' advocacy efforts are focused on accessing manufacturers' programs, grants, public and private foundation resources and U.S. based USFDA approved wholesale mail-order pharmacies to save money and promote adherence by members using our services.

Rx Help Centers is not a discount card, pharmacy, or drug company. Instead, Rx Help Centers is a full-service concierge prescription medication advocacy firm. Rx Help Centers is not a replacement for the prescription drug plan offered by the employer. Our service is voluntary where we seek, one by one, to match a member's needs to a program that provides help for the member. When we are successful finding a Program for the member, the full cost of the drug is usually saved which results in a lower prescription drug spend for both the employee and the employer.

Once a member voluntarily engages Rx Help Centers through a secure registration process, our Advocates contact the member within 24-48 hours. The Advocates work with the member and their doctor to get the necessary information to apply for the various programs' free or discounted medications. The initial process usually takes 3-4 weeks. When successful, drugs are delivered from the U. S. based manufacturer or their fulfillment provider to the member, their doctor, or to a local pharmacy depending upon the program requirements. The Advocate remains involved to monitor the delivery of the medications and continues to work with the member and doctor(s) to arrange for refills.

Implementing the program

Once a group has accepted the proposal and the Agreement is executed, Rx Help Centers provides the broker/third party administrator customized communication materials. Based on a communications plan typically developed by the group and the broker or third party administrator, the initial introduction and on-going communications are established and the program is launched.

Members of the groups can register for Rx Help Centers assistance through a secure and dedicated on-line web link specific to the group. Paper enrollment documents are also provided to the group that can be printed and provided to the employees. It is at the option of the group regarding the way the employees will be invited and instructed to register.

Ongoing support / service

Rx Help Centers works with the group, broker and/or third party administrator after the introduction of the program. This includes but isn't limited to:

- Participating in the development of the communications strategy
- Developing, upon request, other communication materials.
- Hosting webinars (initially or later).
- Providing monthly reports to identify participation and the success being realized by the program.
- Answering questions related to operational matters.
- Reviewing the performance of the program at intervals for the purpose of refining the strategies.

The result

Rx Help Centers' goal is to provide financial relief for the employee, promote better adherence, lower absenteeism, and ultimately provide the employer with a reduction in pharmacy costs with a positive return on investment.

