

Kenai Peninsula Borough School District
 Self-Funded Projected Rates
 July 1, 2021–June 30, 2022

Composite Rate

MEDICAL/RX/DENTAL/VISION	Enrollment	2020/21 Current Rates	2021/22 Projected Rates
HDHP HRA + HDHP HSA			
PEPM		\$2,616.27	\$2,790.28
Monthly Total	967	\$2,529,933	\$2,698,196
Annual Total		\$30,359,197	\$32,378,353
PEPM		\$2,616.27	\$2,790.28
% Increase			6.7%

3-Tier Rate Options

MEDICAL/RX/DENTAL/VISION	Enrollment	2020/21 Current Rates	2021/22 Projected 3-Tier Rates
HDHP HRA + HDHP HSA			
Employee Only	206	\$2,616.27	\$1,057.99
Employee + One Dependent	228	\$2,616.27	\$2,221.79
Employee + Two or more Dependents	<u>533</u>	<u>\$2,616.27</u>	<u>\$3,702.98</u>
Monthly Total	967	\$2,529,933	\$2,698,201
Annual Total		\$30,359,197	\$32,378,409
PEPM		\$2,616.27	\$2,790.28
% Increase			6.7%

4-Tier Rate Options

MEDICAL/RX/DENTAL/VISION	Enrollment	2020/21 Current Rates	2021/22 Projected 4-Tier Rates
HDHP HRA + HDHP HSA			
Employee Only	206	\$2,616.27	\$1,155.15
Employee + Spouse	178	\$2,616.27	\$2,541.33
Employee + Child(ren)	98	\$2,616.27	\$2,194.79
Employee + Family	<u>485</u>	<u>\$2,616.27</u>	<u>\$3,696.48</u>
Monthly Total	967	\$2,529,933	\$2,698,201
Annual Total		\$30,359,197	\$32,378,409
PEPM		\$2,616.27	\$2,790.28
% Increase			6.7%

Assumptions:

1. Projected enrollment is based on December 2020 reporting.
2. Net Claims are based on 40%/60% claims weighting for 2019/2020, respectively.
3. 2021/22 Fixed costs are estimated based on 6 months of actual 2021 rates and 6 months of projected 2022 rate increases.
4. Projected rates **do not** include annual employer contributions to the HRA/HSA Fund.
 The estimated HRA/HSA Fund PEPY equivalent is \$51.55 PEPY, based on employer contributions of \$800 PEPY and the enrollment above, with a 75% dampening factor applied to HRA enrollees, as typically not everyone uses the full HRA each year.
5. Variable costs by plan are based on total variable costs, pro-rated based on enrollment.

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.

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	<u>HDHP - July - June</u>
Health Care Committee Monthly recap	Employer Share	1,572,408.17	4,870,282.48	Employee Share *
as of January 31, 2021.				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	560	3,845	\$ 219,766.40	\$ 1,508,931.80	\$ 288,621.04	\$ 1,441,037.99
KPESA Employees - HDHP	324	2,231	127,150.56	875,533.64	163,906.35	840,546.13
Administrators - HDHP	56	392	21,976.64	153,836.48	27,913.14	147,698.44
Board Members - HDHP	3	21	1,177.32	8,241.24	1,475.00	7,438.75
Exempt Employees - HDHP	25	175	9,811.00	68,677.00	9,958.36	67,939.24
Total Employees on Payroll	968	6,664	379,881.92	2,615,220.16	491,873.89	2,504,660.55
COBRA HD Payers (FY21 = \$2,668.59)	1	18	2,668.59	37,006.92	2,668.59	33,999.85
Total Employees	969	6,682	Total 382,550.51 *	2,652,227.08	494,542.48	2,538,660.40
Total Employer	968	6,664	2,152,667.44	14,819,603.12	2,778,090.18	14,190,548.31
Total Employees + Employer			\$ 2,535,217.95	\$ 17,471,830.20	\$ 3,272,632.66	\$ 16,729,208.71

* 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.

Health Care Committee Monthly recap
as of January 31, 2021.

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

	January	Year-To-Date
Claims		
Health Care Claims paid by TPA (Rehn)	\$ 1,850,840.64	\$ 11,204,201.29
Prescription Claims paid by Caremark	521,058.66	3,248,982.88
HRA	41,351.61	314,264.31
HSA	2,066.66	74,866.66
Total Claims Paid	2,415,317.57	14,842,315.14
Administration		
TPA (Rehn) fees and costs	31,848.69	181,160.74
Aetna Administration Fees	22,035.73	151,544.37
Consultant Fees	4,933.33	34,533.31
Stop Loss Premiums	204,750.66	1,549,197.72
RX Health	-	4,207.50
Affordable Care Act Fee	-	43,317.02
Total Administration	263,568.41	1,963,960.66
Total Claims plus Administration	2,678,885.98	16,806,275.80
Adjustments		
Stop Loss reimbursements	(227,082.47)	(367,652.42)
Prescription Rebates	-	(407,586.97)
Health Care Claims refund	-	(14,547.34)
Claims reimbursements	(50.00)	(1,748.17)
Other adjustments - Legal Opinion	-	-
Total Adjustments	(227,132.47)	(791,534.90)
Total Expenditures	\$ 2,451,753.51	\$ 16,014,740.90

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.

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

**Kenai Peninsula Borough School District
Healthcare Expenditures Split
as of January 31, 2021.**

YTD Participants	6,682
Net Expenditures	\$ 16,014,740.90
ER - Employer portion (85%)	<u>13,612,529.77</u>
EE - Employee portion (15%)	<u>2,402,211.14</u>
Total ER & EE Expenditures	\$ 16,014,740.90

Through Current Month	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>
Employer	\$ 13,612,529.77	\$ 14,190,548.31	\$ 578,018.55
Employee	<u>2,402,211.14</u>	<u>2,538,660.40</u>	<u>136,449.27</u>
Totals	\$ 16,014,740.90	\$ 16,729,208.71	\$ 714,467.81

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		2037.19	186.64
Monthly Cost per Employee - EE + Cobra		<u>359.50</u>	<u>32.94</u>
		2396.70	
		219.57	219.57

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.

KPBSD Health Plan Benefit Contacts



KPBSD Employee Benefits Manager

Stacey Cockroft

(907) 714-8879

scockroft@kpbsd.k12.ak.us



Third Party Administrator

(Eligibility, Claims Questions, HRA/HSA questions)

Rehn & Associates

PO Box 5433

Spokane, WA 99205

(800) 872-8979

www.kpbsd.rehnonline.com



Utilization Review

(Hospital Admission & Pre-Authorization)

Aetna (888) 632-3862

Your health care provider will pre-certify services on your behalf



Pharmacy Benefit Manager (PBM)

(Retail & Mail Order Prescription Drug Services)

CVS Caremark

(866) 818-6911

www.caremark.com



Anchorage Preferred Provider (PPO) Facility

Alaska Regional Hospital

2801 DeBarr Rd

Anchorage, AK 99508

(907) 276-1131

www.alaskaregional.com



Surgery Center of Anchorage

4001 Laurel St, Suite A

Anchorage, AK 99508

(907) 563-1800

<https://surgerycenterofanchorage.com/>



Soldotna Preferred Provider (PPO) Facility

Central Peninsula Hospital

250 Hospital Place

Soldotna, AK 99669

(907) 714-4404

www.cpgh.org



Homer Preferred Provider (PPO) Facility

South Peninsula Hospital

4300 Bartlett St

Homer, AK 99603

(907) 235-8101

<https://www.sphosp.org/>



Nationwide Preferred Provider Network

Aetna

www.aetna.com/docfind

Select the "Aetna Choice POS II (open access)" network.



BridgeHealth

When surgery has been recommended, contact BridgeHealth at (844) 249-8108 or

alaskacoalition@bridgehealth.com

Register with company code: KPBSD



Teladoc

1-800-TELADOC (800-835-2362)

www.teladoc.com



Division of Retirement & Benefits (PERS / TRS Retirement)

(800) 821-2251

<http://doa.alaska.gov/drb>