

HDHP (HRA & HSA) - July 1, 2021 through June 30, 2022

Kenai Peninsula Borough School District	<u>Reserve Account</u>	<u>As of 6-30-20</u>	<u>As of 6-30-21</u>	FY22 Monthly Contribution
	Employee Share	1,406,512.43	1,530,525.84	<u>HDHP - July - June</u>
Health Care Committee Monthly recap as of October 31, 2021.	Employer Share	4,870,282.48	5,241,630.41	Employee Share * 365.54
				Employer Share 2,219.43
				2,584.97

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	528	2,109	193,005.12	770,923.86	255,600.34	509,327.28
KPESA Employees - HDHP	315	1,263	115,145.10	461,677.02	152,328.48	321,955.92
Administrators - HDHP	60	240	21,932.40	87,729.60	27,905.26	63,505.32
Board Members - HDHP	3	12	1,096.62	4,386.48	5,120.26	7,705.96
Exempt Employees - HDHP	23	92	8,407.42	33,629.68	8,444.79	34,202.88
Total Employees on Payroll	929	3,716	339,586.66	1,358,346.64	449,399.13	936,697.36
COBRA HD Payers (FY22 = \$2668.59)	1	9	2,055.94	18,503.46	2,668.59	18,680.13
Total Employees	930	3,725	341,642.60 *	1,376,850.10	452,067.72	955,377.49

* 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	929	3,716	2,061,850.47	8,247,401.88	2,705,878.67	5,654,885.27
Total Employees + Employer			2,403,493.07	9,624,251.98	3,157,946.39	6,610,262.76

Kenai Peninsula Borough School District

Health Care Committee Monthly recap
as of October 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	
	September	Year-To-Date
Claims		
Health Care Claims paid by TPA (Rehn)	1,315,117.06	4,842,270.73
Prescription Claims paid by Caremark	818,854.48	1,938,086.50
HRA	-	-
HSA	-	-
Total Claims Paid	2,133,971.54	6,780,357.23
Administration		
TPA (Rehn) fees and costs	23,260.63	127,883.63
Aetna Administration Fees	22,136.80	86,848.00
Consultant Fees	4,933.33	19,733.32
Stop Loss Premiums	203,259.24	777,669.00
RX Health	-	-
Affordable Care Act Fee	-	28,154.90
Total Administration	253,590.00	1,040,288.85
Total Claims plus Administration	2,387,561.54	7,820,646.08
Adjustments		
Stop Loss reimbursements	(43,366.77)	(669,884.16)
Prescription Rebates	-	(301,448.82)
Health Care Claims refund	(41,981.67)	(41,981.67)
Prescription refund	(200.00)	(200.00)
Claims reimbursements	(300.00)	(850.00)
Other adjustments - Legal Opinion	(50.00)	(75.00)
Total Adjustments	(85,898.44)	(1,014,439.65)
Total Expenditures	2,301,663.10	6,806,206.43

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, 2021 through June 30, 2022

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

YTD Participants	3,725
Net Expenditures	6,806,206.43
ER - Employer portion (85%)	<u>5,785,275.47</u>
EE - Employee portion (15%)	<u>1,020,930.96</u>
Total ER & EE Expenditures	6,806,206.43

Through Current Month	<u>YTD EXP</u>	<u>YTD REV</u>	<u>REV Less EXP</u>
Employer	5,785,275.47	5,654,885.27	(130,390.20)
Employee	<u>1,020,930.96</u>	<u>955,377.49</u>	<u>(65,553.47)</u>
Totals	6,806,206.43	6,610,262.76	(195,943.67)

Obligation per Employee FY22		<u>Year-to-date</u>	<u>Current Variance</u>
365.54/2219.43 ER Split	2,584.97	2,584.97	
Monthly Cost per Employee - ER		1553.09	666.34
Monthly Cost per Employee - EE + Cobra		<u>274.08</u>	<u>91.46</u>
		1827.17	
		757.80	757.80

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.

Stop Loss Report: Through 10/31/2021

Subscriber	Total Amt	Amt over Spec	Amt Requested	Amt Reimbursed	Non Reimbursed Expenses	Amt Open
1- <i>LASERED</i>	\$ 1,231,218.94					
2- <i>LASERED</i>	\$ 1,229,454.43					
3	\$ 636,125.42	\$ 386,125.42	\$ 566,150.44	\$ 565,403.62	\$ -	\$ 746.82
4	\$ 524,960.27	\$ 274,960.27	\$ 274,960.27	\$ 259,900.45	\$ -	\$ 15,059.82
5	\$ 447,462.91	\$ 197,462.91	\$ 197,462.91	\$ -	\$ -	\$ 197,462.91
	\$ 4,069,221.97	\$ 858,548.60	\$ 1,038,573.62	\$ 825,304.07	\$ -	\$ 213,269.55

Kenai Peninsula Borough School District

Current Plan Year

All Plans

Large Claims Exceeding \$125,000 (50% of Individual Stop Loss Deductible)*

#	Member	Diagnosis	Total \$	Amount Over ISL Deductible
1	Dependent	Pharmacy	\$1,231,219	\$0
2	Dependent	Pharmacy	\$1,229,454	\$0
3	Dependent	Panic disorder without agoraphobia	\$605,208	\$355,208
4	Spouse	Infect/inflm react d/t oth cardi/vasc dev/implnt/grft, init	\$525,025	\$275,025
5	Self	Spinal stenosis, lumbar region without neurogenic claudication	\$447,517	\$197,517
6	Dependent	Hemolytic-uremic syndrome	\$249,570	\$0
7	Spouse	Unsp athscl native arteries of extremities, left leg	\$223,084	\$0
8	Self	Oth fracture of upper and lower end of right fibula, init	\$215,440	\$0
9	Self	Primary osteoarthritis, left shoulder	\$214,435	\$0
10	Self	Pretrm prem ROM, unsp time betw rupt and onst labr, unsp tri	\$210,424	\$0
11	Spouse	Sprain of anterior cruciate ligament of right knee, init	\$209,245	\$0
12	Self	Other persistent atrial fibrillation	\$207,428	\$0
13	Spouse	Encounter for antineoplastic chemotherapy	\$202,911	\$0
14	Self	Malignant neoplasm of brain, unspecified	\$178,262	\$0
15	Dependent	Laceration without foreign body of scalp, initial encounter	\$150,574	\$0
16	Self	Multiple myeloma in remission	\$138,401	\$0
17	Spouse	Occlusion and stenosis of bilateral vertebral arteries	\$135,175	\$0
18	Spouse	Other spondylosis with radiculopathy, lumbar region	\$129,394	\$0
19	Self	Oth dis of the bld/bld-form org/immun mechmsm comp chldbrth	\$129,354	\$0
20	Spouse	Athscl heart disease of native cor art w oth ang pctrs	\$127,489	\$0
Total Large Claims			\$6,759,610	\$827,750

*Based on claims paid through October 2021. Amounts Over ISL Deductible have been adjusted for lasers.

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.



3820 NORTHDALDALE BLVD, STE 311A
TAMPA, FL 33624

[DATE]

[PATIENT NAME]
[ADDRESS]
[CITY, STATE, ZIP]

Dear [PATIENT NAME],

Your Prescription Benefit Plan is collaborating with PrudentRx to offer a program that can save you money and reduce your out-of-pocket cost for covered specialty medications to \$0 effective [Month Day, Year].

Pay \$0 with The PrudentRx Copay Program

As part of your prescription plan with CVS/Caremark, the PrudentRx Copay Program allows you to get any of your covered specialty medications that are on your Plan's Exclusive Specialty Drug List for \$0 out-of-pocket when you fill at CVS Specialty®.

PrudentRx will work with you and the drug manufacturers to get copay card assistance¹ and will manage enrollment and renewals for those copay cards on your behalf. Even if there is no copay card program for your medication, your out-of-pocket cost will be \$0 for your covered specialty medications under the PrudentRx Program.

Communication with PrudentRx Advocates

Enrollment in the PrudentRx program is an easy two-step process.

- **Step One:** The first step of the enrollment process is complete, and your member information is on file with PrudentRx.
- **Step Two:** You need to **call PrudentRx at 1-800-578-4403** within the next 5-days to register for any copay assistance available from drug manufacturers.

It is essential to speak with a PrudentRx Advocate to complete step two and become fully enrolled to avoid being opted out of the program.

Even if you currently have a copay card or take a medication that does not have a copay card available, you still need to speak with a PrudentRx Advocate. A PrudentRx Advocate will also attempt to reach you by phone to confirm your enrollment.

If you do not return the call, choose to opt-out of the program, or if you do not affirmatively enroll in any copay assistance program as required by a manufacturer, you will be responsible for 30% of the cost of your specialty medications. If you have any questions about the program, **call PrudentRx at 1-800-578-4403**, Monday through Friday, from 8 a.m. to 8 p.m. ET.

The cost of your specialty medication is changing.

Act by [Month Day, Year] to pay \$0 out of pocket

Please note: At the time of this mailing, PrudentRx may not have information on your benefit plan election for the coming plan period. If your benefit plan selection for the coming plan period does not include the PrudentRx program or, should you change your plan election at any time into a plan that does not include the PrudentRx program; you will not be eligible to participate in the program. For questions around which benefit plans offered by your Plan include the PrudentRx program, please contact your plan benefit office.

Sincerely,

[PrudentRx Sign-off]

Please note: Some medications in the program are listed as an “essential health benefit,” which allows your out-of-pocket cost to apply to your out-of-pocket maximum. Many specialty medications are considered “non-essential health benefits.”^{2,3} For medications that are not essential health benefits, amounts paid by you, a manufacturer or a plan sponsor will not apply to your out-of-pocket maximum.⁴

¹Eligibility for third-party copay assistance program is dependent on the applicable terms and conditions required by that particular program and are subject to change. Copay assistance program may not be used with any government payor plan.

²A self-funded Plan may define the items and services that qualify as “essential health benefits” by referencing any definition authorized by the U.S. Department of Health and Human Services, including any available state benchmark plan. Your Plan utilizes the Utah Essential Health Benefit Benchmark Plan.

³There’s an exception process to decide if a medication that’s not an “essential health benefit” is medically necessary for a particular plan member.

⁴The out-of-pocket maximum is the total amount you must pay in a plan year for certain covered services called “essential health benefits.” Once the specified out-of-pocket limit is reached, your health plan will pay 100 percent of the cost of these covered services. More information on the out-of-pocket limit is available in your plan benefit materials.

Your privacy is important to us. Our employees are trained regarding the appropriate way to handle your private health information. 106-51813B 050720.

CFCvs-112420

CFCvs-112420



Kenai Peninsula Borough School District

January 1, 2022
Stop Loss Marketing Results

November 17, 2021



WORLD CLASS. LOCAL TOUCH.

Plan Design

	2021	2022		
	Voya Current	Voya Renewal	Granular Proposal	Swiss Re Proposal
Plans Covered	Medical/Rx	Medical/Rx	Medical/Rx	Medical/Rx
Contract Basis	24/12	36/12	36/12	36/12
Check Basis (issued/cleared/etc.)	Issued	Issued	Issued	Issued
Coinsurance (%)	100%	100%	100%	100%
Commissions	0.0%	0.0%	0.0%	0.0%
Individual Specific SL				
Deductible (amount)	\$250,000	\$250,000 \$275,000 \$300,000	\$250,000 \$275,000 \$300,000	\$250,000 \$275,000 \$300,000
Annual Maximum (amount)	Unlimited	Unlimited	Unlimited	Unlimited
Lifetime Maximum (amount)	Unlimited	Unlimited	Unlimited	Unlimited
Medical Reimbursement (Y/N)	Yes, When Filed	Yes, When Filed	Yes, When filed	Yes, When filed
Rx Reimbursement (Y/N)	Yes, When Filed	Yes, When Filed	Yes, When filed	Yes, When filed
Lasering for Renewal Plan Year	2 Claimants at \$1,500,000	2 Claimants at \$1,500,000	2 Claimants at \$1,350,000	2 Claimants at \$1,500,000 1 Claimant at \$1,000,000 if subject to heart transplant
Aggregate Stop Loss				
Plans Covered	Med/Rx/ Den/Vis	Med/Rx/ Den/Vis	Med/Rx/ Den/Vis	Med/Rx/ Den/Vis
Aggregate Contract Basis	24/12	36/12	36/12	36/12
Aggregate Corridor (%)	125%	125%	125%	125%
Annual Maximum (amount)	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Aggregate Run-In Limit	\$0	\$0	\$0	\$0
Reimbursement	YE	YE	YE	YE
No New Lasers	Yes	Yes	Yes	Yes
Rate Cap	40%	40%	40%	50%
No New Laser and Cap Renewable (Perpetual or Re-evaluated)	Re-evaluated	Re-evaluated	Re-evaluated	Re-evaluated
Illustrative/Firm		Firm	Firm	Firm
Quotes are Firm Through		11/19/2021	12/31/2021	12/31/2021

Financial Overview at the \$250,000 Deductible Level

	Lives	2021 Voya Current	2022		
			Voya	Granular	Swiss Re
			Renewal	Proposal	Proposal
Single Specific Rate PEPM	204				\$101.36
Family Specific Rate PEPM	710	-	-	-	<u>\$279.70</u>
Composite Specific Rate PEPM	914	\$210.04	\$270.36	\$181.77	\$239.90
Annual Specific Premium Cost		\$2,303,719	\$2,965,308	\$1,993,653	\$2,631,173
Aggregate Rate PEPM		\$3.02	\$3.18	\$3.49	\$6.93
Annual Premium Cost (Aggregate)		\$33,123	\$34,878	\$38,278	\$76,008
Combined Rate PEPM		\$213.06	\$273.54	\$185.26	\$246.83
Combined Annual Premium Cost		\$2,336,842	\$3,000,187	\$2,031,932	\$2,707,182
vs. Current Annualized Cost			\$663,345	(\$304,910)	\$370,339
			28.4%	-13.0%	15.8%
Combined Annual Premium Cost		\$2,336,842	\$3,000,187	\$2,031,932	\$2,707,182
Additional Claims Liability due to lasers		\$2,500,000	\$2,500,000	\$2,200,000	\$3,250,000
Maximum Annual Liability (total annual premium, fees and additional claims liability in excess of regular deductible point)		\$4,836,842	\$5,500,187	\$4,231,932	\$5,957,182
vs. Current Annualized Cost			\$663,345	(\$604,910)	\$1,120,339
			13.7%	-12.5%	23.2%
Monthly Aggregate Factor					
Single:	204				\$1,315.00
Family:	710	-	-	-	<u>\$3,452.44</u>
Composite PEPM	914	\$2,768.11	\$2,809.39	\$3,053.73	\$2,975.37
Carrier Annual Expected Claims:		\$24,288,504	\$24,650,712	\$26,794,649	\$26,107,127
Annual Attachment Point:		\$30,360,630	\$30,813,390	\$33,493,311	\$32,633,909
Total Maximum Liability (potential claims and premium):		\$35,197,473	\$36,313,576	\$37,725,242	\$38,591,090

Estimated Total Plan Liability at the Current Deductible Level (Administration, Stop Loss Premium and Potential Claims)

Lives	2021	2022		
	Voya Current	Voya Renewal	Granular Proposal	Swiss Re Proposal
Administration Fees				
Rehn & Associates Bundled Administration Fee PEPM	\$15.67	\$15.67	\$15.67	\$15.67
Aetna Network/Coalition Fees PEPM (2/1 renewal)	\$23.60	\$24.41	\$24.41	\$24.41
Other Fees PEPM			\$0.00	\$0.00
Combined Administration Fees PEPM	914 \$39.27	\$40.08	\$40.08	\$40.08
Combined Annual Administration Cost	\$430,713	\$439,597	\$439,597	\$439,597
vs. Current Annualized Cost		\$8,884 2.1%	\$8,884 2.1%	\$8,884 2.1%
Stop Loss Premiums				
Combined Composite Specific & Aggregate Rate PEPM	914 \$213.06	\$273.54	\$185.26	\$246.83
Combined Specific and Aggregate Annual Premium Cost	\$2,336,842	\$3,000,187	\$2,031,932	\$2,707,182
vs. Current Annualized Cost		\$663,345 28.4%	(\$304,910) -13.0%	\$370,339 15.8%
Annual Fixed Costs/Liability				
Combined Annual Fixed Costs	\$2,767,555	\$3,439,784	\$2,471,529	\$3,146,779
Additional Claims Liability due to Lasers	\$2,500,000	\$2,500,000	\$2,200,000	\$3,250,000
Maximum Annual Fixed Costs/Liability (total administration fees, annual premium, fees and additional claims liability in excess of regular deductible point)	\$5,267,555	\$5,939,784	\$4,671,529	\$6,396,779
vs. Current Annualized Cost		\$672,229 12.8%	(\$596,026) -11.3%	\$1,129,224 21.4%
Monthly Aggregate Factor				
Composite PEPM	914 \$2,768.11	\$2,809.39	\$3,053.73	\$2,975.37
Annual Attachment Point:	\$30,360,630	\$30,813,390	\$33,493,311	\$32,633,909
vs. Current Total Attachment Cost		\$452,759 1.5%	\$3,132,680 10.3%	\$2,273,278 7.5%
Total Maximum Liability (potential claims and annual liability):	\$35,628,186	\$36,753,174	\$38,164,840	\$39,030,688
vs. Current Total Maximum Annualized Cost		\$1,124,988 3.2%	\$2,536,654 7.1%	\$3,402,502 9.6%

Notes:

Rehn & Associates bundled administration fee excludes FSA/HRA/HSA/Aetna Administration Fees. Aetna Network/Coalition Fee renews 2/1/2022-12/31/2022 and will renew each 1/1 thereafter. Aetna Network/Coalition Fee shown above includes the Aetna JCA base rate effective 2/1/2022 and the current 2021 managed behavioral health, Teladoc, and alternate stockpiling PEPM fees (to be updated upon receipt of the 2022 fee confirmation). Ad hoc / per use fees are not included above. MMA's professional services fee is billed separately.

Disclaimer

- *This marketing results analysis contains a review of each quoting carrier's stop loss proposal offered in response to our RFP. While every employer needs to weigh the cost of coverage, it is also important to understand the key terms and conditions, including standard policy exclusions.*
- *The RFP responses provide an offer of coverage based on information provided by your Company (i.e. census data, confirmation of actively at work status, etc.). It does not include all the contractual detail that will govern your coverage. While MMA completes a review of the selected carriers policy during implementation and makes every effort to assure accuracy, your company should also review the proposed contract terms, as the ultimate responsibility resides with you.*
- *While MMA makes every effort to provide all the data available for you to make a decision surrounding appropriate deductible levels, we must note that large claimants are the least predictable aspect of your claim experience and prior loss ratios do not predict future loss ratios.*
- *The MMA Stop Loss Center of Excellence makes every effort to provide timely updates on the status of the RFP/ Renewal process. Your full disclosure of known details will help avoid potential issues in understanding coverage limitations under the plan(s). Any requests for additional health information or eligibility status requests, such as actively at work confirmations, will be disseminated to the quoting vendors as soon as possible.*
- *The MMA Stop Loss Center of Excellence does not guarantee placement of coverage. No coverage should be assumed bound unless there is an executed policy in place.*



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