

2024 PRELIMINARY SELF-FUNDED HEALTH PLAN RENEWAL (updated using claims through August)

Prepared Exclusively For:



Davidson Benefits Planning
7632 SW Durham Road, Suite 115
Tigard, OR 97224



September 26, 2023; Governing Board Meeting

CLAIMS EXPERIENCE THROUGH AUGUST 2023



January 1, 2022 - August 31, 2023

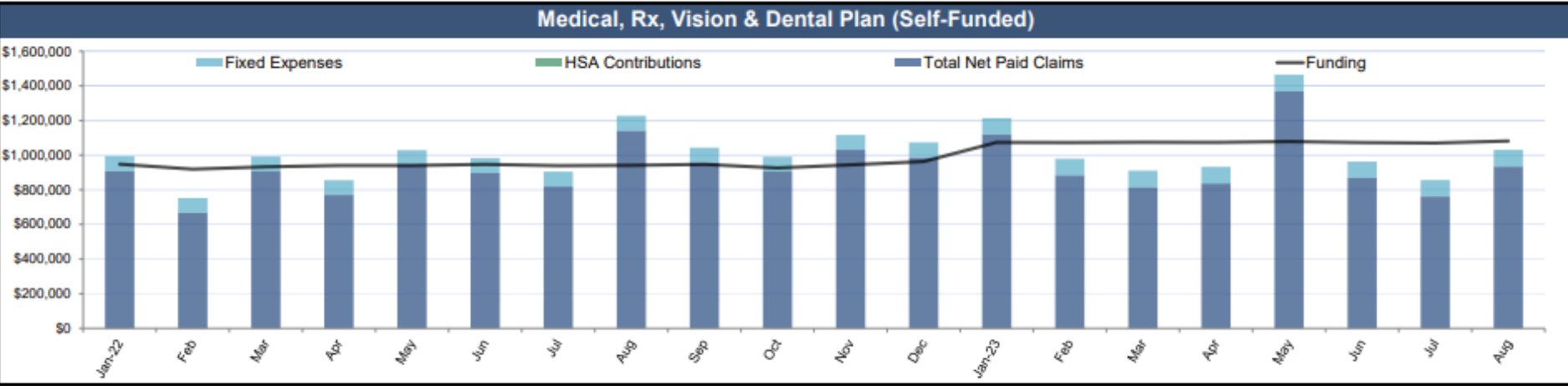
Funding Ratio			
Total Expenses/Budget			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
Medical, Rx & Vision	106.5%	103.3%	96.9%
Gain / (Loss)	(\$670,213)	(\$221,932)	\$240,571
Dental	96.2%	96.9%	100.6%
Gain / (Loss)	\$36,467	\$20,113	(\$4,224)
Vision	147.8%	148.1%	91.5%
Gain / (Loss)	(\$42,213)	(\$28,194)	\$8,053
Total Plans (Combined)	106.0%	103.1%	97.2%
Gain / (Loss)	(\$675,959)	(\$230,013)	\$244,400

Total Expenses PEPM			
Claims + Fixed			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
Net Medical	\$1,274.69	\$1,277.21	\$1,131.57
Rx	469.64	422.98	563.48
Vision	20.87	21.00	19.31
Dental	104.41	105.75	112.70
HSA Contributions*	45.21	45.62	47.14
Total	\$1,914.81	\$1,872.56	\$1,874.21

Per employee per month; Total is per medical enrolled employee

Total Expenses			
Claims + Fixed			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
Net Medical	\$7,969,347	\$5,281,269	\$5,046,798
Rx	2,936,176	1,749,034	2,513,141
Vision	130,451	86,815	86,144
Dental	927,464	621,084	706,738
HSA Contributions*	282,625	188,625	210,250
Total	\$12,246,062	\$7,926,827	\$8,563,071

**Funding Ratio Does Not Include HSA Contributions Starting in 2022*



Number of Large Claims			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
>\$100,000	14	9	7
\$50,000 - \$99,999	19	12	14
\$25,000 - \$49,999	52	25	27

Top Large Claim Amounts		
	YTD Amount	Relationship
Individual A	\$994,331	Subscriber
Individual B	270,082	Subscriber
Individual C	243,925	Spouse

SELF-FUNDED MEDICAL/RX/VISION *PRELIMINARY* RENEWAL



MEDICAL/RX/VISION – PROJECTED FUNDING RATES

REGENCE/VSP

RENEWAL PERIOD: *January 1, 2024– December 31, 2024*

Total Change to Current =

PPO +9.7%
HDHP +9.8%

Regence - PPO		2023			Preliminary 2024		
Enrollment		Regence Medical/Rx	VSP Vision	Medical/Rx/Vision	Regence Medical/Rx	VSP Vision	Medical/Rx/Vision
EE only	120	\$864.82	\$10.15	\$874.97	\$948.71	\$10.44	\$959.15
EE + Spouse	98	\$1,817.66	\$20.95	\$1,838.61	\$1,993.97	\$21.56	\$2,015.53
EE + Child(ren)	26	\$1,558.05	\$18.00	\$1,576.05	\$1,709.18	\$18.52	\$1,727.70
EE + Family	190	\$2,510.31	\$28.89	\$2,539.20	\$2,753.81	\$29.73	\$2,783.54
Total Annual Cost	434	\$9,592,527	\$110,738	\$9,703,266	\$10,523,003	\$113,950	\$10,636,952
% Change from Current					9.7%	2.9%	9.6%
\$ Change from Current					\$930,475	\$3,211	\$933,687
Regence - HDHP		2023			Preliminary 2024		
Enrollment		Regence Medical/Rx	VSP Vision	Medical/Rx/Vision	Regence Medical/Rx	VSP Vision	Medical/Rx/Vision
EE only	35	\$684.13	\$10.15	\$694.28	\$751.17	\$10.44	\$761.62
EE + Spouse	22	\$1,437.32	\$20.95	\$1,458.27	\$1,578.18	\$21.56	\$1,599.73
EE + Child(ren)	13	\$1,231.96	\$18.00	\$1,249.96	\$1,352.69	\$18.52	\$1,371.21
EE + Family	54	\$1,984.95	\$28.89	\$2,013.84	\$2,179.48	\$29.73	\$2,209.20
Total Annual Cost	124	\$2,145,220	\$31,323	\$2,176,543	\$2,355,452	\$32,231	\$2,387,683
% Change from Current					9.8%	2.9%	9.7%
\$ Change from Current					\$210,232	\$908	\$211,140
Total Annual Cost	558	\$11,737,748	\$142,061	\$11,879,809	\$12,878,455	\$146,181	\$13,024,635
% Change from Current					9.7%	2.9%	9.6%
\$ Change from Current					\$1,140,707	\$4,120	\$1,144,827

Above Rate Projections Include:

- 0% Claims Margin
- **Stop Loss preliminary renewal of +50%; Aggregate +5.0% (Renewal to be released mid-October)**
- **Regence Administrative PEPM Fee increase of +2.24%**
- **Improved pharmacy terms – DBP negotiated with Regence for improved contract terms, discounts and rebates. Saving is about 2%, \$250,000 annually**
- VSP Administrative Fee PEPM = No Change/Currently in Rate Guarantee
- Claims through AUGUST 2023 – *Claims have improved by almost 3% since June*

PRELIMINARY STOP LOSS RENEWAL



STOP LOSS – PRELIMINARY RENEWAL + OPTION

RENEWAL PERIOD: January 1, 2024–December 31, 2024

Considerations:

- Voya is preliminary and they are waiting to review claims through September before firming their position.
- When factoring in 50% rate cap and lasers, the funding rates are about +9.8%
- Sunlife is firm.
- When factoring in 7.0% rate increase and lasers, the funding rates are about +12.8%. The laser would likely cost the City over \$300,000 more in 2024.

Stop Loss	2023 Voya	2024 Voya Preliminary Renewal	Option 1
Stop Loss	2023 Voya	2024 Voya Preliminary Renewal	SunLife - Firm
Coverages	Medical/RX	Medical/RX	Medical/RX
Contract Basis (incurred/paid)	Paid	Paid	24/12
Individual Specific Deductible	\$275,000	\$275,000	\$275,000
Maximum Aggregate Benefit	\$2,000,000	\$2,000,000	\$2,000,000
Aggregating Individual Deductible	N/A	N/A	N/A
Includes Rate Cap on Renewal	Yes - 50%	Yes - 50%	Yes - 50%
Includes No New Lasers at Renewal	Yes	Yes	Yes
Enrollment			
Single Subscribers	163	163	163
Family Subscribers	399	399	399
Total Number of Employees on Plan	562	562	562

ISL Premium Rates	PEPM	PEPM	PEPM
Spec Single PEPM or Composite	\$70.54	\$105.81	\$67.12
Spec Family PEPM	\$190.83	\$286.25	\$208.61
Total Monthly Stop Loss Cost (ISL only)	\$87,639	\$131,459	\$94,176
Total Annual Stop Loss Cost (ISL only)	\$1,051,670	\$1,577,505	\$1,130,111
Annual \$ Change to Current		\$525,835	\$78,441
Percentage Change to Current		50.0%	7.5%
Aggregate Composite Rate	\$5.33	\$5.60	\$4.92
Total Monthly Stop Loss Cost (AGG only)	\$2,995	\$3,145	\$2,765
Total Annual Stop Loss Cost (AGG only)	\$35,946	\$37,743	\$33,180
Annual \$ Change to Current		\$1,797	-\$2,765
Percentage Change to Current		5.0%	-7.7%
Total Monthly Stop Loss Cost (ISL & AGG only)	\$90,635	\$134,604	\$96,941
Total Annual Stop Loss Cost (ISL & AGG only)	\$1,087,616	\$1,615,248	\$1,163,292
Annual \$ Change to Current		\$527,632	\$75,676
Percentage Change to Current		48.5%	7.0%

Additional Annual Individual Specific Deductible (Lasers)	\$475,000	\$475,000	\$1,225,000
Total Annual Stop Loss Cost (ISL, AGG & Laser Amount)	\$1,562,616	\$2,090,248	\$2,388,292
Annual \$ Change to Current		\$527,632	\$825,676
Percentage Change to Current		33.8%	52.8%

Laser (s)			
	Laser 1 - \$650,000	Laser 1 - \$650,000	Laser 1 - \$1,500,000
	Laser 2 - \$375,000	Laser 2 - \$375,000	

Need September claims to firm

THANK YOU

