

FINAL 2024 HEALTH PLAN RENEWAL

(updated using claims through September)

Prepared Exclusively For:



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



October 23, 2023; Governing Board Meeting

CLAIMS EXPERIENCE THROUGH SEPTEMBER 2023



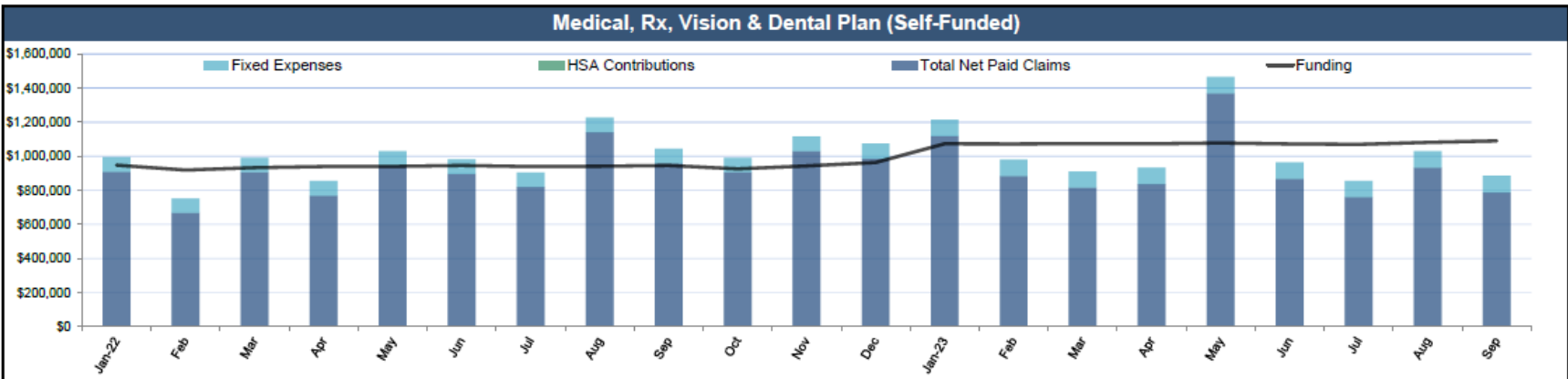
Funding Ratio			
Total Expenses/Budget			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
Medical, Rx & Vision	106.5%	104.0%	95.0%
Gain / (Loss)	(\$670,213)	(\$307,794)	\$443,198
Dental	96.2%	98.4%	100.3%
Gain / (Loss)	\$36,467	\$11,580	(\$2,002)
Vision	147.8%	146.4%	92.2%
Gain / (Loss)	(\$42,213)	(\$30,610)	\$8,272
Total Plans (Combined)	106.0%	103.9%	95.4%
Gain / (Loss)	(\$675,959)	(\$326,825)	\$449,468

Total Expenses PEPM			
Claims + Fixed			
	1/22 - 12/22	1/22 - YOY	1/23 - YTD
Net Medical	\$1,274.69	\$1,285.22	\$1,090.41
Rx	469.64	425.80	566.93
Vision	20.87	20.73	19.44
Dental	104.41	107.24	112.14
HSA Contributions*	45.21	45.51	47.31
Total	\$1,914.81	\$1,884.50	\$1,836.23
Current YTD Vs Prior YTD			-2.6%
Current YTD Vs Prior Plan Year			-4.1%

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	\$5,990,426	\$5,491,325
Rx	2,936,176	1,984,631	2,855,083
Vision	130,451	96,621	97,893
Dental	927,464	709,940	793,813
HSA Contributions*	282,625	212,125	238,250
Total	\$12,246,062	\$8,993,743	\$9,476,364

*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	10
\$50,000 - \$99,999	19	15	13
\$25,000 - \$49,999	52	30	31

Top Large Claim Amounts		
	YTD Amount	Relationship
Individual A	\$1,210,254	Subscriber
Individual B	293,183	Spouse
Individual C	289,167	Subscriber

SELF-FUNDED MEDICAL/RX/VISION RENEWAL



MEDICAL/RX/VISION – FUNDING RATES

REGENCE/VSP

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

Regence - PPO		2023			Preliminary 2024		
VSP - Vision	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	\$946.11	\$10.44	\$956.56
EE + Spouse	98	\$1,817.66	\$20.95	\$1,838.61	\$1,988.52	\$21.56	\$2,010.08
EE + Child(ren)	26	\$1,558.05	\$18.00	\$1,576.05	\$1,704.51	\$18.52	\$1,723.03
EE + Family	190	\$2,510.31	\$28.89	\$2,539.20	\$2,746.28	\$29.73	\$2,776.01
Total Annual Cost	434	\$9,592,527	\$110,738	\$9,703,266	\$10,494,225	\$113,950	\$10,608,175
% Change from Current					9.4%	2.9%	9.3%
\$ Change from Current					\$901,698	\$3,211	\$904,909
Regence - HDHP		2023			Preliminary 2024		
VSP - Vision	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	\$748.44	\$10.44	\$758.88
EE + Spouse	22	\$1,437.32	\$20.95	\$1,458.27	\$1,572.43	\$21.56	\$1,593.99
EE + Child(ren)	13	\$1,231.96	\$18.00	\$1,249.96	\$1,347.76	\$18.52	\$1,366.29
EE + Family	54	\$1,984.95	\$28.89	\$2,013.84	\$2,171.54	\$29.73	\$2,201.26
Total Annual Cost	124	\$2,145,220	\$31,323	\$2,176,543	\$2,346,871	\$32,231	\$2,379,102
% Change from Current					9.4%	2.9%	9.3%
\$ Change from Current					\$201,651	\$908	\$202,559
Total Annual Cost		2023			Preliminary 2024		
	558	\$11,737,748	\$142,061	\$11,879,809	\$12,841,096	\$146,181	\$12,987,277
% Change from Current					9.4%	2.9%	9.3%
\$ Change from Current					\$1,103,348	\$4,120	\$1,107,468

Above Rate Projections Include:

- 0% Claims Margin
- Voya renewal of +46.0%; Aggregate +5.0% (includes the same lasered claimants with no change to amounts)
- Regence Administrative PEPM Fee increase of +2.24%
- HDHP Plan deductible increase from \$1,500/\$3,000 to \$1,600/\$3,200 due to IRS Requirement
- Improved pharmacy terms – DBP negotiated with Regence for improved contract terms, discounts and rebates
- Changing Coupon Maximizer plan to the new Flex Access Plan
- VSP Administrative Fee PEPM = No Change/Currently in Rate Guarantee
- Claims through SEPTEMBER 2023

FIRM STOP LOSS RENEWAL



STOP LOSS – FIRM RENEWAL + OPTION

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

Considerations:

- Options 1: **Recommended**
 - ✓ Keeping laser amounts the same.
 - ✓ Laser 1 has had over \$1.2M in claims paid for 2023 and is expected to be the same in 2024.
- Options 2:
 - ✓ Increasing Laser 1 to \$1.3M and lowering the fixed cost.
 - ✓ The claim is projected to be \$1.3M, therefore the cost to the City is slightly higher than Option 1.
 - ✓ Actuarially, this option would increase the funding rates +1.4% from Option 1.
- Marketing efforts were unsuccessful. All carriers except for Sunlife declined to quote.
 - ✓ Sunlife put a laser of \$1.5M.
 - ✓ Actuarially, the funding rates would increase +2.5% from Option 1.

Stop Loss	Recommendation		
	2023 Voya	2024 Voya Renewal	Voya Option
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	\$99.98	\$69.03
Spec Family PEPM	\$190.83	\$279.83	\$193.20
<i>Total Monthly Stop Loss Cost (ISL only)</i>	<i>\$87,639</i>	<i>\$127,949</i>	<i>\$88,339</i>
<i>Total Annual Stop Loss Cost (ISL only)</i>	<i>\$1,051,670</i>	<i>\$1,535,387</i>	<i>\$1,060,064</i>
Annual \$ Change to Current		\$483,717	\$8,394
Percentage Change to Current		46.0%	0.8%

Aggregate Composite Rate			
	\$5.33	\$5.60	\$4.92
<i>Total Monthly Stop Loss Cost (AGG only)</i>	<i>\$2,995</i>	<i>\$3,145</i>	<i>\$2,765</i>
<i>Total Annual Stop Loss Cost (AGG only)</i>	<i>\$35,946</i>	<i>\$37,743</i>	<i>\$33,180</i>
Annual \$ Change to Current		\$1,797	-\$2,765
Percentage Change to Current		5.0%	-7.7%

<i>Total Monthly Stop Loss Cost (ISL & AGG only)</i>	<i>\$90,635</i>	<i>\$131,094</i>	<i>\$91,104</i>
<i>Total Annual Stop Loss Cost (ISL & AGG only)</i>	<i>\$1,087,616</i>	<i>\$1,573,130</i>	<i>\$1,093,245</i>
Annual \$ Change to Current		\$485,514	\$5,629
Percentage Change to Current		44.6%	0.5%

Additional Risk Annual Individual Specific Deductible (Lasers)	\$475,000	\$475,000	\$1,025,100
<i>Total Annual Stop Loss Cost (ISL, AGG & Laser Amount)</i>	<i>\$1,562,616</i>	<i>\$2,048,130</i>	<i>\$2,118,345</i>
Annual \$ Change to Current		\$485,514	\$555,729
Percentage Change to Current		31.1%	35.6%

Laser (s)			
	Laser 1 - \$650,000	Laser 1 - \$650,000	Laser 1 - \$1,300,000
	Laser 2 - \$375,000	Laser 2 - \$375,000	Laser 2 - \$375,000

Funding Rate Increase		9.3%	10.7%
------------------------------	--	-------------	--------------

OPTIONS

(Using updated rates from Regence)



REGENCE OPTIONS

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

Benefits
Deductible
Individual
Family
Out of Pocket Maximums
Individual
Family
Office Visits
Preventive Care Office Visits
Primary Care
Specialty Care
Urgent Care
Test (outpatient)
Simple X-ray and Lab
CT, MRI, PET Scans
Hospital Services
Ambulance
Emergency Department
Inpatient Hospitalization
Outpatient Services (other)
Outpatient surgery visit
Durable medical equipment
Alternative Care
Acupuncture Services
Chiropractic Services
Massage Therapy
Prescription Drug
Generic
Preferred Brand
Specialty Drugs
Regence Enrollment
EE only
EE + Spouse
EE + Child(ren)
EE + Family
434
Total Annual Cost
\$ Change from Current
% Change from Current

	Current Regence PPO Current/Renewal	2024 Regence Option 1: \$20 copays, \$400 Ded \$2500 OOP	2024 Regence Option 2: \$25/\$35 copay, \$400 Ded \$2500 OOP	
	\$300	\$400	\$400	
	\$900	\$1,200	\$1,200	
	\$2,300	\$2,500	\$2,500	
	\$6,900	\$7,500	\$7,500	
	\$0	\$0	\$0	
	\$20	\$20	\$25	
	\$20	\$20	\$25	
	\$20	\$20	\$35	
	20%	20%	20%	
	20%	20%	20%	
	20%	20%	20%	
	\$250, 20%	\$250, 20%	\$250, 20%	
	20%	20%	20%	
	20%	20%	20%	
	20%	20%	20%	
	\$20	\$20	\$20	
	Unlimited visits	Unlimited visits	Unlimited visits	
	\$20	\$20	\$20	
	Unlimited visits	Unlimited visits	Unlimited visits	
	\$20	\$20	\$20	
	Unlimited visits	Unlimited visits	Unlimited visits	
	\$10	\$10	\$10	
	\$30	\$30	\$30	
	By Tier	By Tier	By Tier	
Regence Enrollment	2023	2024	2024 - Option 1	2024 - Option 2
120	\$874.97	\$956.56	\$934.47	\$932.28
98	\$1,838.61	\$2,010.08	\$1,963.64	\$1,959.04
26	\$1,576.05	\$1,723.03	\$1,683.22	\$1,679.28
190	\$2,539.20	\$2,776.01	\$2,711.87	\$2,705.52
434				
Total Annual Cost	\$9,703,266	\$10,608,189	\$10,363,088	\$10,338,830
\$ Change from Current		\$904,923	\$659,822	\$635,564
% Change from Current		9.3%	6.8%	6.6%

KAISER OPTIONS

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

Benefits		Current Kaiser HMO Current/Renewal		2024 Kaiser Opt 1 Ded Plan A 250/15/20/2500
		2023	2024	2024 - Option 1
Deductible				
Individual		\$0		\$250
Family		\$0		\$750
Out of Pocket Maximums				
Individual		\$1,500		\$2,500
Family		\$3,000		\$7,500
Office Visits				
Preventive Care Office Visits		0%		0%
Primary Care		\$20		\$15
Specialty Care		\$20		\$25
Urgent Care		\$40		\$35
Test (outpatient)				
Simple X-ray and Lab		\$20 per department visit		\$15 per department visit
CT, MRI, PET Scans		\$20 per department visit		\$100 per department visit
Hospital Services				
Ambulance		\$75		20% coinsurance after ded
Emergency Department		\$100		20% coinsurance after ded
Inpatient Hospitalization		\$200 per day up to \$1,000 per admission		20% coinsurance after ded
Outpatient Services (other)				
Outpatient surgery visit		\$50		20% coinsurance after ded
Durable medical equipment		20%		20% coinsurance after ded
Alternative Care				
Acupuncture Services		\$20 12 visits		\$15 12 visits
Chiropractic Services		\$20 12 visits		\$15 12 visits
Massage Therapy		\$20 Medically Necessary Only		\$20 Medically Necessary Only
Prescription Drug				
Generic		\$15		\$15
Preferred Brand		\$30		\$30
Specialty Drugs		By Tier		By Tier
	Kaiser Enrollment	2023	2024	2024 - Option 1
EE only	82	\$731.10	\$871.54	\$808.47
EE + Spouse	56	\$1,462.28	\$1,743.17	\$1,617.02
EE + Child(ren)	29	\$1,316.13	\$1,568.95	\$1,455.41
EE + Family	89	\$2,193.75	\$2,615.14	\$2,425.89
	256			
Total Annual Cost		\$4,502,993	\$5,367,970	\$4,979,505
\$ Change from Current			\$864,977	\$476,512
% Change from Current			19.2%	10.6%