



Socorro ISD
Workshop Meeting
Tuesday, November 10, 2020 5:30 PM



Agenda of Workshop Meeting

The Board of Trustees Socorro ISD

A Workshop meeting of the Board of Trustees of Socorro ISD will be held November 10, 2020, beginning at 5:30 PM in the District Service Center Board Room, 12440 Rojas Drive, El Paso, Texas 79928.

This is a workshop for the Board of Trustees. No action will be taken on any item posted on this agenda.

1. CALL TO ORDER

2. BOARD WORKSHOP

A. Socorro ISD Health Plan

3

Presenter: Mario Carmona

1. Health Fund Status-Performance Report
2. Possible Plan Design Changes
3. Other Cost Saving Recommendations
4. Annual Benefits Open Enrollment, April 2021

If, during the course of the meeting, discussion of any items on the agenda is required to be held in a closed meeting, the Board shall conduct a closed meeting as to that item in accordance with Chapter 551, Subchapters D and E, Texas Government Code, the Texas Open Meetings Act.

BOARD AGENDA ITEM

<p>Topic: Socorro ISD Health Plan</p> <p>Requested By: Mario Carmona, Director of Benefits and Risk Management</p> <p>Division Approval: Jose Espinoza, Ed.D. Superintendent of Schools</p>	<p>Board Meeting Date Requested: <u>November 10, 2020</u></p> <p>Approximate Time For: Presentation: <u>√</u></p> <p>Discussion: _____</p> <p>Reading Material: Attached _____</p> <p>Not Necessary _____</p>
<p>Action Requested: Information only</p>	<p>Action Needed by: _____</p> <p>Information Only: _____</p>
<p>People Participating In Presentation (If Other Than Cabinet Members):</p>	<p>Who Has Been Involved? (List)</p>
<p>How Will It Benefit The District's Mission/Goals?</p>	<p>How Will Request Be Financed?</p> <p>Cost To District: None</p>

Summary of Topic (Need, Program Description, Recommendation, Timeline)

The following presentations will be provided for the Board of Trustees:

1. Health Fund Status-Performance Report
2. Possible Plan Design Changes
3. Other Cost Savings Recommendations
4. Annual Benefits Open Enrollment, April 2021

Attachments (List): Presentation

Action Taken:

Follow-up Responsibility:

Submit Ten (10) Days before Board Meeting

Socorro ISD

Board Workshop – 11/10/20
Plan projections for FY 22 (7/1/21 – 6/30/22)

Gary Hysell | November 10, 2020



4



Insurance | Risk Management | Consulting



Table of Contents

- *Plan History*
- *Initial projection for 7/1/2021*
- *Plan change considerations*
- *Areas to impact plan*
- *Next steps*

5

This information is intended as only a summary of the results of this analysis. Data contained here is from what are considered reliable sources; however, neither Gallagher Benefit Services, Inc., Arthur J. Gallagher & Co, nor any affiliated company guarantees its accuracy, completeness, and/or reliability. In the event that a discrepancy exists between the original source material(s) and the supplemental summary document, the original source material(s) shall govern.

The information contained herein is subject to the disclosures and disclaimers on the final page of this marketing presentation.



Current Health Benefits (CIGNA)

		Current Medical							
Carrier	Plan	Cigna		Cigna		Cigna		Cigna	
		Premier Plan		Basic Plan		High Deductible Plan		Indemnity Plan	
Network	Cigna		Cigna		Cigna		Cigna		
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	
Deductible (Single)	\$650	\$1,000	\$1,000	\$1,600	\$3,000	\$6,000	\$0	\$0	
Deductible (Family)	\$1,300	\$2,000	\$2,000	\$3,200	\$6,000	\$12,000	\$0	\$0	
Out of Pocket (Single)	\$3,500	Unlimited	\$4,000	Unlimited	\$3,000	Unlimited	\$0	\$0	
Out of Pocket (Family)	\$7,000	Unlimited	\$8,000	Unlimited	\$6,000	Unlimited	\$0	\$0	
Coinsurance	90%	50%	80%	50%	100%	50%	0%	0%	
PCP Copay	\$25	50%	\$25	50%	100% after ded	50%	\$0	0%	
Specialist Copay	\$35	50%	\$35	50%	100% after ded	50%	\$0	0%	
Preventive Care	100%	50% after ded	100%	50% after ded	100% after ded	50% after ded.	\$0	0%	
X-Ray/Lab	90%	50%	80%	50% after ded	100% after ded	50%	0%	0%	
Urgent Care	\$35	\$35	\$35	35%	100% after ded	50%	\$0	0%	
Emergency Room	\$200 per visit (copay waived if admitted) then plan pays 90%		\$200 per visit (copay waived if admitted), then plan pays 80%		100% after ded		\$0		
Inpatient Hospital	\$200 Copay; 90% after ded.	\$750 copay; 50% after ded.	\$200 copay; 80% after ded.	\$750 copay; then 50% after ded.	100% after ded	50% after ded.	\$100 per day maximum of 365 days per plan year		
Outpatient Hospital	\$200 Copay; 90% after ded.	50% after ded	\$200 copay; 80% after ded.	50% after ded.	100% after ded	50% after ded.	0%	0%	
Rx Copays 30 days	\$0/\$40/\$80	50%	\$0/\$40/\$80	50%	\$0/\$40/\$80	50%	\$0/\$0/\$0	\$0/\$0/\$0	
Rx Mail Order 90 days	\$0/\$80/\$160	50%	\$0/\$80/\$160	50%	0%	50%	\$0/\$0/\$0	\$0/\$0/\$0	
Enrollment	1,691		3,484		83		205		
Grand Total	5,463								

9



Current Rates (Monthly)

Coverage Tier	Enrollment	Total Rates	Employee contributions	SISD portion
<u>Premier Plan</u>				
Employee	842	\$735.00	\$160.00	\$575.00
Employee + Spouse	81	\$1,110.00	\$535.00	\$575.00
Employee + Children	614	\$955.00	\$380.00	\$575.00
Employee + Family	154	\$1,315.00	\$740.00	\$575.00
	1,691			
<u>Basic Plan</u>				
Employee	2,285	\$635.00	\$60.00	\$575.00
Employee + Spouse	146	\$915.00	\$340.00	\$575.00
Employee + Children	755	\$830.00	\$255.00	\$575.00
Employee + Family	298	\$1,117.00	\$542.00	\$575.00
	3,484			
<u>HSA Plan</u>				
Employee	53	\$635.00	\$60.00	\$575.00
Employee + Spouse	4	\$910.00	\$335.00	\$575.00
Employee + Children	22	\$805.00	\$230.00	\$575.00
Employee + Family	4	\$1,110.00	\$535.00	\$575.00
	83			
<u>Alt Med (Hosp Indemnity)</u>				
Employee	205	\$575.00	\$0.00	\$575.00
Employee + Spouse	0	\$575.00	\$0.00	\$575.00
Employee + Children	0	\$575.00	\$0.00	\$575.00
Employee + Family	0	\$575.00	\$0.00	\$575.00
	205			
Annual Cost	5,463	\$50,628,732	\$12,934,032	\$37,694,700
PEPM		\$772.30	\$197.30	\$575.00

7



Plan History

- I. 7/1/18
 - A. No changes to plans, carriers, rates
- II. 7/1/19
 - A. Increase premier deductible by \$150 single / \$300 family
 - B. Increase basic deductible by \$200 single / \$400 family
 - C. Implement Express Scripts for Rx
 - D. Bid medical plan, stayed with CIGNA
 - E. Increased employee contributions
- III. 7/1/2020
 - A. No changes to plans, carriers, rates

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Plan History

<u>7/1/18-6/30/19</u>					
	<u>Premier</u>	<u>Basic</u>	<u>H.S.A</u>	<u>Indemnity</u>	<u>Total</u>
Budget	\$20,673,495	\$26,033,053	\$564,320	\$1,186,800	\$48,457,668
Actual	\$29,486,161	\$23,144,134	\$467,489	\$31,941	\$53,129,725
Surplus / Deficit	(\$8,812,666)	\$2,888,919	\$96,831	\$1,154,859	(\$4,672,057)
Enrollment					5,361

<u>7/1/19-6/30/20</u>					
	<u>Premier</u>	<u>Basic</u>	<u>H.S.A</u>	<u>Indemnity</u>	<u>Total</u>
Budget	\$18,235,660	\$30,060,996	\$755,650	\$1,402,425	\$50,454,731
Actual	\$28,503,546	\$27,560,071	\$482,196	\$35,001	\$56,580,814
Surplus / Deficit	(\$10,267,886)	\$2,500,925	\$273,454	\$1,367,424	(\$6,126,083)
Enrollment					5,455

<u>7/1/20-9/30/20</u>					
<u>(3 months)</u>					
	<u>Premier</u>	<u>Basic</u>	<u>H.S.A</u>	<u>Indemnity</u>	<u>Total</u>
Budget	\$4,523,620	\$7,637,467	\$176,090	\$350,750	\$12,687,927
Actual	\$7,041,511	\$7,652,368	\$150,321	\$8,156	\$14,852,356
Surplus / Deficit	(\$2,517,891)	(\$14,901)	\$25,769	\$342,594	(\$2,164,429)
Enrollment					5,474



Projection Assumptions

- I. Effective date 7/1/21
- II. Last 12 months of claims used (10/1/19 – 9/30/20)
- III. Administration fee – 3% increase
- IV. Stop Loss – 20% increase on ISL, 5% for ASL
- V. Trend was 5.8% for medical, 7.7% for Rx
- VI. No migration between plans
- VII. Current Benefits remain
- VIII. Estimated Rx rebates included

Needed overall rate action of +27.6%



Claim History

Plan Evaluation: Socorro ISD

Medical & Pharmacy

Self-Funded

Status Quo

Renewal Plan Year: 7/1/2021 - 6/30/2022

Carrier(s): Cigna

Specific Deductible: \$400,000

Month	Subscribers	Members	Medical ¹	Pharmacy	Total Claims
Sep-19	5,360	9,725			
Oct-19	5,410	9,671	\$4,061,126	\$1,263,913	\$5,325,039
Nov-19	5,455	9,831	\$3,061,328	\$628,854	\$3,690,182
Dec-19	5,518	9,879	\$3,018,554	\$1,009,263	\$4,027,817
Jan-20	5,482	9,934	\$3,976,084	\$1,226,062	\$5,202,146
Feb-20	5,473	9,968	\$3,484,450	\$1,006,264	\$4,490,714
Mar-20	5,485	9,938	\$2,998,120	\$1,090,158	\$4,088,278
Apr-20	5,537	9,905	\$2,885,361	\$1,528,857	\$4,414,218
May-20	5,570	9,917	\$3,339,044	\$1,075,009	\$4,414,053
Jun-20	5,563	9,913	\$3,627,157	\$1,149,639	\$4,776,796
Jul-20	5,521	9,929	\$3,790,495	\$1,567,210	\$5,357,705
Aug-20	5,437	9,913	\$3,215,729	\$1,145,400	\$4,361,129
Sep-20	5,463	9,785	\$2,641,632	\$1,302,239	\$3,943,871

(1) Includes health fund claims

Prior R12	64,496	118,627	\$38,433,687	\$11,549,852	\$49,983,539
Prior R12 PEPM	---	---	\$595.91	\$179.08	\$774.99
Current R12	65,811	118,523	\$40,099,080	\$13,992,868	\$54,091,948
Current R12 PEPM	---	---	\$609.31	\$212.62	\$821.93

†This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.

11



Renewal Workup

Claim Development: Socorro ISD

Renewal Plan Year: 7/1/2021 - 6/30/2022

Medical & Pharmacy

Self-Funded

Carrier(s): Cigna

Status Quo (Current Plans)

Specific Deductible: \$400,000

12

	Medical	Pharmacy	Fixed Cost Estimates PEPM	Current	Est. Change (%)	Est. Renewal
	10/1/2019 - 9/30/2020					
Gross Paid Claims	\$40,099,080	\$13,992,868	Administrative Fee Premier/Basic	\$28.98	3%	\$29.85
Maturation Factor	1.000	1.000	Administrative Fee HSA Plan	\$28.98	3%	\$29.85
Matured Paid Claims	\$40,099,080	\$13,992,868	Administrative Fee Alt Med	\$13.09	3%	\$13.48
Prior Plan Design Changes	\$0	\$0	ISL Premium Premier/Basic	\$44.38	20%	\$53.26
Adjusted Paid Claims	\$40,099,080	\$13,992,868	ISL Premium HSA Plan	\$44.38	20%	\$53.26
Pharmacy Rebates		(\$2,004,315)	ASL Premium Premier/Basic	\$1.30	5%	\$1.37
Claims over Specific Deductible	(\$855,770)	\$0	ASL Premium HSA Plan	\$1.30	5%	\$1.37
Total Net Paid Claims	\$39,243,310	\$11,988,553	Total Fixed Costs	\$72.35		\$81.82
Subscriber Months	65,654	65,811				
Average Claim Value	\$597.73	\$182.17				
Experience Midpoint	4/1/2020	4/1/2018				
Projection Midpoint	1/1/2021	1/1/2021				
Trend Months	19	19				
Claims Adjusted Trend Rate	5.8%	7.7%				
Trend Factor	1.100	1.130				
Change in Reserve Adjustment	1.005	1.000				
Contract Size Adjustment	1.000	1.000				
Experienced Incurred Claims PEPM	\$660.60	\$205.85				
Combined Experienced Incurred Claims PEPM	\$866.45					
Add Large Claimants	\$37.30					
Total Experienced Incurred Claims PEPM	\$903.75					
Total Projected Incurred Claims PEPM (Exp)	\$903.75					

	Not Included in Rates PEPM	Current	Change (%)	Renewal
	PCORI	\$0.40	-	\$0.40

Renewal Summary	
Current Budgeting Rate PEPM	\$772.30
Projected Premium Equivalent (Exp)	\$985.57
Calculated Rate Action (%)	27.6%



Ways to mitigate costs

- I. Increase deductibles, out of pockets, copays
- II. Provide narrow network plans (e.g. Providence) as only option for a plan(s)
- III. Increase employee contributions to direct into more cost-effective plans
- IV. Bid medical plan for deeper discounts, wider network, improved administrative costs
- V. Combination of the above

13



Ways to mitigate costs

- I. Premier plan severely losing money
 - A. Other plans performing fine
- II. CIGNA provided decrements to change Premier and Basic plan
 - A. Increase deductibles, out of pockets, ER copay and decrease plan coinsurance
 - B. Provide specialty Rx copay
- III. Removing Premier plan may help financials
- IV. Increase employee contributions to direct into more cost-effective plans

14



Plan change summary

Current Benefits	Premier Plan		Basic Plan		H.S.A Plan	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible (Single)	\$650	\$1,000	\$1,000	\$1,600	\$3,000	\$6,000
Deductible (Family)	\$1,300	\$2,000	\$2,000	\$3,200	\$6,000	\$12,000
Co-insurance	90%	50%	80%	50%	100%	50%
Out of pocket (Single)	\$3,500	Unlimited	\$4,000	Unlimited	\$3,000	Unlimited
Out of Pocket (Family)	\$7,000	Unlimited	\$8,000	Unlimited	\$6,000	Unlimited
ER	\$200 per visit (copay waived if admitted) then plan pays 90%		\$200 per visit (copay waived if admitted) then plan pays 80%		\$200 per visit (copay waived if admitted) then plan pays 80%	
Pharmacy	\$0/\$40/\$80	50%	\$0/\$40/\$80	50%	Ded / coins	Ded / coins

Plan changes	Premier Plan		Basic Plan		H.S.A Plan	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
Deductible (Single)	\$1,000	\$1,500	\$1,500	\$2,000	No Changes	
Deductible (Family)	\$2,000	\$3,000	\$3,000	\$4,000		
Co-insurance	85%	50%	75%	50%		
Out of pocket (Single)	\$4,500	Unlimited	\$5,000	Unlimited		
Out of Pocket (Family)	\$9,000	Unlimited	\$10,000	Unlimited		
ER	\$500 per visit (copay waived if admitted) then plan pays 90%		\$500 per visit (copay waived if admitted) then plan pays 90%			
Pharmacy	\$0/\$40/\$80 / \$150	50%	\$0/\$40/\$80 / \$150	50%		



Plan Change Alt

Current Medical - Plan Change 1 benefits

Carrier Plan	Cigna Premier Plan		Cigna Basic Plan		Cigna High Deductible Plan		Cigna Indemnity Plan	
	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network	In Network	Out of Network
	Deductible (Single)	\$1,000	\$1,500	\$1,500	\$2,000	\$3,000	\$6,000	\$0
Deductible (Family)	\$2,000	\$3,000	\$3,000	\$4,000	\$6,000	\$12,000	\$0	\$0
Out of Pocket (Single)	\$4,500	Unlimited	\$5,000	Unlimited	\$3,000	Unlimited	\$0	\$0
Out of Pocket (Family)	\$9,000	Unlimited	\$10,000	Unlimited	\$6,000	Unlimited	\$0	\$0
Coinsurance	85%	50%	75%	50%	100%	50%	0%	0%
PCP Copay	\$25	50%	\$25	50%	100% after ded	50%	\$0	0%
Specialist Copay	\$35	50%	\$35	50%	100% after ded	50%	\$0	0%
Preventive Care	100%	50% after ded	100%	50% after ded	100% after ded	50% after ded.	\$0	0%
Urgent Care	\$35	\$35	\$35	35%	100% after ded	50%	\$0	0%
Emergency Room	\$500 per visit (copay waived if admitted) then plan pays 90%		\$500 per visit (copay waived if admitted) then plan pays 90%		100% after ded		\$0	
Inpatient Hospital	\$200 Copay; 90% after ded.	\$750 copay; 50% after ded.	\$200 copay; 80% after ded.	\$750 copay; then 50% after ded.	100% after ded	50% after ded.	\$100 per day maximum of 365 days per plan year	
Outpatient Hospital	\$200 Copay; 90% after ded.	50% after ded	\$200 copay; 80% after ded.	50% after ded.	100% after ded	50% after ded.	0%	0%
Rx Copays 30 days	\$0/\$40/\$80 / \$150	50%	\$0/\$40/\$80/\$150	50%	\$0/\$40/\$80	50%	\$0/\$0/\$0	\$0/\$0/\$0
Rx Mail Order 90 days	\$0/\$80/\$160	50%	\$0/\$80/\$160	50%	0%	50%	\$0/\$0/\$0	\$0/\$0/\$0

Summary of plan changes, contribution changes, resulting surplus / deficit



Insurance | Risk Management | Consulting

	<u>Total</u>	<u>Employee portion</u>	<u>SISD Portion</u>	<u>SISD PEPM</u>
7/1/2020 Budget	\$50,628,732	\$12,934,032	\$37,694,700	\$575.00
Needed Budget (7/1/2021)	\$64,609,595			
Difference	(\$13,980,863)			

<u>Plan Changes - Options</u>	<u>Employee contribution</u>	<u>Needed</u>	<u>Savings</u>	<u>Shortfall from current</u>	<u>Employee increase</u>	<u>Net Surplus / (Deficit)</u>
1) None	Double employee costs	\$64,609,595	\$0	(\$13,980,863)	\$12,934,032	(\$1,046,831)
2) Plan Chg for Premier / Basic	No changes	\$61,114,063	(\$3,495,531)	(\$10,485,331)	\$0	(\$10,485,331)
3) Remove Premier plan	Basic becomes Premier	\$56,652,423	(\$7,957,172)	(\$6,023,691)	\$4,924,188	(\$1,099,503)
4) Remove Premier plan, change Basic plan	Basic becomes Premier	\$52,359,111	(\$12,250,484)	(\$1,730,379)	\$4,924,188	\$3,193,809

Option 1: Double rates for employees, no plan changes



Insurance | Risk Management | Consulting

Rate Development: Socorro ISD

Medical & Pharmacy

Renewal Plan Year: 7/1/2021 - 6/30/2022

Self-Funded

Carrier(s): Cigna

Option #1 - Double employee contributions, no change in plan

Specific Deductible: \$400,000

Coverage Tier	Enrollment	Current	Renewal Plan Year	Current	New	Change in
		Total Rates	Self Funded (Mature Expected)	Employee Contributions	Employee Contributions	Employee Contributions
Premier Plan						
Employee	842	\$735.00	\$937.97	\$160.00	\$320.00	\$160.00
Employee + Spouse	81	\$1,110.00	\$1,416.52	\$535.00	\$1,070.00	\$535.00
Employee + Children	614	\$955.00	\$1,218.72	\$380.00	\$760.00	\$380.00
Employee + Family	154	\$1,315.00	\$1,678.13	\$740.00	\$1,480.00	\$740.00
Basic Plan						
Employee	2,285	\$635.00	\$810.35	\$60.00	\$120.00	\$60.00
Employee + Spouse	146	\$915.00	\$1,167.67	\$340.00	\$680.00	\$340.00
Employee + Children	755	\$830.00	\$1,059.20	\$255.00	\$510.00	\$255.00
Employee + Family	298	\$1,117.00	\$1,425.46	\$542.00	\$1,084.00	\$542.00
HSA Plan						
Employee	53	\$635.00	\$810.35	\$60.00	\$120.00	\$60.00
Employee + Spouse	4	\$910.00	\$1,161.29	\$335.00	\$670.00	\$335.00
Employee + Children	22	\$805.00	\$1,027.30	\$230.00	\$460.00	\$230.00
Employee + Family	4	\$1,110.00	\$1,416.52	\$535.00	\$1,070.00	\$535.00
Alt Med						
Employee	205	\$575.00	\$733.78	\$0.00	\$0.00	\$0.00
Employee + Spouse	0	\$575.00	\$733.78	\$0.00	\$0.00	\$0.00
Employee + Children	0	\$575.00	\$733.78	\$0.00	\$0.00	\$0.00
Employee + Family	0	\$575.00	\$733.78	\$0.00	\$0.00	\$0.00
Plan Cost Composite PEP	5,463	\$772.30	\$985.56	\$1,395.62	\$2,187.25	
PCORI Fees		\$0.40	\$0.40			
Annual		\$50,628,732	\$64,609,595	\$12,934,032	\$25,868,064	District shortfall
Change From Current (\$)			\$13,980,863		\$12,934,032	-\$1,046,831
Change From Current (%)			27.6%		100.0%	

18

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Option 2: Change Premier & Basic plan, no contribution plan changes



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Rate Development: Socorro ISD

Medical & Pharmacy

Renewal Plan Year: 7/1/2021 - 6/30/2022

Self-Funded

Carrier(s): Cigna

Option #2 - Premier / Basic plan changes, no change to emp. contributions

Specific Deductible: \$400,000

Coverage Tier	Enrollment	Current	Renewal Plan Year	Current	New	Change in
		Total Rates	Self Funded (Mature Expected)	Employee Contributions	Employee Contributions	Employee Contributions
Premier Plan						
Employee	842	\$735.00	\$887.22	\$160.00	\$160.00	\$0.00
Employee + Spouse	81	\$1,110.00	\$1,339.88	\$535.00	\$535.00	\$0.00
Employee + Children	614	\$955.00	\$1,152.78	\$380.00	\$380.00	\$0.00
Employee + Family	154	\$1,315.00	\$1,587.34	\$740.00	\$740.00	\$0.00
Basic Plan						
Employee	2,285	\$635.00	\$766.51	\$60.00	\$60.00	\$0.00
Employee + Spouse	146	\$915.00	\$1,104.50	\$340.00	\$340.00	\$0.00
Employee + Children	755	\$830.00	\$1,001.90	\$255.00	\$255.00	\$0.00
Employee + Family	298	\$1,117.00	\$1,348.33	\$542.00	\$542.00	\$0.00
HSA Plan						
Employee	53	\$635.00	\$766.51	\$60.00	\$60.00	\$0.00
Employee + Spouse	4	\$910.00	\$1,098.46	\$335.00	\$335.00	\$0.00
Employee + Children	22	\$805.00	\$971.72	\$230.00	\$230.00	\$0.00
Employee + Family	4	\$1,110.00	\$1,339.88	\$535.00	\$535.00	\$0.00
Alt Med						
Employee	205	\$575.00	\$694.08	\$0.00	\$0.00	\$0.00
Employee + Spouse	0	\$575.00	\$694.08	\$0.00	\$0.00	\$0.00
Employee + Children	0	\$575.00	\$694.08	\$0.00	\$0.00	\$0.00
Employee + Family	0	\$575.00	\$694.08	\$0.00	\$0.00	\$0.00
Plan Cost Composite PEF	5,463	\$772.30	\$932.24	\$1,395.62	\$1,156.18	
PCORI Fees		\$0.40	\$0.40			
Annual		\$50,628,732	\$61,114,063	\$12,934,032	\$12,934,032	District shortfall
Change From Current (\$)			\$10,485,331		\$0	-\$10,485,331
Change From Current (%)			20.7%		0.0%	

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19



Option 3: Remove Premier plan, Basic plan contrib. increase to Premier plan

Rate Development: Socorro ISD

Medical & Pharmacy

Renewal Plan Year: 7/1/2021 - 6/30/2022

Self-Funded

Carrier(s): Cigna

Option #3 - Remove Premier plan, basic plan contrib. same as premier

Specific Deductible: \$400,000

(All premier move to basic plan)

Coverage Tier	Enrollment	Current		Renewal Plan Year	Current		Change in
		Total Rates	New Enrollment	Self Funded (Mature Expected)	Employee Contributions	Employee Contributions	Employee Contributions
Premier Plan							
Employee	842	\$735.00	0	NA	NA	NA	
Employee + Spouse	81	\$1,110.00	0	NA	NA	NA	
Employee + Children	614	\$955.00	0	NA	NA	NA	
Employee + Family	154	\$1,315.00	0	NA	NA	NA	
Basic Plan							
Employee	2,285	\$635.00	3,127	\$748.70	\$60.00	\$160.00	\$100.00
Employee + Spouse	146	\$915.00	227	\$1,078.84	\$340.00	\$535.00	\$195.00
Employee + Children	755	\$830.00	1,369	\$978.62	\$255.00	\$380.00	\$125.00
Employee + Family	298	\$1,117.00	452	\$1,317.01	\$542.00	\$740.00	\$198.00
HSA Plan							
Employee	53	\$635.00	53	\$715.99	\$60.00	\$60.00	\$0.00
Employee + Spouse	4	\$910.00	4	\$1,026.06	\$335.00	\$335.00	\$0.00
Employee + Children	22	\$805.00	22	\$907.67	\$230.00	\$230.00	\$0.00
Employee + Family	4	\$1,110.00	4	\$1,251.56	\$535.00	\$535.00	\$0.00
Alt Med							
Employee	205	\$575.00	205	\$648.33	\$0.00	\$0.00	\$0.00
Employee + Spouse	0	\$575.00	0	\$648.33	\$0.00	\$0.00	\$0.00
Employee + Children	0	\$575.00	0	\$648.33	\$0.00	\$0.00	\$0.00
Employee + Family	0	\$575.00	0	\$648.33	\$0.00	\$0.00	\$0.00
Summary							
Plan Cost Composite Pl	5,463	\$772.30	5,463	\$864.18	\$715.40	\$1,114.17	
PCORI Fees		\$0.40		\$0.00			
Annual		\$50,628,732		\$56,652,423	\$6,630,012	\$11,554,200	District shortfall
Change From Current (\$)				\$6,023,691		\$4,924,188	-\$1,099,503
Change From Current (%)				11.9%		74.3%	

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20

Option 4: Remove Premier plan, change Basic plan design, Basic plan contrib. increase to Premier plan



Insurance | Risk Management | Consulting

Rate Development: Socorro ISD

Medical & Pharmacy

Renewal Plan Year: 7/1/2021 - 6/30/2022

Self-Funded

Carrier(s): Cigna

Option #4 - Remove Premier plan, changes to basic plan

Specific Deductible: \$400,000

(All premier move to basic plan)

Coverage Tier	Enrollment	Current	New Enrollment	Renewal Plan Year	Current	New	Change in
		Total Rates		Self Funded (Mature Expected)	Employee Contributions	Employee Contributions	Employee Contributions
Premier Plan							
Employee	842	\$735.00	0	NA	NA	NA	
Employee + Spouse	81	\$1,110.00	0	NA	NA	NA	
Employee + Children	614	\$955.00	0	NA	NA	NA	
Employee + Family	154	\$1,315.00	0	NA	NA	NA	
Basic Plan							
Employee	2,285	\$635.00	3,127	\$691.72	\$60.00	\$160.00	\$100.00
Employee + Spouse	146	\$915.00	227	\$996.74	\$340.00	\$535.00	\$195.00
Employee + Children	755	\$830.00	1,369	\$904.14	\$255.00	\$380.00	\$125.00
Employee + Family	298	\$1,117.00	452	\$1,216.78	\$542.00	\$740.00	\$198.00
HSA Plan							
Employee	53	\$635.00	53	\$666.94	\$60.00	\$60.00	\$0.00
Employee + Spouse	4	\$910.00	4	\$955.77	\$335.00	\$335.00	\$0.00
Employee + Children	22	\$805.00	22	\$845.49	\$230.00	\$230.00	\$0.00
Employee + Family	4	\$1,110.00	4	\$1,165.83	\$535.00	\$535.00	\$0.00
Alt Med							
Employee	205	\$575.00	205	\$603.92	\$0.00	\$0.00	\$0.00
Employee + Spouse	0	\$575.00	0	\$603.92	\$0.00	\$0.00	\$0.00
Employee + Children	0	\$575.00	0	\$603.92	\$0.00	\$0.00	\$0.00
Employee + Family	0	\$575.00	0	\$603.92	\$0.00	\$0.00	\$0.00
Plan Cost Composite PEPI	5,463	\$772.30	5,463	\$798.69	\$715.40	\$1,205.53	
PCORI Fees		\$0.40		\$0.00			
Annual		\$50,628,732		\$52,359,111	\$6,630,012	\$11,554,200	District shortfall
Change From Current (\$)				\$1,730,379		\$4,924,188	\$3,193,809
Change From Current (%)				3.4%		74.3%	

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21



Next Steps

- I. Determine whether to bid medical plan
 - A. Timing is short; should release prior to Thanksgiving
- II. Assess plan changes, provide other options?
- III. Employee contributions for 7/1/2021
- IV. Communicate for OE

Disclaimers

- **Solvency Policy Disclaimer-** While GBS does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier or HMO. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of U.S. Health Insurers, including traditional insurance companies and other managed care (e.g., HMO) organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.
- **Renewal/Financial Disclaimer-** This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.
- **Legal Disclaimer-** The intent of this analysis [report, letter, etc.] is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

Thank You!

24

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