



School Board of Clay County

2020-2021 BENEFIT RENEWAL RECOMMENDATIONS

MARCH 5, 2020

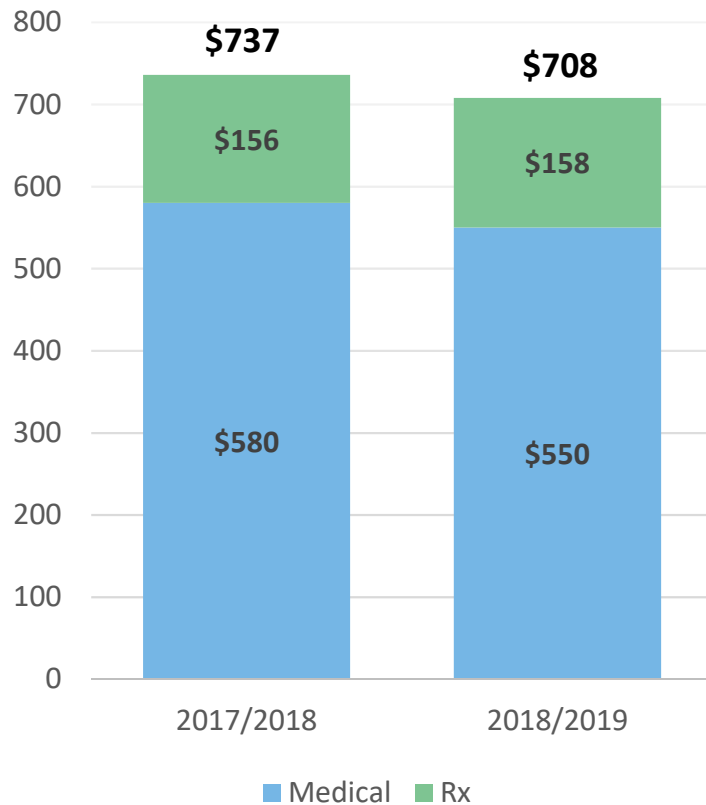


Health and Rx Claims Experience

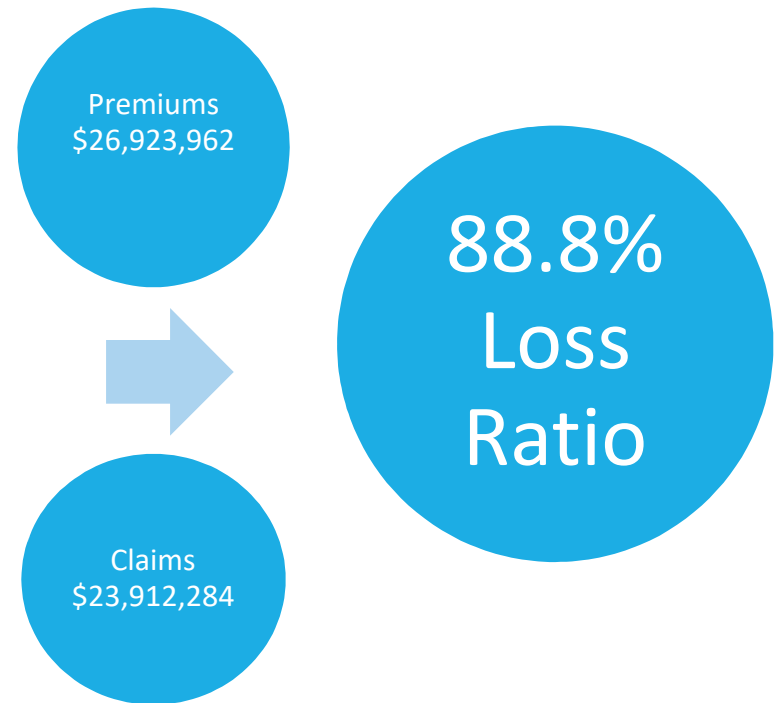
Health Claims Experience

Premiums reported for 10 months, no premiums in August and September

Cumulative monthly claims experience for medical and prescription as compared to the prior plan year



Premiums paid between December 2018 and November 2019 compared to the claims paid by the plan.



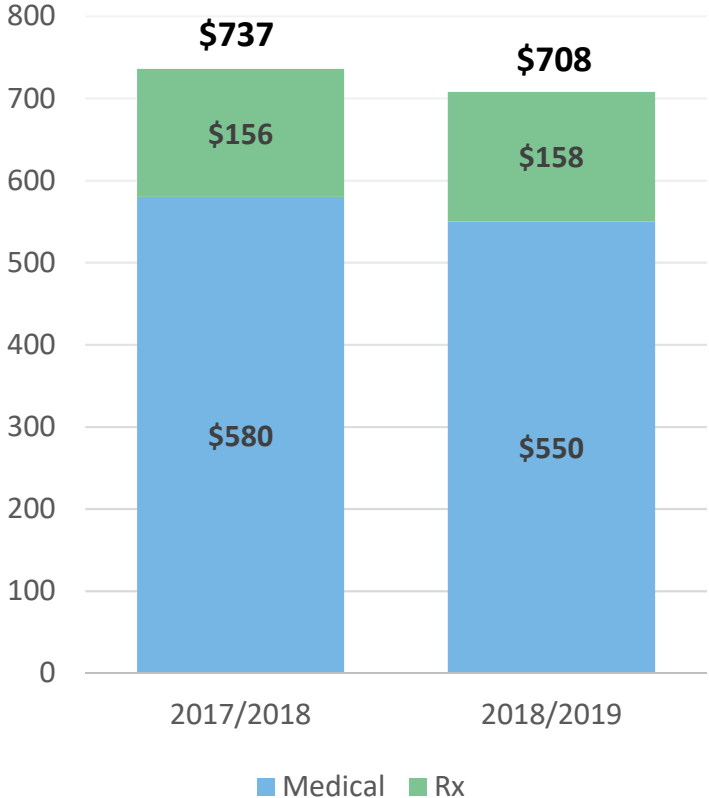
Premium vs Claims Incurred – Premiums reported for 10 months, no premiums in August and September

Year/Month	Members	Subscribers	Premium	Premium PMPM	Medical Payments	Capitation Payments	Managed Pharmacy Payments	Total Payments	Claims to Premium Ratio
2017-12	4,067	2,953	\$2,004,831	\$492.95	\$1,634,993	\$112,625	\$478,871	\$2,226,489	111.1%
2018-01	4,077	2,958	\$1,988,909	\$487.84	\$1,332,630	\$110,604	\$535,643	\$1,978,877	99.5%
2018-02	4,074	2,950	\$1,998,890	\$490.65	\$1,639,364	\$110,495	\$421,573	\$2,171,432	108.6%
2018-03	4,046	2,941	\$1,990,848	\$492.05	\$1,424,237	\$110,250	\$433,455	\$1,967,943	98.8%
2018-04	4,063	2,946	\$1,976,916	\$486.57	\$1,449,636	\$110,575	\$415,976	\$1,976,187	100.0%
2018-05	4,078	2,949	\$2,001,959	\$490.92	\$1,603,076	\$110,656	\$446,916	\$2,160,648	107.9%
2018-06	4,060	2,942	\$2,001,000	\$492.86	\$1,799,555	\$110,492	\$466,387	\$2,376,434	118.8%
2018-07	4,073	2,946	\$2,003,864	\$491.99	\$2,030,918	\$110,709	\$495,674	\$2,637,301	131.6%
2018-08	4,077	2,944	\$2,003,616	\$491.44	\$1,437,066	\$110,954	\$540,263	\$2,088,283	104.2%
2018-09	4,089	2,948	\$2,007,906	\$491.05	\$2,060,394	\$110,927	\$446,210	\$2,617,531	130.4%
2018-10	3,812	2,805	\$2,064,360	\$541.54	\$1,312,214	\$103,148	\$438,134	\$1,853,496	89.8%
2018-11	3,812	2,812	\$2,104,902	\$552.18	\$1,327,498	\$103,556	\$386,603	\$1,817,656	86.4%
2018-12	3,799	2,804	\$2,095,494	\$551.59	\$1,388,195	\$103,120	\$410,653	\$1,901,968	90.8%
2019-01	3,781	2,794	\$2,034,787	\$538.16	\$1,521,288	\$102,549	\$521,455	\$2,145,292	105.4%
2019-02	3,776	2,789	\$2,047,271	\$542.18	\$1,141,582	\$102,440	\$386,359	\$1,630,382	79.6%
2019-03	3,771	2,789	\$2,078,400	\$551.15	\$1,172,791	\$109,297	\$431,704	\$1,713,792	82.5%
2019-04	3,774	2,792	\$2,078,956	\$550.86	\$1,233,800	\$109,297	\$408,530	\$1,751,627	84.3%
2019-05	3,769	2,789	\$2,077,596	\$551.23	\$1,469,223	\$109,326	\$418,317	\$1,996,867	96.1%
2019-06	3,784	2,794	\$2,080,825	\$549.90	\$2,173,579	\$109,646	\$430,290	\$2,713,515	130.4%
2019-07	3,795	2,797	\$2,082,764	\$548.82	\$1,461,696	\$109,907	\$515,908	\$2,087,512	100.2%
2019-08	3,832	2,817	\$2,091,270	\$545.74	\$1,268,468	\$111,244	\$426,949	\$1,806,660	86.4%
2019-09	3,849	2,826	\$2,090,844	\$543.22	\$1,420,709	\$111,825	\$458,906	\$1,991,440	95.2%
2019-10	4,027	2,873	\$3,084,187	\$765.88	\$1,632,570	\$59,791	\$448,284	\$2,140,645	69.4%
2019-11	4,025	2,868	\$3,081,569	\$765.61	\$1,474,421	\$60,135	\$498,590	\$2,033,146	66.0%
Prior				\$24,148,001				\$25,872,277	107.1%
Current				\$26,923,963				\$23,912,846	88.8%

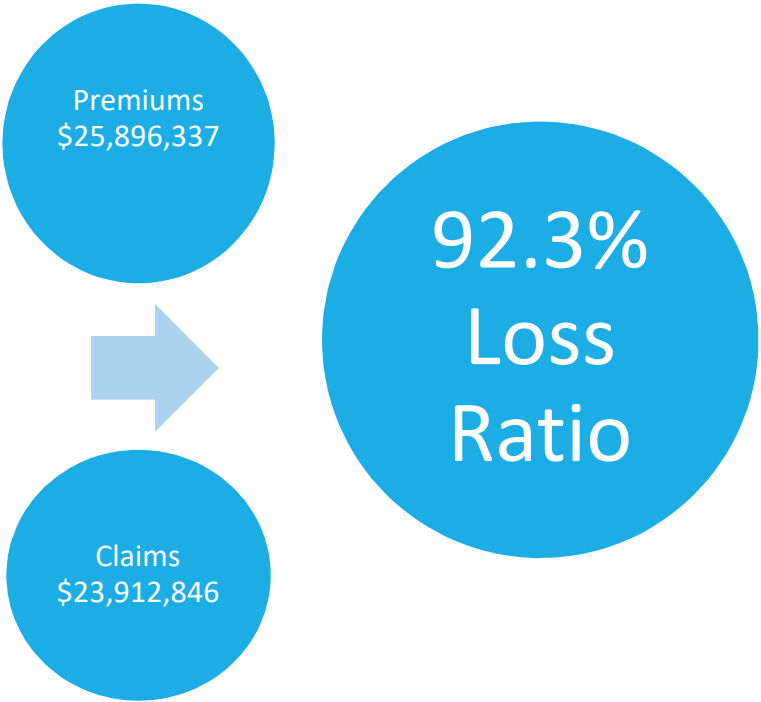
Health Claims Experience

Premiums adjusted for 12 months

Cumulative monthly claims experience for medical and prescription as compared to the prior plan year



Premiums paid between December 2018 and November 2019 compared to the claims paid by the plan.



Premium vs Claims Incurred – Premiums adjusted for 12 months

Year/Month	Members	Subscribers	Premium	Premium PMPM	Medical Payments	Capitation Payments	Managed Pharmacy Payments	Total Payments	Claims to Premium Ratio
2017-12	4,067	2,953	\$2,004,831	\$492.95	\$1,634,993	\$112,625	\$478,871	\$2,226,489	111.1%
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Prior				\$24,148,001				\$25,872,277	107.1%
Current				\$25,896,337				\$23,912,846	92.3%

High Cost Claimants – Current Period

October 2018 to September 2019 incurred, paid through October 2019

Claimant Id	Diagnosis Category Description	Medical Paid	Rx Paid	Total Paid	Claim Status
CLAIMANT 1	HYPERTENSION WITH COMPLICATION	\$884,508	\$43,308	\$927,816	CLOSED
CLAIMANT 2	GENITOURINARY SYMPTOMS AND ILL	\$608,960	\$918	\$609,878	OPEN
CLAIMANT 3	CHRONIC OBSTRUCTIVE PULMONARY	\$96,905	\$236,874	\$333,779	OPEN
CLAIMANT 4	MAINTENANCE CHEMOTHERAPY; RADI	\$209,486	\$39,884	\$249,370	OPEN
CLAIMANT 5	MAINTENANCE CHEMOTHERAPY; RADI	\$206,499	\$18,171	\$224,669	OPEN
CLAIMANT 6	CANCER OF BREAST	\$205,321	\$7,764	\$213,085	OPEN
CLAIMANT 7	OPEN WOUNDS OF EXTREMITIES	\$211,837	\$78	\$211,915	OPEN
CLAIMANT 8	MAINTENANCE CHEMOTHERAPY; RADI	\$203,834	\$474	\$204,309	CLOSED
CLAIMANT 9	MULTIPLE MYELOMA	\$174,414	\$16,964	\$191,378	OPEN
CLAIMANT 10	COMPLICATION OF DEVICE; IMPLAN	\$188,182	\$500	\$188,682	OPEN
CLAIMANT 11	CORONARY ATHEROSCLEROSIS AND O	\$152,245	\$5,631	\$157,876	OPEN
CLAIMANT 12	OTHER ACQUIRED DEFORMITIES	\$132,013	\$24,158	\$156,171	OPEN
CLAIMANT 13	INTESTINAL OBSTRUCTION WITHOUT	\$153,772	\$465	\$154,237	CLOSED
CLAIMANT 14	CORONARY ATHEROSCLEROSIS AND O	\$145,900	\$2,065	\$147,965	OPEN
CLAIMANT 15	ABDOMINAL HERNIA	\$129,340	\$12,258	\$141,598	CLOSED
CLAIMANT 16	MAINTENANCE CHEMOTHERAPY; RADI	\$137,200	\$3,908	\$141,108	OPEN
CLAIMANT 17	SEPTICEMIA (EXCEPT IN LABOR)	\$131,750	\$8,963	\$140,713	CLOSED
CLAIMANT 18	CANCER OF BREAST	\$107,541	\$29,283	\$136,823	OPEN
CLAIMANT 19	CANCER OF PANCREAS	\$128,102	\$7,748	\$135,849	OPEN
CLAIMANT 20	CANCER OF LIVER AND INTRAHEPAT	\$115,471	\$19,167	\$134,638	OPEN

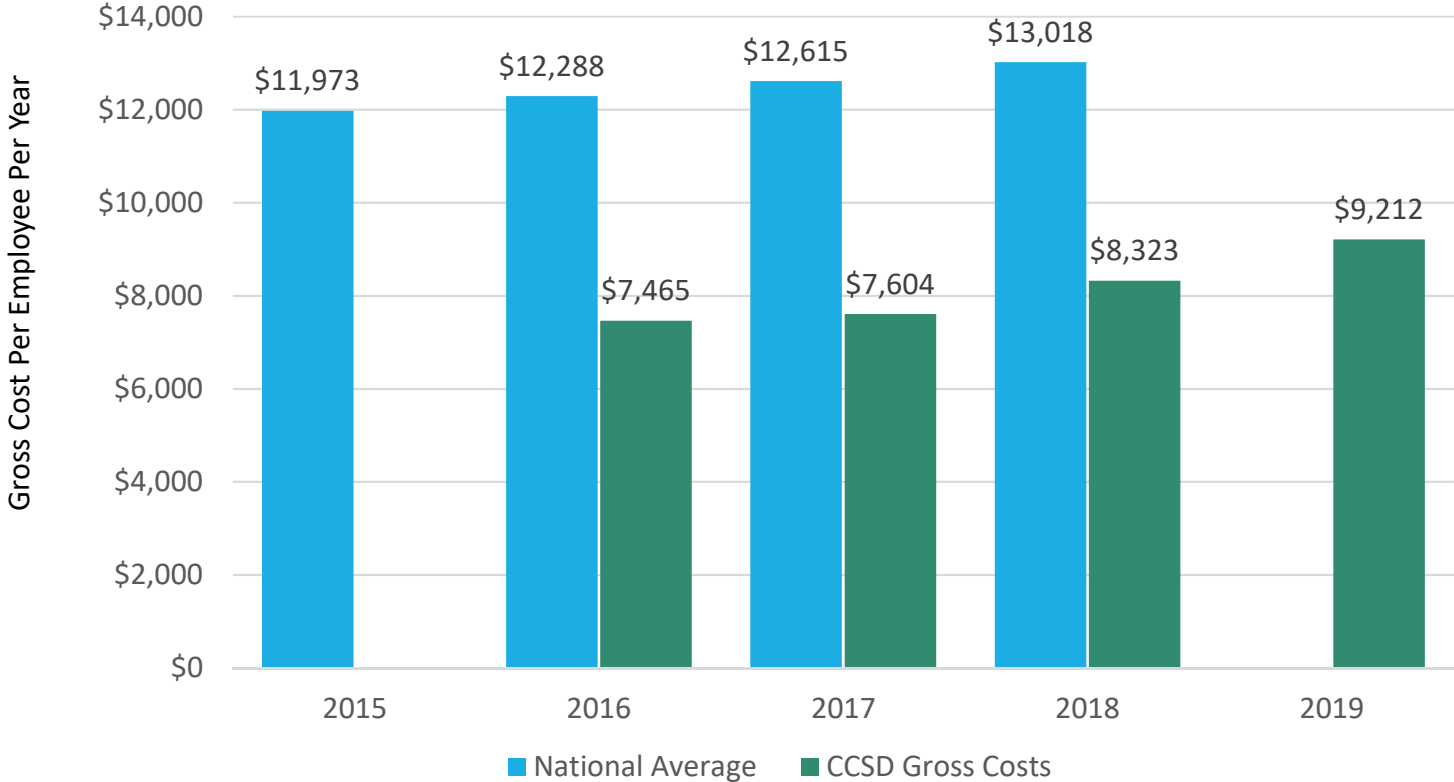
High Cost Claimants – Previous Period

October 2017 to September 2018 incurred, paid through October 2019

Claimant Id	Diagnosis Category Description	Medical Paid	Rx Paid	Total Paid	Claim Status
CLAIMANT 1	DEFICIENCY AND OTHER ANEMIA	\$634,497	\$638	\$635,135	OPEN
CLAIMANT 2	MAINTENANCE CHEMOTHERAPY; RADI	\$251,348	\$209,580	\$460,927	OPEN
CLAIMANT 3	SECONDARY MALIGNANCIES	\$398,115	\$17,875	\$415,990	CLOSED
CLAIMANT 4	DIABETES MELLITUS WITH COMPLIC	\$330,758	\$6,332	\$337,089	CLOSED
CLAIMANT 5	PNEUMONIA (EXCEPT THAT CAUSED	\$58,848	\$270,839	\$329,687	OPEN
CLAIMANT 6	HEART VALVE DISORDERS	\$319,988	\$8,638	\$328,626	CLOSED
CLAIMANT 7	MEDICAL EXAMINATION/EVALUATION	\$294,240	\$3,548	\$297,788	CLOSED
CLAIMANT 8	CANCER OF LIVER AND INTRAHEPAT	\$261,180	\$24,162	\$285,342	CLOSED
CLAIMANT 9	SEPTICEMIA (EXCEPT IN LABOR)	\$255,707	\$9,189	\$264,896	CLOSED
CLAIMANT 10	MAINTENANCE CHEMOTHERAPY; RADI	\$220,258	\$35,819	\$256,077	OPEN
CLAIMANT 11	CARDIAC DYSRHYTHMIAS	\$200,443	\$12,034	\$212,478	CLOSED
CLAIMANT 12	CHRONIC KIDNEY DISEASE	\$204,216	\$4,469	\$208,685	OPEN
CLAIMANT 13	CORONARY ATHEROSCLEROSIS AND O	\$175,762	\$3,743	\$179,505	CLOSED
CLAIMANT 14	CARDIAC DYSRHYTHMIAS	\$173,925	\$5,556	\$179,481	CLOSED
CLAIMANT 15	MAINTENANCE CHEMOTHERAPY; RADI	\$178,086	\$101	\$178,187	CLOSED
CLAIMANT 16	ACUTE MYOCARDIAL INFARCTION	\$168,160	\$2,762	\$170,922	CLOSED
CLAIMANT 17	HEART VALVE DISORDERS	\$158,284	\$390	\$158,674	OPEN
CLAIMANT 18	MULTIPLE SCLEROSIS	\$141,700	\$4,224	\$145,924	OPEN
CLAIMANT 19	CANCER OF PROSTATE	\$137,777	\$3,637	\$141,414	OPEN
CLAIMANT 20	SPONDYLOSIS; INTERVERTEBRAL DI	\$132,425	\$325	\$132,750	CLOSED

Health Claims Experience

The following trend analysis combines national averages and compared to fully-insured premiums for Clay County School District. The numbers are gross costs per employee per year without an assumption for employee contributions.



Medical Renewal

2020-21 Renewal Review

UHC Rates

- Initial renewal calculation called for an increase of 23.56%
- Negotiated down to a 5.9% increase due to:
 - Clay's partnership and commitment based on previous years' plan design changes and wellness initiatives
 - A combination of the increased premiums from last year and improved claims are starting to gradually lower the loss ratio
 - UHC's strong book of business
- The Bailey Group reviewed and recalculated UHC's renewal formula.

Historical Medical Renewals and Plan Design Changes

Plan Year	Initial Renewal	Negotiated (no changes)	Final Blended	Renewal Actions Taken
2019 – 2020	19.5%	19.5%	19.5%	<ul style="list-style-type: none"> Renewal was accepted at 19.5% with the additional funding secured to move to a tier based contribution strategy and to make the Choice HSP Employee Only Plan no cost.
2018 – 2019	29.32%	28.00%	11.08%	<ul style="list-style-type: none"> Initial renewal was presented at 29.32% and was negotiated down to 28% due to our high loss ratio Changes to the HMO and Choice HSP plans were made to minimize the premium increase HMO – Increased Deductible from \$3k/\$6k to \$5k/\$10k & copays from \$35/\$65 to \$45/\$75 Choice HSP – Increased Deductible from \$1.5k/\$3k to \$4k/\$8k.
2017 – 2018	10.0%	10.0%	10.0%	<ul style="list-style-type: none"> Year 1 renewal cap at 10% from UHC
2016 – 2017	Marketed plan design prior to receiving initial renewal		-10.9%	<ul style="list-style-type: none"> Conducted medical RFP and moved to UHC based on results and quoted plans/premiums
2015 – 2016	13.8%	10.25%	9%	<ul style="list-style-type: none"> Initial renewal in February at 13.8% Final negotiated renewal in May
2014 – 2015	15.7%	12.5%	7.7%	<ul style="list-style-type: none"> Medical renewal without rate guarantee specified in 2013 RFP was 19.4% Initially delivered at 15.7% increase (Rate cap 12% + 3.7% ACA fees) Aon negotiated to 12.5% with ACA fees; second look in May Final renewal with claims through April resulted in 9% increase with no changes to plan design Defined Board subsidy continued in 2014/15 plan year
2013 – 2014	Marketed plan design prior to receiving initial renewal	9%	6%	<ul style="list-style-type: none"> Medical Marketing for carrier change – Florida Blue awarded HMO (3% increase) and PPO (14% increase) replaced Aetna POS No change to District subsidy Began cost share for Employee Only coverage
2012 – 2013	13-15%	2.5%	2.5%	<ul style="list-style-type: none"> Projected increase of 13-15%. Aetna made a business decision - Rate pass for POS + HCR impact Adding gatekeeper referral requirement Charged 2.5% for PPACA compliance impact No change to employee contributions
2011 – 2012	13.1%	8.5%	0.3%	<ul style="list-style-type: none"> Review of over 15 Plan Alternatives & 7 contribution models Moved from three (3) medical options to one Choice POS Reduced cost for Employee Only coverage to \$0
2010 - 2011	28.4%	26.9%	4.7%	<ul style="list-style-type: none"> Medical Marketing for carrier change – Aetna retained and awarded Review of multiple plan design and funding alternatives post-award Changes were made to all three plan designs

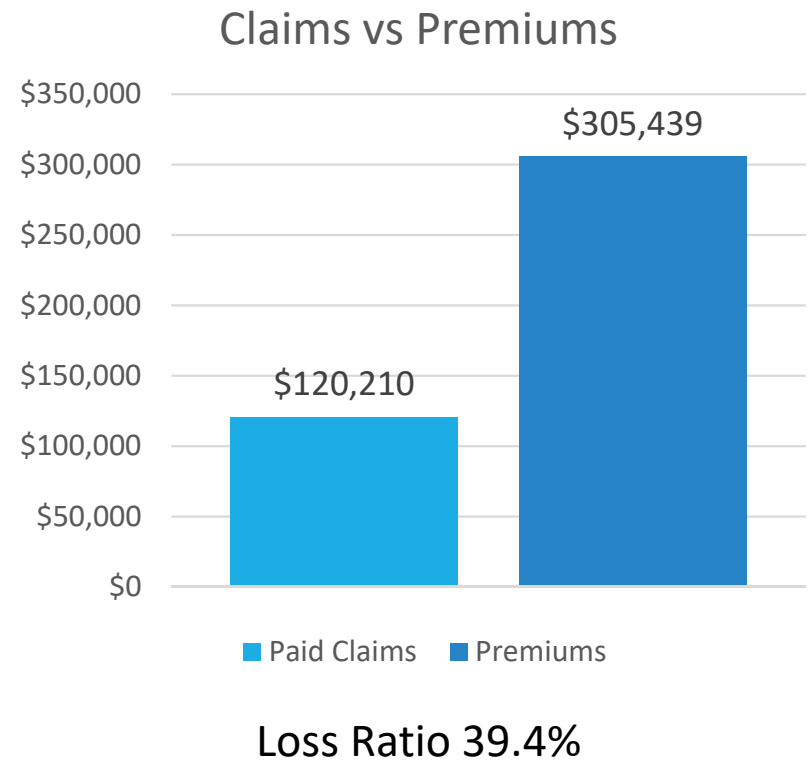
Renew Current Plans

Clay County School District Renewal Date: 10/01/2020	UnitedHealthcare			UnitedHealthcare								
	Choice HMO	Choice Plus HMO	Choice HSP HMO	Choice HMO	Choice Plus HMO	Choice HSP HMO						
	AQQ1 Rx 162	AQP8 rx 159	AHJT rx 125 HSA-11	AQQ1 Rx 570	AHRI Rx 573	AHJT rx 570 HSA-11						
BENEFITS SUMMARY	Current			Renewal								
IN NETWORK												
Deductible (CYD): (Ind / Fam)	\$5,000 / \$10,000	\$3,000 / \$6,000	\$4,000 / \$8,000 (emb)	\$5,000 / \$10,000	\$3,000 / \$6,000	\$4,000 / \$8,000 (emb)						
Deductible Applies to OOP Max?	Yes	Yes	Yes	Yes	Yes	Yes						
Coinsurance: Carrier / Member	70% / 30%	80% / 20%	80% / 20%	70% / 30%	80% / 20%	80% / 20%						
Physician Services: PCP / Specialist	\$45 / \$75	\$40 / \$60	CYD then 20%	\$45 / \$75	\$40 / \$60	CYD then 20%						
Inpatient Hospital Services	\$100 copay then 30%	CYD then 20%	CYD then 20%	\$100 copay then 30%	CYD then 20%	CYD then 20%						
Provider Services in Hospital and ER	CYD then 30%	CYD then 20%	CYD then 20%	CYD then 30%	CYD then 20%	CYD then 20%						
Independent Diagnostic Lab/X-Ray/AIS	\$0 / \$0 / \$300	\$0 / \$0 / \$300	CYD then 20%	\$0 / \$0 / \$300	\$0 / \$0 / \$300	CYD then 20%						
Outpatient Surgery – Freestanding Facility	\$250.00	CYD then 20%	CYD then 20%	\$250.00	CYD then 20%	CYD then 20%						
Outpatient Surgery – Hospital	CYD then 30%	CYD then 20%	CYD then 20%	CYD then 30%	CYD then 20%	CYD then 20%						
Emergency Room Services	\$500	\$500	CYD then 20%	\$500	\$500	CYD then 20%						
Urgent Care Services	\$70	\$50	CYD then 20%	\$70	\$50	CYD then 20%						
Prescription Drugs - Generic	\$20	\$15	CYD then \$10	\$10	\$15	CYD then \$10						
Prescription Drugs - Brand	\$40	\$45	CYD then \$50	\$35	\$45	CYD then \$50						
Prescription Drugs - Specialty	\$70	\$85	CYD then \$80	\$70	\$85	CYD then \$80						
Prescription Drugs - 90 day Mail Order	2x Copay	2.5x Copay	2.5x Copay	2x Copay	2.5x Copay	2.5x Copay						
Mental Health (Inpatient / Outpatient)	\$0	CYD then 20% / \$60	CYD then 20%	\$0	CYD then 20% / \$60	CYD then 20%						
Out of Pocket Maximum (Ind / Fam)	\$7,350 / \$14,700	\$6,000 / \$12,000	\$6,650 / \$13,300	\$7,350 / \$14,700	\$6,000 / \$12,000	\$6,650 / \$13,300						
OUT OF NETWORK												
Deductible (Individual / Family)	Not covered	\$6,000 / \$12,000	Not covered	Not covered	\$6,000 / \$12,000	Not covered						
Coinsurance: Carrier / Member	Not covered	50% / 50%	Not covered	Not covered	50% / 50%	Not covered						
Inpatient Hospital Services	Not covered	CYD then 50%	Not covered	Not covered	CYD then 50%	Not covered						
Outpatient Surgery	Not covered	CYD then 50%	Not covered	Not covered	CYD then 50%	Not covered						
Out of Pocket Maximum (Ind / Fam)	Not covered	\$12,000 / \$24,000	Not covered	Not covered	\$12,000 / \$24,000	Not covered						
RATING ANALYSIS	EEs	EEs	EEs	EEs	EEs	EEs						
Employee Only	1439	\$768.13	215	\$886.88	575	\$632.63	1439	\$813.45	215	\$939.21	575	\$669.96
Employee + Spouse	132	\$1,484.19	22	\$1,713.64	50	\$1,149.27	132	\$1,571.76	22	\$1,814.75	50	\$1,217.09
Employee + Child(ren)	61	\$1,415.90	8	\$1,634.72	53	\$1,096.54	61	\$1,499.44	8	\$1,731.18	53	\$1,161.24
Full Family	137	\$1,945.00	7	\$2,245.59	82	\$1,506.34	137	\$2,059.76	7	\$2,378.09	82	\$1,595.23
Total Premium Per Pay (monthly)	1769	\$2,514,125.47	252		760		1769	\$2,662,466.63	252		760	
Annual Premium		\$30,169,505.64						\$31,949,599.56				
Gross Increase/Decrease from Current								5.90%				

Ancillary Renewals

Kemper

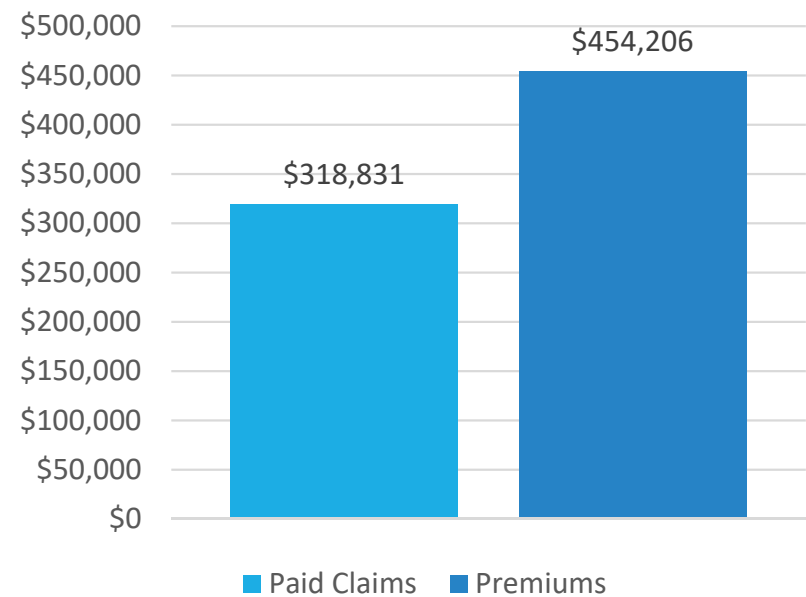
	Current Plan & Rates	Renewal Plan & Rates
<i>Benefit</i>	\$2,500 / \$1,250	\$3,000 / \$1,500
Employee Only	\$38.06	\$38.06
Employee + Spouse	\$77.78	\$77.78
Employee + Child(ren)	\$67.39	\$67.39
Employee + Family	\$114.67	\$114.67



Humana Vision

	Current Rates (no change)
Employee Only	\$5.52
Employee + Family	\$19.80

Claims vs Premiums



Loss Ratio 70%

Overview of Insurance Renewals

Benefit Plan	Carrier	2020 Renewal Expectation	Status
Medical Plans	UnitedHealthcare	<ul style="list-style-type: none"> Initial renewal 23.56% increase based on current claims spend and underwriting formulary. Negotiated to 5.9% with same plan designs and slight enhancement to Rx benefit on Choice Plan. Over a \$5M decrease from initial renewal 	Up for Renewal
Medical Gap Plan	Kemper	<ul style="list-style-type: none"> Rate hold through 9/30/2020 Kemper offered to renew current plan with no premium increase through 9/30/21 along with an increased benefit (from \$2,500 to \$3,000) 	Up for Renewal
Vision	CompBenefits/Humana	<ul style="list-style-type: none"> Rate hold through 9/30/2020 Humana offered to renew the current plans with no increase to premiums and a three year contract. Will be up for renewal again 9/30/2023 	Up for Renewal

Lines in Rate Hold

Dental	Delta Dental	<ul style="list-style-type: none"> In 2019 accepted a 5% increase with two year rate guarantee through 9/30/2021 	No Action
Accident and Injury Plan	Aflac	<ul style="list-style-type: none"> Rate hold through 9/30/2021 	No Action
Critical Illness			
Whole Life			
Basic Life Insurance	Liberty Mutual	<ul style="list-style-type: none"> Rate hold through 9/30/2021 	No Action
Long Term Disability			
Short Term Disability			



Questions & Comments

Thank You!