

DELAWARE VALLEY HEALTH TRUST

Final Renewal Projection 07/01/2018

Prepared for Centennial School District

Presented by:
Insurance Buyers' Council, Inc.
Stephen J. Fallon
Director – Employee Benefits Practice
Principal Consultant
March 6, 2018





Change in Employee Contribution Rates: Three Years of Below-Trend Rate Increases

	07/1/16	07/01/2017	07/01/2018
Medical	2.68% before RSF 1.33% net of RSF	3.24% before RSF 1.91% net of RSF	3.82% before RSF 1.26% net of RSF
Rx	2.59%	4%	-10%
Dental	4.61	No Change	No Change
Vision	2.12%	2.32%	-19.24%

Projected vs. Actual Costs (Budget) Comparing Current Year Plan Performance vs. Projections

	2017 Projected *	Actual YTD **	% Variance
Dental	\$ 536,406	\$ 529,515	-1.28%
Rx	\$ 1,714,895	\$ 1,353,154	-21.1%
Vision	\$ 3,958	\$ 3,977	0.5%

*Projected 3/17 as part of 7/1/17 – 6/30/18 Renewal.

**Actual as of 2/2018 reflecting claims through 12/31/2017.



Medical Renewal



Delaware Valley Health Trust Centennial School District 7/1/2018 Renewal - Billing Rates						
Benefit Plan & Enrollment as per February invoice	Tier	DVHT Monthly Premium 7/1/17 - 6/30/18		DVHT Renewal Premium 7/1/18-6/30/19		
HMO/POS						
HMO 10/15	157					2.00%
43 Single		\$ 632.88	\$ 27,213.79	\$ 645.54	\$ 27,758.06	
40 Couple		\$ 1,441.23	\$ 57,649.21	\$ 1,470.05	\$ 58,802.20	
7 Parent/Child		\$ 884.49	\$ 6,191.43	\$ 902.18	\$ 6,315.25	
5 Parent/Children		\$ 1,391.87	\$ 6,959.34	\$ 1,419.71	\$ 7,098.53	
62 Family		\$ 1,871.04	\$ 116,004.47	\$ 1,908.46	\$ 118,324.56	
			\$ 214,018.23		\$ 218,298.60	
HMO 25/50	10					-6.00%
0 Single		\$ 486.38	\$ -	\$ 457.20	\$ -	
4 Couple		\$ 1,107.62	\$ 4,430.48	\$ 1,041.16	\$ 4,164.65	
1 Parent/Child		\$ 679.74	\$ 679.74	\$ 638.95	\$ 638.95	
0 Parent/Children		\$ 1,069.69	\$ -	\$ 1,005.50	\$ -	
5 Family		\$ 1,437.92	\$ 7,189.60	\$ 1,351.64	\$ 6,758.22	
			\$ 12,299.82		\$ 11,561.83	
QPOS 10/15	318					5.00%
82 Single		\$ 640.31	\$ 52,505.19	\$ 672.32	\$ 55,130.45	
39 Couple		\$ 1,458.10	\$ 56,866.04	\$ 1,531.01	\$ 59,709.34	
27 Parent/Child		\$ 894.86	\$ 24,161.11	\$ 939.60	\$ 25,369.16	
17 Parent/Children		\$ 1,408.17	\$ 23,938.81	\$ 1,478.57	\$ 25,135.75	
153 Family		\$ 1,892.92	\$ 289,616.57	\$ 1,987.56	\$ 304,097.40	
			\$ 447,087.72		\$ 469,442.10	
QPOS 25/50	3					0.00%
1 Single		\$ 536.86	\$ 536.86	\$ 536.86	\$ 536.86	
0 Couple		\$ 1,222.59	\$ -	\$ 1,222.59	\$ -	
0 Parent/Child		\$ 746.03	\$ -	\$ 746.03	\$ -	
0 Parent/Children		\$ 1,180.68	\$ -	\$ 1,180.68	\$ -	
2 Family		\$ 1,587.13	\$ 3,174.26	\$ 1,587.13	\$ 3,174.26	
			\$ 3,711.12		\$ 3,711.12	
Total HMO/POS	488		\$ 677,116.89		\$ 703,013.65	3.82%
PPO						
PPO 10	0					2.75%
0 Single		\$ 668.52	\$ -	\$ 686.90	\$ -	
0 Couple		\$ 1,538.27	\$ -	\$ 1,580.57	\$ -	
0 Parent/Child		\$ 1,021.57	\$ -	\$ 1,049.66	\$ -	
0 Parent/Children		\$ 1,478.73	\$ -	\$ 1,519.40	\$ -	
0 Family		\$ 1,981.17	\$ -	\$ 2,035.65	\$ -	
			\$ -		\$ -	
PPO 3000/6000	0					-10.00%
0 Single		\$ 410.55	\$ -	\$ 369.50	\$ -	
0 Couple		\$ 934.93	\$ -	\$ 841.44	\$ -	
0 Parent/Child		\$ 573.76	\$ -	\$ 516.38	\$ -	
0 Parent/Children		\$ 902.91	\$ -	\$ 812.62	\$ -	
0 Family		\$ 1,213.73	\$ -	\$ 1,092.36	\$ -	
			\$ -		\$ -	
Total PPO	0		\$ -		\$ -	
Total Estimated Employee Contracts	488					
Total Monthly Premium Charge			\$ 677,116.89		\$ 703,013.65	
Total Annual Premium Charge			\$ 8,125,402.68		\$ 8,436,163.81	
					\$ 310,761.14	3.82%
Rate Stabilization Fund Credit					\$ 208,378.00	
Net Total Annual Premium Charge					\$ 8,227,785.81	
DVHT Annual Renewal Dollar Increase*					\$102,383.14	
DVHT Renewal Percentage Rate*						1.26%

* Reflects application of 100% of available RSF

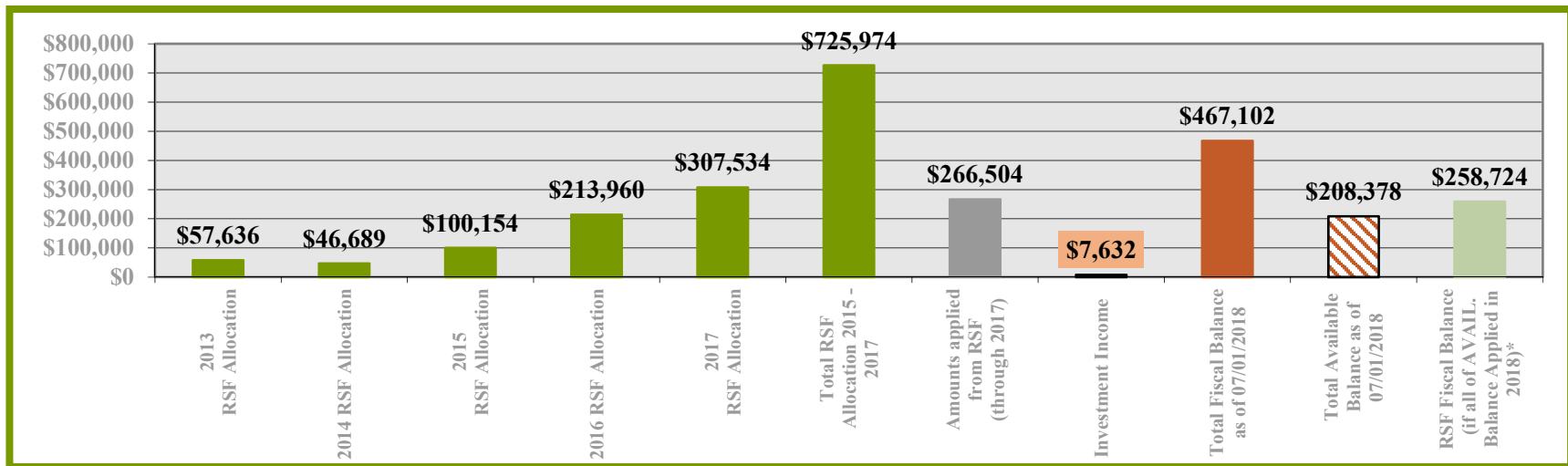
3/14/2018 ©2018 Delaware Valley Trusts. Proprietary and Confidential Information.



Delaware Valley Health Trust Centennial School District 7/1/2018 Renewal - Contribution Rates						
Benefit Plan & Enrollment as per February invoice	Tier	DVHT Monthly Premium 7/1/17 - 6/30/18		DVHT Renewal Premium 7/1/18-6/30/19		
HMO/POS						
HMO 10/15	157					
	43 Single	\$ 632.88	\$ 27,213.79	\$ 636.99	\$ 27,390.68	
	40 Couple	\$ 1,441.23	\$ 57,649.21	\$ 1,450.60	\$ 58,023.93	
	7 Parent/Child	\$ 884.49	\$ 6,191.43	\$ 890.24	\$ 6,231.67	
	5 Parent/Children	\$ 1,391.87	\$ 6,959.34	\$ 1,400.92	\$ 7,004.58	
	62 Family	\$ 1,871.04	\$ 116,004.47	\$ 1,883.20	\$ 116,758.50	
			\$ 214,018.23		\$ 215,409.35	
HMO 25/50	10					
	0 Single	\$ 486.38	\$ -	\$ 476.69	\$ -	
	4 Couple	\$ 1,107.62	\$ 4,430.48	\$ 1,085.55	\$ 4,342.20	
	1 Parent/Child	\$ 679.74	\$ 679.74	\$ 666.19	\$ 666.19	
	0 Parent/Children	\$ 1,069.69	\$ -	\$ 1,048.37	\$ -	
	5 Family	\$ 1,437.92	\$ 7,189.60	\$ 1,409.27	\$ 7,046.34	
			\$ 12,299.82		\$ 12,054.73	
QPOS 10/15	318					
	82 Single	\$ 640.31	\$ 52,505.19	\$ 650.89	\$ 53,372.58	
	39 Couple	\$ 1,458.10	\$ 56,866.04	\$ 1,482.19	\$ 57,805.46	
	27 Parent/Child	\$ 894.86	\$ 24,161.11	\$ 909.64	\$ 24,560.25	
	17 Parent/Children	\$ 1,408.17	\$ 23,938.81	\$ 1,431.43	\$ 24,334.28	
	153 Family	\$ 1,892.92	\$ 289,616.57	\$ 1,924.19	\$ 294,401.03	
			\$ 447,087.72		\$ 454,473.61	
QPOS 25/50	3					
	1 Single	\$ 536.86	\$ 536.86	\$ 536.86	\$ 536.86	
	0 Couple	\$ 1,222.59	\$ -	\$ 1,222.59	\$ -	
	0 Parent/Child	\$ 746.03	\$ -	\$ 746.03	\$ -	
	0 Parent/Children	\$ 1,180.68	\$ -	\$ 1,180.68	\$ -	
	2 Family	\$ 1,587.13	\$ 3,174.26	\$ 1,587.13	\$ 3,174.26	
			\$ 3,711.12		\$ 3,711.12	
Total HMO/POS	488		\$ 677,116.89	\$ 685,648.81		1.26%
PPO						
PPO 10	0					
	0 Single	\$ 668.52	\$ -	\$ 686.90	\$ -	
	0 Couple	\$ 1,538.27	\$ -	\$ 1,580.57	\$ -	
	0 Parent/Child	\$ 1,021.57	\$ -	\$ 1,049.66	\$ -	
	0 Parent/Children	\$ 1,478.73	\$ -	\$ 1,519.40	\$ -	
	0 Family	\$ 1,981.17	\$ -	\$ 2,035.65	\$ -	
			\$ -	\$ -	\$ -	
PPO 3000/6000	0					
	0 Single	\$ 410.55	\$ -	\$ 369.50	\$ -	
	0 Couple	\$ 934.93	\$ -	\$ 841.44	\$ -	
	0 Parent/Child	\$ 573.76	\$ -	\$ 516.38	\$ -	
	0 Parent/Children	\$ 902.91	\$ -	\$ 812.62	\$ -	
	0 Family	\$ 1,213.73	\$ -	\$ 1,092.36	\$ -	
			\$ -	\$ -	\$ -	
Total PPO	0		\$ -	\$ -	\$ -	
Total Estimated Employee Contracts 488						
Total Monthly Premium Charge			\$ 677,116.89	\$ 685,648.81		
Total Annual Premium Charge			\$ 8,125,402.68	\$ 8,227,785.73		
DVHT Annual Renewal Dollar Increase						\$ 102,383.06
DVHT Renewal Percentage Rate						1.26%



Rate Stabilization Fund Analysis - 2018



2013 RSF Allocation	2014 RSF Allocation	2015 RSF Allocation	2016 RSF Allocation	2017 RSF Allocation	Total RSF Allocation 2015 - 2017	Amounts applied from RSF (through 2017)	Investment Income	Total Fiscal Balance as of 07/01/2018	Total Available Balance as of 07/01/2018	RSF Fiscal Balance (if all of AVAIL. Balance Applied in 2018)*
\$57,636	\$46,689	\$100,154	\$213,960	\$307,534	\$725,974	\$266,504	\$7,632	\$467,102	\$208,378	\$258,724

Notes:

1. Amounts are released from Total RSF Fiscal Balance in accordance with a distribution schedule and formula approved by the Executive Committee.
2. Investment income accrues to each member annually based on each member's fiscal balance and the Trust's overall Rate of Return of its investment program.
3. Annual allocations are the dollars allocated to each DVHT member by the Executive Committee based on the Trust's overall surplus, that member's loss experience and that member's premium contributions relative to the rest of the membership.
4. CSD became eligible to use RSF beginning in July 2014 and it can be applied in 12 month installments.
5. The Trust experienced an investment loss in 2016, these losses are not passed onto Trust members, but rather a zero gain is applied for the loss year.



Dental Renewal



Projected Dental Claim Development (07/01/2018 – 06/30/2019)

Claims Paid (07/01/16 – 06/30/17)	\$502,278
Average Enrollment (07/01/16 – 06/30/17)	528
Claim PEPM	\$79.27
Credibility Adjustment (50%)	\$39.64
Claims Paid (07/01/17 – 12/31/17 Annualized)	\$511,024
Average Enrollment (07/01/17 – 01/01/18)	525
Claim PEPM	\$81.11
Credibility Adjustment (50%)	\$40.56
Adjusted PEPM	\$80.20
Trend Factor	4%
Projected Claim PEPM	\$83.41
End of Period Enrollment*	525
Projected Annual Claims (07/01/18 – 6/30/19)	\$525,483

* Delta enrollment January 2018



Delta Dental Current vs. Renewal (Budget)

	07/01/2017 – 06/30/2018	07/01/2018 – 06/30/2019
Enrollment	525	
Admin Fees - PEPM	\$3.85	\$4.24 *
Admin Fees - Annual	\$24,255	\$26,712
Annual Projected Claims	\$505,260	\$525,483
Total Annual Projected Dental Costs – Claims and Admin Fees	\$529,515	\$552,195
\$ Difference over Current		\$22,680
% Difference over Current		4.3%

* Note Delta Dental Administration fee increase



Dental Rate Development – Current Rates and Enrollment (Employee Contributions/Deductions) pg.1

Delta Dental – with Ortho (Actives)		
<i>Enrollment Tier and Count</i>		<i>Current Rates</i>
Single	124	\$41.08
Couple	97	\$82.56
Parent/Child	23	\$82.56
Parent/Children	20	\$116.08
Family	241	\$116.08
Monthly Total	505	\$45,298
Annual Total		\$543,576
Delta Dental Direct Bill – no Ortho CEA 1, CEA 8		
Individual	0	\$39.55
Individual plus One	1	\$78.99
Individual plus Two	0	\$107.19
Monthly Total	1	\$79
Annual Total		\$948

Notes:

1. Enrollment based on eligibility report provided by DVHT.
2. Assumes 100% of current rate equivalent. Does not reflect the monthly cost share for various groups.



Dental Rate Development – Current Rates and Enrollment (Employee Contributions/Deductions) pg. 2

Delta Dental Direct Bill – no Ortho CEAR, ADMR, SURP		
Individual	4	\$40.36
Individual plus One	2	\$80.57
Individual plus Two	0	\$109.33
Monthly Total	6	\$323
Annual Total		\$3,876
Delta Dental Direct Bill – with Ortho		
Individual	3	\$41.91
Individual plus One	4	\$84.22
Individual plus Two	0	\$118.40
Monthly Total	7	\$463
Annual Total		\$5,556
Premium Equivalent at Current Rates		\$553,956
Required Premium		\$552,195
Recommended Rate Action		None

Notes:

1. Enrollment based on eligibility report provided by DVHT.
2. Assumes 100% of current rate equivalent. Does not reflect the monthly cost share for various groups.



2018 Required Dental Rate Equivalents

Delta Dental-With Ortho-Actives		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Single	\$41.08	\$41.08
Couple	\$82.56	\$82.56
Parent/Child	\$82.56	\$82.56
Parent/Children	\$116.08	\$116.08
Family	\$116.08	\$116.08
Delta Dental Direct Bill - No Ortho (CEA1, CEA8)		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$39.55	\$39.55
Individual plus one	\$78.99	\$78.99
Individual plus two	\$107.19	\$107.19
Delta Dental Direct Bill - No Ortho (CEAR, ADMR, SURP)		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$40.36	\$40.36
Individual plus one	\$80.57	\$80.57
Individual plus two	\$109.33	\$109.33
Delta Dental Direct Bill – With Ortho		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$41.91	\$41.91
Individual plus one	\$84.22	\$84.22
Individual plus two	\$118.40	\$118.40



Pharmacy Renewal



Projected Prescription Claim Development (07/01/18 – 06/30/19)

Claims Paid (07/01/16 – 06/30/17)	\$1,554,650
Average Enrollment (employees)	497
Claim PEPM	\$260.67
Credibility Adjustment (50%)	\$130.34
Claims Paid (07/01/17 – 12/31/17) Annualized	\$1,353,154
Average Enrollment	497
Claim PEPM	\$226.89
Credibility Adjustment (50%)	\$113.45
Blended PEPM	\$243.79
Trend Factor – Segal 2017	11%
Projected Claim PEPM	\$270.61
Average Enrollment*	497
Projected Annual Claims (07/01/18 – 6/30/19)	\$1,613,918
Value of New Contract Terms	(\$104,000)
Adjusted Projected Costs	\$1,509,918

* Average enrollment reported by DVHT for 12/01/17.



Pharmacy Rate Development Current Rates and Enrollment (Employee Contributions/Deductions)

Aetna Pharmacy (Actives)		
<i>Enrollment Tier and Count</i>		<i>Current Rates</i>
Single	138	\$107.73
Couple	76	\$376.70
Parent/Child	22	\$376.70
Parent/Children	18	\$376.70
Family	229	\$376.70
Monthly Total	483	\$144,828
Annual Total		\$1,737,934
Aetna Pharmacy (Direct Bill)		
Individual	9	\$105.01
Individual plus One	5	\$367.19
Monthly Total	14	\$2,781
Annual Total		\$33,372
Premium Equivalent at Current Rates		\$1,771,306
Required Premium		\$1,509,918
Rate Adjustment		-14.76%
Recommended Rate Action		-10%

Notes:

1. Enrollment on 02/06/18 eligibility report provided by DVHT.
2. Assumes 100% of current rate equivalent. Does not reflect the monthly cost share for various groups.

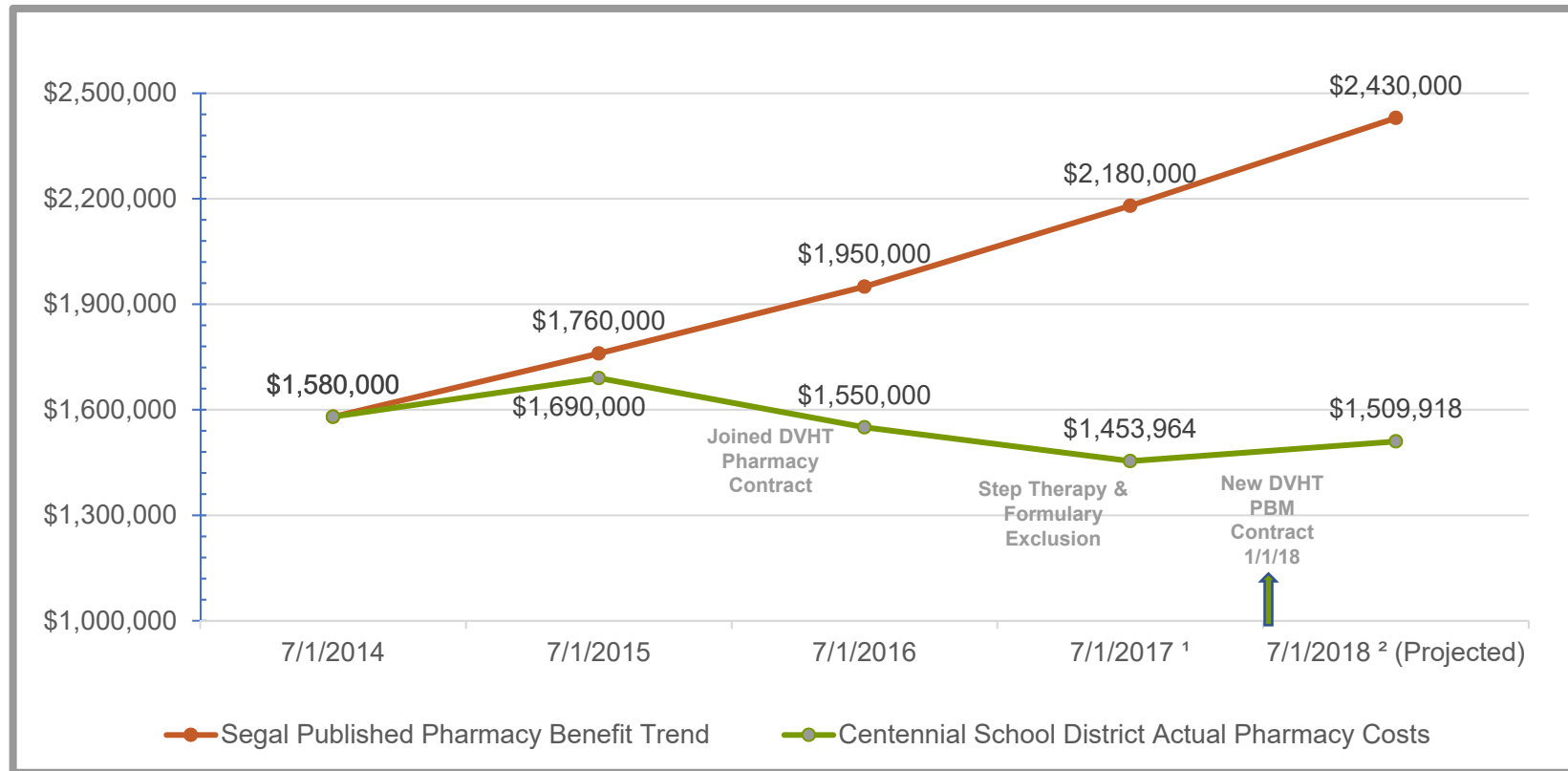


Required Pharmacy Equivalents - Preliminary

Aetna Pharmacy		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Single	\$107.73	\$96.96
Couple	\$376.70	\$339.03
Parent/Child	\$376.70	\$339.03
Parent/Children	\$376.70	\$339.03
Family	\$376.70	\$339.03
Aetna Pharmacy – Direct Bill		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$105.01	\$94.51
Individual plus One	\$367.19	\$330.47



Centennial School District Pharmacy Performance vs. Trend



¹ Based on claims incurred 7/1/16 - 12/31/17.

² Projected Claims 7/1/18 - 6/30/19.



Vision Renewal



Projected Vision Claim Development 07/01/2017 – 06/30/2018

Claims Paid (01/01/16 - 12/31/17)	\$5,958
Average Enrollment	543
Claim PEPM	\$0.46
Credibility Adjustment (50%)	\$0.23
Claims Paid (07/01/17- 12/31/17) annualized	\$2,720
Average Enrollment	521
Claim PEPM	\$0.44
Blended PEPM	\$0.45
Trend Factor	5%
Projected Claim PEPM	\$0.47
End of Period Enrollment*	527
Projected Annual Claims	\$2,944
Admin Fee -10% of Claims	\$294.00
Total Projected Costs (07/01/17-06/30/18)	\$3,238

*End of period enrollment based on December 2017 vision enrollment reported by VBA.



Current Rates and Enrollment – VBA

(Employee Contributions/Deductions)

Actives		
<i>Enrollment Tier and Count</i>		<i>Current Rates</i>
Individual	117	\$0.28
Individual plus 1 or more	387	\$0.76
Monthly Total	504	\$327
Annual Total		\$3,924
Direct Bill		
Individual	8	\$0.29
Individual plus 1 or more	6	\$0.78
Monthly Total	14	\$7
Annual Total		\$84
Premium Equivalent at Current Rates		\$4,008
Required Premium		\$3,237
Recommended Rate Action		-19.24%



2018 VBA Required Rate Equivalents

Actives		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$0.28	\$0.23
Individual plus 1 or more	\$0.76	\$0.61
Direct Bill		
Individual	\$0.29	\$0.23
Individual plus 1 or more	\$0.78	\$0.63

Questions

Contact:

Stephen J. Fallon
Director – Employee Benefits Practice
Insurance Buyers' Council, Inc.
9720 Greenside Drive, Suite 1E
Cockeysville, MD 21030
410-666-0500, ext. 224
sfallon@consultibc.com

Tatyana Pokhodenko, MSA, CEBS
Benefits Manager - Operations
Delaware Valley Health Trust
719 Dresher Road
Horsham, PA 19044
267-803-5723
tpokhodenko@dvtrusts.com



Thank you.

