

First Look Renewal Projection

Prepared for Centennial School District

January 15, 2019

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Notes on First Look Renewal

- The First Look medical renewal through DVHT represents a “worst case” scenario. Subsequent modifications will not be higher (and may be lower) than the rate renewal provided.
- The renewal projections for the self-funded coverages (dental, rx and vision) are subject to increase/decrease based on updated claims experience which will be available as we get closer to the 7/1/19 plan renewal. For the First Look we have used current year claims for the period 7/1/18-11/30/18.

Medical Renewal



Projected vs. Actual Costs (Budget)

Comparing Current Year Plan Performance vs. Projections

	Projected	Actual	% Variance
2017			
Dental	\$536,406	\$543,270	1.28%
Rx	\$1,714,895	\$1,504,736	-12.25%
Vision	\$3,958	\$3,453	-12.76%
2018			
Dental	\$552,195	\$541,548 *	-1.93%
Rx	\$1,509,918	\$1,550,754 **	2.70%
Vision	\$3,238	\$3,264 ***	0.80%
2019			
Dental	\$562,116	TBD	
Rx	\$1,535,496	TBD	
Vision	\$3,409	TBD	

* Based on Delta Dental claims paid 7/1/18 - 11/30/18.

** Based on Aetna claims paid 7/1/18 - 11/30/18.

*** Based on VBA claims paid 7/1/18 - 11/30/18.

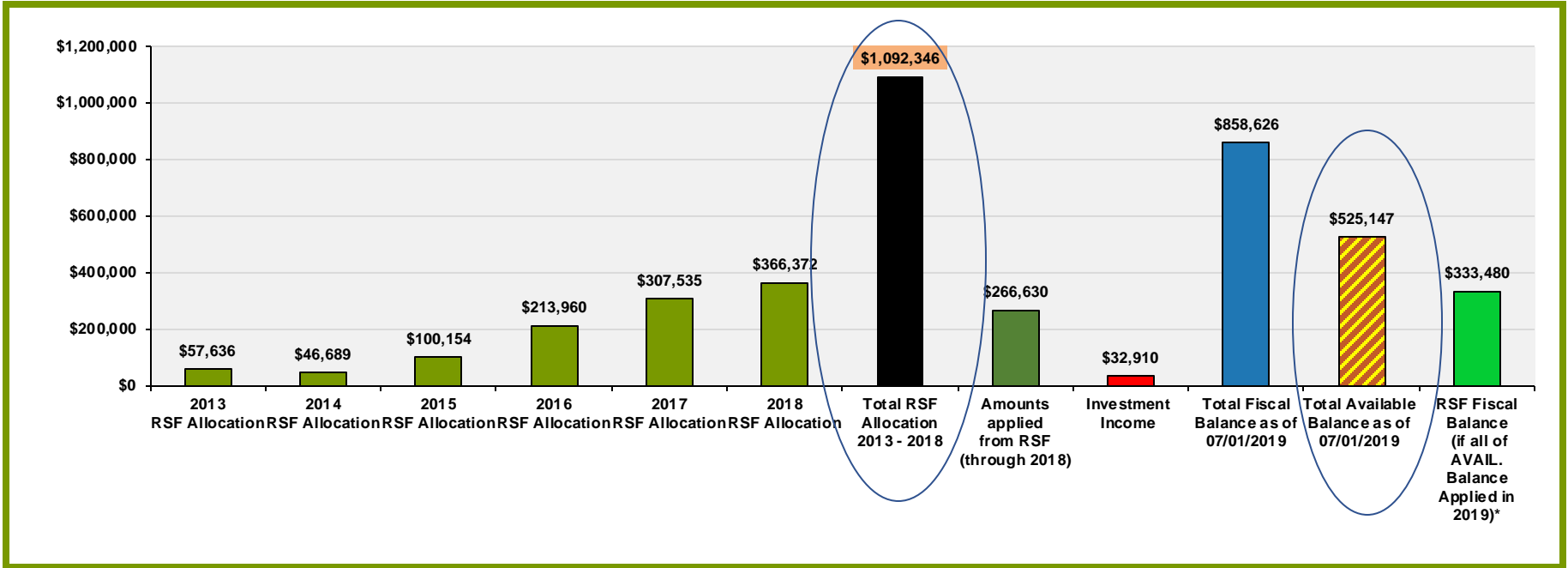
Medical Renewal



Delaware Valley Health Trust						
Centennial School District 7/1/2019 Renewal - First Look						
Benefit Plan & Enrollment as of 1/4/19	Tier	DVHT Current Premium 7/1/18 - 6/30/19		DVHT Renewal Premium 7/1/19-6/30/20		Rate Increase
HMO/POS						
HMO 10/15		150				
	40Single	\$ 645.54	\$ 25,821.45	\$ 664.90	\$ 26,596.10	3.00%
	33Couple	\$ 1,470.05	\$ 48,511.81	\$ 1,514.16	\$ 49,967.17	
	9Parent/Child	\$ 902.18	\$ 8,119.61	\$ 929.24	\$ 8,363.20	
	6Parent/Children	\$ 1,419.71	\$ 8,518.23	\$ 1,462.30	\$ 8,773.78	
	62Family	\$ 1,908.46	\$ 118,324.56	\$ 1,965.71	\$ 121,874.29	
			\$ 209,295.67		\$ 215,574.54	
HMO 25/50		9				
	0Single	\$ 457.20	\$ -	\$ 457.20	\$ -	0.00%
	5Couple	\$ 1,041.16	\$ 5,205.82	\$ 1,041.16	\$ 5,205.82	
	1Parent/Child	\$ 638.95	\$ 638.95	\$ 638.95	\$ 638.95	
	0Parent/Children	\$ 1,005.50	\$ -	\$ 1,005.50	\$ -	
	3Family	\$ 1,351.64	\$ 4,054.93	\$ 1,351.64	\$ 4,054.93	
			\$ 9,899.70		\$ 9,899.70	
QPOS 10/15		331				
	86Single	\$ 672.32	\$ 57,819.74	\$ 692.49	\$ 59,554.34	3.00%
	29Couple	\$ 1,531.01	\$ 44,399.25	\$ 1,576.94	\$ 45,731.23	
	27Parent/Child	\$ 939.60	\$ 25,369.16	\$ 967.79	\$ 26,130.24	
	19Parent/Children	\$ 1,478.57	\$ 28,092.90	\$ 1,522.93	\$ 28,935.69	
	170Family	\$ 1,987.56	\$ 337,886.00	\$ 2,047.19	\$ 348,022.58	
			\$ 493,567.06		\$ 508,374.07	
QPOS 25/50		5				
	1Single	\$ 536.86	\$ 536.86	\$ 536.86	\$ 536.86	0.00%
	1Couple	\$ 1,222.59	\$ 1,222.59	\$ 1,222.59	\$ 1,222.59	
	0Parent/Child	\$ 746.03	\$ -	\$ 746.03	\$ -	
	1Parent/Children	\$ 1,180.68	\$ 1,180.68	\$ 1,180.68	\$ 1,180.68	
	2Family	\$ 1,587.13	\$ 3,174.26	\$ 1,587.13	\$ 3,174.26	
			\$ 6,114.39		\$ 6,114.39	
Total HMO/POS		495	\$ 718,876.82	\$ 739,962.70		2.93%
PPO						
PPO 3000/6000		0				
	0Single	\$ 369.50	\$ -	\$ 387.97	\$ -	5.00%
	0Couple	\$ 841.44	\$ -	\$ 883.51	\$ -	
	0Parent/Child	\$ 516.38	\$ -	\$ 542.20	\$ -	
	0Parent/Children	\$ 812.62	\$ -	\$ 853.25	\$ -	
	0Family	\$ 1,092.36	\$ -	\$ 1,146.97	\$ -	
			\$ -		\$ -	
Total PPO		0	\$ -	\$ -		
Total Estimated Employee Contracts 495						
Total Monthly Premium Charge		\$ 718,876.82		\$ 739,962.70		
Total Annual Premium Charge		\$ 8,626,521.81		\$ 8,879,552.39		
Annual Dollar Increase				\$ 253,030.58		
% Increase				2.93%		
Rate Stabilization Fund Credit				\$ 525,147.00		
Net Total Annual Premium Charge				\$ 8,354,405.39		
Net Annual Renewal Dollar Increase*				-\$272,116.42		
Net Annual Renewal Percentage Rate*				-3.15%		



Rate Stabilization Fund Analysis - 2019



2013 RSF Allocation	2014 RSF Allocation	2015 RSF Allocation	2016 RSF Allocation	2017 RSF Allocation	2018 RSF Allocation	Total RSF Allocation 2013 - 2018	Amounts applied from RSF (through 2018)	Investment Income	Total Fiscal Balance as of 07/01/2019	Total Available Balance as of 07/01/2019	RSF Fiscal Balance (if all of AVAIL. Balance Applied in 2019)*
\$57,636	\$46,689	\$100,154	\$213,960	\$307,535	\$366,372	\$1,092,346	\$266,630	\$32,910	\$858,626	\$525,147	\$333,480

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. 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 (07/01/2019 – 06/30/2020)

Claims Paid (07/01/17 - 06/30/18)	\$518,969
Average Enrollment (07/01/17 - 06/30/18)	526
Claim PEPM	\$82.26
Credibility adjustment (50%)	\$41.13
Claims Paid (07/01/18 - 11/30/18)	\$210,456
Average Enrollment (07/01/18 - 11/30/18)	527
Claim PEPM	\$79.87
Credibility adjustment (50%)	\$39.94
Adjusted PEPM	\$81.07
Trend Factor	4.00%
Projected Claim PEPM	\$84.31
End of Period Enrollment*	529
Projected Annual Claims (07/01/19 - 06/30/20)	\$535,200

* *Delta enrollment November 2018*



Delta Dental Current vs. Renewal (Budget)

	07/01/2018 - 06/30/2019	07/01/2019 - 06/30/2020
Enrollment	529	
Admin Fees-PEPM	\$4.02	\$4.24
Admin Fees-Annual	\$25,516	\$26,916
Annual Projected Claims	\$514,632	\$535,200
Total Annual Projected Dental Costs-Claims and Admin Fees	\$540,148	\$562,116

<i>\$ Difference over Current</i>	\$21,968
<i>% Difference over Current</i>	4.07%



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

Delta Dental-With Ortho-Actives		
<i>Enrollment Tier and Count</i>		<i>Current Rates</i>
Single	126	\$41.08
Couple	84	\$82.56
Parent/Child	24	\$82.56
Parent/Children	21	\$116.08
Family	252	\$116.08
Monthly Total	507	\$45,782
Annual Total		\$549,389
Delta Dental Direct Bill - No Ortho (CEA1, CEA8)		
Individual	3	\$39.55
Individual plus One	2	\$78.99
Individual plus Two	0	\$107.19
Monthly Total	5	\$277
Annual Total		\$3,320
Delta Dental Direct Bill – With Ortho		
Individual	4	\$41.91
Individual plus One	6	\$84.22
Individual plus Two	1	\$118.40
Monthly Total	11	\$791
Annual Total		\$9,496
Delta Dental Direct Bill - No Ortho (CEAR, ADMR, SURP)		
Individual	3	\$40.36
Individual plus One	2	\$80.57
Individual plus Two	0	\$109.30
Monthly Total	5	\$282
Annual Total		\$3,387
Premium Equivalent at Current Rates		\$565,591
Required Premium		\$562,116
Recommended Rate Action		No Change

Notes:

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



2019 Required First Look Dental Rate Equivalents

Delta Dental-With Ortho-Actives		
Enrollment Tier	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)		
Enrollment Tier	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 – With Ortho		
Enrollment Tier	Current Rates	Required Rates
Individual	\$41.91	\$41.91
Individual plus one	\$84.22	\$84.22
Individual plus two	\$118.40	\$118.40
Delta Dental Direct Bill - No Ortho (CEAR, ADMR, SURP)		
Enrollment Tier	Current Rates	Required Rates
Individual	\$40.36	\$40.36
Individual plus one	\$80.57	\$80.57
Individual plus two	\$109.33	\$109.33

Pharmacy Renewal



Projected Prescription Claim Development (07/01/19 – 06/30/20)

Claims Paid (07/01/17-06/30/18)	\$1,504,736
Average Enrollment	502
Claim PEPM	\$249.79
Credibility Adjustment (50%)	\$124.90
Claims Paid (07/01/18-10/31/18 Annualized)	\$1,587,630
Avg Enrollment	505
Claim PEPM	\$261.99
Credibility Adjustment (50%)	\$131.00
Blended PEPM	\$255.90
Trend Factor - Segal 2018	10.3%
Projected Claim PEPM	\$282.26
Average Enrollment*	505
Projected Annual Claims (07/01/19 - 06/30/20)	\$1,710,496
Value of New Contract Terms/Rebates	(\$175,000)
Adjusted Projected Costs	\$1,535,496

** Average enrollment reported by DVHT for 10/01/18.*



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

Aetna Pharmacy (Actives)		
Enrollment Tier and Count		Current Rates
Single	124	\$96.96
Couple	60	\$339.03
Parent/Child	25	\$339.03
Parent/Children	21	\$339.03
Family	241	\$339.03
Monthly Total	471	\$129,666
Annual Total		\$1,555,997
Aetna Pharmacy (Direct Bill)		
Individual	8	\$94.51
Individual plus One	7	\$330.47
Monthly Total	15	\$3,069
Annual Total		\$36,832
Premium Equivalent at Current Rates		\$1,592,830
Required Premium		\$1,535,496
Recommended Rate Action		No Change

Notes:

1. Enrollment 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	\$96.96	\$96.96
Couple	\$339.03	\$339.03
Parent/Child	\$339.03	\$339.03
Parent/Children	\$339.03	\$339.03
Family	\$339.03	\$339.03

Aetna Pharmacy - Direct Bill		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$94.51	\$94.51
Individual plus one	\$330.47	\$330.47



Vision Renewal



Projected Vision Claim Development 07/01/2019 – 06/30/2020

Claims Paid (07/01/17-06/30/18)	\$3,139
Average Enrollment	523
Claim PEPM	\$0.50
Credibility Adjustment (50%)	\$0.25
Claims Paid (07/01/18-11/30/18) annualized	\$2,808
Average Enrollment	526
Claim PEPM	\$0.44
Credibility Adjustment (50%)	\$0.22
Blended PEPM	\$0.47
Trend Factor	10%
Projected Claim PEPM	\$0.49
End of Period Enrollment*	526
Projected Annual Claims	\$3,099
Admin Fee - 10% of Claims	\$310
Total Projected Costs (07/01/19 - 06/30/20)	\$3,409

*End of period enrollment based on December 2018 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	121	\$0.23
Individual plus 1 or more	376	\$0.61
Monthly Total	497	\$257
Annual Total		\$3,086
Direct Bill		
Individual	8	\$0.23
Individual plus 1 or more	12	\$0.63
Monthly Total	20	\$9.40
Annual Total		\$112.80
Premium Equivalent at Current Rates		\$3,199
Required Premium		\$3,409
Recommended Rate Action		6.56%



2019 VBA Required Rate Equivalents

Actives		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$0.23	\$0.25
Individual plus 1 or more	\$0.61	\$0.65

Direct Bill		
<i>Enrollment Tier</i>	Current Rates	Required Rates
Individual	\$0.23	\$0.25
Individual plus 1 or more	\$0.63	\$0.65

Questions

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Thank you.



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HEALTH TRUST