



Moving A Smaller District to Self Funded Insurance

Osceola's Year 1 Story

MISSION STATEMENT - Providing a premier education by *inspiring* students, *empowering* staff, and positively *impacting* our community

#ExcellenceInOSCEOLA



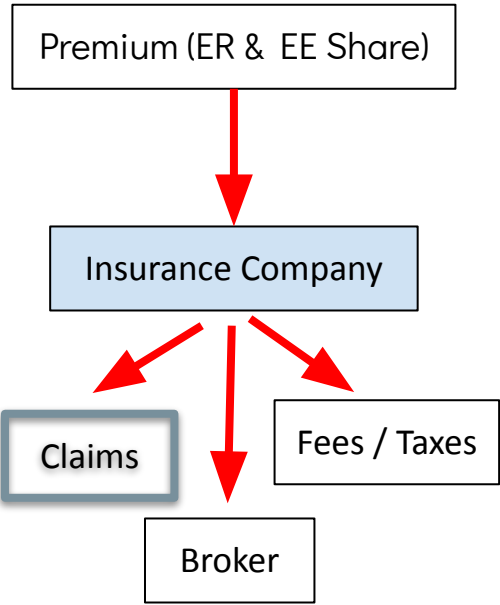
Self-funding Considerations

Pros:

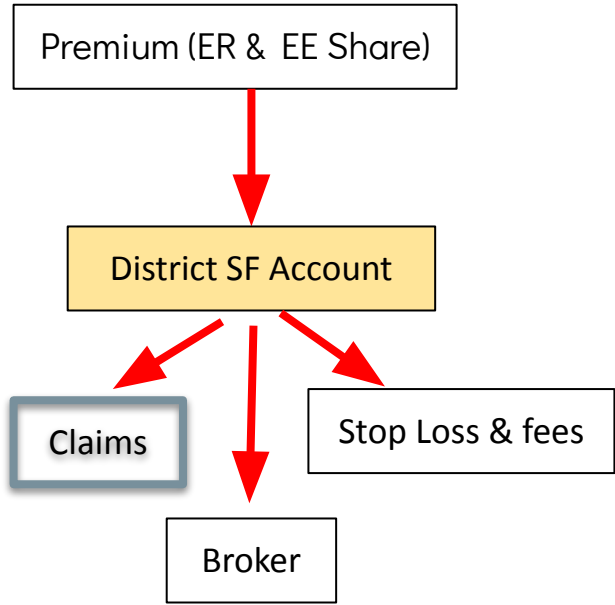
- Reduced fees/taxes
- Transparent plan & claims data
- Benefit customization & flexibility
- Keep profits

Cons:

- Budget reserves & fluctuations
- Pay losses
- Administration capacity
- Employee demographics



Fully Insured



Self-Funded



Dental

Good first step - “Low hanging fruit”

Reduce fees

Helps understand SF accounting & billing

Usually a maximum PM benefit



Health - Previous FI Plan

High Deductible - \$7000/\$13,500 - Continued to increase to save premium \$\$

HSA - \$450/\$900 - First dollars out = \$135,000

Employer HRA* - Pays claims \$3500/\$7000 to full deductible



Pre-transition

2nd year of 2-yr contract

6% cap for Fully-insured plan

Limited options - could not bid TPA

Budget surplus expected

Educate leadership & BOE



Health - Year 1 SF Plan

High Deductible - ~~\$7000/\$13,500~~ **\$3500/\$7000**

HSA - \$450/\$900 - First dollars out = \$135,000

Employer HRA* - ~~Pays claims \$3500/\$7000 to full deductible~~

Stop Loss Set Points = \$100,000 Individual / 125% Aggregate



Stop Loss

Individual/Specific Stop - Loss is the form of excess risk coverage that provides protection for the employer against a high claim on any one individual. This is protection against abnormal severity of a single claim rather than abnormal frequency of claims in total.
(Ex. \$125,000 per member)

Aggregate Stop-Loss - provides a ceiling on the dollar amount of eligible expenses that an employer would pay, in total, during a contract period. (Ex. 110-150% of expected claims).

\$300 expected claims per mo. \times 550 ee's \times 12 mos \equiv \$1,980,000 \times 110% = \$2,178,000

\$300 expected claims per mo. \times 550 ee's \times 12 mos \equiv \$1,980,000 \times 150% = \$2,970,000

Health - Year 1 Plan Data



| Health Insurance Experience Reporting 2022-2023 | | | | | | | | |
|---|------------|--------|-------|------------------------------------|---------------------|---------------------|---------------------|-------------------------------|
| Month | Enrollment | | | Fixed & Fees | Claims | Actual | Actual | |
| | Single | Family | Total | Admin, Stop Loss, Agg Ins, Consult | Paid Claims | Total Fees & Claims | Plan Funding | Loss Ratio (Actual vs Budget) |
| July | 40 | 112 | 152 | \$ 57,531 | \$ 29,897 | \$ 87,428 | \$ 211,976 | 41.24% |
| August | 40 | 112 | 152 | \$ 57,531 | \$ 143,034 | \$ 200,565 | \$ 210,553 | 95.26% |
| September | 51 | 126 | 177 | \$ 63,408 | \$ 97,724 | \$ 161,131 | \$ 210,553 | 76.53% |
| October | 54 | 129 | 183 | \$ 65,275 | \$ 241,810 | \$ 307,085 | \$ 236,889 | 129.63% |
| November | 52 | 129 | 181 | \$ 64,874 | \$ 185,222 | \$ 250,097 | \$ 242,260 | 103.23% |
| December | 51 | 128 | 179 | \$ 64,252 | \$ 244,244 | \$ 308,496 | \$ 237,277 | 130.02% |
| January | 50 | 128 | 178 | \$ 64,052 | \$ 172,219 | \$ 236,271 | \$ 240,512 | 98.24% |
| February | 49 | 128 | 177 | \$ 63,851 | \$ 239,147 | \$ 302,998 | \$ 241,030 | 125.71% |
| March | 50 | 127 | 177 | \$ 63,630 | \$ 241,526 | \$ 305,156 | \$ 240,124 | 127.08% |
| April | 49 | 127 | 176 | \$ 63,429 | \$ 294,493 | \$ 357,922 | \$ 236,889 | 151.09% |
| May | 49 | 125 | 174 | \$ 62,585 | \$ 424,490 | \$ 487,075 | \$ 231,712 | 210.21% |
| June | 50 | 123 | 173 | \$ 61,941 | \$ 242,027 | \$ 303,968 | \$ 242,880 | 125.15% |
| Total | | | | \$ 752,359 | \$ 2,555,834 | \$ 3,308,193 | \$ 2,782,655 | 118.89% |



Health - Year 2 Renewal

No plan or deductible changes

Specific Stop Loss = +9%

Overall Fixed Costs = +7.05%

Expected Claims = +6%

Overall Expected Premium = +6.29%



Challenges & Lessons Learned

Relationship w/ Broker is key

Cost of Stop Loss

Managing high cost claimants

Requests/Appeals from members

Educating members to be good consumers

Bidding out TPA



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Questions?