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Greendale School District

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**SELF-FUNDING
PART 2**

THE SEQUEL

we know.

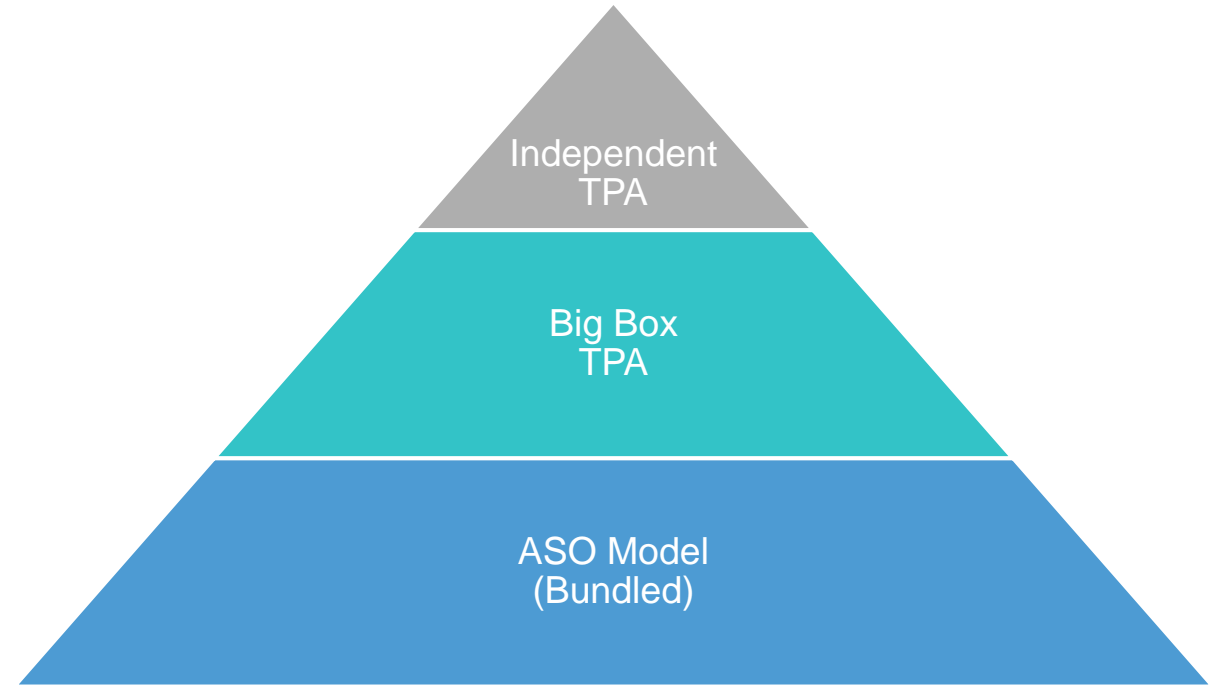
Because you asked for more, we're delivering **Self-funding Part 2!**

Learning Objectives:

- ✓ Recap the key concepts of a self-funded health plan
- ✓ Share Best Practice for Stop Loss Renewals
- ✓ Expand on cost containment mechanisms
- ✓ Emphasize the importance of EDUCATING your staff-Success stories
- ✓ District administrative roles

we know.

Self-Funding Philosophy



- It's Necessary for Sustainability
- Allows for Innovation
- Education/Consumerism Can Move the Needle for Savings

Model Depends on District;

- Goals
- Staffing
- Interest in solutions
- Appetite for risk

we know.

Why are Employers Interested in Self Funding?

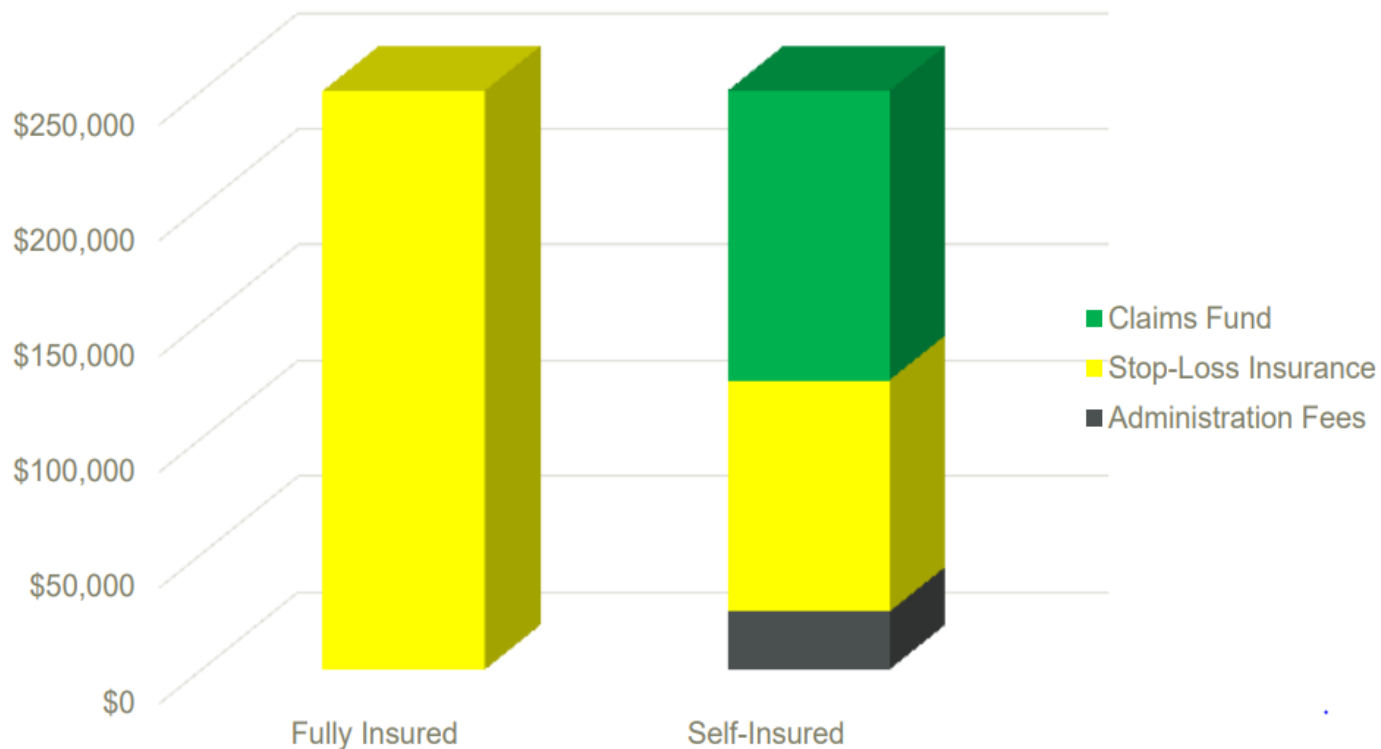
- ✓ Benefits continue to dwindle
- ✓ Flexibility and customized plan designs
- ✓ Growing need to investigate cost-savings options

the shift to



Self-Funding

we know.



Claims Fund: This fund is the equity in your plan that is used to pay for expected claims not covered by your Stop-Loss insurance

75% of dollars

Stop-Loss Insurance: This is the insurance part of the plan that reimburses the plan for claims after deductible

15% of dollars

Administration Fees:

Cost of managing the plan

10% of dollars

Fully Insured-

Insurance Company:

- Accepts risk
- Pays claims
- Determines plan design

Self-funded

Employer:

- Accepts some risk (with stop loss)
- Pays claims (with help of TPA)
- Determines plan design

we know.

SPECIFIC



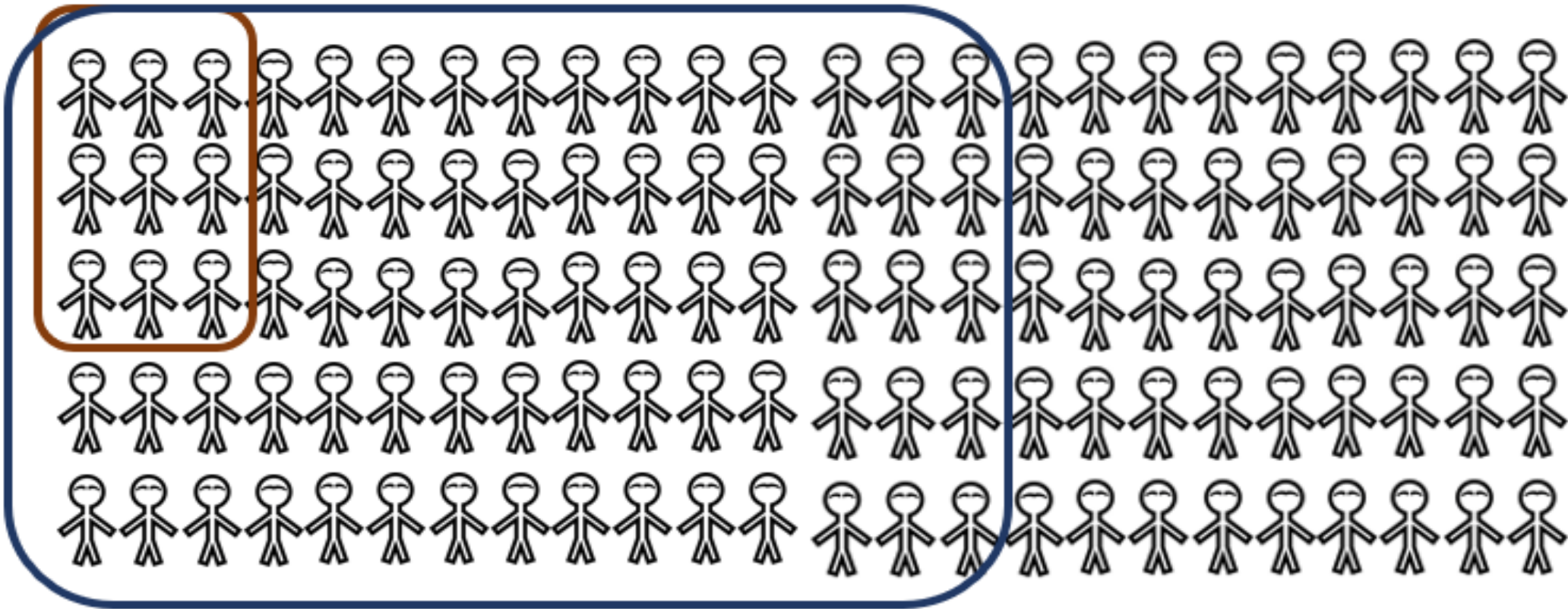
AGGREGATE

Protection for the self-insured employer from large claims that occur for any plan member

***Protection Per Member**

Protection for the self-insured employer from higher-than-expected first dollar claims from plan members

***Protection for the Whole**



Specific Stop Loss (also called Individual Stop Loss) protects a group when individuals have high claims
ex: more than \$100K

Aggregate Stop Loss protects a group when cumulatively, the groups has higher than expected claims. Even though some of the claimants do not hit the specific deductible level

we know.

Value of Marketing Stop Loss

- Easiest way to contain costs on self-funded plan
- Take advantage of competitive market and negotiations among carriers
- Nationwide options of carriers
- Low impact on plan members
- Ease of transition between carriers

Value of Marketing Stop Loss

PLAN STATUS	CURRENT UMR/TMHCC/Optom Rx \$75,000	RENEWAL UMR/TMHCC/Optom Rx \$75,000	Option 1 UMR/US Fire/Optom Rx \$75,000	Option 2 UMR/Symetra/Optom Rx \$75,000 Gapless Renewal	Option 3 UMR/Beacon Risk/Optom Rx \$75,000	Option 4 UMR/OA Rel/Optom Rx \$75,000	Option 5 UMR/Sun Life/Optom Rx \$75,000	Option 6 UMR/SU/Optom Rx \$75,000	
Enrollment Assumption									
Single	75	75	75	75	75	75	75	75	
Family	205	205	205	205	205	205	205	205	
Administration				From TPA Comparison					
Estimated Annual Admin Premium	\$42,632	\$45,753	\$45,753	\$45,753	\$45,753	\$45,753	\$45,753	\$45,753	
\$ Change from Current		\$3,121	\$3,121	\$3,121	\$3,121	\$27,676	\$3,121	\$3,121	
Organ Transplant Carve-Out with QBE									
Single			\$8.02	\$8.02	\$8.02	\$8.02	\$8.02	\$8.02	
Family			\$19.42	\$19.42	\$19.42	\$19.42	\$19.42	\$19.42	
Estimated Annual Admin Premium	\$0	\$0	\$54,991	\$54,991	\$54,991	\$54,991	\$54,991	\$54,991	
Specific Stop Loss Coverage									
Deductible	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	\$75,000	
Claims Basis	12/15	12/15	12/15	12/15	12/15	12/15	12/15	12/15	
Benefits Covered	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx	Medical, Rx	
Annual Maximum Coverage/Member	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Lifetime Maximum Coverage/Member	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	
Commissions	0%	0%	0%	0%	0%	0%	0%	0%	
No New Lasers + Rate Cap	Included + 50% Rate Cap	Included + 50% Rate Cap	Not Included	Included + 50% Rate Cap	Not Included	Not Included	Included + 50% Rate Cap	Included + 50% Rate Cap	
Lasered Members									
		Member A excluded from NNL + RC for 2024 Policy year	TBD	TBD	TBD	TBD	TBD	TBD	
Gene Therapy Rider \$1.00 PEP Monthly Premium (pepm)	Not Included	Not Included	Included in the spec rate	Included in the spec rate	Included in the spec rate	Included in the spec rate	Included in the spec rate	Included in the spec rate	
Single	\$127.10	\$197.89	\$144.10	\$142.93	\$143.66	\$152.41	\$164.08	\$146.39	
Family	\$372.35	\$555.82	\$404.38	\$416.69	\$421.08	\$423.18	\$439.33	\$435.34	
Estimated Annual Premium Costs	\$1,030,371	\$1,545,418	\$1,124,469	\$1,153,703	\$1,165,139	\$1,178,196	\$1,228,432	\$1,202,695	
\$ Change from Current		\$515,047	\$94,098	\$123,332	\$134,768	\$147,825	\$198,061	\$172,324	
% Change from Current		49.99%	9.13%	11.97%	13.08%	14.35%	19.22%	16.72%	

we know.



If you have a self-funded plan, your broker needs to bid you stop loss annually to more than 10 carriers

we know.

Levers to Contain Costs



Education

Clinics

Direct Contracts

Pharmacy Programs

we know.

Keep
in Mind...

- Revenue Limits are NOT going up
- The District has limited dollars to use for ALL expenses
- Inflation in health care exists, just as it does in other areas



we know.

***Today's claims are
tomorrow's premiums***



we know.



Some things aren't
controllable....

But when we
CAN control
where we go for
care, it matters!

we know.



YOUR COMMITTMENT



**\$25,545 in claims
avoided on the
health plan!**

43 medical
50 mental health
6 dermatology



**\$213,865 in claims
avoided on the health
plan!**

663 visits



**\$8,500 in claims
avoided on the
health plan!**

YOU did this: \$247,910

we know.



Greendale Schools' employees and dependents enrolled in the Greendale Schools' medical plan are covered at a \$0 patient co-pay.



FOR ACHES AND PAINS, THINK ATI FIRST

(88% Americans who suffer with chronic back/neck/knee pain***)**

**Survey pulled 2,000 U.S. adults.*



If you're experiencing pain, don't live with it.
Visit ptfirst.com/Greendale-Schools or scan the QR code to get started today.



we know.



Greendale School District
is excited to announce their partnership with
Medical Diagnostic Imaging

MDI will be providing MRI, CT, Ultrasound and X-Ray services for covered members.

If you need imaging, ask your provider to fax your order to one of MDI's convenient locations.

MDI will then call you direct to schedule your **MRI, CT or Ultrasound** exam.

Have your provider call MDI to schedule an immediate appointment for **X-Ray**.

Phone: 414-282-4100 Fax: 414-282-4105

The following locations, service offerings and hours are listed below.

	MDI GREENFIELD 6150 W Layton Ave Greenfield, WI 53220 <i>1.5T Wide Bore MRI, 3T MRI, Ultrasound and X-Ray</i>	MDI MAYFAIR 3077 N Mayfair Rd Wauwatosa, WI 53222 <i>3T MRI, CT, Ultrasound and X-Ray</i>
ASK4MDI		
Monday	7:00am-8:00pm	7:00am-8:00pm
Tuesday	7:00am-8:00pm	7:00am-8:00pm
Wednesday	7:00am-5:30pm	7:00am-8:00pm
Thursday	7:00am-8:00pm	7:00am-8:00pm
Friday	7:00am-5:30pm	7:00am-5:30pm
Saturday	8:00am-4:30pm	8:00am-4:30pm
Sunday	Seasonal	Seasonal

Take control of
your medical
imaging costs.



Please note: You will need to provide identification at time of service as well as your insurance card for verification purposes only.

we know.



- Save on prescriptions
- Available to anyone, regardless of insurance coverage

GOODRX

Savings Opportunities for Prescription Drugs

Drug prices vary widely between pharmacies.

GoodRx finds the lowest prices and discounts.

How GoodRx works:
GoodRx gathers and compares prices for every FDA-approved prescription drug at more than 70,000 pharmacies. They then provide those current prices and discounts to help you find the lowest cost pharmacy, near you, for your prescriptions. GoodRx is 100% free. No registration required.

Compare Prices

Get Free Coupons

Show To Your Pharmacist

75%

GoodRx customers with insurance

70,000+

U.S. pharmacies accept GoodRx

\$100+

How much prices can differ between pharmacies

GoodRx for Pets
We love our pets, but they can be expensive! It has been hard to compare prices on pet medications — until now. GoodRx brings together prices from major online pet medication retailers, local pharmacies and other sources to help find you the lowest prices on all your pet medications.

SCAN ME

800.566.7007 | myknowledgebroker.com

An Assurex Global Partner

How to Use GoodRx

How do I find discounts for my drug?
It's easy. Just go to the home page, type in your drug's name in the search field, and click the "Find the Lowest Price" button. We'll even help you spell the name of your prescription.

What are GoodRx coupons?
GoodRx coupons will help you pay less than the cash price for your prescription. They're free to use and are accepted at virtually every U.S. pharmacy. Your pharmacist will know how to enter the codes on the coupon to pull up the lowest amount available.


How do I use a GoodRx coupon?
Similar to using a coupon at a grocery store, simply print the coupon and bring it with you to the pharmacy when you pick up your prescription. The pharmacist will enter the code on the coupon into their system to receive the discount. If you don't have a printer or want to save paper and space, you can show the coupon on your smartphone.

[Print the coupon to yourself via email or text](#)
[Download our mobile app](#)
[Visit our mobile website](#)
[Learn more about using a GoodRx coupon](#)

GoodRx


myknowledgebroker.com
An Assurex Global Partner

Care Navigation



**Greendale
Provider
Search**


START HERE



Onsite District Clinic
(Now Open in Summer!)



Teladoc



Froedtert Fast Care

New Seek guidance from Shelly, the onsite clinic nurse from Aurora for more for more care navigation!
*Book your appointment now!

ENT

Advanced ENT Specialist
Allergy Sinus Center
Moreland ENT

Lab Work

A2CL
LabCorp of America
Northshore Lab Services
Ascension WI Lab

Chiropractor

ChiroOne of Hales Corners
Aligned Modern Wellness
Chiropractic Company

Dermatology

Affiliated Dermatology SC
Forefront Dermatology

Imaging

MDI

Physical Therapy

ATI



SCAN ME

Scan the QR Code and make a Froedtert Fast Care appt.!



we know.



CALL TO ACTION

Get your staff engaged!

we know.

Good News!

 **Greendale Schools**
Cultivating Excellence In Every Student



TOP 3

**The Greendale School District
\$250 / \$500 Deductible Health
Plan Continues!**

**Top 3% in the State
Your efforts matter!!**

we know.

Direct Contract Alternatives

Lower Cost, High Quality Care Options

- Clinics
- Direct Primary Care
- Imaging
- Physical Therapy
- Orthopedics

- Contracted prices
- Multiple locations
- Convenient hours
- Employee communication materials



Goal - Drive Utilization to Lower Cost Options



- No copay or cost share for members
- Provide a perk, reward, gift card to members

we know.



**If you have a self-funded plan,
you need direct contracts where
it makes financial sense**

we know.

Accounting

- Monitoring Weekly Ins and Outs of the Account
- Making a manual cash transfer for each payroll to the Self-Funded Account
- Making monthly Journal Entry to the account for Ins and Outs
- Making an annual Journal Entry based on the plan performance versus Premium Share

we know.

Plan Performance 2011-2023

YEAR	SINGLE PREM / MONTH	FAMILY PREM / MONTH	PROVIDER	% CHANGE	
2011-12	\$765.45	\$1,731.69	United		
2012-13 [^]	\$593.48	\$1,342.58	United	-22.00%	switch to high deductible plan, with reimbursement
2013-14	\$796.06	\$1,800.94	United	34.00%	
2014-15	\$690.71	\$1,562.71	Anthem	-13.00%	
2015-16	\$725.25	\$1,640.74	Anthem	5.00%	
2016-17	\$701.46	\$1,586.94	Humana	-3.30%	* bad experience in this year, leading to a 30% proposed increase
2017-18	\$765.00	\$1,732.00	GHT	9.10%	
2018-19	\$765.00	\$1,732.00	GHT	0.00%	
2019-20	\$807.08	\$1,827.26	GHT	5.50%	
2020-21	\$895.22	\$2,026.82	WEA	11.00%	*Initial Proposed from GHT, this is the cooperative maximum increase of 19%
2021-22*	\$895.22	\$2,026.82	UMR	0.00%	
2022-23	\$935.14	\$2,117.15	UMR	4.46%	Single Increase, staff premium share increased from 10% to 12%
2023-24	\$991.44	\$2,244.60	UMR	6.02%	
^Switch to high deductible plan, with reimbursement					
*Switch to a Self Insured Model					

Fund 73 Frequently Asked Questions

The following are frequently asked questions regarding a Wisconsin School District employee benefit trust. This information pertains only to state requirements for district aid eligibility and fund 73 reporting to the Wisconsin Department of Public Instruction. This information is not intended to answer questions specific to federal grant eligibility or GASB financial reporting requirements.

For questions about this information, contact dpifin@dpi.wi.gov.

- [1\) What are the GASB requirements for the timing of an actuarial valuation?](#)
- [2\) What is the annual deadline for the school district's benefit funding contribution to the trust?](#)
- [3\) What individuals are included when determining plan members?](#)
- [4\) When is a study considered to be put into use?](#)
- [5\) Is a district required to implement GASB Statement 74/75 for financial reporting purposes when a trust has been established?](#)
- [6\) Does a new valuation need to be performed when significant changes in benefit provisions are made?](#)
- [7\) How is the Actuarially Determined Contribution amount for determining state aid eligibility determined?](#)
- [8\) Will the full contribution to the trust be eligible for categorical aid?](#)
- [9\) Can a district make a contribution to a trust for future benefits AND pay the current year benefit costs from district general operating funds?](#)
- [10\) Can employee benefits that are not "Other Post Employment Benefits" \(OPEB\) under GASB Statement 75 be funded and accounted for in fund 73?](#)
- [11\) Should a Health Reimbursement Arrangement \(HRA\) be accounted for in fund 73?](#)
- [12\) How should a Health Reimbursement Arrangement \(HRA\) be accounted for if it is not funded in an irrevocable trust?](#)
- [13\) Can funds held in an irrevocable trust be used to pay for employee benefits that are not held in the trust?](#)
- [14\) What is the implicit rate subsidy and how is the implicit rate subsidy calculated?](#)
- [15\) Should I include employees that are currently not on the district health insurance plan in the allocation of the contribution and implicit rate subsidy?](#)
- [16\) What needs to be sent to the DPI for the trust?](#)

SELF-FUNDED HEALTH BENEFITS

The following are requirements established by the Department of Public Instruction for fiscal reporting self-funded "self-insurance" health benefit plan transactions in district Budget and Annual Reports. Expenditures for self-funded plans shown in these reports must include the total fiscal year costs incurred, including an estimate for incurred but not reported (IBNR) cost. The district should confer with appropriate professionals and the Wisconsin Commissioner of Insurance prior to implementing a self-funded health benefit plan. The Commissioner of Insurance has the authority under Statute 120.14(1) to specify information about the self-insurance plan to be included in the district's annual audit.

1. ESTABLISHING A PREMIUM EQUIVALENCY CHARGE:

- In consultation with professional advisors, a "premium equivalency charge" is developed annually. The premium equivalency charge should include all cost expected to be incurred as a result of offering the plan such as:
 - expected incurred benefit costs - both reported and unreported
 - stop-loss insurance
 - plan administration costs
- The premium equivalency charge cannot include a provision for potential costs other than the expected annual costs of the plan. Adequate stop-loss insurance should be acquired to provide for greater than expected plan costs. Prior to establishing a fund balance reserve for greater than expected cost the district should discuss with legal counsel as to statutory authority or contractual requirements to do so.

2. ACCOUNTING ENTRIES: A series of General Fund (Fund 10) balance sheet accounts are used to account for liabilities and fund balance relating to the self-funded insurance plan.

- **Health Benefit Expenditure Accounts** - The district's share is budgeted for and expended to Object 240 using the appropriate function for individuals included in the plan.
- **Self Funded Health Deposit Accounts** - The offsetting liability account for the expenditure charge is account 815 100 "Self Funded Health Benefit Deposits" (sub-accounts used: 815 110 "District Share", 815 120 "Employee Share", 815 130 "Non-Employee Payments").

These accounts serve as temporary deposit accounts for premium equivalency payments made by the district, employees and retirees. The accounts may be further subdivided to separate the various types of plans (health, dental) or participant groups.

- **Claims Payable Transaction Account** - In the period benefit coverage is provided, the contribution deposit accounts (815 100 series) are charged (debit entry) and the "Claims Payable" account (817 000) is credited. Payments for benefit claims and associated costs are charged to this account.
- **Fund Balance reserved for Self Insurance** – Fund Balance Account 936110. That portion of fund balance that is restricted for self insurance purposes. This fund balance is not available for board designation or general operating purposes. Districts should build a

we know.



we know.