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Lyon County School District Insurance Broker 2024 RFQ

Presented By



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6.2 Executive Summary

Lyon County School District Team,

Thank you for the opportunity to present to you our employee benefits consulting and brokering services proposal for Lyon County School District (the District), its employees, retirees, and their families.

Employee benefits brokering and consulting for public employers in Nevada requires an intimate knowledge of the complex regulatory and legislative constraints imposed on Nevada public employers; this comes only with considerable experience and a broad public entity client base.

With over 45 public entity clients across Nevada, LP Insurance Services is the pre-eminent expert in the management of Nevada public employer benefit programs.

With extensive fully-insured and self-funded public entity experience, we maintain unique and considerable knowledge of the issues facing Nevada public employer benefit programs and the local healthcare environment.

We thank you again for the opportunity to discuss with you our extensive service capabilities and ideas for improving the management of the District's employee benefits program.

Sincerely,

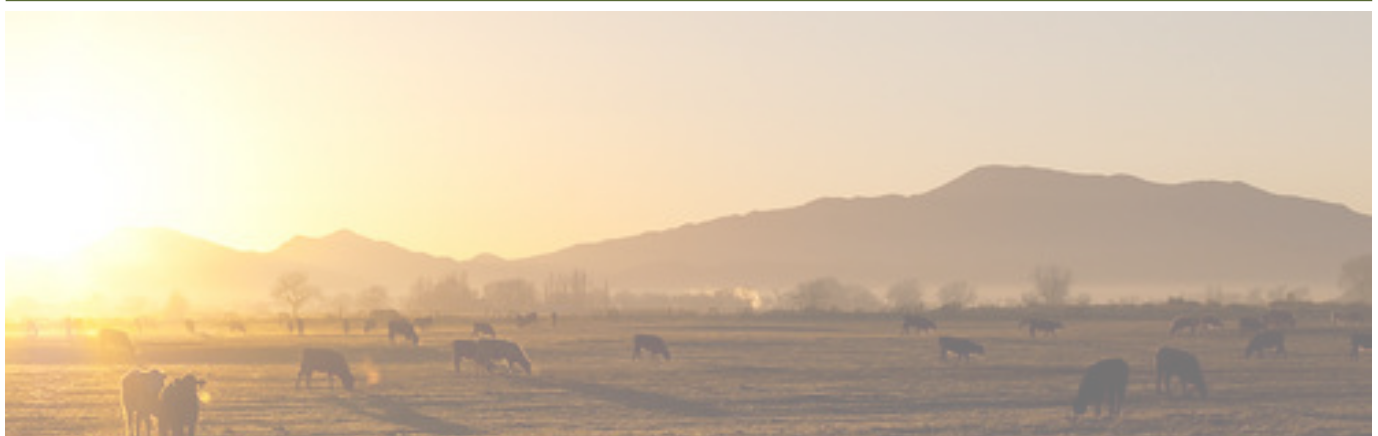
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The Trusted Consultant for Nevada Public Employers

Over 45 public entities in the State of Nevada rely on us, not only to obtain the lowest possible pricing, but also to effectively deliver the appropriate resources and support to their administration, employees and other stakeholders.

Our full public entity client list is below:

- | | |
|---|--|
| CC Communications | Kingsbury Grade General Improvement District |
| Carson City | Lander County |
| Churchill County | Lander County School District |
| Churchill County School District | Minden Gardnerville Sanitation District |
| City of Carlin | Mineral County |
| City of Elko | Nevada State Board of Medical Examiners |
| City of Ely | Nevada Tahoe Conservation District |
| City of Fallon | North Lake Tahoe Fire Protection District |
| City of Fernley | North Lyon Fire Protection District |
| City of Sparks | Nye County |
| City of Wells | Reno-Tahoe Airport Authority |
| Douglas County | Round Hill General Improvement District |
| Douglas County School District | Reno Sparks Convention Visitors Authority |
| Douglas County Sewer Improvement District | Storey County |
| East Fork Fire Protection District | Storey County School District |
| Elko County School District | Sun Valley General Improvement District |
| Esmeralda County | Tahoe Douglas Utility District |
| Esmeralda County School District | Tahoe Regional Planning Agency |
| Eureka County | Tahoe Transportation District |
| Eureka County School District | Topaz Ranch Estates General Improvement |
| Gardnerville Ranchos General Improvement District | Truckee Meadows Fire Protection District |
| Incline Village General Improvement District | Washoe County |
| Indian Hills General Improvement District | Washoe County School District |
| | Western Nevada Development District |

Firm Overview & Staff Breakdown

As requested in the RFQ, below is an overview of our firm and breakdown of our staff. The below will illustrate both our footprint as an agency and that of the office that will perform the scope of work defined in the RFQ.

Firm Overview:

- **Years in Business:** LP Insurance Services was founded in 2010 having evolved from a number of prior iterations, including: Lucini & Associates, Lucini Parish Insurance, ABD Insurance and Financial Services and Wells Fargo Insurance Services (USI).
- **Firm Size:** 252 employees with annual revenue of over \$60 million.
- **Organization Type:** LLC
- **Service Locations:**
 - **LP Headquarters:** Reno
 - **Primary Office for LCSD:** Reno
 - **All Other Offices:** Fernley, Carson City, Elko, Fresno (CA), Gold River (CA), Las Vegas, Phoenix (AZ), Portales (NM), Quincy (CA), Roswell (NM), Truckee (CA)

Staff Breakdown:

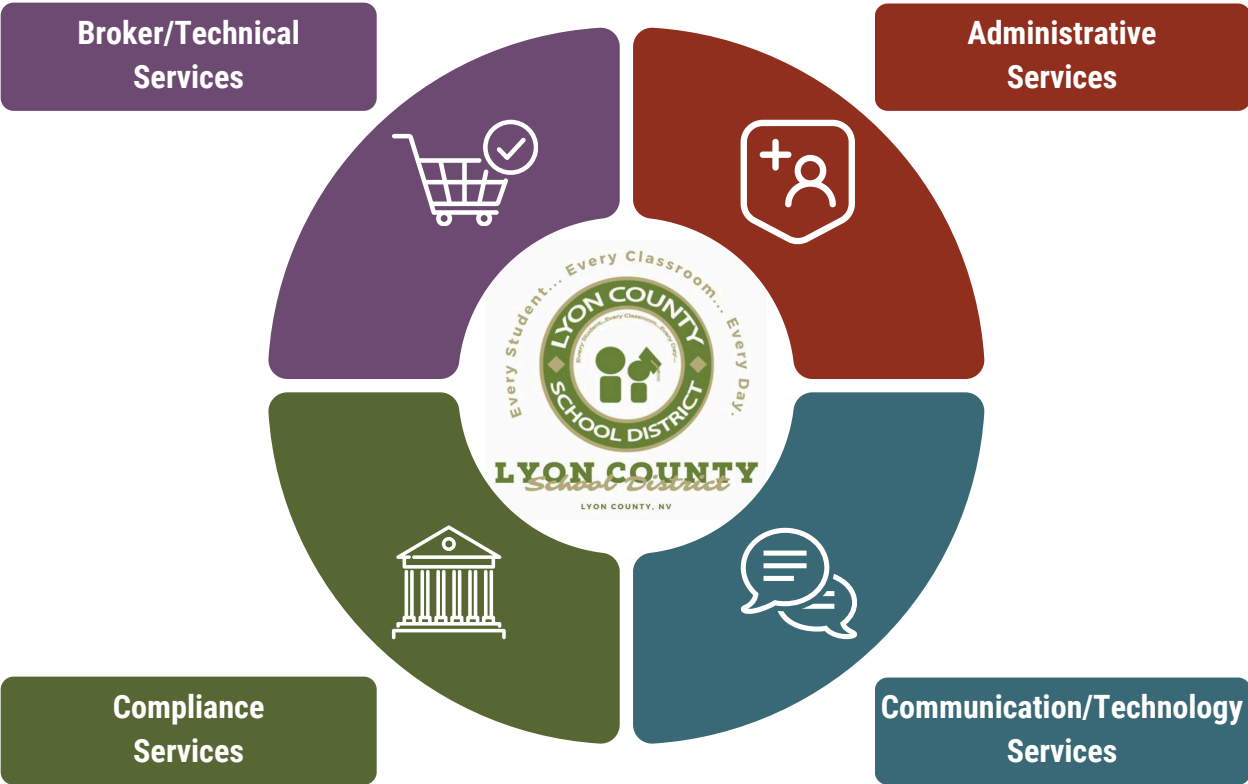
- **Total Employees:**
 - All Offices: 252 employees
 - Reno Office: 145 employees
- **Managers/Supervisors:**
 - All Offices: 34 supervisors
 - Reno Office: 20 supervisors
- **Partners:**
 - All Offices: 41 partners
 - Reno Office: 25 partners

Please see the following page for a description of the types of services our firm provides relevant to this RFQ.

Service Overview

Consistent with the scope of work defined in the RFQ, the forthcoming proposal will highlight four core areas of service that, together, comprise our offering and demonstrate our ability to exceed the requirements and expectations set forth by the District.

These four components are critical to the successful management of any benefits program and, together, they represent the holistic nature of our offering.



Service Overview

In addition to the employee benefit specific services outlined in this proposal, we also have direct experience in providing the following services to Nevada-based public entities:

General Liability Insurance Services

Property & Cyber Insurance Services

Risk Management Services

Workers Compensation Risk Services

Contractual Risk Transfer Services

Safety Management Loss Control Services

HR Consulting Services

Further details on the above services will be provided upon request.

Notable Public Sector Initiatives and Experience

LP delivers a unique level of Nevada public sector knowledge and service expertise.

Below is a partial list of accomplishments we've delivered on our public sector clients' behalf:

- In response to the OPEB (Other Post Employment Benefits) liability issues raised by GASB Statement 45, LP continues to provide a range of solutions for our public entity clients' retiree benefit obligations, including:
 - Retiree Individual Premium Health Reimbursement Arrangements
 - Employer Group Waiver Plans (EGWPs)
 - Retiree Drug Subsidy (RDS)
- Assisted in creating various wellness programs, including the nationally recognized Washoe County School District wellness program
- Created a multi-entity insurance program for Nevada public entities through the Nevada League of Cities Group Insurance Program
- Facilitated clients' HIPAA compliance by providing sample policies, procedures and checklists and in-person visits to communicate requirements for compliance
- Developed an exclusive mobile app, providing several public entities with their own custom built app experience (i.e. app layout/branding, employer-specific content, push notifications, etc.)
- Hosted, facilitated and presented various seminars, including topics such as CAA, ARPA, Health Care Reform, HIPAA, Medicare Part D and alternative funding solutions
- Crafted several campaigns with our public entity clients engaging their members with practical education and resources on Medicare, impacting both active and retiree pricing
- Routinely act as a subject matter expert during collective bargaining, providing both solutions and supporting material to assist in the process

6.3.2 Experience of the Firm

While detailed descriptions of our proposed scope of work are included in section 6.4, the following pages include case studies and specific examples that demonstrate our unique experience.

Managing Retiree Drug Costs in Compliance with N.R.S..

We regularly monitor and evaluate prescription drug costs for our self-funded clients. Our findings are shared regularly, along with a range of viable alternative solutions, all aimed at helping our clients manage costs and member experience.



Several years ago, we implemented an "Employer Group Waiver Plan" (EGWP) to address one of our self-funded client's retiree drug costs.

Prior to implementing this program, which was carefully designed to ensure maximum compliance with the various state statues governing public sector self-funded plans, we compared the expected cost/benefit of the EGWP against the more common Retiree Drug Subsidy (RDS) solution.

Compared to the RDS subsidy being received prior, the EGWP arrangement continues to produce an average annual savings of over \$700,000.

Although the EGWP arrangement continues to outperform the expected RDS savings, we continue to evaluate both in an effort to ensure the most advantageous arrangement is in place at all times.

Creative Rx Solutions that Work for Employees and Employers.



We recently implemented a non-insurance prescription solution that provides dedicated advocates to help procure high-cost maintenance, specialty meds, infusion therapies, and drugs that treat orphan conditions through multiple avenues.

The decision to move forward with this solution was made carefully, and only after in-depth discussion with multiple stakeholders and consideration of several other competing solutions.

Over the first year, the employer saw \$3.5 million in savings with members saving \$154,000.

Broker & Technical Service Experience

Our team has a long and proven track record of success in brokering on our clients' behalf.

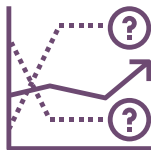
Our unparalleled brokering ability is demonstrated through several examples below.

Negotiation



In 2021 we had a client receive a 71% renewal. This was due to a single large claimant; \$4 million was paid in the current policy year, with another \$2 million expected in the renewal year. Two months into the renewal year, we assisted in transitioning the claimant, who was on COBRA, to their spouse's plan. As a result of the risk being removed from the plan, we negotiated a mid-year reduction of 62%.

Renewal Forecasting



As stated, we regularly track and analyze our clients' claims data. Last year, one of our non-profit clients had a large claimant that increased their claims loss ratio by 250% over 2 months. We immediately engaged with their insurance carrier which resulted in the member transitioning from hospital to home-based care, eight months in advance of renewal. As a result, \$250,000 in claim costs were averted and a positive renewal experience resulted.

Alternative Funding



While we are experts in self-funding and employ a variety of alternative funding arrangements, we don't believe self-funding is right for all employers, regardless of size. Recently, a client with over 700 employees wanted to explore self-funding. Through our consultative process, we determined that the organization's conservative nature was not conducive to self-funding their medical plan. Alternatively, we assisted in self-funding their dental and vision plans, while keeping medical fully insured.

Since the transition, they have accumulated a combined dental and vision reserve exceeding \$400,000. In addition, no rate increases have been passed to employees.

Administrative Service Experience

Our service philosophy is simple: **provide superior service that generates genuine appreciation from our clients and their employees.** Empathy is key to our approach, and we target a one-hour response time to all communications made to our team.

Our commitment to service is demonstrated below:

Billing Reconciliation



When taking over a new client, we carefully review each policy in place including billing reconciliation. Recently upon appointment with a large public sector client, we discovered that their Medicare retiree population was being billed the same rates as their active employees. Working with the insurance carrier and Medicare, we were able to secure a refund of over \$50,000 in overpaid premium.

Claims Resolution



When issues of questionable claims adjudication arise, they become our top priority. Last year an employee of a client had a heart attack and needed immediate medical treatment. He was placed on an air ambulance flight to Stanford where he ended up passing before landing. The carrier billed the flight as out-of-network, leaving the surviving spouse \$70,000 in charges. After the initial and secondary appeals, we filed on the spouse's behalf were denied, our team filed a formal complaint with the Nevada Division of Insurance. This was successful and resulted in the carrier covering the claim in its entirety.

Member Advocacy



Navigating the complexities of the healthcare system can be difficult. On March 29th, a member of a client needed a bone marrow transplant and hadn't gotten prior authorization from the carrier yet with the procedure scheduled for the next day. Without authorization, the transplant would have went to another recipient as the donor cells must be infused within 7 days of collection and they had been collected the week before. Our team expedited the authorization process working with both the provider and carriers. The member received his scheduled transplant rather than having to go through the entire process of finding a match again.

Technology & Communications Experience

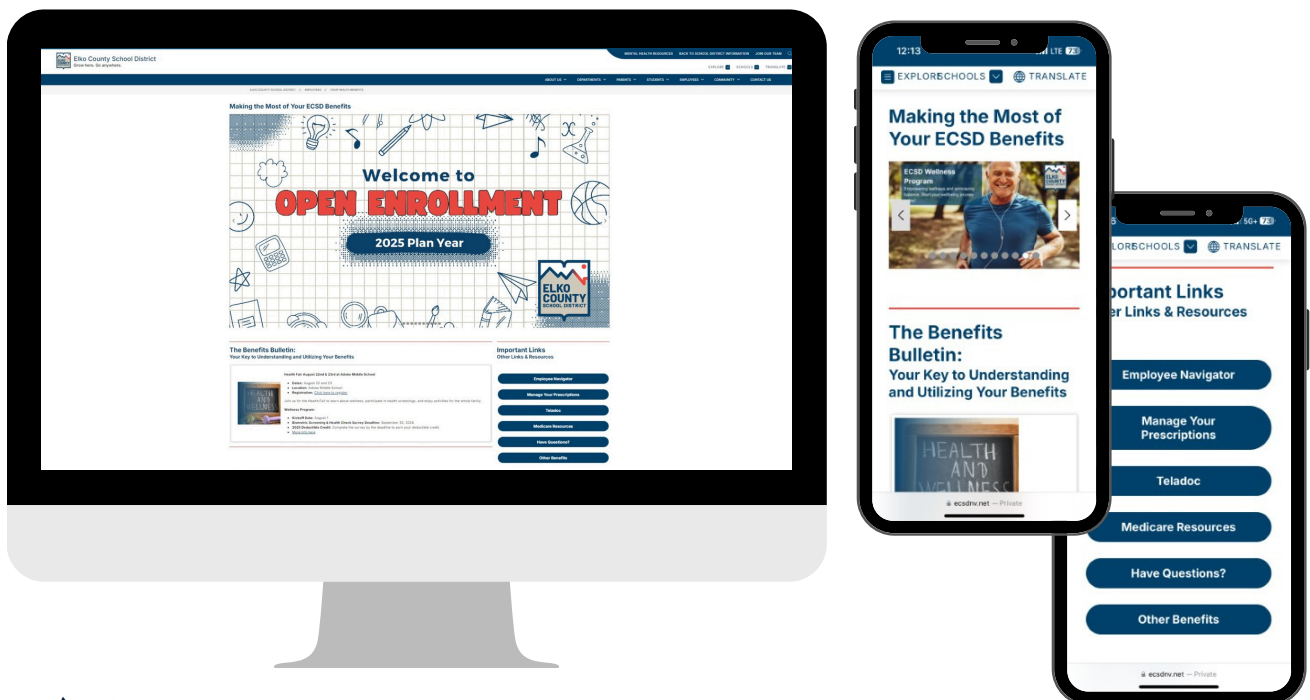
We have many clients with employees across multiple worksites, shifts, generations and even languages. In these environments, we've found that leveraging technology and mobile devices can further ensure employees receive important information and resources about their employee benefits.

Our direct experience with leveraging technology and mobile devices with other Nevada-based public entities is demonstrated below.

Leveraging Existing Technology & Communication Channels Northern Nevada School District - 1,200 employees

Each year we have off-cycle discussions with our clients to strategize around our short and long-term goals regarding their benefits plan. In this specific case, our discussion led us to drive an initiative to enhance the communication component of our overall benefit strategy. After a review, we discovered that the client had the existing infrastructure in place to support a desktop/mobile webpage dedicated to their employee benefits.

To achieve this, our team interfaced with the software developer of the website directly to design the webpage. Included are links to other important platforms/resources, monthly communications, and other important benefit information.



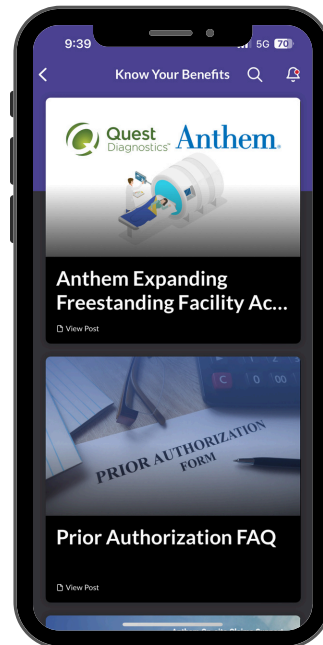
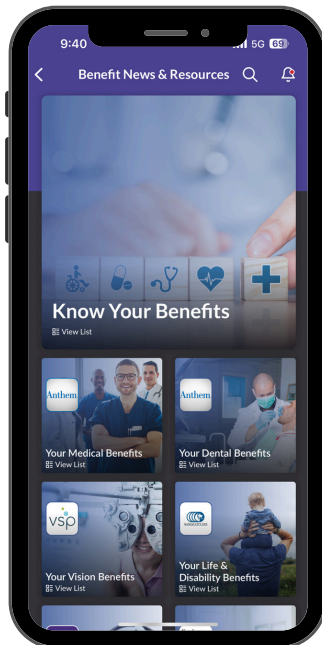
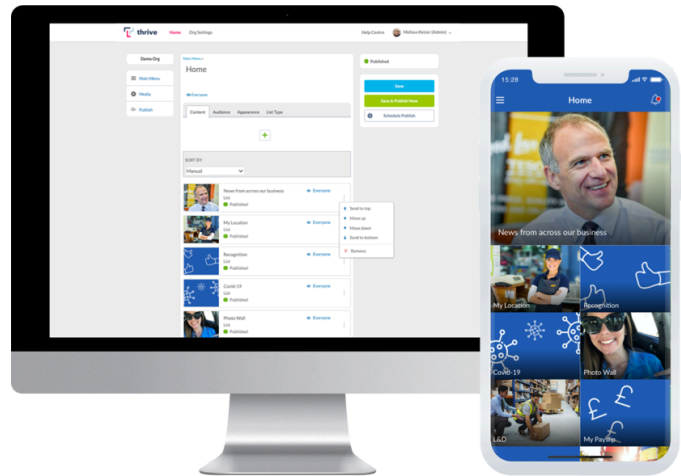
6.3.2 Experience of the Firm

Prosper Communications App Northern Nevada County - 650 employees

In 2022, LP Insurance partnered with a software developer to create our very own employee communications app, Prosper. Using Prosper, our clients can post content, segment communication and resources to specific and broad user groups, send unlimited push notifications, and more.

- Unlimited push notifications
- Unlimited content sections
- Completely customizable layout
- Embed any website or portal
- Audience segmentation and personalization
- Files, downloads, pictures and video compatible
- Compliance posts
- Multi-lingual support
- Analytics of app utilization

Intuitive 'drag & drop' content management system



Compliance Services

Our employee benefits team has over 100 years of collective experience guiding employers through the ever-changing legal and regulatory environments surrounding their benefits program. Together with our attorney, Stacy Barrow, we audit all programs upon takeover and annually to ensure full compliance with all state, federal and local laws.

We produce, supply and/or print all annually required notices & disclosures, including model notices and other forms issued by government agencies when new guidance is released (NRS, HIPAA, Medicare Part D, NSA, 1094/1095s, Women's Children and Cancer, GINA, COBRA, etc.).

We provide regular targeted employer education, specific to each of our clients, addressing all existing and new compliance requirements. Some examples are below:



Webinars:

- Benefits during Leaves of Absence - January 2024
 - <https://bit.ly/4f2dTbf>
 - Passcode: 4CW+&gPf
- Upcoming Election + Regulatory/Legislative Update - September 2024
 - <https://bit.ly/3UthE1d>
 - Passcode: Z9XFIC#@



Seminars:

- Cannabis in the Workplace - March 2024
- Employment Law & NV Legislative Tracking - June 2025



Compliance Alerts:

- CMS Redesigns the Medicare Part D Prescription Drug Program - May 2024
- 2025 Affordability Percentage Update - September 2024

When appropriate, we provide relevant employee communications, such as how changes in a law's provision will affect them and their benefits.

Specific to employee benefits and public sector related BDRs/bills/legislation, we produce legislative tracking and financial modeling during Nevada's legislative sessions.

Mineral HR & Compliance Service Platform

In addition to our in-house compliance services and resources, LP has a partnership with Mineral, a robust HR and compliance platform. With Mineral, clients can:

Monitor Organizational Health

- HR Assessment
- Document Library
- Salary Compare
- Calculators

Compliance Training and Management

- Smart Employee Handbooks
- Law Alerts
- To-Do Lists
- OSHA Log

Tackle HR and Compliance Basics

- HR Compliance Library
- Job Descriptions
- Benefits Document Creator
- Compliance Calendar

Boost Employee Engagement

- Workplace Harassment Prevention
- Workplace Safety

Access to Mineral is included at no additional cost for all LP clients. **For more information on the resources available and the Mineral platform, please scan the QR code below or visit trustmineral.com/solutions/.**



Scan Me!

6.3.3 References

References

Below are three current clients of LP who work with the proposed team for Lyon County School District. The services being provided to all three include broker, administrative, technology/communication, and compliance services.

Elko County School District | 1,200 Employees
850 Elm St, Elko, NV 89801

Contact:

Cody Krenka, Director of Human Resources
775.738.5196 | ckrenka@ecsdnv.net



Douglas County | 650 Employees
1594 Esmeralda Ave, Minden, NV 89423

Contact:

Wendy Lang, Assistant County Manager
775.782.9066 | wlang@douglasnv.us



Nye County | 700 Employees
2100 E. Walt Williams Dr, Ste. 110, Pahrump, NV 89048

Contact:

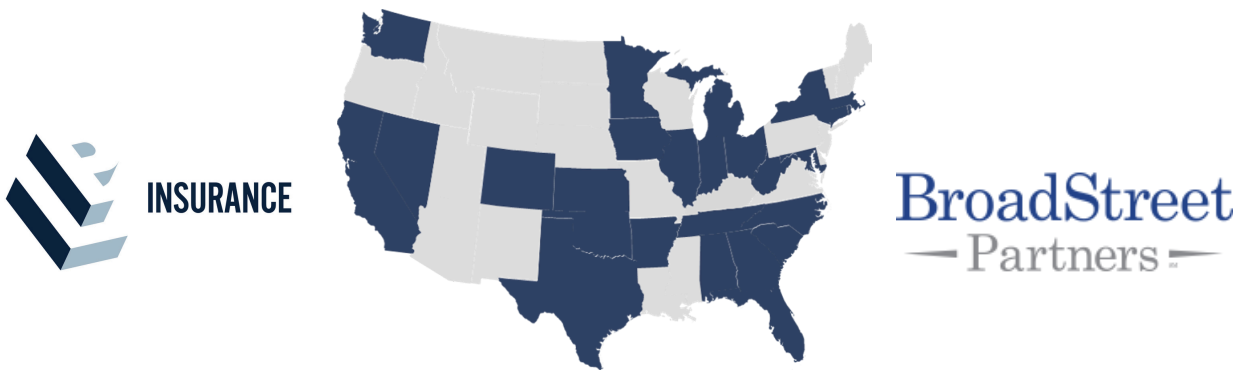
Elona Goldner, HR Director
775.751.6302 | egoldner@nyecountynv.gov



Financial Backing & Stability

In 2018, LP joined BroadStreet Partners, a national brokerage holding company headquartered in Columbus, Ohio. Through their 30 core operating units, BroadStreet is a Top 15 national broker and operates in all 50 states.

The BroadStreet model provides our clients with the best of both worlds: a national resources with local expertise and control.



30 core agency partners

\$1.7B+ in total annual revenue

\$14B+ in total premium managed

27% compounded annual growth rate

550+ tuck in acquisitions

8,100 experienced colleagues

660+ equity holders

Response to Disclosure Request

We confirm that neither our firm, nor any of our consultants, have any pending claims, settlements, or other exposures related to contract breaches, failures, or litigation, civil or criminal. Additionally, there are no prior or ongoing investigations involving our firm or consultants, nor have any of our consultants been found guilty, liable, or otherwise judged adversely in such matters.

Our firm maintains a consistent record of compliance, professionalism, and successful contract execution, with no documented instances of unsatisfactory performance, contentious demeanor, or significant contract failures. We remain committed to delivering high-quality service and meeting all contractual milestones, as evidenced by our positive client relationships and reputation in the industry and our communities.

Proposed Scope of Service



Broker Services

LP is appointed with and/or has the ability to work with all licensed insurance carriers and vendors in the State of Nevada. Additionally, we have longstanding and positive relationships with each of the District’s current carriers.

As its designated representative, we will aggressively manage the District’s insurance costs through a balanced combination of bid solicitation activity, negotiation, rate projections and data analysis.

Broker Services	Frequency
<u>Strategic Planning</u>	
5.2 - Meet with HR and management to develop/reestablish long-range goals	annually
5.2 - Meet with HR and management to review/recalibrate short-range strategies	monthly or as needed
5.4 - Provide consulting/recommendations on: <ul style="list-style-type: none"> • New benefit providers/products/services • 5.5 - Emerging market trends, claim trends and pricing • 5.16 - Innovative ideas to enhance programs and increase employee morale 	quarterly or as needed
5.1 - Develop strategies and materials for presentation to Board of Trustees and the District; attend when needed	as needed
5.10 - Provide written notice and clarification of important rate, network, and coverage issues as needed	as needed
5.7 - Provide a feasibility and fiscal impact study on plan design options	annually
5.7 - Provide a feasibility and fiscal impact study on all funding arrangements (self-funding, fully-insured, captives, etc.) and present findings	annually or as needed
<u>Bid Solicitation Activities</u>	
5.4 - Assemble bid specifications, prepare and release formal RFQ/RFPs at the District’s request	as needed
5.4 - Identify qualified bidders	as needed
5.4 - Manage bidder queries	as needed
5.1, 5.2, 5.4 - Present findings based on the partial list of the following characteristics: <ul style="list-style-type: none"> • Cost efficiency • Best adherence to the District’s overall objective • Network access (for medical, dental and vision plans) • Demonstrated service levels, including claim and other related service performance guarantees 	as needed
<u>Negotiation</u>	
5.4 - Evaluate carrier renewal requests and supporting documentation	as needed
5.4 - Negotiate and secure the most competitive renewal rates and performance guarantees	as needed
5.6 - Present carrier renewals and market analysis within the time frame specified by the District	as needed
<u>Carrier/Vendor Selection & Management</u>	
5.8 - Provide a written report to the District on annual coverage terms, performance record, guarantees and contractual obligations of all carriers/vendors in place	at contract renewal
5.9 - Provide approved coverages and confirmed placement in writing to the District	as needed

Proposed Scope of Service



Our experience has shown that the foundation of meaningful and successful plan management and negotiations with insurance companies is predicated upon an in-depth knowledge and regular tracking of plan performance.

Technical Services

Technical Services	Frequency
Plan Management	
5.3 - Customized monthly reports to include: <ul style="list-style-type: none"> • Financial performance of all health plans • Benefit utilization • Pharmacy utilization • Provider network utilization • Claims reporting and clinical review • Medical loss ratios 	monthly
5.11 - Renewal forecasting and parallel underwriting	semi-annually
5.11 - Benchmarking of comprehensive benefit and contribution data	at renewal
5.11 - Employer contribution review and modeling	at renewal
5.18 - Underwriting services to include development of premium equivalent rates and COBRA rates for self-funded coverages	as needed
5.19 - Actuarial services to include cost impact of potential plan design changes	as needed
5.19 - Development of Incurred But Not Reported (IBNR) requirements	semi-annually

Proposed Scope of Service



We are firmly committed to meeting and exceeding the level of customer service offered to the District by its current service provider.

Administrative Services

In addition to the standard administrative service platform outlined below, we stand ready to customize a service platform specifically for the District and its specific needs.

Technical Services	Frequency
<p><u>Carrier/Vendor Implementation and Management</u></p>	
<p>5.9 - In depth review and/or creation of all contracts, plan documents, summary plan descriptions and other benefit-related documents.</p>	as needed
<p>5.9 - Provide updated document language when necessary.</p>	as needed
<p>5.10 - Obtain clarification on policy questions from underwriters and carrier/vendor representatives.</p>	as needed
<p>5.8 - Routine performance review of performance guarantees and contractual obligations.</p>	regularly
<p>5.4 - Track carrier/vendor market for viable products and solutions that ensure maximum benefit to the District.</p>	regularly
<p><u>Stakeholder Advisement & Meetings</u></p>	
<p>5.1, 5.2 - Meet with Board of Trustees, Benefits Insurance Committee and other special committees.</p>	monthly or as needed
<p>5.11 - Serve in an advisory capacity during District negotiations with collective bargaining units.</p>	as needed
<p>5.11 - Provide reports, counsel, testimony, mediation and negotiation with any and all stakeholders.</p>	as needed
<p>5.13 - provide broker/consulting services report, entailing a description of accomplishments, market approach, goals and other matters as requested.</p>	annually
<p><u>Administrative Support</u></p>	
<p>5.12 - Dedicated concierge service for health plan members and their families to assist with claims and coverage issues.</p>	as needed
<p>5.14 - Dedicated enrollment support and advisement for administrative staff, employees and their families.</p>	as needed
<p>5.14 - Billing support and self-bill assistance for administrative staff.</p>	as needed
<p>5.15 - Guidance pertaining to all health plans, including employee assistance plans which will include the structure of benefits and the administration of benefits.</p>	as needed
<p>5.16 - Regular or as needed meetings with administrative staff to resolve or streamline any issues, answer questions and/or improve processes.</p>	regularly or as needed

Proposed Scope of Service



**Communication
/ Technology**

Increasing employee value perception doesn't require additional financial investment from an employer. Rather, employee value perception can be increased simply through effective benefit communication and engaging technology platforms. As such, ongoing and effective communication with employees is central to our offering.

Communication/Technology Services	Frequency
<p><u>Benefit Administration and Technology Solutions</u></p>	
<p>5.16 - Present and implement technology solutions that streamline current benefit administration and/or enhance the employee experience.</p>	as needed
<p>5.14 - Provide reporting on enrollments or demographics when requested.</p>	as needed
<p><u>Employee Communications</u></p>	
<p>5.17 - Dedicated employee communications mobile app and intranet including:</p>	<p>(Prosper mobile app and intranet is an additional cost)</p>
<ul style="list-style-type: none"> • Complete app/intranet build with benefits and specific resources and information requested by the District 	
<ul style="list-style-type: none"> • Strategic branding parallel with the District's marketing guidelines 	
<ul style="list-style-type: none"> • Dedicated support on strategic communication to employees that align with short-range and long-range benefit strategies 	
<ul style="list-style-type: none"> • Training for District HR or other staff on management of the app management system 	as needed
<p>5.17 - Multi-faceted open enrollment and new-hire communications platform:</p>	
<ul style="list-style-type: none"> • Detailed benefit guides and one pagers branded to the District (printed, PDFs, postcards, presentations, etc.) 	as needed
<p>5.17 - Educational videos</p>	
<ul style="list-style-type: none"> • Digital communications (postcards, microsities, virtual benefit fairs, etc.) 	
<ul style="list-style-type: none"> • Decision support tools for medical and ancillary products 	as needed
<ul style="list-style-type: none"> • Text messaging (managed campaigns and self-service platform) 	as needed
<p>5.17 - Multi-lingual written and spoken communications.</p>	
<p>5.17 - In person and virtual information meetings (i.e open enrollment, new hire, etc.).</p>	
<p><u>Other Communication Services</u></p>	
<p>5.17 - Assistance with coordination of benefit faire, including:</p>	
<ul style="list-style-type: none"> • Coordination and planning with selected vendors/partners 	
<ul style="list-style-type: none"> • Provide communication materials and assistance to administrative staff in preparation and on-site for the duration of the benefit faire. 	annually
<p>5.17 - Provide communications on specific coverage and network issues as they arise.</p>	as needed
<p>5.17 - Provide monthly newsletters to be distributed to employees on timely and meaningful education on making the most of their benefits.</p>	monthly

Proposed Scope of Service



Compliance Services

Our employee benefits team has over 100 years of collective experience guiding employers through the ever-changing legal and regulatory environments surrounding their benefits program. Together with our benefits attorney, Stacy Barrow, we audit all programs upon takeover and annually to ensure full compliance with all state, federal and local laws and regulations.

Compliance Services	Frequency
<p><u>General Compliance Services</u></p>	
<p>5.20 - Provide proactive and targeted guidance to District staff and stakeholders on issues related to:</p> <ul style="list-style-type: none"> • NRS • ACA • CAA • MHPAEA • IRS Section 125 • COBRA, HIPAA, Medicare, FMLA, ADA • Medicare • Retiree Benefit Plans 	<p>as needed</p>
<p>5.20 - Full compliance audit upon takeover.</p>	<p>annually</p>
<p>5.20 - Production of all annually required notices and assistance with distribution.</p>	<p>as needed</p>
<p>5.20 - Access to HR Risk Management Center (Mineral).</p>	<p>as needed</p>
<p><u>Legislative Tracking</u></p>	
<p>5.20 - Provide targeted, proactive guidance on key compliance requirements and legislation changes at the federal and state levels, along with estimates of fiscal impacts from proposed legislation.</p>	<p>as needed</p>

2025 Tentative Work Plan

LP appointed “broker of record for group life and health coverage”

Pre-renewal meeting

- Claims and trend review
- Renewal/budget projection presented
- Discussion around the District’s forward-looking goals and needs
- Insurance and provider market update provided by LP (vendor services reviewed)
- Preliminary discussion around negotiation, marketing and funding strategies
- Discussion around enhancing benefit faire event and communication efforts

Presentation of Marketing

Results/Implementation

- RFP results and competitive bid options are presented and evaluated, including any/all alternative funding approaches under consideration
- Carrier/vendor implementation and/or renewal processes commenced



January



February

March



Renewals Received/Marketing

- Formal carrier renewals received and presented
- Final negotiations and/or commencement of marketing efforts
- Release of RFPs, management of bidder queries, ongoing negotiations

2025 Tentative Work Plan

Open Enrollment Begins

- Employee education and communication campaigns commence
- Employee presentations
- Intranet postings
- In person and/or virtual meetings and recordings



March

April



July 1, 2025

Effective Date
of Plan Year



Open Enrollment Preparation

- LP submits all open enrollment material for review and changes
- HRIS updated
- COBRA administrator and compliance documents updated

Ongoing Services outside of Renewal Timeline

- Full compliance audit upon takeover and then annually
- Attendance at benefits insurance committee meetings and Board of Trustees meetings as needed
- Administrative support and claims
- Monthly claims reports and renewal projections would be provided and reviewed monthly/quarterly
- Monthly compliance webinar and other alerts or invitations to education opportunities as needed
- Depending on the claims activity and trends present at the time, adjustments to the referenced timeline could be warranted

LP Core Partners

See below for a list of our core partners that have a contractual agreement to provide services to LP and our clients:

Barrow, Weatherhead, Lent LLP

Firm that provides legal advice and council to LP and our clients through a monthly retainer. Resume and further information can be provided upon request.

Benefit Comply

Vendor that provides additional compliance support and education opportunities for LP staff and clients.

Milliman

Our preferred vendor that provides actuarial valuations on behalf of our clients when requested; additional fees apply.

The District's Service Team

Our proposed service team has over 50 years of collective experience in guiding large group public entity employers in the management of their health plans. Experience, qualifications and responsibilities are below.



Kevin Monaghan | Lead Consultant

With 16 years of experience working with Nevada public employers, Kevin has an intimate knowledge of the complexities facing public sector employers and their benefits programs. Kevin would have ultimate responsibility for the delivery of all LP services and would serve as the District's main point of contact for strategy, renewal, and other complex inquires.



Logan Neeley | Consultant

Logan brings 7 years of direct and related experience working with Nevada-based public employers on the management of their health plan. Logan provides an additional level of strategy and operational oversight to all of LP's deliverables: financial reporting, technology platforms, employee communications and bid activities.



Becky Stidham | Account Executive

Becky will serve the District as the lead to our account management team, serving as the initial contact for regular/day-to-day service needs with administrative staff. With over 10 years of experience in her role, serving both public and private sector clients, she is a proven and dedicated resource whose empathy and work ethic will combine to deliver an unparalleled service experience to the District's administrative staff, employees and their family members.

LCSD Service Team cont.



Kristie Martin | Account Coordinator

Kristie has over 15 years of direct experience working with public entity employers on the management of their health plans. In her role, Kristie provides additional support to the District's HR team, employees and their family members. This includes both general inquiries and claims resolution.



John Malamphy | Underwriter

Prior to joining LP in 2013, John served as the Underwriting Manager for Hometown Health (2008-2012) as well as Sr. Underwriter for Group Health Cooperative (2004-2008) in the state of Washington. John would assist the District in analyzing claims, budget forecasting, renewal underwriting and assisting with negotiations. He serves both our fully insured and self-funded clients.



Stacy Barrow | Compliance Attorney

Stacy is one of the nation's leading experts on employee benefits compliance. He uses a practical approach to counsel our clients on all compliance matters related to their employee benefit plans. Stacy would support the District directly with any escalated compliance related issues and provide the District's dedicated service team with additional training and support. Stacy has over 20 years of direct legal experience.

Kevin Monaghan

NV License #643267

Experience Prior to LP

Human Resources Business Partner

June 2007 - September 2008

Renown Health

- Policy interpretation and application: research and guidance on existing federal, state and local laws impacting human resources operations
- Employee training: conducted a weekly new employee training that covered company wide policies and procedures
- Labor relations: active in 2008 Renown Health campaign against SEIU. Duties included employee education presentations, management education and communication creation and delivery
- Compensation: assisted in various salary surveys throughout the organization and local market aimed at ensuring equitable compensation
- Benefits: counseled employees on benefit offerings and enrollment/change procedures
- Employee Engagement: supported organization-wide efforts to measure and support employee engagement

Education

B.A. Human Resources Management

December 2007

University of Nevada, Reno

Community Service

Boys and Girls Club of Truckee Meadows

Executive Board Member

Spanish Springs Basketball Association

Coach

Logan Neeley

NV License #3465703

Experience Prior to LP

HR Recruiter, Benefits Specialist

February 2020 - August 2020

Hughes Private Capital

- Implemented the employee benefits program for company's initial open enrollment period
- ensured the company met all compliance requirements for ERISA, etc.
- On-boarded new hires with benefits package, including education and communication of resources within, etc.
- Recruited for open and new positions. Activities included phone screening, in person/virtual interviews, and selection process
- Assisted HR Manager with ensuring that all properties and employees met the ever-changing requirements for COVID-19 at the local, state and federal level for each state where employees were located
- Established employee engagement committee

Account Manager/Business Strategist

February 2017 - January 2020

A&H Insurance

- Provided customer service to both the administrative staff and employees of clients. Activities included claims resolution, enrollment/terminations, billing issues, and open enrollment services
- Assisted Account Executives with renewing and marketing all lines of coverages for clients when needed
- Developed leads for new clients and networking opportunities for sales team
- Created business proposals and other marketing materials to assist sales team
- Assisted in the direction of weekly sales meetings

Education

B.A. Political Science

June 2019

University of Nevada, Reno

Community Service

Boys and Girls Club of Western Nevada

Incoming President of the Board of Directors

Becky Stidham

NV License #783120

Experience Prior to LP

Insurance Specialist - Employee Benefits

February 2011 - April 2019

Clark & Associates of Nevada

- In my position at Clark & Associates, a Reno-based health and life insurance broker, my job duties would include customer service and support for current and prospective health insurance clients, including several public entities, along with the support and implementation of employer-sponsored health plans
- I handled the day to day activities and service for our current and prospective clients to include: marketing for new and renewal business health plan quotes and negotiations for both small and large group market; claims, employee enrollment and terminations; Flock - HR benefits and compliance software, enrollment issues, billing issues, assist in preparing federal compliance documents and reporting to include, ACA 1095-C and 1096-C forms, ERISA documents and implementing Section 125 Premium Conversion Plans. I worked with employer groups ranging from 2 employees to 1500 employees
- I also prepared benefit packages (SBC's, benefit summaries, PowerPoint presentations, etc.) and any materials needed for enrollment meetings as well as assisted with the presentation of the health plans in the meetings.
- I have experience working with non-profit organizations and school district health plans to include medical, dental, vision, life, LTD, STD, HSA and FSA plans for employees and retirees, claims issues, open enrollment assistance and continued service.

Education

General Studies

June 2003

University of Phoenix

Community Service

Northern Nevada Human Resources Association (2019)

Board of Directors, Communications and Publicity Chair

Kristie Martin

NV License #3689646

Experience Prior to LP

Sales and Business Relations

August 2008 - March 2019

Advantek Benefit Solutions

- Management of 86 self-funded dental and vision plans/policies
- Work directly with the Vice President of Sales in broker and client relations as it relates to new groups and renewals
- Knowledge of self-funded, medical wrap plans to include new employee enrollment meetings
- Assist with medical, dental and vision plan renewals
- Work directly with Insurance Brokers and clients in regard to plan benefits
- Track utilization and prepare 158 medical self-funded plan renewals on an annual basis
- Review current and renewal medical benefit plans that will work best for the client
- Assemble new group applications and enrollment packets
- Medical/Dental/Vision claims processing
- Ensure proper plan set up for claims processing

Education

AD Banker Life and Health Pre-licensing Class-CA License #0K20628

2015

State Center Community College Fresno-attended

1996-1998

San Joaquin Valley College-Registered Dental Assistant license received

1992

Herbert Hoover High School

1989

John Malamphy

NV License #747102

Experience Prior to LP

Underwriting Manager

July 2008 - January 2012

Hometown Health

- Leadership position within an integrated health plan that was seeking strong technical and modeling expertise to be given final underwriting authority on all commercial business
 - Employees: managed, mentored, and coached underwriting, billing, and enrollment departments with twelve direct reports
 - ROI: developed enhanced data systems integration increasing underwriting performance by a factor of seven (7)
 - Successfully managed \$175 million in commercial revenues to most profitable years in company history as of 2012

Senior Underwriter/Actuarial Analyst

January 2005 - July 2008

Group Health Cooperative

- Management level participation / decision-making
- Underwriting model development
- State Insurance filings
- Primary underwriter for companies largest account - State of Washington PEBB
- Strategic Sales / Group / Broker interaction and presentations
 - Underwriting critical path analysis and process improvement focus

Education

B.A. Mathematics, Actuarial Emphasis

June 1998

Central Washington University

Cost Proposal

We are proposing a monthly fee of \$6,500 (\$78,000 annually). We welcome discussion on this amount and are willing to consider alternative arrangements.

The amount would cover the full scope of services outlined in this proposal, with the exception of the following optional services/solutions:

Certified Actuarial Services

- Estimated cost: TBD

Prosper - Employee Benefits Communication Mobile App and Intranet

- Estimated cost: \$25,000/annually
- **Please note:** *Our firm has had significant success negotiating funding for Prosper and other technology or wellness solutions from our client's respective insurance carriers.*

Additional Notes on Compensation

LP Insurance Services agrees to put 20% of remuneration at risk under a simple performance guarantee. Simply stated, if the District is not completely satisfied with the timeliness, thoroughness, or accuracy of our customer, broker or consulting services, we will refund 20% of fees received to date during any period of this agreement, within 30 days of notice.

Sample Monthly Claims Report

The following pages contain a sample copy of our monthly reports.

Monthly Reporting Package

Prepared For:

Incurred Through:
July 2023 - June 2024

Paid Through:
August 2024



Presented By:





Current 12 Months												
Period	Employees	Members	Premium	Premium PEPM	Medical Claims	Medical Claims PEPM	Rx Claims	Rx Claims PEPM	Rx % of Total Claims	Total Claims	Total Claims PEPM	Paid Loss Ratio
Jul-23	434	877	\$481,317	\$1,109	\$175,647	\$405	\$128,623	\$296	42%	\$304,270	\$701	63%
Aug-23	437	879	\$483,252	\$1,106	\$392,438	\$898	\$82,984	\$190	17%	\$475,422	\$1,088	98%
Sep-23	441	881	\$484,555	\$1,099	\$220,716	\$500	\$123,605	\$280	36%	\$344,321	\$781	71%
Oct-23	449	892	\$492,017	\$1,096	\$214,448	\$478	\$124,094	\$276	37%	\$338,542	\$754	69%
Nov-23	447	885	\$489,512	\$1,095	\$327,023	\$732	\$139,659	\$312	30%	\$466,682	\$1,044	95%
Dec-23	450	892	\$492,442	\$1,094	\$334,794	\$744	\$127,877	\$284	28%	\$462,671	\$1,028	94%
Jan-24	449	876	\$520,199	\$1,159	\$87,455	\$195	\$72,719	\$162	45%	\$160,174	\$357	31%
Feb-24	451	885	\$523,996	\$1,162	\$245,428	\$544	\$138,289	\$307	36%	\$383,717	\$851	73%
Mar-24	449	883	\$525,004	\$1,169	\$330,095	\$735	\$100,026	\$223	23%	\$430,121	\$958	82%
Apr-24	453	893	\$526,672	\$1,163	\$239,639	\$529	\$93,100	\$206	28%	\$332,739	\$735	63%
May-24	454	899	\$529,403	\$1,166	\$233,670	\$515	\$100,314	\$221	30%	\$333,984	\$736	63%
Jun-24	457	900	\$536,943	\$1,175	\$205,774	\$450	\$110,999	\$243	35%	\$316,773	\$693	59%
Total			\$6,085,312		\$3,007,127		\$1,342,289		31%	\$4,349,416		71%
Average	448	887		\$1,133	\$560		\$250			\$810		

Previous 12 Months												
Period	Employees	Members	Premium	Premium PEPM	Medical Claims	Medical Claims PEPM	Rx Claims	Rx Claims PEPM	Rx % of Total Claims	Total Claims	Total Claims PEPM	Paid Loss Ratio
Jul-22	430	868	\$462,543	\$1,076	\$310,951	\$723	\$128,290	\$298	29%	\$439,241	\$1,021	95%
Aug-22	428	854	\$458,451	\$1,071	\$203,356	\$475	\$203,356	\$475	50%	\$406,712	\$950	89%
Sep-22	434	864	\$461,980	\$1,064	\$262,510	\$605	\$123,073	\$284	32%	\$385,583	\$888	83%
Oct-22	435	858	\$465,663	\$1,070	\$319,030	\$733	\$126,245	\$290	28%	\$445,275	\$1,024	96%
Nov-22	442	876	\$470,579	\$1,065	\$322,451	\$730	\$138,498	\$313	30%	\$460,949	\$1,043	98%
Dec-22	444	876	\$470,744	\$1,060	\$314,401	\$708	\$100,848	\$227	24%	\$415,249	\$935	88%
Jan-23	438	874	\$478,627	\$1,093	\$362,207	\$827	\$121,151	\$277	25%	\$483,358	\$1,104	101%
Feb-23	434	866	\$477,418	\$1,100	\$149,645	\$345	\$124,637	\$287	45%	\$274,282	\$632	57%
Mar-23	435	872	\$480,358	\$1,104	\$279,184	\$642	\$115,990	\$267	29%	\$395,174	\$908	82%
Apr-23	439	879	\$484,889	\$1,105	\$292,119	\$665	\$89,874	\$205	24%	\$381,993	\$870	79%
May-23	437	875	\$483,228	\$1,106	\$470,065	\$1,076	\$147,247	\$337	24%	\$617,312	\$1,413	128%
Jun-23	437	876	\$482,951	\$1,105	\$271,248	\$621	\$128,179	\$293	32%	\$399,427	\$914	83%
Total			\$5,677,431		\$3,557,167		\$1,547,388		30%	\$5,104,555		90%
Average	436	870		\$1,085	\$679		\$296			\$975		

Average Membership and PEPM Premium and Claims by Experience Period											
Period	Employees	Members	Premium	Premium PEPM	Medical Claims	Medical Claims PEPM	Rx Claims	Rx Claims PEPM	Rx % of Total Claims	Total Claims PEPM	Paid Loss Ratio
Current	448	887		\$1,133	\$560		\$250		30.9%	\$810	71.5%
Prior	436	870		\$1,085	\$679		\$296		30.3%	\$975	89.9%
Change %	2.6%	1.9%		4.2%	-21.2%		-18.4%		1.8%	-20.3%	-25.8%

*Medical data provided by insurance carrier monthly reporting package. Experience period and claims data will change prior to renewal.



Top Inpatient Providers

Top Inpatient Facilities by Incurred Claims

Rank	Provider Name	City	State	Unique Claimants	Amount Per Claimant	Admissions	Claim Amount	Percent Total Paid
1	BARTON MEMORIAL HOSPITAL	South Lake Tahoe	CA	*	*	*	\$44,834	33.5%
2	RENOWN REGIONAL MEDICAL CENTER	Sparks	NV	*	*	*	\$37,201	27.8%
3	CARSON TAHOE REGIONAL MEDICAL CENTER	Carson City	NV	*	*	*	\$28,270	21.1%
4	CARSON TAHOE REGIONAL HEALTHCARE	Minneapolis	MN	*	*	*	\$13,942	10.4%
5	AVERA MCKENNAN	Sioux Falls	SD	*	*	*	\$9,775	7.3%
Total							\$134,022	100.0%

* - less than 5 unique claimants



Top Outpatient Facilities by Incurred Claims

Rank	Outpatient Facility - Provider Name	Location	Unique Claimants	Amount Per Claimant	Visits	Claim Amount	Percent Total Paid	
1	CARSON TAHOE REGIONAL MEDICAL CENTER	Carson City	107	\$1,576	234	\$195,443	27.1%	
2	BARTON MEMORIAL HOSPITAL	South Lake Tahoe	80	\$15,671	33	\$172,383	23.9%	
3	CARSON VALLEY HEALTH	Gardnerville	11	\$1,549	191	\$147,143	20.4%	
4	RENOWN REGIONAL MEDICAL CENTER	Sparks	25	\$1,789	43	\$53,667	7.4%	
5	CARSON TAHOE REGIONAL HEALTHCARE	Minneapolis	45	\$529	59	\$23,802	3.3%	
6	LUCILE PACKARD CHILDRENS HOSPITAL	Palo Alto	*	*	*	\$22,817	3.2%	
7	RENO ORTHOPAEDIC SURGERY CENTER	Reno	*	*	*	\$16,896	2.3%	
8	STANFORD MEDICAL CENTER	Stanford	*	*	*	\$14,571	2.0%	
9	NORTHERN NEVADA SIERRA MEDICAL CTR	Reno	*	*	*	\$13,256	1.8%	
10	SURGERY CENTER OF RENO	Reno	*	*	*	\$12,286	1.7%	
11	CARSON ENDOSCOPY CENTER	Carson City	12	\$787	14	\$11,022	1.5%	
12	CARSON VALLEY HEALTH	Gardnerville	*	\$333	39	\$8,317	1.2%	
13	SIERRA NEVADA MEMORIAL MINERS HOSPITAL	Grass Valley	25	*	*	\$8,178	1.1%	
14	RENOWN SOUTH MEADOWS MEDICAL CENTER	Reno	*	\$1,027	7	\$7,189	1.0%	
15	UNIV OF UTAH HOSPITAL	Salt Lake City	*	*	*	\$5,430	0.8%	
16	QUAIL SURGICAL & PAIN MANAGEMENT CENTER	Reno	*	*	*	\$2,569	0.4%	
17	EASTERN PLUMAS HEALTH CARE	Portola	*	*	8	\$2,202	0.3%	
18	MAYO CLINIC HOSPITAL	Phoenix	*	*	*	\$1,404	0.2%	
19	SAINT MARYS REGIONAL MEDICAL CENTER	Reno	*	*	*	\$1,294	0.2%	
20	NORTHERN NEVADA ENDOSCOPY ASC	Reno	*	*	*	\$1,176	0.2%	
21	HOME CARE PLUS	Reno	*	*	*	\$758	0.1%	
22	RENO VAMC	Winnemucca	*	*	*	\$137	0.0%	
23	UC DAVIS MEDICAL CENTER	Sacramento	*	*	*	\$0	0.0%	
24	ALL OTHERS	All Others	NA	*	*	\$0	0.0%	
Total							\$721,939	100%

* - less than 5 unique claimants



Avoidable ER

Emergency Room				
	Prior Period 2	Prior Period 1	Current Period	Trend
Total Avoidable ER Visits	0	0	56	
Average cost per Avoidable ER Visit	\$0	\$0	\$1,446	
Total Potential Savings Opportunity	\$0	\$0	\$74,505	
Potential Savings Opportunity				
Savings if 5% of Avoidable ER visits redirected	\$0	\$0	\$3,725	
Savings if 10% of Avoidable ER visits redirected	\$0	\$0	\$7,450	
Savings if 15% of Avoidable ER visits redirected	\$0	\$0	\$11,176	
<i>Current Period: July 2023 - June 2024</i>				
<i>Period 1: July 2022 - June 2023</i>				
<i>Period 2: July 2021 - June 2022</i>				



Top 10 Savings Opportunity by Diagnosis - Emergency Room

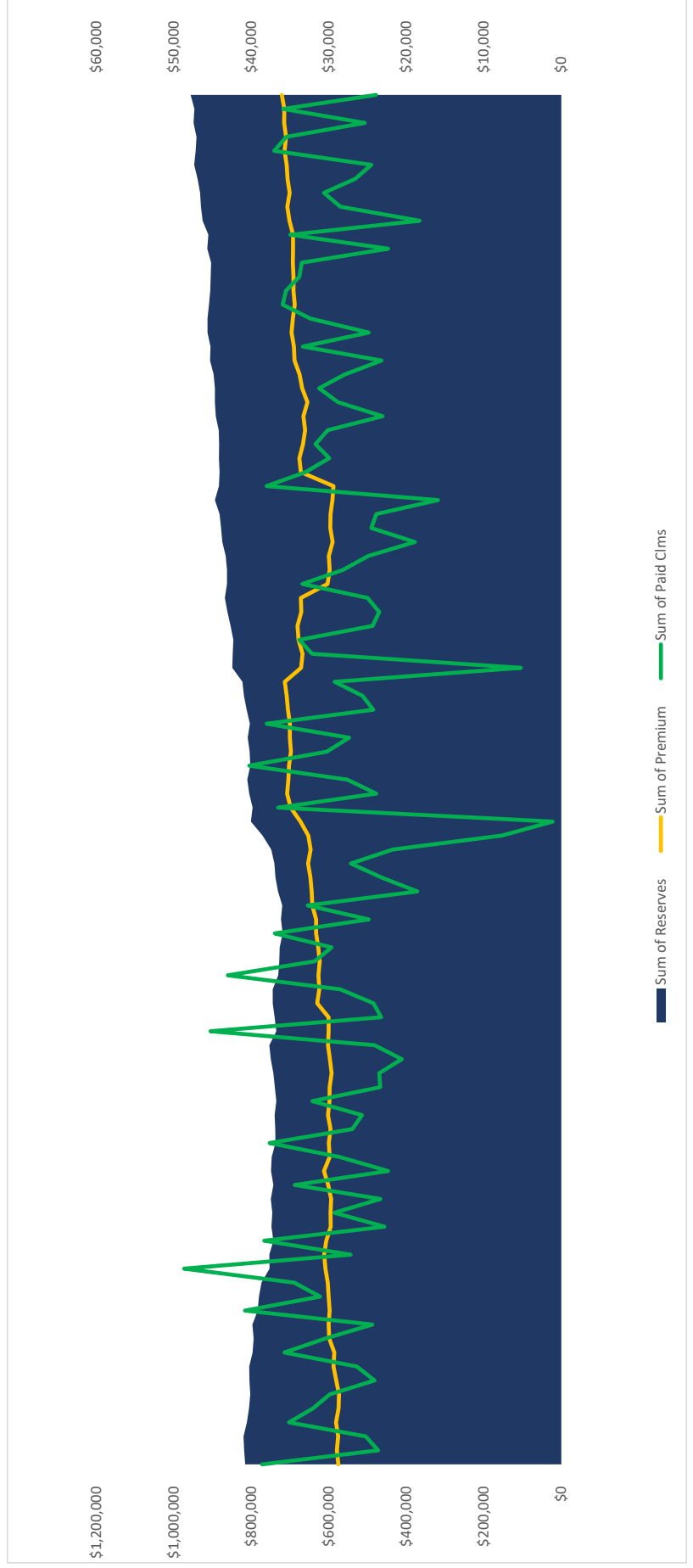
Condition	Total Avoidable Costs	Savings if 5% of Avoidable Visits Redirected	Savings if 10% of Avoidable Visits Redirected	Savings if 15% of Avoidable Visits Redirected	Total Avoidable Visits	Avoidable ER Visits per 1000 member	Avoidable ER Visits Claim Amount PMPM
Sup Injury Abdomen Lw Back Pelvis & Ext Genitals	\$8,178	403	806	1,209	1	2.2	\$1.53
Suppurative And Unspecified Otitis Media	\$5,050	235	470	705	3	6.7	\$0.95
Maternal Care Oth Cond Predominantly Rel Preg	\$5,008	239	478	716	2	4.5	\$0.94
Influenza Due To Other Identified Influenza Viru	\$4,653	215	430	646	3	6.7	\$0.87
Superficial Injury Of Wrist Hand And Fingers	\$4,211	187	375	562	4	9.0	\$0.79
Acute Pharyngitis	\$3,997	177	353	530	4	9.0	\$0.75
Superficial Injury Of Knee And Lower Leg	\$3,935	185	370	555	2	4.5	\$0.74
Dorsalgia	\$3,704	179	359	538	1	2.2	\$0.69
Cellulitis And Acute Lymphangitis	\$3,636	176	352	528	1	2.2	\$0.68
Other Disorders Of Urinary System	\$3,279	158	316	474	1	2.2	\$0.61



Top 25 Drugs - Paid											
Rank	Drug Name	Therapeutic Class	Unique Claimants	Scripts	Percent Script	Days Supply Per Script	Claim Amount	Claim Amount Per Script	Percent Claim Amount	Claim Amount	Claim PMPM
1	Kalydeco	Respiratory Agents - Misc.	*	7	0.2%	28	\$131,894	\$18,842	21.4%	\$24.7	\$24.7
2	Ibrance	Antineoplastics And Adjunctive Therapies	*	7	0.2%	28	\$93,186	\$13,312	15.1%	\$17.5	\$17.5
3	Cosentyx Sensorready Pen	Dermatologicals	*	6	0.2%	28	\$59,664	\$9,944	9.7%	\$11.2	\$11.2
4	Cosentyx (2 Syringes)	Dermatologicals	*	6	0.2%	28	\$33,836	\$5,639	5.5%	\$6.3	\$6.3
5	Ozempic	Antidiabetics	6	23	0.7%	43	\$33,820	\$1,470	5.5%	\$6.3	\$6.3
6	Jardiance	Antidiabetics	8	18	0.5%	57	\$19,631	\$1,091	3.2%	\$3.7	\$3.7
7	Trulicity	Antidiabetics	*	23	0.7%	31	\$18,897	\$822	3.1%	\$3.5	\$3.5
8	Pulmozyme	Respiratory Agents - Misc.	*	*	*	*	\$17,021	*	2.8%	\$3.2	\$3.2
9	Mounjaro	Antidiabetics	*	15	0.4%	28	\$15,684	\$1,046	2.5%	\$2.9	\$2.9
10	Nucala	Antiasthmatic And Bronchodilator Agents	*	8	0.2%	28	\$10,918	\$1,365	1.8%	\$2.0	\$2.0
11	Rexulti	Antipsychotics/antimanic Agents	*	*	*	*	\$10,602	*	1.7%	\$2.0	\$2.0
12	Creon	Digestive Aids	*	*	*	*	\$9,886	*	1.6%	\$1.9	\$1.9
13	Trudhesa	Migraine Products	*	*	*	*	\$9,672	*	1.6%	\$1.8	\$1.8
14	Trelegy Ellipta	Antiasthmatic And Bronchodilator Agents	*	17	0.5%	30	\$8,372	\$492	1.4%	\$1.6	\$1.6
15	Eliquis	Anticoagulants	*	9	0.3%	43	\$6,860	\$762	1.1%	\$1.3	\$1.3
16	Fycompa	Anticonvulsants	*	*	*	*	\$6,321	*	1.0%	\$1.2	\$1.2
17	Trintellix	Antidepressants	*	*	*	*	\$6,133	*	1.0%	\$1.1	\$1.1
18	Zenpep	Digestive Aids	*	*	*	*	\$6,052	*	1.0%	\$1.1	\$1.1
19	Rybelsus	Antidiabetics	*	*	*	*	\$5,963	*	1.0%	\$1.1	\$1.1
20	Mesalamine	Gastrointestinal Agents - Misc.	*	*	*	*	\$5,951	*	1.0%	\$1.1	\$1.1
21	Vraylar	Antipsychotics/antimanic Agents	*	*	*	*	\$5,125	*	0.8%	\$1.0	\$1.0
22	Nurtec Odt	Migraine Products	*	*	*	*	\$4,195	*	0.7%	\$0.8	\$0.8
23	Xarelto	Anticoagulants	*	9	0.3%	37	\$4,158	\$462	0.7%	\$0.8	\$0.8
24	Cosentyx Sensorready (2 Pens)	Dermatologicals	*	*	*	*	\$4,008	*	0.7%	\$0.8	\$0.8
25	Cosentyx Unoready Pen	Dermatologicals	*	*	*	*	\$3,941	*	0.6%	\$0.7	\$0.7
Top 25 Drug			536	3,334	94.7%	38	\$531,790	\$25	86.4%	\$99.7	\$99.7
Total All Other Drugs							\$83,657	\$25	13.6%	\$15.7	\$15.7
All Product Names							\$615,447	*	100.0%	\$115.3	\$115.3



Period	Employees	Administrative Fees	Dental Claims	Total Cost	Budgeted Funding	Claims to Funding Ratio
Sep-23	501	\$2,004	\$16,647	\$18,651	\$31,439	59%
Oct-23	508	\$2,032	\$25,336	\$27,368	\$31,637	87%
Nov-23	501	\$2,004	\$25,815	\$27,819	\$31,250	89%
Dec-23	508	\$2,032	\$22,843	\$24,875	\$31,541	79%
Jan-24	511	\$2,044	\$20,000	\$22,044	\$31,686	70%
Feb-24	512	\$2,048	\$32,045	\$34,093	\$31,850	107%
Mar-24	510	\$2,040	\$28,749	\$30,789	\$31,679	97%
Apr-24	514	\$2,056	\$21,887	\$23,943	\$31,924	75%
May-24	516	\$2,064	\$31,903	\$33,967	\$31,936	106%
Jun-24	520	\$2,080	\$20,652	\$22,732	\$32,179	71%
Jul-24	520	\$2,080	\$23,335	\$25,415	\$32,179	79%
Aug-24	516	\$2,064	\$34,143	\$36,207	\$31,936	113%
Total	6,137	\$24,548	\$303,354	\$327,902	\$381,235	86%





Current 12 Months

VSP Paid Loss Ratio Comparison

Period	Employees	Premium	VSP Admin Fee	Net Premium	Vision Claims	Paid Loss Ratio
Sep-23	560	\$5,686	\$995	\$4,691	\$3,872	83%
Oct-23	569	\$5,755	\$1,007	\$4,748	\$3,861	81%
Nov-23	566	\$5,724	\$1,002	\$4,723	\$6,404	136%
Dec-23	571	\$5,746	\$1,006	\$4,741	\$3,306	70%
Jan-24	578	\$5,782	\$1,012	\$4,770	\$5,505	115%
Feb-24	581	\$5,818	\$1,018	\$4,800	\$3,954	82%
Mar-24	578	\$5,783	\$1,012	\$4,771	\$6,849	144%
Apr-24	582	\$5,831	\$1,021	\$4,811	\$4,421	92%
May-24	583	\$5,825	\$1,019	\$4,806	\$4,944	103%
Jun-24	587	\$5,863	\$1,026	\$4,837	\$5,001	103%
Jul-24	587	\$5,882	\$1,029	\$4,853	\$3,458	71%
Aug-24	584	\$5,850	\$1,024	\$4,827	\$4,039	84%
Total	6,926	\$69,547	\$12,171	\$57,376	\$55,614	97%

Self-Funding Analysis

Period	Employees	Administrative Fees	Vision Claims	Total Cost
Sep-23	560	\$1,176	\$3,872	\$5,048
Oct-23	569	\$1,195	\$3,861	\$5,055
Nov-23	566	\$1,189	\$6,404	\$7,593
Dec-23	571	\$1,199	\$3,306	\$4,505
Jan-24	578	\$1,214	\$5,505	\$6,719
Feb-24	581	\$1,220	\$3,954	\$5,174
Mar-24	578	\$1,214	\$6,849	\$8,063
Apr-24	582	\$1,222	\$4,421	\$5,643
May-24	583	\$1,224	\$4,944	\$6,169
Jun-24	587	\$1,233	\$5,001	\$6,233
Jul-24	587	\$1,233	\$3,458	\$4,691
Aug-24	584	\$1,226	\$4,039	\$5,266
Total	6,926	\$14,545	\$55,614	\$70,159

Current Total Fully Insured Premium	\$69,547
Estimated Self-Funded Cost	\$70,159
Self-Funded Savings/Increase	\$612

Sample Self-Funding Feasibility Model

The following pages contain a sample copy of our self-funding feasibility model.

2025 Self-Funding Feasibility Analysis

Prepared For:
Sample ABC

Effective Date:
January 1, 2025

Presented By:



INSURANCE

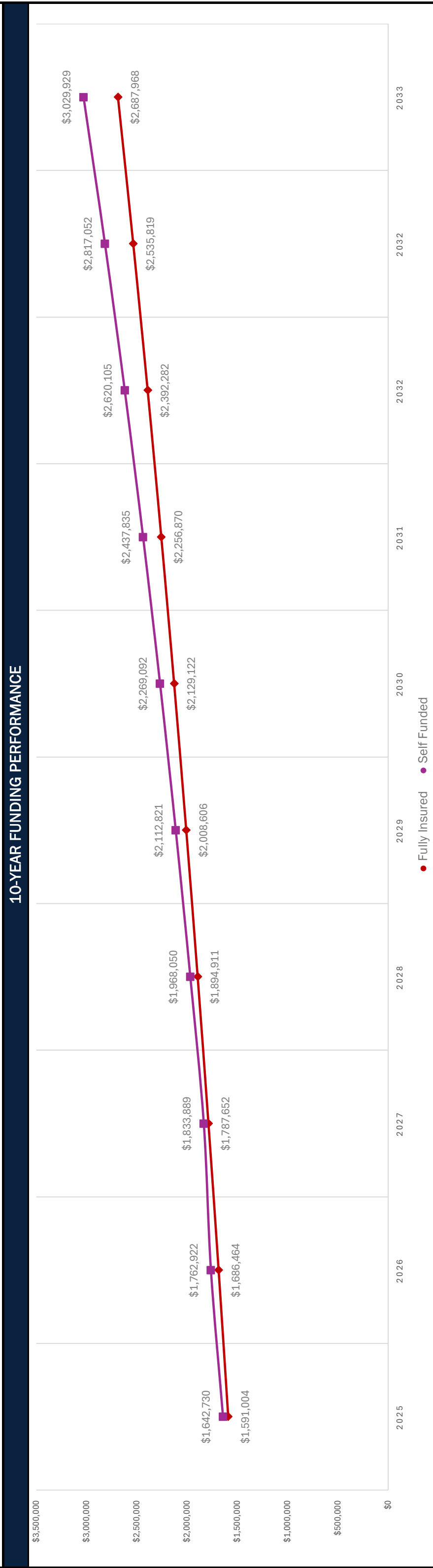




Key Forecast Assumptions		2025 Fully Insured Renewal	2026-2033 Fully Insured Renewal	Medical Claims Trend	Rx Claims Trend	Rx Rebates (as a % of Annual Rx Claims)	Stop Loss Premium Trend	TPA, ACA and Consulting Fee Trend	Consultant Compensation	Specific Deductible	Stop Loss Term
		0%	6%	6%	8%	17.5%	10%	3%	\$60,000	\$75,000	12/15

Sample ABC											
10-Year Funding Comparison Fully Insured vs. Self-Funded (CR)											
Captive Resources Expected Claims with 0% Stop Loss Rate Reduction											
Plan Year	2025	2026	2027	2028	2029	2030	2031	2032	2032	2032	2033
Enrollment	107	107	107	107	107	107	107	107	107	107	107
Fully Insured Premium	\$1,591,004	\$1,686,464	\$1,787,652	\$1,894,911	\$2,008,606	\$2,129,122	\$2,256,870	\$2,392,282	\$2,535,819	\$2,687,968	
Self-Funded Costs											
Medical Claims	\$796,973	\$844,792	\$895,479	\$949,208	\$1,006,160	\$1,066,530	\$1,130,522	\$1,198,353	\$1,270,254	\$1,346,469	
Rx Claims	\$265,658	\$286,910	\$309,863	\$334,652	\$361,424	\$390,338	\$421,565	\$455,291	\$491,714	\$531,051	
Stop Loss Premium (\$75k, Berkely)	\$466,335	\$512,969	\$564,265	\$620,692	\$682,761	\$751,037	\$826,141	\$908,755	\$999,630	\$1,099,594	
Loss Fund Assessment Collateral	\$48,550	\$53,405	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Administrative and Broker Fees	\$111,360	\$114,701	\$118,142	\$121,686	\$125,337	\$129,097	\$132,970	\$136,959	\$141,068	\$145,300	
Rx Rebates	(\$46,490)	(\$50,209)	(\$54,226)	(\$58,564)	(\$63,249)	(\$68,309)	(\$73,774)	(\$79,676)	(\$86,050)	(\$92,934)	
ACA Fees	\$345	\$355	\$366	\$376	\$388	\$399	\$411	\$424	\$436	\$450	
Total Self-Funded Costs:	\$1,642,730	\$1,762,922	\$1,833,889	\$1,968,050	\$2,112,821	\$2,269,092	\$2,437,835	\$2,620,105	\$2,817,052	\$3,029,929	
Difference (\$)	\$51,726	\$76,457	\$46,237	\$73,139	\$104,215	\$139,970	\$180,965	\$227,823	\$281,234	\$341,961	
Difference (%)	3.25%	4.53%	2.59%	3.86%	5.19%	6.57%	8.02%	9.52%	11.09%	12.72%	

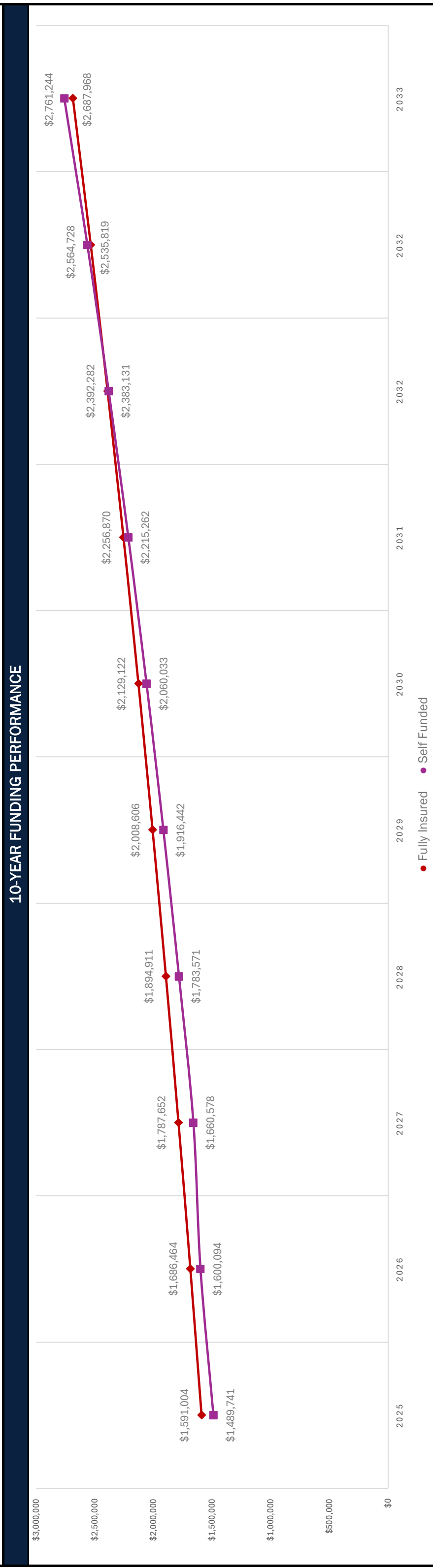
10-Year Projected FI Premium	\$20,970,698
10-Year Projected SF Costs	\$22,494,426
Difference (\$)	\$1,523,728
Difference (%)	7.27%





Key Forecast Assumptions		2025 Fully Insured Renewal	2026-2033 Fully Insured Renewal	Medical Claims Trend	Rx Claims Trend	Rx Rebates (as a % of Annual Rx Claims)	Stop Loss Premium Trend	TPA, ACA and Consulting Fee Trend	Consultant Compensation	Specific Deductible	Stop Loss Term
		0%	6%	6%	8%	17.5%	10%	3%	\$60,000	\$75,000	12/15

Sample ABC		LP Expected Claims with 0% Stop Loss Rate Reduction									
10-Year Funding Comparison Fully Insured vs. Self-Funded (CR)		2025	2026	2027	2028	2029	2030	2031	2032	2033	
Plan Year	Enrollment	107	107	107	107	107	107	107	107	107	107
Fully Insured Premium		\$1,591,004	\$1,686,464	\$1,787,652	\$1,894,911	\$2,008,606	\$2,129,122	\$2,256,870	\$2,392,282	\$2,535,819	\$2,687,968
Self-Funded Costs											
Medical Claims		\$676,982	\$717,601	\$760,657	\$806,296	\$854,674	\$905,954	\$960,312	\$1,017,930	\$1,079,006	\$1,143,747
Rx Claims		\$225,661	\$243,713	\$263,211	\$284,267	\$307,009	\$331,569	\$358,095	\$386,743	\$417,682	\$451,097
Stop Loss Premium (\$75k, Berkely)		\$466,335	\$512,969	\$564,265	\$620,692	\$682,761	\$751,037	\$826,141	\$908,755	\$999,630	\$1,099,594
Loss Fund Assessment Collateral		\$48,550	\$53,405	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Administrative and Broker Fees		\$111,360	\$114,701	\$118,142	\$121,686	\$125,337	\$129,097	\$132,970	\$136,959	\$141,068	\$145,300
Rx Rebates		(\$39,491)	(\$42,650)	(\$46,062)	(\$49,747)	(\$53,727)	(\$58,025)	(\$62,667)	(\$67,680)	(\$73,094)	(\$78,942)
ACA Fees		\$345	\$355	\$366	\$376	\$388	\$399	\$411	\$424	\$436	\$450
Total Self-Funded Costs:		\$1,489,741	\$1,600,094	\$1,660,578	\$1,783,571	\$1,916,442	\$2,060,033	\$2,215,262	\$2,383,131	\$2,564,728	\$2,761,244
Difference (\$)		(\$101,263)	(\$86,371)	(\$127,074)	(\$111,340)	(\$92,164)	(\$69,090)	(\$41,608)	(\$9,151)	\$28,910	\$73,276
Difference (%)		-6.36%	-5.12%	-7.11%	-5.88%	-4.59%	-3.24%	-1.84%	-0.38%	1.14%	2.73%
10-Year Projected FI Premium											
10-Year Projected SF Costs											
Difference (\$)											
Difference (%)											





Sample ABC
Deviation Modeling - 2025 Plan Year
Fully Insured vs. Self-Funded

Stop Loss Reduction: 0%

Self-Funding Arrangement: Captive Resources			
Net Claim Liability	Rx Rebates	Fixed Costs (\$75k Spec. Ded.)	Net Cost
\$654,592	(\$28,638)	\$626,590	\$1,252,543
\$689,044	(\$30,146)	\$626,590	\$1,285,488
\$725,309	(\$31,732)	\$626,590	\$1,320,167
\$763,484	(\$33,402)	\$626,590	\$1,356,671
\$803,667	(\$35,160)	\$626,590	\$1,395,096
\$845,965	(\$37,011)	\$626,590	\$1,435,544
\$890,490	(\$38,959)	\$626,590	\$1,478,120
\$937,358	(\$41,009)	\$626,590	\$1,522,938
\$902,642	(\$39,491)	\$626,590	\$1,489,741
\$986,692	(\$43,168)	\$626,590	\$1,570,114
\$974,978	(\$42,655)	\$626,590	\$1,558,912
\$1,038,623	(\$45,440)	\$626,590	\$1,619,773
\$1,062,631	(\$46,490)	\$626,590	\$1,642,730
\$1,093,288	(\$47,831)	\$626,590	\$1,672,046
\$1,150,829	(\$50,349)	\$626,590	\$1,727,070
\$1,211,399	(\$52,999)	\$626,590	\$1,784,990
\$1,275,157	(\$55,788)	\$626,590	\$1,845,958
\$1,740,842	(\$76,162)	\$626,590	\$1,825,585

Renewal: -2%	
Cost Savings with Self-Funding	%
\$	
(\$306,641)	-20%
(\$273,696)	-18%
(\$239,017)	-15%
(\$202,513)	-13%
(\$164,088)	-11%
(\$123,640)	-8%
(\$81,064)	-5%
(\$36,246)	-2%
(\$69,443)	-4%
\$10,930	1%
(\$272)	0%
\$60,589	4%
\$83,546	5%
\$112,862	7%
\$167,886	11%
\$225,806	14%
\$286,774	18%
\$266,401	17%

Renewal: 0%	
Cost Savings with Self-Funding	%
\$	
(\$338,461)	-21%
(\$305,516)	-19%
(\$270,837)	-17%
(\$234,333)	-15%
(\$195,908)	-12%
(\$155,460)	-10%
(\$112,884)	-7%
(\$68,066)	-4%
(\$101,263)	-6%
(\$20,890)	-1%
(\$32,092)	-2%
\$28,769	2%
\$51,726	3%
\$81,042	5%
\$136,066	9%
\$193,986	12%
\$254,954	16%
\$234,581	15%

Renewal: 3%	
Cost Savings with Self-Funding	%
\$	
(\$386,191)	-24%
(\$353,246)	-22%
(\$318,567)	-19%
(\$282,063)	-17%
(\$243,638)	-15%
(\$203,190)	-12%
(\$160,614)	-10%
(\$115,796)	-7%
(\$148,993)	-9%
(\$68,620)	-4%
(\$79,822)	-5%
(\$18,961)	-1%
\$3,996	0%
\$33,312	2%
\$88,336	5%
\$146,256	9%
\$207,224	13%
\$186,851	11%

Expected - LP

Expected - Pareto

Expected - Captive Resources

Maximum - Captive Resources

Expected - Gradient



Stop Loss Terms and Disclaimers

Stop Loss Terms - Captive Resources	
No New Loss Upon Renewal	N/A (approval possible)
Specific Stop Loss Renewal Cap	N/A (approval possible)
Maximum Claims Renewal Cap	None
Specific Deductible	\$75,000
Stop Loss Contract Term	12/15
Specific Deductible Advancement	N/A (approval possible)
Monthly Aggregate Accomodation	N/A (approval possible)

Disclaimers

This analysis is for illustrative purposes only and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that will affect actual costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc.

\$20,000 Captive Resources one-time refundable capitalization requirement not reflected in provided projections.

Loss fund assessment collateral is required for two years and will be used if a member's loss fund is exhausted, requiring replacement funding.

Sample Actuarial Valuation

The following pages contain a sample copy of an actuarial valuation of OPEB liability.



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USA

Tel +1 303 299 9400

milliman.com

September 3, 2024

XXXXXXX
XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXXXX
XXXXXXXXXXXX
XXXXXXXXXX

**XXXXXXXXXXXXXXXXXXXX –
Actuarial Valuation of Post Employment Benefits as of June 30, 2024**

Dear XXXXX:

We are pleased to enclose the above titled report for the XXXXXXXXXXXX ("XXXX"). In this report, we have prepared certain disclosures required by GASB Statement No. 75 for the XXXXXXXXXXXX's OPEB Plan.

Please let us know if you have any questions or would like to review the report.

Sincerely,

Brian C. Nichols, EA, MAAA
Consulting Actuary

XXXXXXXXXXXXXXXXXX

Actuarial Valuation of Post Employment Benefits as of June 30, 2024

Prepared by:

Brian C. Nichols
EA, MAAA
Consulting Actuary

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FSA, EA, MAAA
Principal and Consulting Actuary

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September 3, 2024



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September 3, 2024

XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXX
XXXXXXXXXX

**XXXXXXXXXX –
Actuarial Valuation of Post Employment Benefits as of June 30, 2024**

As part of our engagement with the XXXXXXXXXXXXXXX (“XXXX”), we performed an actuarial valuation of the post-employment benefits (the “Plan”) as of July 1, 2024 for the fiscal year ending June 30, 2024. Our findings are set forth in this actuary’s report. This report reflects our understanding of the benefit provisions in effect as of July 1, 2024.

Purpose of the Valuation

The main purposes of this report are:

- to review the experience under the plan for the valuation year ending June 30,2024;
- to calculate the total OPEB liability; and
- to provide the necessary schedules and other information for financial reporting under GASB Statement No. 75

Actuarial computations presented in this report under GASB Statement No. 75 are for purposes of assisting the employer in fulfilling its financial accounting requirements. The calculations in this report have been made on a basis consistent with our understanding of the plan provisions described in Appendix A of this report and of GASB Statement No. 75. Determinations for purposes other than meeting the requirements of GASB Statement No. 75 may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes.

Actuarial Assumptions

Actuarial assumptions, including mortality tables, and others identified in this report are adopted by XXXX. In compliance with GASB Statement No. 75, the discount rate reflects an index rate for 20-year, tax-exempt general obligation municipal bonds with average rating of AA or higher and the individual entry age actuarial cost method is used. All costs, liabilities, and other factors for the Plan have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the Plan and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the Plan and are expected to have no significant bias.

Variability of Results

This valuation report is only an estimate of the Plan’s financial condition as of a single date. It can neither predict the Plan’s future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of Plan benefits, only the timing of Plan contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of future measurements.

Reliance

In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by XXXXXXXXXXXXXXXXXXXX and LP Insurance Services. This information includes, but is not limited to, benefit provisions, member census data, and financial information. We found this information to be reasonably consistent and comparable with information used for other purposes. The results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different, and our calculations may need to be revised.

Limited Distribution

Milliman's work is prepared solely for the use and benefit of XXXX. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product. Milliman's consent to release its work product to any third party may be conditioned on the third-party signing a release, subject to the following exception(s):

- (a) XXXX may provide a copy of Milliman's work, in its entirety, to the Plan's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit the Plan.
- (b) XXXX may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

Models

The valuation results were developed using models employing standard actuarial techniques. The intent of the models was to estimate retiree claim costs and trend used in this analysis. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Qualifications and Certification

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

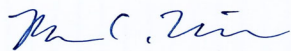
The signing actuaries are independent of the Plan Sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct and Qualification Standards for Actuaries Issuing*

Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein. Assumptions related to the claims costs and healthcare trend (cost inflation) rates for the retiree healthcare program discussed in this report were determined by Milliman actuaries qualified in such matters.

We respectfully submit this report, and we look forward to discussing it with you.

Sincerely,



Brian C. Nichols, EA, MAAA
Consulting Actuary



Joel E. Stewart, FSA, EA, MAAA
Principal and Consulting Actuary

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XXXXXXXXXXXXXXXXXX
 Actuarial Valuation of Post Employment Benefits as of June 30, 2024

This work product was prepared solely for the XXXXXXXXXXXXXXXXXXXX for the purposes described herein and may not be appropriate to use for other purposes. Milliman does not intend to benefit and assumes no duty or liability to other parties who receive this work. Milliman Recommends that third parties be aided by their own actuary or other qualified professional when reviewing the Milliman work product.

Introduction

Milliman, Inc. (Milliman) has been retained by the XXXXXXXXXXXXXXXX (“XXXX”) to provide disclosures required by GASB Statement 75 for the XXXX OPEB Plan. GASB 75 applies to financial reporting for public OPEB plans. Note that a plan's fiscal year might not be the same as the employer's fiscal year.

The results contained in this report represent our best estimates based on the assumptions used in the valuation. However, variation from these or any other estimates of future benefits is not only possible but probable. To the extent that actual experience differs from the anticipated experience, actual plan costs will vary as well.

Background

Retirees are eligible for retiree health benefits if they meet certain requirements relating to age and service. Appendix A provides a detailed summary of benefits.

Key Results

The valuation results are summarized in the following exhibit and use the following terms:

The **Total OPEB Liability (TOL)** is the present value of benefits that are attributed to past service only, discounted at the valuation interest rate (3.93%). The portion attributed to future employee service is excluded. For retirees, the TOL is equal to the present value of benefits. For active employees, the TOL is equal to the present value of benefits less the present value of future service costs.

The **Service Cost** is that portion of XXXX-provided benefit attributable to employee service in the current year. The Service Cost remains level as a percentage of pay throughout the participant's assumed working lifetime. Since retirees are not accruing any more service, their service cost is zero.

	Full Valuation July 1, 2024	Roll-Forward July 1, 2023
Number of Participants		
Active	1,532	1,285
Retirees	<u>153</u>	<u>151</u>
Total participants	1,685	1,436
Total OPEB Liability (TOL)	\$ 48,758,807	\$ 43,957,005
Fiduciary Net Position (FNP)	<u>0</u>	<u>0</u>
Net OPEB Liability (NOL)	\$ 48,758,807	\$ 43,957,005
FNP as % of TOL	0.0%	0.0%
Discount Rate	3.93%	3.65%

Variability of Results

The results contained in this report represent our best estimates. However, variation from these or any other estimates of future retiree medical costs is not only possible but probable. Actual future costs may vary significantly from estimates in this report.

Rationale for Significant Assumptions

Health Cost Trend. We have assumed medical premiums will increase according to the health cost inflation trend derived by using the “Getzen” model developed by the Society of Actuaries. Please see Appendix B for an explanation of this trend model.

Discount Rate. Under GASB 75, the discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits. To the extent that OPEB plan assets along with expected future investment returns and expected future contributions are insufficient to finance all OPEB benefits, the discount rate should be based on 20-year tax-exempt AA or higher Municipal Bonds as of the Measurement Date. The XXXX’s OPEB Plan is currently unfunded. Therefore, OPEB plan benefits are not expected to be financed by OPEB trust investments, and we have used a discount rate of 3.93% based on the 20 Year Bond GO Index as of the measurement date of June 30, 2024. A discount rate of 3.65% is used as of the prior measurement date of June 30, 2023.

Implicit Rate Subsidy. Actuarial standards of practice require measurement of an implicit rate subsidy for community rated health plans (this includes all health plans sponsored by CalPERS). Therefore we measured the implicit rate subsidy for the XXXX in the valuation. A more detailed summary is provided in Appendix B.

Demographic Rates. The assumptions for termination, retirement, disability and mortality used in this valuation are described in Appendix B of this report. We understand Classified and MSC employees of XXXX are covered by CalPERS Schools pension plan and Certificated employees are covered by CalSTRS pension plan. As such, the demographic assumptions in this report are based on those used in the CalPERS and CalSTRS pension valuations and are reviewed for consistency and reasonableness. These assumptions have been changed since the prior valuation, based on the CalSTRS experience study (dated in 2023) for the period 2019 – 2022.

A complete summary of the actuarial assumptions is presented in Appendix B.

Plan Experience

Based on the July 1, 2022 actuarial valuation and the discount rate at June 30, 2023 of 3.65%, we anticipated a TOL of \$44.8 million at June 30, 2024. The actual TOL at June 30, 2024 was \$4.0 million higher than expected due to the following factors:

- Plan demographic experience increased the TOL by \$1.4 million, primarily due to retirements (\$0.5m) and new hires since the prior valuation (\$0.5 million).
- Updates to the assumed healthcare cost trend rates and claims costs increased the TOL by \$2.3 million. The assumed claims costs were updated to reflect the claims experience during 2023 and 2024. The assumed healthcare cost trend rates were updated based on the Milliman Adjusted Getzen trend model which is updated periodically to incorporate emerging economic data.
- Updates to the Plan’s demographic assumptions to match those used in the most recent CalSTRS valuations increased the TOL by \$1.3 million.
- The increase in the discount rate at June 30, 2024 from 3.65% to 3.93% reduced the TOL by \$1.0 million.

Exhibit 1. Net OPEB Liabilities

The Total OPEB Liability (TOL) was determined as of the Valuation Date and projected either backward and forward to the Measurement Date taking into account any significant changes between the valuation date and the fiscal year end as prescribed by GASB 75.

The Valuation Date is July 1, 2024. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2024 for the fiscal year ending June 30, 2024. This is the date as of which the Net OPEB Liability (NOL) is determined. The Reporting Date is the employer’s fiscal year ending date. The table below shows the NOL as of reporting dates June 30, 2023 and June 30, 2024.

	June 30, 2024	June 30, 2023
Total OPEB Liability	\$ 48,758,807	\$ 43,957,005
Fiduciary Net Position	<u>0</u>	<u>0</u>
Net OPEB Liability	\$ 48,758,807	\$ 43,957,005
Fiduciary Net Position as a % of Total OPEB Liability	0.0%	0.0%
Valuation Date	07/01/2024	07/01/2022
Measurement Date	06/30/2024	06/30/2023
GASB 75 Reporting date	06/30/2024	06/30/2023
Discount rate	3.93%	3.65%
Municipal Bond Rate	3.93%	3.65%
Covered Payroll	\$ 141,915,431	\$ 141,173,227
Total OPEB Liability as a % of Covered Payroll	34.4%	31.1%

Exhibit 2. Sensitivity of Net OPEB Liabilities

Sensitivity of the Net OPEB Liability to changes in the discount rate

The following presents what the XXXX's Net OPEB Liability (NOL) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate.

Sensitivity Analysis	As of June 30, 2024		
	1% Decrease in Discount Rate 2.93%	Current Discount Rate 3.93%	1% Increase in Discount Rate 4.93%
Net OPEB Liability	\$ 52,493,503	\$ 48,758,807	\$ 45,254,924

Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents what the XXXX's Net OPEB Liability (NOL) would be if it were calculated using Healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current Healthcare cost trend rates.

Sensitivity Analysis	As of June 30, 2024		
	1% Decrease in Healthcare Cost Trend Rates	Current Healthcare Cost Trend Rates	1% Increase in Healthcare Cost Trend Rates
Net OPEB Liability	\$ 44,024,871	\$ 48,758,807	\$ 54,234,471

Exhibit 3. Changes in Total OPEB Liability

The following exhibit shows a reconciliation of the Total OPEB Liability from the beginning to the end, for the current and prior fiscal years.

	Fiscal Years Ending June 30, 2024 and June 30, 2023	
	Increase / (Decrease)	
	June 30, 2024	June 30, 2023
TOL as of Beginning of Year	\$ 43,957,005	\$ 43,504,289
Service cost	1,592,709	1,573,141
Interest on the total OPEB liability	1,619,367	1,555,368
Changes of benefit terms	0	0
Differences between actual and expected experience with regard to economic or demographic factors	2,799,479*	0
Changes of assumptions	1,178,616*	(374,808)
Expected Benefit payments	(2,388,369)	(2,300,985)
Contributions from employer	0	0
Net investment income	0	0
Administrative expense	0	0
Other changes	<u>0</u>	<u>0</u>
Total changes	4,801,802	452,716
TOL as of End of Year	\$ 48,758,807	\$ 43,957,005

* See page 2 for a discussion of the Plan's experience.

Exhibit 4. Calculation of OPEB Expense and Deferred Inflows/Outflows

The following tables illustrate the development of the OPEB expense required by GASB 75 as of June 30, 2024.

OPEB Expense	For the Fiscal Year Ending	
	June 30, 2024	June 30, 2023
Service cost	\$ 1,592,709	\$ 1,573,141
Interest on the total OPEB liability	1,619,367	1,555,368
Effect of plan changes	0	0
Administrative expense	0	0
Member contributions	0	0
Expected investment return, net of investment expenses	0	0
Recognition of Deferred (Inflows)/Outflows of Resources		
Economic/demographic gains or losses	\$ 304,952	\$ 82,771
Assumption changes or inputs	368,219	274,678
Investment gains or losses	<u>0</u>	<u>0</u>
Total Recognition	\$ 673,171	357,449
OPEB Expense	\$ 3,885,247	\$ 3,485,958

For Fiscal Year Ending June 30, 2024	Deferred (Inflows)	Deferred Outflows
Deferred Inflows / Outflows of Resources	of Resources	of Resources
Differences between expected and actual experience	\$ (3,261,381)	\$ 7,528,767
Changes of assumptions	(1,718,852)	4,328,305
Net difference between projected and actual earnings	0	0
Contributions made subsequent to measurement date	<u>0</u>	<u>0</u>
Total	\$ (4,980,233)	\$ 11,857,072
Net Deferred (Inflow) / Outflow		\$ 6,876,839

Amounts currently reported as deferred (inflows) of resources and outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending	Recognized Deferred (Inflows)
June 30	and Outflows of Resources
2025	\$ 673,171
2026	673,171
2027	673,171
2028	673,171
2029	673,171
Thereafter	<u>3,510,984</u>
Total	\$ 6,876,839

Exhibit 5. Schedule of Deferred Inflows and Outflows

The following table illustrates the schedule deferred inflows/outflows of resources required by GASB 75 as of June 30, 2024.

Investment (gains)/losses are recognized in OPEB expense over a period of five years. Since the plan is unfunded, there are no investment (gains)/losses. Economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members. Since there is not expected future service for inactives, their remaining service is equal to zero for purposes of computing the average remaining service life.

Date Established	Original Amount	Original Recognition Period	Amount Recognized in Expense 06/30/2024	Balance of Deferred (Inflows) 06/30/2024	Balance of Deferred Outflows 06/30/2024
Economic/demographic (gains) or losses					
06/30/2024	\$ 2,799,479	12.60	\$ 222,181	\$ 0	\$ 2,577,298
06/30/2022	6,493,982	12.63	514,171	0	4,951,469
06/30/2020	<u>(5,418,381)</u>	12.56	<u>(431,400)</u>	<u>(3,261,381)</u>	<u>0</u>
Total	\$ 3,875,080		\$ 304,952	\$ (3,261,381)	\$ 7,528,767
Assumption changes					
06/30/2024	\$ 1,178,616	12.60	\$ 93,541	\$ 0	\$ 1,085,075
06/30/2023	(374,808)	12.63	(29,676)	(315,456)	0
06/30/2022	(1,840,592)	12.63	(145,732)	(1,403,396)	0
06/30/2021	156,597	12.56	12,468	0	106,725
06/30/2020	4,155,502	12.56	330,852	0	2,501,242
06/30/2019	<u>1,275,859</u>	11.95	<u>106,766</u>	<u>0</u>	<u>635,263</u>
Total	\$ 4,551,174		\$ 368,219	\$ (1,718,852)	\$ 4,328,305

Exhibit 6. Breakdown of Valuation Results by Employee Classification

The following table shows the July 1, 2024 valuation results by employee classification. They are based upon a 3.93% discount rate.

	Certificated	Classified/MSC	Total
Counts			
Actives	939	593	1,532
Retirees	<u>93</u>	<u>60</u>	<u>153</u>
Total	1,032	653	1,685
Total OPEB Liability			
Actives	\$ 26,096,486	\$ 6,620,944	\$ 32,717,430
Retirees	<u>11,192,742</u>	<u>4,848,635</u>	<u>16,041,377</u>
Total	\$ 37,289,228	\$ 11,469,579	\$ 48,758,807

Exhibit 7. Projected Cost of Benefits

The table below illustrates the projected benefit costs under the plan. The projections only consider the closed group of existing employees and retirees. The projected XXXX-paid costs shown below are equal to the projected retiree claims costs less the expected premiums charged to retirees participating in the retiree health plan.

Year	FY Ending June 30	Projected Retiree Claims	Retiree Premiums	Net XXXX Costs*
1	2025	\$3,124,477	\$412,740	\$2,711,737
2	2026	3,174,945	465,568	2,709,377
3	2027	3,367,014	472,793	2,894,221
4	2028	3,319,762	518,903	2,800,859
5	2029	3,544,788	563,437	2,981,351
6	2030	3,866,314	670,534	3,195,781
7	2031	3,872,815	668,596	3,204,219
8	2032	4,152,735	714,997	3,437,737
9	2033	4,198,979	732,759	3,466,220
10	2034	4,495,469	814,674	3,680,795

* Net XXXX Costs - claims are paid by the XXXX through a combination of direct-subsidy payment of premiums and the indirect subsidy costs for retirees, which are partially funded through higher active premiums.

Appendix A. Summary of Benefits

The following description of retiree health benefits is intended to be only a brief summary. For details, reference should be made to Summary Plan Descriptions, Plan Documents, labor agreements, and employee booklets.

Eligibility

Classified, MSC and Certificated employees are eligible for retiree health benefits if they are at least age 58 and have at least 20 years of service with XXX at retirement.

Health Benefits and Coverage Period

Prior to Age 65: Retirees are eligible to receive a continuation of the health insurance benefits (medical, prescription drug, dental, and vision) they received as active employees until age 65. Retirees must make the same monthly premium payments that are required of actives.

After Age 65: ***Retirement Date on or before June 30, 2005***

Less than 20 years of service

No XXXX contribution after age 65.

"Extended" Coverage:

At least 20 years of service

Retiree is eligible for medical benefits, plus prescription drug coverage. Retiree may purchase dental and vision coverage for themselves as well as medical, drug, dental, and vision coverage for their spouses.

At least 25 years of service

In addition to above coverage, XXXX pays for dental and vision coverage. Retiree may purchase coverage for their spouses (medical, drug, dental, and vision).

At least 30 years of service

In addition to above coverage, XXXX pays for spouse coverage. Surviving spouses continue to receive benefits for their lifetimes.

Retirement Date After June 30, 2005

Less than 30 years of service or retired before age 57

No XXXX contribution after age 65.

"Sunset" Provision - At least 30 years of service and 57 years of age at Retirement

XXXX pays the entire cost of medical, drug, dental, vision, and Medicare Part B benefits for retirees and their spouses. Surviving spouses continue to receive benefits for their lifetimes. This sunset provision expired June 30, 2012. Any employees who had not yet retired by this date are not eligible for the lifetime XXXX contribution regardless of service at retirement.

Appendix A. Summary of Benefits (continued)

Retiree Self Pay Premium Rates

The following is a table of premium rates as of July 1, 2024 charged by the XXXX to retirees in exchange for coverage in the XXXX Health Plan. We have assumed that these rates will increase in future years consistent with the medical inflation rate assumption shown in Appendix B.

Employee Category	Coverage	Plan	Self-Pay Premium
All Cert / Class / MSC, Under 65	Single Party or Two Party		\$ 240.03
Cert / Class / MSC, Over 65	Single Party w/Medicare	Retiree Medical	\$ 982.89
	Spouse w/Medicare	Retiree Medical (Spouse)	663.69
	Single Party w/o Medicare	Retiree Medical	1,602.58
<u>“Extended” Coverage:</u>			
w/20+ Years, Over 65 (Special Rate)	Single Party	Retiree Medical (Spouse)	347.92
	Single Party	Retiree Dental / Vision	150.55
w/20+ Years	Single Party	Retiree Medical	0.00
	Spouse	Retiree Medical (Spouse)	895.62
	Single Party	Retiree Dental / Vision	150.55
w/25+ Years	Single Party	Retiree Medical	0.00
	Spouse	Retiree Medical (Spouse)	895.62
w/30+ Years, Over 65 (incl. “Sunset” Provision)	Single Party w/Medicare	Retiree Medical	0.00
	Single Party w/o Medicare	Retiree Medical	0.00
	Two Party w/Medicare	Retiree Medical	0.00
	Two Party, 1 w/Medicare	Retiree Medical	0.00

Appendix B. Actuarial Cost Method and Assumptions

Actuarial Cost Method

The actuarial cost method used for determining the benefit obligations is the individual Entry Age Normal Cost Method ("EAN"). Under the principles of this method, the actuarial present value of the projected benefits of each individual included in the valuation is allocated as a level percentage of expected salary for each year of employment between entry age (defined as age at hire) and assumed exit.

The portion of this actuarial present value allocated to a valuation year is called the service cost. The portion of this actuarial present value not provided for at a valuation date by the sum of (a) the Fiduciary Net Position (FNP), and (b) the actuarial present value of future normal costs is called the Net OPEB Liability (NOL). The Fiduciary Net Position is equal to the market value of assets. Since the XXXX is not pre-funding, the FNP is zero.

Economic Assumptions

Discount Rate Based on the Bond Buyer General Obligation 20-Bond Index
3.93% at June 30, 2024
3.65% at June 30, 2023
3.54% at June 30, 2022

Salary Growth For purposes of calculating the Entry Age Normal Level Percent of Pay Accrued Liability, we assumed active members' salary growth is 3.25% per year.

Demographic Assumptions

Applicable Pension Plan We understand Classified and MSC employees are covered by CalPERS Schools pension plan and Certificated employees are covered by CalSTRS pension plan.
• Demographic assumptions for Classified and MSC employees are consistent with those used by CalPERS pension valuation
• Demographic assumptions for Certificated employees are consistent with those used in the CalSTRS pension valuation

Mortality Rates developed by California PERS and California STRS in their most recent demographic experience studies as referenced on page 2.

Retirement & Termination Vary by both age and service except for STRS termination which varies just by service. Rates are used by CalPERS and CalSTRS for their most recent actuarial valuations. Since the employees of the XXXX are also members in these systems, we feel these assumptions represent the best estimates of such experience.

Sample CalSTRS rates of retirement within the next year for Certificated employees are shown below:

Age	Member Hired < 1/1/2013 (2% at 60 Members)				Members Hired >= 1/1/2013 (2% at 62 Members)			
	Certificated = 15 yrs.		Certificated > 30 yrs.		Certificated = 15 yrs.		Certificated >=30 yrs.	
	Males	Females	Males	Females	Males	Females	Males	Females
50	0.0%	0.0%	4.5%	2.5%	0.0%	0.0%	0.0%	0.0%
55	2.0%	3.5%	5.0%	6.5%	2.0%	2.5%	3.0%	3.5%
56	1.5%	3.0%	5.0%	6.5%	1.5%	2.5%	3.0%	3.0%
57	1.5%	3.5%	7.5%	9.0%	1.5%	2.5%	3.5%	5.0%
58	2.5%	4.0%	11.0%	12.0%	2.5%	3.0%	5.0%	5.5%
59	3.0%	6.0%	17.0%	18.0%	3.0%	4.5%	7.0%	9.0%
60	5.0%	8.0%	25.0%	26.0%	5.0%	6.0%	10.0%	13.0%
65	15.0%	21.0%	32.5%	35.0%	20.0%	21.0%	25.0%	32.5%
70	13.5%	20.0%	25.0%	30.0%	18.0%	20.0%	25.0%	28.5%
75	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Sample CalPERS rates of retirement within the next year for Classified and MSC employees with 15 years of service are shown below:

Age	Classic 2% at 55	PEPRA 2% at 62
	Members Hired < 1/1/2013	Members Hired >= 1/1/2013
	Males / Females	Males / Females
50	0.6%	0.0%
55	3.4%	3.8%
56	3.6%	3.7%
57	3.6%	3.8%
58	4.0%	4.7%
59	4.6%	5.2%
60	6.2%	7.4%
61	7.1%	8.1%
62	12.8%	14.7%
63	14.4%	15.1%
64	13.8%	14.7%
65	19.7%	19.9%
70	23.7%	19.6%
75	18.4%	18.4%
80	100.0%	100.0%

Sample CalSTRS rates of termination within the next year for Certificated employees are shown below for selected years of service:

Years of Service	Certificated	
	Male	Female
0	10.00%	9.00%
1	8.25%	7.00%
2	6.25%	5.50%
3	4.50%	4.25%
4	4.00%	3.60%
5	3.10%	3.00%
10	1.60%	1.35%
15	1.00%	0.90%
20	0.75%	0.75%
25	0.60%	0.60%
29+	0.50%	0.50%

Sample CalPERS rates of termination within the next year for Classified and MSC employees with five years of service are shown below for selected ages:

Age	Classified / MSC
25	11.46%
35	9.03%
45	6.39%
55	5.35%
65	3.63%

Disability

Age	Certificated 2% @ 60		Certificated 2% @ 62		Classified and MSC	
	Males	Females	Males	Females	Males	Females
25	0.015%	0.015%	0.010%	0.015%	0.004%	0.015%
35	0.040%	0.050%	0.020%	0.030%	0.047%	0.038%
45	0.090%	0.090%	0.070%	0.095%	0.191%	0.153%
55	0.170%	0.225%	0.200%	0.270%	0.235%	0.169%
65	0.000%	0.000%	0.305%	0.325%	0.193%	0.073%

Coverage Pre-65

100% of retirees retiring under age 65 are assumed to elect coverage.

Coverage Past 65

100% of retirees with “extended” coverage, or who qualified for the “sunset” provision, are assumed to continue; for all other retirees, 1% are assumed to continue coverage after attaining age 65. This assumption is based on our analysis of XXXXs retiree data and post 65 plan provisions.

Spouse Coverage 80% of employees and retirees are assumed to have a covered spouse in retirement (no dependent children are assumed). This assumption is based on an examination of current retiree data provided by XXXX.

Spouse Age Female spouses are assumed to be three years younger than male spouses, on average.

Health Costs

Claims costs for retirees were developed from claims and enrollment data provided to us by XXXX. To account for the fact that per member health costs vary depending on age (higher health costs at older ages), we calculated equivalent per member per month (PMPM) costs that vary by age based on the age distribution of covered members and based on the relative cost factors developed using Milliman’s *Health Cost Guidelines*.

Based on the above assumptions, we developed age adjusted PMPM health costs for 2024-2025 as shown in the following table:

Age Adjusted Medical, Dental, Vision and Rx PMPM Costs for FY 2024-2025

Age	Retirees		Spouses	
	Male	Female	Male	Female
45	\$1,068	\$1,602	\$968	\$1,200
50	1,209	1,528	1,112	1,320
55	1,371	1,481	1,273	1,425
60	1,573	1,589	1,477	1,544
64	1,871	1,746	1,740	1,681
65	554	499	558	503
70	613	537	617	541
75	668	564	672	569
80	700	570	704	574
85	672	532	676	536

Medicare Part B premiums are assumed to be \$179.85 per month for the fiscal year beginning July 1, 2024 (calculated as the average of \$174.70 for calendar 2024 and \$185.00 for calendar 2025).

Medicare Eligibility

For purposes of projecting claims costs and retiree self-pay premiums, we have assumed all retirees over age 65 are eligible for Medicare.

Healthcare Cost Trend (Medical Inflation) Rates

The medical/Rx/dental/vision and Medicare Part B cost inflation trend assumption used in this valuation was derived from the “Getzen Model” published by the Society of Actuaries for developing long term healthcare cost trends. The “Getzen Model” was then updated to reflect the latest economic growth factors. The medical/Rx/dental/vision and Medicare Part B inflation rates developed for this valuation use an underlying inflation (CPI) assumption of 2.50%, which aligns with the inflation assumption used by CalPERS.

Trend from Year Beginning	Pre-65 Trend	Trend from Year Beginning	Post-65 Trend	Trend from Year Beginning	Part B Trend
2024 to 2025	6.60%	2024 to 2025	7.50%	2024 to 2025	3.40%
2025 to 2026	5.80%	2025 to 2026	6.00%	2025 to 2026	6.00%
2026 to 2027	5.40%	2026 to 2027	5.20%	2026 to 2027	7.70%
2027 to 2028	5.20%	2027 to 2028	5.10%	2027 to 2028	6.00%
2028 to 2029	5.10%	2028 to 2029	5.00%	2028 to 2029	6.50%
2029 to 2030	4.90%	2029 to 2030	4.80%	2029 to 2030	6.10%
2030 to 2031	4.70%	2030 to 2031	4.70%	2030 to 2031	6.60%
2031 to 2032	4.60%	2031 to 2032	4.50%	2031 to 2032	7.00%
2032 to 2033	4.40%	2032 to 2033	4.30%	2032 to 2033	6.60%
2033 to 2042	4.20%	2033 to 2048	4.20%	2033 to 2039	6.10%
2042 to 2065	4.30%	2048 to 2065	4.30%	2039 to 2040	5.40%
2065 to 2068	4.20%	2065 to 2068	4.20%	2040 to 2049	4.60%
2068 to 2071	4.10%	2068 to 2070	4.10%	2049 to 2050	4.40%
2071 to 2073	4.00%	2070 to 2073	4.00%	2050 to 2069	4.10%
2073 +	3.90%	2073 +	3.90%	2069 to 2079	4.00%
				2079 to 2089	4.10%
				2089 to 2090	4.00%
				2090 +	3.90%

We assume the health premiums (medical, Rx, dental, and vision) the XXXX charges to retirees will increase at the same rate as the health cost trends shown above.

Assumption Changes Since the Prior Valuation

The following assumptions have been changed since the prior valuation as of June 30, 2022:

- Mortality, termination, retirement and disability rates updated to reflect those developed in the CalSTRS experience study (dated 2023) for the period 2019 – 2022.
- Discount rate based on the Bond Buyer General Obligation 20-Bond Municipal Bond Index.
- Healthcare cost and trend rates as described in this appendix.

Appendix C. Summary of Participant Data

The employee and retiree census was provided by XXXX as of July 1, 2024.

Covered Active Employees

Age	Certificated			Classified and MSC			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 25	0	5	5	2	5	7	2	10	12
25-29	23	54	77	18	37	55	41	91	132
30-34	29	99	128	40	45	85	69	144	213
35-39	39	89	128	25	42	67	64	131	195
40-44	37	74	111	26	41	67	63	115	178
45-49	53	117	170	23	56	79	76	173	249
50-54	53	95	148	40	51	91	93	146	239
55-59	41	64	105	20	48	88	61	112	173
60-64	19	30	49	25	37	62	44	67	111
65 and over	5	13	18	4	8	12	9	21	30
Totals	299	640	939	223	370	593	522	1,010	1,532

Current Retirees*

Age	Certificated			Classified and MSC			Total		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 55	0	1	1	0	0	0	0	1	1
55-59	0	4	4	1	2	3	1	6	7
60-64	7	30	37	5	18	23	12	48	60
65-69	0	1	1	0	1	1	0	2	2
70-74	1	11	12	3	2	5	4	13	17
75-79	8	16	24	1	8	9	9	24	33
80-84	1	8	9	1	8	9	2	16	18
85 and over	0	5	5	4	6	10	4	11	15
Totals	17	76	93	15	45	60	32	121	153

* Counts include 5 surviving spouses and 1 disabled retiree

Appendix D. Glossary of Key Terms

Deferred Inflows/Outflows of Resources. Portion of changes in net OPEB liability that is not immediately recognized in OPEB Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments.

Discount Rate. Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of:

- 1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.
- 2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate.

Long-Term Expected Rate of Return. Long-term expected rate of return on OPEB plan investments expected to be used to finance the payment of benefits, net of investment expenses.

Municipal Bond Rate. Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Total OPEB Liability. The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 75. Sometimes referred to as the Actuarial Accrued Liability or AAL.

Fiduciary Net Position. Equal to market value of assets.

Net OPEB Liability. Total OPEB Liability minus the Plan's Fiduciary Net Position. Sometimes referred to as the Unfunded Accrued Liability, or UAL.

Service Cost. The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Sample Business Associate Agreement

The following section contains a sample copy of Business Associate Agreement.

BUSINESS ASSOCIATE AGREEMENT

This **BUSINESS ASSOCIATE AGREEMENT** (the “*Agreement*”), is entered into as of the [] day of [], 2022 (the “*Effective Date*”) by and between **Company Name** whose principal place of business is **City, State** (the “*Company*”), on behalf of the **Company Name Group Health Plan** (the “*Plan*”), and LP Insurance Services whose principal place of business is Reno, Nevada (“*Business Associate*,” and with Company, each a “*Party*” and together the “*Parties*”). This Agreement supersedes and replaces any prior Business Associate Agreements and related amendments thereto between the Parties.

RECITALS

WHEREAS, Company maintains the Plan that provides certain health plan benefits to certain of Company’s employees, former employees, and their eligible dependents, if any;

WHEREAS, Business Associate performs or will perform certain services for the Plan;

WHEREAS, in the course of performing services for the Plan, Business Associate will have access to, create, maintain, and/or otherwise use and/or disclose Protected Health Information (as defined below); and

WHEREAS, the Parties desire to set forth their respective obligations with respect to Protected Health Information (as defined below) pursuant to the Health Insurance Portability and Accountability Act of 1996, as it may be amended from time to time, and the regulations promulgated at 45 C.F.R. Parts 160-164 (collectively, “*HIPAA*”);

NOW THEREFORE, Company and Business Associate agree as follows:

2. Definitions

The following terms have the following meaning when used in this Agreement:

- a. **Breach** means that term as defined in 45 C.F.R. § 164.402.
- b. **Designated Record Set** means that term as defined in 45 C.F.R. § 164.501.
- c. **Electronic Protected Health Information** means Protected Health Information that is transmitted or maintained in electronic media, including, but not limited to, hard drives, disks, on the internet, or on an intranet.
- d. **HHS** means the Department of Health and Human Services.
- e. **Individual** means that term as defined in 45 C.F.R. § 160.103, and includes a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- f. **Privacy Rule** means the privacy requirements in HIPAA, as set forth in 45 C.F.R. Part 160, and Subparts A and E of 45 C.F.R. Part 164.

- g. **Protected Health Information** means that term as defined in 45 C.F.R. § 160.103, except limited to the information created, received or maintained by Business Associate from or on behalf of the Plan.
- h. **Reproductive Health Care** means health care, as defined in 45 C.F.R. § 160.103, that affects the health of an individual in all matters relating to the reproductive system and to its functions and processes.
- i. **Required by Law** means that term as defined in 45 C.F.R. § 164.103.
- j. **Secretary** means the Secretary of the Department of Health and Human Services or his/her designee.
- k. **Security Incident** means that term as defined in 45 C.F.R. § 164.304.
- l. **Security Rule** means the security requirements set forth in HIPAA, as set forth in 45 C.F.R. Part 160, and Subparts A and C of 45 C.F.R. Part 164.
- m. **Seeking, Obtaining, Providing, or Facilitating Reproductive Health Care** includes but is not limited to expressing interest in, using, performing, furnishing, paying for, disseminating information about, arranging, insuring, administering, authorizing, providing coverage for, approving, counseling about, assisting, or otherwise taking action to engage in reproductive health care; or attempting any of the same.
- n. **Subcontractor** means that term as defined in 45 C.F.R. § 160.103, except limited to any such person or entity that receives, maintains, creates or transmits Protected Health Information for Business Associate.
- o. **Transaction** means that term as defined in 45 C.F.R. § 160.103.
- p. **Unsecured Protected Health Information** means that term as defined in 45 C.F.R. § 164.402.

Any capitalized term not specifically defined herein will have the same meaning as set forth in 45 C.F.R. Parts 160 and 164, where applicable. The terms “use,” “disclose,” and “discovery,” or derivations thereof, although not capitalized, shall also have the meanings set forth in HIPAA.

3. Obligations and Activities of Business Associate

Business Associate will:

- a. Not use or disclose Protected Health Information other than as permitted or required by this Agreement or as Required by Law.
- b. Document and use appropriate administrative, technical and physical safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to Electronic Protected Health Information, to prevent use or disclosure of Protected Health

Information other than as provided for by this Agreement or in a services agreement entered into between the Parties.

- c. With respect to any use or disclosure of Unsecured PHI not permitted by the Privacy Rule that is caused solely by Business Associate's failure to comply with one or more of its obligations under this Agreement, the Plan hereby delegates to Business Associate the responsibility for determining when any such incident is a Breach. In the event of a breach, Business Associate will notify Company in writing within fifteen (15) business days of becoming aware of: (i) any use or disclosure of Protected Health Information by Business Associate or any Subcontractor that is contrary to this Agreement including, without limitation, any Breach of Unsecured Protected Health Information; or (ii) any Security Incident. If there is a Breach of Unsecured Protected Health Information, Business Associate will:
 - i. Notify Company in writing of the Breach without unreasonable delay, and in no event more than fifteen (15) business days after discovery of the Breach, and provide (i) a list of all Individuals affected by the Breach, and (ii) any other available information that the Plan is required to include in notifications to such Individuals pursuant to 45 C.F.R. § 164.404(c). In the event any such information is not available when Company is notified of the Breach, Business Associate will provide such information to Company as soon as it becomes available; and
 - ii. Cooperate with Company to notify: (i) Individuals whose Unsecured Protected Health Information has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used, or disclosed; (ii) the media, as required by 45 C.F.R. § 164.406; and (iii) the Secretary as required by 45 C.F.R. § 164.408(b) if the legal requirements for media or HHS notification are triggered by the circumstances of such Breach, provided that Business Associate will not initiate any such notifications without Company's express written approval.
- d. Establish procedures for mitigating, and follow those procedures and so mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of Protected Health Information by Business Associate or by any Subcontractor that is contrary to this Agreement.
- e. Ensure that any Subcontractor that creates, receives, maintains, or transmits Protected Health Information on behalf of Business Associate enters into a written agreement whereby the Subcontractor agrees to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information, in accordance with 45 C.F.R. § 164.502(e)(1)(ii) and 45 C.F.R. § 164.308(b)(2).
- f. Provide, in the manner reasonably requested by the Plan and within ten (10) calendar days of receiving a request from the Plan or an Individual, access to Protected Health Information in a Designated Record Set, to the Plan or, as directed by the Plan, to an Individual, in order for the Plan to fulfill its obligations under 45 C.F.R. § 164.524 to provide access and copies of Protected Health Information to an Individual.

- g. Make any amendment(s) to Protected Health Information in a Designated Record Set as directed or agreed by the Plan pursuant to 45 C.F.R. § 164.526, within fifteen (15) calendar days of receiving a request from the Plan or an Individual, or take other measures to satisfy the Plan's obligations pursuant to 45 C.F.R. § 164.526.
- h. Maintain and make available to the Plan or, as directed by the Plan, to an Individual, within fifteen (15) calendar days of the Plan's request, the information required for the Plan to satisfy their obligations pursuant to 45 C.F.R. § 164.528 to respond to a request for an accounting of disclosures of Protected Health Information.
- i. Notify the Plan within five (5) business days of receiving, directly from an Individual, a request for (i) access to Protected Health Information pursuant to 45 C.F.R. § 164.524; (ii) amendment to Protected Health Information pursuant to 45 C.F.R. § 164.526; or (iii) an accounting of disclosures of Protected Health Information pursuant to 45 C.F.R. § 164.528.
- j. Comply with the requirements of Subpart E of 45 C.F.R. Part 164 that are applicable to the Plan, if Business Associate is to carry out one or more of the Plan's obligations under Subpart E.
- k. In the event Business Associate transmits or receives a Transaction on behalf of the Plan, Business Associate will comply with all applicable provisions of the HIPAA standards for electronic transactions and code sets (the "*EDI Standards*"). Business Associate will also ensure that any Subcontractor that transmits or receives a Transaction on its behalf does so in accordance with the EDI Standards.
- l. Make its internal practices, books, and records available to the Secretary or the Plan for purposes of a review and assessment of Business Associate's or the Plan's compliance with HIPAA; and notify Company within five (5) business days of receiving a request for any such materials directly from HHS.
- m. Not engage in the Sale of Protected Health Information or otherwise receive direct or indirect remuneration in exchange for the Protected Health Information of an Individual, unless Business Associate or the Plan has obtained a valid authorization from the Individual, consistent with the requirements under 45 C.F.R. § 164.508.
- n. Comply with any confidentiality requirements pertaining to substance use disorder patient records under 42 C.F.R. Part 2.
- o. Not use or disclose Protected Health Information or allow Protected Health Information to be used or disclosed to (1) conduct a criminal, civil, or administrative investigation into any person for the mere act of seeking, obtaining, providing, or facilitating reproductive health care, (2) impose criminal, civil, or administrative liability on any person for the mere act of seeking, obtaining, providing, or facilitating reproductive health care, or (3) identify any person for any of the purposes listed in (1) and (2), when the reproductive health care is connected to any person seeking, obtaining, providing, or facilitating reproductive health care, and the Business Associate has reasonably determined that one or more of the following conditions exists:

- i. The reproductive health care is lawful under the law of the state in which such health care is provided under the circumstances in which it is provided.
- ii. The reproductive health care is protected, required, or authorized by Federal law, including the United States Constitution, under the circumstances in which such health care is provided, regardless of the state in which it is provided.

Business Associate must presume the reproductive health care was lawful under (i) and (ii) above unless Business Associate has actual knowledge that the reproductive health care was not lawful under the circumstances in which it was provided and factual information provided by the person requesting use of disclosure of the Protected Health Information that provides a substantial factual basis that the reproductive health care was not lawful under the specific circumstances in which it is provided.

Further, Business Associate shall not use or disclose or permit Protected Health Information potentially related to reproductive health care for health oversight activities, judicial and administrative proceedings, law enforcement purposes, or for coroners or medical examiners without obtaining a valid attestation written in plain language from the person requesting the use or disclosure which meets all applicable requirements of 45 C.F.R. §164.509.

4. Permitted Uses and Disclosures by Business Associate

- a. Business Associate may only use or disclose Protected Health Information as necessary to perform functions, activities, or services for, or on behalf of, the Plan, provided that such use or disclosure would not violate the Privacy Rule if done by the Plan or the minimum necessary policies and procedures of the Plan, or as otherwise expressly provided in this Section 3.
- b. Business Associate may use Protected Health Information to de-identify the Protected Health Information in accordance with 45 C.F.R. § 164.514(a) – (c); provided, however, that Business Associate may use the de-identified information only if and to the extent expressly permitted in this Section 3.
- c. Business Associate may use or disclose Protected Health Information as Required by Law.
- d. Any use or disclosure of Protected Health Information by Business Associate will be in compliance with the minimum necessary policies and procedures of the Plan, and with the minimum necessary requirements of HIPAA.
- e. Business Associate may not use or disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by the Plan, except that Business Associate may do the following:
 - i. Use Protected Health Information for the proper management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate.
 - ii. Disclose Protected Health Information for the proper management and administration of Business Associate, or to carry out the legal responsibilities of Business Associate, provided that the disclosures are

Required by Law, or Business Associate obtains reasonable written assurances from the person or entity receiving the information (each a “*Recipient*”) that the information will remain confidential, and be used or further disclosed only as Required by Law or for the purposes for which it was disclosed to the Recipient; and the Recipient notifies the Business Associate of any instances of which the Recipient is aware in which the confidentiality of the information has been breached.

- iii. Use Protected Health Information to provide data aggregation services as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B) that relate to the Health Care Operations of the Plan.

Business Associate may use Protected Health Information to report violations of law to the appropriate federal and state authorities, consistent with 45 C.F.R. § 164.502(j)(1).

- f. Business Associate will not transfer Protected Health Information outside the United States without the prior written consent of the Company. In this context, a “transfer” outside the United States occurs if Business Associate’s workforce members, agents, or Subcontractors physically located outside the United States are able to access, use, or disclose Protected Health Information.

4. **Obligations of the Plan**

The Plan will:

- a. Notify Business Associate of any limitations in the Plan’s Notice of Privacy Practices under 45 C.F.R. § 164.520, to the extent any such limitation may affect Business Associate’s use or disclosure of Protected Health Information.
- b. Notify Business Associate of any changes in, or revocation of, the permission by an Individual to use or disclose his or her Protected Health Information, to the extent that such changes may affect Business Associate’s use or disclosure of Protected Health Information.
- c. Notify Business Associate of any restriction on the use or disclosure of Protected Health Information that the Plan has agreed to or are required to abide by under 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate’s use or disclosure of Protected Health Information. In the event that the Plan takes action as described in Section 4(a), Section 4(b), or this Section 4(c), Business Associate will decide which restrictions or limitations it will administer. In addition, if those limitations or revisions materially increase Business Associate’s cost of providing services under a services agreement entered into between the Parties, including this Agreement, the Plan will reimburse Business Associate for such increase in cost.
- d. Not request Business Associate to use or disclose Protected Health Information in any manner that would not be permissible under Subpart E of 45 C.F.R. Part 164 if done by the Plan, except for uses and disclosures of Protected Health Information by Business Associate in accordance with Section 3(e) above.

5. Term and Termination

- a. The term of this Agreement begins on the Effective Date and ends on the date that any services agreement between the parties terminates, or if earlier, the date that Company terminates this Agreement for cause pursuant to Section 5(b) below.
- b. Company may terminate this Agreement for cause effective as of any date designated by the Company in a notice to Business Associate upon a determination by Company that Business Associate has breached a material term of this Agreement. Company may, in its discretion, allow Business Associate a specified period of time to cure the breach, and upon a cure satisfactory to Company, elect not to terminate the Agreement on account of the breach.
- c. Upon termination of this Agreement for any reason, Business Associate will (and will ensure that its Subcontractors that have had access to Protected Health Information will):
 - i. Retain only the Protected Health Information that is necessary for Business Associate or a Subcontractor to continue its proper management and administration or to carry out its legal responsibilities;
 - ii. Return to the Plan or to the Plan's designee, or upon the Plan's prior written agreement, destroy (and certify in writing to the Plan that it has destroyed) any remaining Protected Health Information that Business Associate or any of its Subcontractors maintain in any form;
 - iii. Continue to use appropriate administrative, technical, and physical safeguards, and to comply with Subpart C of 45 C.F.R. Part 164, with respect to any Electronic Protected Health Information so as to prevent use or disclosure of the Electronic Protected Health Information other than as specified in this Section 5(c) for as long as Business Associate or any Subcontractor retains the Electronic Protected Health Information;
 - iv. Not use or disclose the Protected Health Information retained by Business Associate or by any Subcontractor other than for the purposes for which such Protected Health Information was retained, and subject to all the conditions and limitations set forth in Sections 2 and 3 above that applied prior to termination of the Agreement;
 - v. Return to the Plan or, upon the Plan's prior written agreement, destroy (and certify in writing to the Plan that it has destroyed) the Protected Health Information retained by Business Associate or by any Subcontractor as of the date such Protected Health Information is not needed by Business Associate or the Subcontractor for its proper management and administration or to carry out its legal responsibilities.

6. Miscellaneous

- a. **Regulatory References.** A reference in this Agreement to a section in the Privacy Rule, the Security Rule, or to any other regulation promulgated under HIPAA means the section as in effect or as amended.
- b. **Survival.** Sections 2, 3, 5(c) and 6 of this Agreement shall survive the termination of this Agreement.
- c. **Interpretation.** Any ambiguity in this Agreement will be resolved to permit the Plan to comply with the Privacy Rule, Security Rule and other provisions of HIPAA.
- d. **Effect.** This Agreement shall be binding upon and shall inure to the benefit of, Company, the Plan, and Business Associate, and their respective successors, assigns, administrators, and other legal representatives.
- e. **No Third Party Beneficiary.** Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than Company, the Plan, and Business Associate, and their respective successors or assigns, any rights, remedies, obligations, or liabilities whatsoever.
- f. **Independent Contractors.** Nothing contained herein shall be deemed or construed by the Parties or by any third party to create a relationship of employer and employee, principal and agent, or joint venture of the Parties, it being understood and agreed that Business Associate provides services to Company and the Plan hereunder as an independent contractor; Business Associate retains full and complete control over its performance under this Agreement; and Company and the Plan have no authority to direct or control Business Associate's conduct or activities in connection with this Agreement.
- g. **Governing Law.** The construction, interpretation and performance of this Agreement and all transactions under this Agreement shall be governed and enforced pursuant to the laws of the State of Nevada, except as such laws are preempted by any provision of federal law, including by ERISA or HIPAA. Any action or proceeding arising out of or relating to this Agreement shall be brought and tried exclusively in a federal or state court of competent jurisdiction located in Washoe County, Nevada and in no other court or venue.
- h. **Severability.** In the event any provision of this Agreement is rendered invalid or unenforceable under any new or existing law or regulation, or declared null and void by any court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect if they reasonably can be given effect.
- i. **Notices.** All notices to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed given five (5) business days after being sent by certified mail, return receipt requested, postage prepaid or one (1) business day after being sent by reputable overnight mail delivery to the other Party, at the address set forth below or at such other address as a Party may designate from time to time.

If to the Company, notice shall be sent to:

[REDACTED]
[ADDRESS]
[ADDRESS]
[CITY, STATE ZIP]
Attention: [REDACTED]

If to the Business Associate, notice shall be sent to:

LP Insurance Services
300 E. 2nd Street, Suite 1300
Reno, Nevada 89501
Attention: [REDACTED]

- j. **Amendment.** The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for the Plan to comply with the requirements of HIPAA.
- k. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original. Facsimile copies thereof shall be deemed to be originals.

IN WITNESS WHEREOF, the Parties have executed this Business Associate Agreement as of the date below.

COMPANY

By: _____

Name:

Title:

Date:

LP Insurance Services

By: _____

Name:

Title:

Date:

Exceptions to the RFQ

We respectfully request that if our submitted response to this RFQ is publicly shared that “Section 6.7 Reporting” is excluded.



INSURANCE