

Goose Creek CISD

June Board Presentation



GOOSE CREEK
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT



Executive Summary

Status Quo

- Moved Medical, PBM and Stop Loss; effective 1/1/2025 with BlueCross BlueShield of TX/Prime
- COBRA services moved to TASC effective 1/1/2025
- Terminated services with Allegiance, RxBenefits, VerusPath, Renalogic, Recuro & Patient Choice
- GCCISD contribution held same at \$641 PEPM
- Implemented partner programs with BCBS of TX
 - Wondr
 - Hinge
 - Livongo/Teladoc Hypertension & Diabetes Management
- Implementation of Dependent Eligibility Audit
- Plan YTD running at \$140,620 under budget

Recommendations

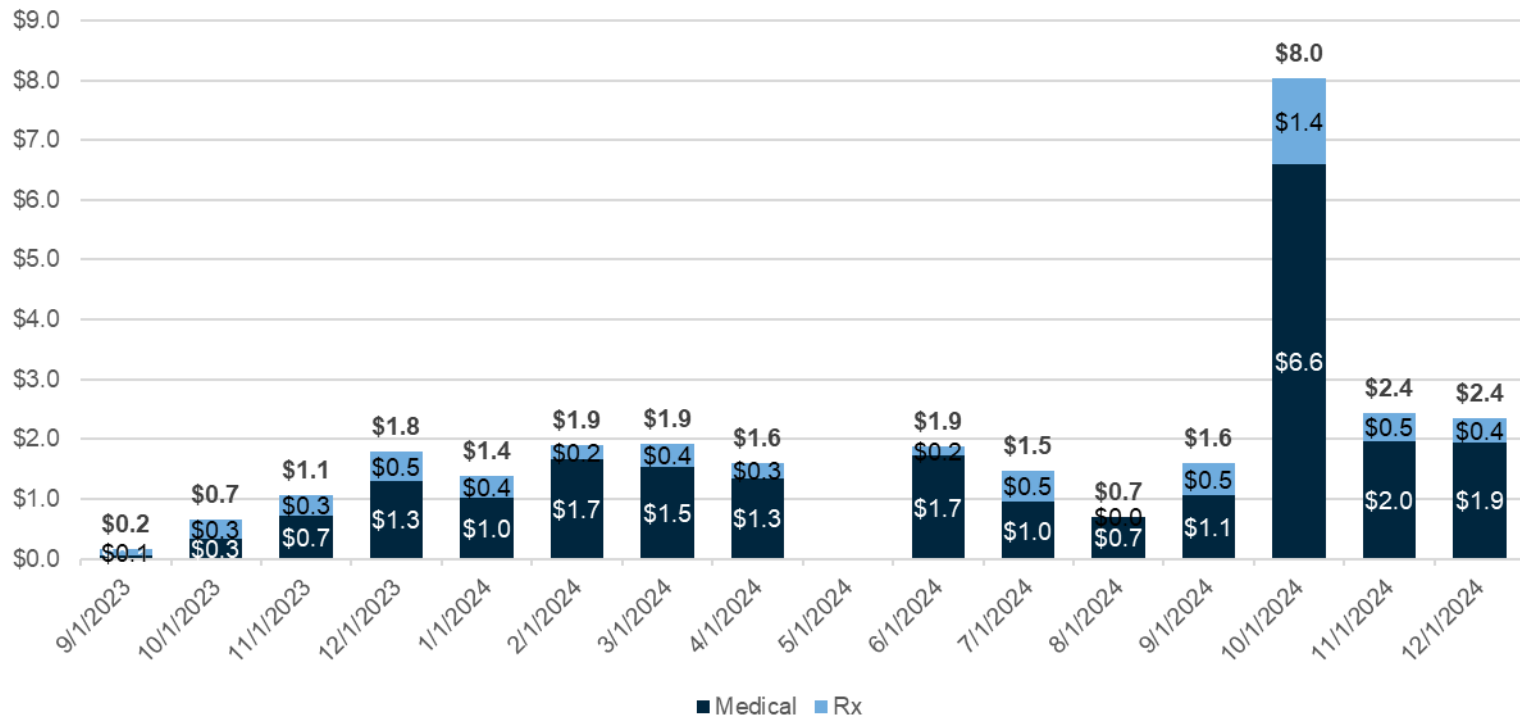
- Understanding the Districts desire to further chip away at the understood deficit
 - District Contribution Changes
 - Plan Design Changes
 - Contribution Changes
- Evaluate BEXA with Onsite Mammograms for all district locations
 - Dealing with large risk segment for districts
- Pushing employees to connect with their PCP through a Go-To Doctor Campaign, with potential surcharge

Additional Considerations

- Evaluate investment of current stated revenue surplus, a few considerations:
 - Next Level PRIME
 - Tria Pharmacy Navigation
 - Maven Maternity
- Evaluate Benefit Administration and other options for employees benefit experience
- Discussion on addition of 4th PPO plan option
- Discussion on addition of MEC plan option

Utilization Summary

Historical Claim Costs



*The above exhibit reflects paid claims in Millions from September 2023 through December 2024 as reported by UBC/Allegiance

*Exhibit above does not include fixed costs (admin or stoploss) or any reimbursements

Place of Service

Place of Service	Paid (in Millions)*
Inpatient Hospital	\$8.1
On Campus-Outpatient Hospital	\$6.2
Emergency Room - Hospital	\$4.6
Office	\$2.6
Ambulatory Surgical Center	\$0.3
Telehealth	\$0.3

Inpatient Admissions	Sept'23 – Aug'24	Sept'24 – Dec'24
Medical	35	14
Surgical	28	31
Maternity	39	40
Mental Health	12	7
Substance	0	2
NICU	5	6

*Paid (in Millions) reflects paid claims from September 2023 through December 2024

Top Procedures

Procedure	Paid (in Millions)
Imaging/Radiology	\$2.6
Laboratory	\$2.3
Drugs	\$2.2
Inpatient Days	\$1.9
Office Visits	\$1.5
Operating Room	\$1.4
Anesthesia	\$1.4
Surgery	\$1.4
Emergency Room	\$1.4
DME	\$0.9
Inpatient Hospital Care	\$0.7
Cardiology	\$0.6

Imaging & Screening	Sept'23 – Aug'24	Sept'24 – Dec'24
MRI Scans	121	115
CT Scan	354	300
PET	21	25
Mammograms	309	300
Colonoscopies	135	50

- These categories represent 79% of total spend.

*Paid (in Millions) reflects paid claims from September 2023 through December 2024

Top Providers

Provider - Allegiance	Paid (in Millions)
Baytown Methodist Hospital	\$5.7
MHHS Hermann Hospital	\$1.2
Patients Emergency Room And Hospital	\$1.2
Texas Childrens Hospital	\$1.2
Houston Methodist Hospital	\$1.2
U Of TX Md Anderson Cancer Center	\$0.8
Woman's Hospital Of TX	\$0.7
Multiplan Inc	\$0.7
Baytown First ER	\$0.6
HCA Houston Clear Lake	\$0.3

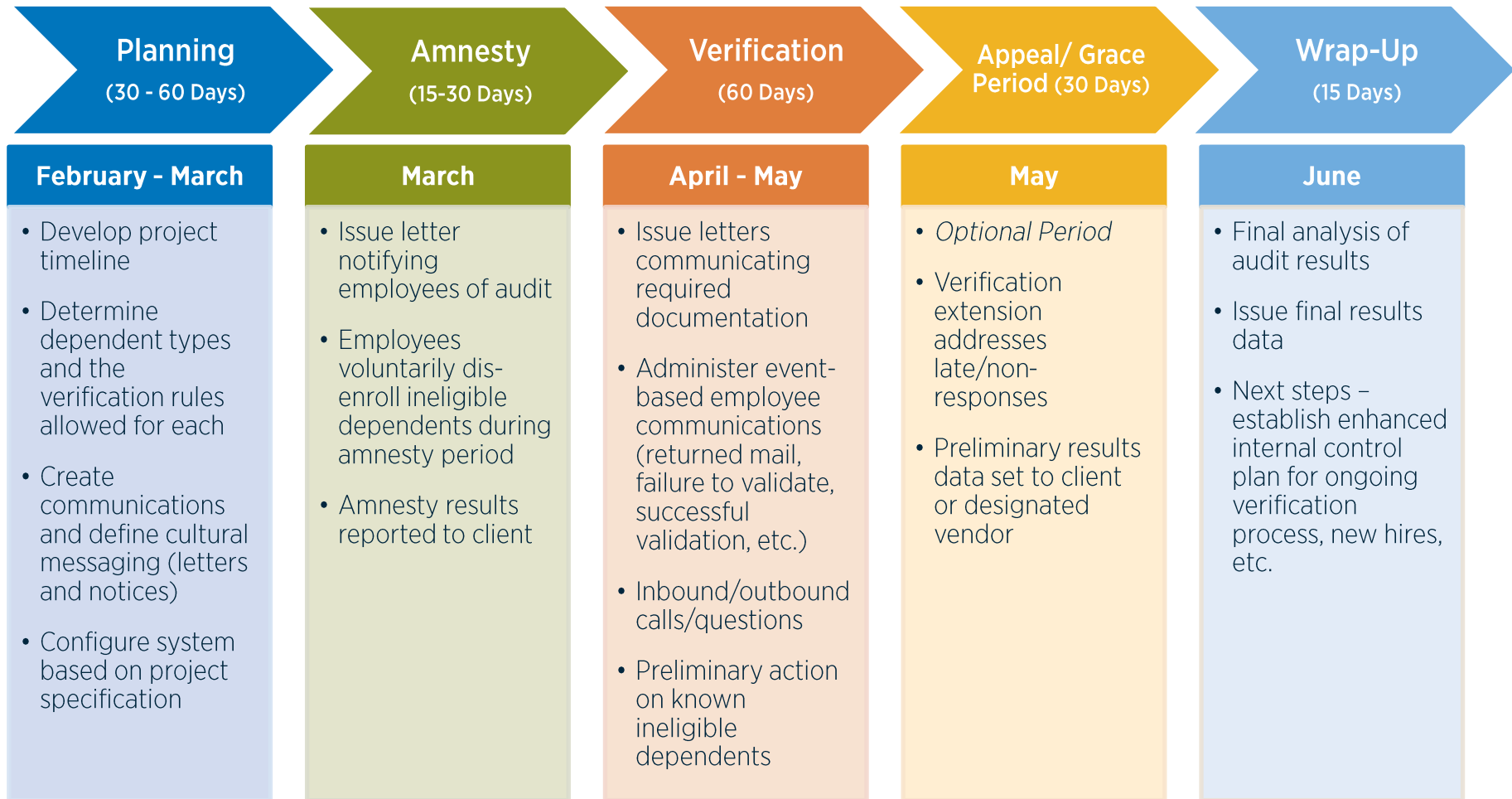
*Paid (in Millions) reflects paid claims from September 2023 through December 2024 Allegiance Only

Provider – 2025 BCBS	Paid (in Millions)
Baytown Methodist Hospital	\$0.4
Texas Children's Hospital	\$0.2
Children's St. Luke's Health Baylor College Of Medicine Medical Center	\$0.1
Baytown First ER	\$0.1
Kelsey-Seybold Medical Group, PLLC	\$0.1
University Of Texas M. D. Anderson Cancer Center	\$0.1
HCA Bayshore	\$0.1
Patients Emergency Room And Hospital	\$0.1
Action Behavior Centers, LLC	\$0.1
HCA Clear Lake	\$0.1

*Paid (in Millions) reflects paid claims from January 2025 through April 2025 BCBS Only

Dependent Audit

- Timeline and Communication



Dependent Audit

- Results and Potential Savings

Affidavit	Count	Percentage
Incomplete/ Non-Compliant	19	2.0%
Rule Violations/ Ineligible	9	0.9%
Totals	28	2.9%

Documents	Count	Percentage
Incomplete/ Non-Compliant	40	4.2%

Dependent Eligible for Continuing Coverage	Dependents Not Eligible for Continuing Coverage	Total Dependents in Audit Population
889 = 92.9%	68 = 7.1%	957 = 100%

Element	Savings Calculation
Ineligible/Non-Compliant Dependents	63 Dependents
Estimated Annual Cost to Insure a Dependent	\$5,000 per Year per Dependent
Potential Annual First Year Savings	\$315,000
Potential Savings Achieved over 5 Years (1)	\$1,260,000

(1) Savings over 5 years reflect the impact of turnover, so the calculation is 80% of the 5-year savings.

2025 Pharmacy RFP

Formulary Disruption Summary

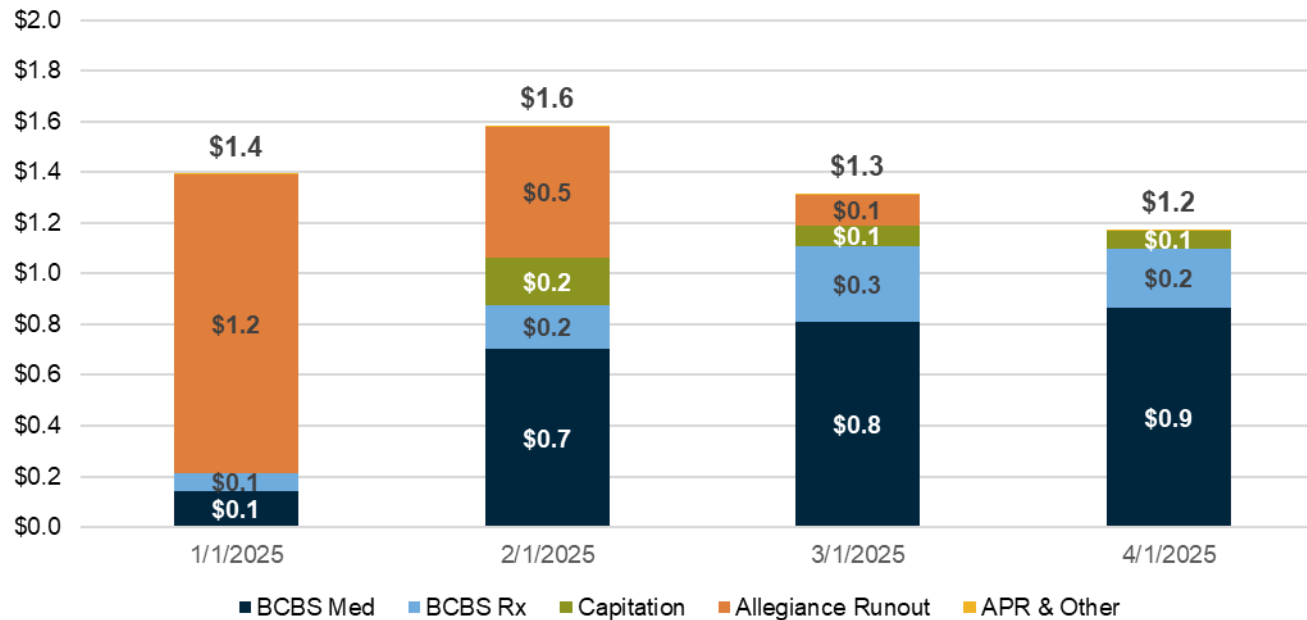
- The chart illustrates disruption to the members on the plan for the bidding vendors.
- Only maintenance prescriptions are included in the evaluation.
- The chart identifies the number of members that would be affected by formulary changes.
- Some of the drugs that are currently covered would be excluded, but all have alternatives.
- A shift from tier 3 to tier 2 is a positive to members, while a shift from tier 2 to tier 3 is a negative to members.

PBM or Health Plan	Positive	Negative	Exclusions	3-Year Projected Savings (\$)
BCBSTX- Performance Select Biosimilar	1	2	19	(\$1,440,386)
ClearScript- MedPerform	21	15	68	\$1,106,349

- Member disruption for the incumbent does not take into account any future disruption based on the PBM's standard process of formulary/drug list updates

2026 Medical Renewal Projection

2025 YTD Claim Costs



*The above exhibit reflects paid claims in millions from January 2025 through April 2025 and includes runout provided by UBC

*Exhibit above does not include fixed costs (admin or stoploss), pharmacy rebates, or BCBS credits

Current Plan Year Contributions

Lives	Tier Coverage	EE Monthly Contribution	District Monthly Contribution	Total Monthly Premium
BCBS HDHP Plan				
507	Emp Only	\$132.00	\$310.00	\$442.00
11	Emp + Spouse	\$939.40	\$310.00	\$1,249.40
140	Emp + Child(s)	\$530.20	\$310.00	\$840.20
25	Emp + Family	\$1,336.50	\$310.00	\$1,646.50
683	Annual	\$2,215,00	\$2,541,000	\$4,756,000
BCBS HMO Standard				
693	Emp Only	\$187.00	\$310.00	\$497.00
8	Emp + Spouse	\$1,136.30	\$310.00	\$1,446.30
169	Emp + Child(s)	\$662.20	\$310.00	\$972.20
19	Emp + Family	\$1,579.60	\$310.00	\$1,889.60
889	Annual	3,363,000	\$3,306,000	\$6,669,000
BCBS HMO Enhanced				
193	Emp Only	\$333.30	\$310.00	\$643.30
5	Emp + Spouse	\$1,399.40	\$310.00	\$1,709.40
77	Emp + Child(s)	\$786.50	\$310.00	\$1,096.50
6	Emp + Family	\$1,728.10	\$310.00	\$2,038.10
280	Annual	\$1,701,000	\$1,042,000	\$2,743,000
1,852	Total Annual	\$7,279,000	\$6,889,000	\$14,168,000

2025 Reforecast and Initial 2026 Projection

Financial Category Scenario Description	1/1/2025 - 12/31/2025		1/1/2026 - 12/31/2026
	2025 Projected	Latest Estimate	2026 Projection
			No Changes
Subscribers	2,090	1,856	1,852
PEPM Cost			
Est. Total Cost	\$949	\$947	\$1,041
Current Premium (EE + GCCISD)	\$674	\$638	\$638
Employee Contributions	\$364	\$328	\$328
GCCISD Contribution	\$310	\$310	\$310
Additional District Subsidy	40.7%	48.5%	63.2%
Aggregate Cost			
Est. Total Cost	\$23,797,000	\$21,091,000	\$23,129,000
Current Premium	\$16,912,000	\$14,210,000	\$14,168,000
Employee Contributions	\$9,137,000	\$7,295,000	\$7,279,000
GCCISD Contribution	\$7,775,000	\$6,915,000	\$6,889,000
Additional District Subsidy	\$6,885,000	\$6,881,000	\$8,961,000

- 2026 projections are based on currently available data through April 2025; however, due to immature experience from the current BCBS arrangement and limited reliability of prior arrangement data, projections remain preliminary. A more credible estimate is expected once data through at least July 2025 becomes available.
- Medical and pharmacy trends are assumed at 6.9% and 12.1%, respectively. BCBS 2026 ASO fees have been applied. 2026 BCBS Credit of \$100K is reflected in the total cost estimate as well as \$200K in pharmacy improvements from the Rx RFP. In addition, an assumed increase of 15% in Individual Stop Loss (ISL) premiums and 10% in Aggregate Stop Loss (ASL) premiums has been incorporated into the analysis.

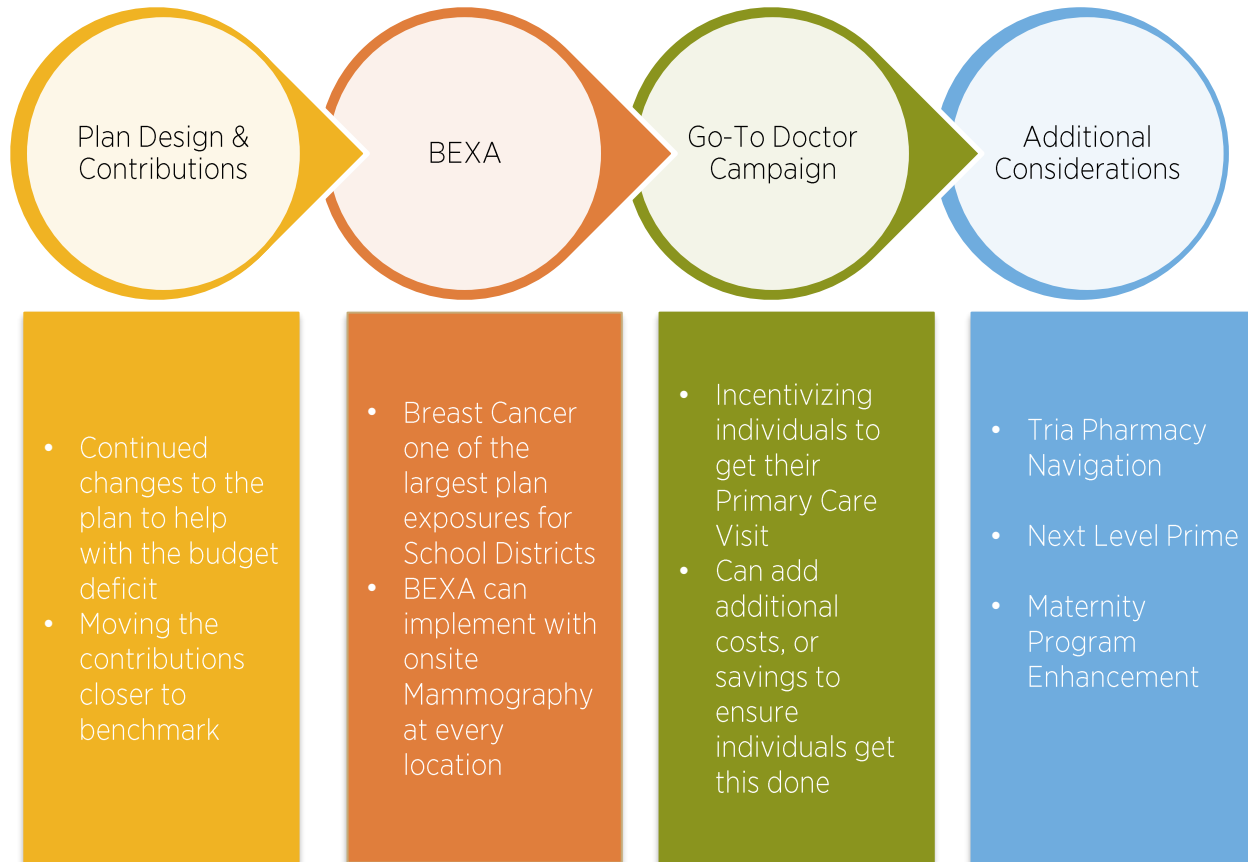
Benchmarking

Benchmarking

2024-2025 District Data								
Name	Goose Creek Cisd	Channelview ISD	Crosby ISD	Deer Park ISD	Galena Park ISD	Houston ISD	La Porte ISD	Pasadena ISD
# of Schools	32	12	9	15	26	276	12	65
# of Students	24,139	9,500	6,900	12,800	21,366	194,607	7,115*	46,436
# of Employees	3,487	1,400	781	1,865	3,312	27,040	1,085*	8,246
Carrier	BCBSTX	TRS / BCBSTX	BCBSTX	TRS / BCBSTX	TRS / BCBSTX	UHC	TRS / BCBSTX	Aetna
# of Medical Plans	3	3	3	3	3	7	3	4
PPO/POS	0	0	0	0	0	1	0	1
HDHP/HRA/HSA	1	1	1	1	1	1	1	0
In-Network Only/EPO/HMO/ACO	2	2	2	2	2	5	2	3
ISD Monthly Contribution for Medical Insurance	\$310	\$275	\$273	\$325	\$399	\$629	\$400	\$322
Average Monthly Employee Only Contribution	\$217	\$228	\$296	\$178	\$149	\$71	\$103	\$167
Average Monthly Family Contribution	\$1,122	\$1,020	\$1,279	\$970	\$883	\$402	\$895	\$449
Plan Funding	SF	TRS	FI	TRS	TRS	SF	TRS	SF

Strategic Considerations

Strategic Considerations



Appendix

Benchmarking

Medical Plan – Monthly Employee Contribution Comparison

2024-2025 District Data													
	Plans	HD PPO	Essentials Standard HMO	Essentials Enhanced HMO	Primary	Primary Plus	HD	Blue Edge HD	Blue Essentials \$2000	Blue Essentials \$5000	Primary	Primary Plus	HD
	Tiers												
	Employee Only	\$132.00	\$187.00	\$333.30	\$196.00	\$278.00	\$209.00	\$318.33	\$336.18	\$233.65	\$146.00	\$228.00	\$159.00
	Employee + Spouse	\$939.40	\$1,136.30	\$1,399.20	\$997.00	\$1,163.00	\$1,032.00	\$1,345.30	\$1,394.18	\$1,113.57	\$947.00	\$1,113.00	\$982.00
	Employee + Child(ren)	\$530.20	\$662.20	\$786.50	\$526.00	\$666.00	\$548.00	\$833.38	\$866.80	\$674.95	\$476.00	\$616.00	\$498.00
	Employee + Family	\$1,336.50	\$1,579.60	\$1,728.10	\$1,327.00	\$1,550.00	\$1,371.00	\$1,840.92	\$1,904.75	\$1,538.21	\$1,277.00	\$1,500.00	\$1,321.00




Benchmarking

Medical Plan – Monthly Employee Contribution Comparison

2024-2025 District Data													
	HD PPO	Essentials Standard HMO	Essentials Enhanced HMO	Primary	Primary Plus	HD	Charter Select	Charter Basic	Nexus Basic	Choice HDHP	Charter Plus	Nexus Plus	Choice
Employee Only	\$132.00	\$187.00	\$333.30	\$109.00	\$217.00	\$122.00	\$5.50	\$42.36	\$46.40	\$73.90	\$85.34	\$93.88	\$148.78
Employee + Spouse	\$939.40	\$1,136.30	\$1,399.20	\$842.00	\$1,008.00	\$877.00	\$213.84	\$238.06	\$261.86	\$415.04	\$321.36	\$353.50	\$535.38
Employee + Child(ren)	\$530.20	\$662.20	\$786.50	\$433.00	\$549.00	\$457.00	\$194.84	\$220.48	\$242.56	\$384.50	\$297.66	\$327.42	\$497.58
Employee + Family	\$1,336.50	\$1,579.60	\$1,728.10	\$1,172.00	\$1,395.00	\$1,216.00	\$353.10	\$407.86	\$448.66	\$711.20	\$550.60	\$605.68	\$860.22

Benchmarking

Medical Plan – Monthly Employee Contribution Comparison

2024-2025 District Data	 GOOSE CREEK CONSOLIDATED INDEPENDENT SCHOOL DISTRICT									
	Plans	HD PPO	Essentials Standard HMO	Essentials Enhanced HMO	Primary	Primary Plus	HD	Kelsey Care ACO	Memorial Hermann AC	EPO
	Tiers									
	Employee Only	\$132.00	\$187.00	\$333.30	\$71.00	\$153.00	\$84.00	\$100.00	\$140.00	\$194.00
	Employee + Spouse	\$939.40	\$1,136.30	\$1,399.20	\$872.00	\$1,038.00	\$907.00	\$330.00	\$351.00	\$440.00
	Employee + Child(ren)	\$530.20	\$662.20	\$786.50	\$401.00	\$541.00	\$423.00	\$275.00	\$294.00	\$377.00
	Employee + Family	\$1,336.50	\$1,579.60	\$1,728.10	\$1,202.00	\$1,425.00	\$1,246.00	\$523.00	\$553.00	\$677.00

Benchmarking

Medical Plan – HDHP/HSA

	Goose Creek CISD	Crosby ISD	Houston ISD	TRS
DEDUCTIBLE				
Individual	\$3,500	\$3,500	\$3,300	\$3,200
Family	\$7,000	\$10,500	\$6,600	\$6,400
OUT-OF-POCKET MAXIMUM				
Individual	\$6,500	\$8,050	\$7,900	\$8,050
Family	\$13,000	\$16,100	\$15,800	\$16,100
COINSURANCE	20%	20%	20%	30%
COPAYS				
PCP	20%	20%	20%	30%
Specialist	20%	20%	20%	30%
ER	20%	20%	20% + \$750 Copay	30%
PRESCRIPTION DRUG				
Generic	20%/20%	10% up to \$10 Max / 10% up to \$25	20%/20%	20%
Preferred Brand	20%/20%	20% up to \$100 Max / 20% up to \$250 Max	20%/20%	25%
Non-Preferred Brand	20%/20%	30% up to \$200 Max / 30% up to \$500 Max	20%/20%	50%

*TRS Districts include: Channelview ISD, Deer Park ISD, Galena Park ISD, La Porte ISD

Benchmarking

Medical Plan – Broad Network PPO/EPO/HMO

	Goose Creek CISD		Crosby ISD		Houston ISD	Pasadena ISD	TRS	
	Blue Essentials Standard HMO	Blue Essentials Enhanced HMO	Blue Essentials HMO \$2,000	Blue Essentials HMO \$5,000	Choice	EPO	Primary	Primary Plus
DEDUCTIBLE								
Individual	\$4,000	\$2,000	\$2,000	\$5,000	\$1,750	\$3,500	\$2,500	\$1,200
Family	\$8,000	\$4,000	\$6,000	\$10,000	\$3,500	\$7,000	\$5,000	\$2,400
OUT-OF-POCKET MAXIMUM								
Individual	\$7,000	\$5,500	\$6,000	\$9,100	\$6,150	\$7,900	\$8,050	\$6,900
Family	\$14,000	\$11,000	\$18,000	\$18,200	\$12,300	\$15,800	\$16,100	\$13,800
COINSURANCE	20%	20%	10%		20%	20%	30%	20%
COPAYS								
PCP	\$35	\$25	\$45	\$45	20%	20%	\$30	\$15
Specialist	\$70	\$50	\$70	\$70	20%	20%	\$70	\$70
ER	\$20%	20%	10% + \$500	30% + \$500	20% + \$300	20% + \$500	30%	20%
PRESCRIPTION DRUG								
Generic	\$15/\$30	\$15/\$30	10% up to \$10 Max/10% up to \$25 Max	10% up to \$15 Max/10% up to \$37.50 Max	\$20/\$50	\$30/\$50	\$15/\$45	\$15/\$45
Preferred Brand	20%/20%	\$35/\$70	50% up to \$100 Max/50% up to \$250 Max	50% up to \$100 Max/50% up to \$250 Max	\$75/\$187.50	\$45/\$80	30%	25% (\$100 Min)/25% (\$265 Max)
Non-Preferred Brand	20%/20%	\$55/\$110	50% up to \$200 Max/50% up to \$500 Max	50% up to \$200 Max/50% up to \$500 Max	25% (\$100 Min/\$250 Max)	\$75/\$140	50%	50%

Benchmarking

Medical Plan – Narrow Network HMO

	Houston ISD					Pasadena ISD	
	Charter Select	Charter Basic	Charter Plus	Nexus Basic	Nexus Plus	Kelsey Care ACO	Memorial Hermann ACO
DEDUCTIBLE							
Individual	\$500	\$2,500	\$1,750	\$2,500	\$1,750	\$3,000	\$3,000
Family	\$1,000	\$5,000	\$3,500	\$5,000	\$3,500	\$6,000	\$6,000
OUT-OF-POCKET MAXIMUM							
Individual	\$4,900	\$7,900	\$6,150	\$7,900	\$6,150	\$7,900	\$7,900
Family	\$9,800	\$15,800	\$12,300	\$15,800	\$12,300	\$15,800	\$15,800
COINSURANCE	30%	25%	20%	25%/45%	20%/40%	20%	20%
COPAYS							
PCP	\$30	\$30	\$30	25%/45%	20%/40%	\$35	20%
Specialist	\$65	\$65	\$65	25%/45%	20%/40%	\$70	20%
ER	30% + \$750	25% + \$750	20% + \$750	25% + \$750	20% + \$750	20% + \$500	20% + \$500
PRESCRIPTION DRUG							
Generic	\$20/\$50	\$20/\$50	\$20/\$50	\$20/\$50	\$20/\$50	\$30/\$50	\$30/\$50
Preferred Brand	\$60/\$150	\$75/\$187.50	\$75/\$187.50	\$75/\$187.50	\$75/\$187.50	\$45/\$80	\$45/\$80
Non-Preferred Brand	\$100/\$250	25%/25% (\$100Min/\$250 Max)	25%/25% (\$100min/\$250max)	25%/25% (\$100min/\$250max)	25%/25% (\$100min/\$250max)	\$75/\$140	\$75/\$140

Introducing Bexa – an early detection innovation



Bexa is a small handheld sensor that detects abnormal breast tissue without painful squeezing or radiation.

- FDA 510K cleared class 2 medical device
- AMA CPT code 0422T.33
- CLINICAL EVIDENCE:
 - Higher sensitivity than any other technology or process: 89.3 to 92% sensitive for masses as small as 5mm.
 - Lower rate of false positives than any other technology or process: 4-9 %.

Highly Adopted

- > 95% of women would have a Bexa Exam again and would recommend Bexa to friends, family & colleagues

Accurate

- Better performance as a mass detector than any other early detection technology

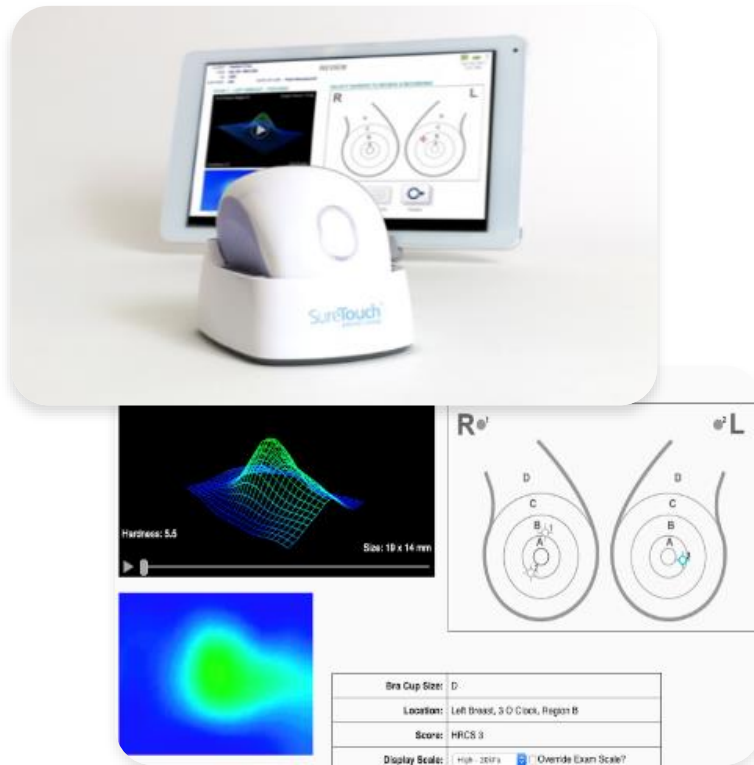
Highly Portable

- Can be deployed in those locations that most enable wellness adoption – worksite, pharmacies, etc.

Inexpensive

- Less than half the price of typical early detection exams
- Includes ultrasound, if needed

The Science of Bexa



Bexa has compacted the most accurate elastography technology into a very portable bedside device.

- Elastography is a well-established physics and modality – just never sufficiently accurate for clinical use until the Bexa device.
- Elastography identifies abnormal tissues that are harder or stiffer than normal breast tissue.
- Tissue density doesn't impact elasticity, so Bexa is effective for younger women and those with dense breast tissue.
- Any masses detected are immediately evaluated with ultrasound—in the same examination.
- Ultrasounds are interpreted by a remote, Board-certified radiologists within 24-48 hours.

Tria – Pharmacy Navigation



1 on1 Pharmacist Advocacy to help members better understand their medicine and their options



DIFFERENTIATORS

Pharmacist foundation with 1 on 1 connection, the most time you'll ever get with a pharmacist to fully evaluate your Rx needs



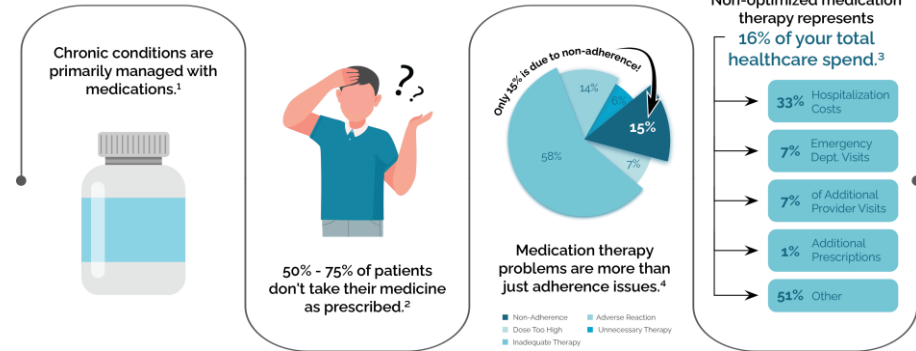
Range of outcomes from adherence recommendation, medicine changes, to removal of unnecessary meds



Targeted outcomes mutually beneficial to the member and to the implementing organization



ENGAGEMENT ESSENTIAL



DESIRED OUTCOMES & COST

Validated Savings

- ✓ Tria advertises 3:7:1 Average ROI and 1.6:1 in Rx savings alone
- ✓ 3 Year study showing decrease in Hospital Visits, ER costs, and In-Patient Costs

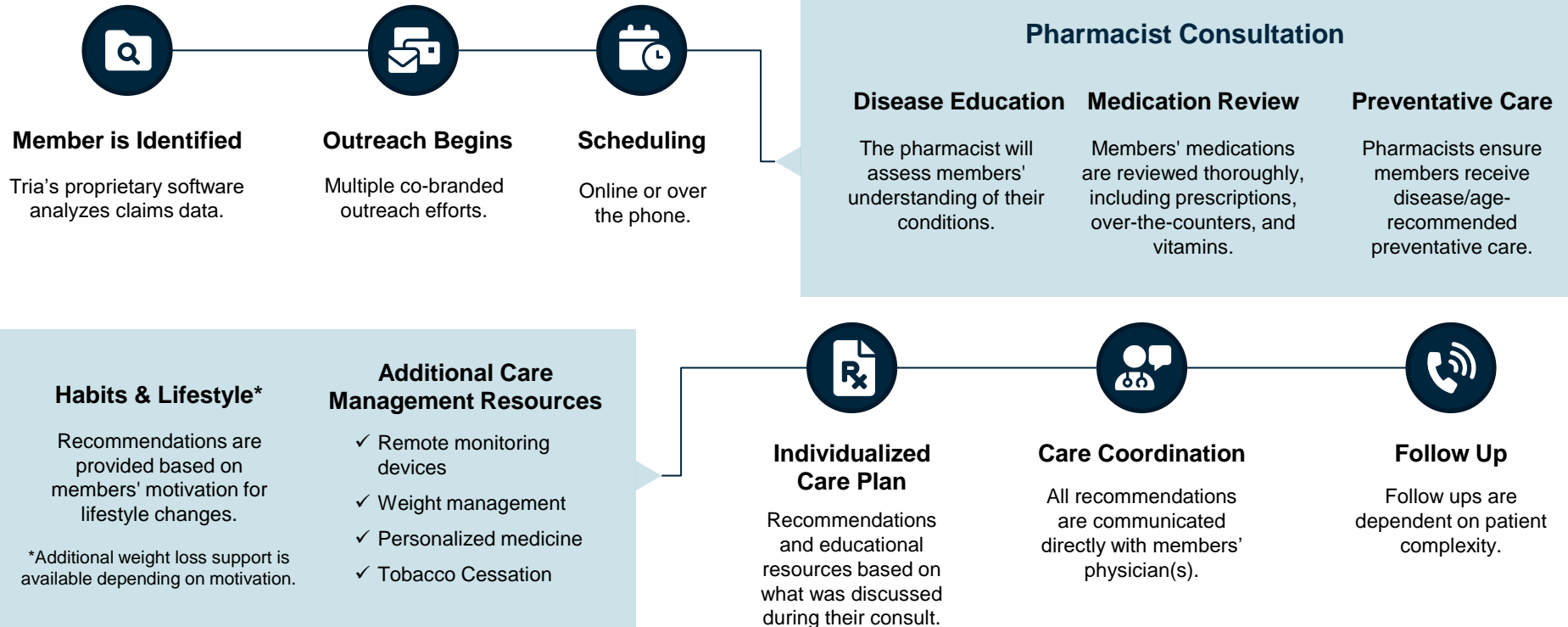
Patient Outcomes

- ✓ Improved Health Literacy, Closed Gaps in Care, Significant Chronic Care Management

Cost

- Tria would need to be procured, but average costs are \$4.25 PEPM with additional support billed on utilization. Guaranteed 1st year savings.

Tria Member Experience



Next Level PRIME



All in Primary Care, Preventive Care, Chronic Care and Urgent care at a fixed PEPM price



DIFFERENTIATORS



Unlimited access to medical care at all Next Level Clinics



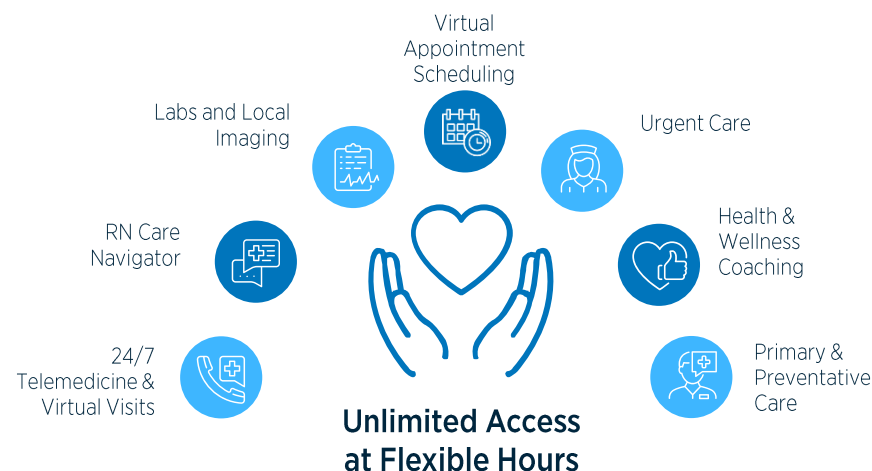
Zero-dollar cost for employees and members



Access to RN Care Navigation and integration with HMO providers



MEMBER EXPERIENCE



DESIRED OUTCOMES & COST

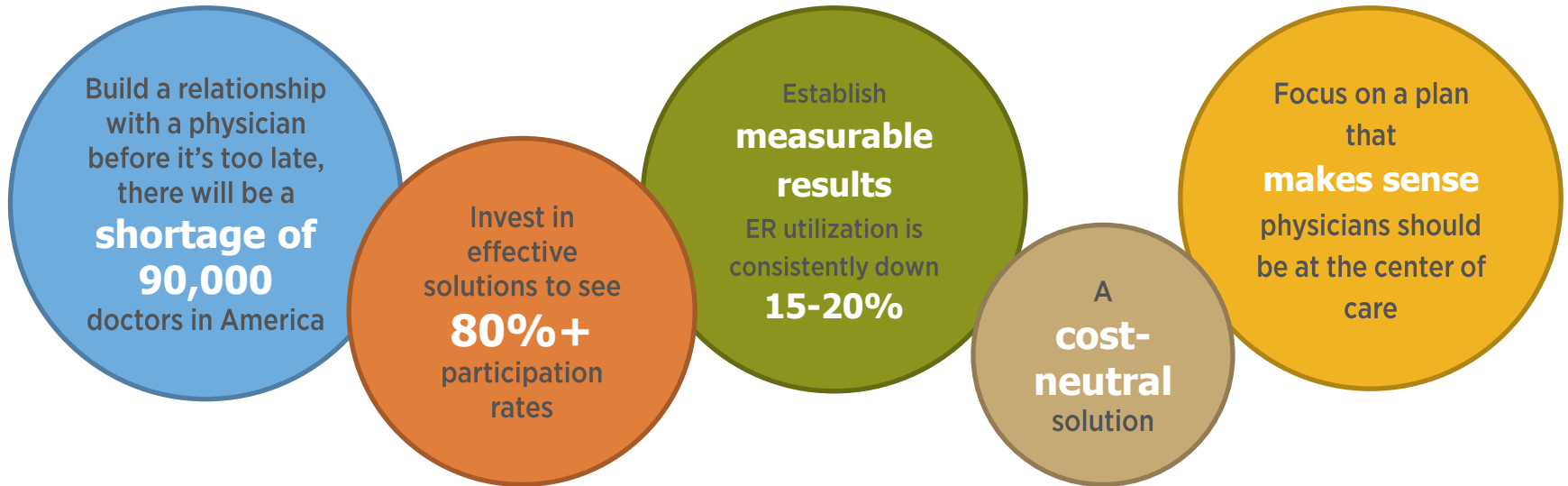
\$30 PEPM Employee Only
\$60 PEPM Employee + Dependents
District Special Pricing

20% ER Total Cost Decrease

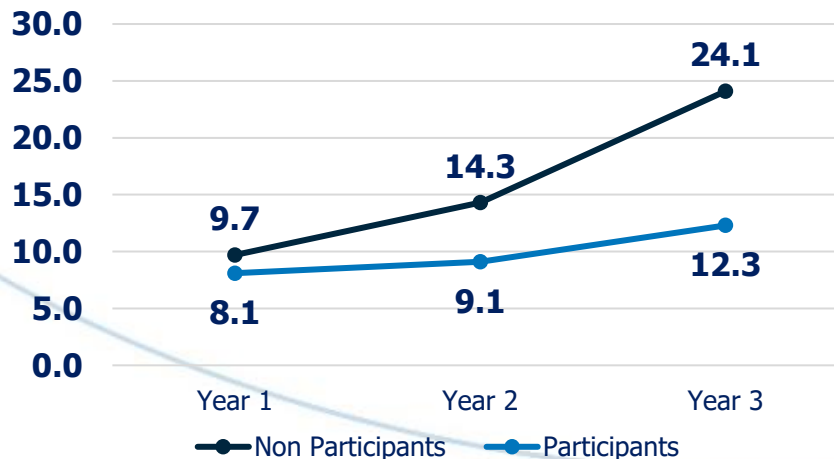
80% Urgent Care Total Cost Decrease

“Go to the Doctor” Campaign

Case Study



High Cost Claimants per 1,000



Client Case Study

Overall **17%** reduction in ER utilization

Prescription costs:

Participants trending at **3%**
Non-participants trending at **35%**

Inpatient admissions:

Participants down **5%**
Non-participants up **50%**

Strategic Considerations

Maternity

Demographic Trends

The birth rate as of 2020 for women in their 20s is down **5%** from a year ago. This number has declined by **40%** since 2007¹

Pregnancy Complications

- The cost to perform an uncomplicated C-section delivery rose **17%** from 2015-2018²
- Between 2014-2018, the rates of pregnancy and childbirth complications rose more than **16%** and **14%**⁵
- About seven out of every 1,000 pregnant women experienced both kinds of complications, a nearly **31%** increase since 2014⁵

Literacy

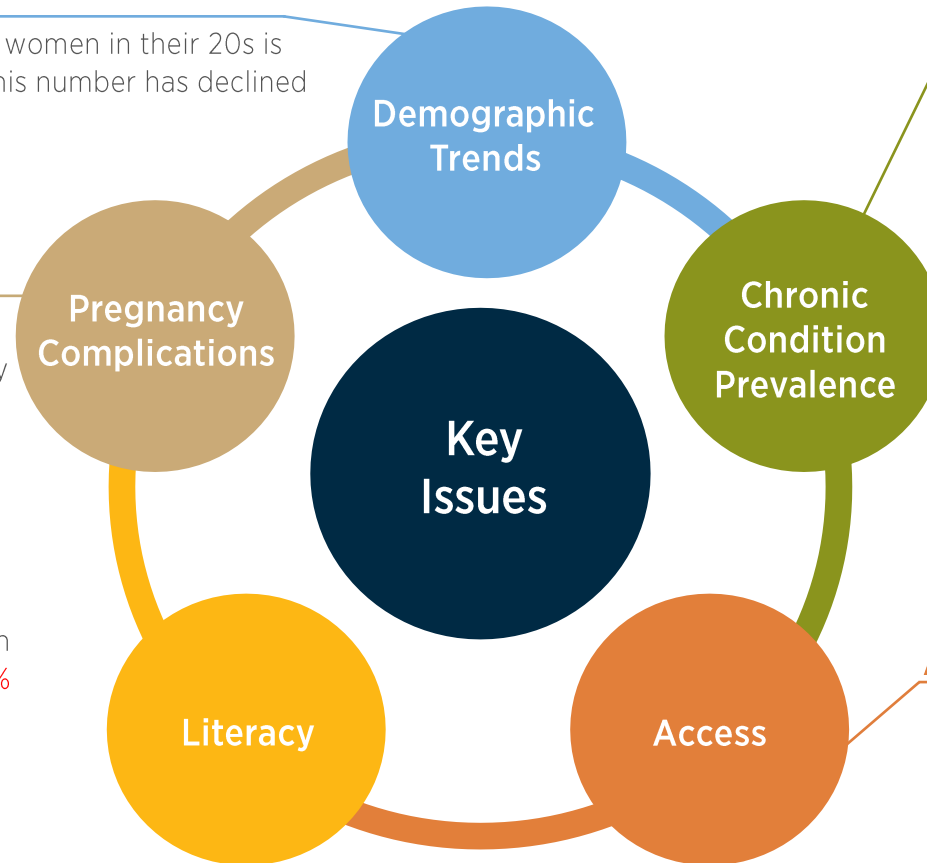
- 72%** of mothers report low health literacy as a major contributor to pregnancy-related complications³

Chronic Condition Prevalence

- Pregnant women with pre-existing conditions, such as hypertension and type II diabetes rose by **31%** and **28%** respectively from 2015-2018²
- Women with pre-existing conditions have added on average **\$2,264** to the cost of an uncomplicated C-section²

Access

- More than **50%** of the counties in the U.S. lack a single OB-GYN⁴
- 2.2 million** women of child-bearing age lack access to an OB-GYN⁴



Maven Maternity Program



Strategic virtual care model that offers comprehensive fertility care from pre-natal stages to postpartum through an app to achieve better outcomes at a lower cost



DIFFERENTIATORS



Ongoing assessments, proactive check-ins, and human touchpoints drive engagement, helping members identify risks early.



Mental Health vertical with specific programming for Postpartum Depression, Perinatal Anxiety, Prenatal Counseling, etc.



Inclusive content for moms, dads, LGBTQ+, and single parents across race and ethnicity



MEMBER EXPERIENCE



APP-BASED PERSONALIZED CONTENT

- ✓ Weekly action plans and courses for each stage of pregnancy
- ✓ Viewable available funds



VIRTUAL CARE

- ✓ Access to 30+ specialists such as OB-GYNs, doulas, career coaches, and sleep coaches via virtual care
- ✓ Care matching for relevant experience in caregiving



APPOINTMENT REFERRAL

- ✓ Referral in-network to high quality OB-GYN's



HIGH RISK INTERVENTIONS

- ✓ Claim risk stratification (if data from health plan available) determines high and rising risk mothers
- ✓ Clinical pathways, second opinion appointments



DESIRED OUTCOMES

2:1

Externally validated Potential ROI (no Performance Guarantee)

97%

Return to Work rate

20%

Lower C-section rates

32%

Lower NICU admission rates

36%

Avoid a non-essential ER or doctor's appointment

Disclaimers and Disclosures

Consulting and insurance brokerage services to be provided by Gallagher Benefit Services, Inc. and/or its affiliate Gallagher Benefit Services (Canada) Group Inc. Gallagher Benefit Services, Inc. is a licensed insurance agency that does business in California as “Gallagher Benefit Services of California Insurance Services” and in Massachusetts as “Gallagher Benefit Insurance Services.” Neither Arthur J. Gallagher & Co., nor its affiliates provide accounting, legal or tax advice.

Compensation and Solvency

Health Lines of Coverage: Including Medical, Pharmacy, & Stop Loss

Line of Coverage	Carrier Name	Response	Rate Guarantee	Commission	Direct Fees
Medical ASO/Pharmacy/Stop Loss	BlueCross BlueShield of TX	Current	5/1/1 (years)	\$12.50 PEPM	N/A

While Gallagher does not guarantee the financial viability of any health insurance carrier or market, it is an area we recommend that clients closely scrutinize when selecting a health insurance carrier. There are a number of rating agencies that can be referred to including, A.M. Best, Fitch, Moody's, Standard & Poor's, and Weiss Ratings (TheStreet.com). Generally, agencies that provide ratings of Health Insurers, including traditional insurance companies and other managed care organizations, reflect their opinion based on a comprehensive quantitative and qualitative evaluation of a company's financial strength, operating performance and market profile. However, these ratings are not a warranty of an insurer's current or future ability to meet its contractual obligations.

Carriers	Coverage	A.M. Best's Rating
BlueCross BlueShield of TX	Medical, PBM, Stop Loss	A+/XV

Non-Health Lines of Coverage

**A.M. Best Rating Required Standards for Gallagher Benefit Services

Group 1 A - to A++	Recommended
Group 2 B + to B ++ and/or financial rating under "VI", or any of Best's "NR" group. This would apply to Best's "A- or higher" rated companies with a financial size under "VI".	Acceptable with signed client acknowledgement letter
Financial Strength Ratings	
Secure	Vulnerable
A++, A+ (Superior)	B, B - (Fair)
A, A -, A U (Excellent)	C++, C+ (Marginal)
B++, B+ (Very Good)	C, C - (Weak)

Supplemental Compensation

Gallagher may receive supplemental compensation from insurance carriers and vendors, normally calculated at the end of each calendar year, that are contingent on a number of factors including the overall number of employer plans represented, plan retention rates, and overall premium growth. Historically, supplemental compensation has ranged, on average, between 0-3% based on specific carrier programs. These plans have no effect on premiums. Further, Gallagher may receive non-cash compensation from plan vendors or service providers that are not in connection with any particular client. If you have any questions regarding direct or indirect compensation received by Gallagher, please contact your dedicated Gallagher advisor or refer to the Gallagher Global Standards of Business Conduct (<https://www.ajg.com/us/about-us/global-standards>).

General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

Thank you!

Get in touch to let us know how we can help.



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