

# Canutillo Independent School District



Board Presentation  
June 24<sup>th</sup>, 2025

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**Gallagher**

Insurance | Risk Management | Consulting

# Recap of 2025 Recommendations

- Original Plan Cost with BCBS was an estimated \$12.2M
- Recommended a move to Aetna with an ACO component to reduce plan cost to \$10.3M
- Recommended increasing defined contribution from \$623 to \$733 PEPM to right size the historical underfunding (~\$7M to ~\$8.3M)
- District decided to keep current defined contribution and passed an increase to the employee

# Executive Summary

- Significant decrease in subscribers from 2024 to 2025, ~200 employees.
- Enrollment shift from Basic plan to CDHP.
- So far this year, under budget 2 out of 4 months of claims history including BlueCross BlueShield run out claims.
- Claims spend split 70% Medical, 30% Pharmacy.
- 15% projected increase for 2026 plan year.
- Total plan cost plan saving from 2024 - \$4M
- Closing the gap toward a balanced budget



# Financial Summary - Medical

## Year over Year Plan Comparison

	Jan 2024 – Dec 2024	Jan 2025 – Apr 2025
Average Subscribers	711	509
Average Membership	1,123	808
PEPM Claims + Fixed Cost	\$1,019.35	\$902.33
Medical Paid Claims	\$6,102,262	\$836,876
Pharmacy Paid Claims	\$2,638,240	\$476,452
Claim Wire Transfers	-	\$7,989
BCBSTX Runout Claims	-	\$160,471
Access Fees	\$8,739	-
Stop Loss Reimbursement	\$1,878,561	\$0
Total Net Claim Payments	\$6,870,680	\$1,481,788
Total Plan Cost (Net claim + fixed costs)	\$8,700,113	\$1,837,152
Employer Cost (after Employee Contributions)	\$7,282,184	\$1,286,325

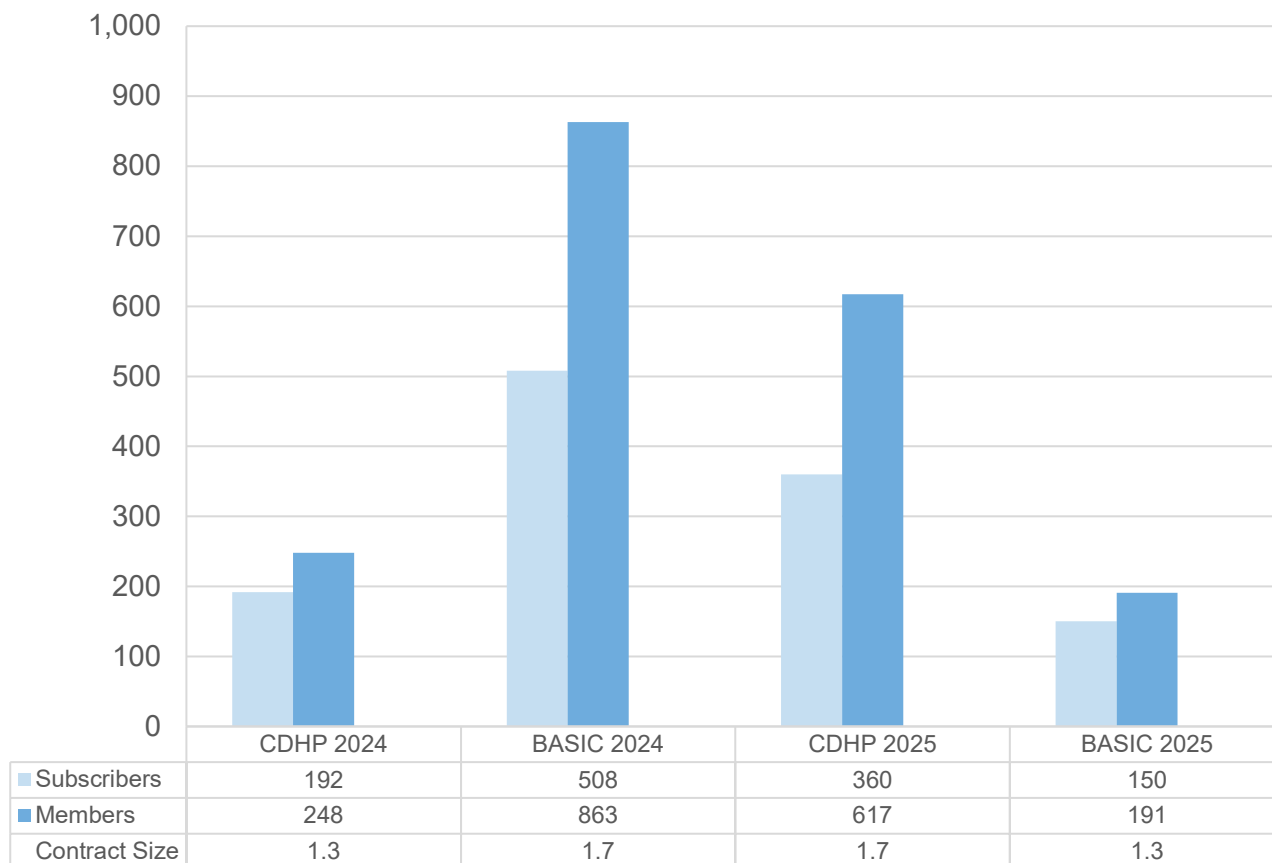
# Financial Reporting – Medical Utilization

## Enrollment Per Plan

Based on data from the following time-period: Jan 2024 – Apr 2025

There was a large shift in subscriber count between the two plans beginning in 2025. Most of the population is now concentrated in the CDHP plan, whereas the Basic plan was more popular in 2024.

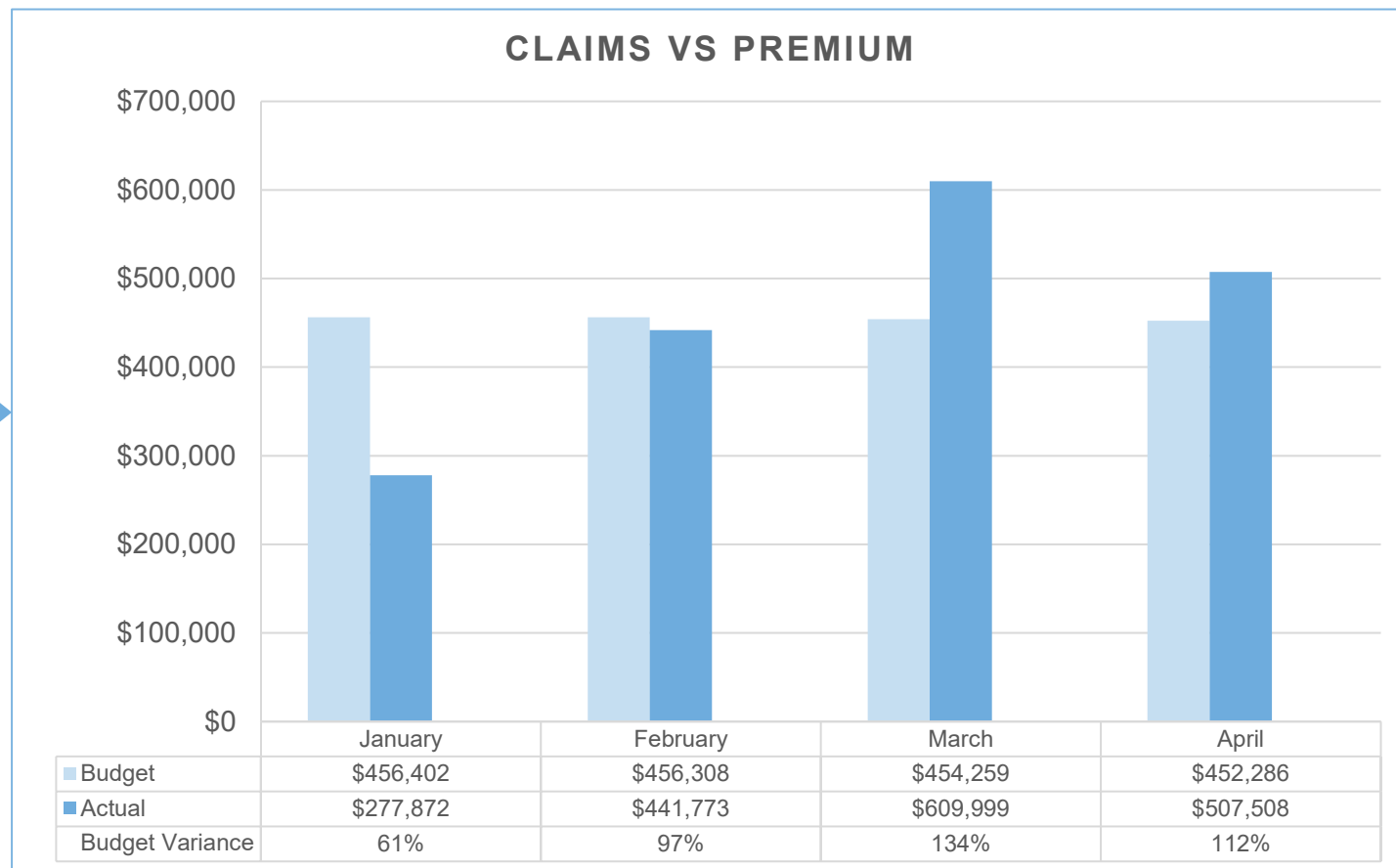
### AVERAGE ENROLLMENT



# Financial Reporting – Medical Utilization

## Current Plan Year Claims Comparison

Claims are steadily picking up as subscribers are beginning to reach their deductibles. Three high-cost claimants began to emerge in March which accounts for 30% of the cost that month.



Claims include BCBS runoff.

# Financial Reporting – Medical Utilization

## Large Claimants

There were 24 large claimants (over \$62,500) in 2024.

These claims totaled \$4,489,404, which was 51.3% of gross claims for the plan year.

14 claimants hit the specific deductible of \$125,000 in 2024 and stop loss reimbursed \$1,878,561.

So far in 2025, Gallagher is tracking three large claimants who have accrued \$340,604 since January.

# Financial Summary

## Medical & Pharmacy

	1/1/2025 - 12/31/2025	1/1/2025 - 12/31/2025	1/1/2026 - 12/31/2026	1/1/2026 - 12/31/2026
Financial Category	Budget	Latest Estimate	Projection	Alternative 1
Scenario Description	\$623 Defined Contribution	\$623 Defined Contribution	Current EE	\$723 Defined Contribution
Medical Trend		6.9%	6.9%	6.9%
RX Trend		12.10%	12.10%	12.1%
Stop Loss Deductible	\$175,000	\$175,000	\$175,000	\$175,000
Average Subscribers	508	508	507	507
PEPM Variable Costs				
Medical Cost (Net ISL)		\$553.25	\$582.61	\$582.61
Pharmacy Cost (Net ISL)		\$311.23	\$348.89	\$348.89
Plan Design / Migration Savings		-\$95.09	-\$102.47	-\$102.47
Pharmacy Rebates		\$0.00	\$0.00	\$0.00
Employer HSA Seed		\$0.00	\$0.00	\$0.00
PEPM Variable Total		\$769.38	\$829.04	\$829.04
PEPM Fixed Costs				
Administrative Fee <sup>a</sup>		\$19.13	\$19.13	\$19.13
ISL Stop-Loss Fee		\$154.65	\$177.85	\$177.85
Agg Stop-Loss Fee		\$0.00	\$0.00	\$0.00
Other Fees (1)		\$0.00	\$0.00	\$0.00
Other Fees (2)		\$0.00	\$0.00	\$0.00
PEPM Fixed Costs Total		\$173.78	\$196.98	\$196.98
PEPM Total Gross Cost	\$892.08	\$943.16	\$1,026.01	\$1,026.01
Annual Total Gross Cost	\$5,438,000	\$5,750,000	\$6,242,000	\$6,242,000
PEPM Employee Contributions	\$269.08	\$269.08	\$269.08	\$303.01
Annual Employee Contributions	\$1,640,000	\$1,640,000	\$1,637,000	\$1,844,000
PEPM Total Net Cost	\$623.00	\$674.08	\$756.93	\$723.00
Annual Total Net Cost	\$3,798,000	\$4,109,000	\$4,605,000	\$4,399,000
Annual				
Δ Change vs. 2025 Gross Budget		\$312,000	\$804,000	\$804,000
Δ Change vs. Latest Estimate			\$492,000	\$492,000
Δ Change vs. Status Quo Projection				\$0
PEPM				
Δ Change vs. 2025 Gross Budget		\$51.08   5.7%	\$133.93   15.0%	\$133.93   15.0%
Δ Change vs. Latest Estimate			\$82.85   8.8%	\$82.85   8.8%



# Financial Summary

## Medical & Pharmacy

		Current			Renewal Plan Year Status Quo - Current Employee Contributions				
Coverage Tier	YTD Avg Enrollment	Employee	Employer	Total Rates	Employee	Employer	Total Rates	Employee \$Δ / %Δ	Employer \$Δ / %Δ
Basic									
Employee Only	123	\$228.64	\$623.00	\$851.64	\$228.64	\$750.86	\$979.50	\$0.00 / 0.0%	\$127.86 / 20.5%
Employee + Spouse	5	\$651.52	\$623.00	\$1,274.52	\$651.52	\$814.35	\$1,465.87	\$0.00 / 0.0%	\$191.35 / 30.7%
Employee + Ch(ren)	15	\$498.39	\$623.00	\$1,121.39	\$498.39	\$791.36	\$1,289.75	\$0.00 / 0.0%	\$168.36 / 27.0%
Employee + Family	4	\$921.27	\$623.00	\$1,544.27	\$921.27	\$854.85	\$1,776.12	\$0.00 / 0.0%	\$231.85 / 37.2%
CDHP									
Employee Only	231	\$110.85	\$623.00	\$733.85	\$110.85	\$733.17	\$844.02	\$0.00 / 0.0%	\$110.17 / 17.7%
Employee + Spouse	15	\$591.45	\$623.00	\$1,214.45	\$591.45	\$805.33	\$1,396.78	\$0.00 / 0.0%	\$182.33 / 29.3%
Employee + Ch(ren)	92	\$439.49	\$623.00	\$1,062.49	\$439.49	\$782.51	\$1,222.00	\$0.00 / 0.0%	\$159.51 / 25.6%
Employee + Family	22	\$862.37	\$623.00	\$1,485.37	\$862.37	\$846.00	\$1,708.37	\$0.00 / 0.0%	\$223.00 / 35.8%
Plan Cost Composite	507	\$269.08	\$623.00	\$892.08	\$269.08	\$756.93	\$1,026.01	26%	74%
PCORI Fees		\$0.00	\$0.50	\$0.50	\$0.00	\$0.54	\$0.54		
Annual		\$1,637,095	\$3,793,358	\$5,430,453	\$1,637,095	\$4,608,452	\$6,245,547	26%	74%
Change From Current (\$)					\$0	\$815,094	\$815,094		
Change From Current (%)					0.0%	21.5%	15.0%		

# Financial Summary

## Medical & Pharmacy

		Current			Renewal Plan Year Scenario 1 - \$723 Defined Contribution				
Coverage Tier	YTD Avg Enrollment	Employee	Employer	Total Rates	Employee	Employer	Total Rates	Employee \$Δ / %Δ	Employer \$Δ / %Δ
Basic									
Employee Only	123	\$228.64	\$623.00	\$851.64	\$256.50	\$723.00	\$979.50	\$27.86 / 12.2%	\$100.00 / 16.1%
Employee + Spouse	5	\$651.52	\$623.00	\$1,274.52	\$742.87	\$723.00	\$1,465.87	\$91.35 / 14.0%	\$100.00 / 16.1%
Employee + Ch(ren)	15	\$498.39	\$623.00	\$1,121.39	\$566.75	\$723.00	\$1,289.75	\$68.36 / 13.7%	\$100.00 / 16.1%
Employee + Family	4	\$921.27	\$623.00	\$1,544.27	\$1,053.12	\$723.00	\$1,776.12	\$131.85 / 14.3%	\$100.00 / 16.1%
CDHP									
Employee Only	231	\$110.85	\$623.00	\$733.85	\$121.02	\$723.00	\$844.02	\$10.17 / 9.2%	\$100.00 / 16.1%
Employee + Spouse	15	\$591.45	\$623.00	\$1,214.45	\$673.78	\$723.00	\$1,396.78	\$82.33 / 13.9%	\$100.00 / 16.1%
Employee + Ch(ren)	92	\$439.49	\$623.00	\$1,062.49	\$499.00	\$723.00	\$1,222.00	\$59.51 / 13.5%	\$100.00 / 16.1%
Employee + Family	22	\$862.37	\$623.00	\$1,485.37	\$985.37	\$723.00	\$1,708.37	\$123.00 / 14.3%	\$100.00 / 16.1%
Plan Cost Composite	507	\$269.08	\$623.00	\$892.08	\$303.01	\$723.00	\$1,026.01	30%	70%
PCORI Fees		\$0.00	\$0.50	\$0.50	\$0.00	\$0.54	\$0.54		
Annual		\$1,637,095	\$3,793,358	\$5,430,453	\$1,843,529	\$4,402,018	\$6,245,547	30%	70%
Change From Current (\$)					\$206,434	\$608,660	\$815,094		
Change From Current (%)					12.6%	16.0%	15.0%		

# Thank you!



**Gallagher**

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