



HEALTH INSURANCE UPDATE NOVEMBER 11, 2024





Health Insurance Overview

- Self insured
- Plan overview/competitiveness
- Wellness
- Health Insurance Committee





Current Challenges

- The last two years have eroded district health insurance fund balance
- Insurance currently running at 112%
- If our projection holds, health insurance fund balance will be essentially \$0 at the end of the 24-25 fiscal year
- No room in current budget to absorb these additional costs





Recent Insurance Updates

- July 2023: Increase of premiums of 4%
- January 2024: Changes to deductible & maximum out-of-pocket
- July 2024: Increase in premiums of 4%
- January 2025: Changes to deductible & maximize out-of-pocket





Direct Primary Care

- Update: District held initial interviews with primary care providers over the summer
- Next steps: Survey to all staff on their preferences regarding Direct Primary Care
- Timeline: Potential to have Direct Primary Care in place by July 1, 2025





PROPOSED PLAN CHANGES & PROJECTED IMPACT

- Increase deductible
- Increase maximum out-of-pocket





2024 Healthcare Trends

- Medical inflation continues to outpace the Consumer Price Index (CPI)
- Widespread use of expensive specialty medications
- Physician and clinician staffing challenges
- Pent up demand post-COVID still a factor (supply and demand)
- Trends are nationwide, yet more significant statewide and in Central Wisconsin

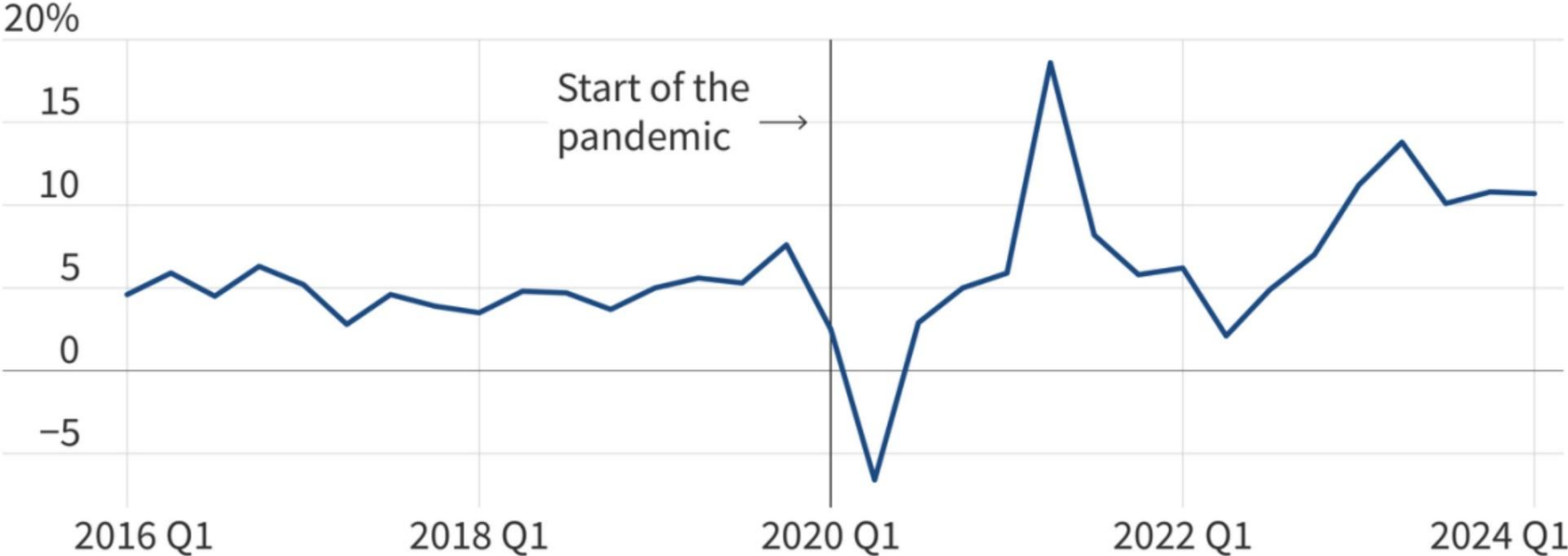


Cumulative percent change in Consumer Price Index for All Urban Consumers (CPI-U) for medical care and for all goods and services, January 2000 - June 2024



Annual Growth in Health Services Spending Is Now Higher Than Before the Pandemic

Year-over-year growth in health services spending, 2016 Q1 – 2024 Q1



KFF analysis of QSS data, Aug. 20, 2024

2024 HEALTH CARE TRENDS BY REGION

Geography plays a critical role in the benefits marketplace. Each region represented in this report faces unique opportunities and challenges that impact their benefit costs, including network availability, supply and demand for top talent, and carrier competition. These factors influence not only the care that is available to local employees, but also the associated costs and individual employers' desire for innovation.

WESTERN

- 5.7% of all M3 Clients
- 4.0% of all M3 Client Full-Time Employees
- 9.2% Average Increase
- \$18,048 Average Annual Cost
- 14.4% Contribution - Single
- \$3,617 Average Deductible
- 42.1% Public Sector

NORTHCENTRAL

- 9.2% of all M3 Clients
- 14.4% of all M3 Client Full Time Employees
- 5.1% Average Increase
- \$18,466 Average Annual Cost
- 18.4% Contribution-Single
- \$2,735 Average Deductible
- 36.9% Public Sector

NORTHEAST

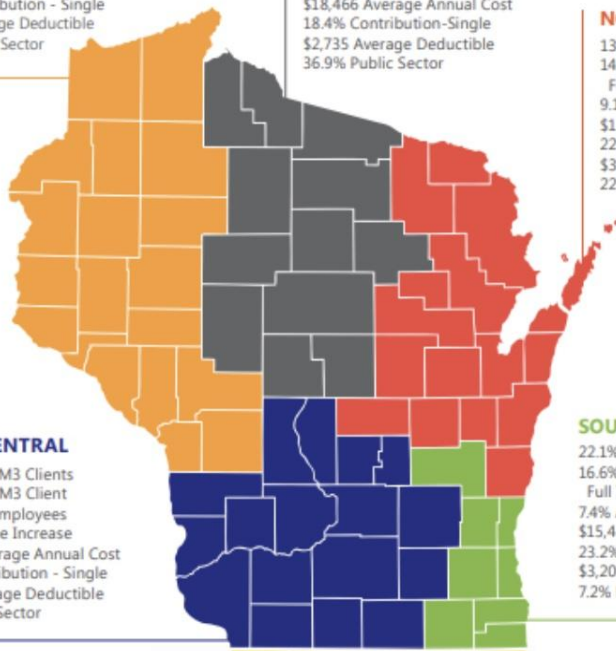
- 13.3% of all M3 Clients
- 14.1% of all M3 Client Full Time Employees
- 9.1% Average Increase
- \$15,595 Average Annual Cost
- 22.5% Contribution - Single
- \$3,212 Average Deductible
- 22.2% Public Sector

SOUTHCENTRAL

- 40.4% of all M3 Clients
- 44.6% of all M3 Client Full-Time Employees
- 8.4% Average Increase
- \$15,887 Average Annual Cost
- 24.1% Contribution - Single
- \$1,885 Average Deductible
- 7.1% Public Sector

SOUTHEAST

- 22.1% of all M3 Clients
- 16.6% of all M3 Client Full Time Employees
- 7.4% Average Increase
- \$15,489 Average Annual Cost
- 23.2% Contribution - Single
- \$3,206 Average Deductible
- 7.2% Public Sector



Proposed Changes

		Traditional Plan Signature Network	HSA Qualified HDHP Signature Network	HSA Qualified HDHP Freedom Network
Deductible				
	Current	\$600 Single \$1,200 Family	\$1,600 Single \$3,200 Family	\$1,600 Single \$3,200 Family
	Proposed	\$1,000 Single \$2,000 Family	\$2,000 Single \$4,000 Family	\$2,000 Single \$4,000 Family
Maximum Out-of-Pocket				
	Current	\$3,000 Single \$6,000 Family	\$3,000 Single \$6,000 Family	\$3,000 Single \$6,000 Family
	Proposed	\$4,000 Single \$8,000 Family	\$4,000 Single \$8,000 Family	\$4,000 Single \$8,000 Family
Note: Coinsurance on all plans would remain 80%/20%				



QUESTIONS?





Action:

Move to adopt the proposed changes to Wausau School District health insurance effective January 1, 2025.

