



Higginbotham™

Lead with Values and
Value Leads.

Health Insurance

Transition to Self Funded Medical
Insurance

Denton ISD

September 30, 2024

Financial Services



Agenda

Self Funding Defined	I
Advantage/Barriers of Self Funding	II
Financials	III
Risk Management (Stop Loss)	IV
Feasibility Discussion: ASO for Denton ISD	V
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History of Denton ISD Medical Plan

- Denton ISD participated in TRS Medical plan for many years. Beginning in September of 2020 the Texas School Health Benefits Program(TSHBP) was offered alongside TRS, allowing employees the choice between the two health plans.
- 9/1/2022 – TRS no longer allows multiple medical plan options, and Denton ISD joins TSHBP entirely. TSHBP is a self-funded pooled arrangement with other TX ISDs
 - TSHBP is a self-funded pooled arrangement – TPA = 90 Degree Benefits / PBM = Southern Scripts
- Spring of 2023 TSHBP issues high increase along with plan design changes. Denton ISD opts out of TSHBP, moves to a Fully-insured medical plan with Blue Cross Blue Shield of Texas. Higginbotham Public Sector facilitates transition to BCBS.
- 9/1/2024 – Denton ISD renews with BCBS fully-insured on 9.5% rate cap. Negotiated to 7% with Vision and Life insurance moving to BCBS.



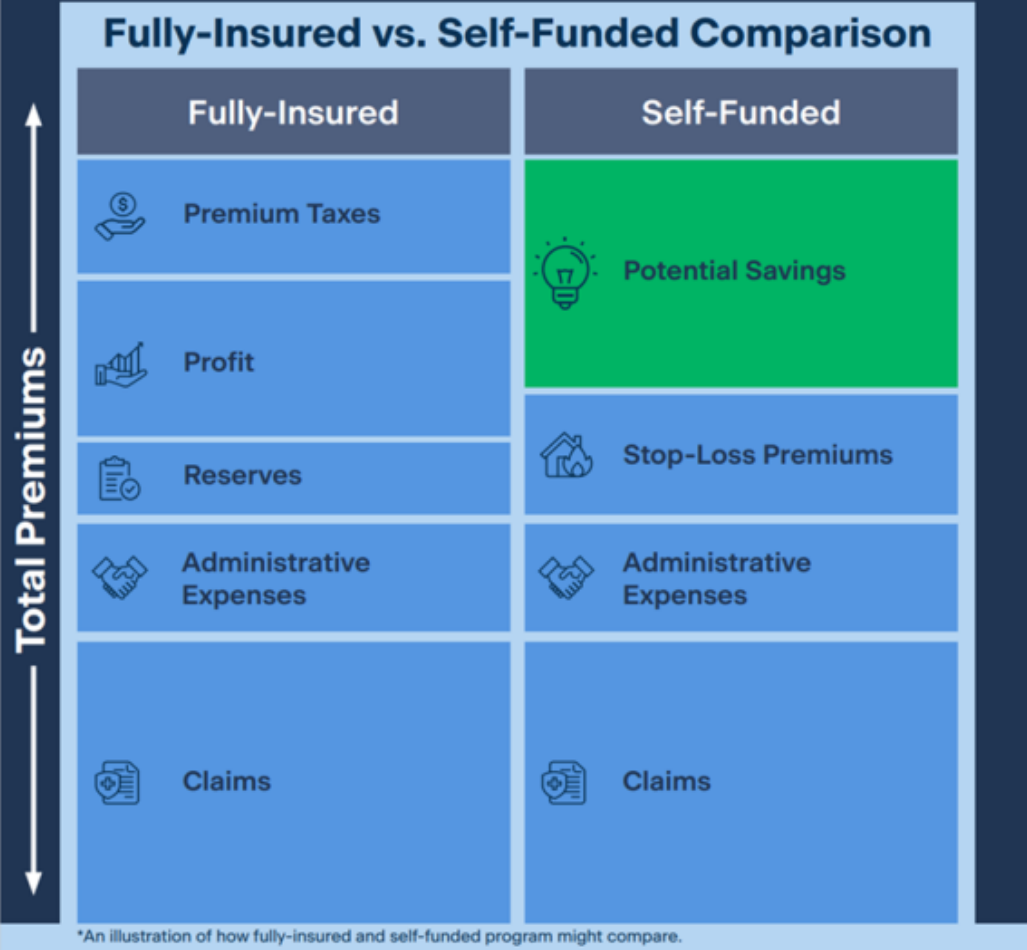
Comparison of Fully Insured and Self Funded

	Fully Insured	Self Funded
Who Holds the Risk?	Insurance Carrier	DISD (With stop loss protection)
How are claims paid?	Fixed monthly premium	Paid as claims incurred from, from district funds
Unused Funds	Kept by carrier as profit	Retained by DISD
Plan Flexibility	Limited – set by the carrier	High- DISD customizes plan design
Claims Data Access	Minimal	Full transparency
Admin Services	Provided by insurance company	Handled by Third Party Administrator (TPA)
Protection Against Large Claims	Built into premium	Purchased via Stop-Loss Insurance



Fully Insured VS Self-Funded

Take your health plan and business further than ever before



	Fully Insured Plans	Self-insured Plans
Payments	Employer pays monthly premiums to an insurance carrier.	Employer doesn't pay premiums, but instead pays: <ul style="list-style-type: none">• Fixed costs: administrative fees and stop-loss premiums• Variable costs: employee claims
Assumption of Risk	Insurance company assumes the risk.	Employer assumes the risk up to stop loss deductibles.
Plan Design	Employers are more limited by their insurer's plan design options.	Employers have more control and freedom in regards to plan design.
Compliance Payments	Most health plan must comply with state regulations.	Health plan must comply with ERISA, but not state regulations.



Self-funding: Advantages

Reduced costs — Self-funded health plans often eliminate unnecessary expenses:

- state-levied premium taxes
- Excess / unused premiums
- Better oversight and control of plan at district level

Potential for improved cash flow

- When claims employers pay are less than projected, employers can keep the surplus funds.
- Must fund claim reserves to cover incurred but not reported claims (IBNR)

Increased flexibility — Self-funded health plans often offer employers more flexibility than fully insured health plans because they don't have to comply with many burdensome and often conflicting state health insurance regulations and benefits mandates. Self funded plan sponsors may choose the different components of their plan:

- Claims payer – carrier or third party administrator (TPA). TPA offers more flexibility
- Network options
- Plan design
- Stop loss carrier
- Pharmacy benefit manager
- Cost containment solutions

Enhanced claims management— allows more efficient management of claims.

- Data analytics in depth utilization and claims trend
- Engage population health management to engage cost containment point solutions
- Tailor case management programs
- Incent employees to effectively manage clinical and financial outcomes

Self-funding: Barriers to Entry

Risk Assumption:

- **Employer assumes 25% risk** between the expected claim level and Stop Loss Coverage level

Complexity:

- **Finding a qualified TPA:**
 - Not every TPA is the same. Higginbotham will complete the due diligence to find the TPA, engage the best networks with the best discounts, coverage availability and easy of use for your members.
- **Finding the right Pharmacy Benefit Manager (PBM):**
 - Not every PBM is the same. Higginbotham will complete a separate PBM Request for Proposal and analysis to ensure plan design, pricing, rebates are maximized for Denton ISD.
- **Finding the right cost containment solutions:**
 - Higginbotham will complete an analysis of chronic conditions, complex claims etc and ensure we engage the right partners to mitigate Denton ISD.
- Compliance requirements of a self funded plan are much greater than a fully insured plan.

Additional Administration Responsibility:

- Plan Document describing the benefits and guides day to day operations required
- Trust to hold assets required
- Recordkeeping of benefit payments required
- Documents to provide the plan information to participating employees and the government

What is Stop-Loss Insurance:

Stop-loss insurance is a critical protection tool for self-funded health plans. It limits financial exposure and protects the district from catastrophic or unexpected claims.

Types of Stop-Loss

	Individual Stop-Loss (ISL)	Aggregate Stop-Loss (ASL)
What it Protects Against	High cost claims from a single employee or dependent.	Total claims exceeding a set amount across the group
Trigger Point	Claims exceeding a pre-determined, set amount, for one individual.	Total claims exceeding asset dollar limit for the entire plan.
How it Works	Reimburses the district when an individual's claims exceed the threshold	Reimburses the district if overall group claims exceed a pre-defined cap.
Example	Covers a \$250,000 claim when the ISL cap is \$150,000	Covers claims above \$5 million when total claims exceed that amount



Carrier (BCBS) Stop Loss Advantages:

- Integrated
- No claims filing
- Immediate reimbursement
- No potential gaps due to variance in SPD and Stop loss contract
- Normally progresses from 12/12 to 24/12 to 36/12 to paid

Independent Stop Loss Advantages:

- Carrier options provides best pricing
- Options to layer on gene therapy riders etc
- Explore Captives

Independent Stop Loss Disadvantages:

- Pay claim, file claim, wait for reimbursement (Slower to pay)
- Potential for variance in SPD and contract
- More lasers in the independent market

Important things to keep in mind – Self-funding

ASO Options/Flexibility

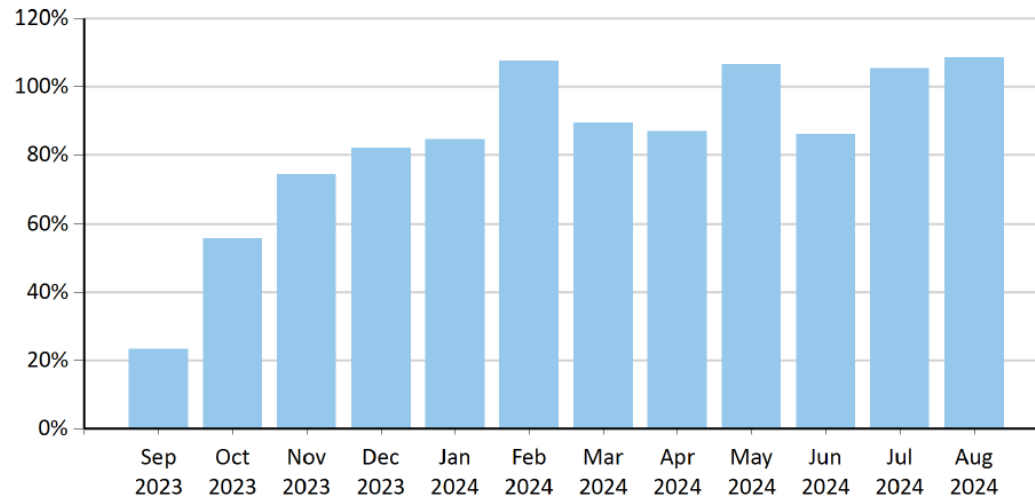
- Network arrangements – can we partner with a hospital system that would like the membership/potential of negotiating multi-year contract
- Pharmacy Benefits Manager; typically we can expect a 30% savings on RX spend by carving out the PBM or negotiating with Prime Therapeutics(BCBS PBM).
- Integrate Concentra Clinic – what is the savings against a self-funded plan, diversion of claims not processed due to district clinic
- NavMD; Data analytics tool used by Higginbotham. Gather year 1 ASO data – use data to drive clinical decisions for point solutions in consecutive years
- Garner Health – allows us to create steerage to higher qualities of care within a particular carriers network (think HRA incentives for going to the correct care points)

Financial Overview: Medical & Pharmacy Loss Ratio

Report Description: Provides the medical and pharmacy loss ratio and claims for the most recent reported twelve months.

Month	Premium	Medical Paid Claims	Pharmacy Paid Claims	Capitation	VBC Payments	Total Paid	Medical and Pharmacy Loss Ratio
Sep 2023	\$1,646,200	\$318,375	\$68,580	\$0	\$0	\$386,955	23.5%
Oct 2023	\$1,637,442	\$757,585	\$152,579	\$0	\$3,679	\$913,843	55.8%
Nov 2023	\$1,633,522	\$1,052,403	\$154,863	\$0	\$4,069	\$1,211,335	74.2%
Dec 2023	\$1,626,412	\$1,063,240	\$266,945	\$0	\$4,791	\$1,334,976	82.1%
Jan 2024	\$1,613,477	\$1,147,530	\$210,498	\$0	\$4,455	\$1,362,482	84.4%
Feb 2024	\$1,618,355	\$1,442,874	\$294,458	\$0	\$4,469	\$1,741,801	107.6%
Mar 2024	\$1,612,149	\$1,174,526	\$263,207	\$0	\$4,515	\$1,442,248	89.5%
Apr 2024	\$1,602,799	\$1,059,009	\$327,376	\$0	\$4,579	\$1,390,965	86.8%
May 2024	\$1,603,329	\$1,323,362	\$379,679	\$0	\$4,602	\$1,707,643	106.5%
Jun 2024	\$1,592,498	\$990,202	\$373,894	\$0	\$4,606	\$1,368,702	86.0%
Jul 2024	\$1,572,036	\$1,283,225	\$369,067	\$0	\$4,421	\$1,656,713	105.4%
Aug 2024	\$1,625,352	\$1,277,737	\$482,647	\$0	\$4,489	\$1,764,873	108.6%
Summary	\$19,383,569	\$12,890,070	\$3,343,793	\$0	\$48,676	\$16,282,538	84.0%

Loss Ratio By Month



Financial Overview: Lag Report

Report Description: Displays, by paid month, the medical dollars paid and the corresponding month incurred for a 12 month rolling paid period (if available for your account). This report provides insight into the monthly claim lag and can help identify IBNR.

Incurred Month	Paid Month												Summary
	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	
All Prior													
Sep 2022													
Oct 2022													
Nov 2022													
Dec 2022													
Jan 2023													
Feb 2023													
Mar 2023													
Apr 2023													
May 2023													
Jun 2023													
Jul 2023													
Aug 2023													
Sep 2023	\$318,375	\$272,261	\$75,339	\$11,289	\$17,014	\$5,042	(\$1,809)	\$525	\$62	\$503	\$92	(\$1,377)	\$697,317
Oct 2023		\$485,325	\$562,140	\$60,332	\$7,274	\$6,840	\$2,584	\$6,830	\$2,447	(\$308)	\$660		\$1,134,122
Nov 2023			\$414,924	\$448,992	\$25,947	\$5,138	\$1,888	\$373	\$166	\$2	\$226	\$48	\$897,703
Dec 2023				\$542,627	\$552,606	\$558,142	\$20,077	\$5,741	\$2,157	\$1,628	(\$97,980)	(\$610)	\$1,584,388
Jan 2024					\$544,689	\$345,924	\$53,485	\$23,800	\$6,218	\$12,384	\$2,717	\$10,996	\$1,000,214
Feb 2024						\$521,788	\$678,793	\$96,520	\$7,505	\$19,232	\$3,368	\$3,630	\$1,330,837
Mar 2024							\$419,507	\$390,801	\$453,701	\$28,589	\$3,266	\$37,457	\$1,333,321
Apr 2024								\$534,420	\$330,470	\$34,410	\$6,987	\$5,276	\$911,562
May 2024									\$520,636	\$412,340	\$33,219	\$11,807	\$978,002
Jun 2024										\$481,421	\$493,071	\$16,064	\$990,555
Jul 2024											\$837,600	\$613,539	\$1,451,139
Aug 2024												\$580,909	\$580,909
Summary	\$318,375	\$757,585	\$1,052,403	\$1,063,240	\$1,147,530	\$1,442,874	\$1,174,526	\$1,059,009	\$1,323,362	\$990,202	\$1,283,225	\$1,277,737	\$12,890,070



Financial Overview: High Cost Claimants

Report Description: This report provides a detailed listing of the top 20 high cost claimants with paid expenses of \$50,000 or more for the current period.

Jan 2024 - Aug 2024

Encrypted Member ID	Relationship	Age/Gender Band	Leading Diagnostic Category	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Paid	Currently Enrolled
3862693739328851172	Subscriber	Female 30-39	Endocrine	\$412,415	\$162,339	\$71,864	\$311	\$646,929	No
327771693798961337	Spouse	Male 50-59	Injury/Poisoning	\$395,368	\$8,642	\$52,924	\$7,055	\$463,989	Yes
1887522005913170455	Subscriber	Female 20-29	Digestive	\$261,115	\$5,808	\$46,748	\$79	\$313,750	Yes
7612663186092716639	Dependent	Male <1-19	Digestive	\$178,178	\$39,958	\$67,871	\$4,698	\$290,705	Yes
6115624188930670783	Subscriber	Female 40-49	Not Available	\$0	\$0	\$14,460	\$132,974	\$147,434	Yes
6970296481777970483	Subscriber	Female 40-49	Musculoskeletal	\$122,989	\$628	\$9,463	\$3,648	\$136,728	Yes
7304214014252453446	Dependent	Female <1-19	Mental Health	\$118,274	\$8,666	\$8,028	\$1,383	\$136,351	Yes
1019275933112742652	Subscriber	Female 40-49	Not Available	\$0	\$7,220	\$10,282	\$103,580	\$121,082	Yes
508942769450484908	Subscriber	Female 50-59	Nervous	\$0	\$94,366	\$19,876	\$3,481	\$117,723	Yes
3915226058974986163	Subscriber	Female 50-59	Musculoskeletal	\$0	\$103,770	\$5,244	\$6,976	\$115,990	Yes
3238705538048359811	Subscriber	Female 60-64	Not Available	\$49,933	\$532	\$3,642	\$56,287	\$110,394	Yes
6449951956903313121	Subscriber	Female 20-29	Not Available	\$0	\$0	\$3,695	\$102,723	\$106,418	Yes
4797248780672118747	Dependent	Female <1-19	Mental Health	\$0	\$1,483	\$103,568	\$660	\$105,711	Yes
7204561103324570603	Subscriber	Female 30-39	Not Available	\$0	\$0	\$469	\$93,601	\$94,070	Yes
8532316866356346530	Subscriber	Female 30-39	Genitourinary	\$0	\$76,933	\$14,139	\$1,664	\$92,736	No
4232764360204940956	Subscriber	Male 50-59	Digestive	\$29,284	\$4,769	\$41,052	\$9,812	\$84,917	Yes
3217291463773073183	Subscriber	Female 60-64	Endocrine	\$27,986	\$26,207	\$25,174	\$3,622	\$82,989	Yes
3402470966783698984	Dependent	Female <1-19	Genitourinary	\$43,503	\$32,492	\$6,659	\$0	\$82,654	Yes
3355519487013067834	Subscriber	Female 40-49	Genitourinary	\$24,609	\$18,343	\$37,375	\$727	\$81,054	Yes
8465293868843938499	Subscriber	Female 20-29	Not Available	\$0	\$2,004	\$471	\$76,588	\$79,063	Yes
High Cost Claimant Total				\$1,663,654	\$594,160	\$543,004	\$609,869	\$3,410,687	

Pharmacy: Top Non-Specialty Drug Classes and Drugs

Report Description: The top 10 therapeutic and prescription drug classes and drugs for the current period are displayed below ranked by ingredient cost.

Current/ Prior Rank	Plan Therapeutic Class	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)	Avg. Ingredient Cost/ Prescription (Prior)	% Generic	Rank by Volume
1	Incretin Mimetic Agents	604	122	\$571,786	\$946.66	\$0		21
2	Calcitonin Gene-Related Peptide (CGRP) Receptor Antag	103	28	\$119,976	\$1,164.82	\$0		71
3	Antipsychotics - Misc.	79	15	\$77,138	\$976.43	\$0	30.4%	83
4	Sympathomimetics	640	297	\$64,083	\$100.13	\$0	83.4%	20
5	Antiviral Combinations	43	51	\$56,444	\$1,312.65	\$0		107
6	Sodium-Glucose Co-Transporter 2 (SGLT2) Inhibitors	98	29	\$53,562	\$546.55	\$0		74
7	Insulin	245	42	\$47,449	\$193.67	\$0		38
8	Amphetamines	843	167	\$43,808	\$51.97	\$0	93.4%	13
9	Antidiabetic Combinations	84	14	\$42,758	\$509.03	\$0	10.7%	80
10	Direct Factor Xa Inhibitors	77	18	\$41,488	\$538.81	\$0		86
	All Other	36,098	2,778	\$732,249	\$20.29	\$0	94.9%	
	Summary	38,914	2,806	\$1,850,741	\$47.56	\$0	91.5%	

Current/ Prior Rank	Brand Name	Plan Therapeutic Class	Prescriptions	Utilizing Members	Ingredient Cost	Avg. Ingredient Cost/ Prescription (Current)	Avg. Ingredient Cost/ Prescription (Prior)	Generic Indicator	Rank by Volume
1	MOUNJARO INJ 5MG/0.5	Incretin Mimetic Agents	87	29	\$88,440	\$1,016.55		NO	60
2	OZEMPIC INJ 8MG/3ML	Incretin Mimetic Agents	94	18	\$86,358	\$918.70		NO	52
3	OZEMPIC INJ 4MG/3ML	Incretin Mimetic Agents	87	24	\$78,498	\$902.28		NO	61
4	OZEMPIC INJ 2MG/3ML	Incretin Mimetic Agents	82	33	\$70,069	\$854.50		NO	68
5	MOUNJARO INJ 2.5/0.5	Incretin Mimetic Agents	64	30	\$67,099	\$1,048.43		NO	106
6	NURTEC TAB 75MG ODT	Calcitonin Gene-Related Peptide (CGRP) R	40	13	\$59,492	\$1,487.30		NO	217
7	PAXLOVID TAB 300-100	Antiviral Combinations	40	40	\$55,099	\$1,377.47		NO	212
8	MOUNJARO INJ 7.5/0.5	Incretin Mimetic Agents	34	13	\$33,681	\$990.61		NO	257
9	VRAYLAR CAP 1.5MG	Antipsychotics - Misc.	23	6	\$32,403	\$1,408.81		NO	406
10	RYBELSUS TAB 7MG	Incretin Mimetic Agents	34	12	\$30,488	\$896.70		NO	258
	All Other		38,329	2,803	\$1,249,115	\$32.59	\$0		
	Summary		38,914	2,806	\$1,850,741	\$47.56	\$0		

Pharmacy: Specialty Drug Analysis

Report Description: Specialty drugs generally have unique uses, require special dosing or administration, are typically prescribed by a specialist provider and are significantly more expensive than alternative drugs or therapies. This report provides specialty drug analysis for the current month, current period, prior period and percent change.

Specialty Drug Key Indicators

	Aug 2024	Jan 2023 - Aug 2023	Jan 2024 - Aug 2024	% Change
Unique Pharmacy Members	4,011		4,275	
Claimants	26		45	
Percent of Utilizing Members	0.7%		1.1%	
Prescriptions	35		193	
Specialty Percent of Total Paid	46.3%		45.4%	
Percent of Total Prescriptions Paid	0.6%		0.5%	
Paid	\$223,383		\$1,224,748	
Paid PMPM	\$55.69		\$38.62	
Average Ingredient Cost/Prescription	\$6,670		\$6,769	

Top 5 Specialty Classes by Ingredient Cost for the Current Period

No Data Available

Top 10 Specialty Drugs by Ingredient Cost for the Current Period

Brand Name	Specialty Class	Ingredient Cost	Prescriptions	Avg. Ingredient	
				Cost/ Prescription	Specialty Claimants
STELARA INJ 90MG/ML	AUTOIMMUNE	\$263,349	14	\$18,810.63	4
HUMIRA PEN INJ 40/0.4ML	AUTOIMMUNE	\$204,498	36	\$5,680.49	4
KISQALI TAB 600DOSE	CANCER	\$121,490	7	\$17,355.71	1
RINVOQ TAB 15MG ER	AUTOIMMUNE	\$112,880	19	\$5,941.04	3
LUPKYNIS CAP 7.9MG	IMMUNOSUPPRESSANTS	\$102,261	7	\$14,608.77	1
XYWAV SOL 0.5GM/ML	SLEEP DISORDERS	\$93,666	7	\$13,380.92	1
RINVOQ TAB 30MG ER	AUTOIMMUNE	\$75,580	13	\$5,813.86	3
COSENTYX UNO INJ 300/2ML	AUTOIMMUNE	\$57,776	5	\$11,555.13	2
RINVOQ TAB 45MG ER	AUTOIMMUNE	\$46,905	5	\$9,381.03	2
NORDITROPIN INJ 15/1.5ML	GROWTH HORMONES	\$34,008	6	\$5,668.04	1
All Other		\$194,082	74	\$2,622.72	26
Summary		\$1,306,495	193	\$6,769.40	45

	PEPY Premiums	PEPY Claims	Loss Ratio
9.1.2023-8.1.2024 (BCBS)	\$9,042	\$6,772	75%
9.1.2022-5.31.2023* (90 Degrees)		\$11,175	
9.1.2021-8.31.2022 (BCBS)	\$7,115	\$8,511	119.6%
9.1.2020-8.31.2021 (BCBS)	\$6,728	\$7,929	117.9%
9.1.2019-8.31.2020 (Aetna)	\$6,608	\$6,485	98.1%

* Projected Claims excluding fixed costs

Evaluate Self-Funding:

- Calculate probability of a self-funded structure beating the fully-insured alternative
- Predict the expected cost to self-fund and probability of reaching the maximum cost

How did we do this?

- Higginbotham Day 2 Services – Financial (Underwriter and actuary)
- Claros Analytics tool – Actuarial Software that uses large database of claims information across similar size employers and industry.
- BCBS ASO Projection

Claros Actuarial Findings

- \$200k Individual Stop Loss limit w/ aggregate protection
- Model = Extremely low as close to 0% as you can get on hitting the maximum
- Year 1 potential of beating fully-insured = 90%
- Year 3 & Year 5 = 99% chance of winning

SELF-FUNDING	
	BASE CASE
Specific Deductibles	\$200,000
Aggregate Margins	25.0%
Expected Cost To Self-Insure	\$20,795,825
Expected Savings/(Expense) Vs FI	\$1,308,981
Probability Of Outperforming FI	90.2%
Aggregate Attachment Point	\$19,271,761
Max Cost (Agg.Att Point + Expenses + AS Corridor)	\$24,569,719
Probability of Reaching Maximum Cost	0.0%
EXPECTED COST TO SELF-INSURE	
	BASE CASE
Estimated Claims Payable By The Plan	\$15,497,867
Stop Loss Premium	\$3,975,440
Administration Expenses	\$1,322,518
Total Expected Cost to Self-Insure	\$20,795,825



Claros Actuarial Findings

- Year 1 Breakdown vs. Potential Plan Cost

	1 Yr
Benchmark Premium	0
Expected SF Cost	20,795,825
Likelihood Of SF < BM	90.2%

	EXP PLAN COST	EXP GAIN /(LOSS) VS FI
Average	20,795,825	1,308,981
MIN Observation	17,609,187	4,495,619
10%	19,472,124	2,632,682
20%	19,920,439	2,184,367
30%	20,209,369	1,895,437
40%	20,446,501	1,658,305
50%	20,701,671	1,403,135
60%	20,951,208	1,153,598
70%	21,251,710	853,096
80%	21,620,769	484,037
90%	22,087,864	16,942
95%	22,436,807	-332,001
98%	22,855,054	-750,248
99%	23,102,730	-997,924
Max Observation	24,288,335	-2,183,529

- Year 3 Breakdown vs. Potential Plan Cost

	3 Yr
Benchmark Premium	66,314,418
Expected SF Cost	62,387,475
Likelihood Of SF < BM	99.3%

	EXP PLAN COST	EXP GAIN /(LOSS) VS FI
Average	62,387,475	3,926,943
MIN Observation	56,628,665	9,685,753
10%	60,036,526	6,277,892
20%	60,758,488	5,555,930
30%	61,260,263	5,054,155
40%	61,725,098	4,589,320
50%	62,122,071	4,192,347
60%	62,576,792	3,737,626
70%	63,043,008	3,271,410
80%	63,632,992	2,681,426
90%	64,332,344	1,982,074
95%	64,922,108	1,392,310
98%	65,772,873	541,545
99%	66,162,408	152,010
Max Observation	68,106,721	-1,792,303

- Year 5 Breakdown vs. Potential Plan Cost


	5 Yr
Benchmark Premium	110,524,030
Expected SF Cost	103,979,124
Likelihood Of SF < BM	99.8%

	EXP PLAN COST	EXP GAIN /(LOSS) VS FI
Average	103,979,124	6,544,906
MIN Observation	96,844,356	13,679,674
10%	100,711,299	9,812,731
20%	101,692,682	8,831,349
30%	102,409,427	8,114,603
40%	102,966,883	7,557,147
50%	103,520,057	7,003,973
60%	104,072,181	6,451,849
70%	104,715,748	5,808,282
80%	105,386,077	5,137,953
90%	106,433,503	4,090,527
95%	107,164,441	3,359,589
98%	108,126,937	2,397,093
99%	108,761,423	1,762,608
Max Observation	110,779,357	-255,327

BCBS of Texas Projection

We requested a projection from BCBS of TX and found very similar results.

- \$20,704,191 (BCBS) vs \$20,795,825 (Claros Tool)
- Traditional BCBS ASO model allows for easy projections when moving FI –SI
- 9/2023 – 8/2024 FI Premiums = \$19,383,569

<div>  BlueCross BlueShield of Texas </div>		
<div> Denton ISD </div>		
<div> ASO Projection for the period of September 1, 2025 - August 31, 2026 </div>		
<div> 9/1/2025 ILLUSTRATIVE ASO </div>		
ILLUSTRATIVE FEE COMPARISON		
Illustrative	Projected Mature	Contract Total
Projected Enrollment	2,494	
Single	1,784	
Family	710	
Administration Fee**	\$40.51	\$1,212,383
Prescription Drug Rebate Credit ****	TBD	TBD
Medical Rebate Credit	(\$2.50)	(\$74,820)
Wellbeing Management - Enable	\$5.85	\$175,079
Virtual Visits w/ BH	\$0.52	\$15,563
BVA w/ Member Rewards	\$2.95	\$88,288
SLI Med Commissions	\$7.00	\$209,496
Total Fee PEPM	\$54.33	\$1,625,988
Individual Stop Loss \$405,000 Deductible	TBD	TBD
Aggregate Stop Loss 125% Attachment Factor	TBD	TBD
Total Fixed Costs PEPM	\$54.33	\$1,625,988
Projected Average Claim Value PEPM****	\$637.47	\$19,078,202
Projected Aggregate Claim Factor PEPM	TBD	TBD
Total Projected Costs PEPM	\$691.80	\$20,704,191

**** The above Projected Claims should be considered only for illustrative purposes.

Transition to Self-funding

- How will the move to self-funding impact the administration team at Denton ISD?
- Will employee know the difference?
- Questions and concerns



Questions? Next steps?



**Lead with values and
value leads.**

Richard Peace
Managing Director

Frank Hejtmanek
Consultant

