

Health Fund Update

October 9, 2024



5 Year History

Account Name by Fiscal Year (July - June)	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Employee Contributions	\$ 1,113,186	\$ 1,072,778	\$ 1,338,632	\$ 1,282,345	\$ 1,366,691
Employer Contributions	\$ 2,753,114	\$ 2,893,072	\$ 2,975,868	\$ 2,793,633	\$ 3,025,683
Health Savings Account Contributions	\$ 5,353	\$ 3,685	\$ 2,491	\$ 70,213	\$ 75,064
Flexible Spending Account Contributions	\$ 27,411	\$ 61,394	\$ 26,939	\$ 39,508	\$ 37,567
Total Revenues	\$ 3,899,064	\$ 4,030,929	\$ 4,343,930	\$ 4,185,699	\$ 4,505,005
Claims Paid	\$ 4,540,005	\$ 4,540,984	\$ 3,677,923	\$ 4,017,738	\$ 4,192,239
Aetna Fees	\$ 242,110	\$ 243,570	\$ 86,263	\$ 107,986	\$ 203,874
HUB Consultant Fees	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Employee Assistance Program Fees	\$ -	\$ -	\$ -	\$ -	\$ 7,380
Rebates & Recoveries	\$ (167,084)	\$ (268,120)	\$ (199,785)	\$ (112,369)	\$ (755,084)
Stop Loss Insurance	\$ 656,071	\$ 925,764	\$ 801,891	\$ 828,550	\$ 989,869
Health Savings Account Claims	\$ -	\$ -	\$ 2,443	\$ 71,620	\$ 78,682
Flexible Spending Account Claims	\$ -	\$ -	\$ 2,646	\$ 34,886	\$ 46,809
General Supplies & Misc Contracted Services	\$ 136	\$ 1,271	\$ -	\$ -	\$ -
ACA Fees	\$ 1,933	\$ 1,991	\$ 1,843	\$ 1,816	\$ 1,744
Total Expenses	\$ 5,297,172	\$ 5,469,460	\$ 4,397,225	\$ 4,974,227	\$ 4,789,513
Interest Earned	\$ 307	\$ 192	\$ 267	\$ 310	\$ 1,218
Non Operating Revenues	\$ 307	\$ 192	\$ 267	\$ 310	\$ 1,218
Income (Loss)	\$ (1,397,801)	\$ (1,438,338)	\$ (53,027)	\$ (788,219)	\$ (283,290)
Transfer in from General Fund	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 600,000	\$ -
Change in Net Position	\$ 102,199	\$ 61,662	\$ 1,446,973	\$ (188,219)	\$ (283,290)
Beginning Net Position	\$ (1,379,684)	\$ (1,277,485)	\$ (1,215,823)	\$ 231,150	\$ 42,931
Ending Net Position	\$ (1,277,485)	\$ (1,215,823)	\$ 231,150	\$ 42,931	\$ (240,359)

NOTE: Employee assistance program did not start until fiscal year 2023

NOTE: Health savings and flexible spending account claims were not tracked separately until fiscal year 2021

Previously presented, January 10, 2024 workshop

Current Year Financials

EXHIBIT H-4

SAN ELIZARIO ISD
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2024

	753 Health Insurance	770 Workers Comp	Total Internal Service Funds
OPERATING REVENUES:			
Local and Intermediate Sources	\$ 4,318,090	\$ 144,735	\$ 4,462,825
Total Operating Revenues	<u>4,318,090</u>	<u>144,735</u>	<u>4,462,825</u>
OPERATING EXPENSES:			
Professional and Contracted Services	3,951,168	217,224	4,168,392
Other Operating Costs	1,084,132	-	1,084,132
Total Operating Expenses	<u>5,035,300</u>	<u>217,224</u>	<u>5,252,524</u>
Operating Income (Loss)	<u>(717,210)</u>	<u>(72,489)</u>	<u>(789,699)</u>
NONOPERATING REVENUES (EXPENSES):			
Earnings from Temporary Deposits & Investments	860	62,483	63,343
Total Nonoperating Revenues (Expenses)	<u>860</u>	<u>62,483</u>	<u>63,343</u>
Change in Net Position	(716,350)	(10,006)	(726,356)
Total Net Position - July 1 (Beginning)	<u>(240,359)</u>	<u>1,033,273</u>	<u>792,914</u>
Total Net Position - June 30 (Ending)	<u>\$ (956,709)</u>	<u>\$ 1,023,267</u>	<u>\$ 66,558</u>

Previously presented, August 14, 2024 meeting

Update, 6 Year View

Account Name by Fiscal Year (July - June)	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Employee Contributions	\$ 1,113,186	\$ 1,072,778	\$ 1,338,632	\$ 1,282,345	\$ 1,366,691	\$ 1,336,626
Employer Contributions	\$ 2,753,114	\$ 2,893,072	\$ 2,975,868	\$ 2,793,633	\$ 3,025,683	\$ 2,863,243
Health Savings Account Contributions	\$ 5,353	\$ 3,685	\$ 2,491	\$ 70,213	\$ 75,064	\$ 74,511
Flexible Spending Account Contributions	\$ 27,411	\$ 61,394	\$ 26,939	\$ 39,508	\$ 37,567	\$ 43,710
Total Revenues	\$ 3,899,064	\$ 4,030,929	\$ 4,343,930	\$ 4,185,699	\$ 4,505,005	\$ 4,318,090
Claims Paid	\$ 4,540,005	\$ 4,540,984	\$ 3,677,923	\$ 4,017,738	\$ 4,192,239	\$ 4,020,133
Aetna Fees	\$ 242,110	\$ 243,570	\$ 86,263	\$ 107,986	\$ 203,874	\$ 181,807
HUB Consultant Fees	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000	\$ 24,000
Employee Assistance Program Fees	\$ -	\$ -	\$ -	\$ -	\$ 7,380	\$ 8,856
Rebates	\$ (163,769)	\$ (266,634)	\$ (165,439)	\$ (61,877)	\$ (265,200)	\$ (214,210)
Recoveries	\$ (3,315)	\$ (1,486)	\$ (34,346)	\$ (50,492)	\$ (489,884)	\$ -
Stop Loss Insurance	\$ 656,071	\$ 925,764	\$ 801,891	\$ 828,550	\$ 989,869	\$ 969,075
Health Savings Account Claims	\$ -	\$ -	\$ 2,443	\$ 71,620	\$ 78,682	\$ 41,422
Flexible Spending Account Claims	\$ -	\$ -	\$ 2,646	\$ 34,886	\$ 46,809	\$ 83,347
General Supplies & Misc Contracted Services	\$ 136	\$ 1,271	\$ -	\$ -	\$ -	\$ -
ACA Fees	\$ 1,933	\$ 1,991	\$ 1,843	\$ 1,816	\$ 1,744	\$ 1,797
Total Expenses	\$ 5,297,172	\$ 5,469,460	\$ 4,397,225	\$ 4,974,227	\$ 4,789,513	\$ 5,116,226
Interest Earned	\$ 307	\$ 192	\$ 267	\$ 310	\$ 1,218	\$ 907
Non Operating Revenues	\$ 307	\$ 192	\$ 267	\$ 310	\$ 1,218	\$ 907
Income (Loss)	\$ (1,397,801)	\$ (1,438,338)	\$ (53,027)	\$ (788,219)	\$ (283,290)	\$ (797,229)
Transfer in from General Fund	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 600,000	\$ -	\$ -
Change in Net Position	\$ 102,199	\$ 61,662	\$ 1,446,973	\$ (188,219)	\$ (283,290)	\$ (797,229)
Beginning Net Position	\$ (1,379,684)	\$ (1,277,485)	\$ (1,215,823)	\$ 231,150	\$ 42,932	\$ (240,358)
Ending Net Position	\$ (1,277,485)	\$ (1,215,823)	\$ 231,150	\$ 42,932	\$ (240,358)	\$ (1,037,587)

Previously presented information combined, updated FY24

June 25, 2024 Meeting

- The Board of Trustees was presented with options for employee monthly deduction rates with and without assistance from the general fund.
- The Board of Trustees approved an increase in the employee monthly deduction with a deficit recovery of \$1M fund balance.
- As a result, a transfer from the fund balance was **not** made in FY24.

CURRENT MONTHLY DEDUCTIONS				
	CDHP ACO	CDHP PPO	CORE ACO	CORE PPO
EMPLOYEE ONLY	\$8	\$73	\$135	\$206
EMPLOYEE & SPOUSE	\$490	\$627	\$686	\$836
EMPLOYEE & CHILD(REN)	\$422	\$538	\$596	\$724
EMPLOYEE & FAMILY	\$917	\$1,170	\$1,211	\$1,489
DOUBLE EMPLOYEES	\$319	\$457	\$539	\$689

PROPOSED MONTHLY DEDUCTIONS NO DEFICIT RECOVERY		
	CDHP	CORE
EMPLOYEE ONLY	\$33	\$192
EMPLOYEE & SPOUSE	\$544	\$828
EMPLOYEE & CHILD(REN)	\$458	\$674
EMPLOYEE & FAMILY	\$1,035	\$1,695
DOUBLE EMPLOYEES	\$410	\$1,070

PROPOSED MONTHLY DEDUCTIONS WITH DEFICIT RECOVERY		
	CDHP	CORE
EMPLOYEE ONLY	\$42	\$245
EMPLOYEE & SPOUSE	\$693	\$1,056
EMPLOYEE & CHILD(REN)	\$584	\$860
EMPLOYEE & FAMILY	\$1,320	\$2,160
DOUBLE EMPLOYEES	\$695	\$1,535

PROPOSED MONTHLY DEDUCTIONS NO DEFICIT RECOVERY WITH \$1 M FUND BALANCE		
	CDHP	CORE
EMPLOYEE ONLY	\$44	\$258
EMPLOYEE & SPOUSE	\$730	\$1,112
EMPLOYEE & CHILD(REN)	\$615	\$905
EMPLOYEE & FAMILY	\$1,390	\$2,275
DOUBLE EMPLOYEES	\$765	\$1,650

PROPOSED MONTHLY DEDUCTIONS WITH DEFICIT RECOVERY WITH \$1 M FUND BALANCE		
	CDHP	CORE
EMPLOYEE ONLY	\$48	\$278
EMPLOYEE & SPOUSE	\$787	\$1,198
EMPLOYEE & CHILD(REN)	\$663	\$976
EMPLOYEE & FAMILY	\$1,498	\$2,452

Revisiting: Health Insurance



Health
insurance
premiums

Health Plan	Contribution
San Elizario	\$625 / month
TRS Active Care	\$225 / month*

*the minimum employer contribution

- Estimated savings by switching to TRS Active Care and contributing the minimum is \$1.1M
 - \$400 difference in contribution times approximately 230 staff charged to the general fund who enrolled in health plan
- A reduction in the employer contribution means an increase in the employee premium
- Since a transfer was not made because the expectation is for employees to burden the entire cost overrun of the health fund, then the estimated future yearly savings is the difference noted above

Previously presented, September 17, 2024 meeting, new text

Going Forward

- September 17, 2024: A budget amendment was presented to reduce the employer portion based on actual staff counts that enrolled in the health insurance plan
 - June 2024 enrollees: 378 Current September 2024 enrollees: 265 Decrease of 113 (approximately 100 are in the general fund)
 - Estimated decrease in the expenditure budget is \$625,000 (\$625 contribution times 100 times 10 months for new plan year of September thru end of fiscal year June)
- Having less employees participating in the health fund translates to less employee and employer contributions to the plan. The estimated FY25 revenues below are based on actual July-September data, plus September data being using for the months of October-June

Contributions	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025 est.
Employee	\$ 1,366,691	\$ 1,336,626	\$ 1,060,658
Employer	\$ 3,025,683	\$ 2,863,243	\$ 2,113,646
Combined	\$ 4,392,374	\$ 4,199,869	\$ 3,174,304

- The cost of future medical claims based on who enrolled, what conditions they have or may develop and the effects on our health plan due to lower benefits because of higher deductibles is currently unknown
- Current plan year expenditure data is not yet available because the new plan commenced 9/1/24

Decision Points

District
plan

State plan

- ◆ Control of the plan design and benefits comes with the liability of the plan

Gross pay

Net pay

- ◆ The impact of a compensation plan to employees will vary based on the benefits offered by the employer

CRD(LEGAL): The board may amend or cancel the district's health-care plan at any regular or special board meeting. If the plan is canceled, any valid claim against the fund for payment of health-care costs resulting from illness or injury occurring during the time the plan was in effect shall be paid out of the fund. If the fund is insufficient to pay the claim, the costs shall be paid out of other available district funds. *Education Code 22.005*

Questions & Discussion

