



GOOSE CREEK
CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

Goose Creek CISD Board Presentation

October 21st, 2024

All analysis in this is subject to disclosures in the back of the presentation.



Gallagher

Insurance | Risk Management | Consulting

Combined Financials

Financials are based on the following enrollment assumption:

Subscribers
2,090

Medical Carrier Pharmacy Carrier	Cigna/Allegiance RX Benefits	Aetna	BCBSTX	UHC
Medical Claims	\$20,418,000	\$23,255,000	\$19,337,000	\$23,255,000
Medical ASO Fees	\$1,684,000	\$1,441,000	\$1,382,000	\$1,267,000
Stop Loss Fees	\$1,403,000	\$2,569,000	\$1,960,000	\$1,931,000
Total Drug Costs	\$5,986,000	\$5,963,000	\$6,075,000	\$6,093,000
Total Rebates	(\$1,875,000)	(\$1,923,000)	(\$2,606,000)	(\$1,724,000)
Rx Administration Fee	\$50,000	\$0	\$0	\$0
Credits/Fee Holidays	\$0	(\$463,000)	(\$851,000)	(\$650,000)
Total Est Cost	\$27,666,000	\$30,842,000	\$25,297,000	\$30,172,000
Savings/Cost over Current		\$3,176,000	(\$2,369,000)	\$2,506,000
Rank		3	1	2

*Gallagher's repricing methodology approximates future costs based on historical experience. The actual experience will be different..

Expected Cost vs Total Contribution

Medical Carrier	Cigna/Allegiance	Aetna	BCBSTX	UHC
Pharmacy Carrier	Optum RX/RX Benefits			
PEPM Cost				
Est. Total Cost	\$1,103	\$1,230	\$1,009	\$1,203
Total Contribution* (EE + GCCISD)	\$641	\$641	\$641	\$641
Employee Contributions	\$331			
GCCISD Contribution	\$310			
Additional District Subsidy	72.0%	91.8%	57.3%	87.6%
Aggregate Cost				
Est. Total Cost	\$27,666,000	\$30,842,000	\$25,297,000	\$30,172,000
Total Contribution* (EE + GCCISD)	\$16,081,000	\$16,081,000	\$16,081,000	\$16,081,000
Employee Contributions	\$8,306,000			
GCCISD Contribution	\$7,775,000			
Additional District Subsidy	\$11,585,000	\$14,761,000	\$9,216,000	\$14,091,000

*Total Contribution is based on current employee contributions as of 9/1/2024 and GCCISD contribution of \$310 PEPM.

COBRA Proposals

	Ameriflex	TASC
	Cost /Price	Cost /Price
COBRA Administration	\$0.63	\$0.65
<i>Please indicate if costs are monthly, annualized, or on a PEPM basis.</i>	PEPM	PEPM
Total Annual Admin Cost	\$29,499	\$30,436

Savings Opportunities

Proposed Options

Option	Description	Financial Impact
Remove Pharmacy Deductible	Remove the pharmacy deductible on the Standard and Enhanced Plan and integrated with the Medical Deductible	Minimal Impact
Introduce Copays for Generics	Remove the \$0 copays on the Standard and Enhanced plans and introduce copays	\$10 Copay : (\$270K) \$15 Copay : (\$400K)
Proposed Plan Changes <small>(includes removing Rx deductible and introducing generic copays)</small>	Modify the current options while utilizing the Blue Essential and Premier networks	(\$1.3M - \$1.7M)
Move to Dual Option Design	Remove the HDHP plan to create a dual option design utilizing the Blue Essential and Premier networks	(\$1.7M - \$2.4M)
Employee Contributions	5% increase to Employee contributions	(\$415k)
	10% increase to Employee contributions	(\$830k)
	Dual Option Design - increase to Employee contributions to meet a \$310 Net PEPM budget	(\$6.830M)
Total		(\$2.5M - \$2.9M)

Plan Design

2023-2024

Carrier	2023 - 2024		
	Allegiance - Cigna & RX Benefits		
Plan Name	HD Plan	Standard Plan	Enhanced Plan
Coinsurance	80%	70%	90%
Calendar Year Deductible (Individual/Family)	\$3,000/\$6,000	\$2,500/\$5,500	\$1,500/\$3,000
Maximum Out of Pocket Limits	\$8,050/\$16,100	\$9,000/\$18,000	\$6,000/\$12,000
Physician Office Visit Copay	20% after ded.	\$35	\$35
Specialist Office Visit Copay	20% after ded.	\$70	\$50
Preventive Care Services	Covered 100%	Covered 100%	Covered 100%
Urgent Care	20% after ded.	\$50 copay	\$75 copay
Emergency Room Visit	20% after ded.	30% after ded.	\$150 copay
Hospital Inpatient	20% after ded.	30% after ded.	10% after ded.
Hospital Outpatient	20% after ded.	30% after ded.	10% after ded.
Lab & X-Ray	20% after ded.	30% after ded.	10% after ded.
Major Diagnostics (CT, PET, MRI, MRA & Nuclear Medicine)	20% after ded.	30% after ded.	10% after ded.
Annual Prescription Deductible	Integrated with Medical	\$250 (Brand/Specialty only)	\$250 (Brand/Specialty only)
Prescription Benefit - up to 30-day supply	20% after ded.	\$0 / 30% / 30%	\$0 / \$40 / \$80
Mail-order copay for 90-day supply	20% after ded.	\$0 / \$150 / \$150	\$0 / \$100 / \$200
Specialty	20% after ded.	50% to a max of \$1,500/month	50% to a max of \$1,500/month

Plan Design

Proposed No District Increase Option

Carrier	2025 BCBSTX	
	Plan 1 Standard	Plan 2 Enhanced
Plan Name	Plan 1 Standard	Plan 2 Enhanced
Network	Blue Premier	Blue Essentials
Coinsurance	80%	80%
Calendar Year Deductible (Individual/Family)	\$4,000/\$8,000	\$3,000/\$6,000
Maximum Out of Pocket Limits	\$7,000/\$14,000	\$7,000/\$14,000
Physician Office Visit Copay	\$45	\$25
Specialist Office Visit Copay	20% after ded.	20% after ded
Preventive Care Services	Covered 100%	Covered 100%
Urgent Care	20% after ded.	\$20% after ded
Emergency Room Visit	20% after ded.	20% after ded
Hospital Inpatient	20% after ded.	20% after ded.
Hospital Outpatient	20% after ded.	20% after ded.
Lab & X-Ray	20% after ded.	20% after ded.
Major Diagnostics (CT, PET, MRI, MRA & Nuclear Medicine)	20% after ded.	20% after ded.
Annual Prescription Deductible	Integrated with Medical for Brands	Integrated with Medical for Brands
Prescription Benefit - up to 30-day supply	\$20 / 20%+Ded / 20%+Ded	\$10 / 20%+Ded / 20%+Ded
Mail-order copay for 90-day supply	\$40 / 20%+Ded / 20%+Ded	\$20 / 20%+Ded / 20%+Ded
Specialty	\$400	\$300

For illustrative purposes only, not a recommended plan design

Employee Monthly Contribution Dual Option

Coverage Tier	Subscribers	EE Contribution
		Current
Enhanced		
Employee Only	377	\$303.00
Employee + Spouse	11	\$1,272.00
Employee + Child(ren)	139	\$715.00
Employee + Family	19	\$1,571.00
Plan Annual Cost		\$3,089,000
Standard		
Employee Only	792	\$170.00
Employee + Spouse	13	\$1,033.00
Employee + Child(ren)	201	\$602.00
Employee + Family	34	\$1,436.00
Plan Annual Cost		\$3,815,000
Basic HDHP		
Employee Only	394	\$120.00
Employee + Spouse	5	\$854.00
Employee + Child(ren)	85	\$482.00
Employee + Family	20	\$1,215.00
Plan Annual Cost		\$1,402,000
Total		\$8,306,000

Coverage Tier	Subscribers	EE Contribution	Change
		Proposed	Monthly Δ
Enhanced			
Employee Only	391	\$452.01	\$149.01
Employee + Spouse	7	\$1,897.57	\$625.57
Employee + Child(ren)	106	\$1,066.64	\$351.64
Employee + Family	18	\$2,343.62	\$772.62
Plan Annual Cost		\$4,143,000	\$1,366,000
Standard			
Employee Only	1,172	\$404.15	\$234.15
Employee + Spouse	22	\$1,758.07	\$725.07
Employee + Child(ren)	319	\$990.18	\$388.18
Employee + Family	55	\$2,182.43	\$746.43
Plan Annual Cost		\$11,379,000	\$5,463,000
Total		\$15,522,000	\$6,829,000

For illustrative purposes only, not a recommended plan design

Expected Cost vs Total Contribution

Proposed Plan Option

Medical Carrier	Cigna/Allegiance	BCBSTX No Changes	BCBSTX Proposed Dual Plans Dual Employee Increase
Pharmacy Carrier	Optum RX/RX Benefits		
<u>PEPM Cost</u>		<u>Jan to Dec 2025</u>	
Est. Total Cost	\$1,103	\$1,009	\$929
Current Premium (EE + GCCISD)	\$641	\$641	\$929
<i>Employee Contributions</i>	\$331	\$331	\$619
<i>GCCISD Contribution</i>	\$310	\$310	\$310
Additional District Subsidy	72.0%	57.3%	0.0%
<u>Aggregate Cost</u>			
Est. Total Cost	\$27,666,000	\$25,297,000	\$23,297,000
Current Premium (EE + GCCISD)	\$16,081,000	\$16,081,000	\$23,297,000
<i>Employee Contributions</i>	\$8,306,000	\$8,306,000	\$15,522,000
<i>GCCISD Contribution</i>	\$7,775,000	\$7,775,000	\$7,775,000
Additional District Subsidy	\$11,585,000	\$9,216,000	\$0

For illustrative purposes only, not a recommended plan design

Plan Design

Proposed - Recommended

Carrier	2025 BCBSTX		
	Plan Name	HD Plan	Standard Plan
Network	Blue PPO Choice	Blue Essentials	Blue Essentials
Coinsurance	80%	80%	80%
Calendar Year Deductible (Individual/Family)	\$3,500/\$7,000	\$4,000/\$8,000	\$2,000/\$4,000
Maximum Out of Pocket Limits	\$6,500/\$13,000	\$7,000/\$14,000	\$5,500/\$11,000
Physician Office Visit Copay	20% after ded.	\$35	\$25
Specialist Office Visit Copay	20% after ded.	\$70	\$50
Preventive Care Services	Covered 100%	Covered 100%	Covered 100%
Urgent Care	20% after ded.	20% after ded.	\$50 copay
Emergency Room Visit	20% after ded.	20% after ded.	20% after ded.
Hospital Inpatient	20% after ded.	20% after ded.	20% after ded.
Hospital Outpatient	20% after ded.	20% after ded.	20% after ded.
Lab & X-Ray	20% after ded.	20% after ded.	20% after ded.
Major Diagnostics (CT, PET, MRI, MRA & Nuclear Medicine)	20% after ded.	20% after ded.	20% after ded.
Annual Prescription Deductible	Integrated with Medical	Integrated with Medical for Brands	Integrated with Medical for Brands
Prescription Benefit - up to 30-day supply	20% after ded.	\$15 / 20% / 20%	\$15 / \$35 / \$55
Mail-order copay for 90-day supply	20% after ded.	\$30 / 20% / 20%	\$30 / \$70 / \$110
Specialty	20% after ded.	\$250	\$200

Employee Monthly Contribution 5% & 10%

Coverage Tier	Subscribers	EE Contribution 5%		Change
		Current	Proposed	Monthly Δ
Enhanced				
Employee Only	377	\$303.00	\$318.15	\$15.15
Employee + Spouse	11	\$1,272.00	\$1,335.60	\$63.60
Employee + Child(ren)	139	\$715.00	\$750.75	\$35.75
Employee + Family	19	\$1,571.00	\$1,649.55	\$78.55
Plan Annual Cost		\$3,089,000	\$3,244,000	\$154,000
Standard				
Employee Only	792	\$170.00	\$178.50	\$8.50
Employee + Spouse	13	\$1,033.00	\$1,084.65	\$51.65
Employee + Child(ren)	201	\$602.00	\$632.10	\$30.10
Employee + Family	34	\$1,436.00	\$1,507.80	\$71.80
Plan Annual Cost		\$3,815,000	\$4,005,000	\$191,000
Basic HDHP				
Employee Only	394	\$120.00	\$126.00	\$6.00
Employee + Spouse	5	\$854.00	\$896.70	\$42.70
Employee + Child(ren)	85	\$482.00	\$506.10	\$24.10
Employee + Family	20	\$1,215.00	\$1,275.75	\$60.75
Plan Annual Cost		\$1,402,000	\$1,472,000	\$70,000
Total		\$8,306,000	\$8,721,000	\$415,000

Subscribers	EE Contribution 10%		Change
	Current	Proposed	Monthly Δ
377	\$303.00	\$333.30	\$30.30
11	\$1,272.00	\$1,399.20	\$127.20
139	\$715.00	\$786.50	\$71.50
19	\$1,571.00	\$1,728.10	\$157.10
	\$3,089,000	\$3,398,000	\$309,000
792	\$170.00	\$187.00	\$17.00
13	\$1,033.00	\$1,136.30	\$103.30
201	\$602.00	\$662.20	\$60.20
34	\$1,436.00	\$1,579.60	\$143.60
	\$3,815,000	\$4,196,000	\$381,000
394	\$120.00	\$132.00	\$12.00
5	\$854.00	\$939.40	\$85.40
85	\$482.00	\$530.20	\$48.20
20	\$1,215.00	\$1,336.50	\$121.50
	\$1,402,000	\$1,542,000	\$140,000
	\$8,306,000	\$9,136,000	\$830,000

- TRS rates increased by 9%
- 10% Employee Contribution increase recommended

Expected Cost vs Total Contribution

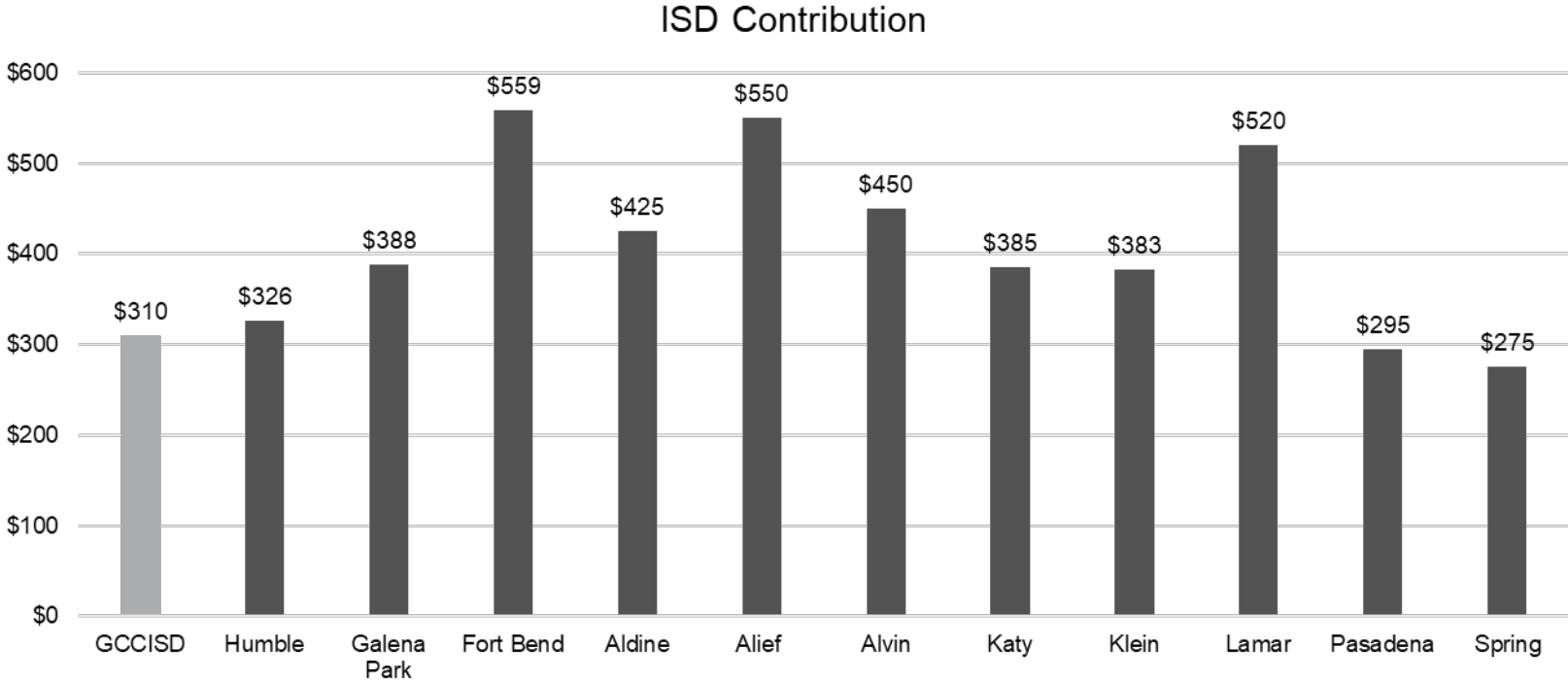
Proposed Plan Option



Medical Carrier	Cigna/Allegiance	BCBSTX No Changes	BCBSTX Proposed Plans 5% Employee Increase	BCBSTX Proposed Plans 10% Employee Increase
Pharmacy Carrier	Optum RX/RX Benefits			
<u>PEPM Cost</u>		<u>Jan to Dec 2025</u>		
Est. Total Cost	\$1,103	\$1,009	\$949	\$949
Current Premium (EE + GCCISD)	\$641	\$641	\$658	\$674
<i>Employee Contributions</i>	\$331	\$331	\$348	\$364
<i>GCCISD Contribution</i>	\$310	\$310	\$310	\$310
Additional District Subsidy	72.0%	57.3%	44.3%	40.7%
 <u>Aggregate Cost</u>				
Est. Total Cost	\$27,666,000	\$25,297,000	\$23,797,000	\$23,797,000
Current Premium (EE + GCCISD)	\$16,081,000	\$16,081,000	\$16,496,000	\$16,912,000
<i>Employee Contributions</i>	\$8,306,000	\$8,306,000	\$8,721,000	\$9,137,000
<i>GCCISD Contribution</i>	\$7,775,000	\$7,775,000	\$7,775,000	\$7,775,000
Additional District Subsidy	\$11,585,000	\$9,216,000	\$7,301,000	\$6,885,000

Appendix

School District Contribution



Current Employee Monthly Contribution

Coverage Tier	Subscribers	EE Contribution		Change
		Current	Benchmark	Monthly Δ
Enhanced				
Employee Only	377	\$303.00	\$203.64	-\$99.36
Employee + Spouse	11	\$1,272.00	\$845.04	-\$426.96
Employee + Child(ren)	139	\$715.00	\$628.45	-\$86.55
Employee + Family	19	\$1,571.00	\$1,109.75	-\$461.25
Plan Annual Cost		\$3,089,000	\$2,334,000	(\$755,000)
Standard				
Employee Only	792	\$170.00	\$136.81	-\$33.19
Employee + Spouse	13	\$1,033.00	\$642.70	-\$390.31
Employee + Child(ren)	201	\$602.00	\$463.57	-\$138.43
Employee + Family	34	\$1,436.00	\$804.63	-\$631.38
Plan Annual Cost		\$3,815,000	\$2,847,000	(\$968,000)
Basic HDHP				
Employee Only	394	\$120.00	\$72.62	-\$47.38
Employee + Spouse	5	\$854.00	\$575.29	-\$278.71
Employee + Child(ren)	85	\$482.00	\$369.74	-\$112.26
Employee + Family	20	\$1,215.00	\$680.18	-\$534.82
Plan Annual Cost		\$1,402,000	\$918,000	(\$484,000)
Total		\$8,306,000	\$6,099,000	(\$2,207,000)

Initial Bid Summary

\$350,000

Carrier	Specific Deductible	Contract Terms	Total Fixed Costs	Maximum Claims Funding	Needed to Finalize Proposal	Lasers	Fixed Cost \$ Change Over Current	Fixed Cost % Change Over Current
Nationwide	\$350,000	7/4 Short Plan Year	\$1,402,909	\$15,721,237	—	None	—	—
\$350,000 ISL								
Aetna - Broad	\$350,000	24/12	\$2,568,944	\$27,440,279	Add'l Claims	TBD	\$1,166,036	83%
Aetna - Kelsey	\$350,000	24/12	\$2,547,877	\$23,823,994	Add'l Claims	TBD	\$1,144,969	82%
Aetna - Memorial	\$350,000	24/12	\$2,553,144	\$24,728,128	Add'l Claims	TBD	\$1,150,235	82%
BCBSTX	\$350,000	24/12	\$1,959,751	\$24,374,500	Firm through 10/31	None	\$556,843	40%
UHC	\$350,000	24/12	\$1,931,160	\$28,738,420	Add'l Claims	None	\$528,251	38%

**Fixed Costs are compared to a 4-month Nationwide contract*

Market Survey & Compensation Disclosure

Carrier	A.M. Best Rating	Line of Coverage	Result	Commission
Aetna	A/XV	ASO Medical, PBM, Stop Loss, COBRA	Proposed	\$12.50
BCBS	A+/XV	ASO Medical, PBM, Stop Loss	Proposed	\$12.50
UHC	A+/XV	ASO Medical, PBM, Stop Loss, COBRA	Proposed	\$12.50
Ameriflex	NR	COBRA	Proposed	Net
TASC	NR	COBRA	Proposed	Net
ESI	NR	PBM	Proposed	Net

Level	Category	Level	Category	Level	Category
A++, A+.....	Superior	B, B-.....	Fair	D.....	Poor
A, A-.....	Excellent	C++, C+.....	Marginal	E.....	Under Regulatory Supervision
B++, B+.....	Very Good	C, C-.....	Weak	F.....	In Liquidation
				S.....	Rating Suspended

FINANCIAL SIZE CATEGORIES

FSC I	Up to 1,000	FSC IX	250,000 to 500,000
FSC II	1,000 to 2,000	FSC X	500,000 to 750,000
FSC III	2,000 to 5,000	FSC XI	750,000 to 1,000,000
FSC IV	5,000 to 10,000	FSC XII	1,000,000 to 1,250,000
FSC V	10,000 to 25,000	FSC XIII	1,250,000 to 1,500,000
FSC VI	25,000 to 50,000	FSC XIV	1,500,000 to 2,000,000
FSC VII	50,000 to 100,000	FSC XV	2,000,000 or more
FSC VIII	100,000 to 250,000	(In \$000 of Reported Policyholders' Surplus Plus Conditional Reserve Funds)	

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RFP Timeline	Date Released
RFP Release	Monday, September 23 rd , 2024
RFP Responses Due	Monday, October 7 th , 2024

*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 (The Street.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.

Thank you!

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.

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