

# 2025 Renewal Summary

# 2024 Current Medical Plan Summary - ICHRA

## School District of Turtle Lake **Individual Coverage Health Reimbursement Account** Highlights

- Started the ICHRA plan 7/1/24, replacing the group health plan after a notification of a 24.4% rate increase
- Determined contribution strategy based on 2023-24 annualized spend; contributions vary based on age and family status
  - 4.5% increase with HRA funding to supplement employee exposure for the first 6 months effective 7/1 through 12/31/2024 of \$1500 for single and \$3000 for family.
- District provided Health Savings Account contribution of \$1,000 for single and \$2,000 for family coverage when enrolled in a Qualified High Deductible Plan (QHDP)
- District offers a \$7,000 taxable incentive to employees that do not take the health plan as long as they prove they have spousal group coverage elsewhere
- 7/1/24 enrollment results:
  - 13 waived coverage and eligible for taxable incentive
  - 41 enrolled in coverage
  - 40 of the 41 enrolled, enrolled in HDHP and received HSA contribution
    - o 2 Anthem
    - o 5 HealthPartners
    - o 24 Medica
    - o 10 Security Health Plan

# 2025 Renewal Medical Plan Options

- Individual Coverage Health Reimbursement Account (ICHRA) average projected premium increase for 1/1/25 is 7.74% (ranging from 3.31% to 13.2%)
  - Current budgeted premium and administrative fees: \$1,073,366
  - Estimated annualized premium and administrative cost for 2025 if we increase contribution 7.74%: \$1,154,036 (\$80,670 increase)
- RFP: Looked at moving back to group insurance with a 1/1/25 effective date
  - Used most up to date claims data through 6/30/24 with Request for Proposal
    - WPS, WCA, UHC declined to quote because they were not competitive
    - Medica, HealthPartners and Security Health Plan came in equal to or higher than the renewal received from Medica for a 7/1/24 effective date
      - Medica - equal to 2024 renewal offer (24.4% increase): \$1,256,734
      - HealthPartners - 64.7% higher than 2024 renewal offer: \$2,070,716
      - Security Health Plan - 12.2% higher than 2024 renewal offer: \$1,410,871
    - Anthem offer is 31.4% under the original Medica renewal offer: \$862,798

# Anthem Fully Insured Offer

ER Contribution % Per Plan	Plan 1			Plan 2			Plan 3		
	Alternate Option 5								
Carrier	Anthem In-network Benefit								
Plan Name	2500-0% HSA			3300-0% HSA			5000-0% HSA		
Plan Network	Blue Preferred Plus POS			Blue Preferred Plus POS			Blue Preferred Plus POS		
Deductible: Individual / Family	\$2,500 / \$5,000			\$3,300 / \$6,600			\$5,000 / \$10,000		
Co-pay   Coinsurance	Deductible then 0% coinsurance			Deductible then 0% coinsurance			Deductible then 0% coinsurance		
Out of Pocket Max: Individual / Family	\$4,000 / \$8,000			\$4,000 / \$8,000			\$6,650 / \$13,300		
Rx: Generic, Brand, Brand Non-Pref, Specialty	Deductible then; \$0 / \$10 / \$50 / \$80 / \$400			Deductible then; \$0 / \$10 / \$50 / \$80 / \$400			Deductible then; \$0 / \$10 / \$50 / \$80 / \$400		
Out of Network Benefits	Anthem Out-of-network Benefit								
OON Deductible: Individual / Family	\$5,000 / \$10,000			\$6,600 / \$13,200			\$10,000 / \$20,000		
OON Co-pay   Coinsurance	Deductible then 30% coinsurance			Deductible then 30% coinsurance			Deductible then 30% coinsurance		
OON Out of Pocket Max: Individual / Family	\$8,000 / \$16,000			\$8,000 / \$16,000			\$13,300 / \$26,000		
OON Rx: Generic, Brand, Brand Non-Pref, Special	Deductible then 30% coinsurance			Deductible then 30% coinsurance			Deductible then 30% coinsurance		
Rates	Total Premium	ER Portion	EE Portion	Total Premium	ER Portion	EE Portion	Total Premium	ER Portion	EE Portion
Employee Only	\$793.23	\$698.04	\$95.19	\$778.32	\$723.84	\$54.48	\$706.24	\$692.12	\$14.12
Employee + Family	\$1,791.91	\$1,576.88	\$215.03	\$1,758.23	\$1,635.15	\$123.08	\$1,595.40	\$1,563.49	\$31.91
<b>Monthly Premium</b>	<b>\$30,051.57</b>	<b>\$26,445.38</b>	<b>\$3,606.19</b>	<b>\$21,473.90</b>	<b>\$19,970.73</b>	<b>\$1,503.17</b>	<b>\$20,374.36</b>	<b>\$19,966.87</b>	<b>\$407.49</b>
<b>Annual Premium</b>	<b>\$360,618.84</b>	<b>\$317,344.58</b>	<b>\$43,274.26</b>	<b>\$257,686.80</b>	<b>\$239,648.72</b>	<b>\$18,038.08</b>	<b>\$244,492.32</b>	<b>\$239,602.47</b>	<b>\$4,889.85</b>
<b>Annual \$ Difference</b>	<b>-\$163,137.36</b>	<b>-\$143,560.88</b>	<b>-\$19,576.48</b>	<b>-\$112,718.40</b>	<b>-\$104,828.11</b>	<b>-\$7,890.29</b>	<b>-\$118,491.48</b>	<b>-\$116,121.65</b>	<b>-\$2,369.83</b>
<b>Annual % Difference</b>	<b>-31.1%</b>	<b>-31.1%</b>	<b>-31.1%</b>	<b>-30.4%</b>	<b>-30.4%</b>	<b>-30.4%</b>	<b>-32.6%</b>	<b>-32.6%</b>	<b>-32.6%</b>
<b>Combined Annual Premium:</b>							<b>Total Premium</b>	<b>ER Portion</b>	<b>EE Portion</b>
							<b>\$862,797.96</b>	<b>\$796,595.78</b>	<b>\$66,202.18</b>

# Considerations

## Decisions needed for 2025 plan year

- Option 1:
  - Stay with the ICHRA for the 2025 plan year, need decision on increase
    - Current estimated annual cost including administration: \$1,073,366
      - Option 1: Keep contribution the same in 2025; passes affordability and most employees have little or no premium contributions
      - Option 2: Increase the contribution 7.74% to accommodate the anticipated rate increases: \$1,154,036 (\$80,670 increase)
      - Option 3: Something in the middle
    - Remove the post-deductible HRA - intent was to help employees with additional deductible exposure from 7/1 to 12/31
    - Continue offering the ability for employees to use their excess ICHRA contribution toward out-of-pocket medical expenses
    - Provide HSA contribution of \$1500 for single and \$3000 for family coverage for those enrolled in a QHDHP
- Option 2:
  - Accept the fully insured group insurance offer from Anthem - estimated annualized premium based on 49 participants is \$862,797
  - Remove the post-deductible HRA - intent was to help employees with additional exposure from 7/1 to 12/31
  - Provide HSA contribution of \$1500 for single and \$3000 for family coverage