

Date: November 29, 2021
To: LPSD School Board
From: Laura Hylton, Finance Director
RE: December Board Report

Position Open

Jennifer Stackhouse joined our team as our payroll specialist on November 22 and is picking things up quickly. Jennifer work with Yupiit School District in accounts payable and filled in for payroll. We are excited to have Jennifer on our team!

Health Insurance Renewal 2022

Health insurance renewal is complete. Meritain renewed as our Third Party Administrator and did not increase our costs. Stop loss coverage renewed with Sun Life and our overall cost took a small decrease over the prior year. The LPSD paid claims amount increased from \$75,000 to \$85,000 this year as part of the overall renewal process which contributed to the overall decrease. I have kept the amount at \$75,000 for a number of years as the savings in premiums did not exceed the added cost to the plan.

Claims summary data and stop loss renewal data attached.

New to the program this year is a service called Livongo which is a program to assist plan participants in managing diabetes. The program is seeing success in Alaska in helping participants better manage their diabetes and reduce long-term side effects of the disease. Excited to launch this program to participants.

Financial Report Attached.

Executive summary

279 Members

-1.2% change in members

2.3 average family size

\$739 PMPM

\$680 Medical PMPM

106.0% decrease in Medical
PMPM over two years

\$21 Pharmacy PMPM

9.0% decrease in Pharmacy
over two years

Claimant Distribution

| Paid Bands | Claimants | Paid % | Claimants % |
|----------------------|-----------|---------|-------------|
| \$99,999 and greater | 6 | 48.80% | 2% |
| \$50,000 - \$99,999 | 5 | 13.36% | 2% |
| \$10,000 - \$49,999 | 21 | 21.52% | 8% |
| \$1 - \$9,999 | 226 | 16.33% | 86% |
| Less Than \$0 | 4 | 0.00% | 2% |
| Summary | 262 | 100.00% | 100% |

\$1,413,984 Million

High-cost claimant
spend

(Top 10 claimants)

Represents 60.00% of current
period total plan paid

| | | |
|------------|-----------|-------------|
| x Employee | x Spouse | x Dependent |
| \$931,376 | \$482,608 | \$0 |

5.0%

Employee cost
share

2.8% increase from prior
period

50%

Avg. medical
discount

11% increase from prior period
57% average in-network discount
35% average out-of-network discount
58% of plan paid at in-network facility

Executive summary

\$2,490,143

Total spend in the current reporting period

\$2,494,475

Decrease in total spend in the last two years

Inpatient Trends

Claimants: -7.7%
Admits: -57.1%
ALOS: -209.5%
Days: -386.4%
Admits/1000: -55.7%
Days/1000: -381.8%
Paid/Admit: -124.7%
Paid/Day: 27.4%

Key Drivers



Demographics



Top Episodes



Service Categories



Site of Care

- Membership decreased by 1.2% from the prior period while the male ratio increased 0.9% and female ratio decreased 0.7%.
- Medical PMPM decreased 106.0% over the past two years. Pharmacy PMPM decreased 9.0%.
- Diseases of the circulatory system and diseases of the nervous system are the top two costly diagnostic categories for the current period.
- Emergency department utilization decreased 32.1% over the past two years. 10.3% of the emergency room utilization occurred on the weekend.

Outpatient Trends

Claimants: 25.7%
Visits: 17.8%
Visits/1000: 18.6%
Paid/Visit: -59.0%

Professional Trends

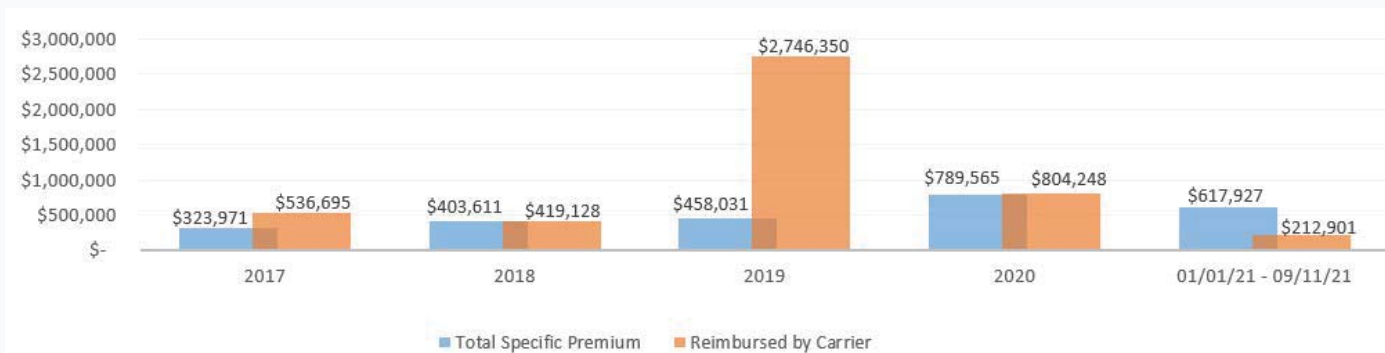
Total Paid: -62.5%
Claimants: -1.7%
Claim Lines: -12.3%
Claim Lines/1000: -11.2%
Paid/Claim Line: -44.7%

ER Trends

Paid: -64.8%
Claimants: -52.6%
Visits: -32.1%
10.3% of current utilization occurs during the weekend
1.0% of the services are considered non-emergent

Lake and Peninsula School District : Specific Claimants

| | 2017 | 2018 | 2019 | 2020 | 1/1/21-9/11/21 | Overall |
|------------------|-----------|-----------|-------------|-----------|----------------|-------------|
| Specific Level | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | |
| Specific Premium | \$323,971 | \$403,611 | \$458,031 | \$789,565 | \$617,927 | \$2,593,105 |
| Reimbursed | \$536,695 | \$419,128 | \$2,746,350 | \$804,248 | \$212,901 | \$4,719,321 |
| Loss Ratio % | 166% | 104% | 600% | 102% | 34% | 182% |



Financial Overview at the \$85,000 Deductible Level

| | Lives | 2021 Sun Life Current | 2022 | | |
|--|-------|-----------------------------|----------------------------|----------------------------|--------------------------|
| | | | Sun Life Alternative 1 | HMIG Alternative 1 | Symetra Alternative 1 |
| Single Specific Rate PEPM | 56 | \$299.83 | \$295.42 | \$303.63 | \$307.65 |
| ES Specific Rate PEPM | 10 | \$663.69 | | | |
| EC Specific Rate PEPM | 17 | \$568.87 | | | |
| Family Specific Rate PEPM | 34 | \$979.73 | \$801.47 | \$796.55 | \$891.13 |
| Composite Specific Rate PEPM | 117 | \$567.60 | \$559.26 | \$560.62 | \$611.86 |
| Annual Specific Premium Cost | | \$796,908 | \$785,198 | \$787,114 | \$859,048 |
| Aggregate Rate PEPM | | \$13.45 | \$14.12 | \$13.09 | \$19.15 |
| Annual Premium Cost (Aggregate) | | \$18,884 | \$19,824 | \$18,378 | \$26,887 |
| Combined Rate PEPM | | \$581.05 | \$573.38 | \$573.71 | \$631.01 |
| Combined Annual Premium Cost | | \$815,792 | \$805,023 | \$805,492 | \$885,935 |
| vs. Current Annualized Cost | | | (\$10,769) -1.3% | (\$10,299) -1.3% | \$70,143 8.6% |
| Combined Annual Premium Cost | | \$815,792 | \$805,023 | \$805,492 | \$885,935 |
| Aggregating Specific | | \$60,000 | \$60,000 | \$60,000 | \$60,000 |
| Additional Claims Liability due to lasers | | \$0 | \$0 | \$0 | \$0 |
| Maximum Annual Liability (total annual premium, fees and additional claims liability in excess of regular deductible point) | | \$875,792 | \$865,023 | \$865,492 | \$945,935 |
| vs. Current Annualized Cost | | | (\$10,769) -1.2% | (\$10,299) -1.2% | \$70,143 8.0% |
| Monthly Aggregate Factor | | | | | |
| Single: | 56 | \$1,160.95 | \$1,149.70 | \$1,114.54 | \$1,120.28 |
| ES: | 10 | \$2,437.99 | | | |
| EC: | 17 | \$2,089.70 | | | |
| Family: | 34 | \$3,598.93 | \$2,636.46 | \$2,674.89 | \$2,554.19 |
| Composite PEPM | 117 | \$2,113.52 | \$1,924.85 | \$1,928.06 | \$1,867.87 |
| Carrier Annual Expected Claims: | | \$2,373,904 | \$2,161,990 | \$2,165,592 | \$2,097,996 |
| Annual Attachment Point: | | \$2,967,379 | \$2,702,487 | \$2,706,990 | \$2,622,495 |
| Total Maximum Liability (potential claims and premium): | | \$3,843,171 | \$3,567,510 | \$3,572,483 | \$3,568,430 |

The current Sun Life rates are 4 tier with the enrollment counts listed above. Carriers were requested to provide 2 tier rates/factors. 56 Single and 61 Family lives were used for the renewal/carrier quotes

| Lake and Peninsula School District | | | | | | | |
|---|---------------------|---------------------|----------------|---------------------|----------------|----------------|----------|
| 100 Board Report | | From Date: 7/1/2021 | | To Date: 11/30/2021 | | | |
| Fiscal Year: 2021-2022 | | | | | | | |
| Account Description | Account Number | GL Budget | YTD | Balance | Encumbrance | Budget Balance | % Budget |
| Instruction | 100.000.100.000.000 | \$5,317,205.98 | \$1,225,960.58 | \$4,091,245.40 | \$2,338,693.46 | \$1,752,551.94 | 32.96% |
| Lake View Home School | 100.000.140.000.000 | \$15,409.36 | \$1,876.80 | \$ 13,532.56 | \$3,565.17 | \$ 9,967.39 | 64.68% |
| CTE | 100.000.160.000.000 | \$321,859.81 | \$90,069.67 | \$ 231,790.14 | \$100,057.24 | \$131,732.90 | 40.93% |
| SPED direct instruction | 100.000.200.000.000 | \$1,448,529.29 | \$259,815.70 | \$1,188,713.59 | \$774,387.60 | \$414,325.99 | 28.60% |
| SPED special services | 100.000.220.000.000 | \$163,685.07 | \$73,420.94 | \$ 90,264.13 | \$34,387.36 | \$ 55,876.77 | 34.14% |
| Student support | 100.000.300.000.000 | \$96,779.32 | \$20,109.58 | \$ 76,669.74 | \$24,771.60 | \$ 51,898.14 | 53.63% |
| Instructional Support | 100.000.350.000.000 | \$723,809.98 | \$261,731.93 | \$ 462,078.05 | \$252,888.38 | \$209,189.67 | 28.90% |
| Instructional Technology | 100.000.360.000.000 | \$2,557,377.68 | \$919,269.07 | \$1,638,108.61 | \$1,832,697.73 | -\$194,589.12 | -7.61% |
| School Admin - Principals | 100.000.400.000.000 | \$818,992.80 | \$235,729.66 | \$ 583,263.14 | \$356,671.31 | \$226,591.83 | 27.67% |
| School Support - Secretaries | 100.000.450.000.000 | \$86,839.55 | \$25,572.88 | \$ 61,266.67 | \$81,918.01 | -\$ 20,651.34 | -23.78% |
| District Admin - Superintendent and Board | 100.000.510.000.000 | \$576,812.94 | \$209,974.43 | \$ 366,838.51 | \$88,288.25 | \$278,550.26 | 48.29% |
| District Admin - Business Services | 100.000.550.000.000 | \$715,839.63 | \$358,335.11 | \$ 357,504.52 | \$462,443.55 | -\$104,939.03 | -14.66% |
| Maintenance and Operations | 100.000.600.000.000 | \$2,597,382.86 | \$1,421,842.67 | \$1,175,540.19 | \$1,241,437.94 | -\$ 65,897.75 | -2.54% |
| Student Activities | 100.000.700.000.000 | \$403,859.36 | \$179,449.55 | \$ 224,409.81 | \$38,299.38 | \$186,110.43 | 46.08% |
| Other Fund TERS & PERS OB | 100.000.760.000.000 | \$0.00 | \$5,553.40 | -\$ 5,553.40 | \$0.00 | -\$ 5,553.40 | 0.00% |
| Other Fund TERS & PERS OB | 100.000.790.000.000 | \$0.00 | \$3,866.66 | -\$ 3,866.66 | \$0.00 | -\$ 3,866.66 | 0.00% |
| Food Service Transfer | 100.000.900.000.000 | \$340,000.00 | \$0.00 | \$ 340,000.00 | \$0.00 | \$340,000.00 | 100.00% |
| Grand Total: | | \$16,184,384 | \$5,292,578.63 | \$10,891,805.00 | \$7,630,506.98 | \$3,261,298.02 | 20.15% |

The FY22 budget was based on closing one school. Since all schools remain open the overages in the budget and encumbrances are expected and will be addressed on revision.