



# City of Missoula Health Plan

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SELF INSURED HEALTH PLAN UPDATES

# Change in Plan Year

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Goal was to move to a Calendar Year Plan Year

Six-Month Plan, then Calendar Year effective 1/2022

No plan changes other than pro-rating for Six-Month Plan



# Gallagher Recommendations

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Actuary advises the following rate increases to ensure our plan remains fiscally sound:

5.2% increase for six-month plan

7.4% additional increase for calendar year plan

City will increase contribution by these percentages and pass same percentage increase on for spouse/domestic partner and dependent coverages.

Employee only coverage will remain at \$0 out of pocket for the employee.



Insurance | Risk Management | Consulting

# High Claims Cost in FY21

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Increase in contribution rates due to high claims costs

FY2021 Claims (to-date) \$9.8M

FY2021 Budgeted Claims \$7.7M

Need to ensure plan is fiscally sound

CITY OF MISSOULA, MONTANA					
EMPLOYEE BENEFIT INTERNAL SERVICE FUND					
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS					
FISCAL YEAR 2021 MONTHLY ANALYSIS					
WITH MONTH TO DATE COMPARISONS TO FY 2020					
	BUDGET	FY 2021	FY 2020	Prior Year	Percent
	FY 2021	TO DATE	Actuals through	Dollar	Change
			June	Change	
<b>Operating Revenues</b>					
<b>Total Adjusted Revenue</b>	9,324,472	8,982,611	9,028,257	(45,646)	(1)%
<b>Operating Expenses</b>					
Insurance Claims (*Not final)	7,791,710	9,886,607	6,921,093	2,965,514	43 %
<b>Claims expense (net of reimb)</b>	7,791,710	7,693,468	5,896,100	1,797,368	30 %
<b>Total Administration Expenses</b>	1,303,400	1,316,374	1,270,556	45,819	4 %
<b>Total Expenses</b>	9,095,110	9,009,843	7,166,656	1,843,187	26 %
<b>Income (Loss) Before Operating Transfers</b>	229,362	(27,232)	1,861,601	(1,888,833)	(101)%
Reserve Build transfer from Gen Fund	442,000	442,000	442,000	(0)	- %
<b>Net Income (Loss)</b>	671,362	414,767	2,303,601	(1,888,833)	(82)%
<b>Beginning Retained Earning</b>	1,001,334	1,001,334			
<b>Ending Retained Earnings</b>	1,672,696	1,416,101			



# Executive Summary Report

CITY OF MISSOULA (2000203)

[All Plans] - Jul 20 thru Jun 21

	2020/Jul	2020/Aug	2020/Sep	2020/Oct	2020/Nov	2020/Dec	2021/Jan	2021/Feb	2021/Mar	2021/Apr	2021/May	2021/Jun	Total	Previous Period	Percent Change
Total Charges	\$1,046,133	\$1,521,630	\$922,341	\$995,343	\$1,387,398	\$1,155,822	\$946,023	\$1,246,405	\$1,406,431	\$1,659,875	\$1,155,603	\$1,906,466	\$15,349,471	\$13,304,709	15%
Claims Payment Reductions	\$440,124	\$830,826	\$364,516	\$443,496	\$546,686	\$424,726	\$336,382	\$423,710	\$621,721	\$697,533	\$461,024	\$867,399	\$6,458,143	\$6,503,878	-1%
Plan Benefit Design	\$131,896	\$261,175	\$110,093	\$130,686	\$136,377	\$100,959	\$95,469	\$94,113	\$196,010	\$172,397	\$88,821	\$159,822	\$1,677,820	\$1,618,688	4%
Other	\$138,253	\$351,557	\$114,149	\$122,188	\$133,037	\$124,567	\$104,062	\$156,671	\$203,990	\$213,009	\$203,026	\$435,814	\$2,300,324	\$3,158,445	-27%
PPO Discounts	\$169,974	\$218,094	\$140,274	\$190,622	\$277,272	\$199,199	\$136,851	\$172,926	\$221,720	\$312,126	\$169,177	\$271,763	\$2,480,000	\$1,726,745	44%
Total Medical Claims Paid	\$456,856	\$539,116	\$417,072	\$417,657	\$690,598	\$571,053	\$450,104	\$630,830	\$598,032	\$768,752	\$519,630	\$824,148	\$6,883,847	\$5,043,107	37%
Total Pharmacy Claims Paid	\$100,352	\$90,195	\$99,294	\$92,697	\$111,531	\$114,420	\$123,290	\$144,998	\$129,047	\$142,113	\$136,598	\$170,343	\$1,454,879	\$1,221,255	19%
<b>Total Claims Paid</b>	<b>\$606,010</b>	<b>\$690,804</b>	<b>\$557,825</b>	<b>\$551,848</b>	<b>\$840,712</b>	<b>\$731,096</b>	<b>\$609,640</b>	<b>\$822,696</b>	<b>\$784,710</b>	<b>\$962,342</b>	<b>\$694,579</b>	<b>\$1,039,067</b>	<b>\$8,891,328</b>	<b>\$6,800,831</b>	<b>31%</b>
Payments as % of Charges	58%	45%	60%	55%	61%	63%	64%	66%	56%	58%	60%	55%	58%	51%	13%
Reinsurance Reimbursements	\$105,062	\$0	\$0	\$37,531	\$0	\$66,707	\$0	\$206,484	\$30,551	\$73,944	\$87,760	\$86,765	\$694,805	\$259,836	167%
<b>Claims Cost - Total</b>	<b>\$500,947</b>	<b>\$690,804</b>	<b>\$557,825</b>	<b>\$514,316</b>	<b>\$840,712</b>	<b>\$664,389</b>	<b>\$609,640</b>	<b>\$616,211</b>	<b>\$754,159</b>	<b>\$888,399</b>	<b>\$606,819</b>	<b>\$952,302</b>	<b>\$8,196,523</b>	<b>\$6,540,994</b>	<b>25%</b>
Enrollee	\$258,506	\$307,199	\$284,695	\$224,983	\$338,098	\$412,360	\$268,327	\$283,189	\$409,891	\$530,014	\$275,922	\$611,154	\$4,204,338	\$2,889,908	45%
Spouse	\$164,413	\$254,294	\$162,503	\$221,483	\$406,663	\$146,657	\$269,150	\$270,242	\$225,921	\$274,287	\$264,665	\$247,542	\$2,907,818	\$2,646,654	10%
Dependent	\$78,028	\$129,311	\$110,627	\$67,851	\$95,951	\$105,372	\$72,163	\$62,780	\$118,348	\$84,098	\$66,232	\$93,607	\$1,084,366	\$1,004,432	8%
Census Count - Member	1509	1502	1515	1519	1531	1534	1533	1530	1537	1541	1549	1552	1529	1479	3%
Enrollee	637	632	641	646	651	655	656	660	661	662	667	671	653	631	3%
Spouse	357	355	357	355	359	361	361	360	361	362	364	365	360	350	3%
Dependent	515	515	517	518	521	518	516	510	515	517	518	516	516	497	4%
Average Claims Cost - Member	\$332	\$460	\$368	\$339	\$549	\$433	\$398	\$403	\$491	\$577	\$392	\$614	\$446	\$369	21%
Enrollee	\$406	\$486	\$444	\$348	\$519	\$630	\$409	\$429	\$620	\$801	\$414	\$911	\$535	\$382	40%
Spouse	\$461	\$716	\$455	\$624	\$1,133	\$406	\$746	\$751	\$626	\$758	\$727	\$678	\$673	\$630	7%
Dependent	\$152	\$251	\$214	\$131	\$184	\$203	\$140	\$123	\$230	\$163	\$128	\$181	\$175	\$168	4%
Other Expenses	\$86,546	\$86,158	\$87,071	\$87,078	\$87,710	\$88,012	\$87,652	\$88,564	\$88,904	\$89,329	\$89,767	\$89,796	\$1,056,587	\$1,014,747	4%
Stop Loss - Aggregate	\$2,546	\$2,530	\$2,575	\$2,575	\$2,604	\$2,620	\$2,612	\$2,640	\$2,649	\$2,661	\$2,665	\$2,681	\$31,357	\$25,464	23%
Stop Loss - Specific	\$72,029	\$71,724	\$72,399	\$72,399	\$72,862	\$73,074	\$72,781	\$73,525	\$73,817	\$74,162	\$74,309	\$74,520	\$877,601	\$851,828	3%
Administration Fees	\$11,971	\$11,904	\$12,097	\$12,105	\$12,244	\$12,318	\$12,258	\$12,399	\$12,438	\$12,506	\$12,794	\$12,595	\$147,629	\$137,454	7%
Total Plan Cost	\$587,493	\$776,962	\$644,895	\$601,395	\$928,421	\$752,400	\$697,292	\$704,776	\$843,063	\$977,728	\$696,586	\$1,042,098	\$9,253,110	\$7,555,742	22%
Total Plan Cost/Enrollee	\$922	\$1,229	\$1,006	\$931	\$1,426	\$1,149	\$1,063	\$1,068	\$1,275	\$1,477	\$1,044	\$1,553	\$1,179	\$997	18%
<b>Large Claims Total (&gt;\$25000)</b>	<b>\$89,234</b>	<b>\$87,389</b>	<b>\$91,373</b>	<b>\$93,086</b>	<b>\$231,624</b>	<b>\$238,889</b>	<b>\$146,401</b>	<b>\$343,856</b>	<b>\$88,897</b>	<b>\$149,782</b>	<b>\$133,308</b>	<b>\$210,334</b>	<b>\$1,904,174</b>	<b>\$935,797</b>	<b>103%</b>
Number of Members	2	2	1	2	4	6	3	4	3	4	2	4	37	21	76%
Average Total/Member	\$44,617	\$43,694	\$91,373	\$46,543	\$57,906	\$39,815	\$48,800	\$85,964	\$29,632	\$37,445	\$66,654	\$52,584	\$53,752	\$39,747	35%
No of Claims	2666	3019	2470	2819	3183	2823	2876	3086	4704	3337	3071	3528	37582	35668	5%
Average Claims Cost	\$220	\$257	\$261	\$213	\$292	\$267	\$242	\$228	\$179	\$293	\$227	\$295	\$248	\$212	17%
Number of Admissions	6	9	6	4	9	5	4	5	3	9	2	6	68	60	13%
Number of In-Patient Days	14	22	18	12	29	17	13	32	7	37	2	20	223	166	34%
Average Length of Stay	2.33	2.44	3.00	3.00	3.22	3.40	3.25	6.40	2.33	4.11	1.00	3.33	3.28	2.56	28%

# Permissive Medical Levy

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The City has the authority to levy a special levy in addition to the All Purpose Levy for the costs of the employee health insurance plan.

\*Requires a Public Hearing (8/16/21)

Actuarial recommendations have us adding \$300k to this levy.

Yet, the # of mills levied will decrease from 44.39 to 42.31.

# Questions?

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