

February 2021

ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT

High-Cost Members

There was an unexpected number of catastrophic claims in this year's Base Experience Period and accounts for 40.16% of total claim cost in the Base Experience Period.

Credibility

This year's renewal includes 52% credibility used. This means that we used 52% of your group specific claim cost and blended it with 48% of your group's demographically adjusted book rate.

Excellus BCBS—Your Trusted Partner in Health Care

In addition, we partner with Lifetime Benefit Solutions to offer administrative services to meet the needs of your organization. Lifetime Benefit Solutions makes it easy to administer HRA/HSA/FSA reimbursement accounts, COBRA administration, cafeteria plans, and document compliance.

Please review this year's renewal at your convenience and remember we're happy to answer your questions. We look forward to working with you in the upcoming policy year.

Sincerely,



Jeff Cima | Rating & Renewal Analyst



Megan Schmidt | Account Sales Consultant

Rate Adequacy Report
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:

Prospective

Trends:	Medical	Rx	Total
Annual Trend	13.8 %	8.8 %	
Effective Trend	22.7 %	14.3 %	
Midpoint to Midpoint			19 Months
Experience Period: 12/01/19 - 11/30/20			
Incurred Claims (Paid Through 01/31/21)	\$ 2,094,909	\$ 663,780	
Total Covered Subscriber Months	1,789	1,789	
Monthly Claim Cost Per Subscriber	\$ 1,170.99	\$ 371.03	
Book Rate Claim Cost Per Subscriber	\$ 1,065.45	\$ 306.94	
Credibility Adjustment:			
Experience Factor at 52%	\$ 608.92	\$ 192.94	
Book Rate Factor at 48%	\$ 511.42	\$ 147.33	
Weighted Composite Claims	\$ 1,120.33	\$ 340.27	
Contract Period: 07/01/21 - 06/30/22			
Trended Incurred Claims	\$ 1,374.80	\$ 388.88	
Projected Covered Subscriber Months	1,740	1,740	
Contract Mix Factor			1.0062
Claims Cost for Projected Covered Subscribers			\$ 3,087,913
Retention Amount			\$ 418,858
Covered Lives Assessment			\$ 21,195
Health Insurer Fees			\$ 0
Required Revenue			\$ 3,527,966
Current Revenue			\$ 3,202,535
Composite Percent Rate Change			10.16 %
Modified Composite Percent Rate Change			7.00 %
Modified Required Revenue			\$ 3,426,871

**Impact Estimate of Taxes, Fees, and Assessments
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022**

Funding Arrangement:

Prospective

	Estimated Impact on Rate ¹			
	Amount		Percent	
	Contract Period	PCPM		
NYS HCRA Claims Surcharge²	\$ 95,725	\$ 55.01	2.79	%
Covered Lives Assessment³	21,195	12.18	0.62	
Premium Tax⁴	0	0.00	0.00	
Section 332 Assessment⁵	30,842	17.73	0.90	
High-cost insurance Excise Tax⁶	0	0.00	0.00	
Health Insurer Fee⁷	0	0.00	0.00	
PCORI⁸	1,015	0.58	0.03	
Total	\$ 148,777	\$ 85.50	4.34	%

¹ **These Estimated numbers assume renewal at current benefits**

² **NYS Health Care Reform Act (HCRA) Surcharge**

The surcharge is assessed as a percentage of New York State hospital services to help reimburse hospitals for losses related to bad debt and charity care.

³ **Covered Lives Assessment (CLA)**

The CLA is an assessment charged in order to fund health programs, including Graduate Medical Education (GME), and general fund obligations. CLA charges vary based on county and contract type.

⁴ **Premium Tax**

New York State imposes a 1.75% tax on for-profit insurance plans. No Premium Tax applies to your rates because Excellus is a nonprofit health plan.

⁵ **Section 332 Assessment**

Established to support funding for the New York State Department of Financial Services, this assessment applies to all licensed insurers in New York State.

⁶ **High-cost Insurance Excise Tax**

Frequently referred to as the 'Cadillac Tax', this tax applies to high cost health plans. Impact on Rates will be seen when this tax is implemented.

⁷ **Health Insurer Fee**

This fee was mandated to aid in funding federal and state Exchanges. The fee has varied annually based on the mandated fund applied across the industry. The fee is assessed as a percentage of premium for the contract period.

⁸ **Patient-Centered Outcomes Research Institute (PCORI)**

This fee was mandated to fund a trust for research intended to improve information available to aid with health decisions, and many of the end-users of the information will be people who may or may not have a defined health condition. The fee varies based on a mandated per member per year amount.

Claims Development
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:

Prospective

All Plans			
	Medical	Rx	Total
Paid Claims for Experience Period	\$ 1,848,114	\$ 773,894	\$ 2,622,008
Pooled Claims (\$85,000 threshold)	(124,957)	(147,994)	(272,951)
Pooled Charges	311,453	126,972	438,425
Estimated Remaining Liability	51,988	370	52,358
Prescription Drug Rebates	<u>0</u>	<u>(93,213)</u>	<u>(93,213)</u>
Incurred Claims for Experience Period	\$ 2,086,598	\$ 660,029	\$ 2,746,627
Benefit Experience Period Adjustment	<u>8,311</u>	<u>3,751</u>	<u>12,062</u>
Incurred Claims for Experience Period after Benefit Adjustment	\$ 2,094,909	\$ 663,780	\$ 2,758,689

Monthly Claims Detail
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:

Prospective

All Plans						
Incurred Month	Subscriber Months	Claims Paid Through January 31, 2021			Billed Premium	
		Medical	Rx	Total		
December 19	151	\$ 132,367	\$ 45,363	\$ 177,731	\$ 240,328	
January 20	152	198,213	44,232	242,445	242,326	
February 20	152	147,439	58,415	205,853	242,500	
March 20	150	75,849	80,368	156,216	238,330	
April 20	150	63,434	58,497	121,930	237,105	
May 20	150	157,684	75,669	233,353	235,880	
June 20	149	191,471	73,602	265,073	235,107	
July 20	149	242,857	86,695	329,552	269,049	
August 20	149	113,814	59,988	173,802	268,847	
September 20	146	232,397	54,919	287,316	265,753	
October 20	146	150,056	72,160	222,217	267,774	
November 20	145	142,533	63,986	206,520	266,878	
Total	1,789	\$ 1,848,114	\$ 773,894	\$ 2,622,008	\$ 3,009,877	
Incurred Claims for Experience Period				\$ 2,746,627		
Loss Ratio				91.3 %		
Loss Ratio Without ACA fees				93.3 %		

High Claimants
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:

Prospective

Claimant Threshold:		\$ 85,000
Claimant	Paid Claims	
1	\$	180,398
2		161,316
3		154,446
4		<u>116,792</u>
Total	\$	612,951
% of Total Claims		23.4 %

Note: Includes Prescription Drugs

Summary of Proposals
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:

Prospective

Proposal Summary			
Proposal and Description	Comparison to Current Benefit Premium	Vs. Current Premium¹	Estimated Contract Period Premium¹
Renew at Current Benefits	NA	7.00%	\$ 3,426,871
Sig Copay \$10, Sig Deductible 3 \$1,500	-1.90%	4.97%	\$ 3,361,769
Sig Co \$10, Sig Hy \$25-\$200, Sig Ded \$1,500	-3.90%	2.86%	\$ 3,294,021
Sig Deductible \$1,500	-19.50%	-13.84%	\$ 2,759,180

¹Assumes contract distribution as shown on detailed rates exhibit



Proposal - Sig Copay \$10, Sig Deductible 3 \$1,500
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022

Funding Arrangement:**Prospective**

All Subscribers			
Plan	Tier	Projected Contracts	Rate
Signature Copay 1 (BR ID: 1732354-01)	Single	46	\$ 963.57
	Employee/Spouse	20	2,491.94
	Employee/Child(ren)	13	1,847.34
	Family	52	2,709.88
Signature Deductible 3 (BR ID: 1724620-01)	Single	5	\$ 726.95
	Employee/Spouse	2	1,880.02
	Employee/Child(ren)	1	1,393.71
	Family	6	2,044.45

Financial Terms / Assumptions

- Rates shown are good through 4/19/2021. If Group does not accept this rate action prior to the expiration date, Excellus BlueCross BlueShield reserves the right to re-rate the proposal.
- Signature below indicates acceptance of all rates and terms for this proposal and its accompanying benefit sheet.
- Terms and assumptions used in this rate sheet are superceded by the group contract.
- Rates are for prospective financial arrangement (Excellus BlueCross BlueShield, Central New York Southern Tier Region at risk).
- Quoted premium rates contain a factor for broker commissions included in the overall retention load; administered under the Central New York Southern Tier Region Broker Program.
- Enrollment variations greater than +/-10% require a rate review which may cause a rate adjustment.
- Large claim pooling applies.
- Changes in federal or state benefit mandates or tax policies will require a rate review which may cause a rate adjustment.
- Benefits in these proposals have been modified to comply with Health Care Reform and are subject to change due to our continued efforts to comply with federal and/or state laws and regulations.
- Rates include taxes and fees as identified on the Impact Estimate of Taxes, Fees and Assessments exhibit.
- Proposed rates include benefits required by the Federal Mental Health Parity final regulations issued November 2013.
- This proposal includes a High Deductible Health Plan. Deviations from proposed contribution will require a rate review which may cause a rate adjustment.

Proposal Accepted By (Group Representative)

Date

Title

QRCS



**Sig Copay \$10, Sig Deductible 3 \$1,500
ELMIRA HEIGHTS CENTRAL SCHOOL DISTRICT
Contract Period: July 1, 2021 through June 30, 2022**

Funding Arrangement:

Prospective

Population:	All Subscribers	
Plan:	Signature Copay 1 In - Out	Signature Deductible 3 In - Out
OV Copay:	\$10 - 20%	20% - 40%
Deductible:	\$0 - \$250	\$1,500 - \$3,000
Family Deductible:	\$0 - \$750	\$3,000 - \$6,000
Out of Pocket Max:	\$4,200 - \$8,400	\$3,000 - \$6,000
Family OOP Max:	\$12,600 - \$25,200	\$6,000 - \$12,000
Coinsurance:	0% - 20%	20% - 40%
Inpatient Copay:	\$0 - 20%	20% - 40%
ER Copay:	\$50 - \$50	20% - 20%
OP Surgery Copay:	\$10 - 20%	20% - 40%
Benefit Cycle:	Calendar Year Benefits	Calendar Year Benefits
Dependent/Student:	26 / 26	26 / 26
Pharmacy Plan:	\$5/\$15/\$30	\$5/\$25/\$50 Integrated Rx
Mail Order Pricing:	1 Copay 90 Day Supply	1 Copay 90 Day Supply
Preventive Rx:	NA	Preventive Rx not subject to the Deductible
Additional Provisions:	<ul style="list-style-type: none"> • Preventive CIF, Womens Preventive CIF • Benefits comply with Federal Mental Health Parity • DME, Prosthetics, Orthotics, Foot Orthotics, Medical Supplies 20% • NYS Autism Spectrum Disorder Mandate 	<ul style="list-style-type: none"> • Preventive CIF, Womens Preventive CIF • Benefits comply with Federal Mental Health Parity • DME, Prosthetics, Orthotics, Foot Orthotics, Medical Supplies 20% • NYS Autism Spectrum Disorder Mandate • HSA Funding the Deductible at a maximum of 50%

BR ID:

1732354-01

1724620-01

QRCS

Initial to signify approval of benefits for proposal : _____