

# Canyon County Health Trust

## FY 2025 Funding Recommendations

December 11, 2024

Based on our projections for the 2025 fiscal year, we anticipate a \$2,651,684 deficit between revenues and expenditures for the health trust in 2025. This would result in ending net assets of \$130,850, and -\$1,317,641 when HRA and IBNR liability is considered.

Based on our experience, as well as DOI regulations for self-insured plans that they oversee, we would recommend that the health trust maintain a surplus balance of between \$3.4 million and \$4.2 million. This is to ensure that there are adequate reserves to cover a worst-case scenario.

As we plan for 2025-2026, following are some considerations to help move the trust into a positive position:

- Increase revenues
  - One-time infusion of \$2 - \$2.8 million. This gets the trust balance to an adequate minimum balance.
  - Establish adequate funding rates for the 2025 fiscal year. This keeps the trust from running at a deficit.
    - Recommended county contribution for medical - \$1,256 per employee per month (up from \$970)
    - Recommended county contribution for dental - \$83 per employee per month (no change)
- Decrease expenditures in the 2025-2026 plan year
  - Consider plan design changes
  - Consider alternative provider networks
  - Consider new plan administrators for all lines of coverage, with a focus on medical and pharmacy

We welcome the opportunity to present our findings to the trust and any other county officials. We especially look forward to working together to improve the position of the trust while continuing to offer a valuable benefit to county employees.

Sincerely,

Scott Howell  
Area Vice President – Benefits Consultant  
Gallagher Benefit Services