

Canyon County Health Trust

FY 2025 Funding Recommendations

December 11, 2024

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COMMISSIONERS**

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



Gallagher

Insurance | Risk Management | Consulting

2024 - 2025 Benefit Plans	Idaho Public Entities							
	City of Meridian	City of Nampa	City of Boise	City of Post Falls	City of Moscow	Canyon County	State of Idaho	
MEDICAL PPO OPTIONS	PPO	PPO	PPO	PPO	PPO	PPO	PPO	Traditional
Deductible	\$750 / \$1,500	\$1,500 / \$3,000	\$350 / \$700	\$1,000 / \$2,000	\$1,500 / \$3,000	\$2,000 / \$4,000	\$350 / \$950	\$500 / \$1,400
Out-of-Pocket	\$2,250 / \$4,500	\$2,500 / \$4,000	\$2,500 / \$5,000	\$3,000 / \$6,000	\$5,000 / \$10,000	\$2,000 / \$4,000	\$3,250 / \$6,750	\$4,350 / \$8,700
Coinsurance	20%	20%	20%	20%	20%	0%	20%	30%
Office Visit Copay - PCP	\$0	\$20	\$20	\$20	\$25	\$25	\$0	30%
Office Visit Copay - Specialist	\$20	\$20	\$40	\$40	\$25	\$25	\$20	30%
Rx/Pharmacy	Generic \$10 Pref Brand \$30 Non-Perf Brand \$45 Specialty \$100	Generic \$10 Pref Brand \$25 Non-Perf Brand \$60 Specialty Refer to Above	Generic \$10 Pref Brand \$30 Non-Perf Brand \$60 Specialty \$75	Generic \$10 Pref Brand \$30 Non-Perf Brand \$50 Specialty 20%	25% to max of \$40 25% to max \$40 50% to max of \$80 Specialty Refer to Above	Generic \$15 Pref Brand \$50 Non-Perf Brand \$75	Generic \$10 Pref Brand \$30 Non-Perf Brand \$60 Specialty \$100	Generic \$10 Pref Brand \$30 Non-Perf Brand \$60 Specialty \$100
HRA VEBA - Buydown available for use while an active employee	N/A	Buy down \$1,000yr.	N/A	Buydown \$1,500yr single / \$2,400yr family. Medical plan opt out \$7,800yr. Dental only \$6,600yr.	Flat \$600 PPPY	EE Only: \$400, EE+SP & EE+CHRN \$600, Family \$800	N/A	N/A
Monthly EE Contributions								
EE	\$0	\$21	\$50	\$40	\$0	\$0	\$65	\$90
EE + Spouse	\$177	\$125	\$100	\$147	\$333	\$240	\$198	\$279
EE + Child	\$71	\$50	\$70	\$100	\$181	\$52	\$112	\$155
EE + Children	\$112	\$111	\$85	\$120	\$273	\$108	\$177	\$250
EE + Spouse + Child	\$242	\$216	\$150	\$177	\$514	\$356	\$242	\$343
Family	\$242	\$216	\$150	\$177	\$606	\$356	\$324	\$460
Medical Funding Rates								
EE	\$745	\$825	\$833	\$913	\$757	\$970	\$1,134	\$1,159
EE + Spouse	\$1,628	\$1,587	\$1,645	\$1,959	\$1,589	\$1,210	\$1,266	\$1,348
EE + Child	\$1,100	\$1,021	\$1,012	\$1,336	\$1,209	\$1,022	\$1,181	\$1,224
EE + Children	\$1,307	\$1,476	\$1,573	\$1,605	\$1,441	\$1,078	\$1,246	\$1,319
EE + Spouse + Child	\$1,956	\$2,259	\$2,304	\$2,360	\$2,041	\$1,326	\$1,311	\$1,411
Family	\$1,956	\$2,259	\$2,304	\$2,360	\$2,273	\$1,326	\$1,393	\$1,529
DENTAL PPO OPTIONS								
	PPO	Incentive PPO	Core PPC	Comp PPO	PPO	PPO	PPO	PPO
Deductible	\$50 / \$150	N/A	\$25	\$25	\$50	\$25	\$25 / \$75	\$50 per member
Annual Max	\$2,000	\$1,500	\$1,500	\$2,000	\$1,250	\$1,000	\$1,000	\$1,500
Preventive	100%	Incentive 30% - 0%	100%	100%	100%	100%	100%	100%
Basic	80%	Incentive 30% - 0%	80%	80%	80%	80%	80%	80%
Major	50%	50%	No Benefit	70%	50%	50%	50%	50%
Orthodontia	Discount Program	Yes, 50%	None	\$2,500 max	N/A	Not Covered	Not Covered	50% Kids only
Monthly EE Contributions								
EE	\$0	\$0	\$21	\$35	See above	\$0	\$0	\$12
EE + Spouse	\$9	\$0	\$41	\$68		\$15	\$0	\$38
EE + Child	\$5	\$0	\$25	\$42		\$15	\$0	\$37
EE + Children	\$9	\$0	\$39	\$65		\$15	\$0	\$73
Family	\$17	\$0	\$58	\$95		\$31	\$0	\$107

Benefit Strategy



2025 Plan Year

Pharmacy Benefit

- Exclusive Specialty
 - \$80,000 savings
- Cost Relief
 - \$120,000 savings
- Humira Biosimilars
 - \$140,000 claims savings

Medical Benefit

- Smart Shopper
 - Unknown savings

2026 Plan Year

Medical Plan

- Narrow Networks
 - \$375,000 savings St. Lukes
 - \$150,000 savings St. Als
- Plan design options
- RFP

Pharmacy Benefit

- RFP
 - Similar size client saved \$600,000 moving away from the BCI model

Evaluate:

- Onsite clinic
 - Similar size client \$700,000 savings opportunity

Canyon County Income Statement

Gallagher Projections

	1/1/2023 - 12/31/2023	1/1/2024 - 12/31/2024	Change	10/1/2024 - 9/30/2025	1/1/2025 - 12/31/2025
REVENUES					
Premiums					
Medical premiums	\$10,682,954	\$10,950,736	\$267,782 2.5%	\$10,461,672	\$10,461,672
Dental premiums	\$812,118	\$896,831	\$84,714 10.4%	\$789,493	\$789,493
Total Medical premiums	\$11,495,071	\$11,847,567	\$352,496 3.1%	\$11,251,165	\$11,251,165
Other					
Interest on savings	\$133,039	\$188,738	\$55,699 41.9%	\$101,798	\$101,798
Drug rebate	\$559,572	\$815,393	\$255,821 45.7%	\$812,816	\$812,816
Stop loss reimbursement	\$1,197,448	\$1,310,763	\$113,315 9.5%	Included in Claims	Included in Claims
Unrealized gain (loss)	\$38,868	\$255,152	\$216,285 556.5%	-	-
Total Miscellaneous	\$1,928,927	\$2,570,046	\$641,119 33.2%	\$914,614	\$914,614
Total REVENUES	\$13,423,998	\$14,417,613	\$993,614 7.4%	\$12,165,779	\$12,165,779
EXPENDITURES					
Claims					
HRA claims	\$513,412	\$559,379	\$45,967 9.0%	\$444,266	\$444,266
Medical claims	\$8,279,172	\$10,579,777	\$2,300,605 27.8%	\$8,255,578	\$8,381,635
Vision claims	\$143,240	\$138,951	(\$4,289) -3.0%	\$145,899	\$148,127
Dental claims	\$514,273	\$498,790	(\$15,483) -3.0%	\$462,248	\$469,306
Pharmacy claims	\$2,756,731	\$3,096,384	\$339,653 12.3%	\$3,402,860	\$3,502,990
Willamette fees	\$341,793	\$330,903	(\$10,890) -3.2%	\$314,502	\$314,502
Total Medical claims	\$12,548,623	\$15,204,185	\$2,655,562 21.2%	\$13,025,353	\$13,260,826
Administration					
Medical admin	\$1,688,855	\$1,949,858	\$261,003 15.5%	\$1,722,702	\$1,722,702
Vision admin	\$25,482	\$26,490	\$1,008 4.0%	\$25,280	\$25,280
Dental admin	\$35,270	\$46,269	\$10,999 31.2%	\$37,012	\$37,012
Trustees fiduciary ins.	\$4,413	\$7,116	\$2,703 61.3%	\$7,116	\$7,116
Misc	(\$35,051)	\$0	\$35,051 -100.0%	\$0	\$0
Total Medical admin fees	\$1,718,969	\$2,029,733	\$310,763 18.1%	\$1,792,110	\$1,792,110
Total EXPENDITURES	\$14,267,592	\$17,233,918	\$2,966,326 20.8%	\$14,817,463	\$15,052,936
BEGINNING NET ASSETS	\$6,207,136	\$5,363,542	(\$843,594) -13.6%	\$2,547,238	\$2,547,238
NET SURPLUS/(DEFICIT)	(\$843,594)	(\$2,816,305)	(\$1,972,711)	(\$2,651,684)	(\$2,887,157)
ENDING NET ASSETS	\$5,363,542	\$2,547,238	(\$2,816,305) -52.5%	-\$104,446	-\$339,919
HRA Liability		\$747,638		\$747,638	\$747,638
IBNR Liability		\$700,853		\$700,853	\$700,853
TOTAL		\$1,098,747		(\$1,552,937)	(\$1,788,410)

Deficit as % of Medical Premium: 25.3%

27.6%

Recommended Medical Premium to Eliminate Deficit: \$13,113,356

\$13,348,829

2024 Monthly Medical Rates			
Current	County Contribution	Employee Contribution	Total
Employee Only	\$970.00	\$0.00	\$970.00
Employee/Spouse	\$970.00	\$240.00	\$1,210.00
Employee/Child	\$970.00	\$52.00	\$1,022.00
Employee/Children	\$970.00	\$108.00	\$1,078.00
Employee/Family	\$970.00	\$356.00	\$1,326.00
Estimated Annual Premium	\$9,183,960.00	\$1,277,712.00	\$10,461,672.00
	87.8%	12.2%	
2025 Monthly Medical Rate Option 1			
Same Employee Contribution	County Contribution	Employee Contribution	Total
Employee Only	\$1,250.10	\$0.00	\$1,250.10
Employee/Spouse	\$1,250.10	\$240.00	\$1,490.10
Employee/Child	\$1,250.10	\$52.00	\$1,302.10
Employee/Children	\$1,250.10	\$108.00	\$1,358.10
Employee/Family	\$1,250.10	\$356.00	\$1,606.10
Estimated Annual Premium	\$11,835,946.80	\$1,277,712.00	\$13,113,658.80
	90.3%	9.7%	25.3%
2025 Monthly Medical Rate Option 2			
Same % Split	County Contribution	Employee Contribution	Total
Employee Only	\$1,216.00	\$34.10	\$1,250.10
Employee/Spouse	\$1,216.00	\$274.10	\$1,490.10
Employee/Child	\$1,216.00	\$86.10	\$1,302.10
Employee/Children	\$1,216.00	\$142.10	\$1,358.10
Employee/Family	\$1,216.00	\$390.10	\$1,606.10
Estimated Annual Premium	\$11,513,088.00	\$1,600,570.80	\$13,113,658.80
	87.8%	12.2%	25.3%

2024 Monthly Medical Rates			
Current	County Contribution	Employee Contribution	Total
Employee Only	\$970.00	\$0.00	\$970.00
Employee/Spouse	\$970.00	\$240.00	\$1,210.00
Employee/Child	\$970.00	\$52.00	\$1,022.00
Employee/Children	\$970.00	\$108.00	\$1,078.00
Employee/Family	\$970.00	\$356.00	\$1,326.00
Estimated Annual Premium	\$9,183,960.00	\$1,277,712.00	\$10,461,672.00
	87.8%	12.2%	
2025 Monthly Medical Rate Option 1			
Same Employee Contribution	County Contribution	Employee Contribution	Total
Employee Only	\$1,275.00	\$0.00	\$1,275.00
Employee/Spouse	\$1,275.00	\$240.00	\$1,515.00
Employee/Child	\$1,275.00	\$52.00	\$1,327.00
Employee/Children	\$1,275.00	\$108.00	\$1,383.00
Employee/Family	\$1,275.00	\$356.00	\$1,631.00
Estimated Annual Premium	\$12,071,700.00	\$1,277,712.00	\$13,349,412.00
	90.4%	9.6%	27.6%
2025 Monthly Medical Rate Option 2			
Same % Split	County Contribution	Employee Contribution	Total
Employee Only	\$1,238.00	\$37.00	\$1,275.00
Employee/Spouse	\$1,238.00	\$277.00	\$1,515.00
Employee/Child	\$1,238.00	\$89.00	\$1,327.00
Employee/Children	\$1,238.00	\$145.00	\$1,383.00
Employee/Family	\$1,238.00	\$393.00	\$1,631.00
Estimated Annual Premium	\$11,721,384.00	\$1,628,028.00	\$13,349,412.00
	87.8%	12.2%	27.6%

318
92
83
102
194
789