



Regional School District #4
Chester – Deep River – Essex – Region 4
Joint Board of Education Sub-Committee Meeting

Committee: Joint BOE Finance Committee

Date: Wednesday, December 14, 2022 • 12:00 PM – 1:00 PM

Location: Google Meet (Remote)

Attendance:

| | | | | | |
|-------------------------------------|---|-------------------------------|---|----------------------------|---|
| Ken Rice (Chester) | | Betsy Scholfield (Deep River) | X | Lon Seidman (Essex) | X |
| VACANT (Chester) | | Nick Rioux (Deep River) | X | Mark Watson (Essex) | X |
| Jennifer Clark (Region 4) | | Rick Daniels (Region 4) | | Lol Fearon (Region 4) | X |
| John Stack (R4 Treasurer) | X | Kate Sandmann (R4 Chair) | X | Bob Grissom (Finance Dir.) | |
| Joseph Spurgeon (Insurance Advisor) | X | | | | |

X – In Attendance

Blank – Did not attend

Items/Discussion:

- Meeting called to order at 12:01 PM, followed by a verbal roll call
- Mr. Joseph Spurgeon provided an update on the health insurance plan and recent incurred claims experience, with a focus on the claims incurred in FY2021-2022 and the first 4 months of FY2022-2023. Per Mr. Spurgeon, claims trended favorably vs. plan for all of last year, and claims continue to trend favorably to start this year. Mr. Spurgeon provided a handout to review the running claim history and claim projections vs. actuals for several years, and this is included with these minutes. Mr. Spurgeon also discussed initial projections and trends that he is seeing used for FY2023-2024, which will impact upcoming budget workshops.
- Discussed the status of the 2021-2022 Audits for all Boards, noting all are nearing completion or have already been completed.
- Discussed recent updates to bonding in Region 4 and with the Town of Essex
- Discussed the timeline for upcoming budget workshops for the FY2023-2024
- Discussed the status of free meal service and projected end dates for free meals at each of the cafeterias
- Meeting adjourned at 12:41 PM

Next Regularly Scheduled Meeting:

- Wednesday, February 15, 2023

Future Agenda Items:

- Presentation from Medical Insurance Advisor / Consultant Joseph Spurgeon

Regional School District #4

Running Claim History

Net Paid Claims by Month

| | 2017 - 2018 | 2018 - 2019 | 2019 - 2020 ⁽¹⁾⁽²⁾ | 2020 - 2021 ⁽¹⁾⁽²⁾ | 2021 - 2022 ⁽¹⁾⁽²⁾ | 2022 - 2023 ⁽¹⁾⁽²⁾ |
|-----------|-------------|-------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| July | \$ 367,551 | \$ 436,675 | \$ 485,185 | \$ 444,169 | \$ 497,897 | \$ 594,157 |
| August | \$ 408,708 | \$ 625,078 | \$ 580,281 | \$ 376,889 | \$ 268,558 | \$ 293,947 |
| September | \$ 602,439 | \$ 247,541 | \$ 565,778 | \$ 475,259 | \$ 327,772 | \$ 370,951 |
| October | \$ 435,533 | \$ 564,373 | \$ 526,043 | \$ 398,801 | \$ 434,127 | \$ 269,010 |
| November | \$ 412,015 | \$ 651,844 | \$ 505,642 | \$ 334,516 | \$ 410,165 | \$ - |
| December | \$ 376,020 | \$ 418,723 | \$ 447,518 | \$ 413,460 | \$ 442,382 | \$ - |
| January | \$ 331,978 | \$ 499,490 | \$ 547,863 | \$ 365,280 | \$ 344,183 | \$ - |
| February | \$ 603,190 | \$ 545,905 | \$ 417,655 | \$ 326,826 | \$ 453,598 | \$ - |
| March | \$ 527,577 | \$ 386,629 | \$ 628,787 | \$ 451,588 | \$ 501,922 | \$ - |
| April | \$ 409,867 | \$ 602,769 | \$ 244,264 | \$ 350,780 | \$ 311,296 | \$ - |
| May | \$ 658,902 | \$ 852,946 | \$ 255,414 | \$ 322,296 | \$ 403,362 | \$ - |
| June | \$ 563,249 | \$ 664,813 | \$ 397,111 | \$ 527,185 | \$ 387,021 | \$ - |
| TOTAL | \$5,697,027 | \$6,496,787 | \$5,601,540 | \$4,787,050 | \$4,782,283 | \$1,528,065 |
| Per Month | \$ 474,752 | \$ 541,399 | \$ 466,795 | \$ 398,921 | \$ 398,524 | \$ 382,016 |

| | | | | <i>Schools Only</i> | <i>Schools Only</i> | <i>Schools Only</i> |
|------------------------|----------|----------|----------|---------------------|---------------------|-------------------------------|
| Average Contracts | 348 | 334 | 322 | 261 | 250 | 241 |
| Average Members | 784 | 753 | 738 | 611 | 598 | 582 |
| Average Cost/Contract | \$16,390 | \$19,451 | \$17,405 | \$18,371 | \$19,104 | <i>Annualized</i> \$19,061 |
| Average Cost/Member | \$7,271 | \$8,627 | \$7,586 | \$7,840 | \$7,995 | \$7,873 |
| % Change Cost/Contract | | 18.7% | -10.5% | 5.5% | 4.0% | -0.2% |
| % Change Cost/Member | | 18.6% | -12.1% | 3.4% | 2.0% | -1.5% |

(1) Beginning March 2020, **Potential** Impact in Health Services Associated with the Coronavirus Stay at Home Protocols. See Additional 2019-20 Plan Year Potential Coronavirus Claim Impact

(2) Anthem has Known Reporting Issues in the Last Reported Month. RX Claims are Understated and Corrected in the Following Month. But Last Month is Understated.

Regional School District #4
Medical, RX and Dental Claims
Projections vs Actual

| | | | | | | Thru Oct |
|---|--------------------------|--------------------------|---|---|--------------------------|-----------------------|
| | | | | | | July-June |
| I. Carrier Values | July-June 2017 - 2018 | July-June 2018 - 2019 | July-June 2019 - 2020 ⁽²⁾ | July-June 2020 - 2021 ⁽²⁾ | July-June 2021 - 2022 | 2022 - 2023 |
| Expected Claims | \$5,901,828 | \$6,308,904 | \$6,490,548 | \$6,588,644 | \$5,946,924 | \$5,324,034 |
| Expected Plan YTD | | | | | | \$1,774,678 |
| Actual Claims | | | | Schools Only | Schools Only | Schools Only |
| Gross Claims: | \$6,002,486 | \$7,011,468 | \$6,403,071 | \$5,423,754 | \$5,538,963 | \$1,531,846 |
| Excess Claims Over Stop Loss: | <u>-\$305,459</u> | <u>-\$514,681</u> | <u>-\$801,531</u> | <u>-\$636,704</u> | <u>-\$756,680</u> | <u>-\$3,781</u> |
| Actual Net Claims: | \$5,697,027 | \$6,496,787 | \$5,601,540 | \$4,787,050 | \$4,782,283 | \$1,528,065 |
| Plan Year Differential | \$ (204,801) | \$ 187,883 | \$ (889,008) | \$ (1,801,594) | \$ (1,164,641) | \$ (246,613) |
| % Differential | -3.47% | 2.98% | -13.70% | -27.34% | -19.58% | -13.90% |
| Individual Stop Loss Premi | \$489,048 | \$509,549 | \$579,721 | \$655,312 | \$734,958 | \$856,427 |
| Individual Stop Loss Level | \$150K | \$150K | \$150K | \$150K | \$150K | \$150K |
| | | | | | | <i>Includes Laser</i> |
| II. Non-Catastrophic/Catastrophic Claims | | | | | | |
| Total Employer Paid | \$5,697,027 | \$6,496,787 | \$5,601,540 | \$4,787,050 | \$4,782,283 | \$1,528,065 |
| HDC Employer Paid: ⁽¹⁾ | \$1,693,739 | \$3,059,971 | \$2,404,076 | \$1,942,529 | \$1,868,098 | \$350,593 |
| Non-HDC Employer Paid: | \$4,003,288 | \$3,436,816 | \$3,197,464 | \$2,844,521 | \$2,914,185 | \$1,177,472 |
| Members: | | | | | | |
| Average Total Members: | 784 | 753 | 738 | 611 | 598 | 582 |
| HDC Members: | 19 | 30 | 20 | 19 | 19 | 4 |
| HDC %: | | | | | | |
| \$: | 29.73% | 47.10% | 42.92% | 40.58% | 39.06% | 22.94% |
| Members: | 2.43% | 3.98% | 2.71% | 3.11% | 3.18% | 0.69% |
| Non HDC PMPM ⁽³⁾ | \$425.79 | \$380.30 | \$360.85 | \$388.22 | \$405.99 | \$505.57 |
| Year-Over-Year % Change | 10.27% | -10.68% | -5.12% | 7.59% | 4.58% | 24.53% |
| III. Additional Data | | | | | | |
| Claims Over \$50K Bucketed | | | | | | |
| \$50k-75K | \$514,351 | \$646,464 | \$204,800 | \$377,061 | \$454,504 | \$124,552 |
| | 9 | 11 | 3 | 6 | 7 | 2 |
| \$75-100K | \$367,688 | \$450,035 | \$340,072 | \$261,798 | \$444,019 | \$76,041 |
| | 4 | 5 | 4 | 3 | 5 | 1 |
| \$100-125K | \$211,700 | \$209,647 | \$225,190 | \$430,404 | \$219,575 | \$0 |
| | 2 | 2 | 2 | 4 | 2 | 0 |
| \$125-150K | \$0 | \$553,825 | \$284,014 | \$273,266 | \$0 | \$0 |
| | 0 | 4 | 2 | 2 | 0 | 0 |
| \$150-175K | \$171,724 | \$502,927 | \$489,542 | \$0 | \$0 | \$153,781 |
| | 1 | 3 | 3 | 0 | 0 | 1 |
| \$175-200K | \$0 | \$396,434 | \$187,780 | \$188,350 | \$0 | \$0 |
| | 0 | 2 | 1 | 1 | 0 | 0 |
| \$200-250K | \$437,424 | \$206,119 | \$461,801 | \$203,643 | \$644,714 | \$0 |
| | 2 | 1 | 2 | 1 | 3 | 0 |
| \$250K+ | \$296,311 | \$609,202 | \$1,012,407 | \$844,711 | \$861,965 | \$0 |
| | 1 | 2 | 3 | 2 | 2 | 0 |
| Highest Claimant | \$296,311 | \$609,202 | \$385,019 | \$454,073 | \$442,213 | \$153,781 |

(1) HDC = Net High Dollar Claimant (> \$50,000)

(2) See Important Notes Previous Pages re: 19-20 Claims