



HIGHER EDUCATION ACTION LIAISONS TARGETING HEALTHCARE

BOARD OF TRUSTEES
FINANCE & ADMINISTRATION COMMITTEE
OVERVIEW OF PLAN PERFORMANCE
PRESENTED ON MARCH 19, 2021

Consortium Objectives & Membership

HEALTH is made up of four Ohio higher education schools that have come together to achieve the common objectives of:

- Long term healthcare plan cost stability
- Creating cost saving opportunities for employers through group purchasing
- Sustaining strong benefit plans for employees



Plan Performance (Jul 2020 – Dec 2020)

	Actual Total Plan Costs	Expected Total Plan Costs	Total Cost Ratio
Total/ Year to Date	\$8,009,402	\$7,840,942	102%

The plan is running 102.1% to expected costs for the total 6 months

- Claims were expected to be lower in July, given the immaturity of claims and JHP starts to process them
- Costs include approximately \$1.6M in reserve build

Breakdown of Total Costs

(Jul 2020 – Dec 2020)

	Plan Costs (July – December)	% of Total Plan Costs
Administration	\$381,271	5%
Stop Loss	\$875,715	11%
Expected Claims	\$4,937,967	63%
Reserve Build	\$1,645,989	21%
Total Expected Costs	\$7,840,942	

2021 Initial Renewal Projection

(Aggregate HEALTH Renewal Projection)

	Total Costs	Expected Claims (includes reserves)	Admin Costs	Stop Loss Costs
Projected Renewal Total	\$16,355,794	\$13,622,680	\$785,722	\$1,947,392
% Increase	5.0%	4.1%	3.1%	12.0%
\$ Increase	\$773,975	\$541,919	\$23,407	\$208,649

*moving from an immature to a mature stop loss contract

Renewal Projection – Tiered by Entity

(Illustrative)

	Adjusted Loss Ratio	Projected Tiered Renewal
Cincinnati State	75.9%	+8.6%
Clark State	67.3%	+4.3%
Edison State	65.1%	+3.2%
Shawnee State	61.9%	+1.6%
Total HEALTH	67.6%	+5.0%

*Renewals will be reduced by changes in pharmacy contract



Consortium Cost Savings Opportunity – Pharmacy Benefit Manager (PBM)

- Consortium members will be shifting to RxBenefits as a result of PBM Market Bid
 - Estimated savings of \$113,611
- Shawnee excluded due to restrictions under Anthem (IngenioRx) – must have > 1,000 enrolled on medical plan to carve out Rx
 - Through negotiations, Anthem agreed to improve current PBM contract - match offer made by IngenioRx during bid process

2021 renewal projection is 0.1% below current premium

Questions?