

HUB

El Paso ISD
CIGNA Health Plan

Budget Workshop

- On September 1, 2019 EPISD created and offered an alternate health plan, administered by CIGNA, to the TRS Active Care Plans offered by the State.
- The District was challenged with the lack of detailed loss data from TRS, and many assumptions were used to derive the current benefits and rates with the goal to offer Plans with better benefits and lower costs to employees while maintaining fiscal responsibility in the funding of the plan.
- Accumulating a fund balance is an important prudent strategy for the health plan, just like it is for the District, to have a contingency reserve established for future needs if warranted. The District may augment the health care fund balance with a transfer from other available funds.
- The current projections for the first plan year which expires on August 31, 2020 indicate that revenues will offset expenses, with minimal accumulation toward the reserve fund in this first year.

Recommendations

- After enrollment elections were made last year, all but approximately 900 employees transitioned from TRS to CIGNA. This population likely reflects a lower risk than the population that migrated to CIGNA. A concentrated effort to educate employees on making informed choices should result in a migration of additional better risk into the CIGNA plan, making the plan operate more efficiently with respect of revenues versus expenses.
- With the objective to make sure that the plan revenues will cover increased medical expenses due to inflationary trends and accomplish growth in reserve funding, HUB International recommends that funding be increased by 11.7% for the next Plan Year.
- HUB also recommends that the existing practice of making an annual \$500 contribution to the Health Savings Account for eligible CIGNA enrollees be continued.

Funding Recommendation Summary



EPISD Current Contribution Up To:		\$ 435.00		Increase Factor	11.7%	
Current CDHP Emp Only Max Contribution		\$ 305.00				
EPISD Proposed Contribution Up To:		\$ 485.90				
Proposed CDHP Emp Only Max Contribution		\$ 340.69				
Premium and Deduction Summary						
EPISD CDHP	Enrollment	PY19-20 Total Rate	PY19-20 Deduction	PY20-21 Total Rate	PY20-21 Deduction	Monthly Deduction Change
Employee Only	2,325	\$305.00	\$0.00	\$340.69	\$0.00	\$0.00
Employee & Spouse	86	\$859.00	\$424.00	\$959.51	\$473.61	\$49.61
Employee & Children	701	\$582.00	\$147.00	\$650.10	\$164.20	\$17.20
Employee & Family	86	\$1,140.00	\$705.00	\$1,273.39	\$787.49	\$82.49
EPISD Traditional PPO						
Employee Only	1,622	\$486.00	\$51.00	\$542.87	\$56.97	\$5.97
Employee & Spouse	35	\$1,194.00	\$759.00	\$1,333.70	\$847.80	\$88.80
Employee & Children	522	\$788.00	\$353.00	\$880.20	\$394.30	\$41.30
Employee & Family	44	\$1,501.00	\$1,066.00	\$1,676.62	\$1,190.72	\$124.72
Enrollment Totals						
Current CDHP Employees	3,198					
Current Traditional Employees	2,223					
Total Employees	5,421					
Financial Summary		PY 19/20		PY 20/21		Annual Change
Total Annual Contributions		\$31,157,796.00		\$34,803,648.84		\$3,645,852.84
Total District Contribution		\$24,670,620.00		\$25,666,371.00		\$995,751.00
EPISD H.S.A. Contributions (\$500 Annually)		\$1,252,500.00		\$1,252,500.00		\$0.00
Total EPISD Combined Contributions		\$25,923,120.00		\$26,918,871.00		\$995,751.00
Total Employee Contributions		\$6,487,176.00		\$7,246,241.04		\$759,065.04

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QUESTIONS AND DISCUSSION

Thank you.