



YOUNGSTOWN STATE UNIVERSITY

# HCAC MEETING

April 21, 2022

[www.usi.com](http://www.usi.com)

# Agenda

---

- Financial Reporting
  - Executive Summary
  - Large Claims
- Preliminary 7.1.22 Rate Projection and Underwriting
- Employee Contributions
- Renewal History
- Mental Health Parity Addiction Equity Act

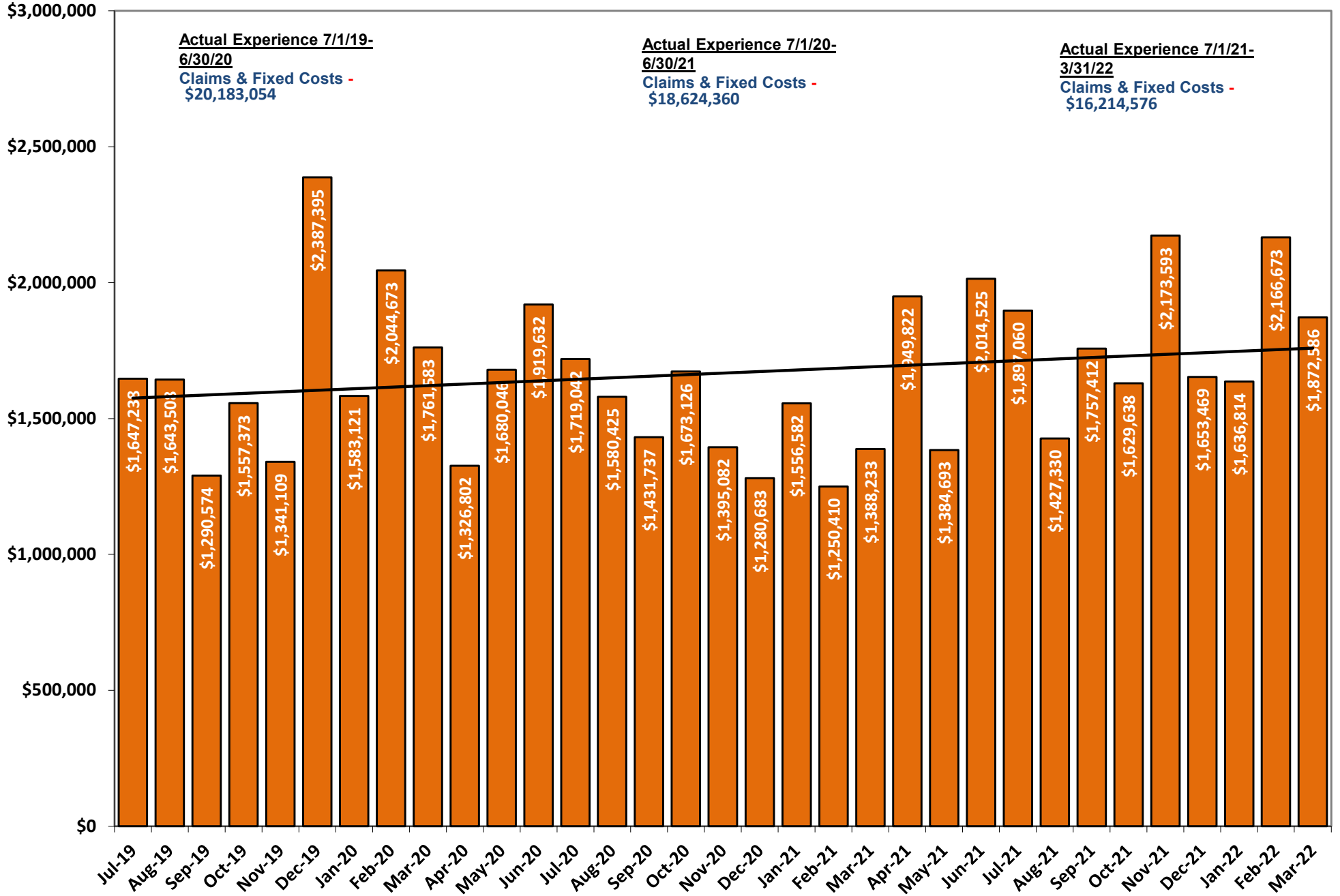
---

# Financials

## YSU Rolling 12 Month Executive Summary (Medical and Pharmacy)

Experience Period	4/1/20-3/31/21	4/1/21-3/31/22	Change
Average Enrollment	962	934	-2.88%
Medical Claims	\$13,112,567	\$15,752,758	20.13%
Rx Claims	\$3,272,341	\$3,764,280	15.03%
Subtotal Plan Gross Claim Costs	\$16,384,908	\$19,517,038	19.12%
Fixed costs (Fees and Stop Loss)	\$1,816,892	\$2,046,578	12.64%
Total Plan Gross Costs	\$18,201,800	\$21,563,616	18.47%
Total Plan Gross Costs (PEPM*)	\$1,577.28	\$1,923.95	
Gross Cost Increase from Prior Year		<b>21.98%</b>	
Stop Loss Reimbursement	(\$1,797,506)	(\$3,647,542)	102.92%
Total Plan Net Costs (Gross Costs Less Reimbursement)	\$16,404,294	\$17,916,074	9.22%
Total Plan Net Costs (PEPM*)	\$1,421.52	\$1,598.51	
Net Cost Increase from Prior Year	-	<b>12.45%</b>	
<i>*Per Employee Per Month</i>			
<b>7/1/18 Med/Rx renewal +5.49%</b>			
<b>7/1/19 Med/Rx renewal +8.66%</b>			
<b>7/1/20 Med/Rx renewal +8.96%</b>			
<b>7/1/21 Med/RX renewal +5.76%</b>			

## Youngstown State University Gross Medical and Prescription Drug Claims and Fixed Costs



**Youngstown State University  
Medical and Prescription Drug Large Claims Summary**

Claimants	2021/2022 Plan Year to Date (7/1/21-3/31/22)				2020/2021 Plan Year (7/1/20-6/30/21)				2019/2020 Plan Year (7/1/19-6/30/20)			
	Status	Medical	Rx	Total	Status	Medical	Rx	Total	Status	Medical	Rx	Total
Claimant #1	ACTIVE	\$705,579	\$0	\$705,579	CANCEL	\$656,860	\$5,686	\$662,547	Active	\$1,402,702	\$1,015	\$1,403,717
Claimant #2	ACTIVE	\$554,498	\$575	\$555,073	ACTIVE	\$563,296	\$490	\$563,785	Active	\$632,725	\$7,846	\$640,571
Claimant #3	ACTIVE	\$11,743	\$440,474	\$452,217	ACTIVE	\$548,034	\$10,291	\$558,325	Active	\$498,919	\$0	\$498,919
Claimant #4	ACTIVE	\$401,174	\$1,870	\$403,044	ACTIVE	\$12,748	\$523,436	\$536,184	Active	\$497,674	\$256	\$497,930
Claimant #5	ACTIVE	\$375,373	\$7,011	\$382,384	ACTIVE	\$522,881	\$1,754	\$524,635	Cancel	\$433,846	\$25,122	\$458,968
Claimant #6	ACTIVE	\$367,392	\$40	\$367,432	ACTIVE	\$443,329	\$6,647	\$449,976	Active	\$36,890	\$404,217	\$441,107
Claimant #7	ACTIVE	\$342,783	\$826	\$343,609	ACTIVE	\$404,736	\$135	\$404,871	Active	\$352,460	\$6,053	\$358,513
Claimant #8	ACTIVE	\$319,379	\$547	\$319,926	ACTIVE	\$171,004	\$201,744	\$372,748	Active	\$321,438	\$30,217	\$351,655
Claimant #9	ACTIVE	\$122,030	\$197,574	\$319,603	ACTIVE	\$331,672	\$1,517	\$333,190	Active	\$212,440	\$121,891	\$334,331
Claimant #10	ACTIVE	\$311,692	\$5,880	\$317,572	CANCEL	\$292,081	\$797	\$292,879	Active	\$257,530	\$3,685	\$261,215
Claimant #11	ACTIVE	\$314,292	\$234	\$314,526	ACTIVE	\$246,809	\$917	\$247,726	Active	\$259,897	\$660	\$260,557
Claimant #12	ACTIVE	\$252,698	\$29	\$252,727	ACTIVE	\$187,740	\$28,367	\$216,107	Active	\$244,883	\$9,077	\$253,960
Claimant #13	ACTIVE	\$240,012	\$619	\$240,631	ACTIVE	\$214,085	\$46	\$214,131	Active	\$236,689	\$5,580	\$242,269
Claimant #14	CANCEL	\$214,630	\$1	\$214,631	ACTIVE	\$196,984	\$6,178	\$203,162	Active	\$210,332	\$296	\$210,628
Claimant #15	CANCEL	\$211,254	\$0	\$211,254	ACTIVE	\$180,291	\$165	\$180,456	Active	\$38,309	\$152,029	\$190,338
Claimant #16	CANCEL	\$200,538	\$304	\$200,842	ACTIVE	\$172,350	\$2,358	\$174,708	Active	\$147,303	\$43,009	\$190,312
Claimant #17	ACTIVE	\$126,196	\$39,369	\$165,565	ACTIVE	\$3,253	\$163,863	\$167,115	Active	\$6,001	\$177,579	\$183,580
Claimant #18	ACTIVE	\$5,060	\$152,393	\$157,453	ACTIVE	\$151,626	\$3,727	\$155,353	Active	\$173,534	\$696	\$174,230
Claimant #19	ACTIVE	\$153,046	\$99	\$153,145	ACTIVE	\$146,914	\$15	\$146,929	Active	\$142,970	\$0	\$142,970
Claimant #20	ACTIVE	\$53,393	\$64,219	\$117,612	ACTIVE	\$117,930	\$21,703	\$139,634	Active	\$134,758	\$3,845	\$138,603
Claimant #21	CANCEL	\$114,267	\$0	\$114,267	ACTIVE	\$125,179	\$8,612	\$133,792	Active	\$135,304	\$341	\$135,645
Claimant #22	ACTIVE	\$108,179	\$960	\$109,139	ACTIVE	\$121,288	\$6,747	\$128,035	Active	\$107,496	\$22,494	\$129,990
Claimant #23	ACTIVE	\$106,987	\$284	\$107,271	ACTIVE	\$111,055	\$667	\$111,722	Active	\$123,955	\$70	\$124,025
Claimant #24	ACTIVE	\$100,139	\$6,998	\$107,137	ACTIVE	\$108,009	\$3,495	\$111,504	Active	\$107,456	\$10,338	\$117,794
Claimant #25	ACTIVE	\$138	\$100,233	\$100,370	ACTIVE	\$107,872	\$0	\$107,872	Active	\$107,440	\$1,207	\$108,647
Claimant #26									Active	\$104,290	\$133	\$104,423
<b>Total Medical and Rx Claims &gt; \$100,000</b>		<b>\$6,733,009</b>				<b>\$7,137,384</b>				<b>\$7,954,897</b>		
<b>Total Claims in Excess of \$225,000 Specific Stop Loss-eff 7.1.18</b>		<b>(\$2,049,324)</b>				<b>(\$2,471,865)</b>				<b>(\$3,078,712)</b>		
<b>Net Large Claims</b>		<b>\$4,683,685</b>				<b>\$4,665,519</b>				<b>\$4,876,185</b>		
<b>Total Medical and Rx Claims</b>		<b>\$14,621,118</b>				<b>\$16,792,846</b>				<b>\$18,418,374</b>		
<b>Average Medical Claims &gt; \$100,000</b>		<b>\$269,320</b>				<b>\$285,495</b>				<b>\$305,958</b>		
<b>NET Claims &gt; \$100,000 as a % of Total Medical and Rx Claims</b>		<b>32.03%</b>				<b>27.78%</b>				<b>26.47%</b>		

**Youngstown State University  
Medical and Prescription Drug Large Claims Summary (FY Comparison)**

Claimants	2021/2022 Plan Year-to-Date (7/1/21-3/31/22)				2020/2021 Plan Year-to-Date (7/1/20-3/31/21)			
	Status	Medical	Rx	Total	Status	Medical	Rx	Total
Claimant #1	ACTIVE	\$705,579	\$0	\$705,579	CANCEL	\$595,792	\$4,922	\$600,714
Claimant #2	ACTIVE	\$554,498	\$575	\$555,073	ACTIVE	\$415,781	\$1,512	\$417,293
Claimant #3	ACTIVE	\$11,743	\$440,474	\$452,217	ACTIVE	\$12,529	\$404,073	\$416,602
Claimant #4	ACTIVE	\$401,174	\$1,870	\$403,044	CANCEL	\$328,663	\$1,507	\$330,170
Claimant #5	ACTIVE	\$375,373	\$7,011	\$382,384	CANCEL	\$292,979	\$797	\$293,776
Claimant #6	ACTIVE	\$367,392	\$40	\$367,432	ACTIVE	\$122,094	\$148,892	\$270,986
Claimant #7	ACTIVE	\$342,783	\$826	\$343,609	ACTIVE	\$248,977	\$99	\$249,076
Claimant #8	ACTIVE	\$319,379	\$547	\$319,926	ACTIVE	\$221,781	\$2,079	\$223,860
Claimant #9	ACTIVE	\$122,030	\$197,574	\$319,603	CANCEL	\$151,175	\$22,644	\$173,819
Claimant #10	ACTIVE	\$311,692	\$5,880	\$317,572	CANCEL	\$160,951	\$145	\$161,096
Claimant #11	ACTIVE	\$314,292	\$234	\$314,526	ACTIVE	\$154,377	\$4,580	\$158,957
Claimant #12	ACTIVE	\$252,698	\$29	\$252,727	ACTIVE	\$151,412	\$46	\$151,457
Claimant #13	ACTIVE	\$240,012	\$619	\$240,631	CANCEL	\$146,376	\$909	\$147,285
Claimant #14	CANCEL	\$214,630	\$1	\$214,631	ACTIVE	\$141,157	\$2,367	\$143,525
Claimant #15	CANCEL	\$211,254	\$0	\$211,254	ACTIVE	\$134,303	\$1,035	\$135,338
Claimant #16	CANCEL	\$200,538	\$304	\$200,842	ACTIVE	\$1,289	\$128,745	\$130,034
Claimant #17	ACTIVE	\$126,196	\$39,369	\$165,565	ACTIVE	\$128,752	\$458	\$129,210
Claimant #18	ACTIVE	\$5,060	\$152,393	\$157,453	ACTIVE	\$116,966	\$7,684	\$124,650
Claimant #19	ACTIVE	\$153,046	\$99	\$153,145	CANCEL	\$116,186	\$847	\$117,034
Claimant #20	ACTIVE	\$53,393	\$64,219	\$117,612	CANCEL	\$107,610	\$3,398	\$111,008
Claimant #21	CANCEL	\$114,267	\$0	\$114,267	ACTIVE	\$96,822	\$6,697	\$103,519
Claimant #22	ACTIVE	\$108,179	\$960	\$109,139				
Claimant #23	ACTIVE	\$106,987	\$284	\$107,271				
Claimant #24	ACTIVE	\$100,139	\$6,998	\$107,137				
Claimant #25	ACTIVE	\$138	\$100,233	\$100,370				
Claimant #26								
<b>Total Medical and Rx Claims &gt; \$100,000</b>		<b>\$6,733,009</b>				<b>\$4,589,409</b>		
<b>Total Claims in Excess of \$225,000 Specific Stop Loss - eff 7.1.18</b>		<b>(\$2,049,324)</b>				<b>(\$1,003,617)</b>		
<b>Net Large Claims</b>		<b>\$4,683,685</b>				<b>\$3,585,792</b>		
<b>Total Medical and Rx Claims</b>		<b>\$14,621,118</b>				<b>\$11,896,926</b>		
<b>Average Medical Claims &gt; \$100,000</b>		<b>\$269,320</b>				<b>\$218,543</b>		
<b>NET Claims &gt; \$100,000 as a % of Total Medical and Rx Claims</b>		<b>32.03%</b>				<b>30.14%</b>		

---

## 7.1.22 Cost Projection Medical and Pharmacy - Underwriting



# 7/1/22 Cost Projection and Underwriting

---

- Actuarial Evaluation

- 24 months of claims from 4/1/20-3/31/22
- 24 months of large claims
- Apply any plan design changes (-5% for 7.1.22 plan change)
- Apply Trend Factors – Health care inflation
- Apply 3.75% claims fluctuation corridor
- Add in ASO administrative fees and other fixed expenses
- Add in Stop Loss renewal
- Compare to current funding (rates set as of 7/1/21)
- The early estimates were between 6-9% over the past 2 months

# 7/1/22 – Good News

---

- Competitive Stop Loss renewal from MMO given the large claim activity (+20% with current level of \$225,000)
  - Includes a No New Laser provision for 7.1.2023
  - Includes a Rate Cap of +40% for 7.1.23
  - These same provisions were part of the current 7.1.22 renewal contract as well.
- Final Funding rate adjustment for 7.1.22 is +4.45%
- Given the large claimant activity, not going out to market for stop loss
- Additional Stop Loss levels were quoted at \$250,000 and \$275,000. Given the current state we are recommending no change to the current level of \$225,000.
  - At \$250,000, overall rate adjustment would be +5.15%
  - At \$275,000, overall rate adjustment would be +6.01%

## Youngstown State University - Medical and Pharmacy Cost Projection - FINAL

Self-Funded Medical Mutual Groups : 7/1/22 - 6/30/23						
Line of Business		Medical		Prescription Drugs		TOTAL
Experience Period		4/1/20-3/31/21	4/1/21-3/31/22	4/1/20-3/31/21	4/1/21-3/31/22	
1	Paid Claims	\$13,112,567	\$15,752,758	\$3,272,341	\$3,764,280	-
2	Specific Stop Loss level(\$225K)	\$225,000	\$225,000	\$225,000	\$225,000	
3	Amount Over Stop Loss Level	(\$1,416,863)	(\$3,104,377)	(\$380,646)	(\$543,164)	-
4	Net Paid Claims	\$11,695,704	\$12,648,381	\$2,891,695	\$3,221,116	-
5	Incurred Claims Factor (1+ trend %) <sup>x/12</sup>	1.0137	1.0137	1.0036	1.0036	-
6	Projected Incurred Claims	\$11,855,813	\$12,821,531	\$2,902,097	\$3,232,703	-
7	Plan Design Adjustment (if applicable)	0.95	0.95	0.95	0.95	
8	Adjusted Projected Incurred Claims	\$11,263,022	\$12,180,454	\$2,756,992	\$3,071,067	
9	Average Enrollment During Experience Period	962	934	962	934	-
10	Projected Incurred Claims Per Employee Per Month (PEPM)	\$976.00	\$1,086.76	\$238.91	\$274.01	-
11	% Change from Prior Period	-0.7%	11.3%	-13.7%	14.7%	
12	Trend					
13	Percentage	8.5%	8.5%	9.0%	9.0%	-
14	Months	27	15	27	15	-
15	Factor (1+ trend %) <sup>(x months)/12</sup>	1.2015	1.1074	1.2140	1.1137	-
16	Projected Trended Incurred Claims PEPM	\$1,172.64	\$1,203.43	\$290.03	\$305.17	-
17	Weight	50%	50%	50%	50%	-
18	Projected Incurred Claims PEPM 7/1/22-6/30/23	\$1,188.04		\$297.60		\$1,485.64
19	Claims Credibility Margin	3.750%		3.750%		-
20	Adjusted Incurred Claims PEPM 7/1/22-6/30/23	\$1,232.59		\$308.76		\$1,541.35
21	Current Enrollment (3/22)	928		928		-
22	<b>Total Projected Annual Claims Funding Level 7/1/22-6/30/23</b>	<b>13,726,129</b>		<b>3,438,348</b>		<b>17,164,477</b>

23	<b>Fixed Costs PEPM</b>			
24	Administrative Fee <sup>(1)</sup>	\$31.39	\$0.85	-
25	Stop Loss <sup>(2)</sup>	\$188.99	See Medical	-
26	<b>Projected Fixed Costs 7/1/22-6/30/23</b>	<b>\$2,454,152</b>	<b>\$18,339</b>	<b>\$2,472,490</b>
27	<b>Other Costs</b>			
28	Wellness Program <sup>(3)</sup>	\$155,550	\$0	\$155,550
29	Membership used for ACA fees (3/22)	2,098	2098	
30	ACA Fees Per Member (\$2.79 projected PMPY for PCORI)	\$5,853	\$0	\$5,853
31	Consultant Fees	\$78,000	-	\$78,000
32	<b>Total Other Costs</b>	<b>\$239,403</b>	<b>-</b>	<b>\$239,403</b>
33	<b>Total Projected Costs 7/1/22-6/30/23</b>	<b>\$16,419,684</b>	<b>\$3,456,687</b>	<b>\$19,876,371</b>
34	Funding @ 7/21-6/22 Rates and Current Enrollment	\$15,504,439	\$3,525,472	\$19,029,910
35	<b>Funding Differential</b>	<b>\$915,246</b>	<b>(\$68,785)</b>	<b>\$846,460</b>
		<b>5.90%</b>	<b>-1.95%</b>	<b>4.45%</b>
36	<b>Adjustment in Consideration of Rebate Increase</b>	<b>0.00%</b>	<b>0.00%</b>	
37	<b>Adjusted Projected Costs 7/1/22-6/30/23</b>	<b>\$16,419,684</b>	<b>\$3,456,687</b>	<b>\$19,876,371</b>
38	<b>Adjusted Change from Current</b>	<b>5.90%</b>	<b>-1.95%</b>	<b>4.45%</b>
	<sup>(1)</sup> MMO Medical ASO Fee guaranteed at 0% increase for 7/1/22 fee plus disease Management. RX is per script (Based on 21,575 Total Scripts for last 12 months).			
	<sup>(2)</sup> Stop Loss Rate per MMO FIRM renewal of a 20% increase for 7/1/2022. NNL and 40% cap for 7.1.23			
	<sup>(3)</sup> Accounts for MMO Wellness Funding			
	<b>Note:</b> This forecast is based upon generally accepted health insurance underwriting guidelines and the information provided by Youngstown State University/MMO. While it represents our best estimate, actual results may differ due to random fluctuations and other variables which remain outside of our control.			

---

## 7.1.22 Cost Projection

### Medical and Pharmacy – Employee Contributions

# Youngstown State University

## Final Medical/RX Employee Contributions Per Pay Effective 7/1/22 at 18% PPO and 15% for CDHP

### 7/1/22 Employee Contributions

#### 24 Pays Annually

Tier	NEW PPO	HDHP Plan
Single	\$86.49	\$54.16
Single + 1	\$172.98	\$108.32
Family	\$237.85	\$148.93

### 7/1/22 Employee Contributions

#### 26 Pays Annually

Tier	NEW PPO	HDHP Plan
Single	\$79.84	\$49.99
Single + 1	\$159.68	\$99.98
Family	\$219.56	\$137.48

### 7/1/22 Employee Contributions

#### 18 Pays Annually

Tier	NEW PPO	HDHP Plan
Single	\$115.32	\$72.21
Single + 1	\$230.64	\$144.42
Family	\$317.14	\$198.58

# Youngstown State University

## Medical/RX CHANGE in Employee Contributions Per Pay Effective 7/1/22

### 7/1/22 Employee Contributions - CHANGE in PER PAY amounts from Current

#### 24 Pays Annually

Tier	From OLD PPO Plan 1	HDHP Plan	From OLD PPO Plan 2
Single	\$17.36	\$2.31	\$25.65
Single + 1	\$34.71	\$4.61	\$51.31
Family	\$47.73	\$6.34	\$70.55

### 7/1/22 Employee Contributions - CHANGE in PER PAY amounts from Current

#### 26 Pays Annually

Tier	From OLD PPO Plan 1	HDHP Plan	From OLD PPO Plan 2
Single	\$16.02	\$2.13	\$23.68
Single + 1	\$32.04	\$4.26	\$47.36
Family	\$44.06	\$5.85	\$65.12

### 7/1/22 Employee Contributions - CHANGE in PER PAY amounts from Current

#### 18 Pays Annually

Tier	From OLD PPO Plan 1	HDHP Plan	From OLD PPO Plan 2
Single	\$23.14	\$3.08	\$34.20
Single + 1	\$46.28	\$6.15	\$68.41
Family	\$63.64	\$8.46	\$94.06

# YSU Renewal History

---

- 7/1/18 Renewal Action: +5.49%
- 7/1/19 Renewal Action: +8.66%
- 7/1/20 Renewal: +8.96%
- 7/1/21 Renewal: +5.76%
- 7/1/22 Renewal: +4.45% (includes plan change worth -5%)



# MHPAEA

---

- Positive changes coming due to clarification from the Federal Government on the Federal Mental Health Parity Act and the comparative analysis requirement
- USI compliance team in alignment with MMO's task force findings
- Like most Federal programs and legislation there is a period of understanding and clarification