

2023 Proposed Monthly Health Insurance Premium Rates

	EMPLOYEE RATES			
	Proposed 2023	Current 2022	Inc(Dec)	%
Active Employees				
Single	\$ 191.00	\$ 159.00	\$ 32.00	20.1%
Family	\$ 447.00	\$ 374.00	\$ 73.00	19.5%
COBRA Participants				
Single	\$ 1,058.00	\$ 883.00	\$ 175.00	19.8%
Family	\$ 2,480.00	\$ 2,074.00	\$ 406.00	19.6%
LWOP (No 2% Admin Fee)				
Single	\$ 1,037.00	\$ 866.00	\$ 171.00	19.7%
Family	\$ 2,431.00	\$ 2,030.00	\$ 401.00	19.8%
Retirees				
Retiree Single, with Medicare	\$ 90.00	\$ 78.00	\$ 12.00	15.4%
Retiree Single	\$ 191.00	\$ 159.00	\$ 32.00	20.1%
Retiree & Family, both with Medicare	\$ 205.00	\$ 176.00	\$ 29.00	16.5%
Retiree & Family	\$ 447.00	\$ 374.00	\$ 73.00	19.5%
Retiree with Medicare, Spouse without Medicare	\$ 292.00	\$ 247.00	\$ 45.00	18.2%
Retiree without Medicare, Spouse with	\$ 292.00	\$ 247.00	\$ 45.00	18.2%
Retiree with Medicare, Family without Medicare	\$ 347.00	\$ 293.00	\$ 54.00	18.4%
Retiree, Family without Medicare, Spouse with	\$ 347.00	\$ 293.00	\$ 54.00	18.4%
Retiree & Spouse with Medicare, Dependent(s) WO	\$ 247.00	\$ 212.00	\$ 35.00	16.5%

Premiums Include:

Medical claims, Medical Admin, Rx Claims, Rx Admin

Dental claims, Dental Admin, UR, PPO, TRP and PCORI.

Stop Loss Premiums, All Vision Costs & County Pharmacy

Participant Count	Jan-Dec 2023		Jan-Dec 2022	
	Proposed Rates 2023		Current Rates 2022	Inc(Dec)
608	\$ 1,393,536.00		\$ 1,160,064.00	\$ 233,472.00
586	\$ 3,143,304.00		\$ 2,629,968.00	\$ 513,336.00
1194	\$ 4,536,840.00		\$ 3,790,032.00	\$ 746,808.00
0	\$ -		\$ -	\$ -
0	\$ -		\$ -	\$ -
0	\$ -		\$ -	\$ -

153	\$ 165,240.00		\$ 143,208.00	\$ 22,032.00
61	\$ 139,812.00		\$ 116,388.00	\$ 23,424.00
98	\$ 241,080.00		\$ 206,976.00	\$ 34,104.00
60	\$ 321,840.00		\$ 269,280.00	\$ 52,560.00
18	\$ 63,072.00		\$ 53,352.00	\$ 9,720.00
11	\$ 38,544.00		\$ 32,604.00	\$ 5,940.00
7	\$ 29,148.00		\$ 24,612.00	\$ 4,536.00
1	\$ 4,164.00		\$ 3,516.00	\$ 648.00
6	\$ 17,784.00		\$ 15,264.00	\$ 2,520.00
415	\$ 1,020,684.00		\$ 865,200.00	\$ 155,484.00

Total	\$ 5,557,524.00	\$ 4,655,232.00	\$ 902,292.00
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6 Months = \$ 451,146.00

Oklahoma County
Table 3: Rate and Premium Summary

Rates Effective January 1, 2023													
	Current Enrollment	Cost Breakdown - Estimated							Employee/ Retiree Contribution	County Contribution	COBRA Rates (w/ 2% Fee)	County Paid Life and EAP	Proposed County Rate
		Medical	Rx Drug	Med Supp	Med + Rx	Dental	Vision	Total	18.4%	81.6%			
Active													
Single	608	\$ 771.00	\$ 216.00	N/A	\$ 987.00	\$ 44.00	\$ 6.00	\$ 1,037.00	\$ 191.00	\$ 846.00	\$ 1,058.00	\$27.00	\$ 873.00
Family	<u>586</u>	1,769.00	505.00	N/A	2,274.00	137.00	20.00	2,431.00	447.00	1,984.00	2,480.00	\$27.00	\$2,011.00
	1,194												
Retirees													
Ret/Surv Sp Single w/ Medicare	153	N/A	\$ 216.00	\$ 225.00	\$ 441.00	\$ 44.00	\$ 6.00	\$ 491.00	\$ 90.00	\$ 401.00	N/A		
Ret/Surv Sp Single w/o Medicare	61	\$ 771.00	216.00	N/A	987.00	44.00	6.00	1,037.00	191.00	846.00	\$ 1,058.00		
Ret & Sp both with Medicare	98	N/A	505.00	450.00	955.00	137.00	20.00	1,112.00	205.00	907.00	N/A		
Ret & Sp both without Medicare	60	1,769.00	505.00	N/A	2,274.00	137.00	20.00	2,431.00	447.00	1,984.00	2,480.00		
Ret w/ Medicare, Sp w/o Medicare	18	771.00	432.00	225.00	1,428.00	137.00	20.00	1,585.00	292.00	1,293.00	1,058.00		
Ret w/o Medicare, Sp w/Medicare	11	771.00	432.00	225.00	1,428.00	137.00	20.00	1,585.00	292.00	1,293.00	1,058.00		
Ret w/ Medicare, Sp & Fam w/o	7	998.00	505.00	225.00	1,728.00	137.00	20.00	1,885.00	347.00	1,538.00	1,408.00		
Sp w/ Medicare, Ret & Fam w/o	1	998.00	505.00	225.00	1,728.00	137.00	20.00	1,885.00	347.00	1,538.00	1,408.00		
Ret & Sp w/ Medicare, Fam w/o	<u>6</u>	231.00	505.00	450.00	1,186.00	137.00	20.00	1,343.00	247.00	1,096.00	359.00		
	415												
Retirees with Frozen Contributions													
Ret/Surv Sp Single w/ Medicare	1	N/A	\$ 216.00	\$ 225.00	\$ 441.00	N/A	N/A	\$ 441.00	\$ 27.00	\$ 414.00	N/A		
Ret/Surv Sp Single w/ Medicare	<u>-</u>	N/A	216.00	225.00	441.00	N/A	N/A	441.00	21.00	420.00	N/A		
	1												
Monthly Premium								\$ 2,517,822.00	\$ 463,154.00	\$ 2,054,668.00		\$ 196,992.00	
Annual Premium								\$ 30,213,864.00	\$ 5,557,848.00	\$ 24,656,016.00		\$ <u>189,864.00</u>	
												\$ 386,856.00	

Oklahoma County
Table 3: Rate and Premium Summary

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Ret & Sp both with Medicare	98	N/A	505.00	450.00	955.00	137.00	20.00	1,112.00	205.00	907.00	N/A		
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Annual Premium								\$ 30,213,864.00	\$ 5,557,848.00	\$ 24,656,016.00		\$ <u>189,864.00</u>	
												\$ 386,856.00	



July 29, 2022

Mr. Jon Wilkerson, Director of Benefits and Retirement
Oklahoma County
320 Robert S. Kerr Ave., Room 203
Oklahoma City, OK 73102

Oklahoma County 2023 Rates

Dear Jon:

SageView Consulting Group in conjunction with Actuarial Health Solutions, LLC (AHS) has been engaged to prepare premium rate equivalents rated by tier for the determination of employee and county contribution rates as well as COBRA rates for Oklahoma County's employee medical, prescription drug, vision and dental benefits. Based on our analysis of the data provided, our estimate of results, assumptions and methodology are summarized below and in the attached tables.

Data

We relied on the following claim and enrollment data obtained from Oklahoma County:

- Oklahoma County Paid claim and administrative charge data for FY 2022,
- Rates by tier for 2022,
- Medical claim lag triangle with paid claims by incurred month for July 2019 through June 2022,
- Total medical claims paid by month for July 2019 through June 2022,
- Two enrollment reports reporting employees and members from January 2021 through June 2022,
- Dental claim lag triangle with paid claims by incurred month for July 2019 through June 2022,
- Total Dental claims paid and employee counts by month for July 2019 through June 2022,
- For Vision lag triangles and total claims paid and employee counts by month for July 2019 through June 2022,
- Prescription Drug claim lag triangle with paid claims by incurred month for July 2019 through June 2022.

We did not audit the data except to perform a general test of reasonableness.

Methods and Assumptions

We developed our rates using methods and assumptions which were similar to last year. In Table 1, we show the projection of the experience period using claims paid per employee/retiree per month (PEPM) to the effective period of the 2023 rates. We were not aware of any changes to benefits. However, we included a 12.5% adjustment to the medical claims that we felt necessary for the experience period to remove the impact of exceptionally high reinsurance and COVID-19 recoveries.

The COVID-19 pandemic continues and claim payments appear to be at or above levels before the pandemic started. The County received nearly \$3.7 million dollars for paid claims related to COVID-19 during the year that may or may not be replicated going forward. Annual trends used for the projection were:

Medical:	11.5%	Dental:	4.0%
Prescription Drug:	12.5%	Vision:	7.5%

In Table 2, we summarize the results of the projection and estimate expenses for administration. Using current enrollment, we estimate 2023 costs for the self-insured benefits.

Table 3 gives a complete picture of the rates including the Medicare Supplement premium. Also shown on Table 3 are the employee/retiree contributions as well as the COBRA rates for 2023.

In Table 4, we show the rates by benefits for the current tier structure and for each of the two requested tier options. We used a standard cost assumption and assumed that each employee and spouse cost the same and that the cost for one child was 55% of an adult.

The two options requested were:


- Option 1: Single, Employee + 1, Family
- Option 2: Single, Employee + Spouse, Employee, Spouse + Child, Employee, Spouse + Children, Employee + Child, Employee + Children

Please note that “trend” is a by-product of our analysis. However, observed “trends” are benefit cost trends and reflect all underlying changes in the cost, including changes in enrollment, benefits, and claim administration.



Actuarial Certification

I, John R. Governale, Consulting Actuary, am President of Actuarial Health Solutions, LLC. I am a Member of the American Academy of Actuaries and meet its Qualification Standards for performing rate projections. I am compliant with the continuing education requirements of the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States. Neither AHS nor any of its employees have any relationship with the plan or its sponsor that could impair, or appear to impair, the objectivity of this certification. I have prepared this estimate using generally accepted actuarial methods and procedures.



John R. Governale, FSA, FCA, MAAA

President & Consulting Actuary, (215) 591-0492

Conclusion

We have prepared this analysis using generally accepted actuarial methods and procedures. In performing this analysis, we relied on data which includes but is not necessarily limited to incurred and paid claim information, membership data, administrative costs, enrollment data, historical rates and other information provided by Oklahoma County. Differences between our projections and actual experience depend on the extent to which future experience adheres to the assumptions we have made. As with all projections, our analysis is based on the information available at some point in time and subject to unforeseen events. Therefore, even though it is our best estimate at the time, the actual experience is likely to fall within a range of this projection.

Please let us know if you have any questions or need any other information.

Sincerely,



Dmitriy Sherman, ASA, MAAA

Consulting Actuary

copy: Dan Homan, SageView Consulting



Oklahoma County
Table 1: Underwriting Analysis - Current Period
6/30/2022

						Current Period
Begin Date						7/1/2021
End Date						6/30/2022
Months						12
Center of Period						1/1/2022
	Medical	Prescription Drug	Dental	Vision	Total	
Total Employees	15,087	18,913	18,754	19,071		
Average Monthly Employee	1,257	1,576	1,563	1,589		
Paid Claims						
Gross Paid Claims	\$ 18,200,022	\$ 8,853,697	\$ 1,431,739	\$ 184,219	\$	28,669,677
Estimated County Pharmacy Costs	0	0	0	0		0
Stop Loss Reimbursements	(1,588,686)	0	0	0		(1,588,686)
Claims Net of Stop Loss	\$ 16,611,336	\$ 8,853,697	\$ 1,431,739	\$ 184,219	\$	27,080,991
Refunds/Voids/Drug Rebates	(3,870,280)	(3,010,157)	0	0		(6,880,437)
RDS Reimbursement	0	(202,856)	0	0		(202,856)
Net Claims	\$ 12,741,056	\$ 5,640,684	\$ 1,431,739	\$ 184,219	\$	19,997,698
Claims PEPM	\$ 844.51	\$ 298.25	\$ 76.34	\$ 9.66		
Claim Adjustment Factors						
Benefit Adjustment	1.000	1.000	1.000	1.000		
Maturation/Incurral	1.000	1.000	1.000	1.000		
Other	1.125	1.000	1.000	1.000		
Adjusted Claims PEPM	\$ 950.07	\$ 298.25	\$ 76.34	\$ 9.66		
Trend						
Annual Trend	11.5%	12.5%	4.0%	7.5%		
Projection Months	18	18	18	18		
Trend Factor	1.177	1.193	1.061	1.115		
Projected Claims PEPM	\$ 1,118.24	\$ 355.81	\$ 81.00	\$ 10.77	\$	1,565.82

Notes:

Active and non-Medicare retiree counts are from Vendors reports sent 7/13/2022

Medicare retiree counts are estimated from report sent on 7/13/2022

County Pharmacy Costs are included in Prescription Drug Claims reported.

Oklahoma County
Table 2: Underwriting Analysis - Summary
6/30/2022

<i>Begin Date</i>						Projection Period
<i>End Date</i>						1/1/2023
<i>Months</i>						12/31/2023
						12
<i>Center of Period</i>						7/1/2023
	Medical	Prescription Drug	Dental	Vision	Total	
<u>Summary</u>						
<i>Projected Claims PEPM</i>	\$ 1,118.24	\$ 355.81	\$ 81.00	\$ 10.77	\$ 1,565.82	
<i>Credibility:Current 100%</i>						
<u>Expenses PEPM</u>						
<i>Projected Admin Fee</i>	\$ 128.04	\$ 0.65	10%	15%	\$ 128.94	
<i>Total PEPM</i>	\$ 1,246.28	\$ 356.46	\$ 89.10	\$ 12.39	\$ 1,704.23	
<i>Employee/Retirees 6/2022</i>	1,357	1,610	1,609	1,609		
<i>Expected Annual Cost 2023</i>	\$ 20,294,423.52	\$ 6,886,807.20	\$ 1,720,342.80	\$ 239,226.12	\$ 29,140,799.64	

Notes:

Medical Administration fee does NOT include an estimate for ACA Fees, but does include an estimated PCORI fee of \$3.03 per covered life.

Admin fees estimated using FY 22 fees:Medical \$38.70 PEPM & SL Avg. \$88.81 PEPM; Rx \$4.00 on approx. 260 lives, Dental & Vision are 10% & 15% of claims respectively

Oklahoma County
Table 3: Rate and Premium Summary

Rates Effective January 1, 2023											
	Current Enrollment	Cost Breakdown - Estimated							Employee/ Retiree Contribution 18.4%	County Contribution 81.6%	COBRA Rates (w/ 2% Fee)
		Medical	Rx Drug	Med Supp	Med + Rx	Dental	Vision	Total			
<u>Active</u>											
Single	608	\$ 771.00	\$ 216.00	N/A	\$ 987.00	\$ 44.00	\$ 6.00	\$ 1,037.00	\$ 191.00	\$ 846.00	\$ 1,058.00
Family	586	1,769.00	505.00	N/A	2,274.00	137.00	20.00	2,431.00	447.00	1,984.00	2,480.00
	1,194										
<u>Retirees</u>											
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Ret & Sp both with Medicare	98	N/A	505.00	450.00	955.00	137.00	20.00	1,112.00	205.00	907.00	N/A
Ret & Sp both without Medicare	60	1,769.00	505.00	N/A	2,274.00	137.00	20.00	2,431.00	447.00	1,984.00	2,480.00
Ret w/ Medicare, Sp w/o Medicare	18	771.00	432.00	225.00	1,428.00	137.00	20.00	1,585.00	292.00	1,293.00	1,058.00
Ret w/o Medicare, Sp w/Medicare	11	771.00	432.00	225.00	1,428.00	137.00	20.00	1,585.00	292.00	1,293.00	1,058.00
Ret w/ Medicare, Sp & Fam w/o	7	998.00	505.00	225.00	1,728.00	137.00	20.00	1,885.00	347.00	1,538.00	1,408.00
Sp w/ Medicare, Ret & Fam w/o	1	998.00	505.00	225.00	1,728.00	137.00	20.00	1,885.00	347.00	1,538.00	1,408.00
Ret & Sp w/ Medicare, Fam w/o	6	231.00	505.00	450.00	1,186.00	137.00	20.00	1,343.00	247.00	1,096.00	359.00
	415										
<u>Retirees with Frozen Contributions</u>											
Ret/Surv Sp Single w/ Medicare	1	N/A	\$ 216.00	\$ 225.00	\$ 441.00	N/A	N/A	\$ 441.00	\$ 27.00	\$ 414.00	N/A
Ret/Surv Sp Single w/ Medicare	-	N/A	216.00	225.00	441.00	N/A	N/A	441.00	21.00	420.00	N/A
	1										
Monthly Premium								\$ 2,517,822.00	\$ 463,154.00	\$ 2,054,668.00	
Annual Premium								\$ 30,213,864.00	\$ 5,557,848.00	\$ 24,656,016.00	

Notes:
 Rates include Stop Loss Premiums and Vision.
 Rates include County Pharmacy.
 Medicare Supplement 2023 estimated rate is \$225.
 COBRA rates are for non-medicare eligibles only.

Oklahoma County
Table 4: Rate Tier Options

		Rates Effective January 1, 2023							
Active and Non-Medicare Retirees	Estimated Current Enrollment	Cost Breakdown					Employee/ Retiree Contribution	County Contribution	COBRA Rates
		Medical	Rx Drug	Dental	Vision	Total	18.4%	81.6%	(w/ 2% Fee)
<u>Current Tiers (2 Tiers)</u>									
Single	698	\$ 771.00	\$ 216.00	\$ 44.00	\$ 6.00	\$ 1,037.00	\$ 191.00	\$ 846.00	\$ 1,058.00
Family	660	1,769.00	505.00	137.00	20.00	2,431.00	447.00	1,984.00	2,480.00
	1,358					\$ 2,328,286.00			
<u>Option 1 (3 Tiers)</u>									
Single	698	\$ 822.00	\$ 230.00	\$ 47.00	\$ 6.00	\$ 1,105.00	\$ 203.00	\$ 902.00	\$ 1,127.00
Employee + 1	247	1,248.00	350.00	71.00	10.00	1,679.00	309.00	1,370.00	1,713.00
Family	413	2,056.00	576.00	117.00	16.00	2,765.00	509.00	2,256.00	2,820.00
	1,358					\$ 2,327,948.00			
<u>Option 2 (6 Tiers)</u>									
Single	698	\$ 822.00	\$ 230.00	\$ 47.00	\$ 6.00	\$ 1,105.00	\$ 203.00	\$ 902.00	\$ 1,127.00
Employee & Spouse	193	1,306.00	366.00	75.00	10.00	1,757.00	323.00	1,434.00	1,792.00
Employee, Spouse & Child	130	1,650.00	462.00	94.00	13.00	2,219.00	408.00	1,811.00	2,263.00
Employee, Spouse & Children	235	2,359.00	661.00	135.00	18.00	3,173.00	584.00	2,589.00	3,236.00
Employee & Child	54	1,040.00	291.00	59.00	8.00	1,398.00	257.00	1,141.00	1,426.00
Employee & Children	48	1,677.00	470.00	96.00	13.00	2,256.00	415.00	1,841.00	2,301.00
	1,358					\$ 2,328,296.00			