

# Dickinson Public Schools

## Self-Funded Health Insurance Annual Update

As was the case in calendar year 2014, 2015 was another rough year for the Dickinson Public School District self-funded health insurance account. We know that health care and the costs of providing health care have good years and bad years. We have recently experienced three steadily increasing hard years. Here is a look at our claims during the past five years:

TOTAL CLAIMS	CHANGE
2015 - \$3,297,970	16%
2014 - \$2,834,326	10%
2013 - \$2,568,312	9%
2012 - \$2,357,474	-6%
2011 - \$2,504,774	

High claims continue to stress our self-funded health insurance plan. During this past year, nine members accounted for 39% of the total claims. This compares with the BCBS state average of 26%. In 2015 four months were logged as “top ten” claim months for the past five years.



### Money In, Money Out!



DPS has been self-funded since 2003. During those thirteen years we have paid over \$33,000,000 in claims and other costs. Of these expenses, 36% were to institutions such as hospitals and clinics. 37% were paid to health care providers such as physicians. 10% of all costs were for prescription drugs and the remaining 17% was paid to BCBS for fees and stop loss insurance. Our stop loss insurance remains at \$100,000. This past year we had five members who exceeded \$100,000 in costs. In these cases DPS paid \$500,000 and BCBS picked up the remaining \$587,671.

However, our premiums costs for stop loss in 2015 totaled \$545,664 so our liability and expenses nearly balanced.

District paid contributions and our employee shares of premiums account for 93% of our self-funded health insurance revenue. Other significant contributions included COBRA premiums (\$728,000) paid by individuals who, by federal law, chose to remain on our health insurance plan for eighteen months (usually) and pay full premium costs. Oil royalties in the past thirteen years amounted to revenue of \$725,000. This was only 2% of all revenue since 2003.

After tough claims years, one must wonder if being self-funded is the best route to go. However, DPS has kept our premiums lower than those groups that are not self-funded and our premium costs are lower than most other large Class A school groups. We know that the reason we have quality health insurance is to protect our employees for those hard times when help is badly needed. It is a burden of risk we share with our fellow employees. Let's hope that 2016 brings all of us a healthier year!

