

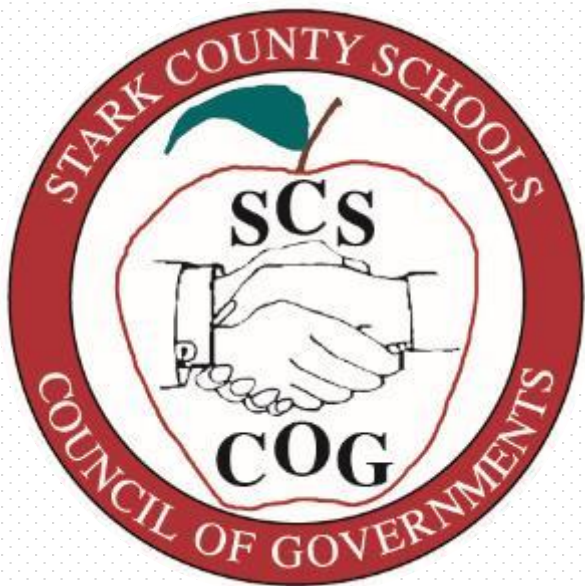
Stark County Schools Council of Government Update



Rate and Premium History

The heat map illustrates a visual representation of rate increases:

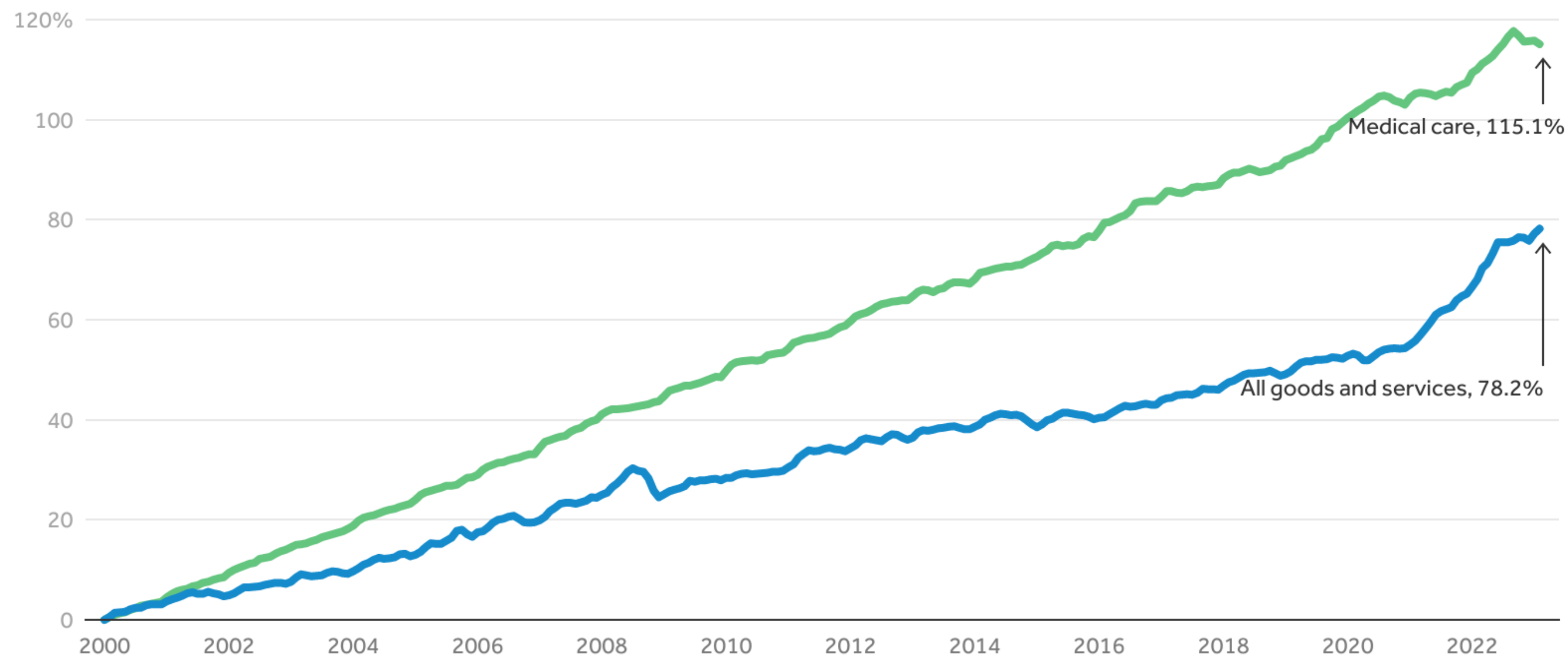
- **Green** – 5% or less
- **Yellow** – 5.1% - 10%
- **Red** – 10.1%+



YEAR	Premium Holidays	Percentage Increase		
		Medical & RX	Dental	Vision
97/98	1	5.0%	5.0%	5.0%
98/99	2	2.0%	2.0%	2.0%
99/00	1	2.0%	2.0%	2.0%
00/01	1	9.90%	9.90%	9.90%
01/02	1	8.0%	8.0%	8.0%
02/03	1	14.0%	14.0%	14.0%
03/04	1	8.0%	8.0%	8.0%
04/05	1	10.0%	10.0%	10.0%
05/06	1	10.0%	10.0%	10.0%
06/07	1	9.0%	9.0%	9.0%
07/08	1	9.80%	9.80%	9.80%
08/09	1	6.75%	6.75%	6.75%
09/10	2	9.80%	9.80%	9.80%
10/11	2	9.8%	9.8%	9.8%
11/12	3	5.0%	5.0%	5.0%
12/13	3	5.0%	5.0%	5.0%
13/14	2	4.5%	4.5%	4.5%
14/15	2	5.0%	5.0%	5.0%
15/16	2	2.6%	2.6%	2.6%
16/17	3	2.5%	2.5%	2.5%
17/18	2	5.4%	5.4%	5.4%
18/19	3	6.85%	6.85%	6.85%
19/20	2	3.25%	0.00%	0.00%
20/21	2	3.85%	0.00%	0.00%
21/22	2	3.90%	0.00%	0.00%
22/23	1	7.35%	0.00%	0.00%
23/24	1	7.98%	5.75%	2.50%

Inflationary Pressures

Cumulative percent change in Consumer Price Index for All Urban Consumers (CPI-U) for medical care and for all goods and services, January 2000 - February 2023



Note: Medical care includes medical services as well as commodities such as equipment and drugs.

Source: KFF analysis of Bureau of Labor Statistics (BLS) Consumer Price Index (CPI) data

Peterson-KFF

Health System Tracker

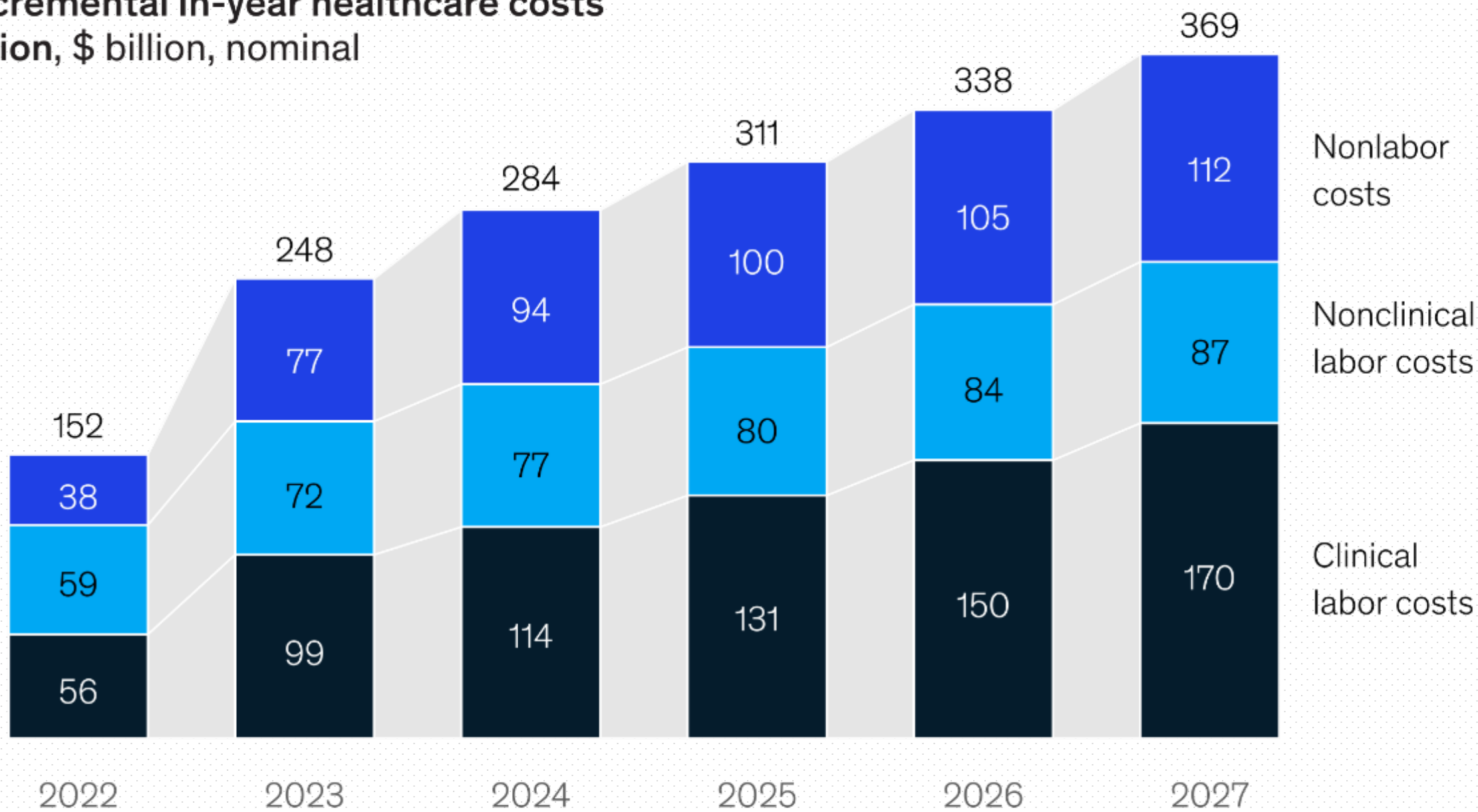


Inflationary Environment in Healthcare

- By 2027:
 - U.S. national health expenditure is likely to be \$370 billion higher by 2027 due to inflation.
 - Expected healthcare non-labor costs to increase by up to \$110 billion in 2027.
 - Expected increase in cost of \$260 billion for labor in the healthcare system.
- Labor costs grew 25% between 2019 and 2022, closely followed by pharmaceuticals at 21%, supplies at 18%, and services at 16%.

The largest portion of potential extra healthcare costs are introduced to the system in 2022–23.

Potential incremental in-year healthcare costs due to inflation, \$ billion, nominal



Inflation and clinical labor wage growth are significantly above baseline trends in 2022 and 2023 before returning to a lower rate of growth on this elevated baseline



Market Pressures

- **Health System Losses**

- The Cleveland Clinic Foundation posted \$1.2 billion loss in 2022
- University of Pittsburgh Medical Center reported \$916 million loss in 2022
- Kaiser Permanente reported a \$4.5 billion loss in 2022

- **Other Factors**

- 100,000 nurses left the healthcare field
- Autism was added/needed to be covered in accordance with the Mental Health Parity Act
- Specialty medications continue to drive overall drug spend
- Diabetes and associated diagnoses
 - Our most costly conditions for both medical and drug spending
- While the evolution of gene therapy medication is beneficial, it comes at a great cost



How Do We Keep Our Increase Less Than 10%?

- **Positive Factors**

- One plan design evenly disperses risk across the entire population and allows for stable and efficient funding
- Cost savings through efficiency by eliminating duplication of efforts
- Disease Management programs are in place to close gaps in care
 - This helps to ensure proper management of chronic conditions, which helps to control costs
- Our relationship with Employers Health enables us to buy drugs below wholesale
- Implemented cost savings programs to maximize manufacturer's assistance
- Deductible and out-of-pocket maximum increases began in January 2023
- Emergency Room usage for non-emergent cases is down 48%
 - **This is a \$3 million savings**



How Do We Compare?

- Based on data from the SERB (State Employment Relations Board) Statewide Average CY22 for Schools, **Stark COG provides a significant savings to our employees.**

	Stark COG FY23	SERB Statewide Average CY22 for Schools	Price Difference Savings
Annual Cost Single Medical & RX	\$9,742.92	\$10,973.52	\$1,230.60
Annual Cost Family Medical & RX	\$23,668.04	\$27,601.68	\$3,933.64
In-Network Deductible Single	\$300	\$1,582	\$1,282
In-Network Deductible Family	\$600	\$3,087	\$2,487
In-Network Max Out-of-Pocket Single Including Deductible	\$1,200	\$3,179	\$1,979
In-Network Max Out-of-Pocket Family Including Deductible	\$2,400	\$6,305	\$3,905
COG rates continue to beat the State average despite having a lower deductible and max out-of-pocket.			

