

FY2026 Personnel Budget Build

May 15, 2025

Budget Session #1

Human Resources



Action Items

	Item Content
1	Medical
2	Dental
3	EAP
4	Health Joy
5	30 Hour Employees Benefit Costs
6	Tuition Reimbursement Funding
7	Employee Compensation (step and table adjustment)
8	Overtime Adjustment



CITY OF

POCATELLO

Renewal Discussion

2024-2025 Insurance Renewal

- **How is the City of Pocatello Insured?**
 - **The City of Pocatello is Fully Insured through Pacific Source Health Plans**
- **Pacific Source**
 - **Current experience numbers led us to stay with Pacific Source**
 - **Current Experience running at 102.7% not including administration or run in of Blue Cross claims**
 - **Working to secure additional discounts with local providers**
 - **Renewal capped at 9.9%**
- **Very proactive approach to managing the plan for the City of Pocatello**
 - **Data Analytics system in place**
 - **Aggressive plan design**
 - **Case/Care Management Mandatory**



Renewal Details

Pacific Source Health Plans



9.9% Increase

Metlife Dental



9% Increase

MetLife Vision



No Increase

EAP



Increasing from \$3.49 to \$3.71

Life



No Increase (Rate Lock till 2026)



Reporting/Experience Background

- What does experience mean?** —————→ Reporting or claims data that applies to a particular group
- What is a loss ratio?** —————→ Premium paid in vs. Claims paid out
Pacific Source can take 15% of the total premium paid and apply it to administration based on PPACA (The loss ratios shown do not include administration unless otherwise stated).
- What is a large claimant?** —————→ Any claimant (Employee, Spouse, or Dependent) that has incurred over \$25,000 in expenses
- What is Trend?** —————→ Trend is essentially medical inflation. In Idaho depending on the carrier; 8.5%-10% with medical and Rx blended. Nationally right now they are saying about 9.5%



Current Experience

FY2025 (October 2024- March 2025)	FY2024 (October 2023 – September 2024)
Loss Ratio = 142% (With Administration)	Loss Ratio = 115% (With Administration)
Total Claims = \$4.99 Million	Total Claims = \$8.10 Million
17 Large Claimants Claims Total = \$2.35 Million \$138,499 average each 47% of our overall claims	61 Large Claimants (\$25k+) Claims Total = \$5.21 Million \$85k average for each claim 64% of our overall claims
Rx Costs are 15% of total claim costs	Rx Costs are 21% of total claims



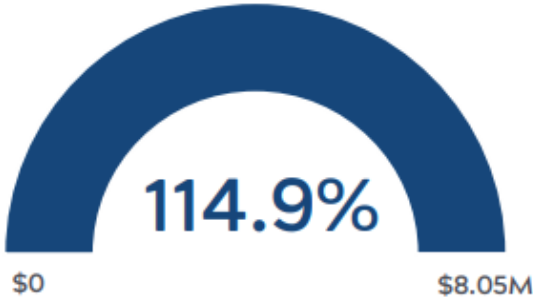
Executive Summary



October 2023 - September 2024 (change from Oct 2022 - Sep 2023)

Medical + Rx Claims  \$8.10M ↑ +\$1.61M (+25%)	Medical Claims  \$6.43M ↑ +\$2.18M (+51%)	Rx Claims  \$1.67M ↓ -\$579K (-26%)	Subscribers 453 ↓ -2 (-1%)	Members 1,138 ↑ +1 (+0%)
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Medical Plan - Loss Ratio



*Loss Ratio includes estimated fixed charges.

Plan Information



Medical Carrier / TPA: **Blue Cross of Idaho**
Funding Type: **Fully Insured**



Insights & Trends

- › The loss ratio for the current plan year is estimated at 114.9% through September 2024
- › Shock claimant costs \$25K+ (\$5.21M) are up +\$1.25M (+32%), which is +\$234 PEPM (+32.2%)
- › The top claimant was a Spouse with claims of \$807K over the period and Infection/Inflammation as the top diagnosis
- › Pharmacy claims (\$1.67M) decreased in the last 12 months by \$579K (-25.7%), which is -\$104 PEPM (-25.3%)
- › The most expensive conditions treated by the top 20 drugs were Rheumatoid Arthritis (\$333K) and Diabetes (\$327K)

Other benefits (MetLife, Symetra, Healthjoy)

- EAP for police will match the active employee plan
- Dental and Vision will stay with MetLife
- Life Insurance will renew as is with another year on the rate lock
- Health Joy current rate \$4.88
 - 12 month renewal \$5.12
 - 24 Month renewal \$5.03
- HealthJoy Telemedicine is an additional \$2.60



Conclusion

Our rate guarantee with Pacific Source has allowed us a much lower than deserved renewal despite our experience.

All of our other benefits we recommend renewing with the current carriers



Benefit Action Items 1-4

	Benefit	Head-count	FY2026 Base	FY2026 Anticipated	Increase Estimate
Action Item 1	Medical – Pacific Source 9.9% increase	483	\$8,371,922.16	\$9,200,742.45	\$828,820.29
Action Item 2	Dental – Met Life 9.0% increase	599	\$308,277.36	\$336,022.32	\$27,744.96
Action Item 3	EAP – Blomquist Hale 4.92% increase	598	\$65,841.84	\$44,010.36	(\$21,831.48)
Action Item 4	Health Joy	483	Pacific Source paid in FY2025, they are not covering in FY26	\$5.12 App \$2.60 Telemedicine	\$44,745.12 (max) \$29,687.52 (minimum) \$15,069.60 (optional)

Benefit Action Item 5: Standardize 30 Hour Employee Benefit Rates

	30 Hours	20 Hours
Medical	Full Time Rate	Pays Half
Dental	Pays Half	Pays Half
Vision	Pays Half	Pays Half

Human Resources recommends we move 30-hour employees to match full time rates for dental and vision, matching what we do with medical rates for them
Cost Estimate: Under \$2,000

Action Item 6: Tuition Reimbursement Funding Requests \$111,000

(funds will be moved to 057-5701-405.40-14)

	Ambulance	Engineering	Finance	Fire	HR	Library	Mayor's Office	Parks and Rec - Zoo	Planning	Police	Science & Environment	Grand Total
Ambulance Fund	\$9,000.00											\$ 9,000.00
General Fund		\$3,000.00	\$5,000.00	\$17,000.00	\$3,000.00		\$5,000.00		\$3,000.00	\$42,000.00		\$ 78,000.00
Library Fund						\$16,000.00						\$ 16,000.00
Parks and Rec – Zoo Fund								\$3,000.00				\$ 3,000.00
Science & Environment Fund											\$5,000.00	\$ 5,000.00
Grand Total	\$9,000.00	\$ 3,000.00	\$5,000.00	\$17,000.00	\$3,000.00	\$16,000.00	\$5,000.00	\$3,000.00	\$ 3,000.00	\$ 42,000.00	\$5,000.00	\$ 111,000.00

we anticipate around \$20,000 left in the fund at the end of FY2025, HR will provide Finance with any budget reductions once we have fully paid the spring and summer reimbursements

Action Item 7: Compensation Step and Table Movement

Base File	Step Movement	1.5% Table Adjustment	Final (police changes)
\$62,676,893.26	\$64,120,923.40	\$64,569,082.28	\$66,009,822.44

	Step Movement	Table Adjustment
General Employees	Yes	1.5% recommended
Fire Union	Yes	1.5% CBA
Fire Mgt	Yes	1.5% recommended
Police Union	New table (placement instead of a step)	
Police Mgt	Yes	1.5% recommended

Action Item 8: Adjust Overtime

Human Resources recommends that we increase the overtime budget line of each department 3.79% (roughly the compensation increase of steps, table adjustments, and new police scale)

Overtime	Recommended Increase	Total
\$2,318,557.28	3.79% = \$87,873.32	\$2,406,430.60