

City of Stamford

FY 21/22 and FY 22/23 Budget

Highlights

March 22, 2022

Total (Active and Retiree) Expenditures and Revenue

Plan Year	FY 21/22 Budget	FY 21/22 Reprojection	FY 22/23 Budget
Gross Expenditures	\$52,370,795	\$50,778,363	\$54,370,045
Revenue	\$9,294,718	\$8,261,999	\$8,924,061
Expenditures Net Revenue	\$43,076,077	\$42,516,364	\$45,445,984
% Change - vs FY 21/22 Net Budget		-1.3%	5.5%
\$ Change - vs FY 21/22 Net Budget		(\$559,713)	\$2,369,907
% Change - vs FY 21/22 Net Reprojection			6.9%
\$ Change - vs FY 21/22 Net Reprojection			\$2,929,620

- The initial FY 21/22 in force net budget was projected to be **\$43.1 million**
- We reprojected the FY 21/22 budget based on the following factors:
 - The original budget included **6** unions that had already moved to the CT State Partnership Plan (SPP) effective Jan 21.
 - An additional **4** unions (**450** employees) elected to move to the SPP effective July 21 and Jan 22.
- This reprojection resulted in a **1.3% decrease** to the FY 21/22 in force budget which is a projected savings of **\$559K**
- The FY 22/23 budget:
 - We are expecting a **6.9% increase** over the FY 21/22 reprojection, approximately **\$2.9 million**
 - This assumes that effective July 22 there will be an **8%** increase to the CT State Partnership Plan Active, Under 65, and over 65 non-Medicare Premiums

Active Expenditures and Revenue

Plan Year	FY 21/22 Budget	FY 21/22 Reprojection	FY 22/23 Budget
Gross Expenditures	\$35,554,477	\$34,800,922	\$36,085,282
Revenue	\$5,071,977	\$4,803,467	\$5,287,583
Expenditures Net Revenue	\$30,482,500	\$29,997,455	\$30,797,699
% Change - vs FY 21/22 Net Budget		-1.6%	1.0%
\$ Change - vs FY 21/22 Net Budget		(\$485,045)	\$315,199
% Change - vs FY 21/22 Net Reprojection			2.7%
\$ Change - vs FY 21/22 Net Reprojection			\$800,244

- The initial FY 21/22 in force net budget was projected to be **\$30.4 million**
- We reprojected the FY 21/22 budget based on the following factors:
 - The original budget included **6** unions that had already moved to the CT State Partnership Plan (SPP) effective Jan 21.
 - An additional **3** unions (**382** employees) elected to move to the SPP effective July 21 and Jan 22.
- This reprojection resulted in a **1.6% decrease** to the FY 21/22 in force budget which is a projected savings of **\$485K**
- The FY 22/23 budget:
 - We are expecting a **2.7% increase** over the FY 21/22 reprojection, approximately **\$800K**
 - This assumes that effective July 22 there will be an **8%** increase to the CT State Partnership Plan Active Premiums
 - Self funded active claims are running better than expected this year which helps offset the 8% from the SPP

Retiree Expenditures and Revenue

Plan Year	FY 21/22 Budget	FY 21/22 Reprojection	FY 22/23 Budget
Gross Expenditures	\$16,816,318	\$15,977,441	\$18,284,763
Revenue	\$4,222,741	\$3,458,532	\$3,636,478
Expenditures Net Revenue	\$12,593,577	\$12,518,909	\$14,648,285
% Change - vs FY 21/22 Net Budget		-0.6%	16.3%
\$ Change - vs FY 21/22 Net Budget		(\$74,668)	\$2,054,708
% Change - vs FY 21/22 Net Reprojection			17.0%
\$ Change - vs FY 21/22 Net Reprojection			\$2,129,376

- The initial FY 21/22 in force net budget was projected to be **\$12.5 million**
- We reprojected the FY 21/22 budget based on the following factors:
 - The original budget included **6** unions that had already moved to the CT State Partnership Plan (SPP) effective Jan 21.
 - An additional **4** retiree unions (**68** employees) elected to move to the SPP effective July 21 and Jan 22.
- This reprojected budget resulted in a **0.6% decrease** to the FY 21/22 in force budget which is a projected savings of **\$75K**
- The FY 22/23 budget:
 - We are expecting a **17.0% increase** over the FY 21/22 reprojected budget, approximately **\$2.1 million**
 - This assumes that effective July 2022 there will be an **8%** increase to the CT State Partnership Plan **under 65 and Over 65 Non-Medicare** Premiums. A **2%** increase was applied to the **Medicare** Premiums effective Jan 2022.
 - The original 21/22 budget was based on the average claim cost of all retirees. We suspect that the higher claim cost retirees didn't migrate to the SPP.
 - COVID suppressed claims due to care avoidance in 2020 resulted in an increase in the year over year claim cost as utilization returns to normal.

Caveats

Active

1. FY 21/22 Reprojections assume the IUOE Operations, Fire, and Cobra (with exception of NEW Cobra) will be remaining in the city self funded plans after January 2022 until June 2022
2. FY 22/23 Budget assumes that only the IUOE Operations, Fire, and Cobra (with exception of NEW Cobra) will be remaining with Cigna and Maxor for July 1, 2022 .
3. For Vision, actual year to date claims through Dec 2021 were used and then a reprojection was created for Jan 2022 through June 2022
4. For Dental and Cigna actual year to date claims through Jan 2022 were used and then a reprojection was created for February 2022 through June 2022
5. Assumed an 8% increase to the SPP rates for July 2022, this has not been confirmed by the State

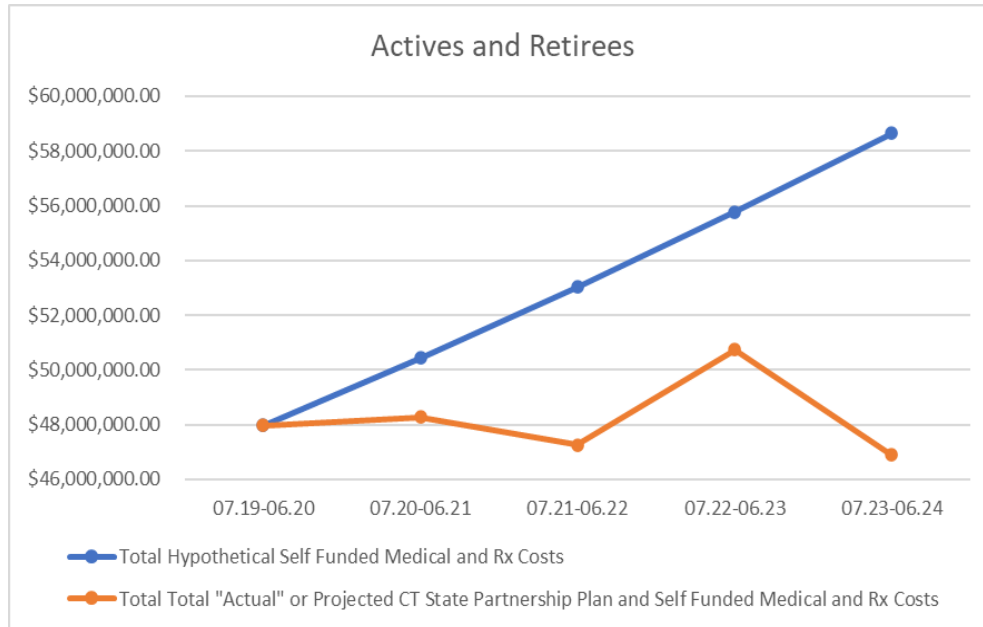
Retiree

1. FY 21/22 Reprojections assume the IUOE Operations, Police (with exception from NEW Police), and Fire will be remaining after January 2022 until June 2022 for the under 65 and over 65 non-Medicare populations. No unions were removed from the Medicare projections
2. FY 22/23 Budget assumes that only the IUOE Operations, Police (with exception from NEW Police) and Fire will be remaining with Cigna, Aetna, IPI and Maxor/EGWP for July 1, 2022.
3. IPI and Cigna actual year to date claims through Jan 2022 were used and then a reprojection was created for February 2022 through June 2022
4. Assumed an 8% increase to the SPP Pre 65 and Post 65 Non-Medicare rates for July 2022; this has not been confirmed by the State
5. Used a 2% increase to the Medicare rates as stated on the CT SPP website for Jan 2022

Hypothetical Self Funded and CT SPP Savings over 5 Years

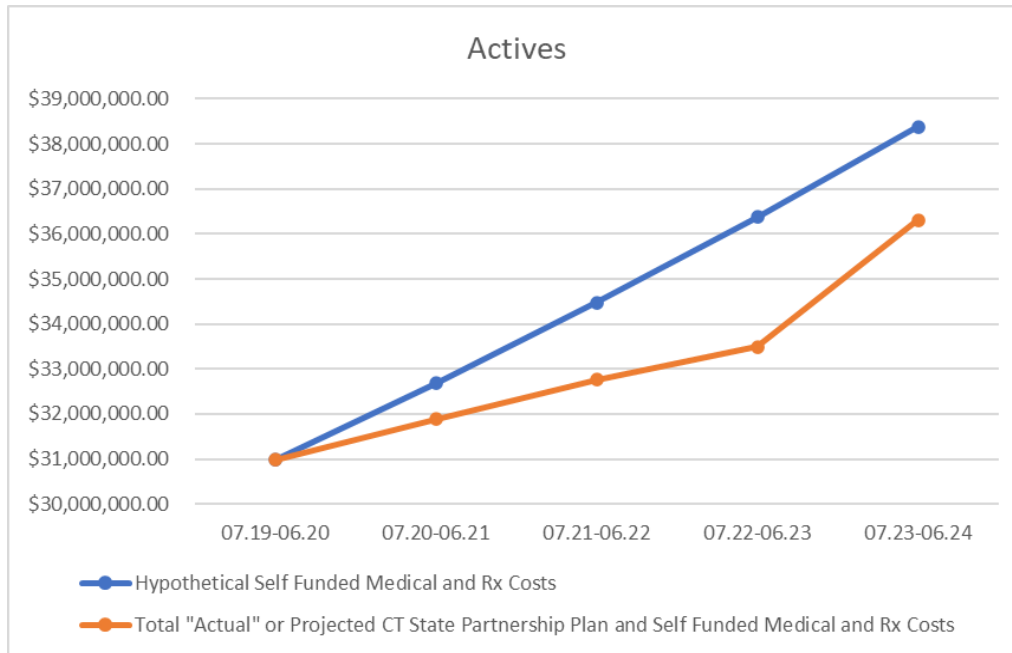


Hypothetical Active and Retiree Self Funded Medical and Rx Costs V Savings from Moving to the State Partnership Plan



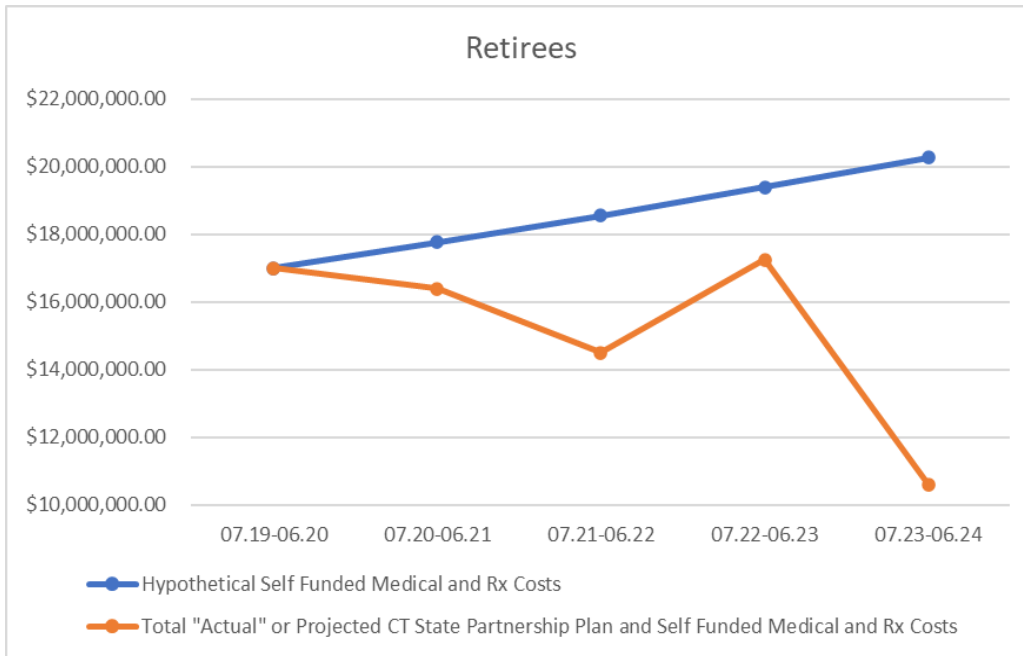
- Over 5 years the estimated Self Funded Medical and Rx Costs were projected to be **\$265.8 million**.
- The strategy to move to the CT SPP resulted in a projected total savings of about **\$24.7 million**.
- Active Savings are projected at about **\$7.4 million**
- Retiree Savings are projected at about **\$17.2 million**
- Notes
- **Blue Line:** Projected Medical and Rx Cost (No Changes)
- **Orange Line:** Projected Cost Based on Move to the CT SPP

Hypothetical **Active** Self Funded Medical and Rx Costs V Savings from Moving to the State Partnership Plan



- **7/19**
 - no movement to SPP:
 - Projected Savings: **\$0**
- **1/21**
 - 473 actives moved:
 - Projected Savings : **\$795K**
- **7/21**
 - additional 384 actives moved:
 - Projected Savings: **\$1.7 million**
- **7/22**
 - no changes:
 - Projected Savings: **\$2.9 million**
- **7/23**
 - potential move of all remaining active employees to SPP:
 - Projected Savings: **\$2 million**
- Total Projected Active Savings over 5 Years:
 - **\$ 7.4 million**

Hypothetical **Retiree** Self Funded Medical and Rx Costs V Savings from Moving to the State Partnership Plan



- **7/19**
 - no movement to SPP:
 - Projected savings: **\$ 0**
- **1/21**
 - 25 retirees moved:
 - Projected savings : **\$1.4 million**
- **7/21**
 - additional 319 retirees moved:
 - Projected savings: **\$4 million**
- **7/22**
 - no changes:
 - Projected savings: **\$2.1 million**
- **7/23**
 - potential move of all remaining retirees' employees to SPP:
 - Projected Savings: **\$9.7 million**
- Total Projected Retiree Savings over 5 Years:
 - **\$17.2 million**

Hypothetical Self Funded Medical and Rx Costs V Savings from Moving to the State Partnership Plan

Hypothetical Self Funded Medical and Rx Costs V CT State Partnership Plan FY July 2019 - June 2024							
		07.19-06.20	07.20-06.21	07.21-06.22	07.22-06.23	07.23-06.24	Totals
		Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost
Hypothetical Self Funded Medical and Rx Costs	Actives	\$ 30,977,276	\$ 32,681,026	\$ 34,478,482	\$ 36,374,799	\$ 38,375,413	\$ 172,886,995
	Retirees	\$ 16,994,874	\$ 17,759,643	\$ 18,558,827	\$ 19,393,974	\$ 20,266,703	\$ 92,974,021
	Total	\$ 47,972,149	\$ 50,440,669	\$ 53,037,309	\$ 55,768,773	\$ 58,642,116	\$ 265,861,015
		07.19-06.20	07.20-06.21	07.21-06.22	07.22-06.23	07.23-06.24	Totals
		Total Cost	Total Cost	Total Cost	Total Cost	Total Cost	Total Cost
Total "Actual" or Projected CT State Partnership Plan and Self Funded Medical and Rx Costs	Actives	\$ 30,977,276	\$ 31,886,026	\$ 32,759,466	\$ 33,493,541	\$ 36,303,513	\$ 165,419,822
	Retirees	\$ 16,994,874	\$ 16,392,545	\$ 14,494,732	\$ 17,248,487	\$ 10,599,232	\$ 75,729,870
	Total Medical	\$ 47,972,149	\$ 48,278,571	\$ 47,254,198	\$ 50,742,028	\$ 46,902,746	\$ 241,149,692
Difference Between Years of Cost			\$ 306,421	\$ (1,024,372)	\$ 3,487,830	\$ (3,839,282)	
Variance between Hypothetical SI and "Actual" or Projected Medical and Rx Costs							
Actives	Variance	\$ -	\$ (795,000)	\$ (1,719,016)	\$ (2,881,258)	\$ (2,071,899)	\$ (7,467,172)
Retirees	Variance	\$ -	\$ (1,367,098)	\$ (4,064,095)	\$ (2,145,487)	\$ (9,667,471)	\$ (17,244,151)
Totals	Variance	\$ -	\$ (2,162,098)	\$ (5,783,111)	\$ (5,026,745)	\$ (11,739,370)	\$ (24,711,323)

Caveats

1. Active Hypothetical Self Funded Medical and Rx Costs Trended is estimated at 5.5%.
2. Retiree Hypothetical Self Funded Medical and Rx Costs Trended is estimated at 4.5%.
3. CT State Partnership Plan Rate Increase are estimated as follows:
 - a. Actives and non-Medicare Retirees: +8%
 - b. Medicare Retirees: +2%
4. Enrollment for all years is based on census data given to Lockton by the City of Stamford
5. 07.19 - 06.21 Actual Self Funded Medical and Rx Active and Rx Costs are based on actual claim costs from claim reports from the carriers where applicable
6. Self Funded Medical and Rx Costs Include the Following
 - a. Cigna Medical and Rx Claims Cost, Admin Fees for both Actives and Retirees
 - b. Maxor Drug Claims and Admin Costs as well as EGWP and Medicare Admin Costs where applicable
 - c. IPI Retiree Claims and Admin Costs
 - d. Additional Self Funded Taxes and Fees as line itemed on the City's budget summary
 - e. Changes in H.S.A contributions, rx rebates and run off costs
7. Please note that the Aetna Medicare Advantage Program is not included as it's a Fully Insured Program
8. Retirees included Pre 65, Post 65 Non-Medicare and Post 65 Medicare Retirees
9. Actives include Active Employees

Appendix



Union Migration Dates to the CT State Partnership

Unions with Cigna, IPI and Aetna

Custodians
Assistant Corporate Council
*Police **
Fire
Dental Hygienists
Nurses
UAW
IUOE Local Operators
IUOE WPCA
MAA
Non Union
*Cobra**
Smith House

Dates Moved to the SPP			
Anthem			UHC
Actives	Pre 65	Post 65 no Medicare	Post 65 Medicare
7.1.21	7.1.21	7.1.21	7.1.21
1.1.22	1.1.22	1.1.22	1.1.22
7.1.21			
1.1.21	1.1.21	1.1.21	7.1.21
1.1.21	1.1.21	1.1.21	7.1.21
1.1.21	1.1.21	1.1.21	7.1.21
1.1.21	1.1.21	1.1.21	7.1.21
1.1.21	1.1.21	1.1.21	7.1.21
1.1.21	1.1.21	1.1.21	7.1.21
no actives	7.1.21	7.1.21	7.1.21

Caveat:

1. *Per AI: New police retirees are on the SPP (Anthem, or UHC)
2. * Any new cobra enrollees move to the SPP (Anthem or UHC)

Current Enrollments by Union and Medical Carrier

Union	Cigna Self Insured Plan					State Partnership Plan						Total All Plans		
	Active	Pre-65	Post 65 no Medicare	Post 65 Medicare	Total	Anthem			UHC			Active	Pre & Post 65	Total All
						Active	Cobra	Pre-65	Post 65 no Medicare	Post 65 Medicare	Total			
MAA	-			2	2	97	1	7	7	49	161	98	65	163
UAW	-	1	1		2	300	1	10	15	150	476	301	178	479
CUS	-			1	1	132	1	6	2	34	175	133	45	178
FIR	231	37	12	108	388						-	231	198	429
NUR	-		1		1	27			2	24	53	27	27	54
NON	-	1			1	-					-	-	1	1
UE Operations	111	6	-	12	129						-	111	18	129
UE TEA-12	-	2	-	10	12	26		2	1	5	34	26	35	61
LAW	-				-	5				3	8	5	3	8
DEN	-				-	2				4	6	2	4	6
POL	-	43	18	147	208	245				1	246	245	246	491
02-1199	-				-	-		3	1	18	22	-	22	22
Pay Plan	2				2	20					20	22	-	22
Total	344	90	32	280	746	854	3	28	28	288	1,201	1,201	842	2,043

Union	Aetna Self Insured Plan					IPI Self Insured Plan				
	Active	Pre-65	Post 65 no Medicare	Post 65 Medicare	Total	Active	Pre-65	Post 65 no Medicare	Post 65 Medicare	Total
MAA					-					-
UAW				1	1					-
CUS				2	2					-
FIR				8	8				33	33
NUR					-					-
NON					-					-
UE Operations					-					-
UE TEA-12				7	7				8	8
LAW					-					-
DEN					-					-
POL				6	6				31	31
02-1199					-					-
Pay Plan					-					-
Total	-	-	-	24	24	-	-	-	72	72

Caveat:

1. Enrollments by Carrier and Union are based on the census given to Lockton by the City for the 2022 budget
2. Enrollments are based on **Subscriber Only**