

City of Stamford

FY 22/23 and FY 23/24 Budget

Highlights

March 21, 2023

Total (Active and Retiree) Expenditures and Revenue

Total

Plan Year	FY 22/23 Budget	FY 22/23 Reprojection	FY 23/24 Budget
Gross Expenditures	\$54,370,045	\$54,537,731	\$58,382,854
Revenue	\$8,924,061	\$8,206,014	\$8,973,257
Expenditures Net Revenue	\$45,445,984	\$46,331,717	\$49,409,597
% Change - vs FY 21/22 Net Budget		1.9%	8.7%
\$ Change - vs FY 21/22 Net Budget		\$885,733	\$3,963,613
% Change - vs FY 21/22 Net Reprojection			6.6%
\$ Change - vs FY 21/22 Net Reprojection			\$3,077,879

1. FY 22/23 Reprojections and Budget assume the Police Retirees, Fire and Cobra will be remaining on the self funded plan

- The initial FY 22/23 in force net budget was projected to be **\$45.4 million**
- We reprojected the FY 22/23 budget based on the following factors
 - An additional **159** total active and retiree employees elected to move to the SPP effective Oct 2022 and Jan 2023.
 - We migrated everyone (**24**) from the Aetna Medicare Advantage Plan to the CT State Partnership Aetna Medicare Plan effective Jan 2023.
- This reprojction resulted in a net **1.9% increase** to the FY 22/23 in force budget which is a projected increase of **\$886K**
- The FY 23/24 budget:
 - We are expecting a net **6.6% increase** over the FY 22/23 reprojction, approximately **\$3.1 million**
 - This assumes that effective July 23 there will be an average **7.1%** increase to the CT State Partnership Plan Premiums for the actives; an average **4.1%** increase for the Under 65 and a **4.2%** increase for the over 65 non-Medicare Premiums and a **5%** increase to the Medicare Premiums effective Jan 24

Active Expenditures and Revenue

Active

Plan Year	FY 22/23 Budget	FY 22/23 Reprojection	FY 23/24 Budget
Gross Expenditures	\$36,085,282	\$38,559,049	\$39,853,239
Revenue	\$5,287,583	\$5,281,324	\$5,790,603
Expenditures Net Revenue	\$30,797,699	\$33,277,725	\$34,062,635
% Change - vs FY 21/22 Net Budget		8.1%	10.6%
\$ Change - vs FY 21/22 Net Budget		\$2,480,026	\$3,264,936
% Change - vs FY 21/22 Net Reprojection			2.4%
\$ Change - vs FY 21/22 Net Reprojection			\$784,911

1. FY 22/23 Reprojections assume the Fire, and Cobra will be remaining after October 2022 until June 2023

2. FY 23/24 Budget assumes that only the Fire and Cobra will be remaining with Cigna for July 1 2023

- The initial FY 22/23 in force net budget was projected to be **\$30.7 million**
- We reprojected the FY 22/23 budget based on the following factor:
 - An additional **1** unions (**118** employees) elected to move to the SPP effective **Oct 2022**.
 - This reprojection resulted in a net **8.1% increase** to the FY 22/23 in force budget, approximately **\$2.4M**
- The FY 23/24 budget:
 - We are expecting a net **2.4% increase** over the FY 22/23 reprojection, approximately **\$785K**.
 - This assumes that effective July 23 there will be an **7.1%** increase to the CT State Partnership Plan Active Premiums
 - Note:
 - Migration to the SPP in 2022 did not result in an immediate reduction in active claim cost due to high large claims which carries over into the 23/24 budget.

Retiree

Expenditures and Revenue

Retiree

Plan Year	FY 22/23 Budget	FY 22/23 Reprojection	FY 23/24 Budget
Gross Expenditures	\$18,284,763	\$15,978,682	\$18,529,615
Revenue	\$3,636,478	\$2,924,690	\$3,182,654
Expenditures Net Revenue	\$14,648,285	\$13,053,992	\$15,346,961
% Change - vs FY 21/22 Net Budget		-10.9%	4.8%
\$ Change - vs FY 21/22 Net Budget		(\$1,594,293)	\$698,676
% Change - vs FY 21/22 Net Reprojection			17.6%
\$ Change - vs FY 21/22 Net Reprojection			\$2,292,969

2. FY 22/23 Reprojections assume the Police, Fire and Cobra will be remaining after January 2023 until June 2023 for the under 65 and over 65 non Medicare populations and Medicare populations.

3. FY 23/24 Budget assumes that only the Police, Fire and Cobra will be remaining with Cigna, IPI and Maxor/EGWP for July 1 2023

- The initial FY 22/23 in force net budget was projected to be **\$14.6 million**
- We reprojected the FY 22/23 budget based on the following factors:
 - The Aetna Medicare Advantage Enrollees (**24**) were moved to the CT State Partnership Plan effective Jan 2023.
 - An additional **1** retiree unions (**41** employees) elected to move to the SPP effective Jan 23.
 - Claims also for the retirees are also running better than the budget predicted
- This reprojection resulted in a **-10.9% decrease** to the FY 22/23 in force budget which is a projected savings of **\$1.6M**
- The FY 23/24 budget:
 - We are expecting a **17.6% increase** over the FY 22/23 reprojection, approximately **\$2.3 million**
 - This assumes that effective July 2023 there will be an **4.1%** increase to the CT State Partnership Plan **under 65 premiums** and a **4.2%** increase to the **Over 65 Non-Medicare** Premiums. A **5%** increase was applied to the **Medicare** Premiums effective Jan 2024.

Caveats

Active

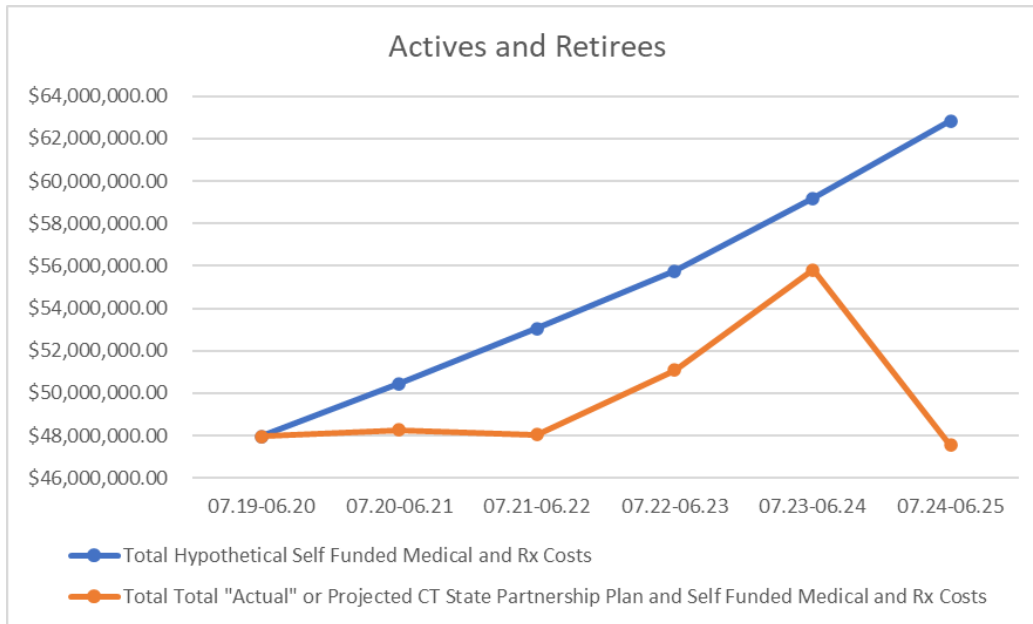
1. FY 22/23 Rejections assume Fire, and Cobra (with exception of NEW Cobra) will be remaining in the city self funded plans after October 2022 until June 2023
2. FY 23/24 Budget assumes that only the Fire, and Cobra (with exception of NEW Cobra) will be remaining with Cigna and Maxor (as applicable) for July 1, 2023 .
3. For Vision, actual year to date claims through Nov 2022 were used and then a reprojection was created for Dec 2022 through June 2023
4. For Dental and Cigna actual year to date claims through Dec 2022 were used and then a reprojection was created for January 2023 through June 2023
5. Assumed an 7.1% increase to the SPP rates for July 2023, this is an estimate by the SPP team. SPP will have a final rate increase confirmed in April.

Retiree

1. FY 22/23 Rejections assume the Police (with exception from NEW Police), and Fire will be remaining after January 2023 until June 2023 for the under 65, over 65 non-Medicare and Self Funded Medicare populations.
2. FY 23/24 Budget assumes that only the Police (with exception from NEW Police) and Fire will be remaining with Cigna, IPI and Maxor/EGWP for July 1, 2023.
3. IPI and Cigna actual year to date claims through Dec 2022 were used and then a reprojection was created for January 2023 through June 2023
4. Assumed a 7.1% increase to the SPP rates for July 2023, this is an estimate by the SPP team. This is an estimate by the SPP team. SPP will have a final rate increase confirmed in April.
5. Used a 5% increase to the Medicare rates for Jan 2024; this has not been confirmed by the State

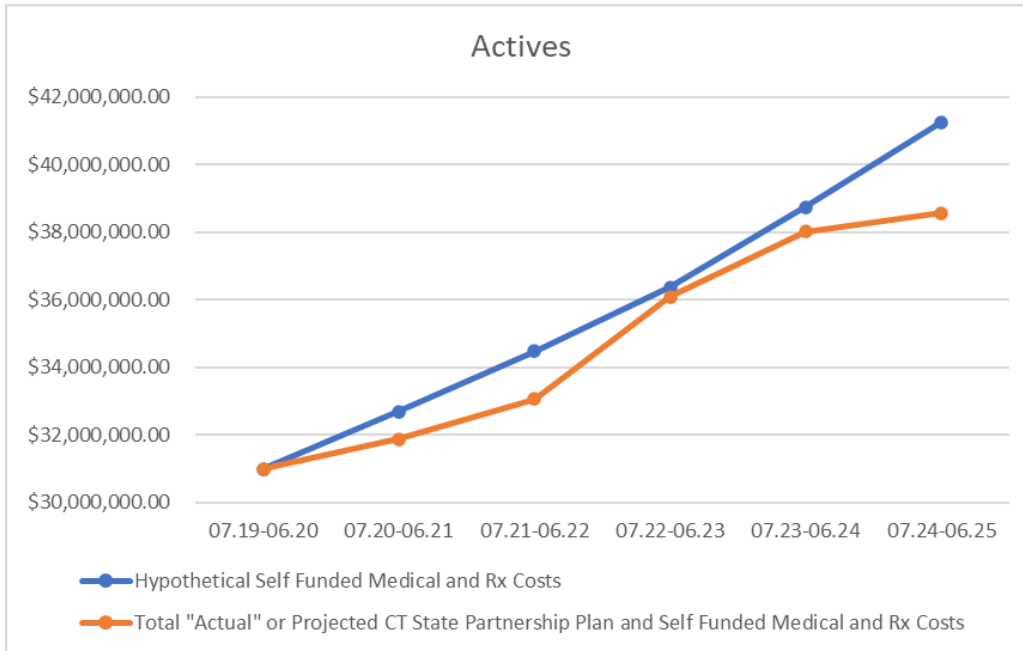
Hypothetical Self Funded and CT SPP Savings over 6 Years

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



- Over 6 years the estimated Self Funded Medical and Rx Costs were projected to be **\$329.2 million**.
- The strategy to move to the CT SPP resulted in a projected total savings of about **\$30.6 million**.
- Active Savings are projected at about **\$5.9 million**
- Retiree Savings are projected at about **\$24.6 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

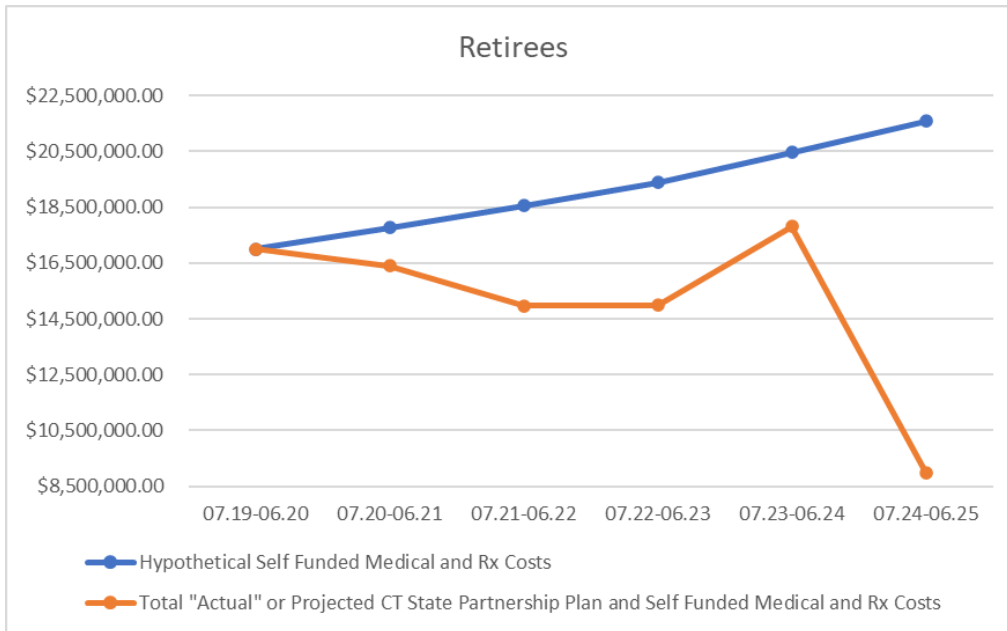


- **7/19**
 - no movement to SPP:
 - Projected Savings: **\$0**
- **1/21**
 - 473 actives moved:
 - Projected Savings : **\$803K**
- **7/21**
 - additional 384 actives moved:
 - Projected Savings: **\$1.4 million**
- **10/22**
 - Additional 121 actives moved
 - Projected Savings: **\$287K**
- **7/23**
 - No additional actives move
 - Projected Savings: **\$718K million**
- **7/24**
 - All additional 223 actives move
 - Projected Savings: **\$2.7 million**

Total Projected Active Savings over 6 Years:

- **\$ 5.9 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: **\$3.6 million**
 - **10/22**
 - Additional 26 retirees moved
 - Projected savings: **\$4.3 million**
 - **7/23**
 - No changes
 - Projected Savings: **\$2.6 million**
 - **7/24**
 - All additional retirees move
 - Projected Savings: **\$12.6 million**
- Total Projected Retiree Savings over 6 Years:
- **\$24.6 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 2025

		07.19-06.20	07.20-06.21	07.21-06.22	07.22-06.23	07.23-06.24	07.24-06.25	Totals
		Total Cost	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	\$ 38,739,161	\$ 41,257,206	\$ 214,507,948
	Retirees	\$ 16,994,874	\$ 17,759,643	\$ 18,558,827	\$ 19,393,974	\$ 20,460,643	\$ 21,585,978	\$ 114,753,939
	Total	\$ 47,972,149	\$ 50,440,669	\$ 53,037,309	\$ 55,768,773	\$ 59,199,803	\$ 62,843,184	\$ 329,261,887

Total "Actual" or Projected CT State Partnership Plan and Self Funded Medical and Rx Costs	Actives	\$ 30,977,276	\$ 31,877,862	\$ 33,063,446	\$ 36,087,180	\$ 38,020,948	\$ 38,557,350	\$ 208,584,062
	Retirees	\$ 16,994,874	\$ 16,388,031	\$ 14,966,957	\$ 14,994,652	\$ 17,799,765	\$ 8,982,763	\$ 90,127,041
	Total Medical	\$ 47,972,149	\$ 48,265,893	\$ 48,030,403	\$ 51,081,832	\$ 55,820,713	\$ 47,540,113	\$ 298,711,102

Difference Between Years of Cost			\$ 293,743	\$ (235,490)	\$ 3,051,429	\$ 4,738,881	\$ (8,280,600)	
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Variance between Hypothetical SI and "Actual" or Projected Medical and Rx Costs								
Actives	Variance	\$ -	\$ (803,164)	\$ (1,415,036)	\$ (287,618)	\$ (718,212)	\$ (2,699,856)	\$ (5,923,887)
Retirees	Variance	\$ -	\$ (1,371,612)	\$ (3,591,870)	\$ (4,399,322)	\$ (2,660,878)	\$ (12,603,216)	\$ (24,626,898)
Totals	Variance	\$ -	\$ (2,174,776)	\$ (5,006,906)	\$ (4,686,941)	\$ (3,379,090)	\$ (15,303,071)	\$ (30,550,785)

Caveats

1. Active Hypothetical Self Funded Medical and Rx Costs Trended is estimated at 6.5%.
2. Retiree Hypothetical Self Funded Medical and Rx Costs Trended is estimated at 5.5%.
3. CT State Partnership Plan Rate Increase are estimated as follows:
 - a. Actives and non-Medicare Retirees: +7.1%
 - b. Medicare Retirees: +4.2%
4. Enrollment for all years is based on census data given to Lockton by the City of Stamford
5. 07.20 - 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 included in the SPP enrollment as members were moved as of 10.22 to the Aetna Medicare SPP Program
8. Retirees included Pre 65, Post 65 Non-Medicare and Post 65 Medicare Retirees
9. Actives include Active Employees and Cobra

Union Migration Dates and Enrollments

Union Migration Dates to the CT State Partnership

Unions with Cigna, IPI and Aetna

	Dates Moved to the SPP			
	Anthem			UHC (now Aetna)
	Actives	Pre 65	Post 65 no Medicare	Post 65 Medicare
<i>Custodians</i>	7.1.21	7.1.21	7.1.21	7.1.21
<i>Assistant Corporate Council</i>	1.1.22	1.1.22	1.1.22	1.1.22
<i>Police *</i>	7.1.21			
<i>Fire</i>				
<i>Dental Hygienists</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>Nurses</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>UAW</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>IUOE Local Operators</i>	10.1.22	1.1.23	1.1.23	1.1.23
<i>IUOE WPCA</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>MAA</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>Non Union</i>	1.1.21	1.1.21	1.1.21	7.1.21
<i>Cobra*</i>				
<i>Smith House</i>	no actives	7.1.21	7.1.21	7.1.21

Caveat:

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

2023 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	Active	Cobra	Pre-65	Post 65 no Medicare	Post 65 Medicare	Total	Active/Cobra	Pre & Post 65	Total All
MAA	-			2	2	99	2	12	4	52	169	101	70	171
UAW	-	1			1	299	2	17		145	463	301	163	464
CUS	-			1	1	133		6	1	29	169	133	37	170
FIR	221	64	11	92	388						-	221	199	420
NUR	-		1		1	25		2		24	51	25	27	52
NON	-	1			1	-					-	-	1	1
UE Operations	-				-	118		8		8	134	118	16	134
UE TEA-12	-				-	22		5		27	54	22	32	54
LAW	-				-	5				3	8	5	3	8
DEN	-				-	3				4	7	3	4	7
POL	-	68	15	110	193	246		14		7	267	246	243	489
02-1199	-				-	-		2	1	17	20	-	20	20
Pay Plan	2				2	27	1				28	29	-	29
Total	223	134	27	205	589	977	5	66	6	316	1,370	1,204	815	2,019

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					-					-
CUS					-					-
FIR					-				32	32
NUR					-					-
NON					-					-
UE Operations					-					-
UE TEA-12					-					-
LAW					-					-
DEN					-					-
POL					-				29	29
02-1199					-					-
Pay Plan					-					-
Total	-	-	-	-	-	-	-	-	61	61

Caveat:
 1. Enrollments by Carrier and Union are based on the census given to Lockton by the City for the 2023 budget
 2. Enrollments are based on **Subscriber Only**.

2022 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**