

# Yellowstone County



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May 9, 2024

**TO:** Board of Yellowstone County Commissioners

**FROM:** Jennifer Jones, Finance Director  
Dwight Vigness, HR Director

**RE:** Health Insurance Rate Recommendation for FY25

This letter is to summarize our renewal discussions over the past few months. As you know, this has been a very difficult renewal process due to the unusual claims our plan has experienced over the last twelve months.

When determining future liability, Alliant (Health Consultants) took into consideration the last 24 months of data. However, the most recent rolling 12 months is weighted at 70% and the prior at 30%. Yellowstone County's experience from July 1, 2023, through March 31, 2024, produced a 100.7% loss ratio which resulted in a \$54,061 budget deficit. The rolling 12 months of experience is 100.4% or a \$45,144 deficit. Yellowstone County's large claims (\$50,000 and above) for the same period total \$4,590,926 and a main driver of the projected increase. Last year at this time, large claims totaled \$3,500,841.

Blue Cross and Blue Shield Third Party Administration fees are increasing 3%, based on the last year of a three-year contract. As a reminder, Alliant had negotiated a \$30,000 wellness credit for 2023 and 2024, thus the County will have access to the additional \$30,000 this year.

Through much discussion and relying on the expertise of Alliant, it is our recommendation that Yellowstone County Board of County Commissioners approve a 3% premium increase.

This is substantially lower than the rating calculation; however due to the conservative approach to Yellowstone County reserves and the fact that we have been able to

determine several large claimants are either no longer on the plan or their potential cost is lower than was expected, we are comfortable with the 3% increase.

Below is a summary of other benefit changes we are recommending with the fiscal year 2025 renewal.

- Increasing the Traditional Plan out of pocket maximum from \$2,000 individual to \$2,500 and \$6,000 family to \$6,500 effective January 1, 2025.
- Increasing the chiropractic benefit from \$30.00 per service to \$40.00 effective January 1, 2025.
- Cap insulin copayment to no more than \$35.00 effective July 1, 2024.
- Moving diabetic education from first dollar payment on both plans, due to HSA compatibility issues, to be applied to deductibles and copayments, effective January 1, 2025.

We will be meeting with the Health Insurance Advisory Committee to discuss the renewal on May 20, 2024.