

**Farwell Area Schools
Health Insurance
Cost Analysis**

80/20 vs. Hard Cap

Projections based on past trend lines

Insurance increase trend line over the last three years is an average 12.72% increase in premium per year.

State aid increase trend line is .53% increase over the last three years (includes ARRA funds)

A hard cap of \$13,000 full family, \$10,000 two person and \$5,000 single with an increase of .53% compared to an 80/20 premium split with a projected 12.72% increase results in the following cost to our district.

The district would be prepared to increase the hard cap at the same rate that state aid increases

The 80/20 concept insurance increase are out of our control, therefore program cuts would have to be made to offset increased insurance cost

Cost to the District if the 80/20 goes into effect compared to a Hard Cap

2011-2012	\$153,689
2012-2013	\$247,719
2013-2014	\$354,104
2014-2015	\$474,419

Program cuts affecting students would have to be made to offset these added cost.

Farwell Area Schools
Insurance costs

	<u>FF health & pak</u>	<u>\$\$ increase</u>	<u>% increase</u>
2011/12	1694.79	128.02	8.17%
2010/11	1566.77	311.08	24.77%
2009/10	1255.69	62.26	5.22%
2008/09	1193.43		

Average increase over last three years is 12.72%.

State Aid Foundation
2011/2012 (estimated)

	<u>Per Pupil \$\$</u>	<u>\$\$ increase</u>	<u>% increase</u>
2010/2011	6891	-425	-5.81%
2009/10	7316	154	2.15%
2008/09	7162	-154	-2.10%
2007/08	7316	112	1.55%

Average increase over last four years is - 1.05%.

Average increase without reset yr is .53%

80/20% split of premiums	<u>12.72% trend</u>	<u>80% of premium</u>	<u>80% as annual cost</u>	<u>If hard cap increased at .53% foundation trend</u>	<u>Difference</u>	<u>Difference based on 47 FF health Teachers</u>
2011/12	1,694.79	1,355.83	16,269.98	13,000.00	3,269.98	153,689.25
2012/13	1,910.37	1,528.29	18,339.53	13,068.90	5,270.63	247,719.42
2013/14	2,153.37	1,722.69	20,672.31	13,138.17	7,534.15	354,104.98
2014/15	2,427.27	1,941.82	23,301.83	13,207.80	10,094.03	474,419.62