

School District Health Care Costs

House DEED Subcommittee

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Division

Two Studies of School District Health Care Costs

- 2013: Hay Group Study
 - Commissioned by Senate Finance Committee
 - Received data from all school districts
 - Looked at costs in FY13
- 2017: PRM Consulting Group Study
 - Commissioned as part of SB 74 (Medicaid Reform)
 - Received data from 48 school districts
 - Looked at costs in FY16 and beyond
- No other recent comprehensive data

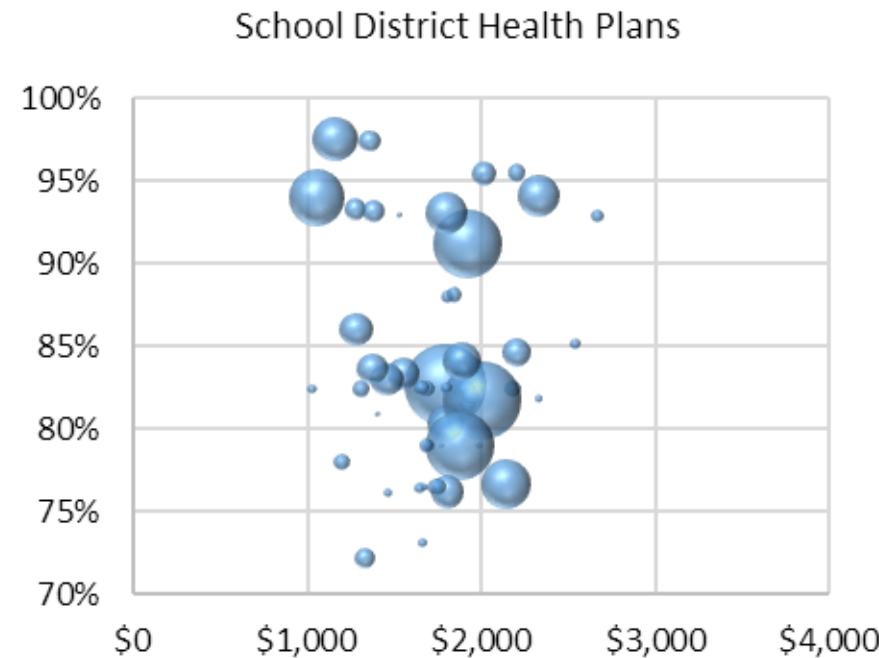
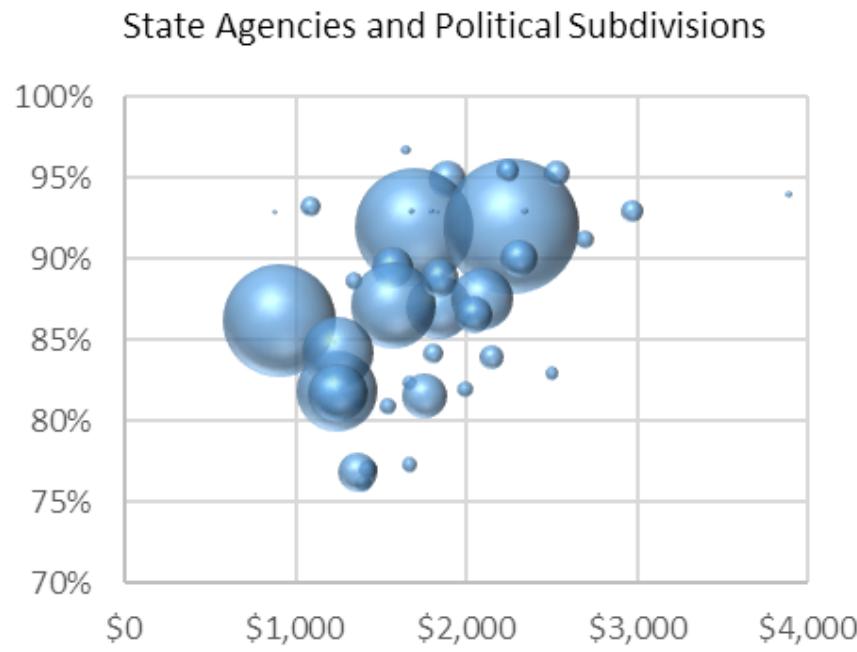
Changes from FY13 to FY18

	FY13 (Hay)	FY18 (PRM)	Change	% Change
Total Cost	\$264 million	\$353 million	+\$89 million	+34.7%
Covered Employees	15,768	15,700	-68	-0.4%
Cost per Employee	\$16,727	\$22,484	+\$5,757	+34.4%
% of School District Revenue	12.4%	17.1%		

- Average annual growth rate of 5.9%
- PRM projects 5% growth going forward
- FY18 cost per employee is \$3,824 (20.5%) higher than AlaskaCare

Costs Vary Greatly Between Districts

Actuarial value is a measure of the generosity of plan coverage. If all districts had comparable costs, there would be a strong correlation between generosity and cost (as on the left). For school districts, there is little correlation.



Graphic courtesy of PRM