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NPPD 2024 Employee Benefit Plan Proposal

Customer & Support Services Committee
& Board Meeting
October 2023

Brenda Sanne, Total Rewards Manager



Nebraska Public Power District

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NPPD Active/COBRA Health Plan Enrollments

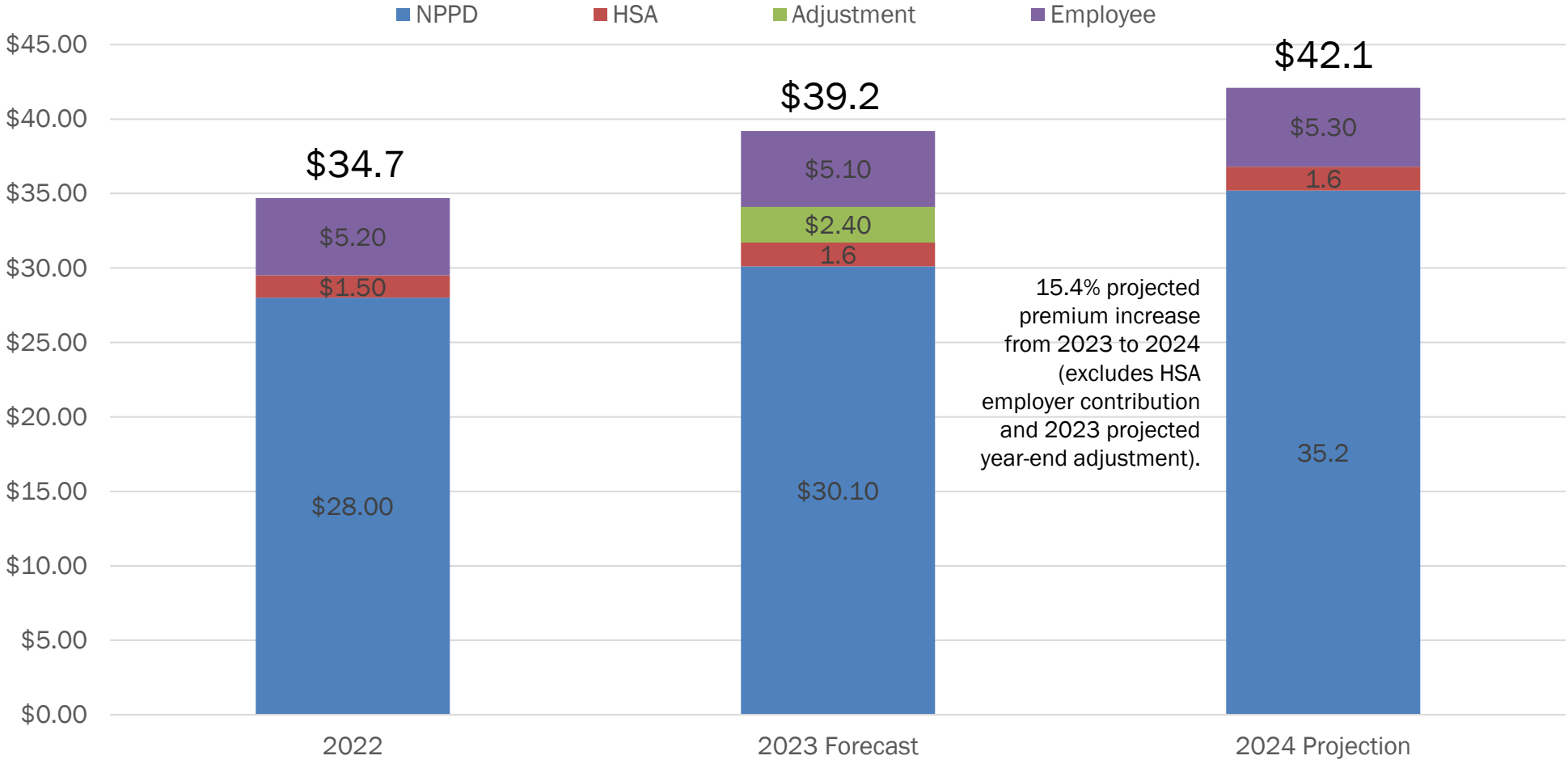
Plan Type	2023	2022	2021
Base Plan	128	142	171
Low HDHP	1,250	1,239	1,272
Lower HDHP	370	362	306
Total Active	1,748	1,743	1,749

Active Hospital/Medical Plans (2024 Forecast)

2024 Benefit Plan (Financial/Plan Design Impact):

- IRS Minimum Deductible Mandate impacting Low Premium High Deductible Health Plan
 - \$1,500 to \$1,600 on Employee Plan
 - \$3,000 to \$3,200 on Family Plan
- 15.4% forecasted cost increase for hospital/medical plans (claims / fixed cost fees)
 - 8.5% in 2024 Budget for Employer Cost (Approximately \$3.0 million)

NPPD Active Medical/RX Total Plan Funding



15.4% projected premium increase from 2023 to 2024 (excludes HSA employer contribution and 2023 projected year-end adjustment).

\$'s In millions

Note: Employer HSA contributions and annual adjustments are funded out of NPPD's General budget, not through premiums.

Utility Employer Cost Share Benchmarks

- Nebraska's Rural Public Power Districts Average Comparisons (33 Total Utilities)

- 96% Employee Only
- 94% Family

- APPA Utility Average Comparison (20+ reporting entities, including 10 entities reporting in LES survey)

- 95% (Employee Only)
- 86% (Family)

- NPPD 2023 Employer Cost Share

- 86% (based on waiver of employee premium in 2023)

Management Recommendation

Consider increasing NPPD's annual employer cost share from 85% to 90% by 2026 Plan Year.

“The pressure to attract and retain may lead employers to absorb a greater share of cost increases than they pass along to their employees.” *Source: Lockton Companies*

Active Hospital/Medical Plans

2024 Employee Premium Cost Share Scenarios

Proposed Increase	Employer Cost	Employee Cost	Employee Cost Share	Employer Cost Above 2024 Budget
15.4%	\$4,633,198	\$774,722	14.3%	\$1,650,571
10.0%	\$4,904,854	\$503,066	13.7%	\$1,922,227
5.0%	\$5,156,387	\$251,533	13.0%	\$2,173,760
0%	\$5,407,920	\$0	12.4%	\$2,425,293

2024 Proposed Monthly Employee Premiums

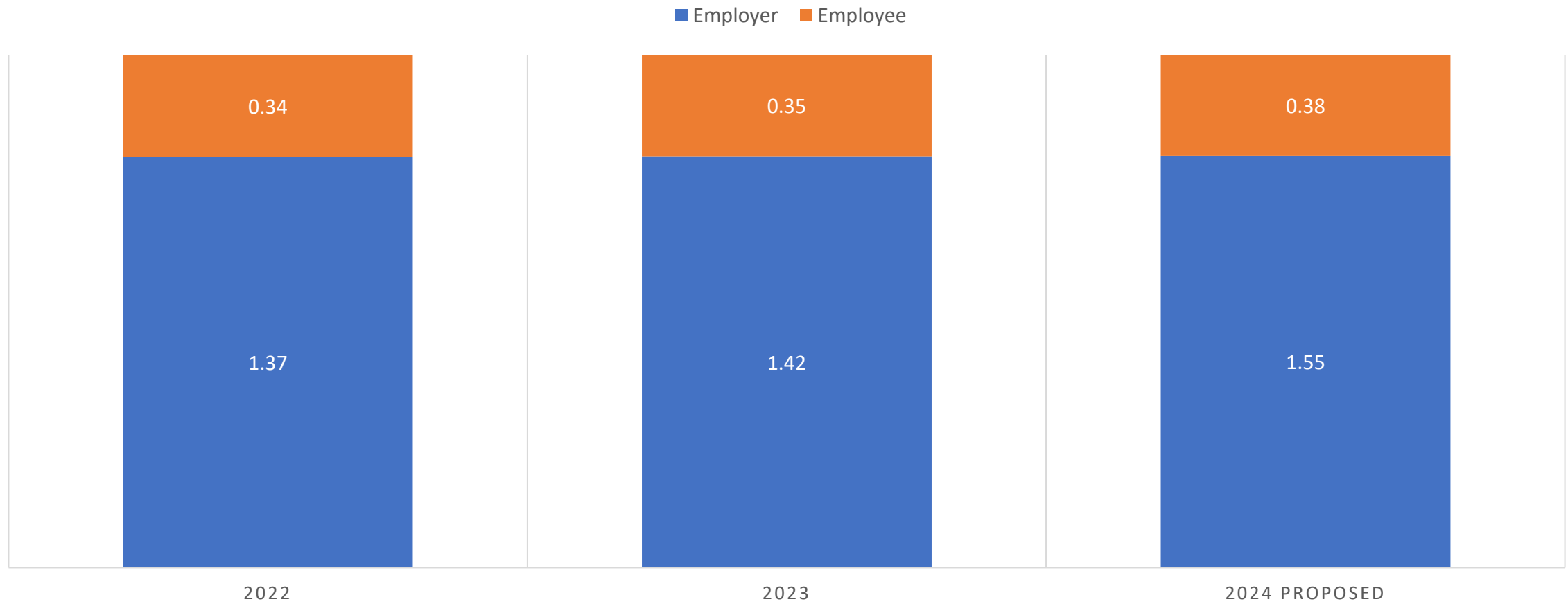
Base Plan			
5.0%	2024	2023	Monthly Impact
EE	\$215.92	\$205.64	\$10.28
EE + SP	\$454.64	\$433.02	\$21.62
EE + CH	\$406.48	\$387.14	\$19.34
Family	\$565.44	\$538.52	\$26.92

Low High Deductible Health Plan			
5.0%	2024	2023	Monthly Impact
EE	\$119.08	\$113.44	\$5.64
EE + SP	\$251.08	\$239.12	\$11.96
EE + CH	\$224.76	\$214.08	\$10.68
Family	\$310.92	\$296.10	\$14.82

Lower High Deductible Health Plan			
5.0%	2024	2023	Monthly Impact
EE	\$83.88	\$79.90	\$3.98
EE + SP	\$176.96	\$168.52	\$8.44
EE + CH	\$158.60	\$151.06	\$7.54
Family	\$218.56	\$208.16	\$10.40

2024 Dental Plan Funding

DENTAL EMPLOYEE/EMPLOYER PREMIUMS (IN MILLIONS)



5.0% increase projected for 2024: 80/20% split

2024 Dental Employee Premium Changes

Monthly Rates	2024	2023
EE	\$7.68	\$7.34
EE + SP	\$16.08	\$15.32
EE + CH	\$13.76	\$13.10
Family	\$22.40	\$21.36

Virta Performance Guarantees and Pricing

Reversal of Type 2 Diabetes



HbA1c Target
1.0 Reduction



Weight Target
5% Weight Loss



Diabetes Med Target
40% Cost Reduction

Performance guarantees based on engaged patient population

Pricing	Year 1 PPPM	Year 2 PPPM
Monthly	\$212	\$165
Est. Savings (Net of fees)	\$86,013*	\$173,706*

*Only paid, if participating members;
Estimated cost assumes 20% member engagement

- Paid via claims
- No charge for setup or marketing
- Per Member Per Month rate based on patient journey

2024-2026 Optum Product Fees

Overall Administrative Fee Decreases:

- Health Savings Account
 - \$3.50/month per account to \$0
- Flexible Spending Account
 - \$3.25/month per account to \$2.50
- Retiree Health Reimbursement Account
 - \$4.00/month per account to \$2.50

Total Estimated Cost Savings: \$28k/year

Action Items

Approve following 2024 Self-Funded Plan Changes:

- Increase employer cost share in hospital/medical plan funding
 - Achieve 90% employer / 10% employee cost share by 2026 Plan Year
- Increase overall hospital/medical plan funding by 15.4%
 - Employee share of increase: 5.0%
- Increase overall dental plan funding by 5.6%
 - Employee share of increase: 5.0%
- Increase employee deductibles in NPPD's Low Premium High Deductible Health Plan (as noted on Slide 3)
 - Required change to meet mandated 2024 minimum IRS deductible limits



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Questions

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