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ROCHESTER AREA SCHOOL HEALTH PLAN II

September 9, 2025

NYSUT 2:30pm-4:17pm

The following were present:

Brockport	Darrin Winkley
Churchville-Chili	Matt DeAmaral
Gates Chili	Michaela Perrotto
Greece	Romeo Colilli
Hilton	Adam Geist
Spencerport	Jamie Lissow
Wheatland-Chili	Jessica Jackson
Monroe #2 BOCES	Steve Roland

Brighton	Lou Alaimo
East Irondequoit	John Abbott
East Rochester	Staci SanSoucie
Fairport	Absent
Honeoye Falls-Lima	Colin Pierce
Penfield	Dan Drifill
Pittsford	Terrence Hasseler
Rush-Henrietta	Absent
Webster	Brian Freeman
West Irondequoit	Absent
Monroe #1 BOCES	Matt Stevens

Union Rep	Heidi Miller (NYSUT)
	Charlotte Kimberly-Haag (Brighton)
	Brian Usselman (Rush-Henrietta)
	Bill Gregory (SANNYS)
	Kevin Thornton (Greece – Alternate)

Gallagher Charles McLaughlin, Jake Wesley, Sharon Brognia, Don Gallagher

Superintendents	Jim Haugh (East Rochester UFSD)
	Chris Dailey (Gates-Chili CSD)

Others Present	Robert Magin (Monroe #1 BOCES)
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John Abbott called the meeting to order at 2:33 PM.

I. Action Items

A. Minutes – August 7, 2025 – Matt DeAmaral, Churchville-Chili CSD moved, Brian Freeman, Webster CSD, seconded that the minutes of August 7, 2025, be approved.

Vote: All in favor

B. Gallagher Management Report – Jake Wesley presented the Gallagher Management Report for the period ending June 30, 2025.

- Page 2, Actual Performance vs. Voted Rates: The data reflects actual performance for Q1 and Q2; with projections for Q3 & Q4. Total estimated expenses are 0.7% below approved budget, while total estimated revenues are 0.1% above approved budget. The average counts of total health plans (14,475) are down from what was budgeted (14,500). The number of HDHP health plans (2,607) is 18.5% higher than what was anticipated (2,200).
- Page 3, The 2025 Assumed Monthly Claims Pattern % of Average: Graph showing the minimum and maximum claims by quarter, compared to the 2024 & 2025 assumptions. Q3 tends to be the highest quarter.
- Page 4, Source of Cumulative Income Less Expenses 2025 Per Contract Per Month: Enrollment migration shows the largest loss of \$18.81 PCPM (this includes the migration to HDHP); Claims, Rx Performance Guarantee, and Interest are the largest drivers for gains. Overall, we have a 0.8% budget surplus.
- Page 5, Data Reporting through June 30, 2025: claims comparison by type of service for both the prior plan year PCPM and the current plan year PCPM. Inpatient claims saw a \$7.6M decrease or -25.4%. Pharmacy saw the largest increase at 7.9M or 16.3%. Overall, there was a 2.9% increase. When this is broken down on a per contract per month basis through Q2 there was a 3.2% increase.
- Page 6, High Cost Claimant Costs by Member (top 10): The top 10 High Cost Claimants account for 5.3M in claims. Chart shows the number of high-cost claimants (over \$250k), the total cost, and the breakdown of medical and Rx costs since 2020. It appears that 2024 was more of an outlier. Total costs in 2025 are down by 40% compared to 2024. Medical costs in 2025 are down by 43% compared to 2024, while Rx costs in 2025 are up by 100% compared to 2024.
- Page 7, Expense Tracking 2025 Actual Through 6/30/2025: The 2025 actual expenses are \$2.7M less than budget or -0.7%. The budget and actual line graph for expenses are almost identical.
- Page 8, Income Tracking 2025 Actual Through 6/30/2025: The 2025 actual income is \$276k greater than budget or 0.1%. The budget and actual line graph for income are almost identical.

Dan Drifill, Penfield CSD, moved, Staci SanSoucie, East Rochester UFSD, seconded that the Gallagher Management Report, be approved.

Vote: All in favor

C. 2026 First Pass Renewal – presented by Jake Wesley and Bob Jordan. .

- Page 2, Historic Premium Shortfall Adjusted to Reflect Migration Impact Only: A chart showing the migration impact and assumptions from 2013 through the first 6 months of 2025.
- Page 3, Historic Prescription Drug Rebates 2026 Rate Setting Self-Funded: chart showing which quarter and year the rebates were based on and the quarter and year the rebates were recognized, including the amount. The incurred Q1 2025 Rx Rebates were \$6,269,100 and were based on incurred Q1 2025 Rx Claims totaling \$27,933,489 or 22.4%. The Projected 2026 Rx Claims total \$125,797,827 and if we apply the same 22.4% the projected Rx rebates would be \$28,232,747 for 2026.
- Page 4, Medical Renewal Key Differences Excellus vs. Gallagher 2026 Rate Setting Self-Funded: Excellus is using a trend of 9.1% for medical and 12.9% for Rx compared to Gallagher using a trend of 8.0% for medical and 11.5% for Rx. Excellus uses a claims base incurred from June 2024 through May 2025 compared to Gallagher using a weighted claims base of 40% (August 2023 through July 2024) and 60% (August 2024 through July 2025). Gallaghers weighted method helps smooth out the projections. Other factors include Rx rebates which Gallagher is projecting at \$28.2M (see page 3) and Excellus is projecting \$26.3M. Gallagher has built in a 2.1% load for contingencies while Excellus is using a 1.4% load. The migration impact that Gallagher is using is 1.7% compared to Excellus at 1.6%.
- Page 5, Medical/Rx Projection GBS Self Insured Scenario Gallagher Actuarial Analysis: chart detailing the Gallagher projection based on the factors outlined on pages 2-4. Highlights include the medical trend of 8% and the Rx trend of 11.5%; claim fluctuation margin of 2%, which represents cushion; claims adjustment, which is adjusted for historical claims based on migration; and loss of premium off-set which totals \$6.1M (migration adjustment).
- Page 6, The 2026 Rate Setting Self-Funded: compares the initial budget for 2026 per Excellus and per Gallagher's Actuary Estimate. Used a round table format so that each person could weigh in on their thoughts on what they would like the overall rate increase to be and how to get there. The consensus was that the rate should be under 10%. We did not have a consensus on how to get there (either by adjusting expenses and/or revenues).

Lou Alaimo, Brighton CSD, moved, Darrin Winkley, Brockport CSD, seconded that the 2026 rate increase be 9.9% and that we can amend the budget at a future date to close the gap, be approved.

Vote: 16 voted yes; 3 voted no (Honeoye-Falls Lima CSD, Penfield CSD, Webster CSD)

D. Terminate Extended Option – Gallagher shared a document that outlined the reasons to terminate the plan and the current enrollment by district. The reasons include administrative complexity of the plan, benefit difference between Extended and Select are negligible, and maintaining a design for so few members results in anomalies when comparing claim experience and premium rates within the plan. There are only 27 plans in 10 districts. Excellus needs 30 days' notice to discontinue a healthcare plan option. Each individual district that currently has a member enrolled in the extended plan will need to review their collective bargaining agreement to determine the best way to handle it. Communication will come from the district and not Excellus. There will be no impact on rates.

Adam Geist, Hilton CSD, moved, Jessica Jackson, Wheatland-Chili CSD, seconded that the RASHP2 plan terminate the Extended option as of January 1, 2026, be approved.

Vote: All in favor

E. Continue Rx Concierge – The Rx Concierge program focuses on clinical interventions with providers. These interventions are to encourage changes to lower cost, clinically appropriate medications. The RASHP2 plan has saved between \$19,300 (2024) and \$727,000 (2023) annually. The cost for us to participate in this program is \$1.50 PMPM and will be reduced to \$1.00 PMPM. Excellus would not guarantee savings but with the reduced cost it is unlikely that we will experience a loss. We can revisit this on an annual basis.

Dan Drifill, Penfield CSD, moved, Lou Alaimo, Brighton CSD, seconded that the RASHP2 plan continue with the Rx Concierge program, be approved.

Vote: All in favor

F. Wellness Committee Recommendations

- Thrivewell – cost is \$1.50 PMPM plus rewards and will be offered for HDHP plan only. Members have been asking for this benefit. It is the right thing to do for preventative measures and could help reduce medical and Rx costs in the future. This could also help with recruitment. It is not expected to cost too much, especially in the first year.
- Bright Beginnings – cost is \$600 per participant. On average there are 300 pregnancies per year. Return on investment is a cost saver.
- Vori Health – cost is \$100 per participant per year (virtual physical therapy). \$200 for the first visit, \$50 for visits 2-17, no cost for more than 17 visits.
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Brian Freeman, Webster CSD, moved, Matt Stevens, Monroe #1 BOCES, seconded that all three recommendations from the Wellness Committee, be approved.

Vote: All in favor

II. Updates

- A. Committees – making good progress. You can still sign up if you are interested in either the Wellness Committee or the Operations Committee. Here are the current volunteers for each committee:

- Wellness Committee Co-Chairs: James Brennan & Jamie Lissow
Wellness Committee members: Terry Hasseler, Jessica Jackson, Colin Pierce, Patricia Caldwell (Churchville-Chili)*, Cassandra Coffey (Honeoye Falls-Lima)*, Jerilee Gulino (Brockport)*, Courtney Panek (Churchville-Chili)*, Clara Scardino (Gates Chili)*
Wellness Committee Ex-officio members: John Abbott, Lou Alaimo, Adam Geist, Steve Roland, Sharon Brognia

*Members of the Wellness Committee who are not board members

- Operations Committee Co-Chairs: Dan Drifill & Michaela Perrotto
Operations Committee members: Darrin Winkley, Matt DeAmaral, Staci SanSoucie, Matt Stevens

Operations Committee Ex-officio members: John Abbott, Lou Alaimo, Adam Geist, Steve Roland, Don Gallagher

B. Rx Market-Check Update – should have the results in Mid-October and will share at the next meeting.

Adjournment

Motion to adjourn at 4:17PM moved by Matt DeAmaral, Churchville-Chili CSD, seconded by Darrin Winkley, Brockport CSD.

Vote: All in favor

Respectfully Submitted,

Adam Geist