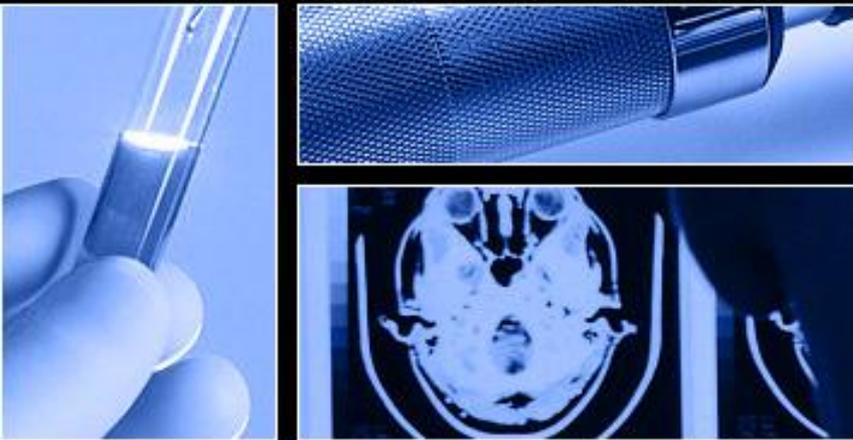


Collin County 2012 Benefits Presentation

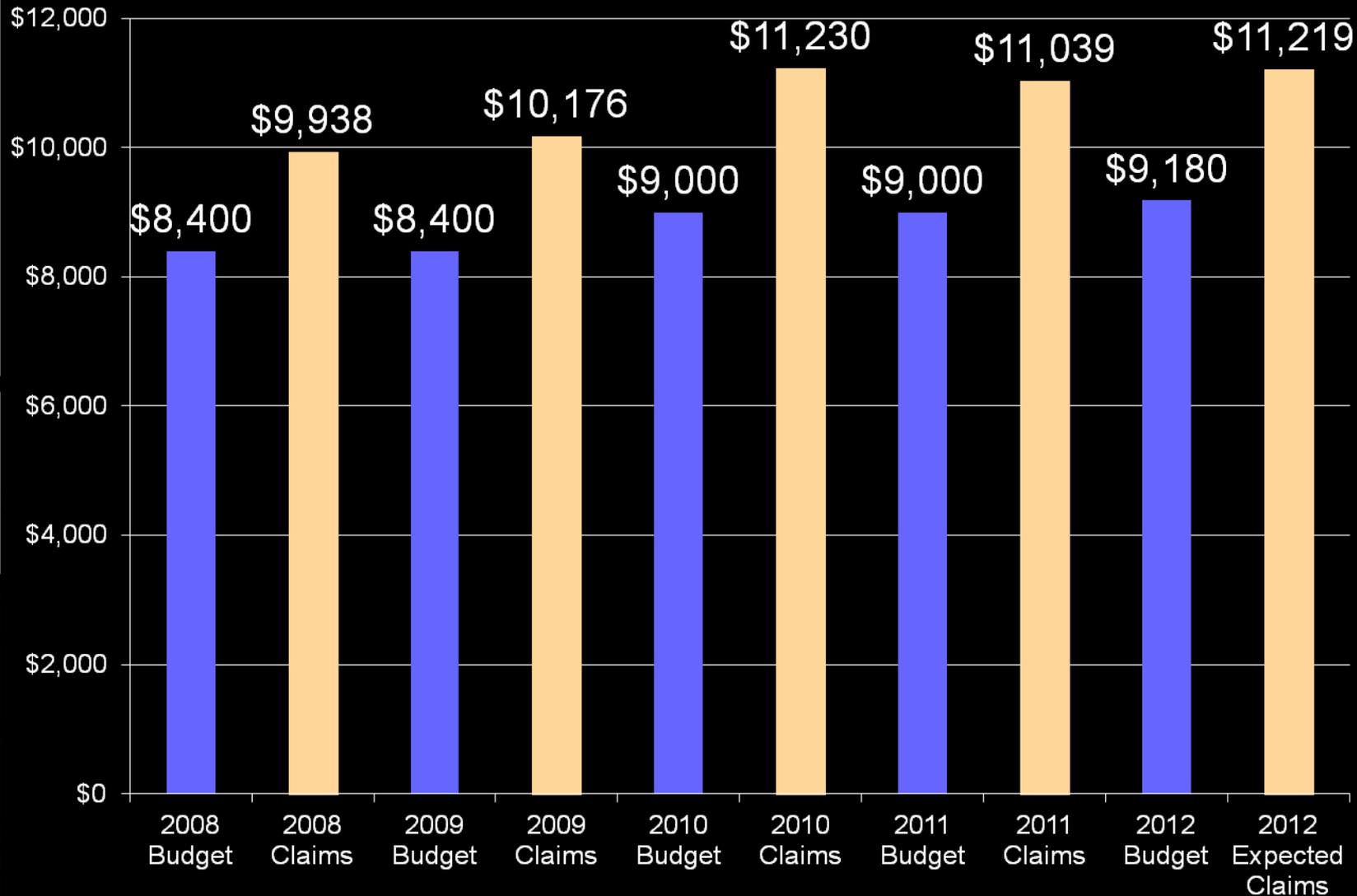


August 6, 2012
Commissioners' Court

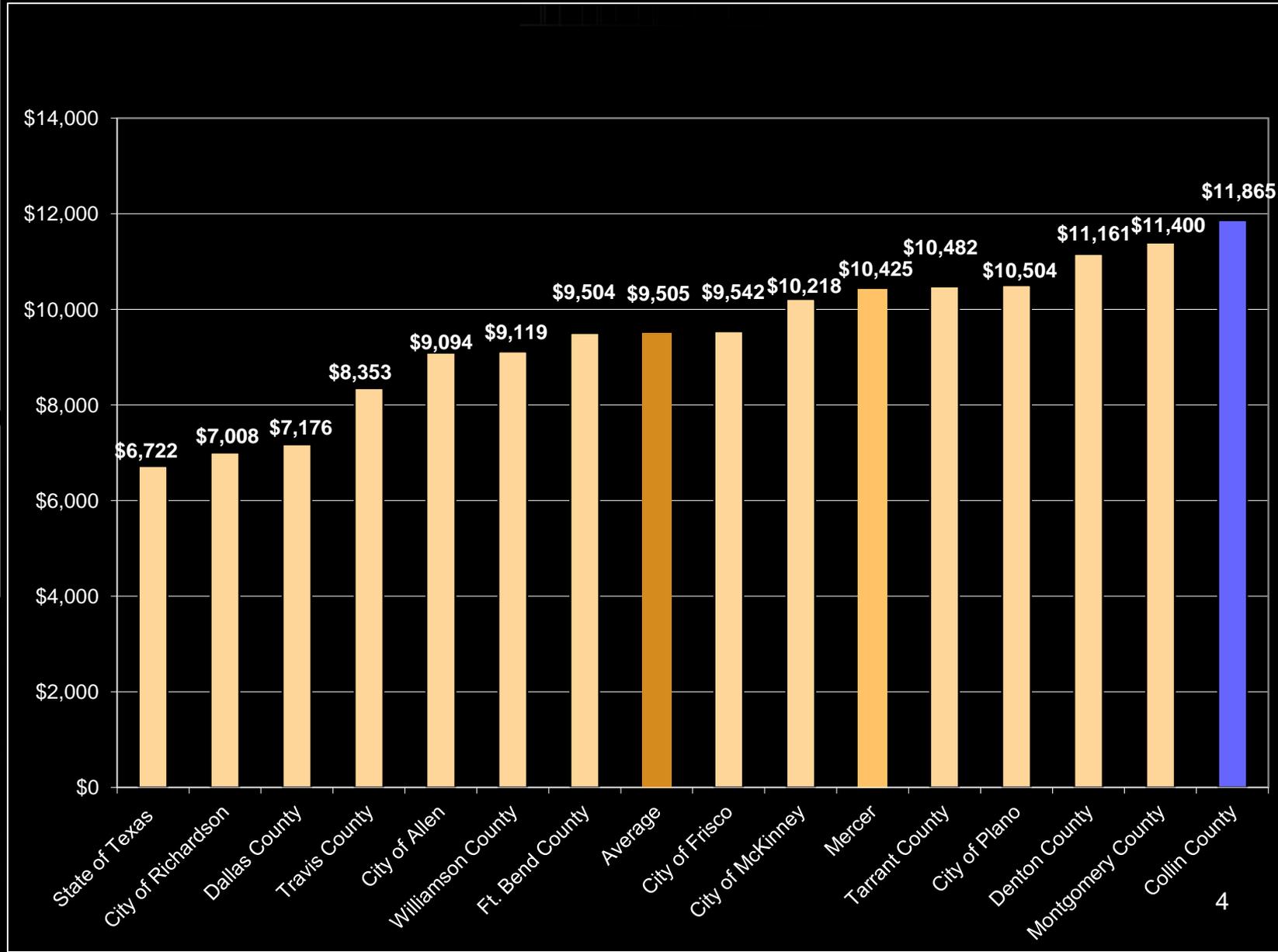
Fiscal Year 2011 Benefit Costs

Medical and Prescription	Costs
Total Claims Cost	\$16,366,611
Employees Pay	\$ 2,568,879 (16%)
County Pays	\$13,797,732 (84%)

Fiscal Year Budget vs. Claims Per Employee



Estimated 2012 Average County Premium Cost Per Employee Premium Plan

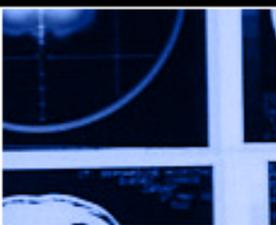


Claims Information

- 99.7% of our members utilize their medical benefits.
- Total insured participation for 2011 averaged 3,171. For every insured employee we also cover an average of 1.21 dependents.
- High cost claims are claims over \$50,000. Almost 36% of our net paid per member cost was due to high cost claimants. The number of high cost claims decreased from 38%.
- 43 claims were over \$50,000 in 2011. 23 claims were between \$50,000 and \$100,000 (a decrease of 6 claims). 20 claims were over \$100,000 (an increase of 6 claims).
- There was a 9% decrease last year in the cost of high cost claims. High cost claims are 58% higher than comparable public sector entities and 67% higher than the average of UHC's book of business.
- In 2011 there was a 24% decline in the average paid per inpatient hospital day. While there was an increase in the number of admissions by 25% the decline in the average length of stay as well as better utilization of in-network facilities resulted in a decrease in the average paid per admission.

Large Loss Claims Top Categories

<u>Condition</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Circulatory			
hardening of the arteries	2	3	6
valve disorder	3	1	3
other circulatory	4	5	3
	9	9	12
Cancer			
breast	4	3	3
ovarian/uterine/cervical	1	2	2
lymphoma	0	2	2
other cancer	5	2	6
	10	9	13
Musculoskeletal			
disc disorder	5	9	5
arthritis	6	5	3
other	1	1	1
	12	15	9
Digestive			
pancreatitis	0	0	2
other	1	0	1
	1	0	3
Injury/Poisoning			
implant complications	0	5	3
fracture	1	1	2
other	2	0	0
	3	6	5
Respiratory			
pneumonia	1	0	0
failure	1	0	0
other	0	2	0
	2	2	0



Top Diagnosis Categories by Cost

Diagnosis	Claimants	Dollars	Cost/Claimant
Musculoskeletal	950 ↓	\$2,130,912 ↓	\$2,243 ↓
Circulatory	693 ↓	\$2,016,756 ↑	\$2,910 ↑
Injury/Poisoning	650 ↑	\$1,522,080 ↑	\$2,342 ↓
Cancer	353 ↓	\$1,407,924 ↑	\$3,988 ↑
Respiratory	1,436 ↓	\$ 968,043 ↓	\$ 674 ↓
Digestive	484 ↓	\$ 900,691 ↓	\$1,861 ↓

Top Diagnosis Categories

- Musculoskeletal
 - Claims continue to improve.
 - Costs decreased by 23%.
 - 18% higher than our peer group, down from 39% last year.
 - 45% are high cost claims compared to 53% from last year.
- Circulatory system
 - Claims decreased by 5% and are now almost equivalent to our peer group.
 - 58.3% of circulatory claims are high cost claims.
 - Costs increased by 31%
 - Hardening of the arteries claims decreased by 19%.
 - Hardening of the arteries claims are 68% higher than our peers.
 - Congestive heart failure claims are 23% higher than our peers.
- Injury and poisoning
 - Claims increased by 20%, and 38% are high cost claims.
 - 17% of injuries were treated at the emergency room and 11% of the injuries are due to surgical complications.
- Cancer
 - 64% are high cost claims
 - Costs increased by 38%.
- Respiratory
 - 34% are high cost claims.
 - Costs decreased by 24%.
- Digestive system
 - Costs decreased by 11%.
 - Costs are 26% higher than our peers.

Pharmacy

- Costs are \$3,204,739 which is 40% higher than our peers.
- County contribution is \$2,511,051
- Employee's contribution is \$693,688 (22% of the total cost).
- Net paid per member increased 19% over last year.
- Top 15 brands cost \$1,114,686 which is 35% of our costs.
- 12% (\$384,569) of costs were spent on specialty medications.

Top 15 Prescriptions

Name of Prescription	Used to Treat	Tier	Number of Members Using Prescriptions	Number of Prescriptions	Annual Cost of Prescription	Cost per Prescription
Enbrel	Arthritis	2	8	54	\$164,235	\$3,041
Acthar	Autoimmune	3	1	2	\$108,004	\$54,002
Lipitor	Cholesterol	3	134	595	\$99,930	\$168
Cymbalta**	Depression	3	65	359	\$87,388	\$243
Crestor	Cholesterol	2	108	533	\$87,022	\$163
Tasigna	Leukemia	2	1	10	\$74,625	\$7,463
Singulair*	Asthma	2	116	457	\$73,898	\$162
Plavix*	Arteriosclerosis	2	48	286	\$67,689	\$237
Actos*	Diabetes	2	40	202	\$66,830	\$331
Rebif	Multiple Sclerosis	2	2	13	\$62,830	\$4,833
Incevik	Hepatitis C	2	1	3	\$50,627	\$16,876
Xyrem	Narcolepsy	2	1	13	\$48,645	\$3,742
Advair	Asthma	3	45	150	\$43,140	\$288
Lantas	Diabetes	2 Vial 3 Pin	26	121	\$41,564	\$344
Novolog	Diabetes	3	19	100	\$38,259	\$383
Total			615	2,898	\$1,114,686	\$385 (Avg)

*Patents expire in 2012

**Patents expire in 2013

Emergency Room

- Members utilized the emergency room 753 times last year.
- 178 (24%) of those visits could have been treated at an urgent care facility for less cost.
- Total cost of all visits \$801,312.
- Paid \$119,450 in expenses that could have been handled through less expensive acute care facilities.
- Number of visits are 42% higher than our peer group.

Lower Level Acute Claims Treated at Emergency Room

Emergency Room Visit	# of Claims	Cost of Visits
Strains & sprains	60	\$38,880
Superficial injury/contusion	48	\$39,072
Skin and tissue infection	14	\$18,144
Acute bronchitis	14	\$10,528
Urinary	25	\$8,950
Skin disorders	17	\$3,876
Total	178	\$119,450

Claims Summary

- High cost claims continue to be a cost driver.
- Net medical paid for high cost claims declined by 6%.
- Behavioral health
 - #3 claim for low to moderate risk members.
 - Claims are 24% higher than our peer group.
 - Cost is \$1,015,951 .
 - Members with a depression diagnosis average claims costs 2.2 times that of those without depression.
 - 1,223 of our members have a diagnosis of depression.
 - 84% of those with depression that are taking prescriptions are not receiving mental health treatment.
- Cancer
 - Cancer costs increased 65% over last year.
 - Breast cancer claims increased 10% over last year.
 - Cervical cancer claims increased 48% over last year.

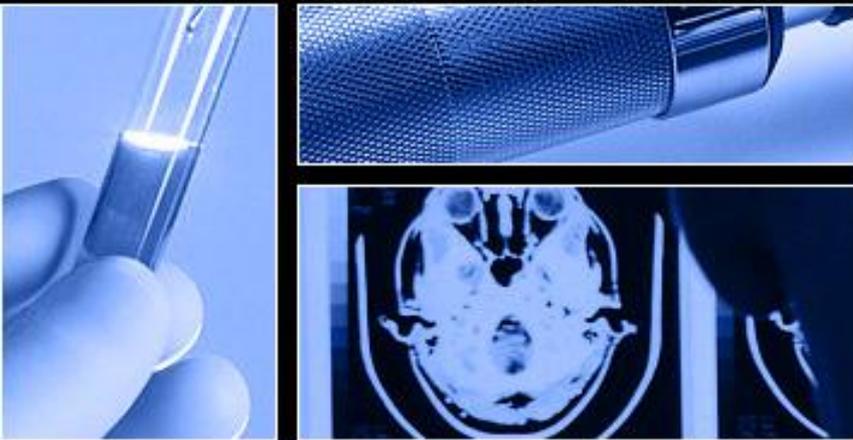
- 53.3% of our subscribers have chronic medical conditions and account for 74.4% of our total medical spend.
The typical public sector entity has 41% of their insureds with chronic medical conditions accounting for 63% of their total spend.
Our demographic factors are statistically similar to our comparables.

Major Cost Drivers

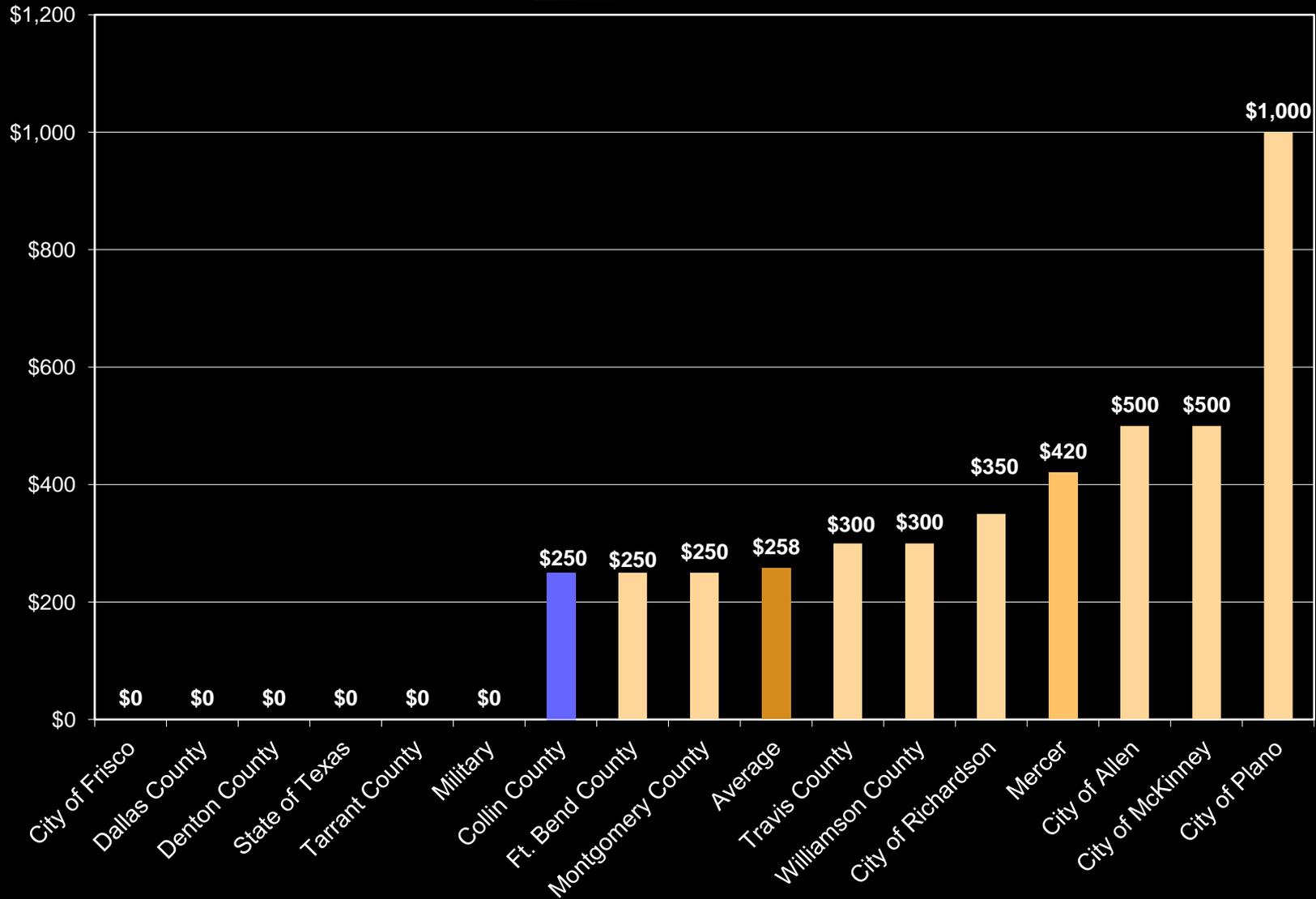
Diabetes:

- 9% of our insured population is diabetic.
- Average claims costs for diabetics are \$7,359 more per year than for non-diabetics on our plan.
- 21% of our current insurance spend is related to diabetes.
- There was a 17% increase in diabetes costs. The increase is due in part to members getting the care they needed, medications are being utilized and many of those that weren't in compliance with treatment started to become compliant.
- Implemented a no cost program for diabetes supplies and medications for all diabetic employees receiving treatment.
 - 79% of our diabetic employees use the prescription benefit, this is an increase of 20%.
 - Twice a year glucose monitoring improved from 55% to 69%.
 - Annual LDL checks improved from 80% to 92%.
 - 11% (\$344,142) of our total pharmacy expenses is related to prescriptions and supplies for diabetics

Medical Plan Benefit Comparisons

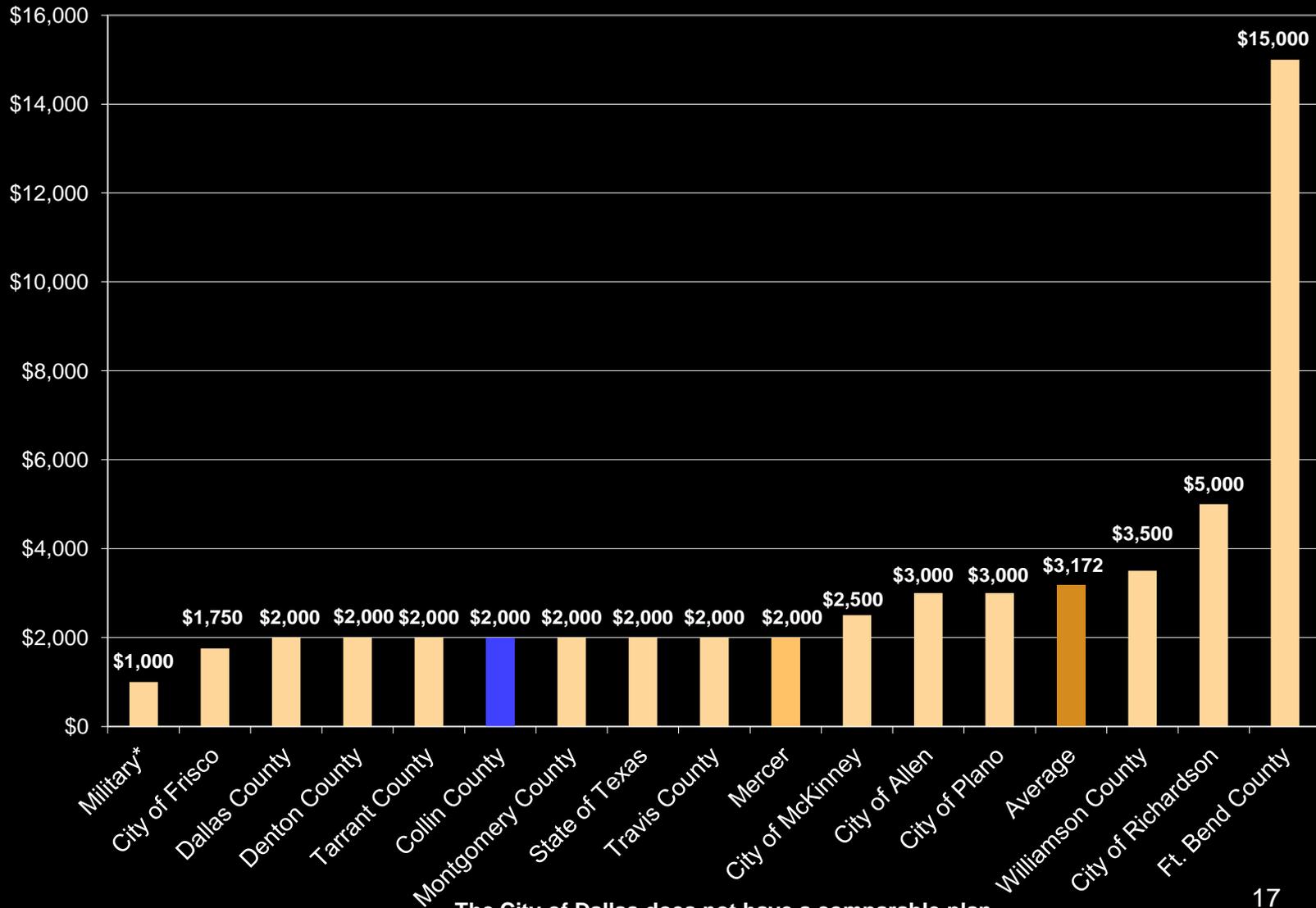


Premium Medical Plan Deductibles



The City of Dallas does not have a comparable plan.

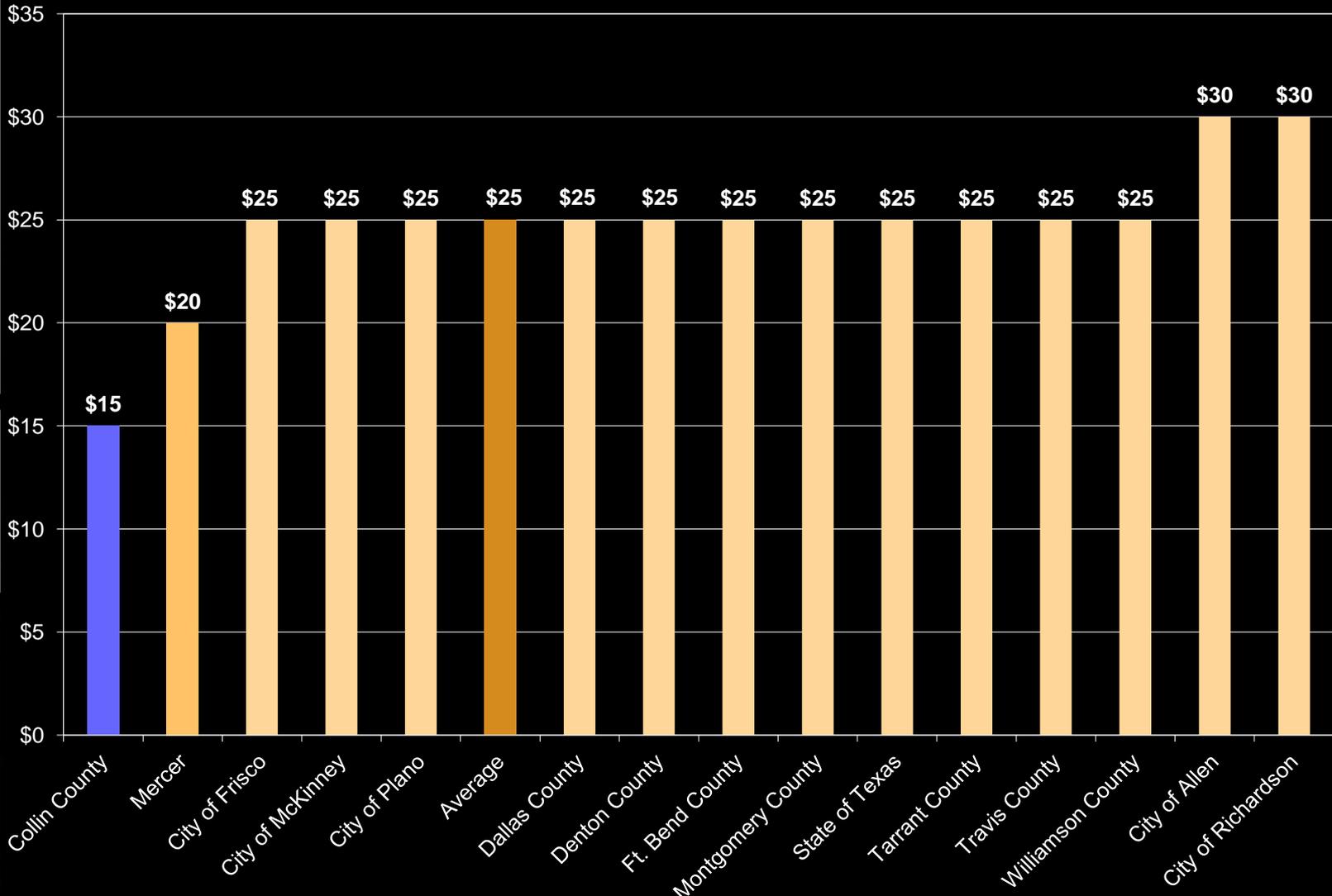
Premium Medical Plan Out of Pocket Expenses – In Network



The City of Dallas does not have a comparable plan.

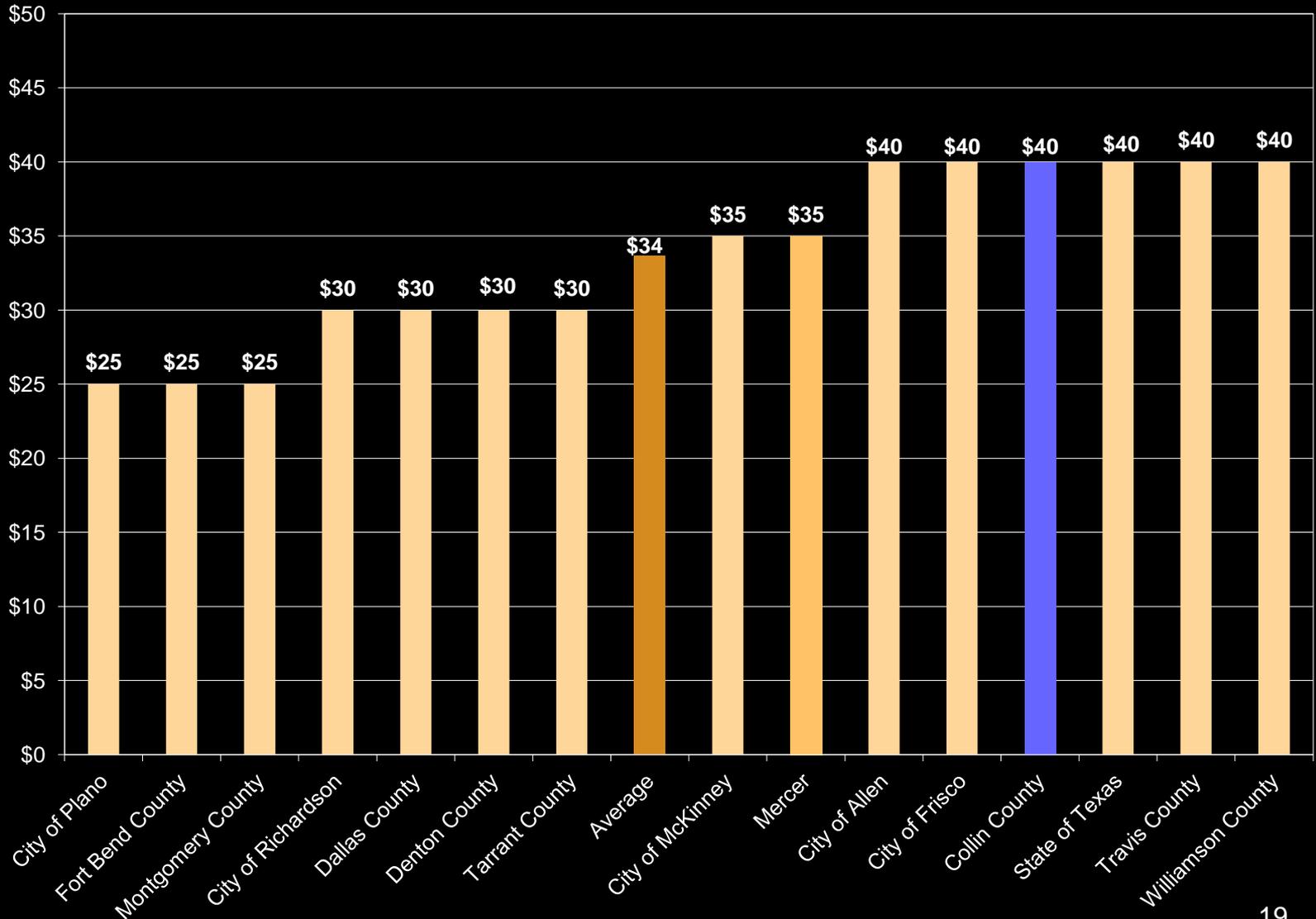
*The military out-of-pocket maximum is a per family amount.

Premium Medical Plan Physician Co-Pay



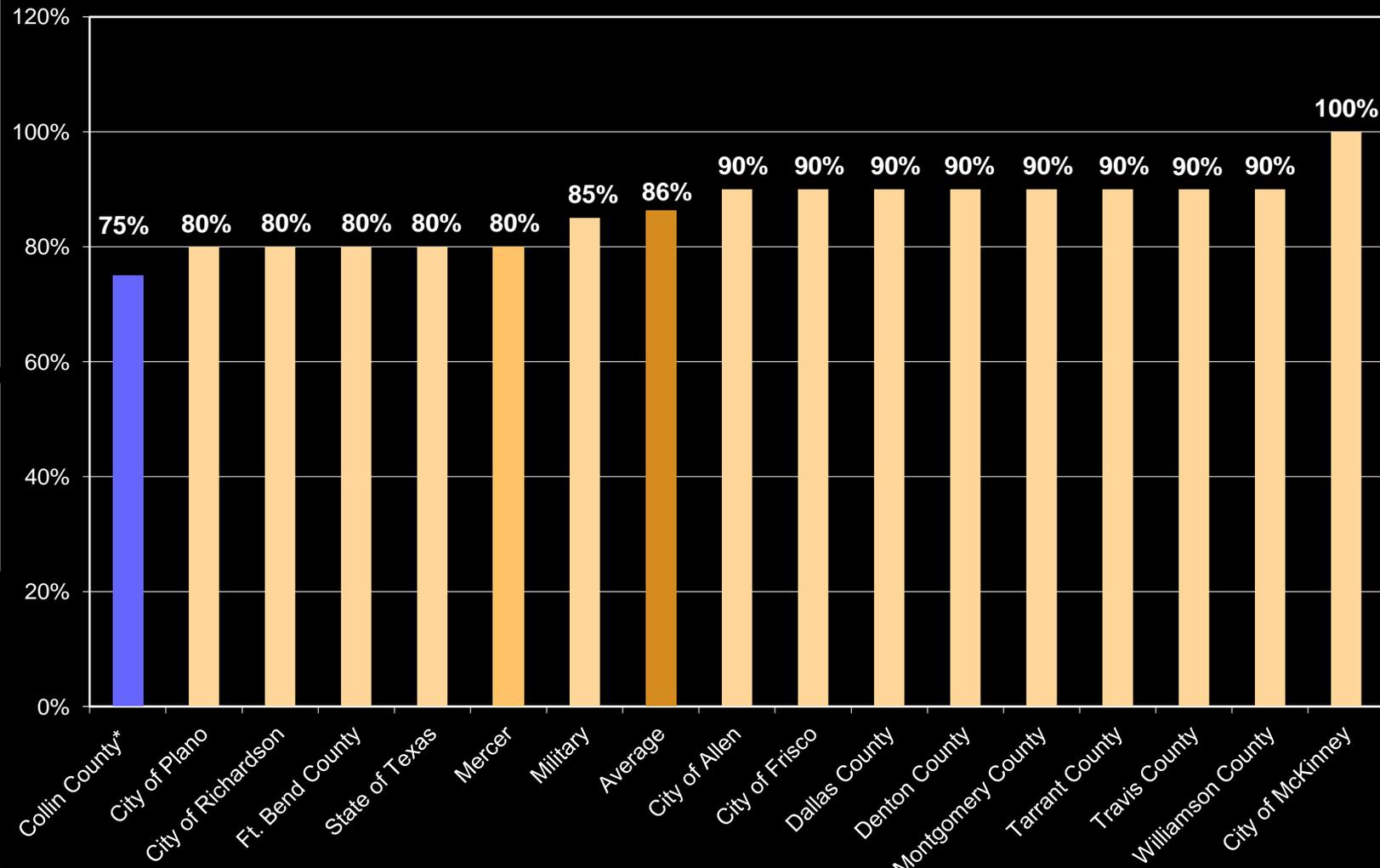
Military coverage for physician visits are percentage based.
The City of Dallas does not have a comparable plan.

Premium Medical Plan Specialist Co-Pay



The City of Dallas does not have a comparable plan

Premium Medical Plan Co-Insurance % Paid – In Network

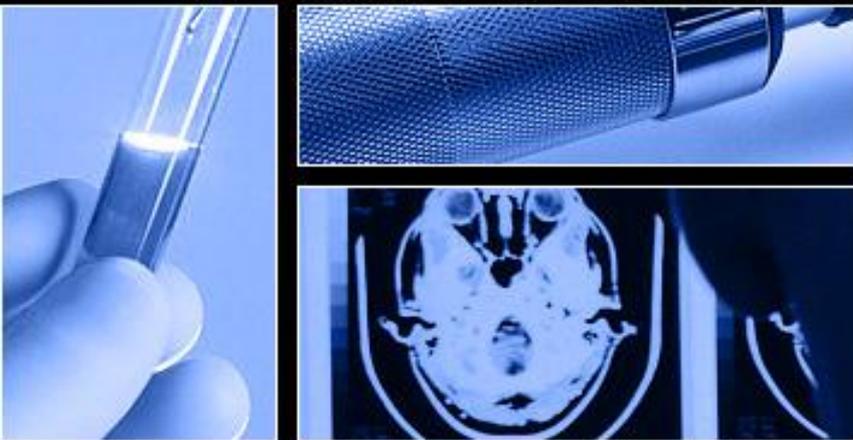


*Collin County pays 100% for in-network hospital stays after a \$250 deductible & a \$100 per day/\$500 max co-pay.
City of Dallas does not have a comparable plan.

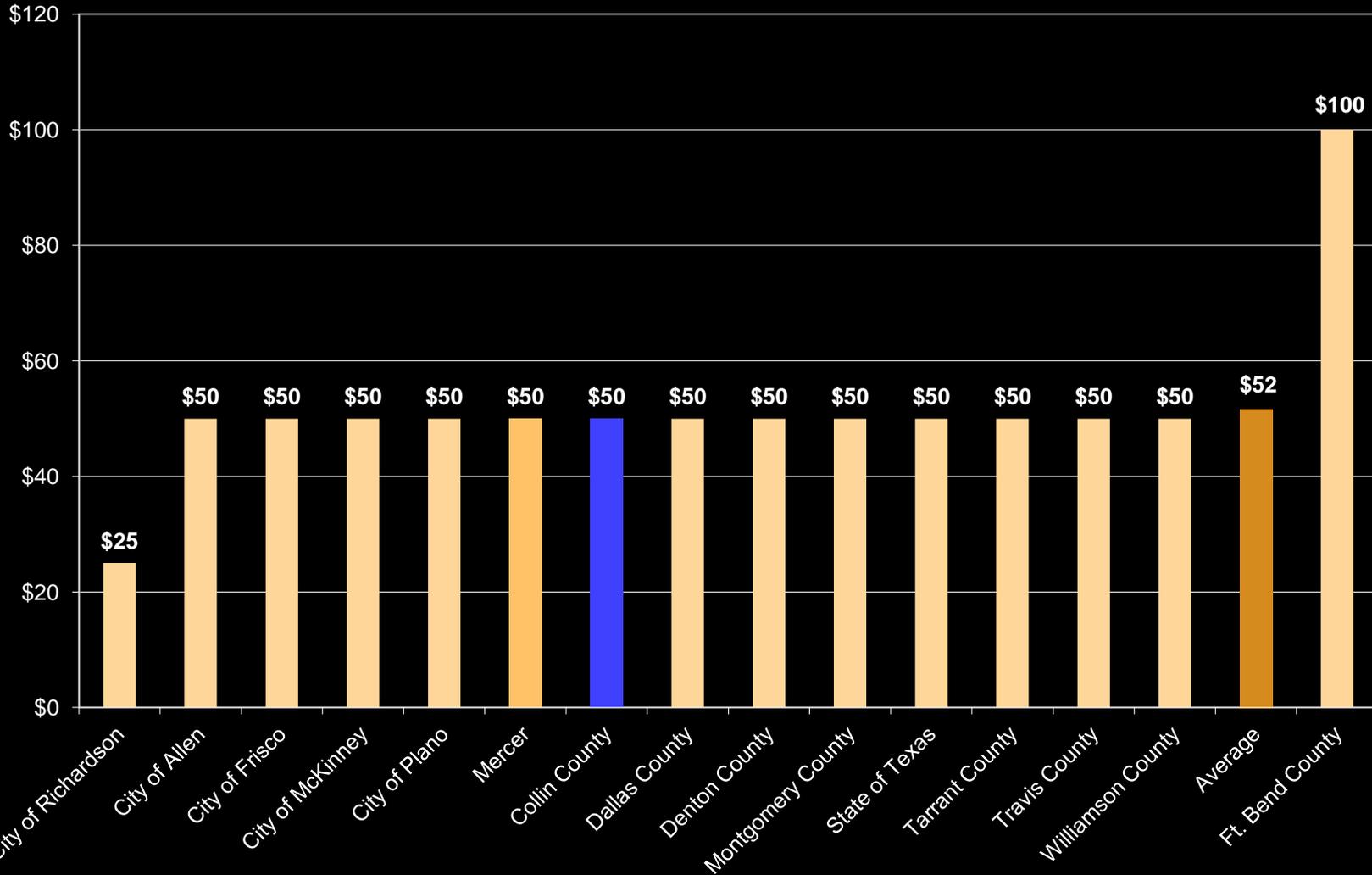
Medical Plan Benefit Comparison Summary

- Deductibles:
 - Our deductible is in line with the average. There are still public sector plans with no deductible but private sector averages a higher deductible.
- Out of Pocket Expenses:
 - Our out of pocket is in line with most entities. The average for this benefit level is skewed based on an extremely high out of pocket maximum in Ft. Bend.
- Physician Co-Pay:
 - The low physician co-pay for primary care physicians is meant to encourage use of primary physicians. A specialist office visit costs on average 30% more than a primary physician office visit.
- Specialist Co-Pay:
 - We have the largest differential between our physician co-pay and our specialist co-pay. This encourages members to see their primary care physician first.
- Percent of Services Paid:
 - In general lowest percentage paid (75%)
 - In-patient hospital stays and outpatient surgery are covered at 100% after applicable co-pay and deductible.

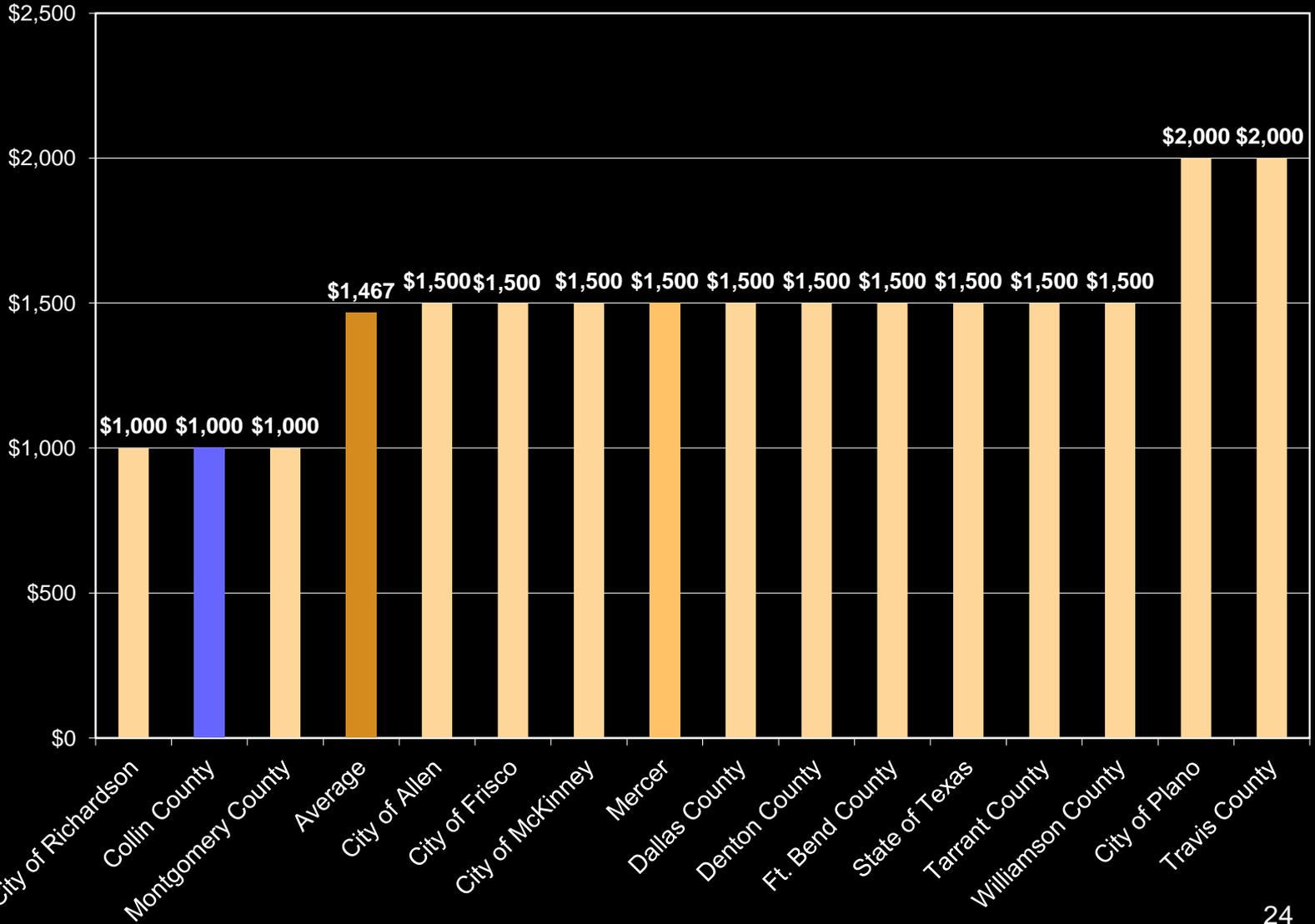
Dental Plan Benefit Comparisons

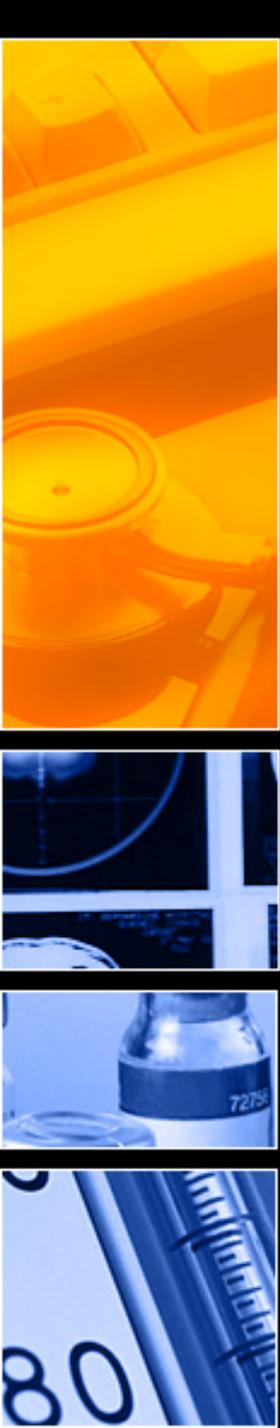


Dental Plan Deductibles



Dental Plan Maximums

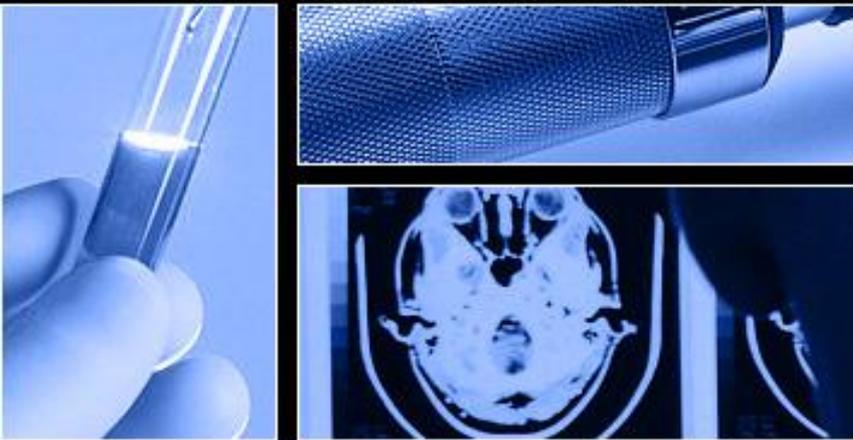




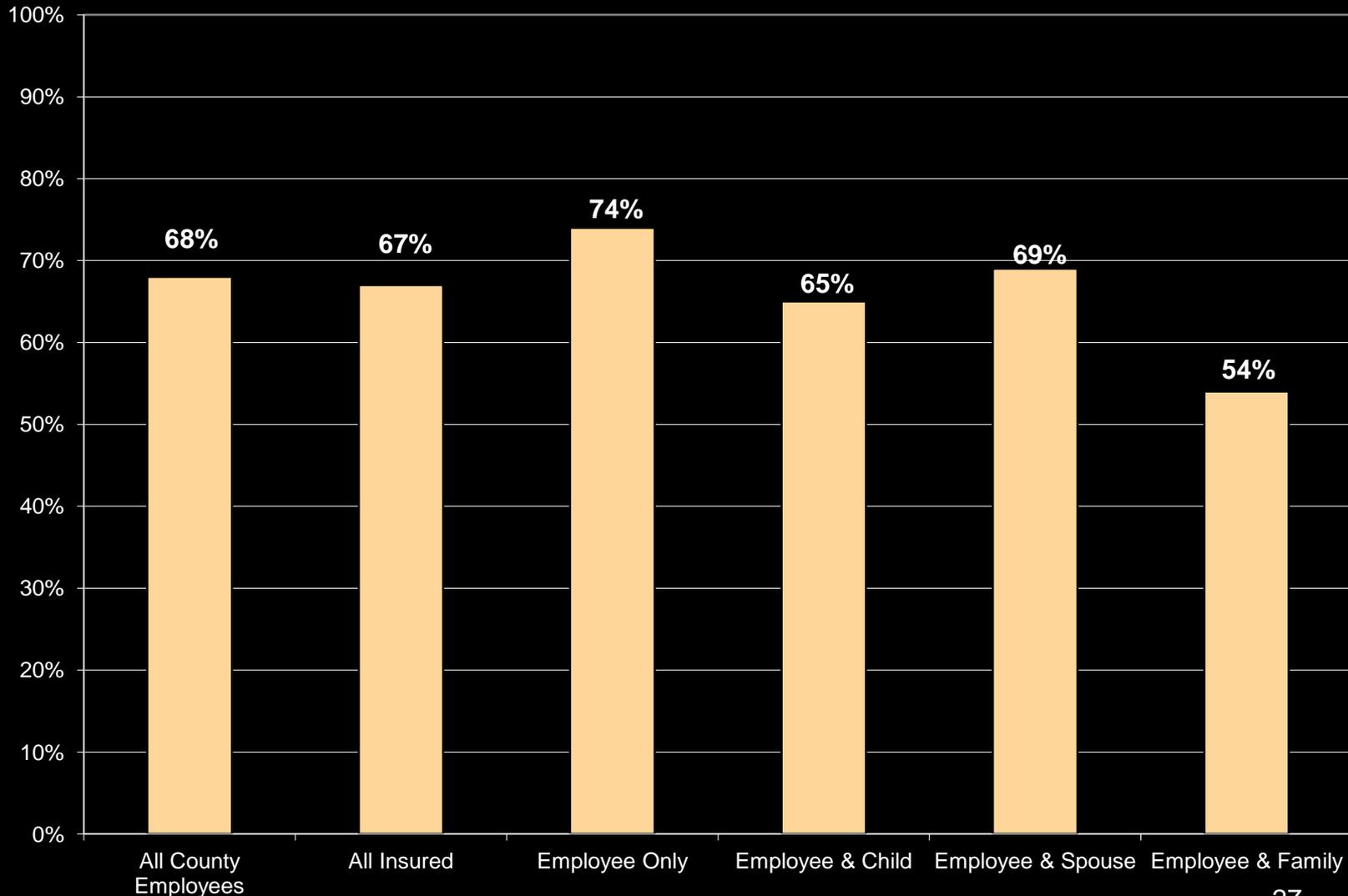
Dental Plan Benefit Comparison Summary

- Our dental plan deductible (\$50) is consistent with our counterparts.
- Our dental plan maximum (\$1,000) is lower than the majority of our counterparts.
 - In 2011 only 36 (2%) members reached the \$1,000 plan year maximum.

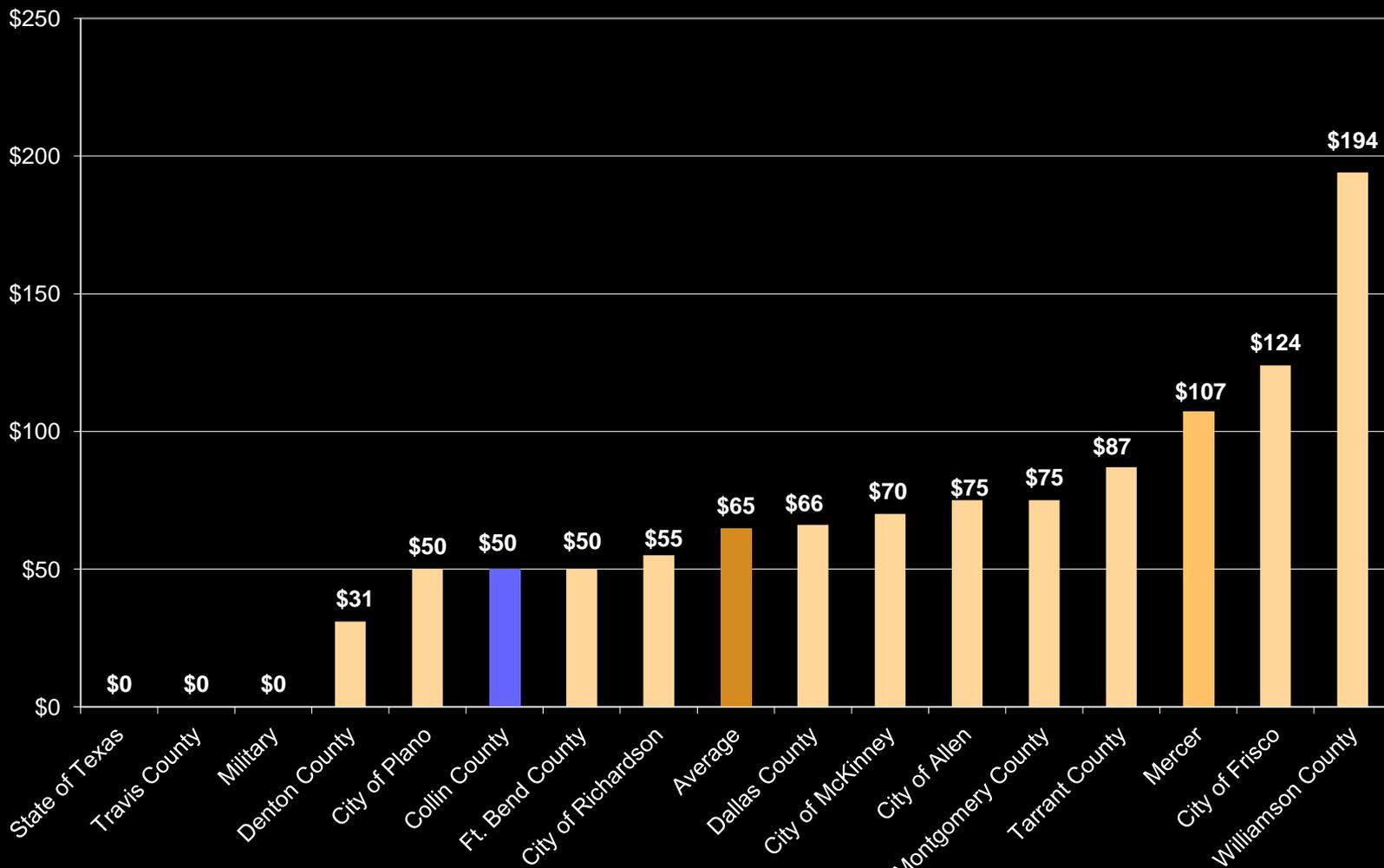
Medical Plan Employee Premium Comparisons



Percentage of Employees with Salaries Under \$50,000

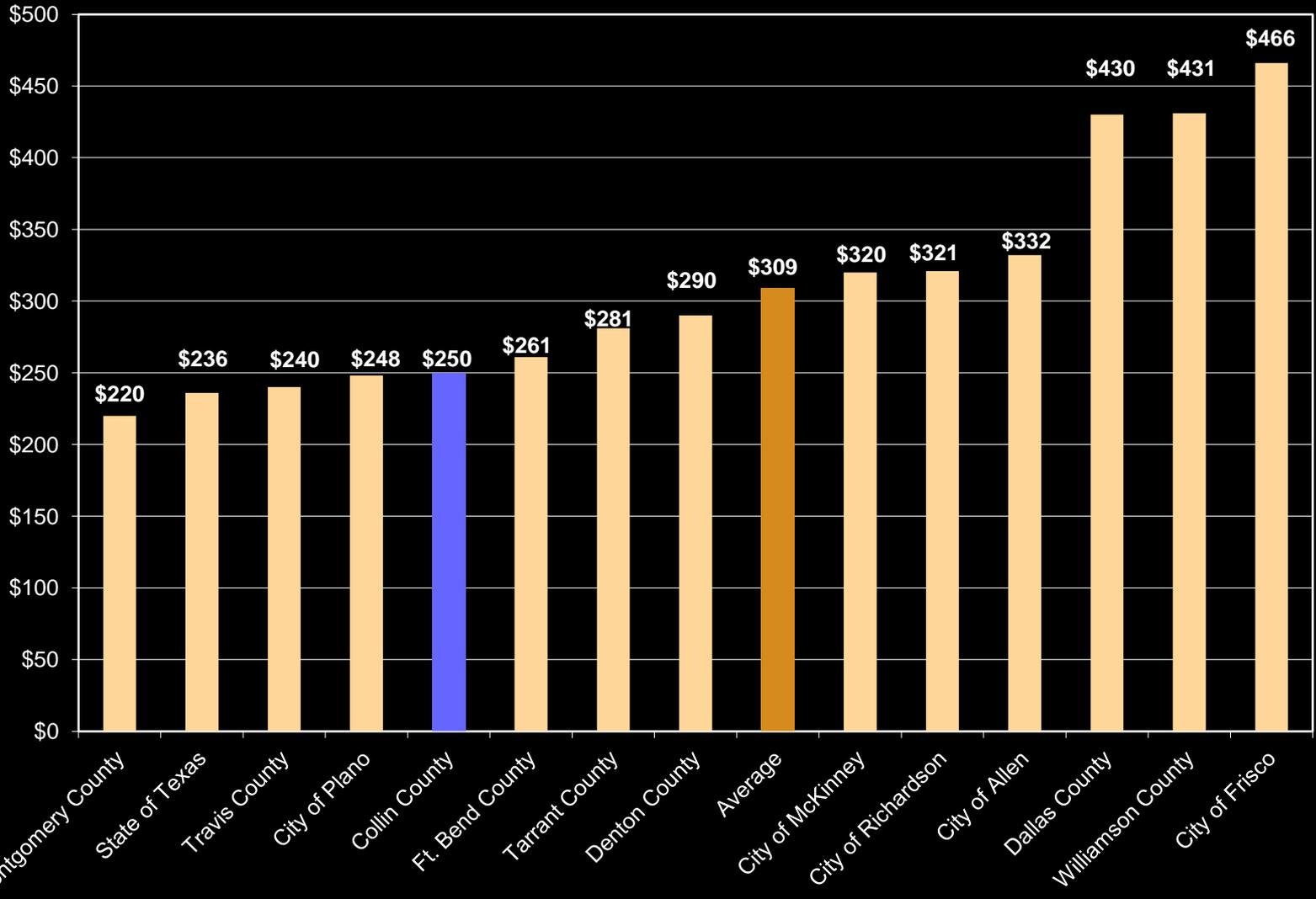


Premium Medical Plan – Comparison Of Employee Only Coverage Employee Cost/Month



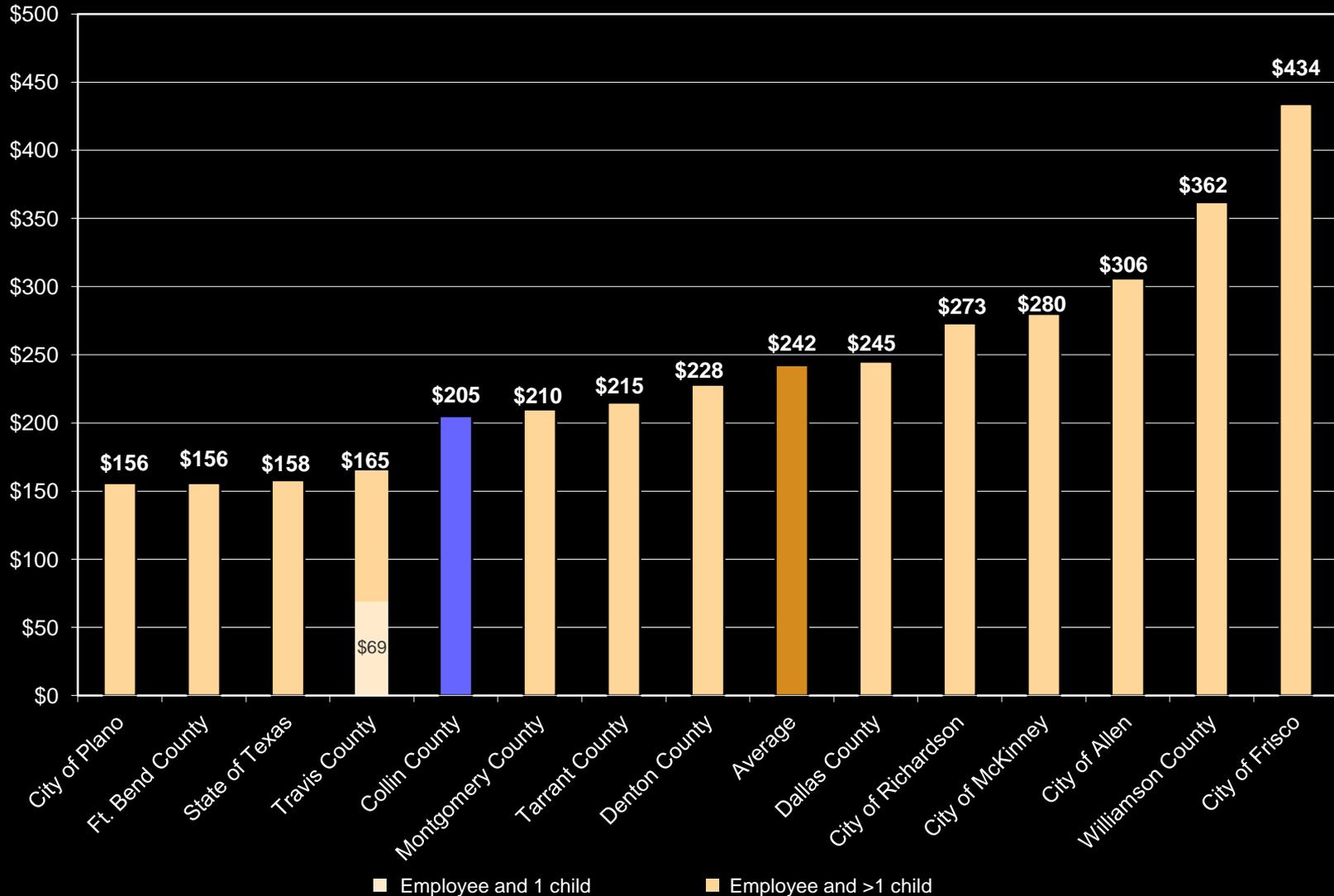
The City of Dallas does not have a comparable plan
Dallas and Williamson Counties have added a tobacco surcharge to their medical premiums

Premium Medical Plan – Comparison of Employee & Spouse Coverage Employee Cost/Month



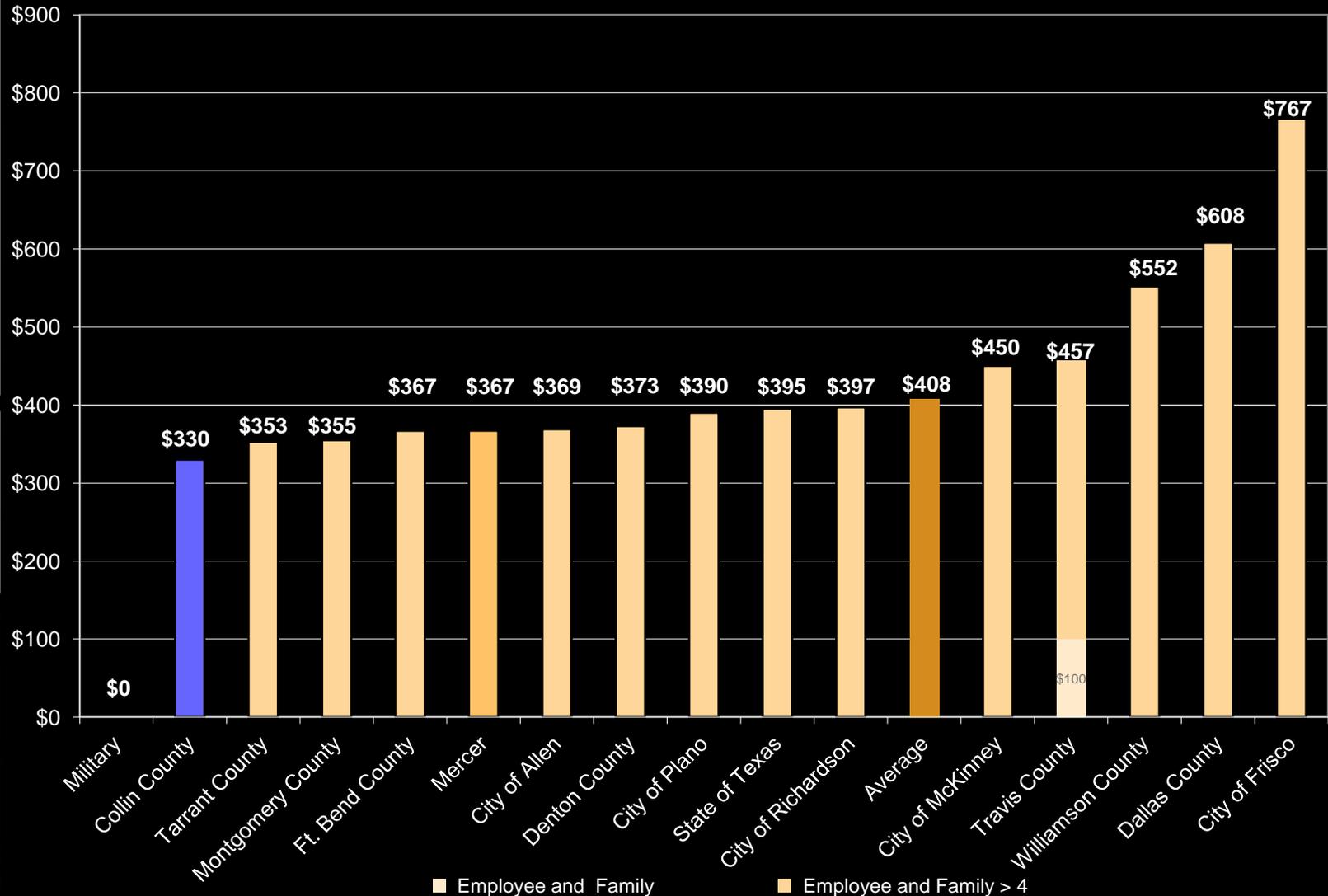
The City of Dallas does not have a comparable plan.
Dallas and Williamson Counties have added a tobacco surcharge to their medical premiums.

Premium Medical Plan – Comparison Of Employee & Child Coverage Employee Cost/Month



The City of Dallas does not have a comparable plan
 Dallas and Williamson Counties have added a tobacco surcharge to their medical premiums

Premium Medical Plan – Comparison of Family Coverage Employee/Cost



The City of Dallas does not have a comparable plan.

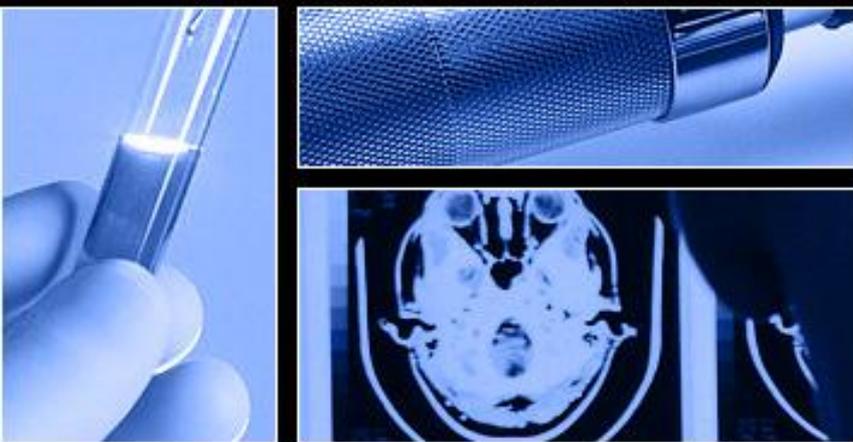
Dallas and Williamson Counties have added a tobacco surcharge to their medical premiums

Medical Plan Employee Premium Comparison Summary

- Employee only, employee/spouse and employee child premiums are lower than the average.
- Employee/family premiums are in the lowest quartile. Premiums are lower than private sector and are almost 24% lower than the average of all entities surveyed.

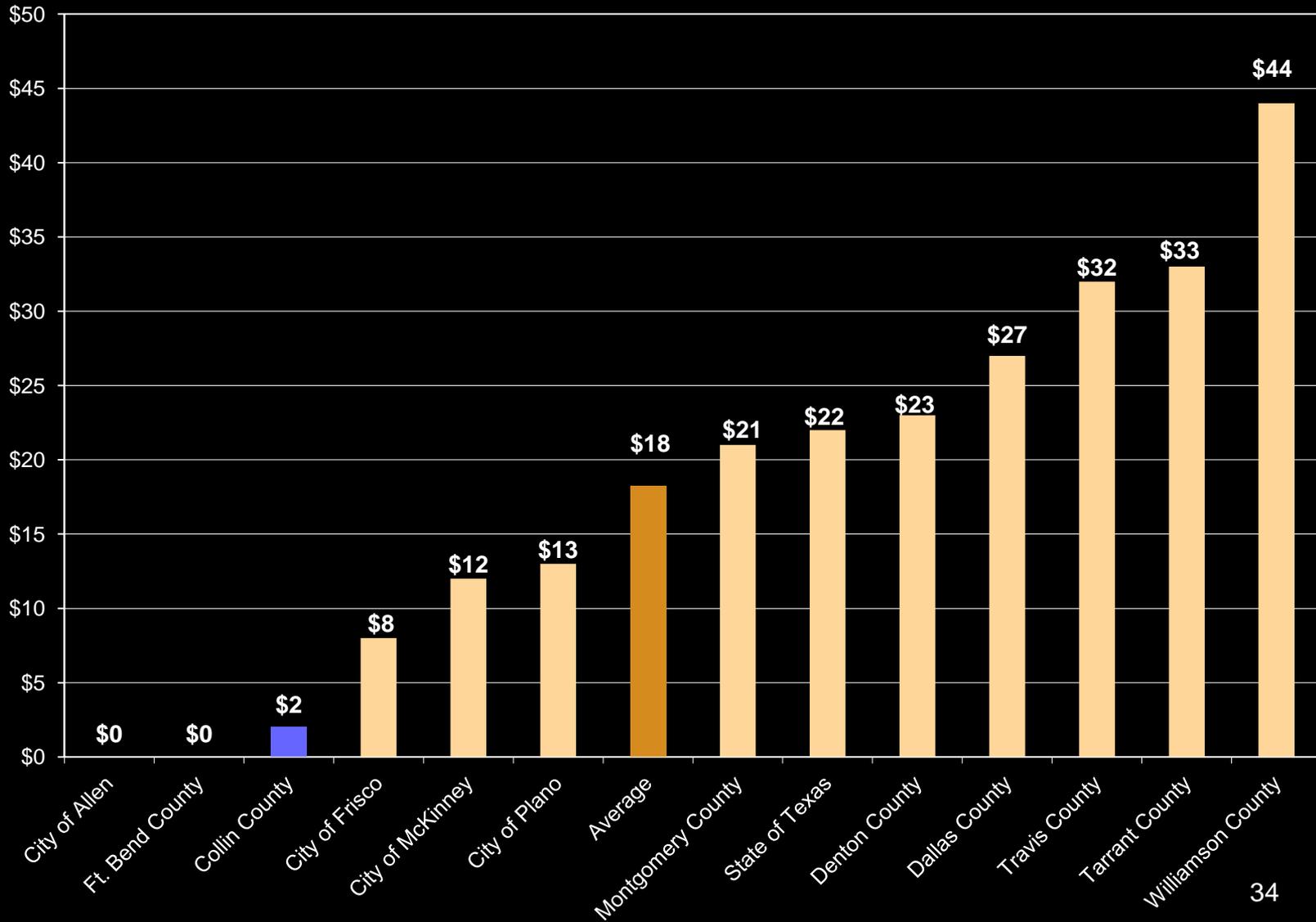


Dental Plan Employee Premium Comparisons



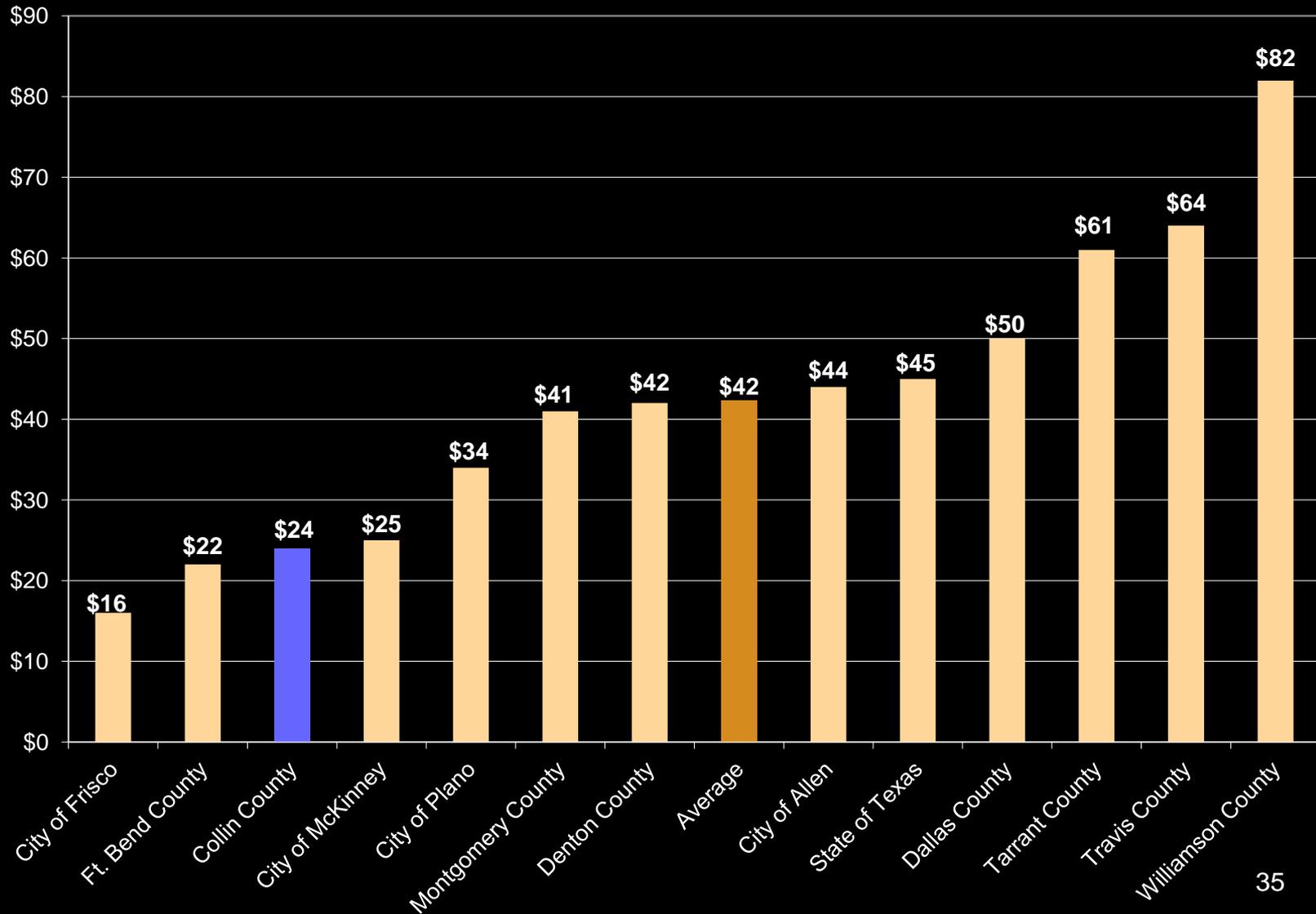
Dental Plan – Employee Coverage

Employee Cost/Month

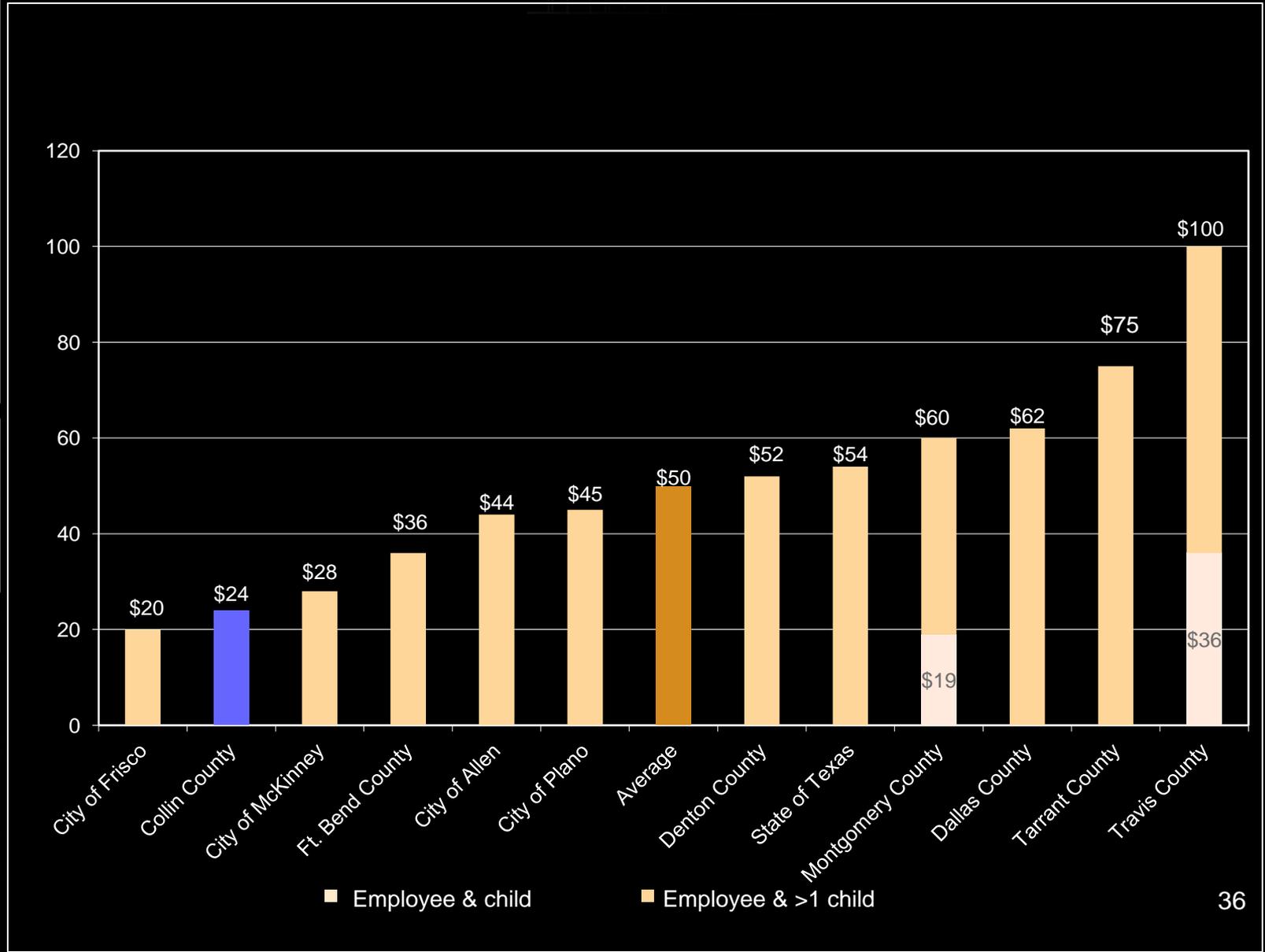


Dental Plan – Employee & Spouse

Employee Cost/Month

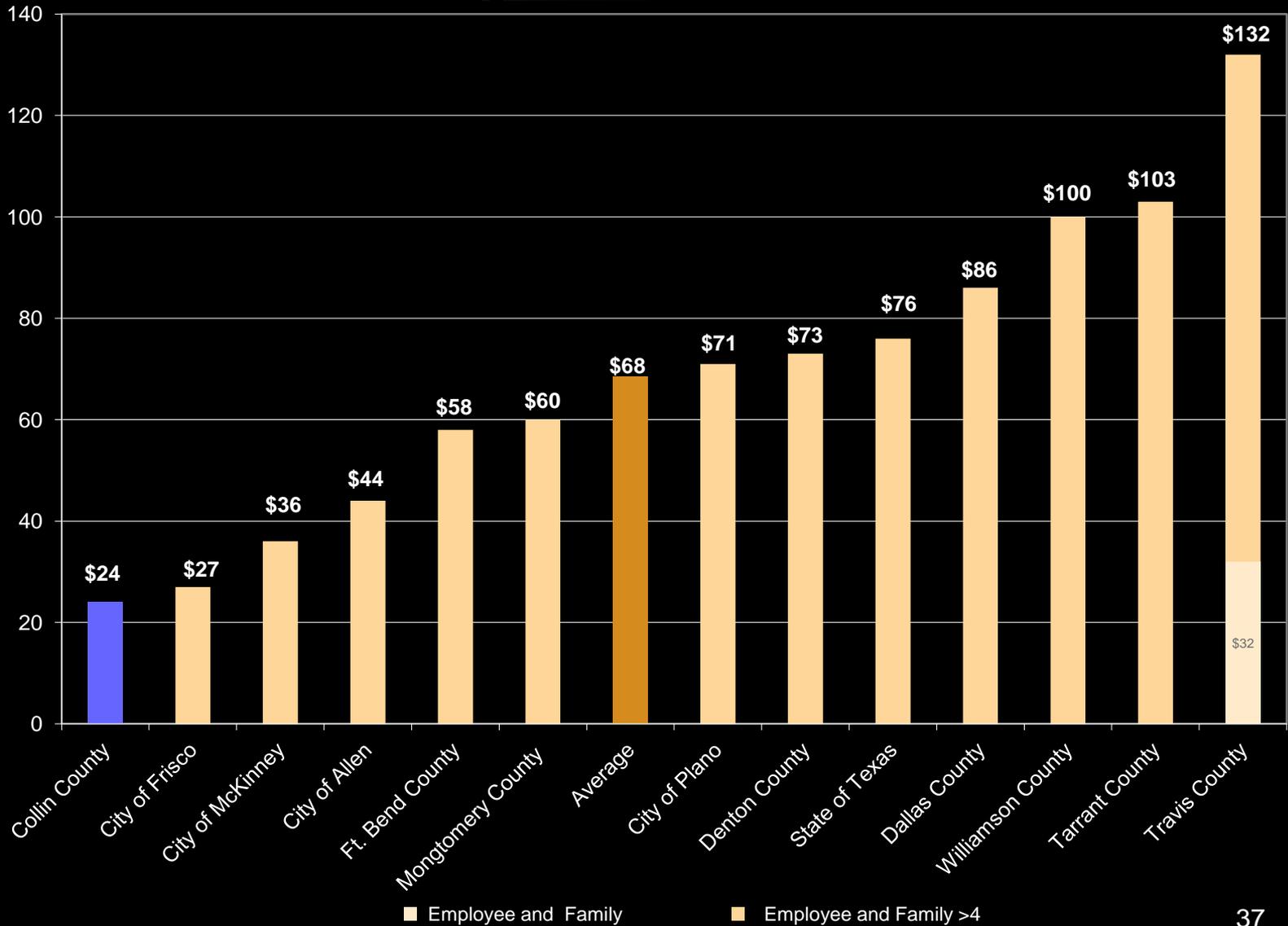


Dental Plan – Employee & Child(ren) Employee Cost/Month



Dental Plan – Employee & Family

Employee Cost/Month

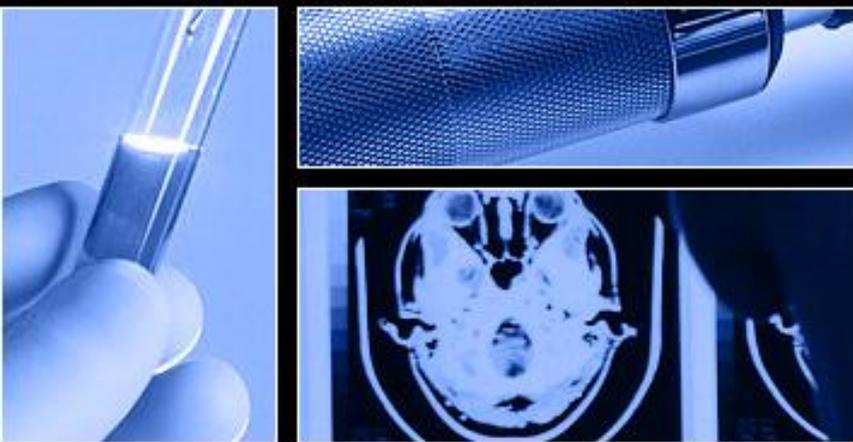


Dental Plan Employee Premium Comparison Summary

- Collin County has a 2 tier premium design while a majority of plans have a 4 tier premium design
- Both premium tiers (employee only and employee and family) are in the lowest quartile for premium payment



Medical Plan Premium and Enrollment Information



2012 Active Employee Monthly Insurance Plan Rates and Enrollment*

Medical Coverage Type	Medical Coverage Level	Advantage Premium Discount EE Cost	Advantage Standard Premium EE Cost	Advantage Premium Surcharge EE Cost	Advantage Plus Premium Discount EE Cost	Advantage Plus Standard Premium EE Cost	Advantage Plus Premium Surcharge EE Cost
Full Time Employee	EE Only	\$0.00 (88)	\$25 (27)	\$ 50 (21)	\$ 25 (367)	\$ 50 (16)	\$ 75 (59)
	EE & Child(ren)	\$120 (40)	\$145 (1)	\$170 (10)	\$180 (164)	\$205 (4)	\$230 (21)
	EE & Spouse	\$160 (26)	\$185 (1)	\$210 (11)	\$225 (132)	\$250 (2)	\$275 (36)
	EE & Family	\$220 (68)	\$245 (16)	\$270 (18)	\$305 (190)	\$330 (7)	\$355 (60)
	Total		222	45	60	853	29

*As of May 2012

Advantage Plan Premium History for Full-Time Employees

Plan	Medical Coverage Level	2007	2008	2009	2010	2011	2012
Advantage Premium Discount	EE Only			\$0	\$0	\$0	\$0
	EE & Child(ren)			\$90	\$85	\$120	\$120
	EE & Spouse			\$115	\$110	\$160	\$160
	EE & Family			\$180	\$175	\$220	\$220
Advantage Standard Premium	EE Only	\$10	\$10	\$10	\$10	\$25	\$25
	EE & Child(ren)	\$110	\$110	\$110	\$110	\$145	\$145
	EE & Spouse	\$135	\$135	\$135	\$135	\$185	\$185
	EE & Family	\$200	\$200	\$200	\$200	\$245	\$245
Advantage Premium Surcharge	EE Only					\$50	\$50
	EE & Child(ren)					\$170	\$170
	EE & Spouse					\$210	\$210
	EE & Family					\$270	\$270

Advantage Plus Plan Premium History for Full-Time Employees

Plan	Medical Coverage Level	2007	2008	2009	2010	2011	2012
Advantage Plus Premium Discount	EE Only			\$15	\$10	\$25	\$25
	EE & Child(ren)			\$145	\$140	\$180	\$180
	EE & Spouse			\$193	\$188	\$225	\$225
	EE & Family			\$270	\$265	\$305	\$305
Advantage Plus Standard Premium	EE Only	\$30	\$30	\$35	\$35	\$50	\$50
	EE & Child(ren)	\$165	\$165	\$165	\$165	\$205	\$205
	EE & Spouse	\$195	\$195	\$213	\$213	\$250	\$250
	EE & Family	\$290	\$290	\$290	\$290	\$330	\$330
Advantage Plus Premium Surcharge	EE Only					\$75	\$75
	EE & Child(ren)					\$230	\$230
	EE & Spouse					\$275	\$275
	EE & Family					\$355	\$355

Plan Demographics*

	Advantage Medical Plan	Advantage Plus Medical Plan	Total
Total Enrolled	327	1,058	1,385
Gender			
Male	191 (58%)	511 (48%)	702 (51%)
Female	136 (42%)	547 (52%)	683 (49%)
Salary Level			
Under \$50,000	232 (71%)	690 (65%)	922 (67%)
Over \$50,000	95 (28%)	368 (35%)	463 (33%)
Age			
30 and younger	65 (20%)	107 (10%)	172 (12%)
31 – 40	102 (31%)	258 (24%)	360 (26%)
41 – 50	89 (27%)	271 (26%)	360 (26%)
51 – 60	56 (17%)	283 (27%)	339 (25%)
61 and over	15 (5%)	139 (13%)	154 (11%)

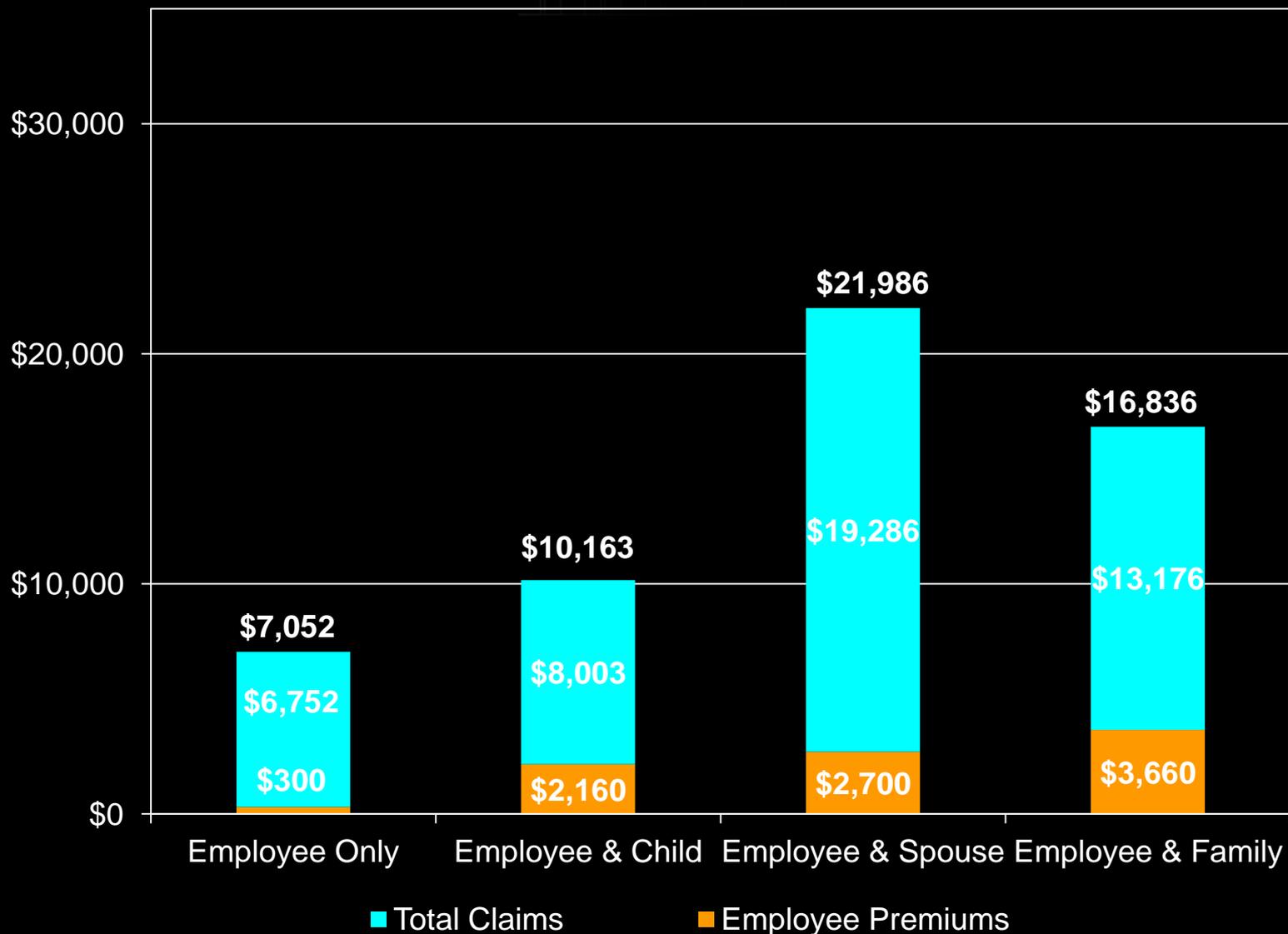
*As of May 2012

Employee Contribution Percentage Survey

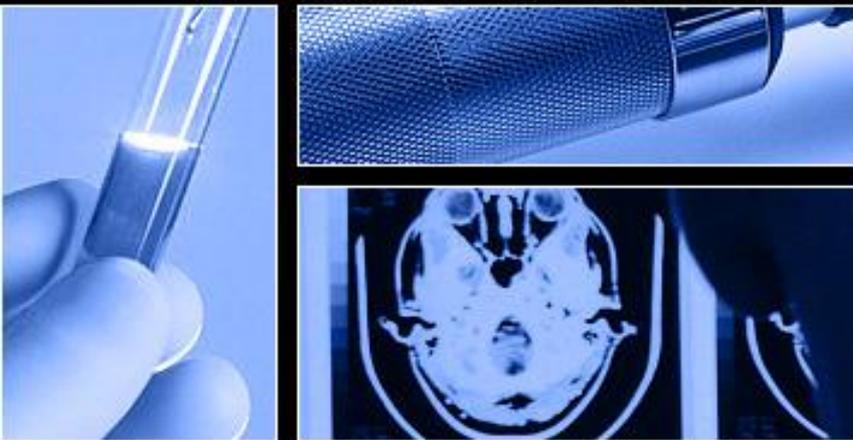
	% Paid by Employee for Employee Coverage	% Paid by Employee for Employee & Spouse Coverage	% Paid by Employee for Employee & Child Coverage	% Paid by Employee for Family Coverage
City				
Allen	14%	38%	39%	28%
Frisco	18%	33%	36%	42%
McKinney	15%	28%	28%	26%
Plano	14%	22%	22%	25%
Richardson	9%	37%	34%	42%
Average	13%	31%	31%	32%
County				
Collin	4%	16%	14%	18%
Dallas	16%	41%	36%	43%
Denton	8%	23%	24%	24%
Ft. Bend	6%	26%	20%	35%
Montgomery	10%	23%	22%	32%
Tarrant	17%	25%	26%	26%
Williamson	33%	36%	35%	39%
Average	14%	27%	26%	31%
Private Sector	22%	-	-	29%

Employee Premium Contribution vs. Average Claims

Advantage Plus Plan – Premium Discount



Additional Information



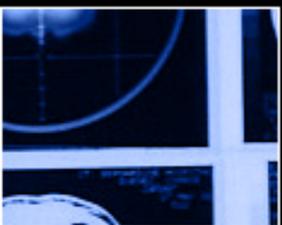
Special Programs

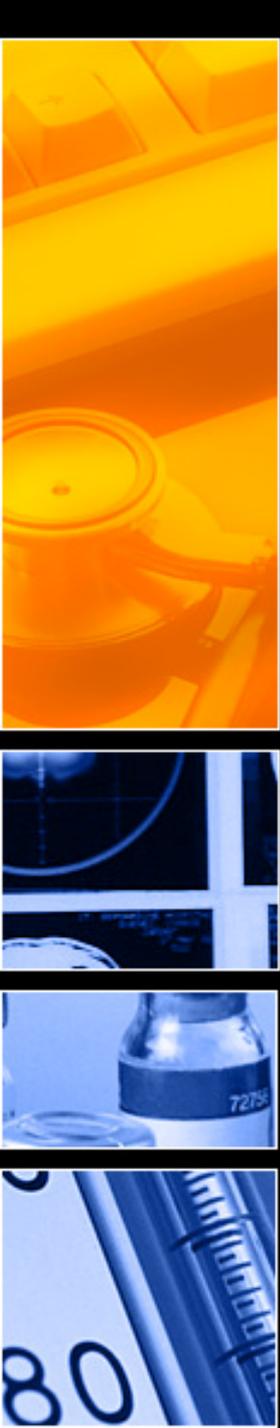
- Diabetes Prevention and Control Alliance: The alliance is a proactive approach designed to provide Collin County employees living with pre-diabetes with new ways to seek care and improve their well-being through new provider avenues.
 - Pre-Diabetic Program: For those with pre-diabetes, the goal is to reduce conversion to full-blown diabetes through lifestyle management and weight loss through a 16 week program provided by the YMCA.
 - Diabetic Program: For those already living with diabetes, the goal is to reduce serious health complications like a heart attack or stroke through medication management and ongoing monitoring of biometric measurements including blood pressure and cholesterol. This program is provided through local pharmacies.



On-Site Nurse

- Collin County partnered with United Healthcare to provide an on-site, dedicated registered Nurse to partner with county employees.
- Conduct lunch and learns that will focus on diabetes and heart disease, weight and blood pressure reduction, and stress management.
- Work with those that have chronic conditions to improve compliance with treatment and to reduce our high risk claimants from 10.2% to 9.2%.
- Prepare and distribute communications regarding urgent care choices to reduce our emergency room usage to those of our peer groups.
- Prepare and distribute communications regarding the costs of common procedures, helping employees select the most economical cost.





Wellness Discount Program Information

Requirements:

- Employees must complete the following:
 - Annual physical (including well man/woman exams),
 - Health risk assessment
 - Cholesterol test (the doctor must certify that total and HDL cholesterol levels are either at acceptable levels or that the individual is receiving treatment for elevated levels)
- An employee who participates in the program receives a \$25.00 monthly reduction in insurance premiums and a \$200 lump sum payment for completing the requirements.
- If the employee and spouse don't participate, insurance premiums increase by \$25.00 per month.
- Exams may be done at the employee's physician of choice or at the Collin County Employee Clinic. The Clinic performed 236 wellness exams in 2011.

2011 Wellness Discount Enrollment:

- 1,095 employees and 393 spouses participated in the discount program
- 289 employees and 545 spouses did not participate in the wellness program.

2012 Medical Plan Benefit Summary

In-Network Individual Deductible



In-Network Individual OOP Max



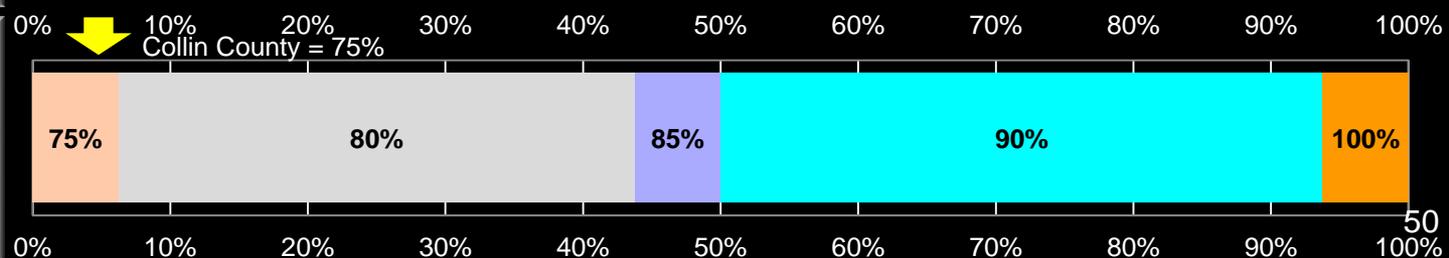
PCP Co-Pay



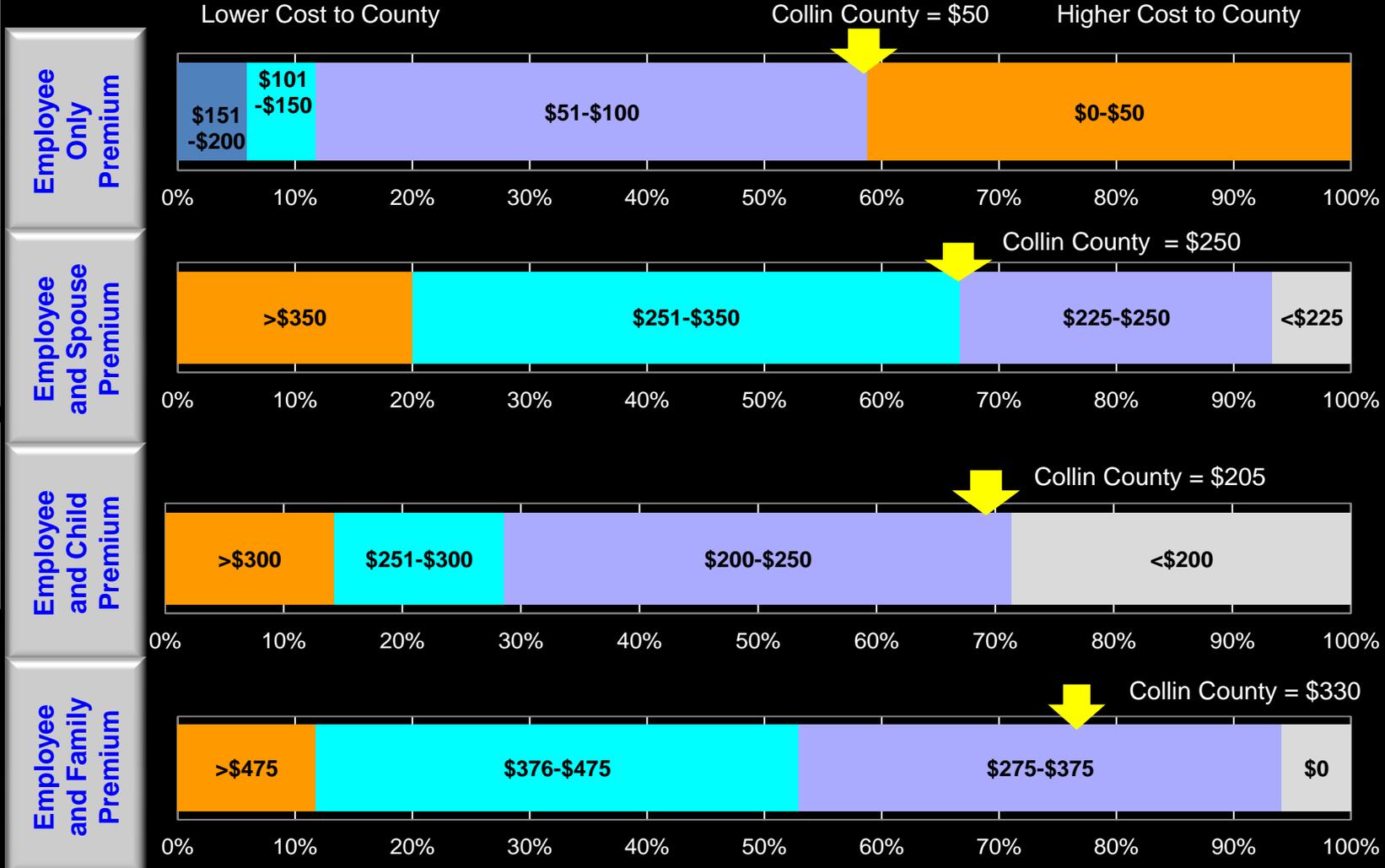
Specialist Co-Pay

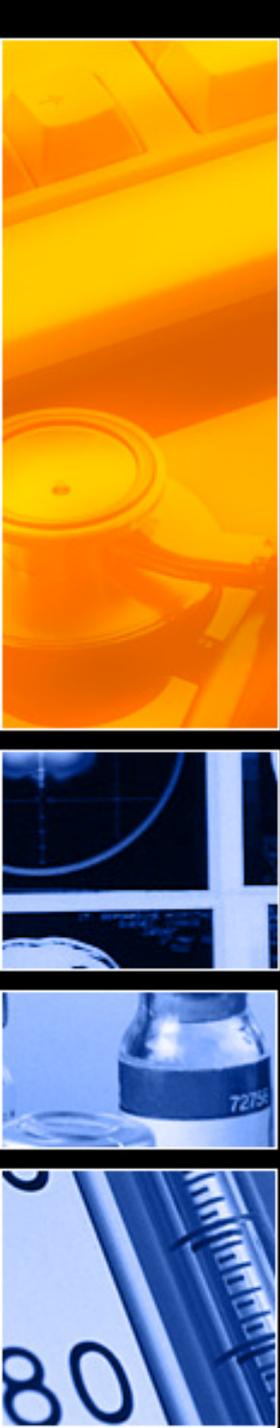


In-Network Services % Paid



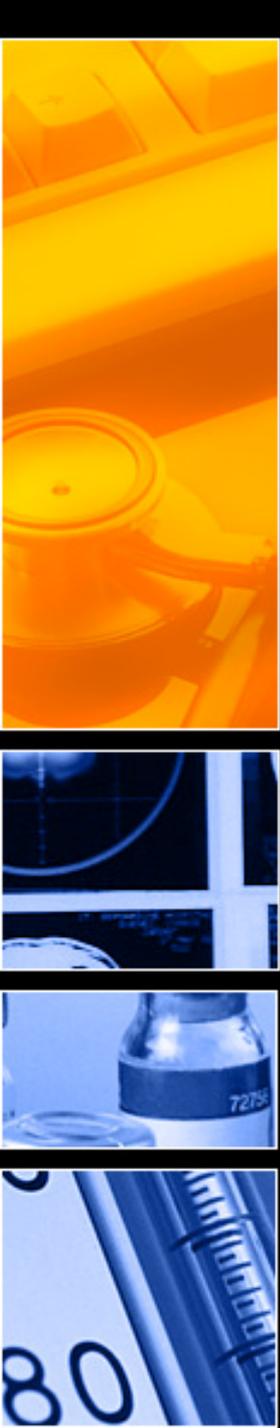
2012 Medical Plan Benefit Summary





Discussion Items

- Change prescription plan to a percentage of cost.
- Implement specialty prescription medication oversight.
- Modify hospital stay co-pay and emergency room co-pay.
- Smoking surcharge
- Weight surcharge
- Payments of dental cleanings at 100%.
- Eliminate the travel and lodging benefits for congenital services since there are local UHC centers of excellence.



Example of Pharmacy Plan Change

Retail Program

- Tier 1: 20% coinsurance with \$10 maximum co-pay
- Tier 2: 30% coinsurance with \$75 maximum co-pay
- Tier 3: 40% coinsurance with \$200 maximum co-pay

Mail-order Program

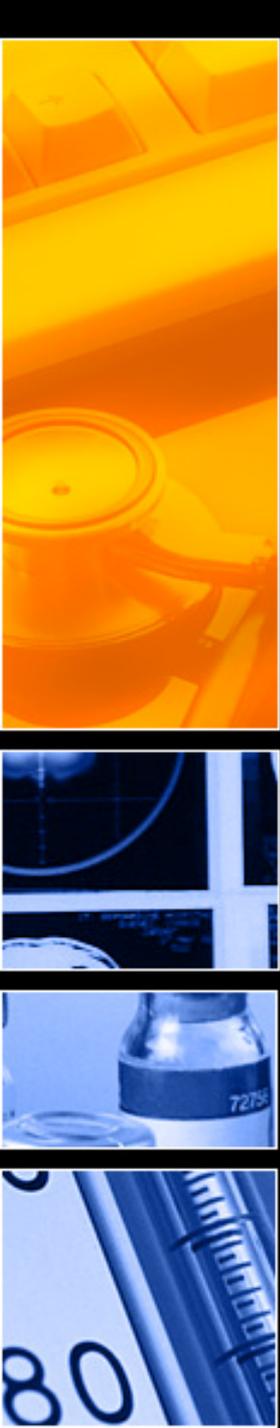
- Tier 1: 20% coinsurance with \$20 maximum co-pay
- Tier 2: 30% Coinsurance with \$150 maximum co-pay
- Tier 3: 40% Coinsurance with \$400 maximum co-pay

Potential savings: \$162,365 (5%)

Emergency Room Changes

- Our emergency room usage was 41% higher than UHC's book of business.
- Currently employees are subject to 25% co-insurance cost if not admitted to the hospital.
- If admitted to the hospital the employee is only responsible for the \$100 a day hospital stay.
- Recommended change; apply the 25% co-insurance cost to the emergency room visit, even if admitted to the hospital.





Inpatient Hospital Stay Changes

- Currently employees are subject to \$100 a day co-pay (up to \$500).
- County may save an estimated \$480,000 if we change to \$350 co-pay plus deductible program and co-insurance.
 - Example: Employee A is admitted into the hospital and stays 5 days; has \$10,000 in total expenses.
 - Current program: employee pays \$100 a day = \$500 out of pocket only
 - New program: employee pays \$350 co-pay, \$250 deductible and \$2,350 co-insurance = \$2,950; out of pocket maximum is \$2,000 plus \$350 co-pay = \$2,350