

Collin County 2013 Benefits Presentation

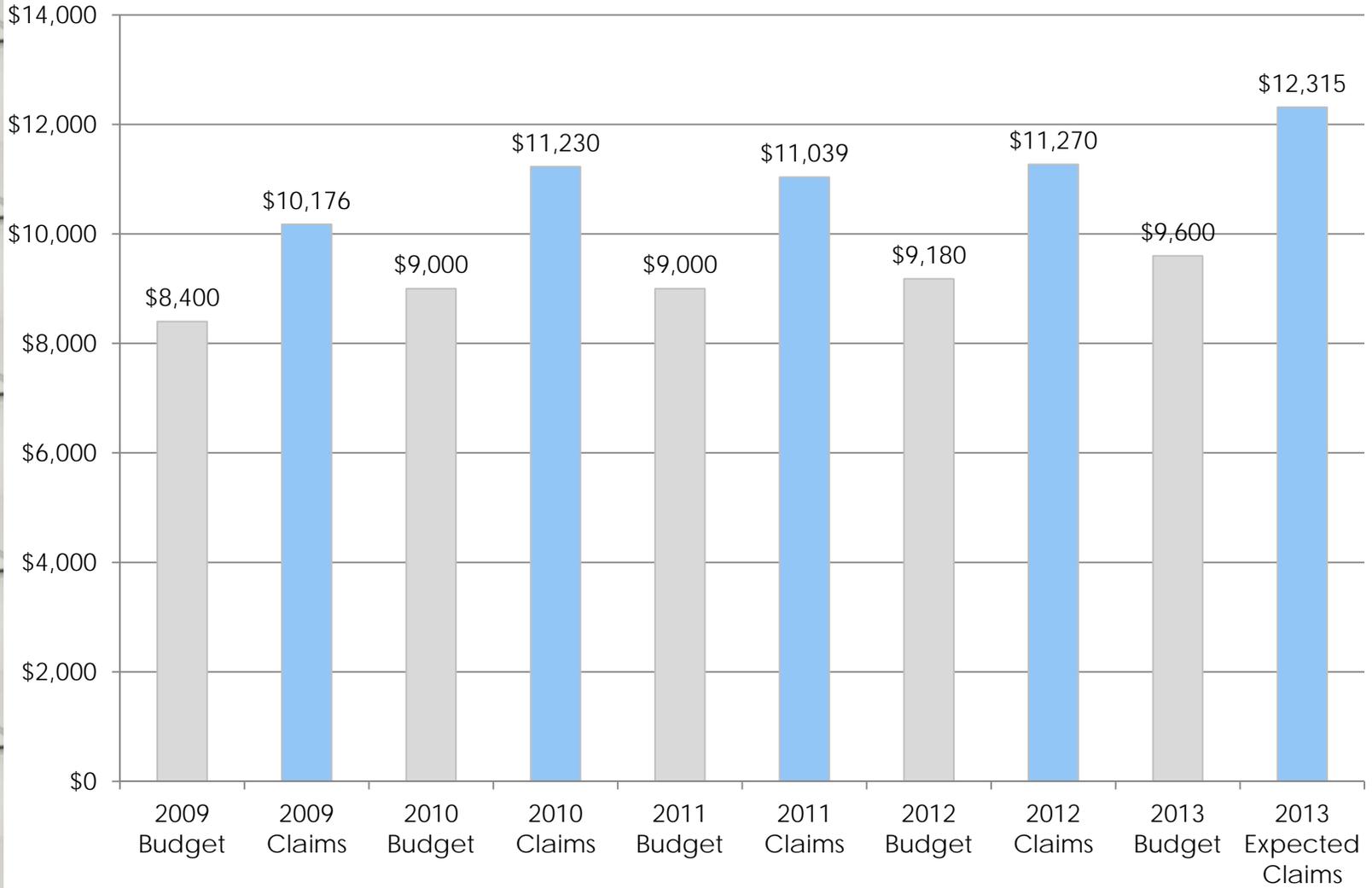
August 19, 2013
Commissioners' Court



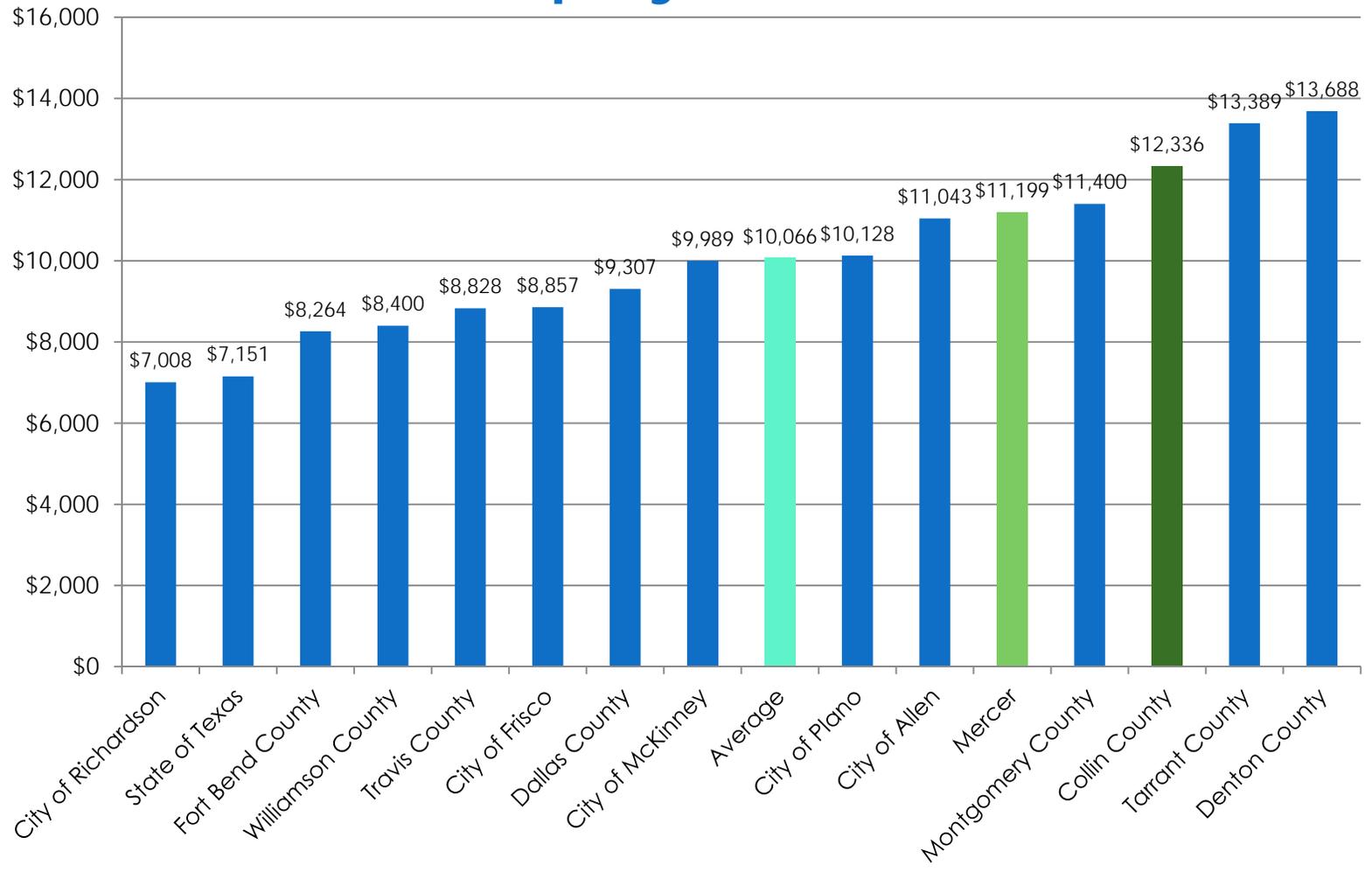
Fiscal Year 2012 Benefit Costs

Medical and Prescription	Costs
Total Claims Cost	\$16,193,005
Employees Pay	\$ 2,551,038 (16 %)
County Pays	\$13,641,967 (84 %)

Fiscal Year Budget vs. Claims Per Employee



Estimate 2013 Average County Premium Cost Per Employee Premium Plan



Claims Information

- Utilization of medical benefits is essentially 100%.
- Insured members averaged 3,132. For every insured employee we also cover an average of 1.21 dependents.
- High cost claims exceed \$50,000. Almost 33% of our net paid per member cost was due to high cost claimants, a decrease of 3%.
- 36 claims were over \$50,000 in 2012. 19 claims were between \$50,000 and \$100,000 (a decrease of 4 claims). 17 claims were over \$100,000 (a decrease of 3 claims).
- There was a 9% increase in the average cost of a high cost claim. High cost claims are 13% higher than comparable public sector entities and UHC's average. Last year, our average cost of a high cost claim was 58% higher than comparable public sector entities.

Large Loss Claims Top Categories

Condition	2012	2011	2010
Circulatory			
Hardening of the arteries	4	2	3
Valve Disorders	0	3	1
Other Circulatory	8	4	5
Total	12	9	9
Musculoskeletal			
Disc Disorder	7	5	9
Arthritis	1	6	5
Other	1	1	1
Total	9	12	15
Cancer (Neoplasms)			
Breast	2	4	3
Ovarian/Uterine/Cervical	1	1	2
Lymphoma	0	0	2
Other Cancer	4	5	2
Total	7	10	9
Injury/Poisoning			
Implant Complications	3	0	5
Fracture	1	1	1
<u>Other</u>	<u>0</u>	<u>2</u>	<u>0</u>
Total	4	3	6
Digestive			
Other	0	1	0
Total	0	1	0

Top Diagnosis Categories by Cost

<u>Diagnosis</u>	<u>Claimants</u>	<u>Dollars</u>	<u>Cost/Claimant</u>	<u>Percentage High Cost</u>
Circulatory System	663 	\$2,002,100	\$3,020 	55% 
Musculoskeletal System	943	\$1,985,939 	\$2,106 	44% 
Injuries & Poisonings	598 	\$1,468,407	\$2,456 	48% 
Cancer	353	\$1,498,098 	\$4,244 	62% 
Genitourinary System	1,086 	\$942,983 	\$868 	1% 
Digestive	441 	\$849,023 	\$1,925 	9% 
Respiratory	1,476 	\$820,835 	\$556 	21% 

Pharmacy

- Costs are over \$3 million; 37% higher than the norm.
- County contribution is \$2.4 million (78%).
- Employee's contribution is over \$650,000 (22% of the total cost)
- Net paid per member decreased 5%.
- Top 15 brands cost almost \$900,000; 29% of total costs.
- Approximately 14% of costs were spent on specialty medications, such as growth hormones and rheumatoid arthritis medications.

Top 15 Prescriptions by Net Paid

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	10	55	\$177,991	\$3,236
Crestor	Cholesterol	2	100	522	\$93,642	\$179
Cymbalta**	Depression	3	56	307	\$92,636	\$301
Lantus Solostar	Diabetes	3	32	162	\$58,246	\$359
Nutropin Aq Nuspin	Growth Hormones	2	1	5	\$55,940	\$11,188
Singulair	Asthma	3	91	274	\$45,973	\$168
Lipitor*	Cholesterol	3	108	326	\$44,052	\$135
Januvia	Diabetes	3	23	159	\$43,155	\$271
Victoza 3-pak	Diabetes	3	16	88	\$42,776	\$486
Rebif	Multiple Sclerosis	2	1	4	\$41,314	\$10,328
Advair Discus	Asthma	3	40	140	\$40,887	\$292
Novolog Flexpen	Diabetes	3	14	58	\$40,606	\$700
Testim	Testosterone Replacement	2	20	92	\$36,289	\$394
Janumet	Diabetes	3	22	137	\$35,029	\$256
Aciphex	Proton-pump Inhibitors	3	16	69	\$33,752	\$489

* Patent expired in 2011

**Patent to expire in 2014

Major Cost Drivers

- Heart disease, diabetes, and back and neck disorders were highest in spend and prevalence.
- 12% of our employees and 13% of spouses have a diabetes diagnosis. The average net paid per diabetic claimant increased 15% to \$13,685, which is more than 3 times the average cost of a non-diabetic.
- 24% of our current insurance spend is related to diabetes. This is an increase of 3% as compared to the previous year. 37% of the high cost spend was attributable to members with diabetes.
- Although the percent of high cost heart disease claims decreased 3%, the amount per claimant increased by 51%. Our cost per member is 174% higher than our peer group.
- 46% of our subscribers have chronic medical conditions and account for 74% of our total medical spend.

Medical and Dental Benefit Comparisons



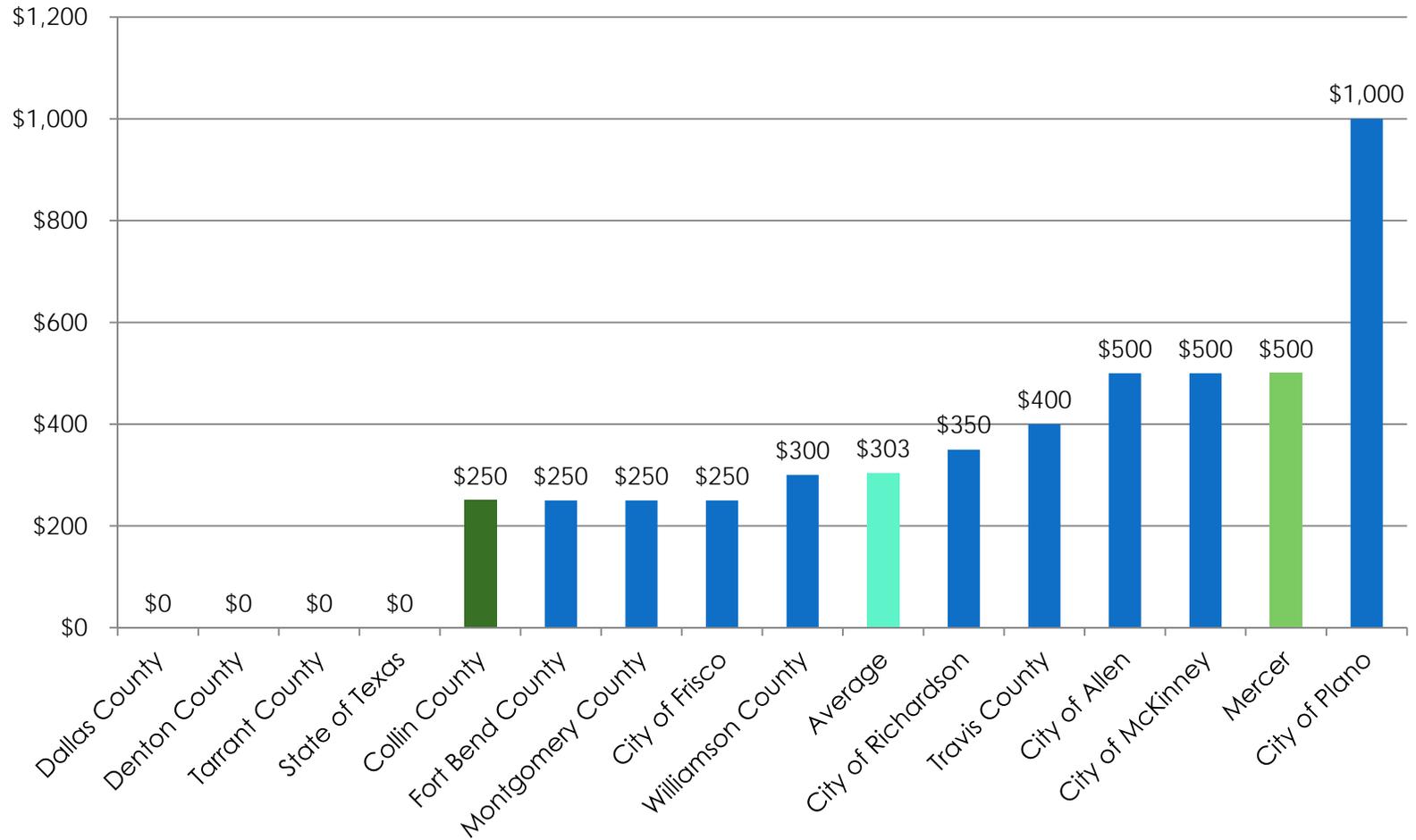
Medical Plan Benefit Comparison Summary

- 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
 - 3 entities (PEBC) increased their out-of-pocket maximums from \$2,000 to \$3,000.
- Physician Co-Pay
 - The low physician co-pay for primary care physicians is meant to encourage use of primary physicians.
- Specialist Co-Pay
 - We have one of the largest differentials between our physician co-pay and our specialist co-pay. This encourages members to see their primary care physician first.
- Percent of Services Paid
 - The lowest percentage paid (75%).
 - In-patient hospital stays and outpatient surgery are covered at 100% after applicable co-pay and deductible.

Dental Plan Benefit Comparison Summary

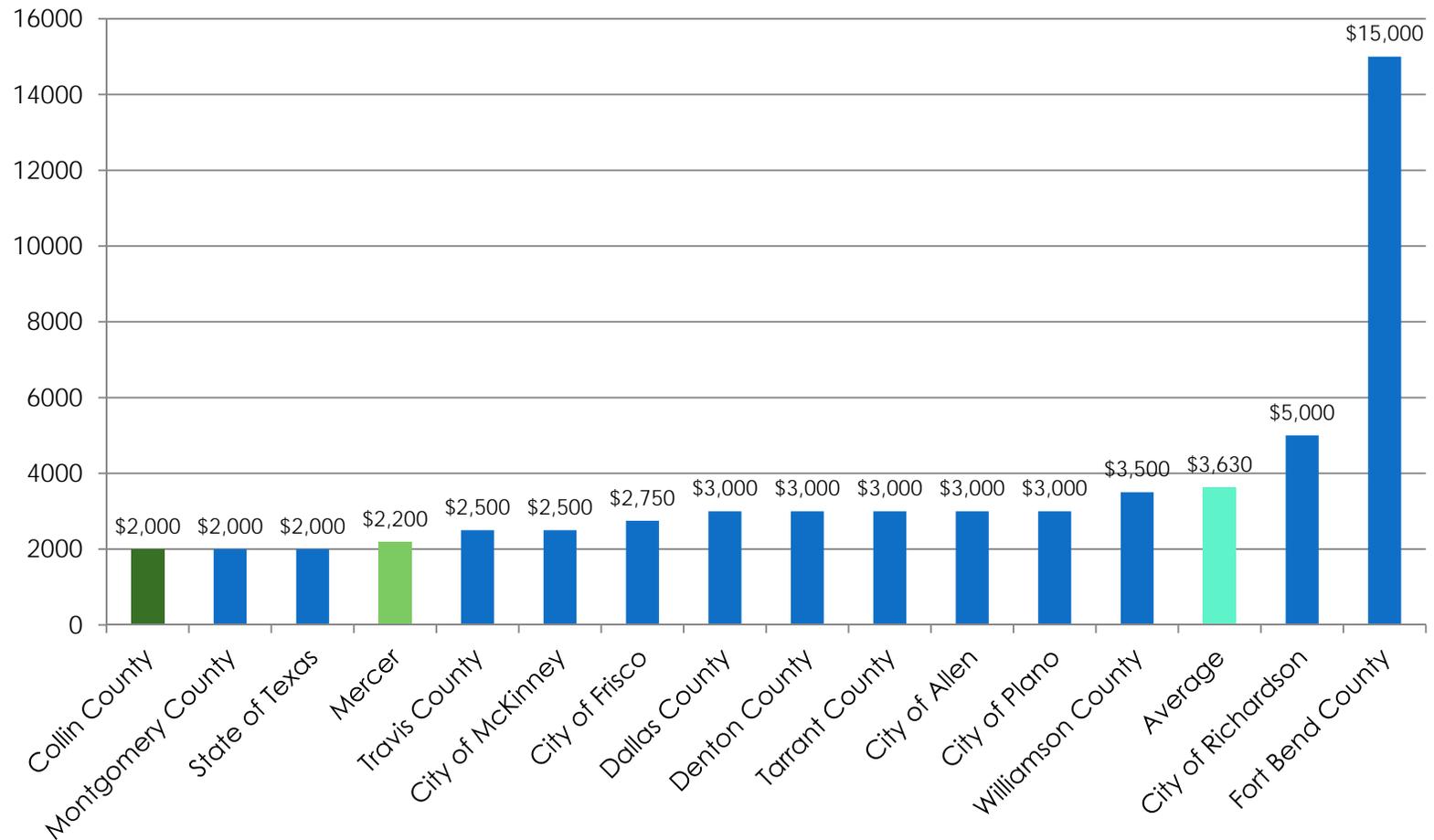
- Our dental plan deductible of \$50 is consistent with our counterparts.
- Our dental plan maximum (\$1,000) is lower than the majority of our counterparts.

Premium Medical Plan Deductibles



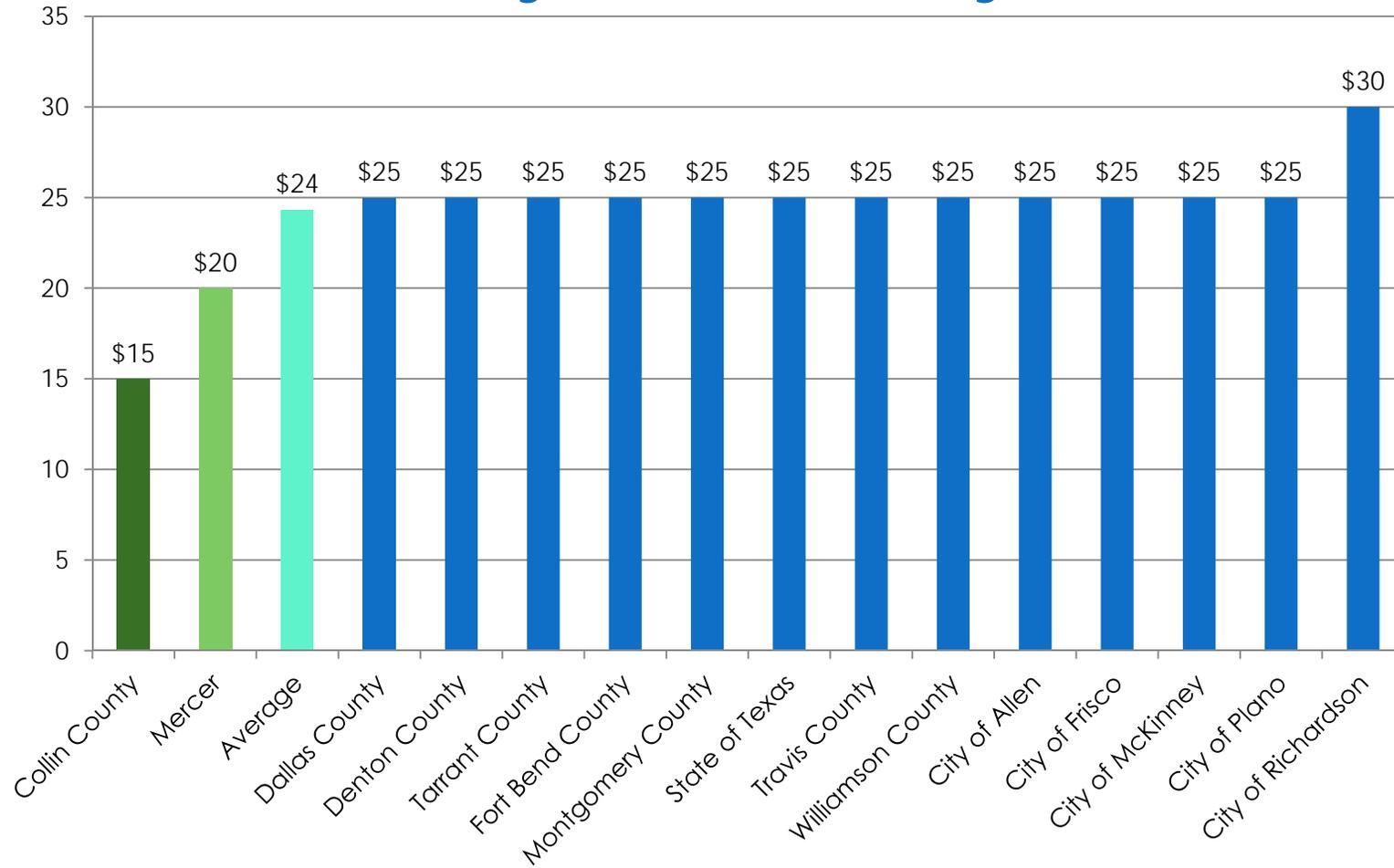
The City of Dallas and the military do not have comparable plans.

Premium Medical Plan Out of Pocket Expenses – In Network



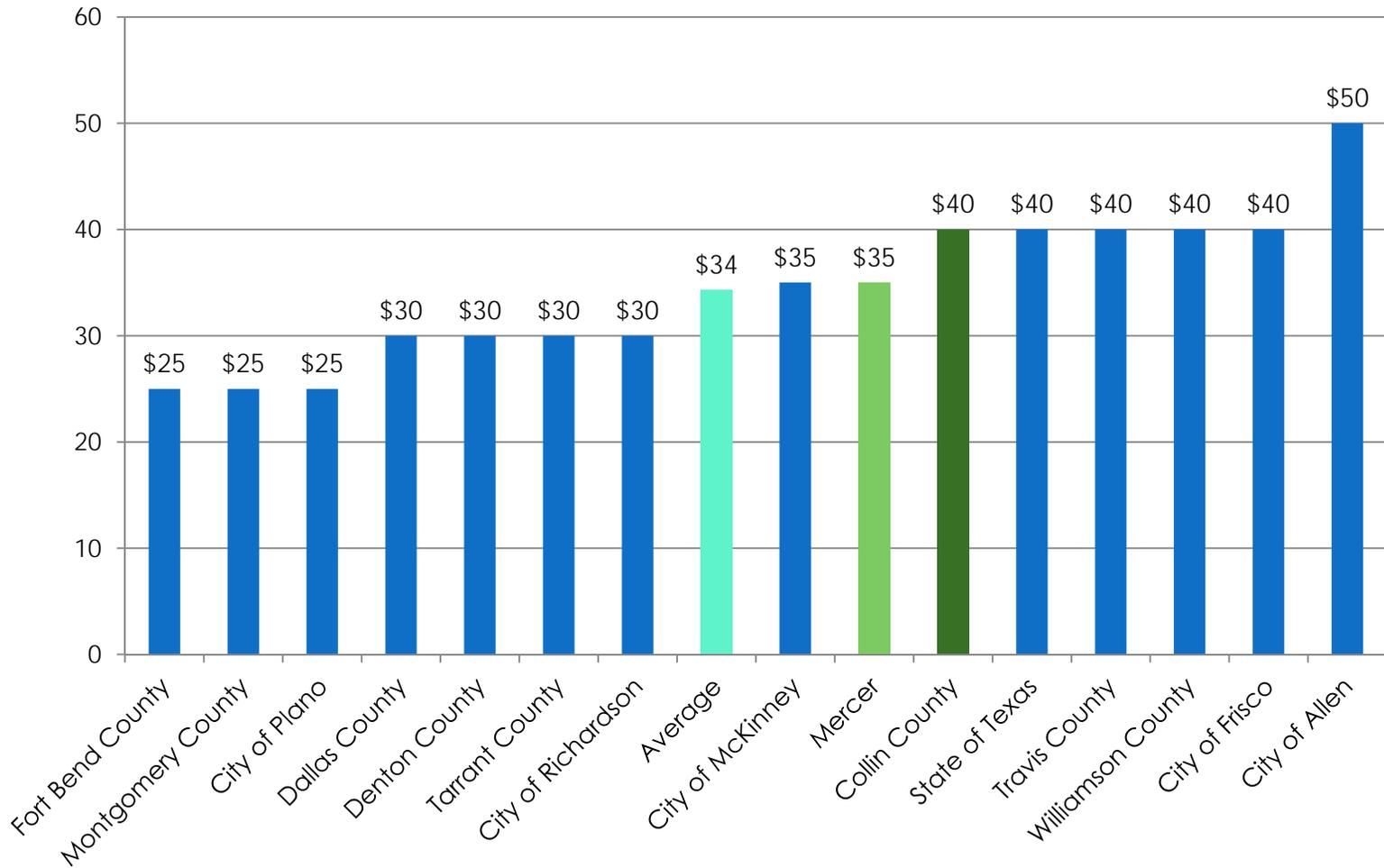
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Premium Medical Plan Primary Care Physician Co-Pay



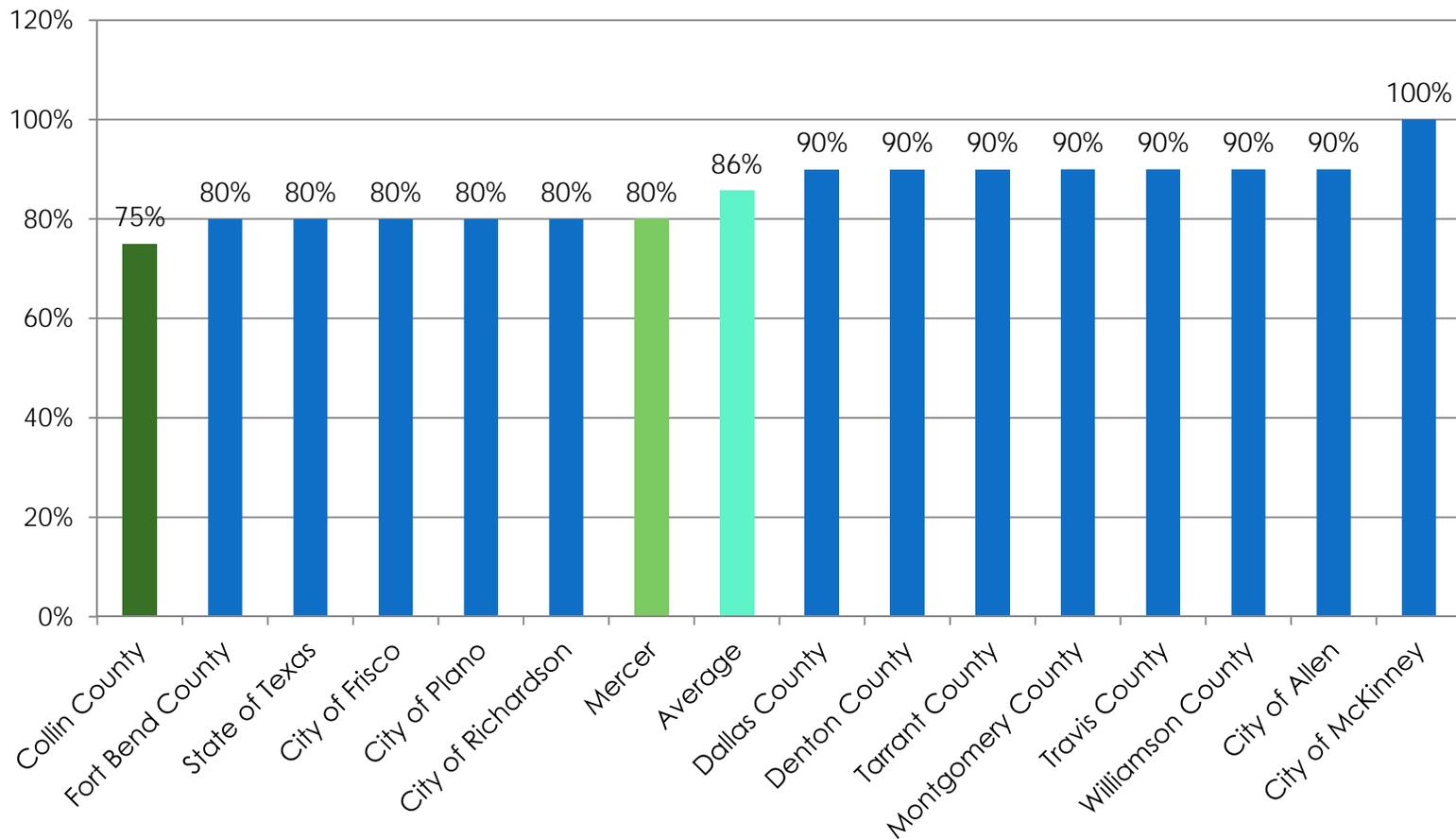
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Premium Medical Plan Specialist Co-Pay



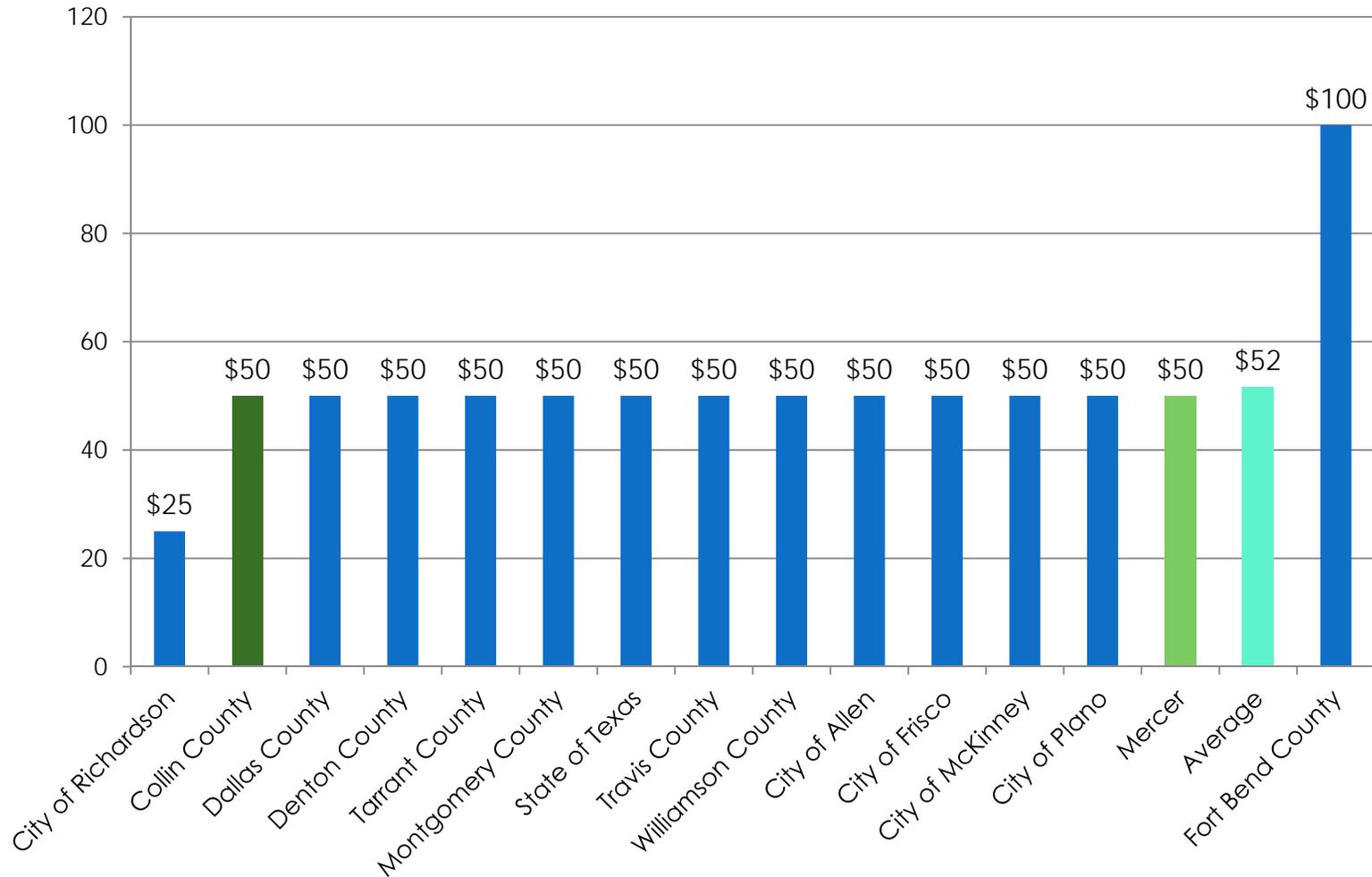
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Premium Medical Plan Co-Insurance % Paid – In Network



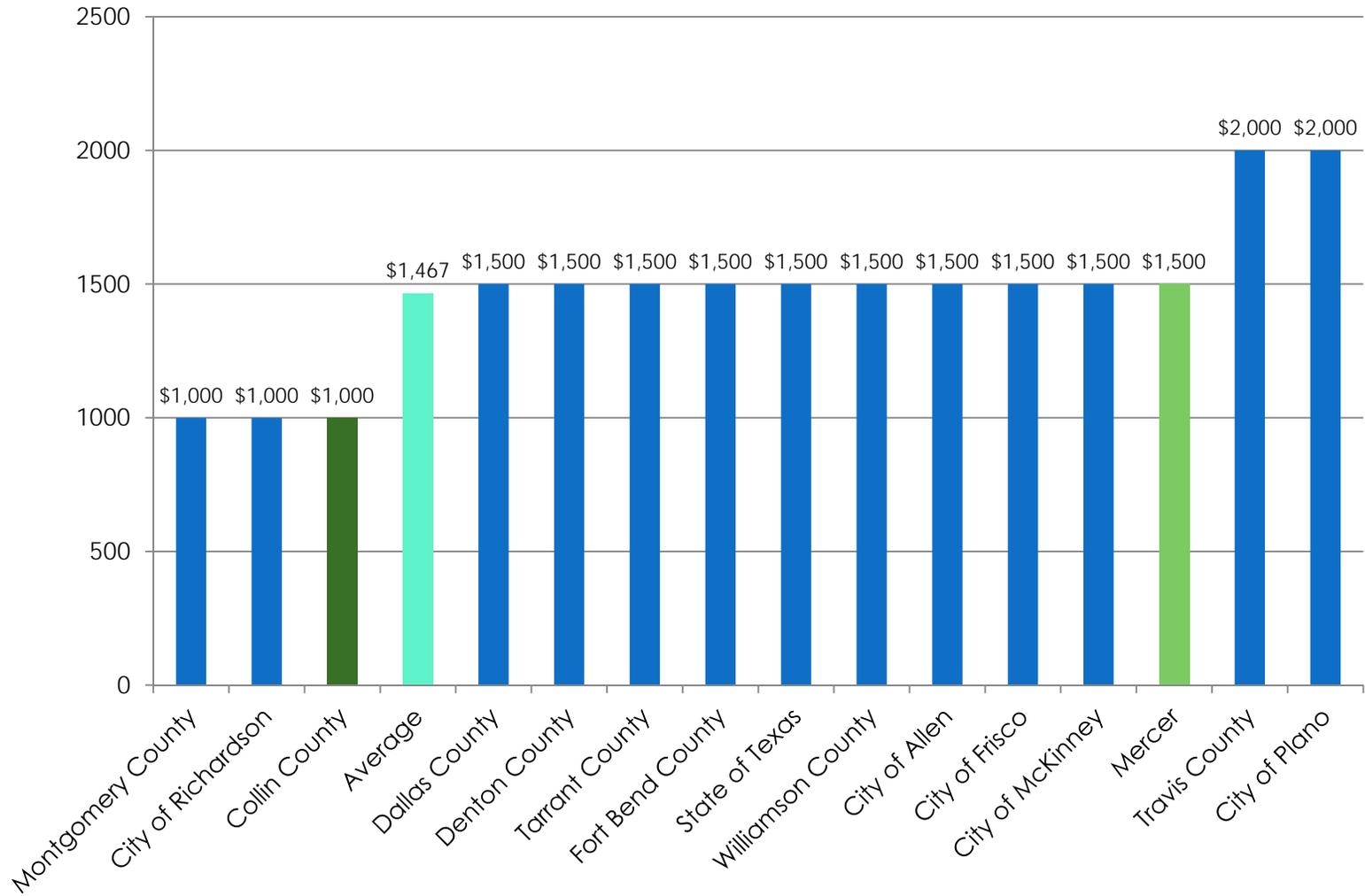
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Dental Plan Deductibles



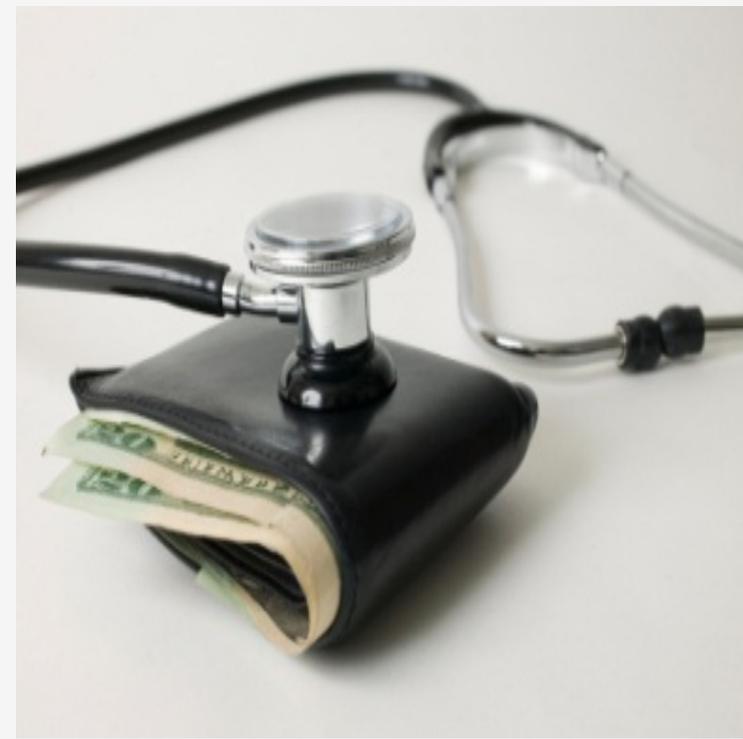
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Dental Plan Maximums

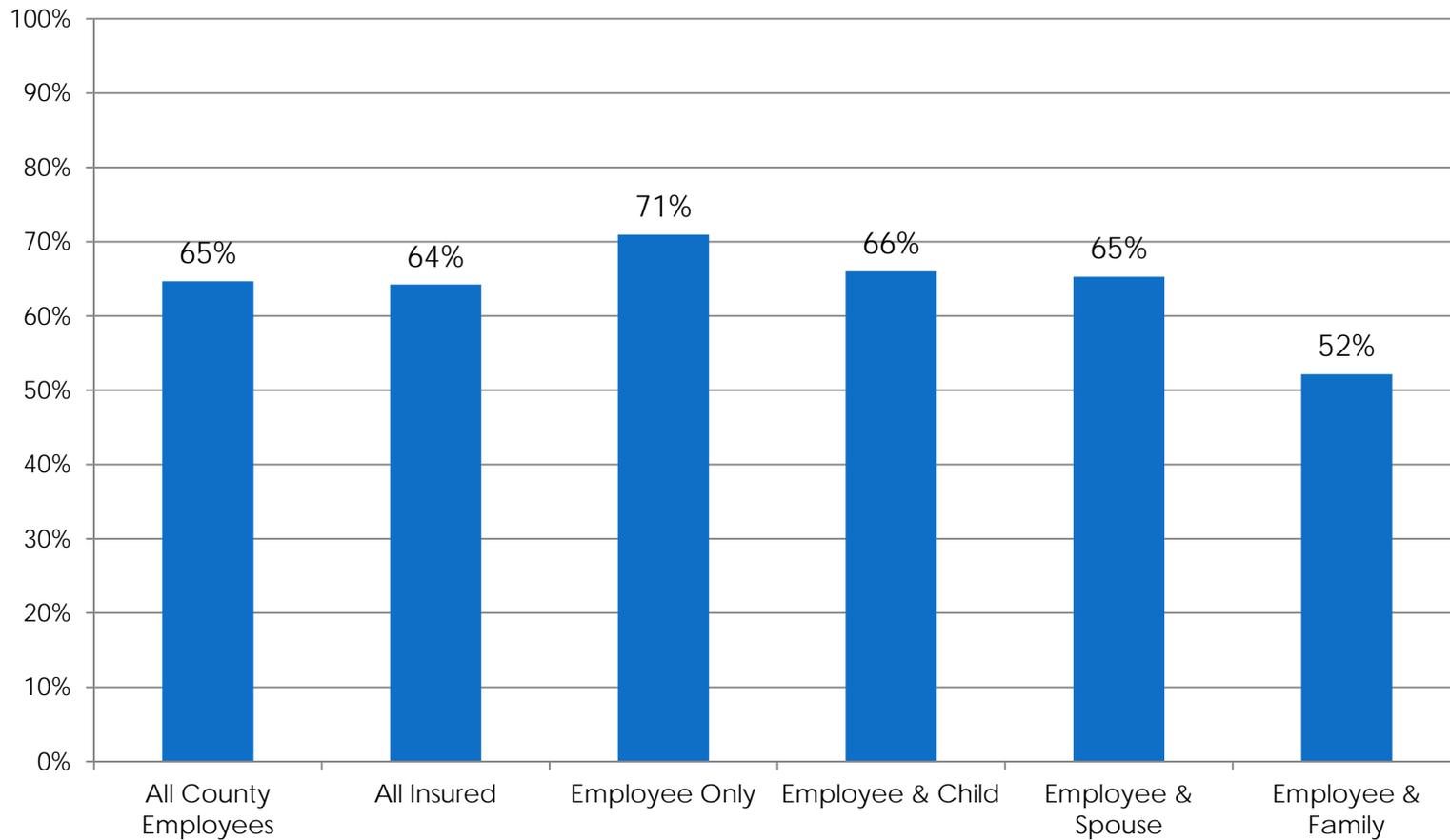


The City of Dallas and the military do not have comparable plans.

Medical and Dental Employee Premium Comparisons



Percentage of Employees with Salaries Under \$50,000



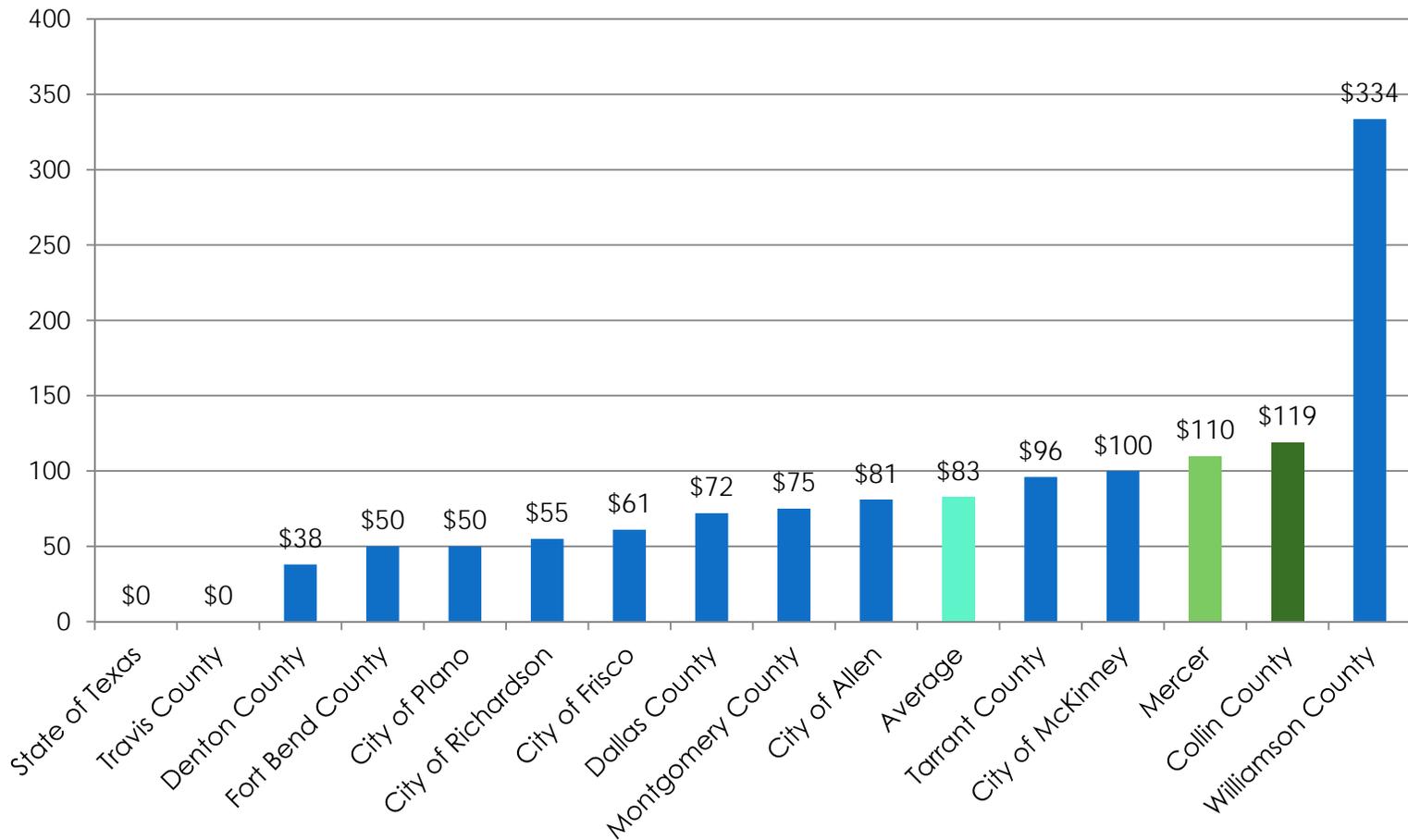
Medical Plan Employee Premium Comparison Summary

- With the change to the Employee Only premiums, Collin County employee contribution is now above the average.
- Employee/spouse and Employee/family premiums are in the lowest quarter.

Dental Plan Employee Premium Comparison Summary

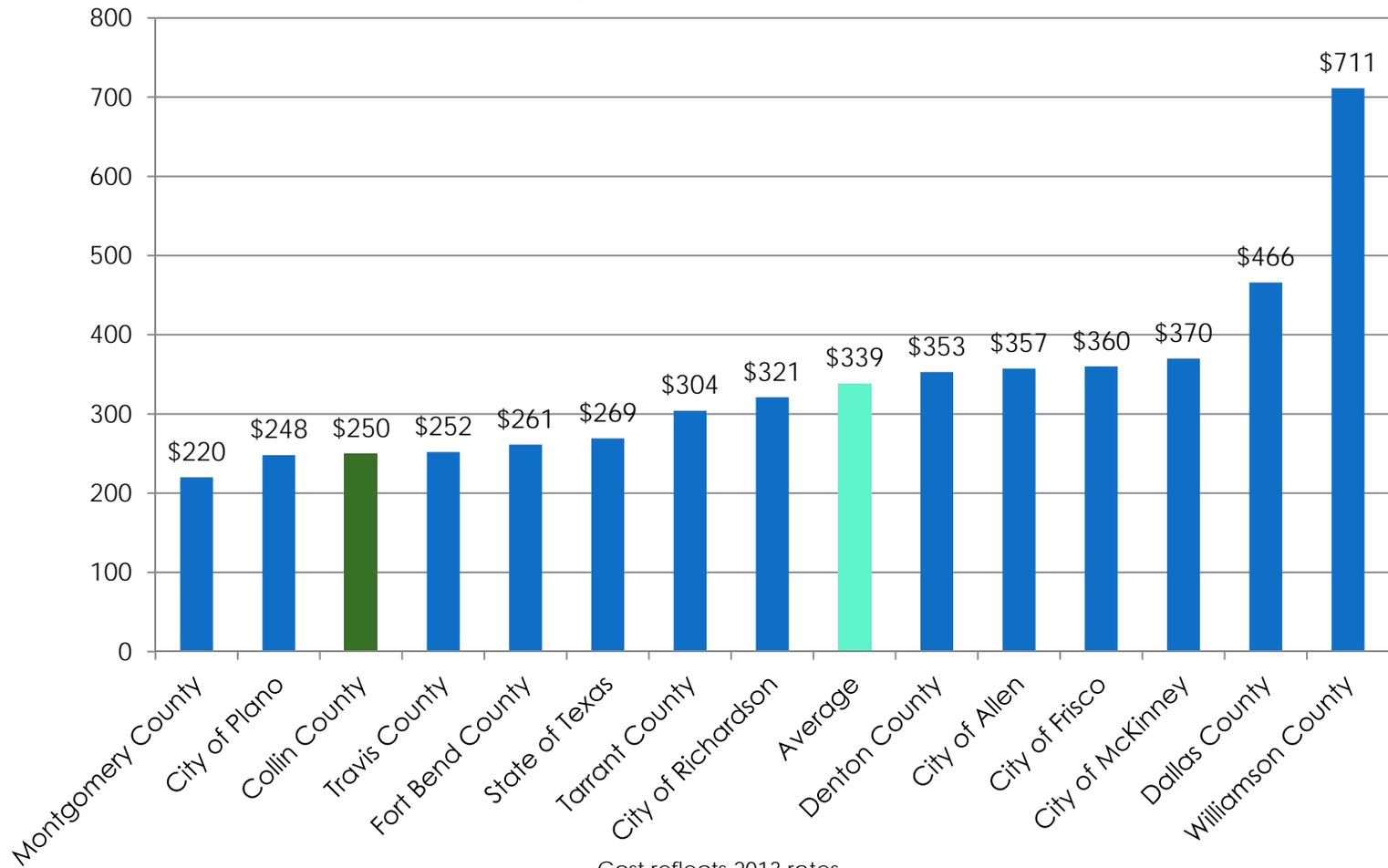
- Collin County has a 2 tier premium design while a majority of plans have a 4 tier premium design.
- Both premium tiers (employee only and employee & family) are in the lowest quarter for premium payment.
- Our dental plan deductible (\$50) is consistent with our counterparts.
- Our dental plan maximum (\$1,000) is lower than the majority of our counterparts.

Premium Medical Plan Employee Only Coverage Cost/Month



Cost reflects 2013 rates.
The City of Dallas and the military do not have comparable plans.

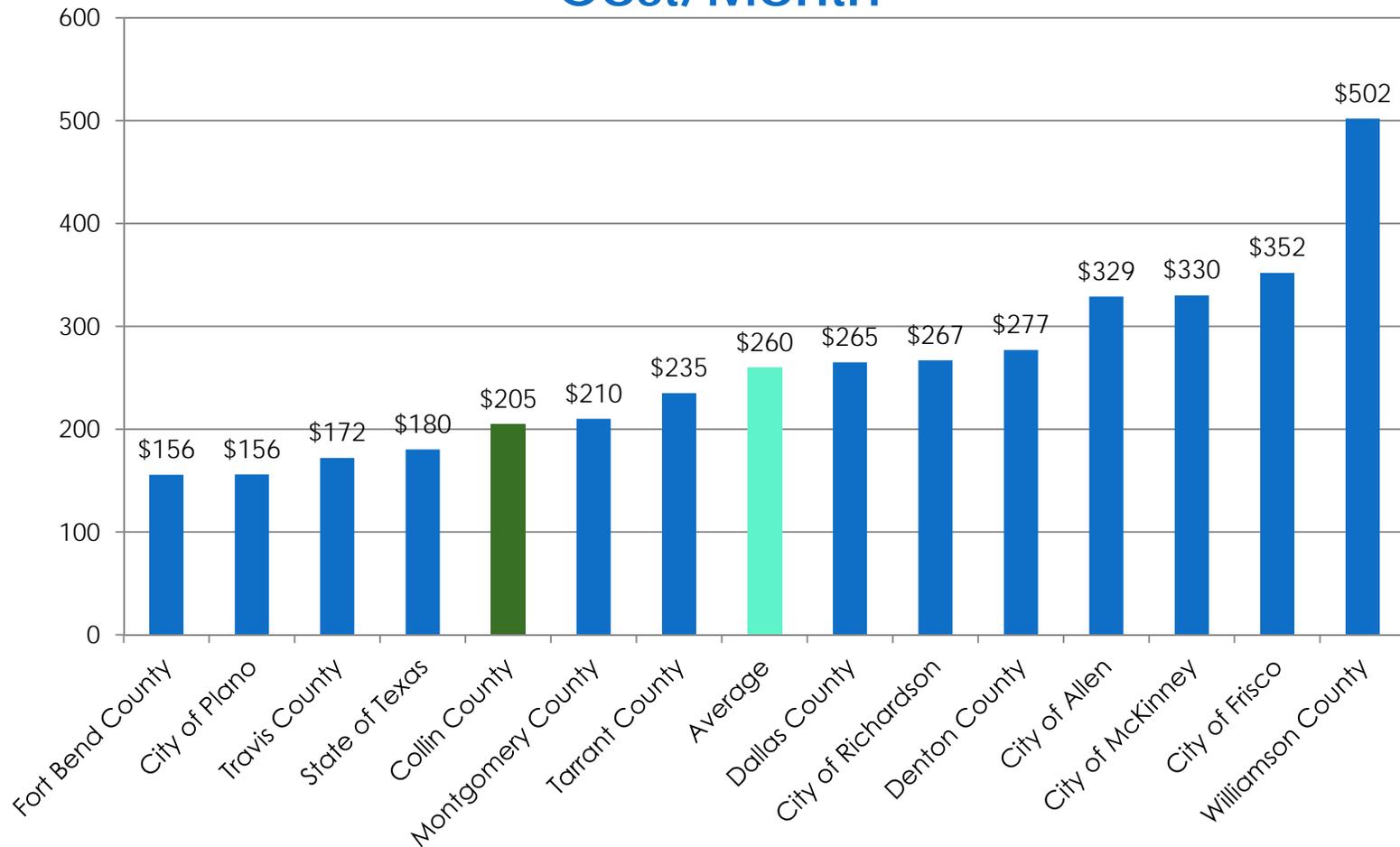
Premium Medical Plan Employee & Spouse Coverage Cost/Month



Cost reflects 2013 rates.

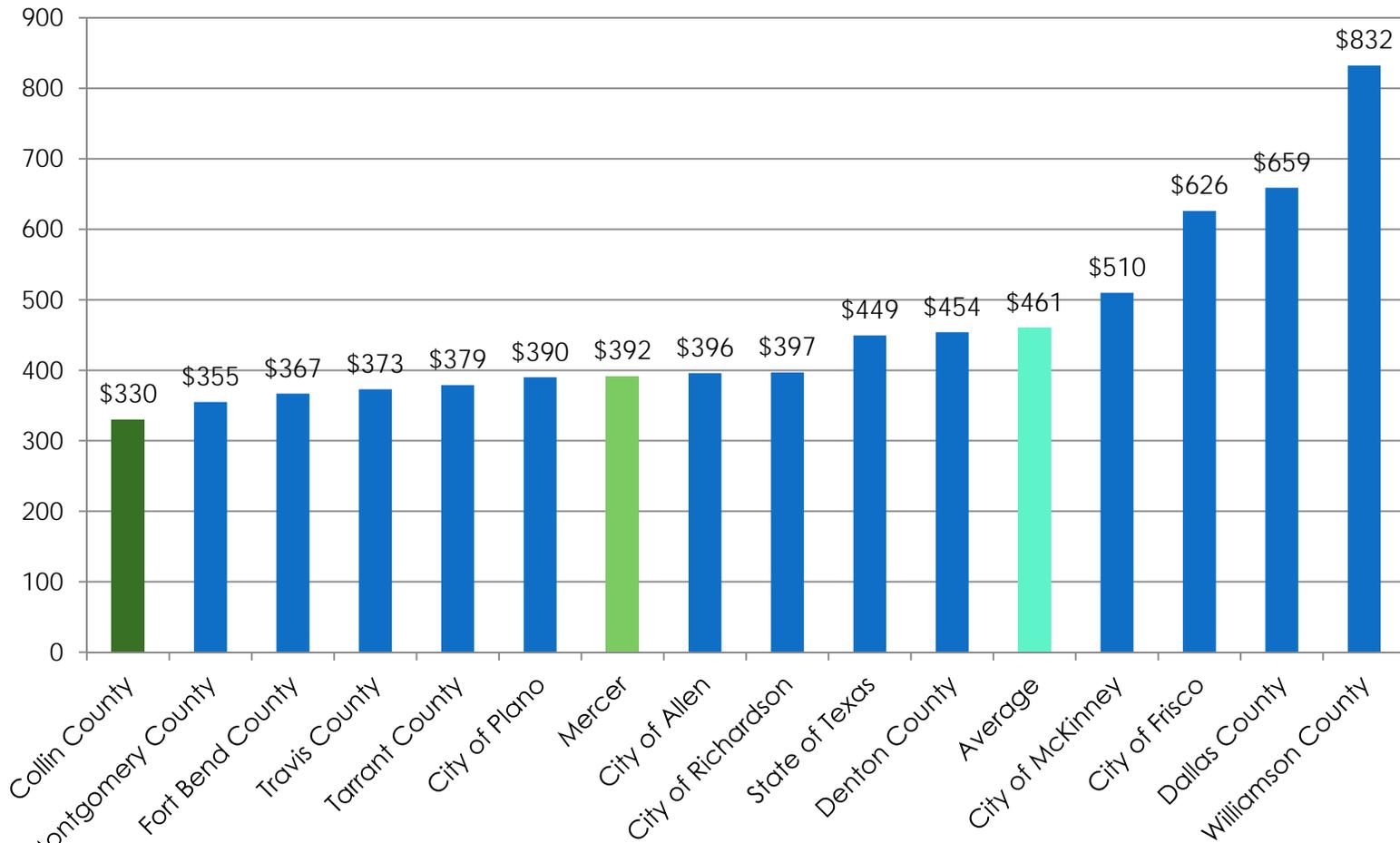
The City of Dallas and the military do not have comparable plans.

Premium Medical Plan Employee & Child Coverage Cost/Month



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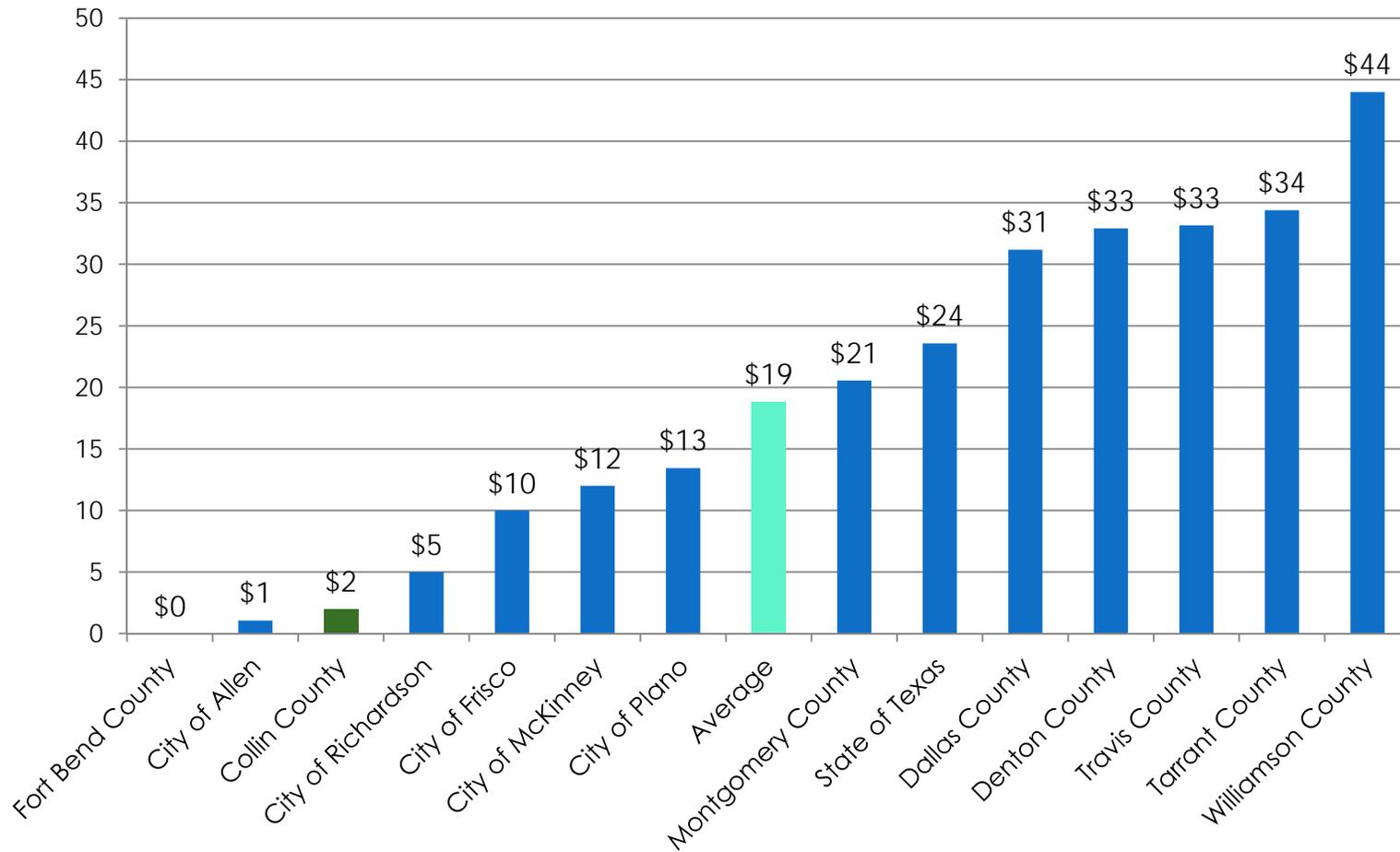
Premium Medical Plan Employee & Family Coverage Cost/Month



Cost reflects 2013 rates.

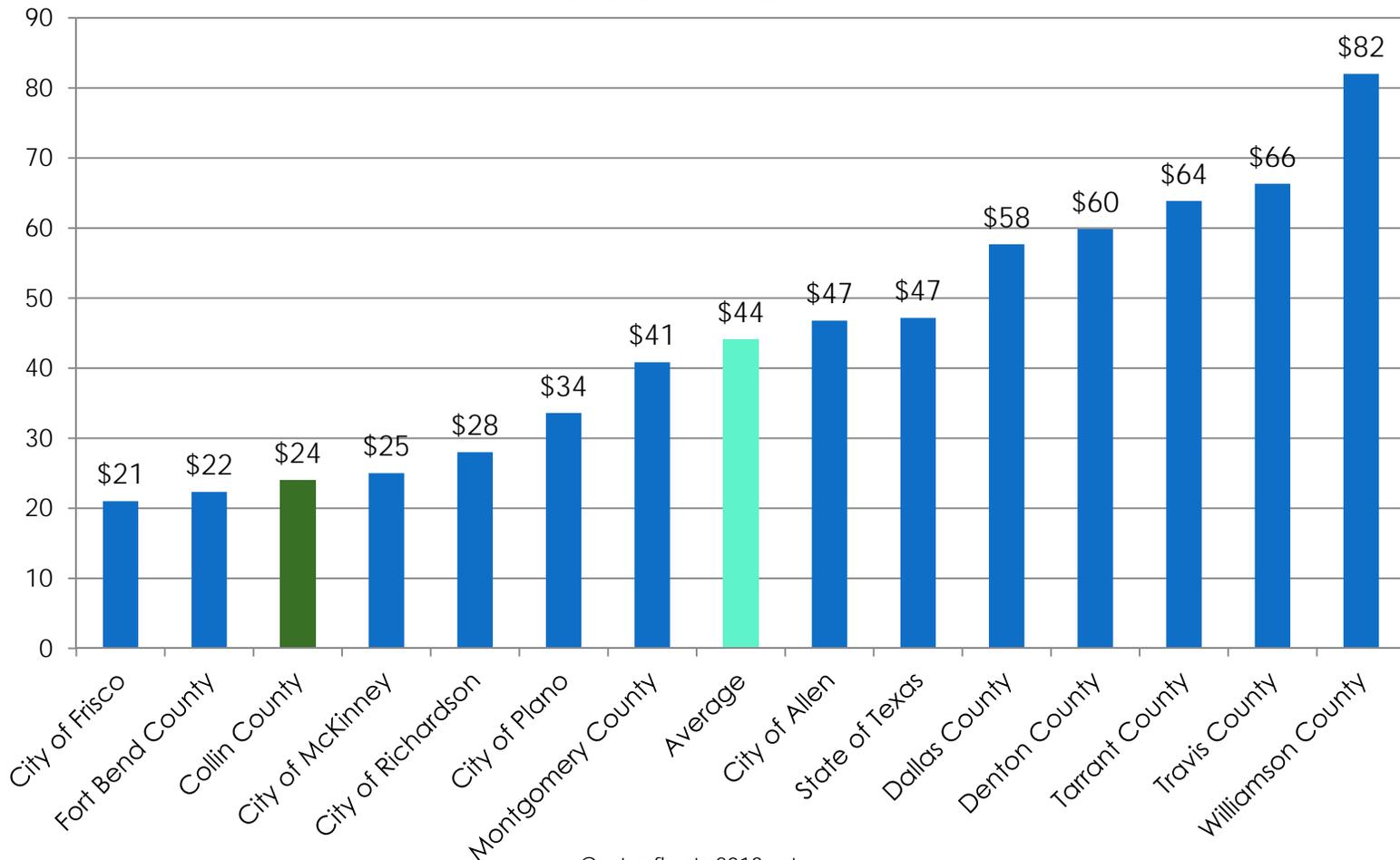
The City of Dallas and the military do not have comparable plans.

Dental Plan Employee Coverage Cost/Month



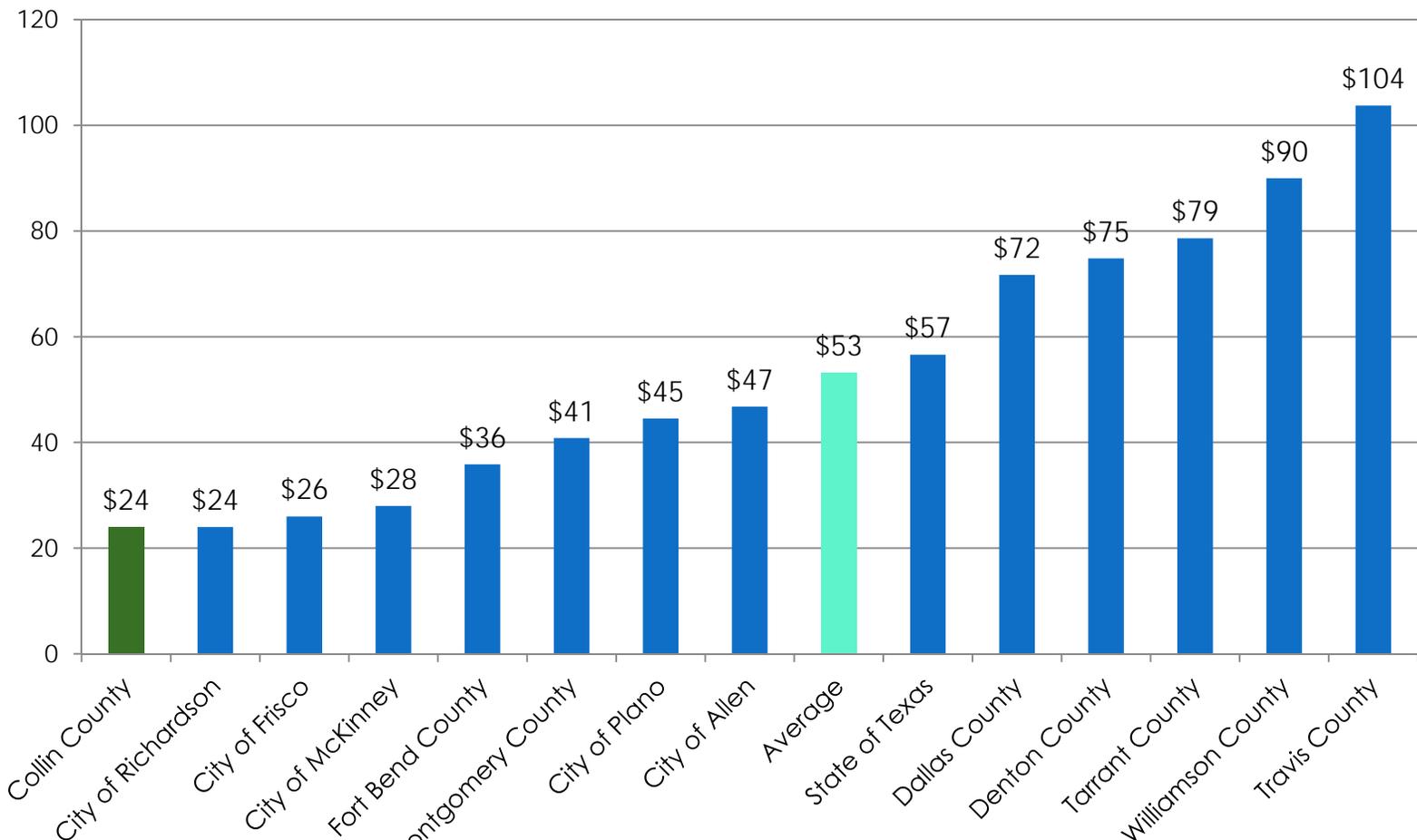
Cost reflects 2013 rates.
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Dental Plan Employee & Spouse Cost/Month



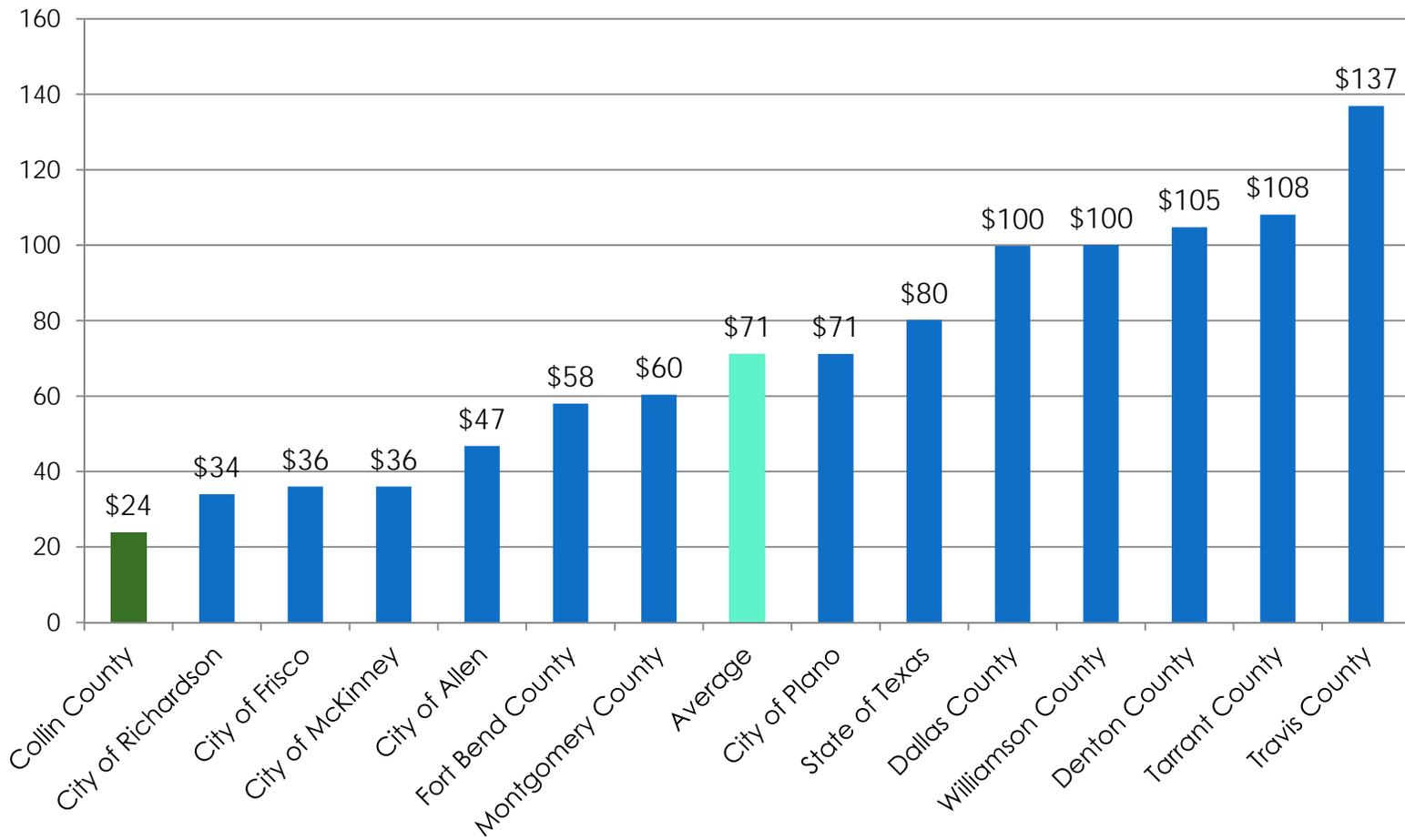
Cost reflects 2013 rates.
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Dental Plan Employee & Child(ren) Cost/Month



Cost reflects 2013 rates.
The City of Dallas and the military do not have comparable plans.

Dental Plan Employee & Family Cost/Month



Cost reflects 2013 rates.
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Medical Plan Premium and Enrollment Information



2013 Active Employee Monthly Insurance plan Rates and Enrollment*

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
EE Only	\$82 (93)	\$107 (24)	\$132 (24)	\$94 (333)	\$119 (18)	\$144 (63)
EE & Child(ren)	\$120 (20)	\$145 (11)	\$170 (12)	\$180 (127)	\$205 (1)	\$230 (33)
EE & Spouse	\$160 (50)	\$185 (10)	\$210 (11)	\$225 (138)	\$250 (5)	\$275 (25)
EE & Family	\$220 (74)	\$245 (9)	\$270 (27)	\$305 (196)	\$330 (8)	\$355 (60)
Total	237	54	74	794	32	181

*As of June 2013

Advantage Plan Premium History for Full-Time Employees

Plan	Medical Coverage Level	2008	2009	2010	2011	2012	2013
Advantage Premium Discount (Wellness Physical)	EE Only		\$0	\$0	\$0	\$0	\$82
	EE & Child(ren)		\$90	\$85	\$120	\$120	\$120
	EE & Spouse		\$115	\$110	\$160	\$160	\$160
	EE & Family		\$180	\$175	\$220	\$220	\$220
Advantage Standard Premium (New Hire)	EE Only	\$10	\$10	\$10	\$25	\$25	\$107
	EE & Child(ren)	\$110	\$110	\$110	\$145	\$145	\$145
	EE & Spouse	\$135	\$135	\$135	\$185	\$185	\$185
Advantage Premium Surcharge (No Wellness Physical)	EE & Family	\$200	\$200	\$200	\$245	\$245	\$245
	EE Only				\$50	\$50	\$132
	EE & Child(ren)				\$170	\$170	\$170
	EE & Spouse				\$210	\$210	\$210
	EE & Family				\$270	\$270	\$270

Advantage Plus Plan Premium History for Full-Time Employees

Plan	Medical Coverage Level	2008	2009	2010	2011	2012	2013
Advantage Plus Premium Discount (Wellness Physical)	EE Only		\$15	\$10	\$25	\$25	\$94
	EE & Child(ren)		\$145	\$140	\$180	\$180	\$180
	EE & Spouse		\$193	\$188	\$225	\$225	\$225
	EE & Family		\$270	\$265	\$305	\$305	\$305
Advantage Plus Standard Premium (New Hire)	EE Only	\$30	\$35	\$35	\$50	\$50	\$119
	EE & Child(ren)	\$165	\$165	\$165	\$205	\$205	\$205
	EE & Spouse	\$195	\$213	\$213	\$250	\$250	\$250
	EE & Family	\$290	\$290	\$290	\$330	\$330	\$305
Advantage Plus Premium Surcharge (No Wellness Physical)	EE Only				\$75	\$75	\$144
	EE & Child(ren)				\$230	\$230	\$230
	EE & Spouse				\$275	\$275	\$275
	EE & Family				\$355	\$355	\$355

Additional Information



Plan Demographics*

	Advantage Medical Plan	Advantage Plus Medical Plan	Total
Total Enrolled	365	1007	1372
Gender			
Male	205 (56%)	492 (49%)	697 (51%)
Female	160 (44%)	515 (51%)	675 (49%)
Salary Level			
Under \$50,000	254 (70%)	626 (62%)	880 (64%)
Over \$50,000	111 (30%)	381 (38%)	492 (36%)
Age			
30 and younger	84 (23%)	128 (13%)	212 (15%)
31 – 40	113 (31%)	240 (24%)	353 (26%)
41 – 50	103 (28%)	261 (26%)	364 (27%)
51 – 60	52 (14%)	256 (25%)	308 (22%)
60+	13 (4%)	122 (12%)	135 (10%)

*As of June 2013

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	13%	32%	34%	27%
Frisco	11%	29%	34%	39%
McKinney	20%	31%	32%	29%
Plano	14%	22%	22%	25%
Richardson	9%	37%	33%	42%
Average	14%	30%	31%	32%
County				
Collin County	13%	16%	15%	19%
Dallas County	14%	36%	28%	39%
Denton County	8%	23%	25%	24%
Fort Bend County	7%	30%	22%	39%
Montgomery County	10%	23%	22%	32%
State of Texas	5%	30%	27%	37%
Tarrant County	15%	22%	23%	23%
Travis County	4%	31%	28%	42%
Williamson County	35%	54%	46%	58%
Average	13%	30%	28%	34%
Private Sector	22%			30%

On-Site Nurse

- Long term cost reduction through:
 - Early identification of medical conditions
 - Individual contacts
 - Wellness on Wheels – blood pressure screenings, BMI, and fat percentages
 - Encouraging appropriate treatment
 - Reached out to inappropriate ER utilizers regarding alternatives, resulting in an estimated 20% decrease in fourth quarter 2012
 - Increased education awareness
 - Held 4 classes on major health conditions with 73 participants
 - Newsletter articles
 - Partnered with County Extension department on Step Up/Scale Down program centered on weight management and nutrition
 - Identification of cost affordable options
 - Posters - MRI options, ER/Urgent Care
 - Partnering with members with chronic conditions to improve treatment
 - 1066 outreach activities including 157 diabetes, 22 heart disease, 38 musculoskeletal, 15 cancer.

Affordable Care Act



Affordable Care Act

- Requires fee payments:
 - \$3,100 for 2013
 - \$6,200 for 2014
- Requires plans to meet affordability and coverage requirements.
- Collin County's plan meets the coverage requirements.
- Collin County's plan does not meet affordability requirements. Options include:
 - Implement a third benefit plan with lower benefit levels at a lower cost.
 - Lower employee costs to the affordability level. Maximum rate for an employee is \$90.
 - Restructure costs so that non-required plans are bearing greater portion of costs (e.g. vision and dental plans).
- Requires us to change the waiting period. Options include 1st of month following:
 - Date of hire
 - A one month waiting period
 - 59 days
 - 60th day of employment, not to exceed 90th day
- Required to report the cost of coverage of our health plan on W-2 forms. Must include the portion paid by the employer and the employee. Currently not taxable – for reporting information only.

Wellness

- In 2012, the requirements to receive the \$200 wellness payment and the \$25 monthly insurance discount were:
 - Annual physical
 - Cholesterol screening
 - Well man/woman examination
 - Completion of UHC online health assessment
- For 2013, in addition to the prior requirements, employees must also have their height, weight, and body mass index (BMI) listed.
- Our plan is currently ACA compliant for wellness.

Discussion Items

- Affordable Care Act
 - Comply with requirements for cost of employee coverage
 - Change waiting period
 - Continuation of wellness program
- Remove dental implants from accident plan.
- Change preferred prescription co-pay to \$100.
- Make use of generic prescriptions mandatory.
- Overweight surcharge
- Smoking surcharge