

A decorative graphic consisting of several overlapping, curved, yellow-to-white gradient shapes that sweep across the top of the slide.

COLLIN COUNTY 2017 BENEFITS PRESENTATION

FY2018 BUDGET WORKSHOP

BENEFITS PRESENTATION

Fiscal Year 2016 Benefit Costs

(does not include stop loss reimbursements)

Medical and Prescription	2016 Costs	2015 Costs
Total Claims Cost	\$22,528,622	\$21,786,306
Employees Pay	\$3,069,752 (14%)	\$ 3,014,649 (14%)
County Pays	\$19,458,870 (86%)	\$18,771,657 (86%)
Average # of Covered Employees	1,399	1,375

BENEFITS PRESENTATION

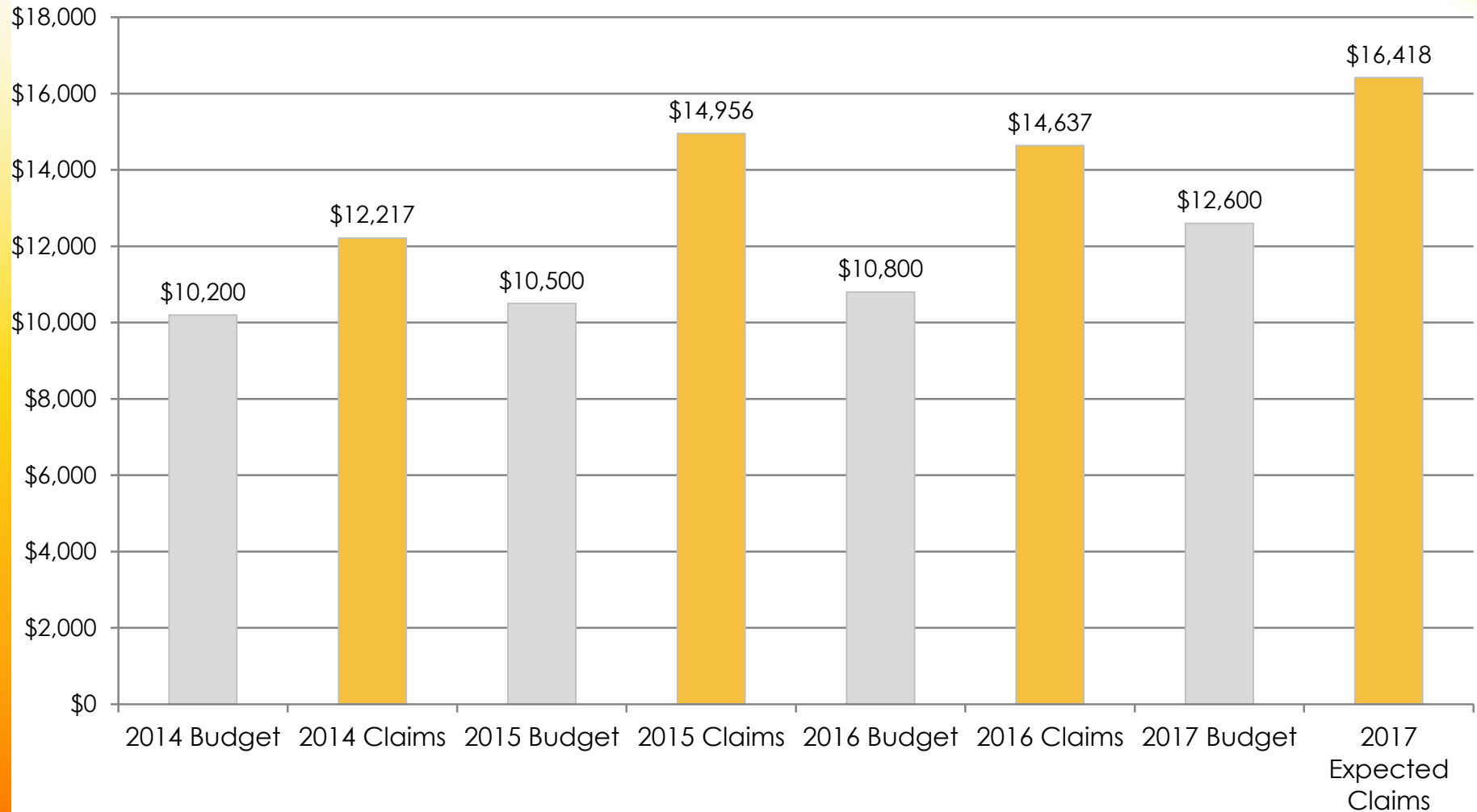
Employee Cost Share

	2012	2013	2014	2015	2016
Employee Pays	16%	18% (2%)	17% (-1%)	14% (-3%)	14% (0%)
Employer Pays	84%	82% (-2%)	83% (1%)	86% (3%)	86% (0%)

BENEFITS PRESENTATION

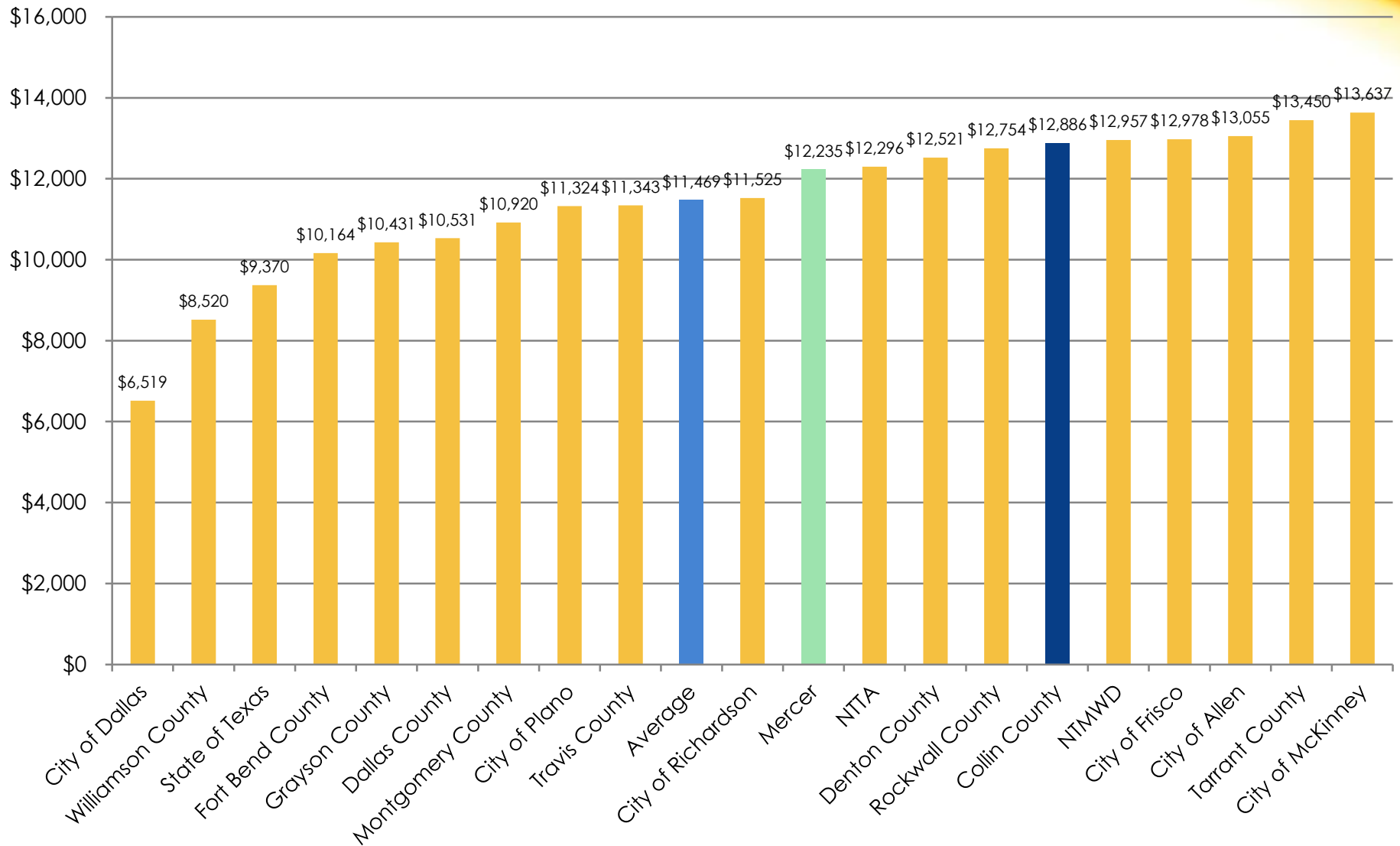
Fiscal Year Budget vs. Claims Per Employee

(includes stop loss reimbursements)



BENEFITS PRESENTATION

2016 Average Employer Premium Cost Per Employee Premium Plan



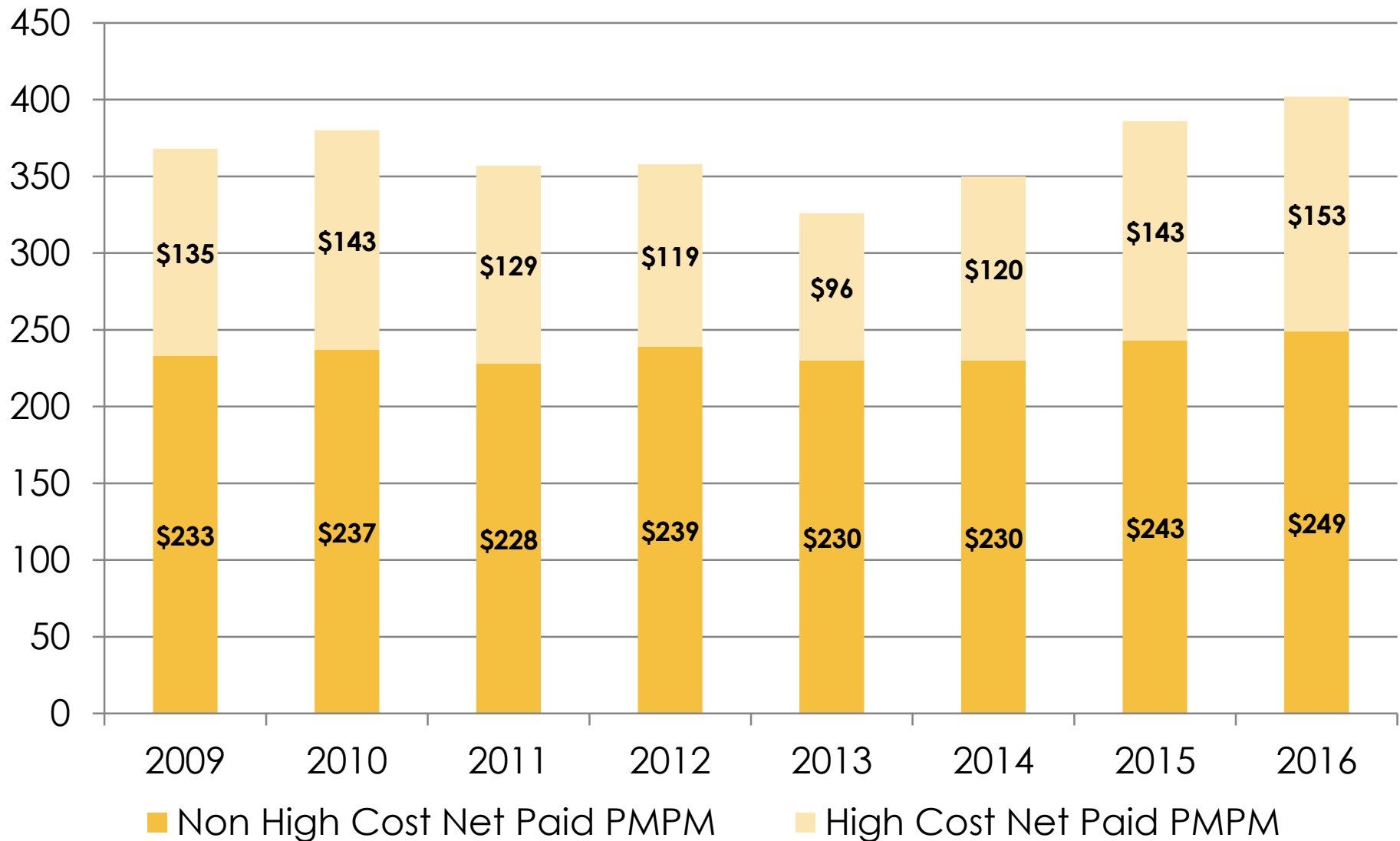
BENEFITS PRESENTATION

2016 Claims Information

- Utilization of medical benefits is essentially 100%.
- Insured members averaged 3,342. For every insured employee we also cover an average of 1.36 dependents.
- Catastrophic cases are those that exceed \$50,000. 38% of our cost was due to high cost claimants, essentially the same percent as the prior year.
- 53 claims were over \$50,000 in 2016 (increase of 3).
 - 35 claims were between \$50,000 and \$100,000 (increase of 1).
 - 18 claims were over \$100,000 (increase of 2). Of those claims, 6 claims were over \$200,000 (same as previous year).
- There was a 2% increase in the average cost of a high cost claim compared to a 16% increase last year.

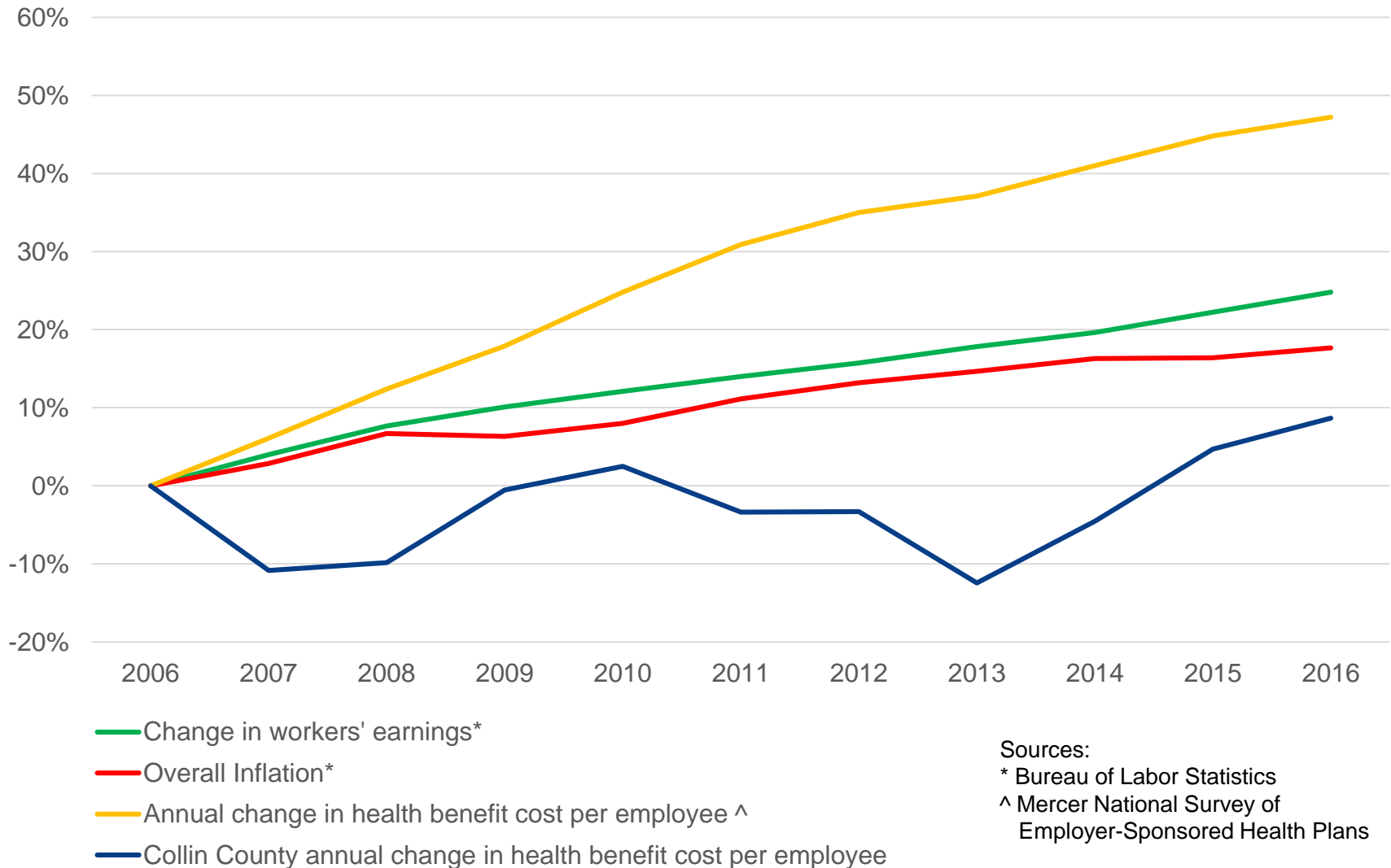
BENEFITS PRESENTATION

Medical Net Paid PMPM Historical Trend



BENEFITS PRESENTATION

Cost Change Over 10 Years























BENEFITS PRESENTATION

Large Loss Claims Top Categories

<u>Condition</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Musculoskeletal			
Disc Disorder	12	6	2
Arthritis	1	5	6
Other	2	1	0
Cancer			
Breast	0	1	3
Ovarian/Uterine/Cervical	2	0	1
Other Cancer	8	6	7
Circulatory			
Hardening of the arteries	5	1	3
Other Circulatory	8	7	7
Perinatal Period			
Twin Liveborn	2	0	0
Injury/Poisoning			
Implant Complications	4	4	4
Fracture	1	1	0
Other	2	2	4

BENEFITS PRESENTATION

Top Diagnosis Categories by Cost

<u>Diagnosis</u>	<u>Claimants</u>	<u>Dollars</u>	<u>Cost/Claimant</u>	<u>Percentage High Cost</u>
Musculoskeletal System	978 	\$2,781,212 	\$2,844 	50% 
Circulatory System	630 	\$1,607,368 	\$2,551 	56% 
Cancer	332 	\$1,317,817 	\$3,969 	74% 
Digestive System	443 	\$1,317,015 	\$2,973 	27% 
Injuries and Poisonings	565 	\$1,087,620 	\$1,925 	41% 

BENEFITS PRESENTATION

Top Diagnosis Categories

- Musculoskeletal claims increased by 2% and are 12% higher than our peers; 50% are high cost claims.
- Circulatory system claims decreased by 1% and are 7% higher than our peer group; 56% are high cost claims.
- Cancer claims decreased by 10% and are 1% higher than our peer group; 74% are high cost claims.
- Digestive system claims decreased by 5% and are 1% lower than our peer group; 27% are high cost claims.
- Injury and poisoning claims decreased by 2% and are 6% higher than our peer group; 41% are high cost claims.

BENEFITS PRESENTATION

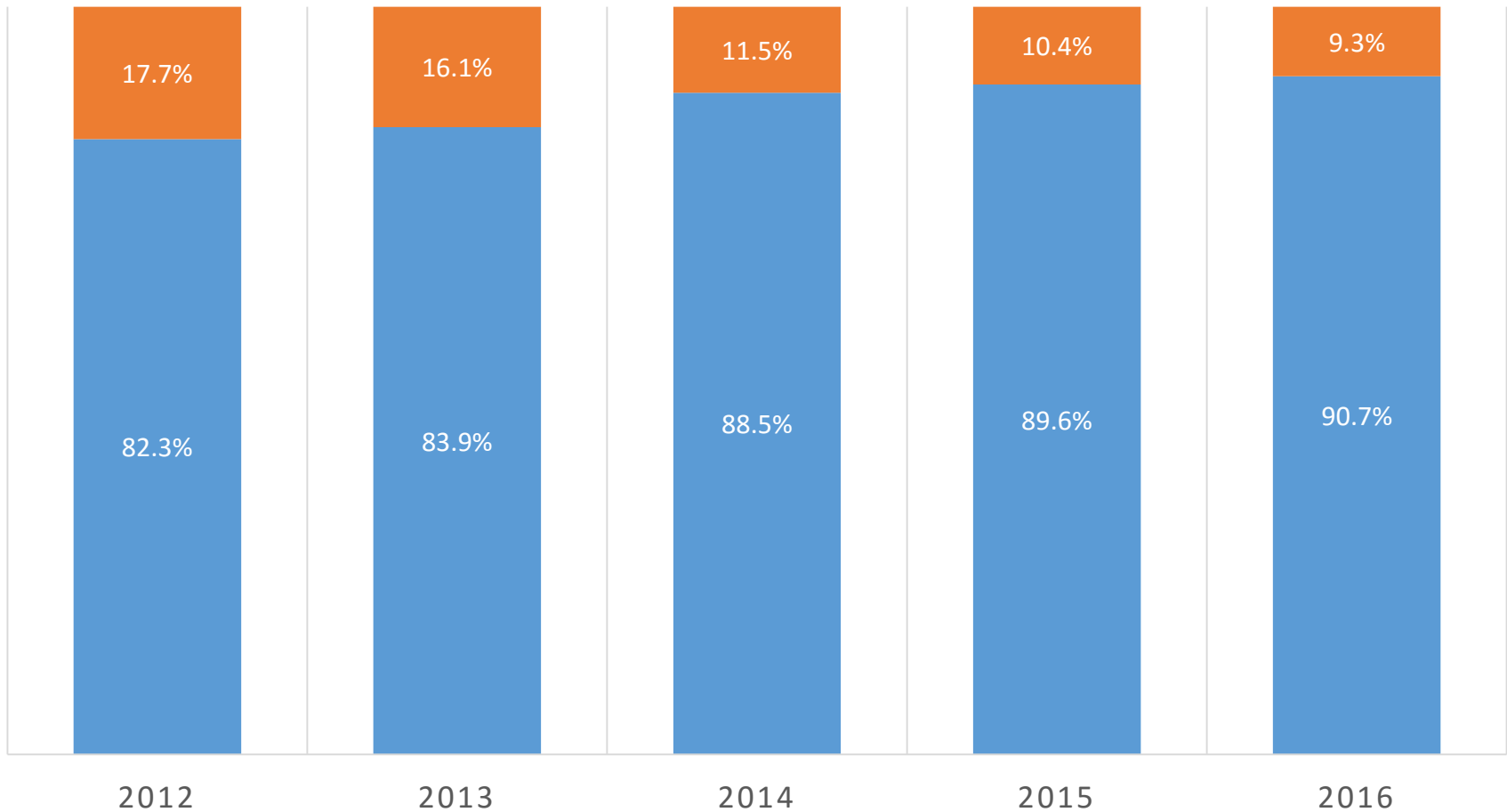
Pharmacy

- Costs were \$5,450,909 for the year; 25% of total costs.
 - Total claims decreased 9%.
- Top 15 drugs cost approximately \$1.6 million and comprise 29% of total pharmacy costs.
- Over the last five years:
 - Net paid per member per month increased 52%.
 - Plan Paid Specialty per member per month increased 129%.
 - Plan Paid Non-Specialty per member per month increased 47%.
 - Plan paid per prescription increased 44%.

BENEFITS PRESENTATION

PHARMACY COST SHARE

■ Plan Paid ■ Employee Paid



BENEFITS PRESENTATION

Top 15 Prescriptions by Net Paid

Name of Prescription	Used to Treat	Tier	Members Using Prescription	Number of Prescriptions	Annual Cost of Prescription	Cost per Prescription
HUMIRA PEN	Inflammatory Conditions	2	6	37	\$195,222	\$5,276.27
STELARA	Inflammatory Conditions	2	4	11	\$169,081	\$15,371.00
NUTROPIN AQ NUSPIN 20	Growth Hormone Deficiency	2	2	15	\$144,023	\$9,601.53
OTEZLA	Inflammatory Conditions	3	6	42	\$120,712	\$2,874.10
JAKAFI	Oncology	2	1	11	\$117,833	\$10,712.09
VICTOZA	Diabetes	2	27	156	\$111,559	\$715.12
CRESTOR ⁽²⁾	Cholesterol Lowering Agents	3	75	368	\$109,232	\$296.83
LANTUS SOLOSTAR ⁽¹⁾	Diabetes	3	28	189	\$92,061	\$487.10
VYVANSE	ADHD	2	74	396	\$90,169	\$227.70
REVLIMID ⁽³⁾	Oncology	2	1	9	\$86,216	\$9,579.56
SEROSTIM	Immunodeficiency Conditions	3	1	8	\$78,854	\$9,856.75
DICLOFENAC SODIUM	Inflammatory Conditions	2	20	45	\$71,248	\$1,583.29
ADDERALL XR	ADHD	2	51	280	\$67,827	\$242.24
NATPARA	Endocrine Disorders	3	1	8	\$67,430	\$8,428.75
HUMALOG KWIKPEN	Diabetes	2	21	75	\$67,308	\$897.44

BENEFITS PRESENTATION

Specialty Pharmacy

- Specialty drugs are generally defined as having one or more of the following characteristics:
 - Complex to manufacture, requiring special handling and administration
 - Costly both in total, and on a per patient basis (typically >\$600 per dose)
 - Taken by a relatively small portion of population who have rare and complex medical conditions
 - Requires ongoing clinical support

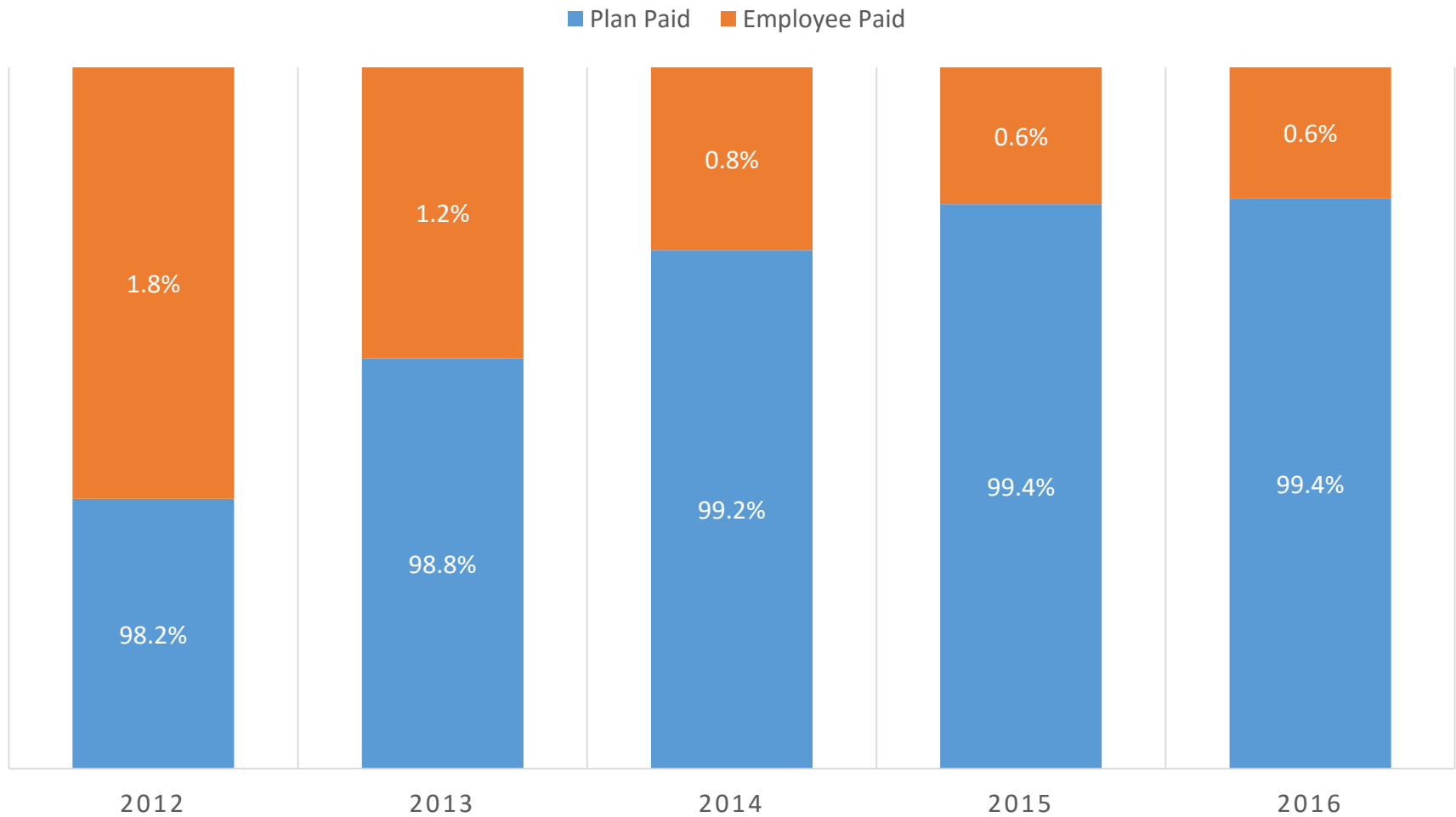
- In general, specialty medications treat only 2% or less of the population but account for 35-40% of all costs – and they are expected to reach half of pharmacy costs by 2020. In the past five years, specialty medications accounted for 70% of pharmacy cost growth in the US.

- Specialty drug costs increased 23% (almost \$300,000 more than previous year).
 - Represents 2% of Utilizers and 29% of Plan Paid (\$1,433,293).
 - 39% higher Specialty Plan Paid per RX than Peer.

- Employees are contributing less than 0.6% of specialty drug costs.

BENEFITS PRESENTATION

SPECIALTY PHARMACY COST SHARE



BENEFITS PRESENTATION

Major Cost Drivers

- Musculoskeletal, cancer, and circulatory were highest in spend and prevalence.
- Musculoskeletal system diagnoses is the leading primary clinical cost driver for the second year in a row.
- Those with more than \$50,000 in medical net payments represent 1.6% of claimants and 38% of medical costs.



MEDICAL AND DENTAL BENEFIT COMPARISONS

BENEFITS PRESENTATION

Medical Plan Benefit Comparison

➤ Deductibles:

- Our deductible is lower than the average. Our deductible is in the lower quartile although the state still has a zero deductible plan.

➤ Out of Pocket Expenses:

- Multiple counties and cities increased their out-of-pocket maximums including Fort Bend County, the State of Texas, City of Rockwall, and City of Garland. Harris County decreased their out-of-pocket maximums.
- We are 33% below the Mercer average.

➤ Physician Co-Pay:

- The low physician co-pay for primary care physicians is meant to encourage use of primary physicians.
- Average primary care physician cost is \$59.62 per member per month, a 4% increase.

➤ Specialist Co-Pay:

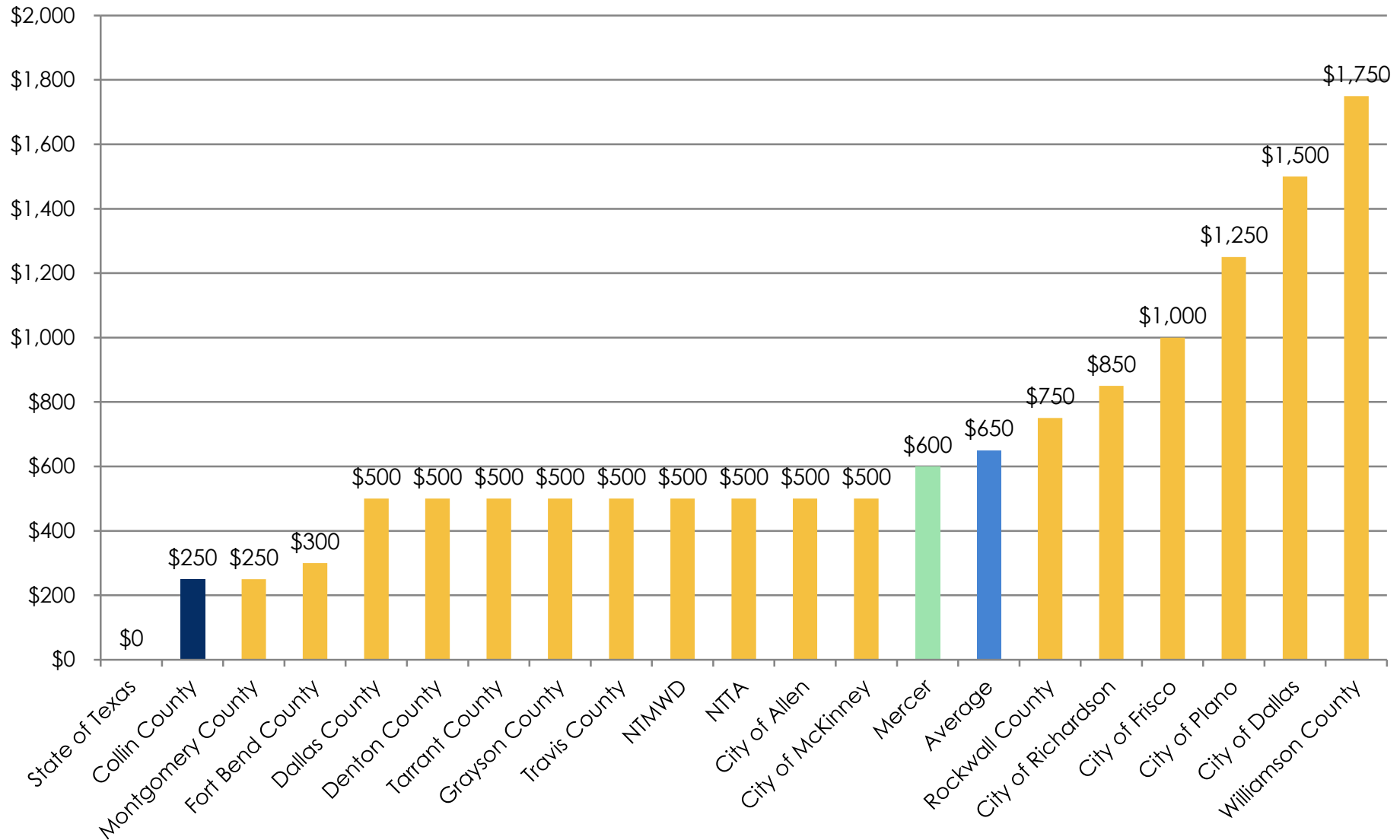
- We have one of the largest differentials between our physician co-pay and our specialist co-pay (City of Richardson's differential is \$5 more). This encourages members to see their primary care physician first.
- Average specialist cost is \$185.14 per member per month, a 4% decrease.

➤ Percent of Services Paid:

- We have one of the lowest percentage paid (75%).
- In-patient hospital stays and outpatient surgeries are covered at 100% after applicable co-pay and deductibles.

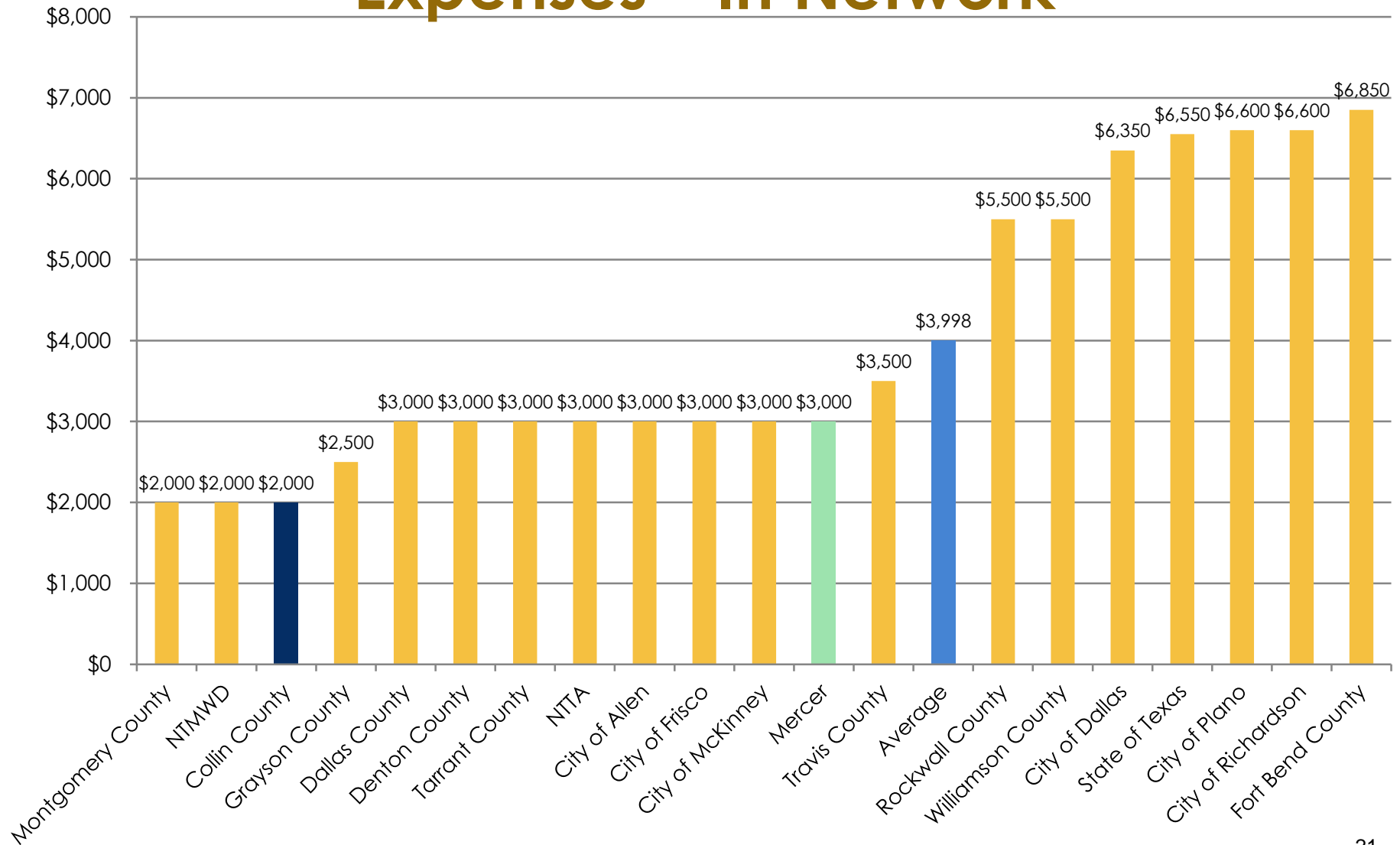
BENEFITS PRESENTATION

Premium Medical Plan Deductibles



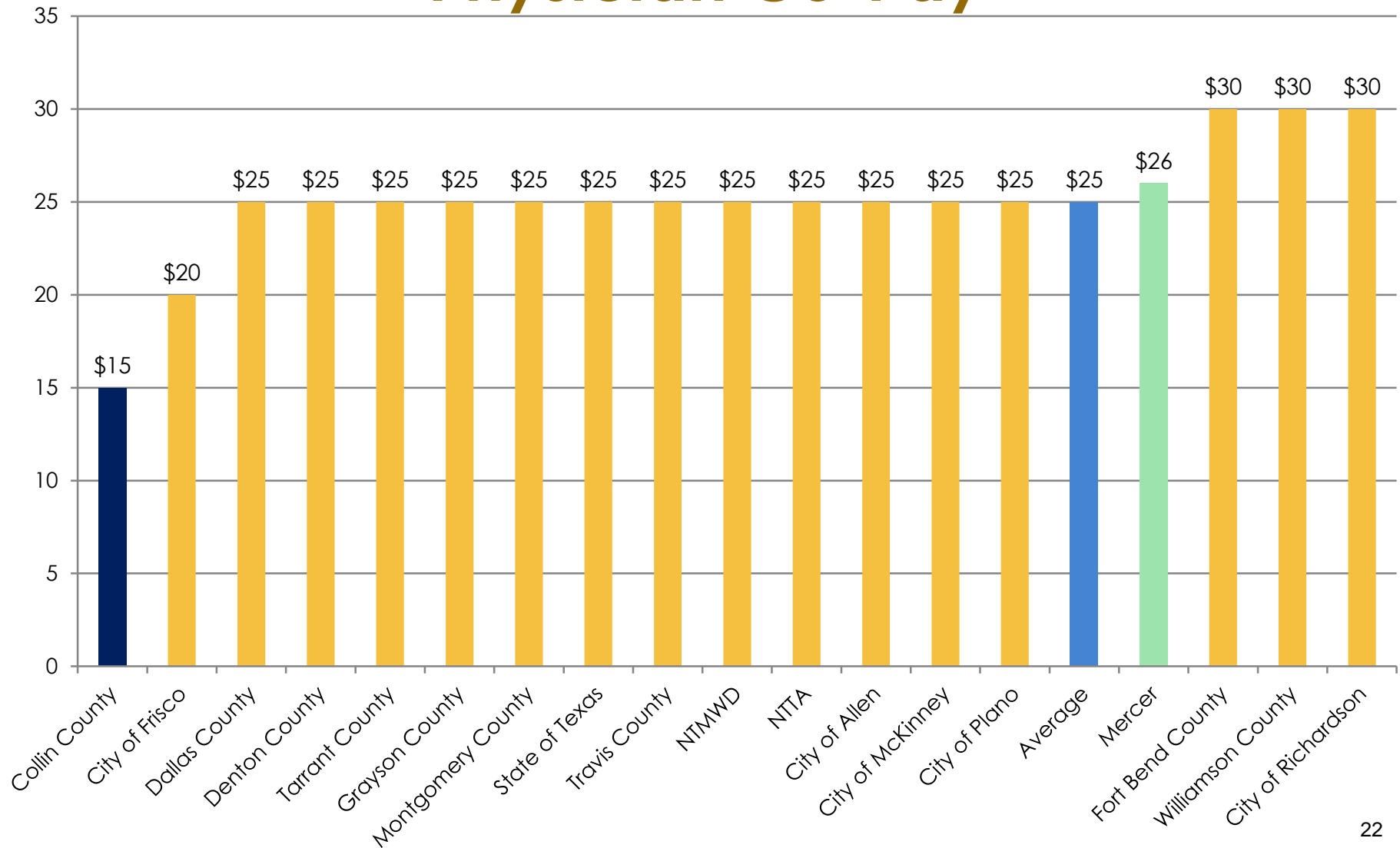
BENEFITS PRESENTATION

Premium Medical Plan Out of Pocket Expenses – In Network



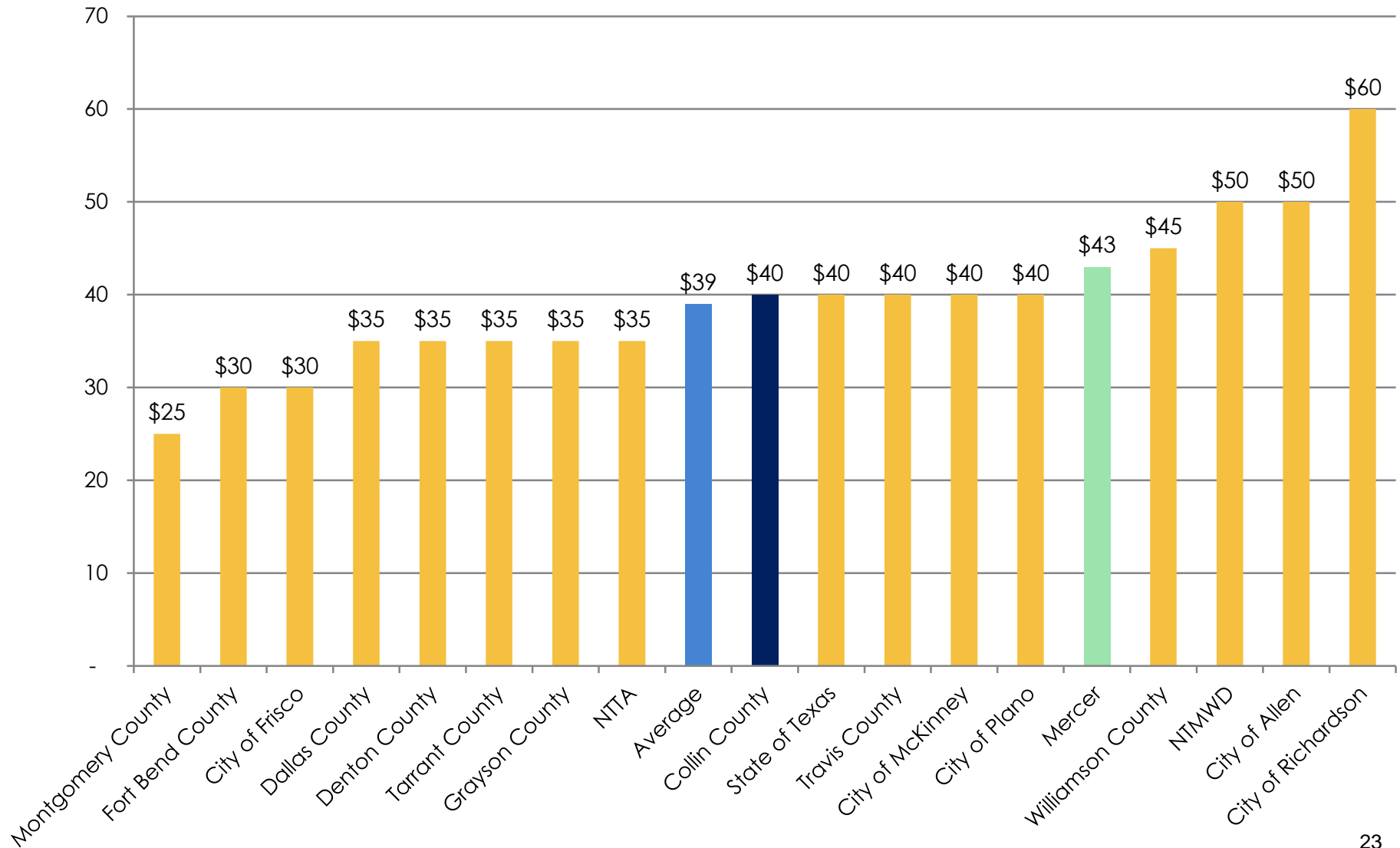
BENEFITS PRESENTATION

Premium Medical Plan Primary Care Physician Co-Pay



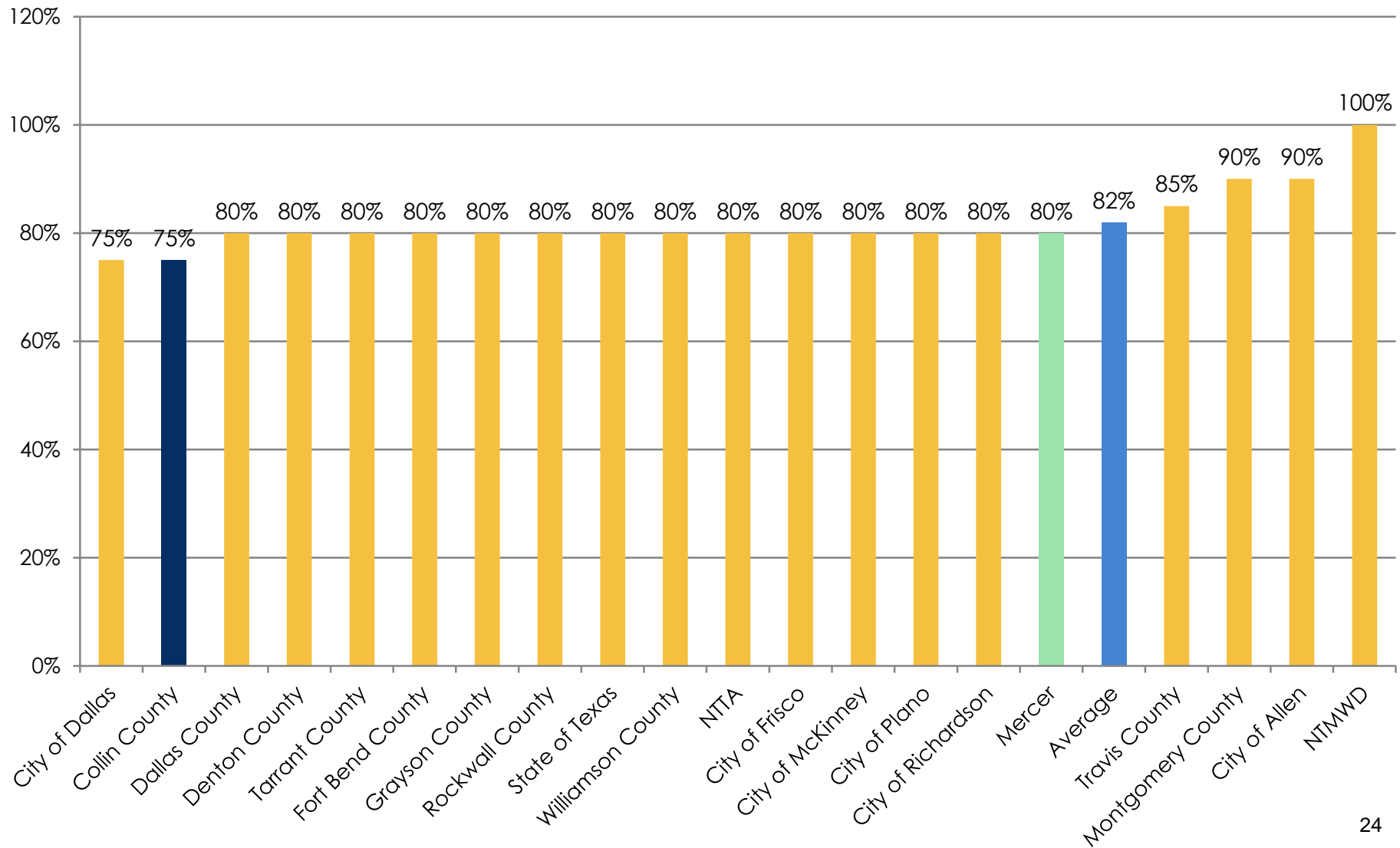
BENEFITS PRESENTATION

Premium Medical Plan Specialist Co-Pay



BENEFITS PRESENTATION

Premium Medical Plan Co-Insurance % Paid – In Network

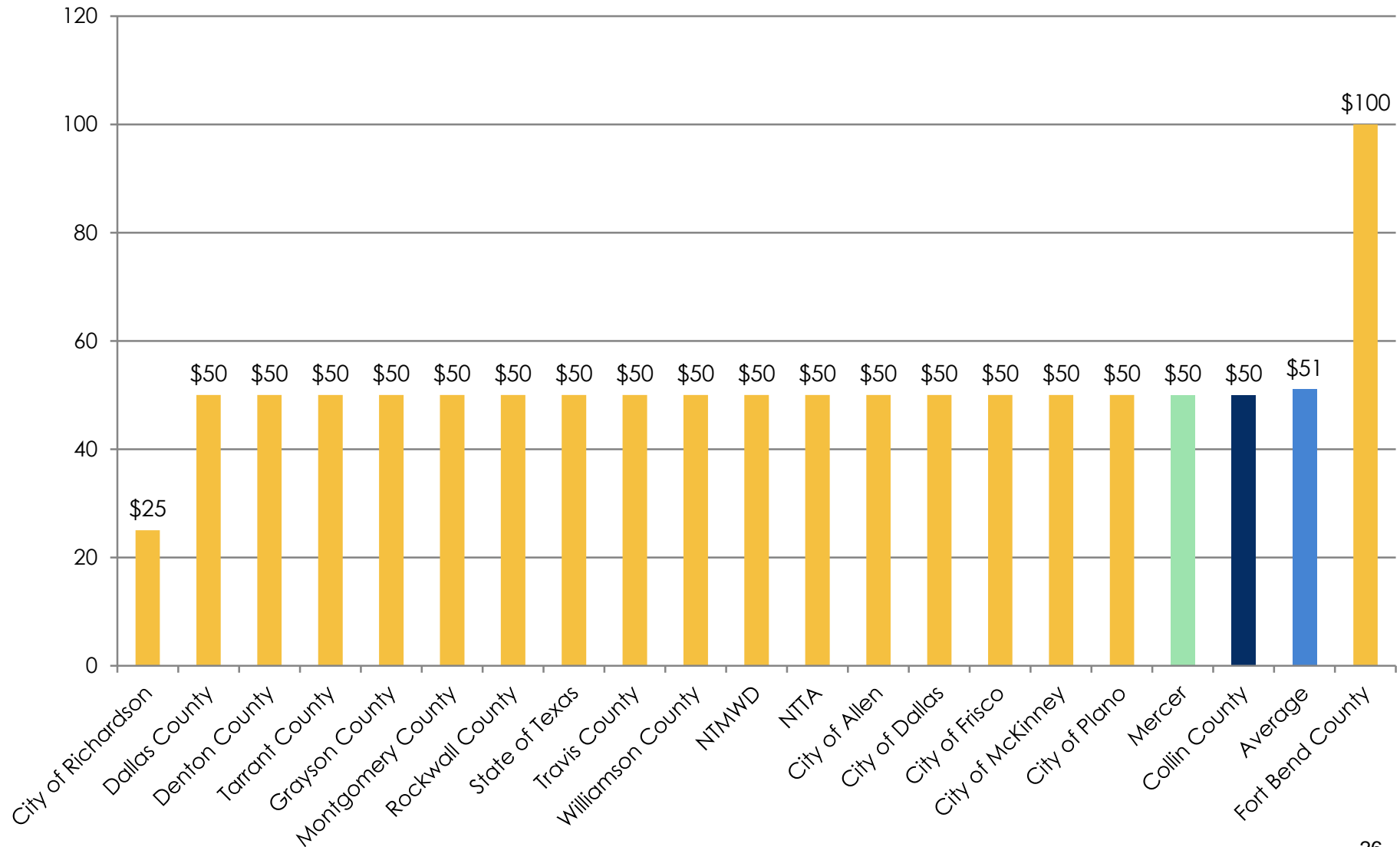


Dental Plan Benefit Comparison

- 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. 387 of 1,391 employees (28%) used the maximum level of benefits.

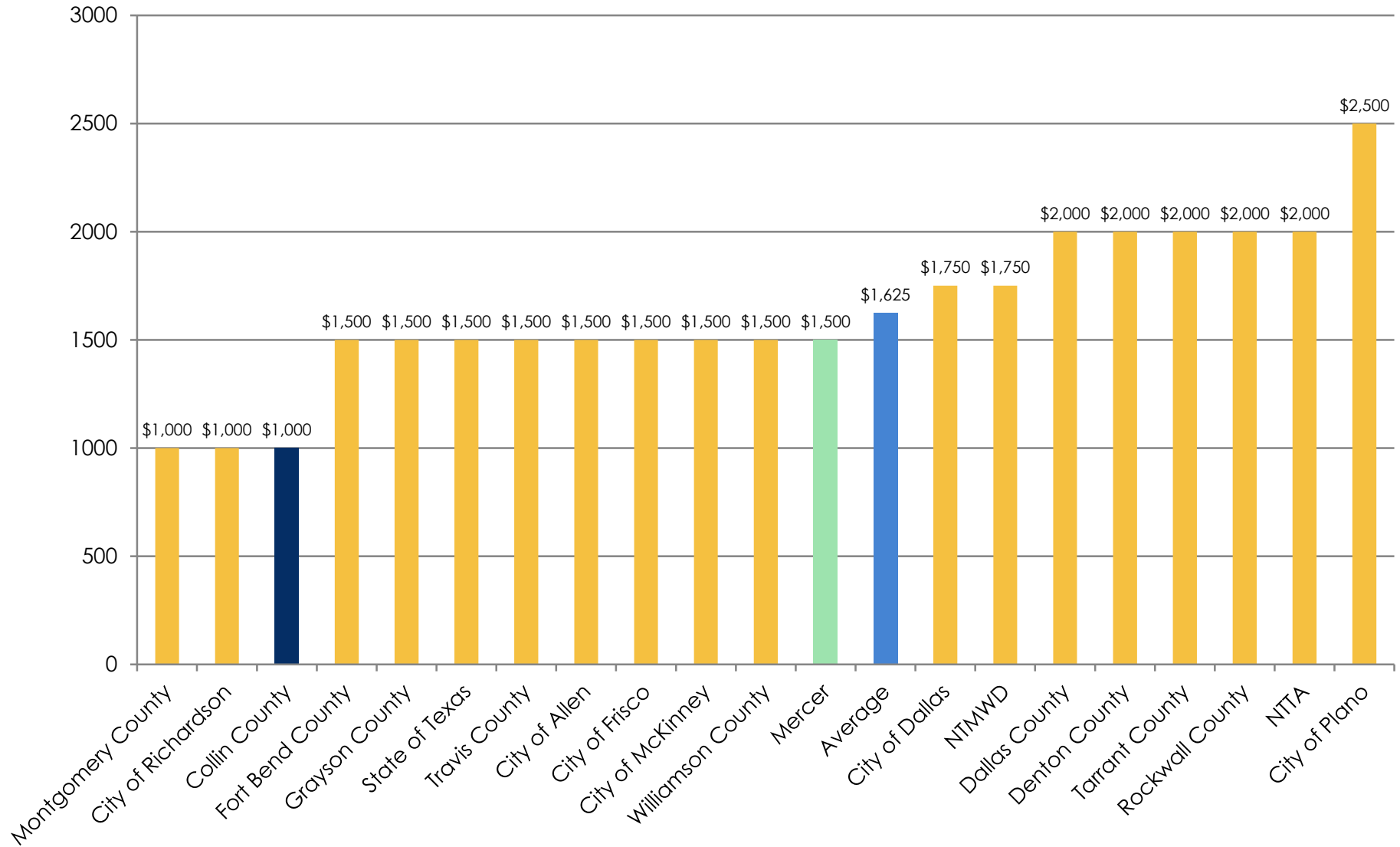
BENEFITS PRESENTATION

Dental Plan Deductibles



BENEFITS PRESENTATION

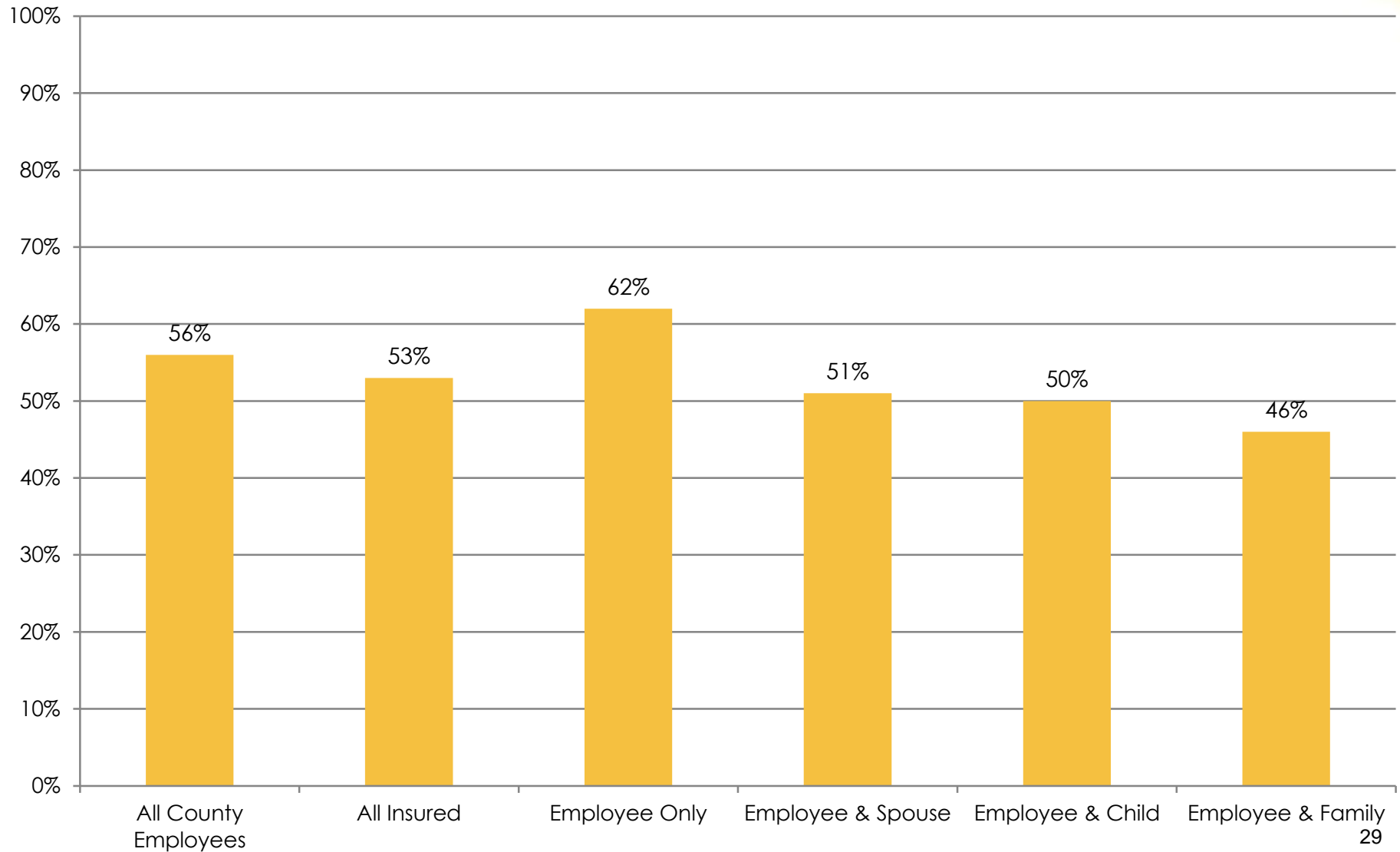
Dental Plan Maximums



MEDICAL AND DENTAL EMPLOYEE PREMIUM COMPARISONS

BENEFITS PRESENTATION

Percentage of Employees with Salaries Under \$50,000

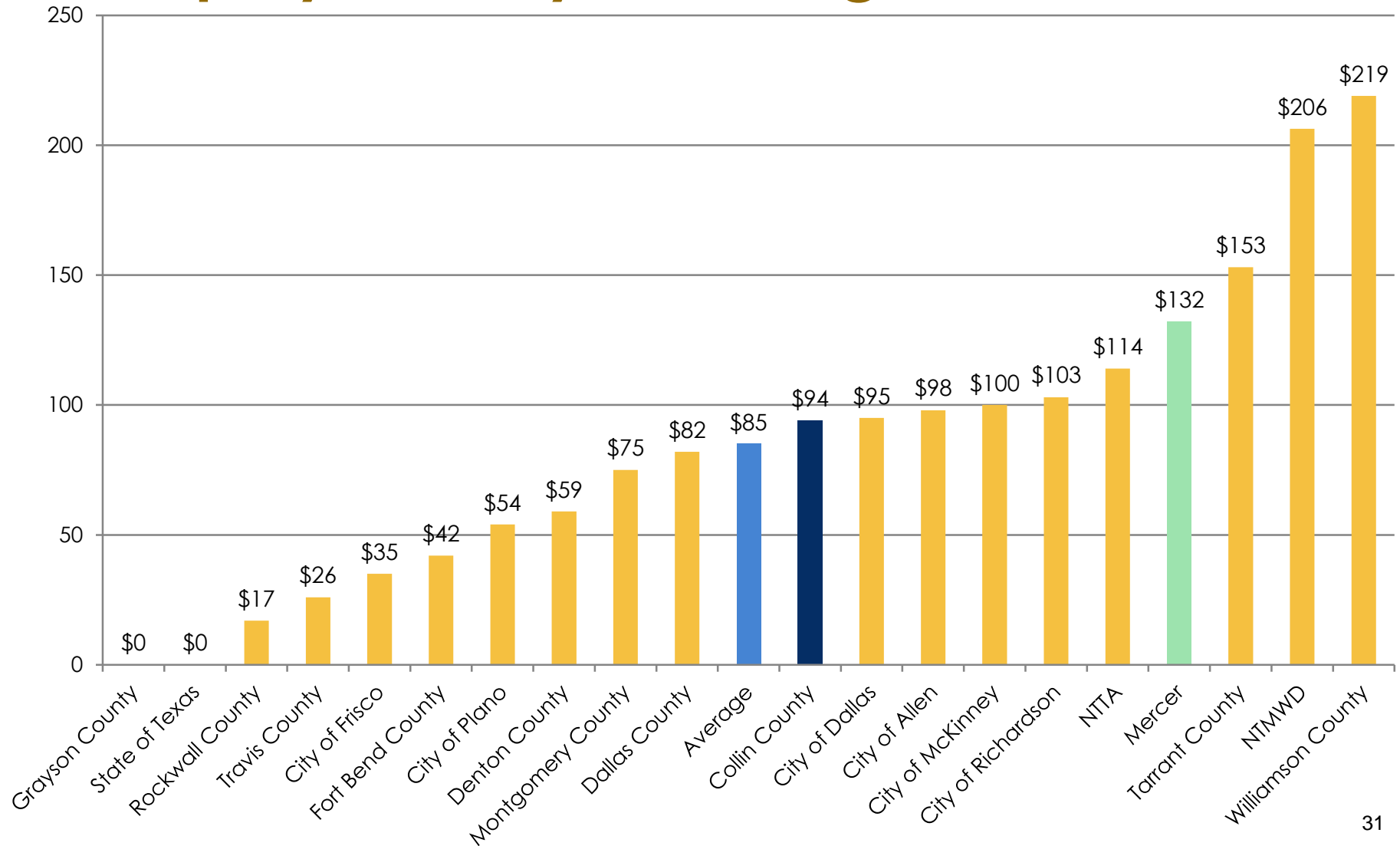


Medical Plan Employee Premium Comparison Summary

- Collin County's Employee Only contribution is above the average.
- Employee/Spouse, and Employee/Family premiums are in the lowest quartile.
- Employee/Child(ren) contribution is in second quartile.

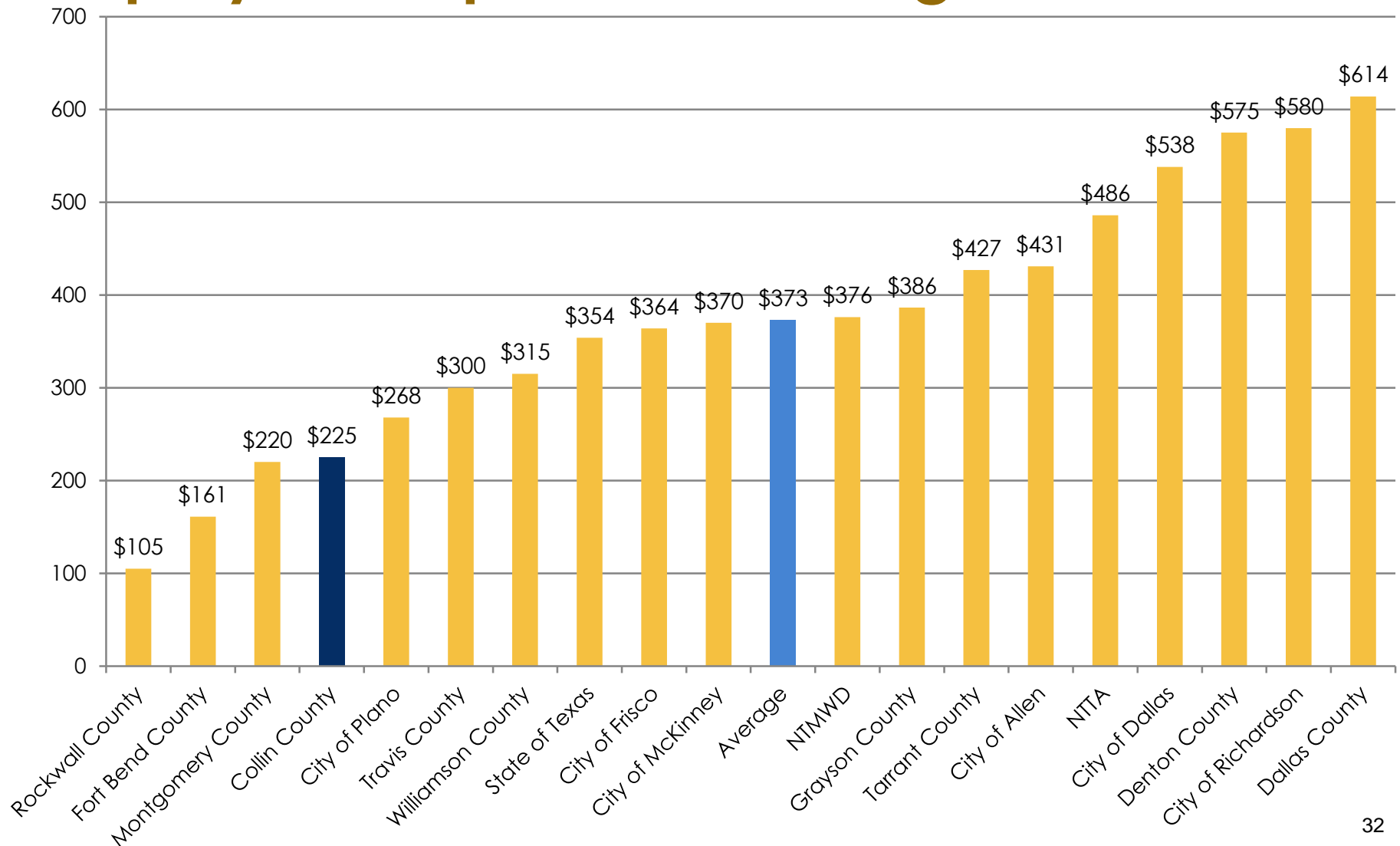
BENEFITS PRESENTATION

Premium Medical Plan Employee Only Coverage Cost/Month



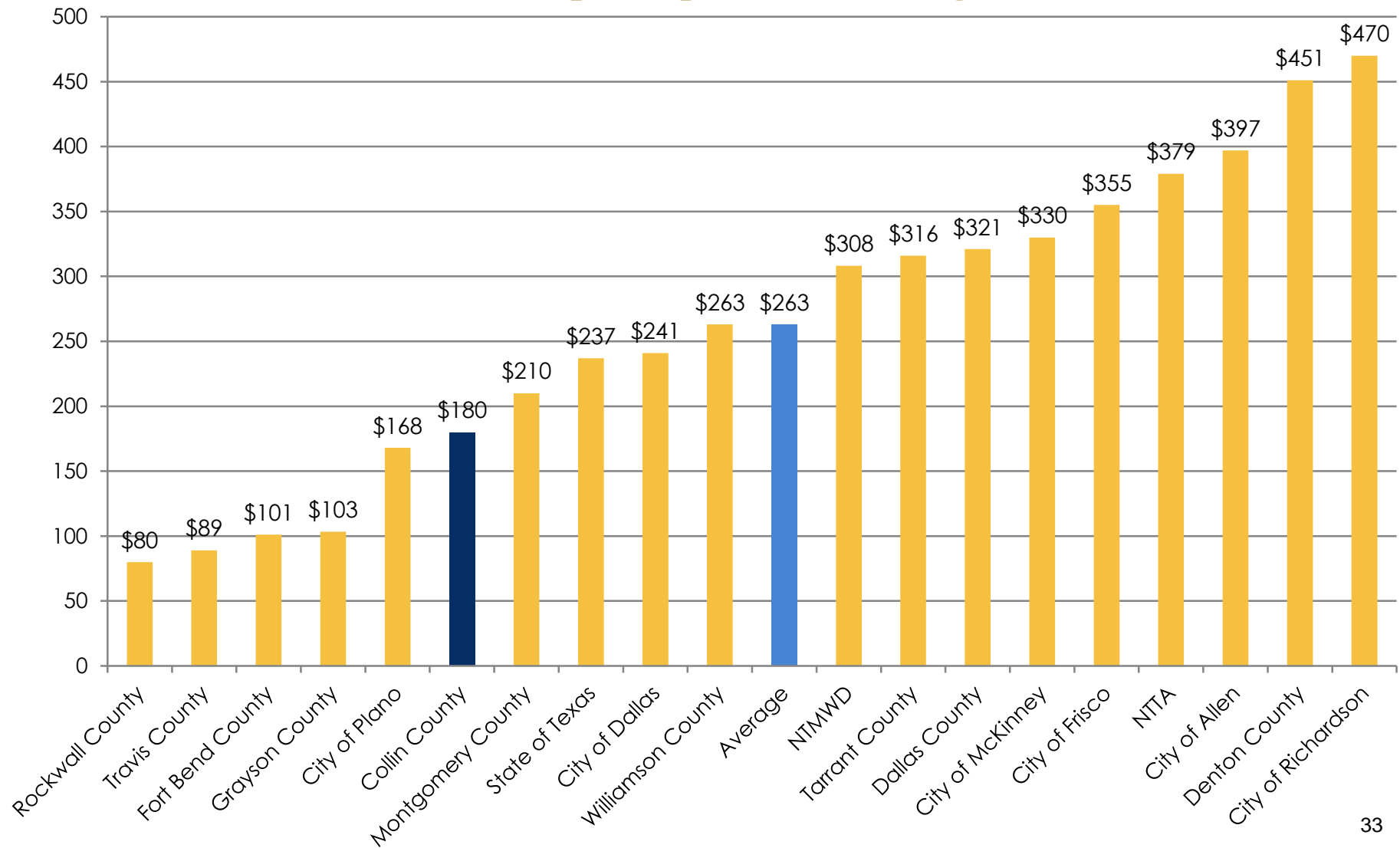
BENEFITS PRESENTATION

Premium Medical Plan Employee & Spouse Coverage Cost/Month



BENEFITS PRESENTATION

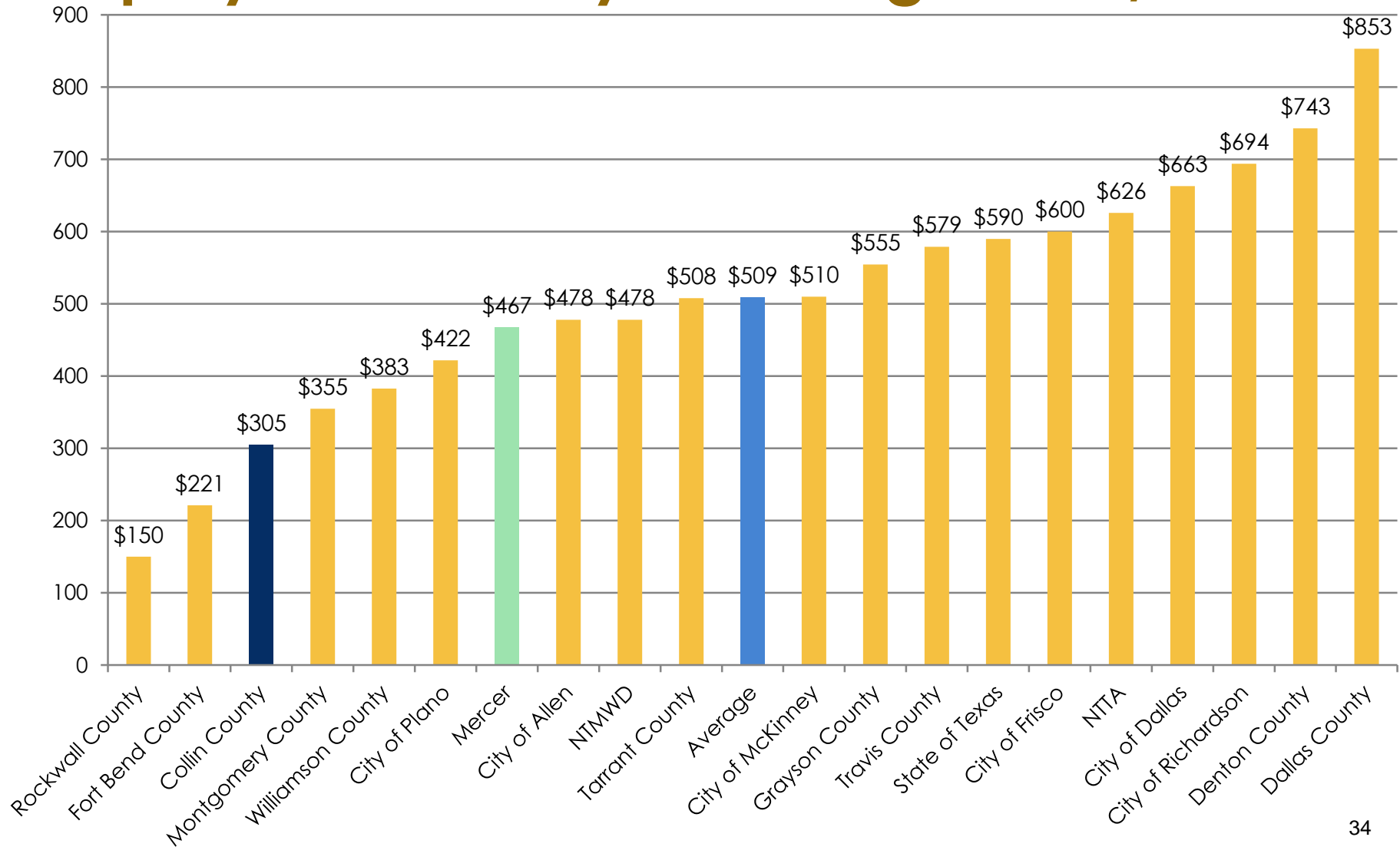
Premium Medical Plan Employee & Child(ren) Coverage Cost/Month



BENEFITS PRESENTATION

Premium Medical Plan

Employee & Family Coverage Cost/Month



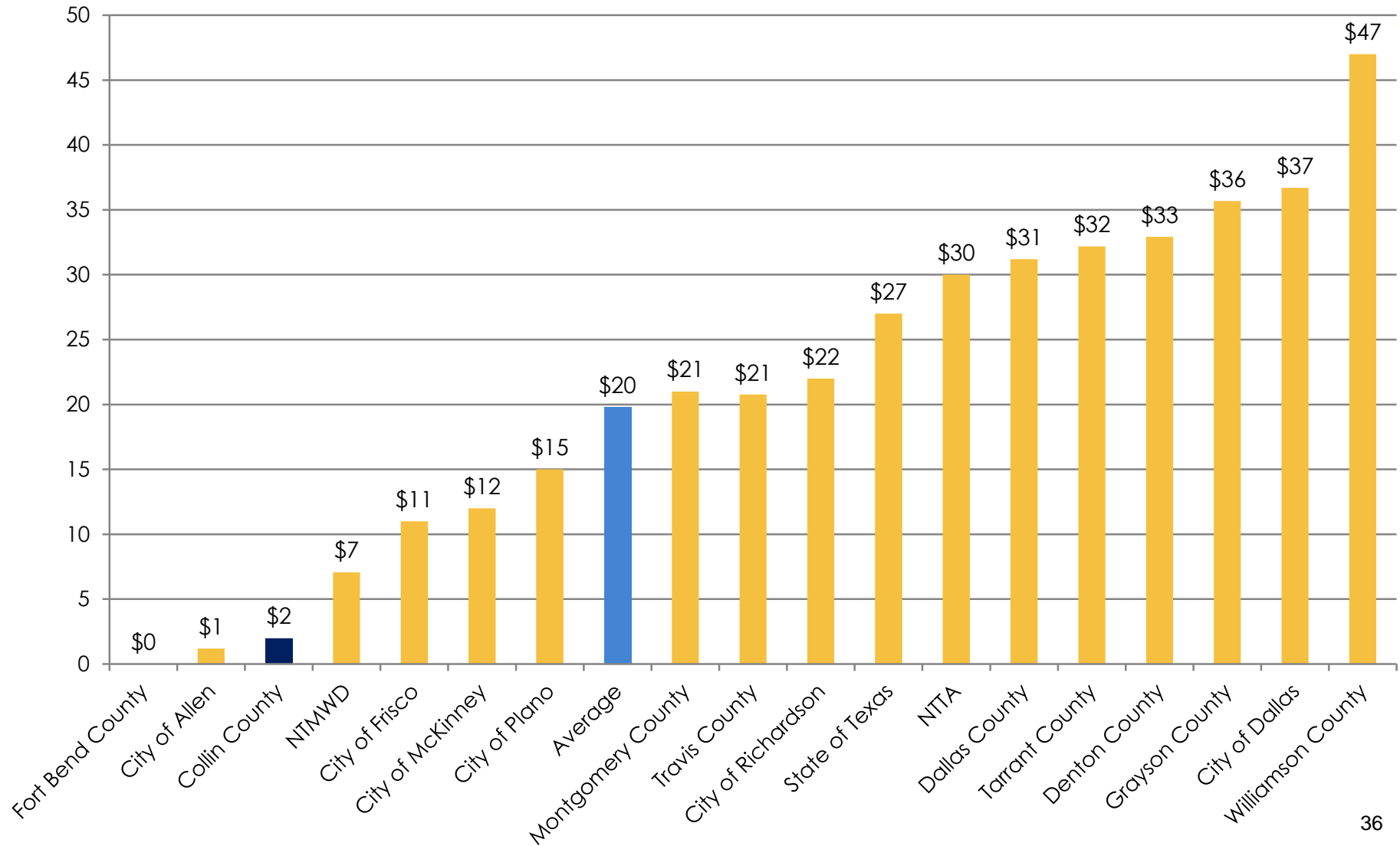
Dental Plan Employee Premium Comparison Summary

- 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 & family) are in the lowest quartile for premium payment.

BENEFITS PRESENTATION

Dental Plan

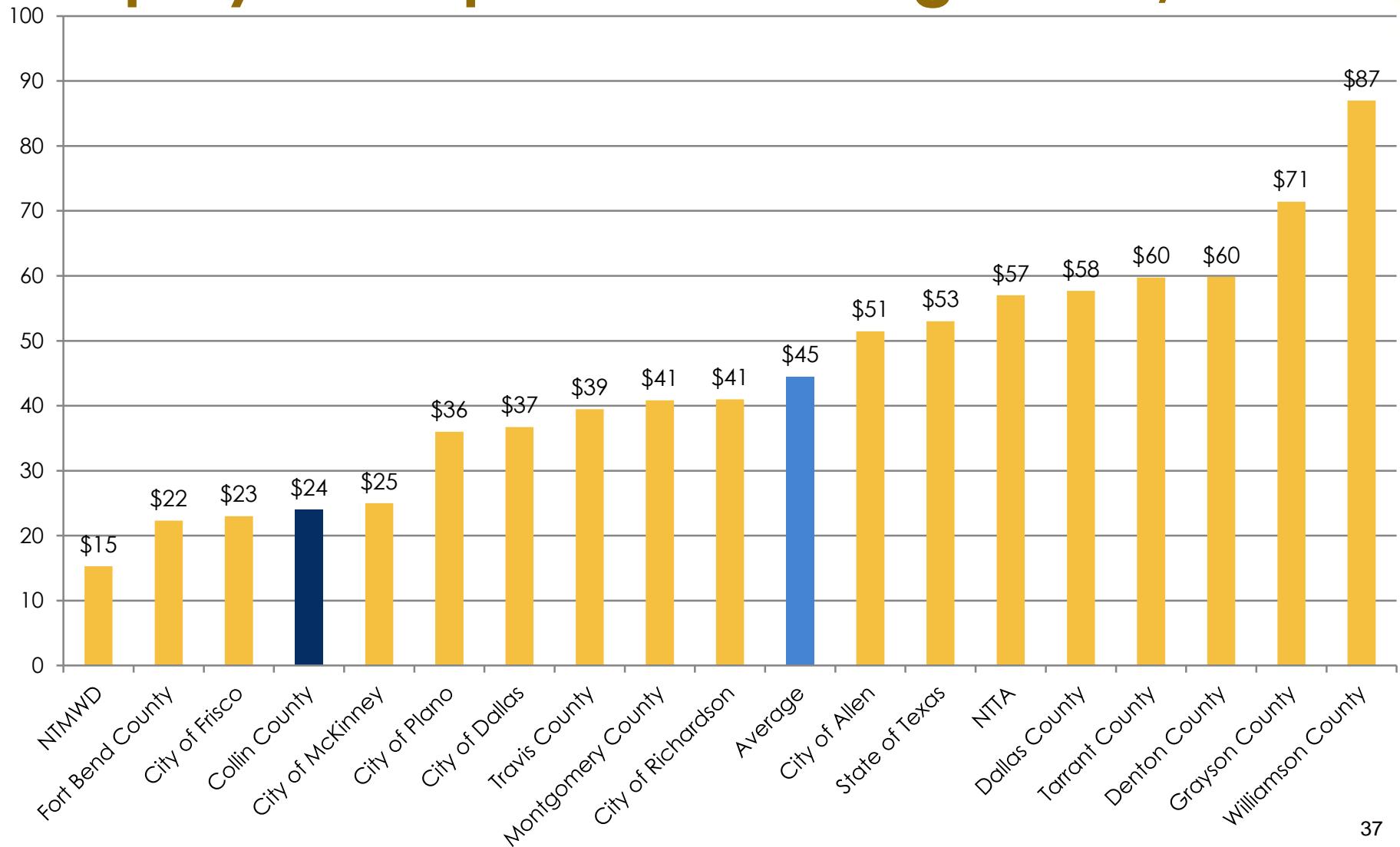
Employee Only Coverage Cost/Month



BENEFITS PRESENTATION

Dental Plan

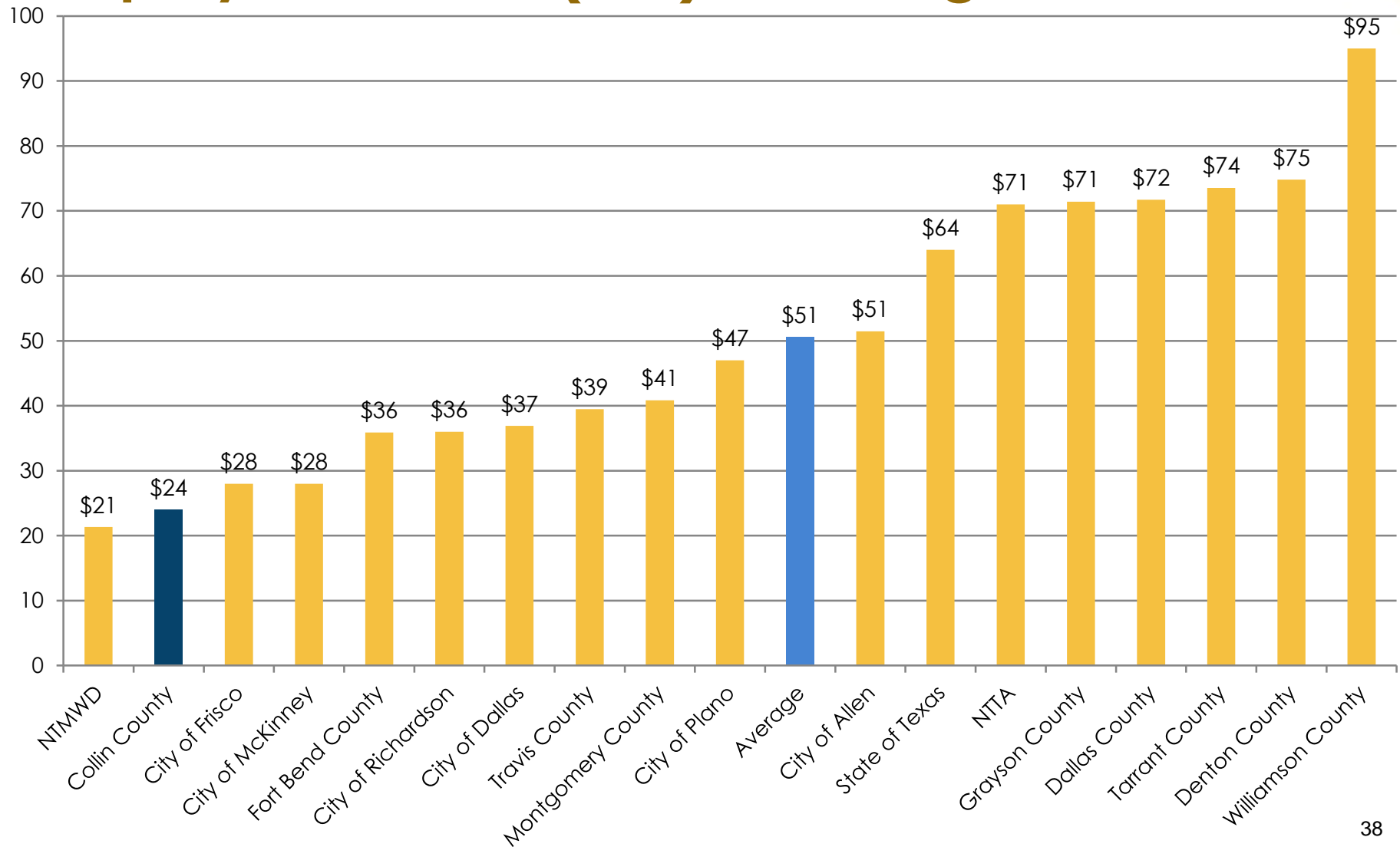
Employee & Spouse Coverage Cost/Month



BENEFITS PRESENTATION

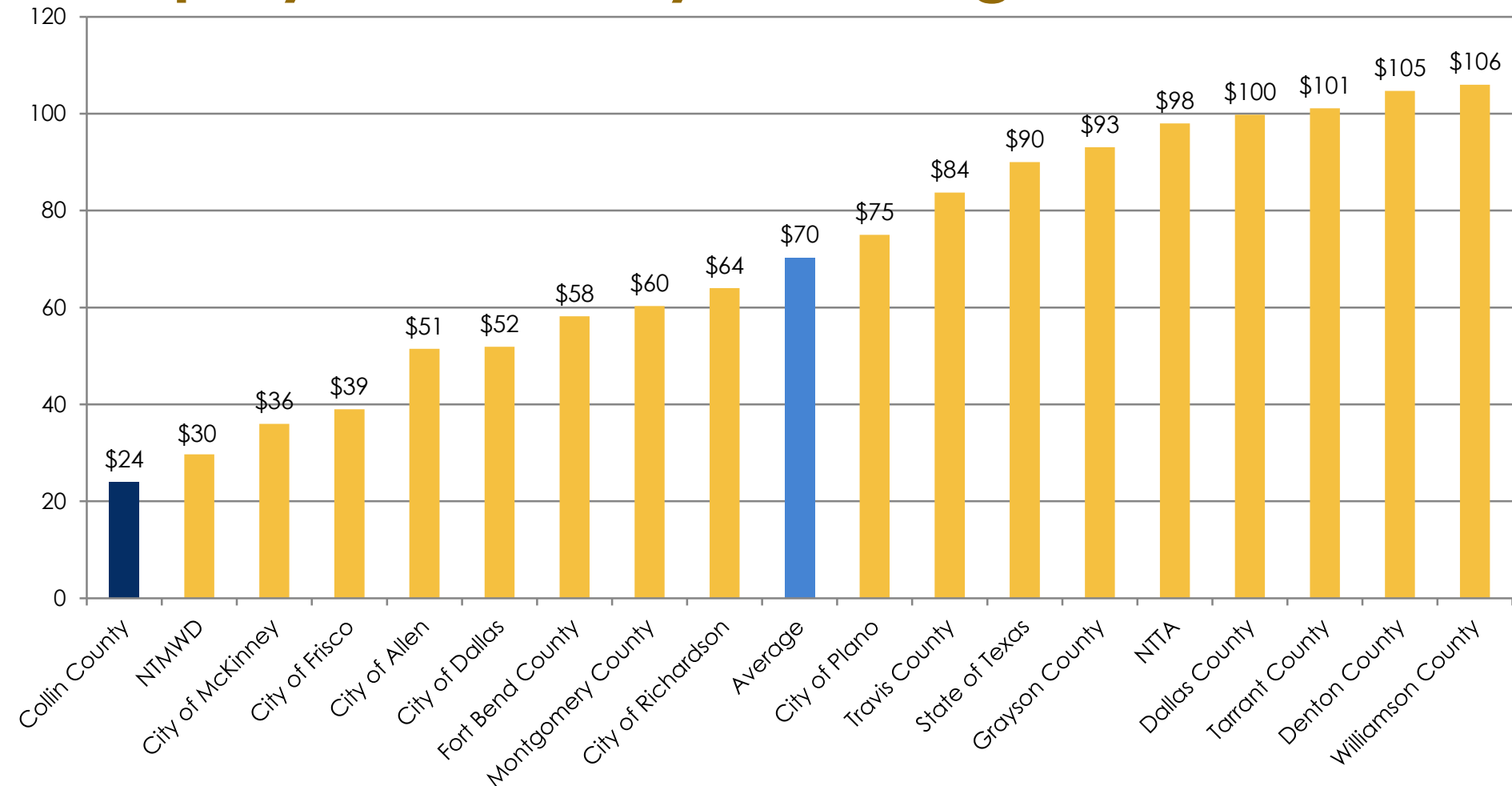
Dental Plan

Employee & Child(ren) Coverage Cost/Month



BENEFITS PRESENTATION

Dental Plan Employee & Family Coverage Cost/Month



*Proposed Rate

MEDICAL PLAN PREMIUM AND ENROLLMENT INFORMATION

2016 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	\$65 (128)	\$90 (15)	\$90 (60)	\$94 (239)	\$119 (4)	\$144 (57)
EE & Spouse	\$160 (27)	\$185 (3)	\$210 (17)	\$225 (111)	\$250 (2)	\$275 (44)
EE & Child(ren)	\$120 (50)	\$145 (6)	\$170 (20)	\$180 (154)	\$205 (1)	\$230 (21)
EE & Family	\$220 (93)	\$245 (3)	\$270 (64)	\$305 (208)	\$330 (2)	\$355 (62)
Total	298	27	161	712	9	184

*As of December 2016

BENEFITS PRESENTATION

Advantage Plan Premium History for Full Time Employees

Plan	Medical Coverage Level	2009	2010	2011	2012	2013	2014	2015	2016	2017
Advantage Premium Discount (Wellness Physical)	EE Only	\$0	\$0	\$0	\$0	\$82	\$65	\$65	\$65	\$65
	EE & Spouse	\$115	\$110	\$160	\$160	\$160	\$160	\$160	\$160	\$160
	EE & Child(ren)	\$90	\$85	\$120	\$120	\$120	\$120	\$120	\$120	\$120
	EE & Family	\$180	\$175	\$220	\$220	\$220	\$220	\$220	\$220	\$220
Advantage Standard Premium (New Hire)	EE Only	\$10	\$10	\$25	\$25	\$107	\$90	\$90	\$90	\$90
	EE & Spouse	\$135	\$135	\$185	\$185	\$185	\$185	\$185	\$185	\$185
	EE & Child(ren)	\$110	\$110	\$145	\$145	\$145	\$145	\$145	\$145	\$145
	EE & Family	\$200	\$200	\$245	\$245	\$245	\$245	\$245	\$245	\$245
Advantage Premium Surcharge (No Wellness Physical)	EE Only			\$50	\$50	\$132	\$90	\$90	\$90	\$90
	EE & Spouse			\$210	\$210	\$210	\$210	\$210	\$210	\$210
	EE & Child(ren)			\$170	\$170	\$170	\$170	\$170	\$170	\$170
	EE & Family			\$270	\$270	\$270	\$270	\$270	\$270	\$270

BENEFITS PRESENTATION

Advantage Plus Plan Premium History for Full Time Employees

Plan	Medical Coverage Level	2009	2010	2011	2012	2013	2014	2015	2016	2017
Advantage Plus Premium Discount (Wellness Physical)	EE Only	\$15	\$10	\$25	\$25	\$94	\$94	\$94	\$94	\$94
	EE & Spouse	\$193	\$188	\$225	\$225	\$225	\$225	\$225	\$225	\$225
	EE & Child(ren)	\$145	\$140	\$180	\$180	\$180	\$180	\$180	\$180	\$180
	EE & Family	\$270	\$265	\$305	\$305	\$305	\$305	\$305	\$305	\$305
Advantage Plus Standard Premium (New Hire)	EE Only	\$35	\$35	\$50	\$50	\$119	\$119	\$119	\$119	\$119
	EE & Spouse	\$213	\$213	\$250	\$250	\$250	\$250	\$250	\$250	\$250
	EE & Child(ren)	\$165	\$165	\$205	\$205	\$205	\$205	\$205	\$205	\$205
	EE & Family	\$290	\$290	\$330	\$330	\$330	\$330	\$330	\$330	\$330
Advantage Plus Premium Surcharge (No Wellness Physical)	EE Only			\$75	\$75	\$144	\$144	\$144	\$144	\$144
	EE & Spouse			\$275	\$275	\$275	\$275	\$275	\$275	\$275
	EE & Child(ren)			\$230	\$230	\$230	\$230	\$230	\$230	\$230
	EE & Family			\$355	\$355	\$355	\$355	\$355	\$355	\$355

ADDITIONAL INFORMATION

BENEFITS PRESENTATION

Plan Demographics

	Advantage Medical Plan	Advantage Plus Medical Plan	Total
Total Enrolled	486	905	1391
Gender			
Male	253 (37%)	440 (63%)	693 (50%)
Female	233 (33%)	465 (67%)	698 (50%)
Salary Level			
Under \$50,000	306 (41%)	435 (59%)	741 (53%)
Over \$50,000	180 (28%)	470 (72%)	650 (47%)
Age			
30 and younger	133 (65%)	73 (35%)	206 (15%)
31 – 40	137 (41%)	194 (59%)	331 (24%)
41 – 50	119 (29%)	288 (71%)	407 (29%)
51 – 60	84 (26%)	238 (74%)	322 (23%)
60+	13 (10%)	112 (90%)	125 (9%)

BENEFITS PRESENTATION

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
<u>City</u>				
City of Allen	14%	29%	33%	33%
City of Dallas	17%	50%	24%	24%
City of Frisco	3%	19%	22%	22%
City of McKinney	15%	24%	24%	24%
City of Plano	10%	19%	16%	16%
City of Richardson	9%	37%	32%	32%
Average	11%	30%	25%	25%
<u>County</u>				
Collin County	11%	13%	12%	12%
Dallas County	10%	37%	24%	24%
Denton County	6%	30%	30%	30%
Fort Bend County	5%	15%	10%	10%
Grayson County	0%	25%	10%	19%
Montgomery County	7%	19%	18%	18%
Rockwall County	2%	7%	7%	7%
State of Texas	0%	25%	20%	20%
Tarrant County	16%	22%	22%	22%
Travis County	3%	20%	9%	15%
Williamson County	22%	28%	25%	25%
NTMWD	25%	25%	25%	24%
Average	10%	24%	20%	21%
Private	24%			33%

BENEFITS PRESENTATION

New Benefits in 2016

- Virtual Visits: allows employees to see a doctor from a mobile device or computer.
 - Diagnoses and treats non-emergency medical conditions that do not require any examinations or testing.
 - \$25 co-pay, which is equivalent to an urgent care visit co-pay.
 - Lowest cost option for basic care needs.
 - Virtual Visits were utilized 17 times by 15 unique individuals.
- Pharmacy Value Network
 - Large retailers such as Walgreens, Walmart, and Kroger included.
 - Exclusions include CVS.

BENEFITS PRESENTATION

New Benefits in 2016

- Spine and Joint Center of Excellence
 - Musculoskeletal claims was our most expensive diagnosis category in 2016 and 2015.
 - Surgery prices vary significantly based on the provider.
 - Implemented in 2016, a Center of Excellence provides standardized bundled pricing for specific spine and joint surgeries.
 - Must use the Baylor Center of Excellence in downtown Dallas.
 - Currently, there is no impact on the employee's cost share steering members toward the Center of Excellence.

BENEFITS PRESENTATION

On-Site Nurse

- The Nurse Liaison engaged 244 unique individuals on a 1:1 basis.
- The Nurse Liaison primarily focused on diabetes, emergency room visits, pharmacy benefits, and awareness of UHC resources and tools.
- Group sessions were held to address healthcare issues with employees.
 - 40 Health and Wellness Education sessions
 - 3 On-site Role Promotions
 - 2 Benefits/UHC Program Education sessions
 - 2 United at Work presentations
- A Diabetes Support Group was created to address various topics such as medication guidance and understanding blood glucose results.
 - 3 sessions were held last year.

BENEFITS PRESENTATION

Diabetes

- 1 out of 10 enrolled members are diabetic.
 - 14.2% of adults in Texas have diabetes.
 - 37.2% of adults in Texas have prediabetes.

- Diabetes with complications
 - Number of claims has decreased 19%.
 - Claims paid per member per month has increased 16%. We are 53% lower than our peers.

- Diabetes without complications
 - Number of claimants has decreased 3%.
 - Claims paid per member per month has increased 35% and is 24% higher than peer.

BENEFITS PRESENTATION

2016 Trends

- Medical net paid per member per month increased 4%.
 - 18% decrease in average length of hospital stay.
 - 17% decrease in net paid per member per month costs for inpatient hospital admissions.
 - 38% increase in net paid per outpatient surgery.
- Catastrophic cases increased with higher severity.
 - Almost 4% increase in high cost claims.
 - Almost 6% increase in plan cost for catastrophic claims.
- Chronic conditions related to modifiable health risks contributed to the trend.
 - Musculoskeletal – Net paid per member per month increased 14%.
 - Heart Conditions – Net paid per member per month increased 19%.
 - Cancer – Net paid per member per month increased 2%.

BENEFITS PRESENTATION

Retiree Insurance

- Employers are required to report employer contributions to retiree benefits on their CAFR as a liability due to GASB rules.
- Retiree costs increased from 2015 to 2016 by an average of 41%.

Employee Only	Employee/ Spouse	Employee/ Child(ren)	Employee/ Family
\$1,960.26	\$3,920.51	\$3,528.44	\$4,606.62

- Retiree insurance costs are based on retirees claim experience only.
 - There is an adverse impact, because the only employees taking the insurance are those that have a greater need for the coverage.
- In 2016, there were three new enrollments in retiree medical coverage.
 - A total of five retirees were enrolled in medical insurance as of 12/1/2016.

AFFORDABLE CARE ACT

BENEFITS PRESENTATION

Affordable Care Act

Completed:

- Collin County's Advantage plan meets affordability and coverage requirements; must re-evaluate annually.
 - A plan is considered affordable if employee costs are less than \$97 a month. The Advantage plan is currently \$90 a month.
 - Minimum coverage requires a plan to cover 60% of health care costs. The Advantage plan covers 83% of health care costs.
- In-network deductibles and co-pays, and prescription costs now apply to annual out-of-pocket expense limits.
- Benefit changes such as:
 - Add additional dependents – children to age 26
 - No waiting period longer than 90 days
 - Coverage of essential benefits
 - First dollar coverage of preventive care benefits (no cost sharing)
 - Regulated appeals process
 - Complying with ACA definition of full-time employee
 - No lifetime maximum
 - Limitation on retroactively stopping coverage
 - In-network deductibles, co-pays, and prescription costs apply to out-of-pocket limit
 - Cover certain clinical trials
- Fee payments.
- Additional reporting requirements including employee communication and extensive W-2 requirements.

BENEFITS PRESENTATION

Affordable Care Act

➤ Additional Fees

- PCORI – \$2.26 per covered member fee for 2016 counts (paid \$5,912.16 in July 2017). This fee continues through plan year 2018.
- Transitional Reinsurance Fee – paid in 2016: \$70,524. 2016 was the final year for this fee.

➤ Cadillac Tax: Implementation moved to 2020.

➤ 1094/1095 IRS Tax Forms

- Forms mailed to employees; transmitted to IRS.
- CSCD employees, whose medical benefits are provided through ERS, are currently being included in Collin County's IRS transmittals.
- Subject to penalties of up to \$250 per return with a maximum penalty of \$3 million.

WELLNESS

BENEFITS PRESENTATION

Wellness

- To receive the \$200 wellness payment and the \$25 monthly insurance discount, employee's must complete:
 - Annual physical
 - Cholesterol screening
 - Well man/woman examination
 - Physician-identified body mass index (BMI) information
 - The UHC online health assessment

- Our wellness program is currently ACA and HIPAA compliant as it is participatory and not contingent upon achieving a particular health status and incentives are below the maximum allowable threshold.

- Per UnitedHealthcare, Collin County had the highest wellness utilization of their book of business.

BENEFITS PRESENTATION

2016 BMI Statistics

		Employee		Spouse		Total	
		Counts	Percent of Total	Counts	Percent of Total	Counts	Percent of Total
Underweight	Below 18.5	7	0.7%	0	0.0%	7	0.5%
Normal	18.5 - 24.9	156	14.6%	88	19.5%	244	16.0%
Overweight	25.0 - 29.9	340	31.7%	135	29.9%	475	31.2%
Obese	30+	569	53.1%	229	50.7%	798	52.4%
Total		1072		452		1524	

BENEFITS PRESENTATION

Collin County, Texas, and U.S. BMI 2015 Comparison

	BMI	U.S. 2015	Texas 2015	Collin County 2016	Difference U.S.	Difference Texas
Underweight	Below 18.5	1.8%	1.9%	0.5%	-1.3%	-1.4%
Normal	18.5 - 24.9	32.7%	29.5%	16.0%	-16.7%	-13.5%
Overweight	25.0 - 29.9	35.5%	36.3%	31.2%	-4.3%	-5.1%
Obese	30+	29.8%	32.4%	52.4%	22.6%	22.6%

CHANGES FOR CONSIDERATIONS

BENEFITS PRESENTATION

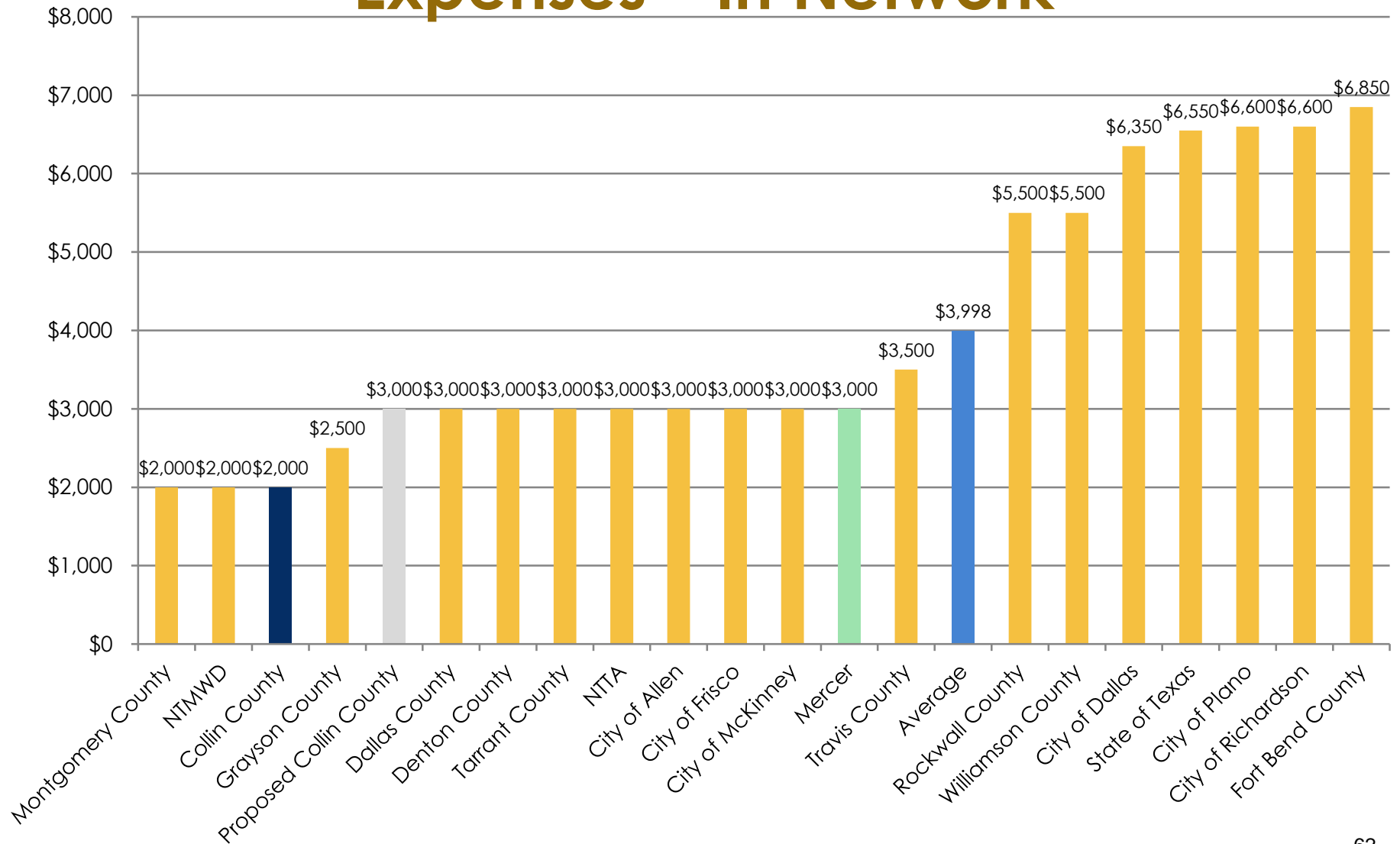
Medical Plan Design Considerations

- Increase out-of-pocket maximums:
 - \$1,000 for both Advantage and Advantage Plus plans.
 - Potential Savings: \$1.8 million
 - Include a three (3) person maximum (currently 2 person).
 - Potential Savings: \$118,000

- Steer usage of Spine and Joint Center of Excellence.
 - Implement an additional \$1,000 per occurrence deductible for spine and joint surgery.
 - The per occurrence deductible is waived if the employee uses the Center of Excellence.
 - Projected Savings: \$10,000 per case with an estimate of four (4) cases

BENEFITS PRESENTATION

Premium Medical Plan Out of Pocket Expenses – In Network



BENEFITS PRESENTATION

Pharmacy Considerations

➤ Introduce co-insurance into pharmacy with minimum and maximum co-payment amounts for each tier. Projected savings are approximately \$150,000.

Design	Proposed		Current	
	Retail	Mail Order (90-day Supply)	Retail	Mail Order (90-day Supply)
Tier 1	20% co-insurance with \$10 maximum co-pay	20% co-insurance with \$20 maximum co-pay	\$10 co-pay	\$25 co-pay
Tier 2	30% co-insurance with \$75 maximum co-pay	30% co-insurance with \$150 maximum co-pay	\$25 co-pay	\$50 co-pay
Tier 3	40% co-insurance with \$200 maximum co-pay	40% co-insurance with \$400 maximum co-pay	\$25 co-pay	\$50 co-pay

BENEFITS PRESENTATION

Employee Premium Considerations

- Change medical coverage levels to account for individuals covering more than one child.
- Change medical premiums for employees who cover dependents.
- Change dental premiums.
- Total Savings
 - Medical: \$853,000
 - Dental: \$89,000

BENEFITS PRESENTATION

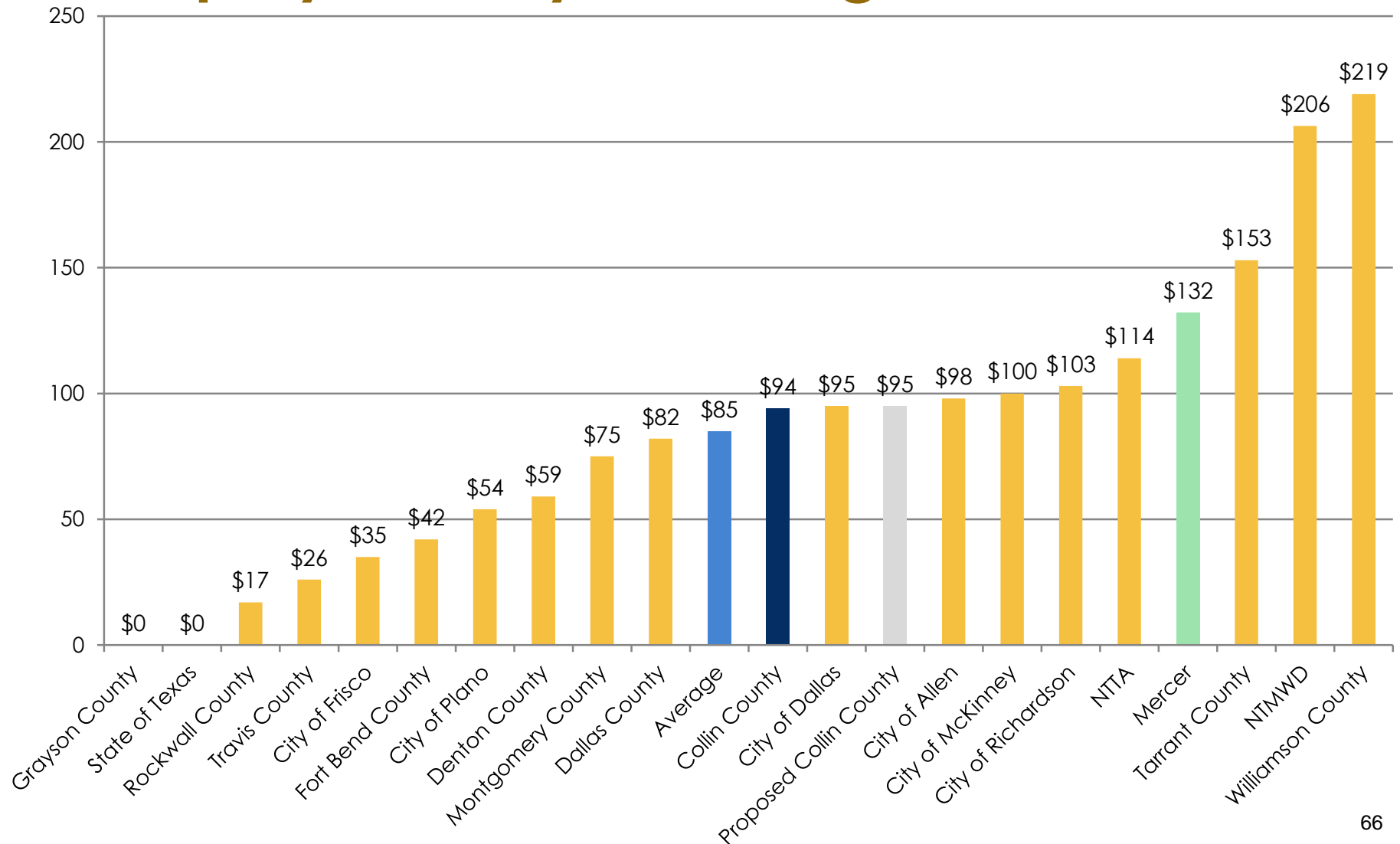
2016 Active Employee Monthly Insurance Plan Rates and Enrollment*

Medical Coverage Level		Advantage Premium Discount	Advantage Standard Premium	Advantage Premium Surcharge	Advantage Plus Premium Discount	Advantage Plus Standard Premium	Advantage Plus Premium Surcharge
EE Only	Enrollment: Current: Proposed:	128 \$65 \$65	15 \$90 \$90	60 \$90 \$95	239 \$94 \$95	4 \$119 \$120	57 \$144 \$145
EE & Spouse	Enrollment: Current: Proposed:	27 \$160 \$220	3 \$185 \$245	17 \$210 \$270	111 \$225 \$300	2 \$250 \$325	44 \$275 \$350
EE & 1 Child	Enrollment: Current: Proposed:	22 \$120 \$140	1 \$145 \$165	8 \$170 \$190	65 \$180 \$200	0 \$205 \$225	9 \$230 \$250
EE & Children	Enrollment: Current: Proposed:	26 \$120 \$165	5 \$145 \$190	12 \$170 \$215	89 \$180 \$225	1 \$205 \$250	12 \$230 \$275
EE, Spouse, & 1 Child	Enrollment: Current: Proposed:	26 \$220 \$300	0 \$245 \$325	24 \$270 \$350	60 \$305 \$400	0 \$330 \$425	24 \$355 \$450
EE, Spouse, & Children	Enrollment: Current: Proposed:	69 \$220 \$325	3 \$245 \$350	40 \$270 \$375	148 \$305 \$430	2 \$330 \$455	38 \$355 \$480
Total		298	27	161	712	9	184

*As of December 2016

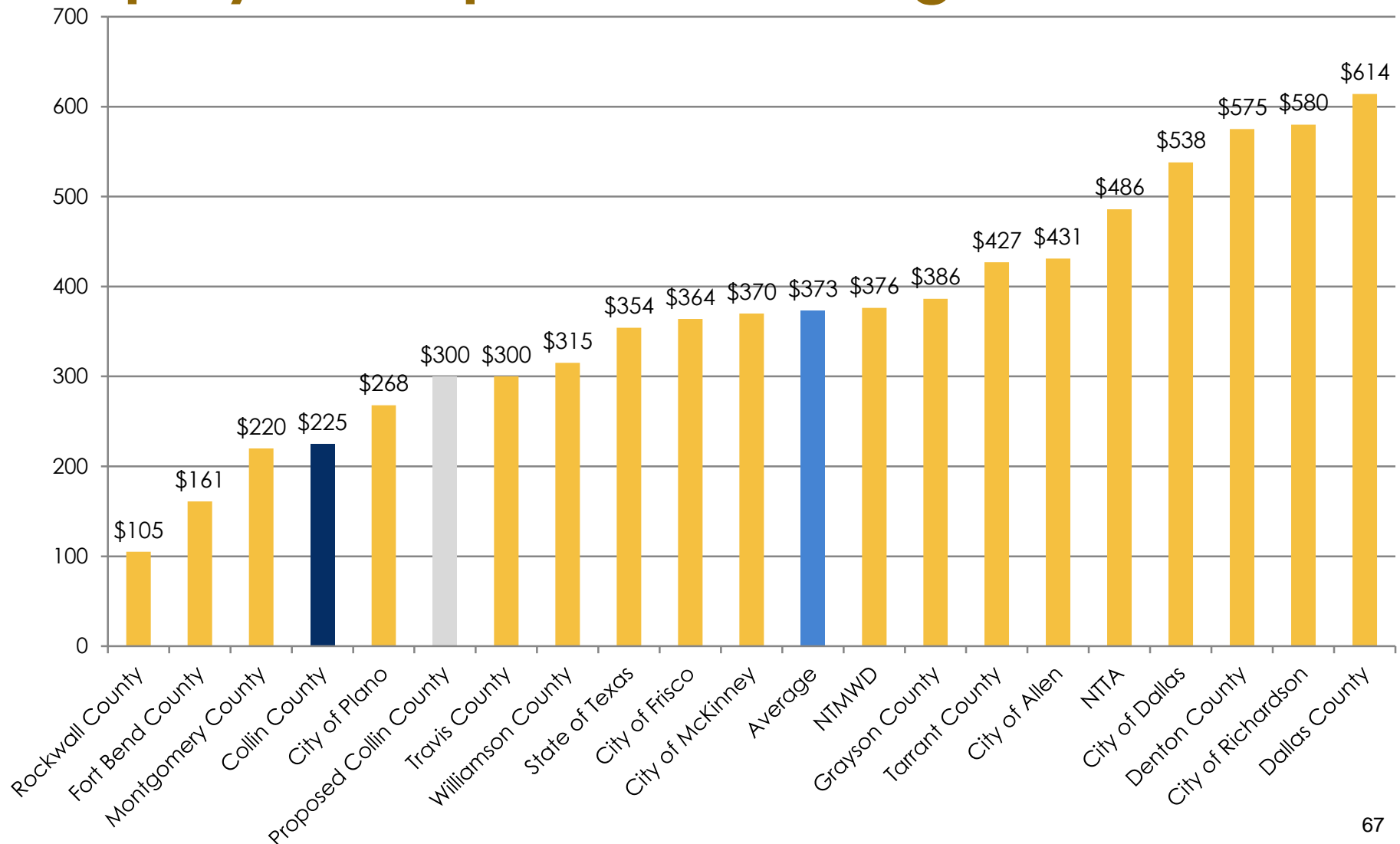
BENEFITS PRESENTATION

Premium Medical Plan Employee Only Coverage Cost/Month



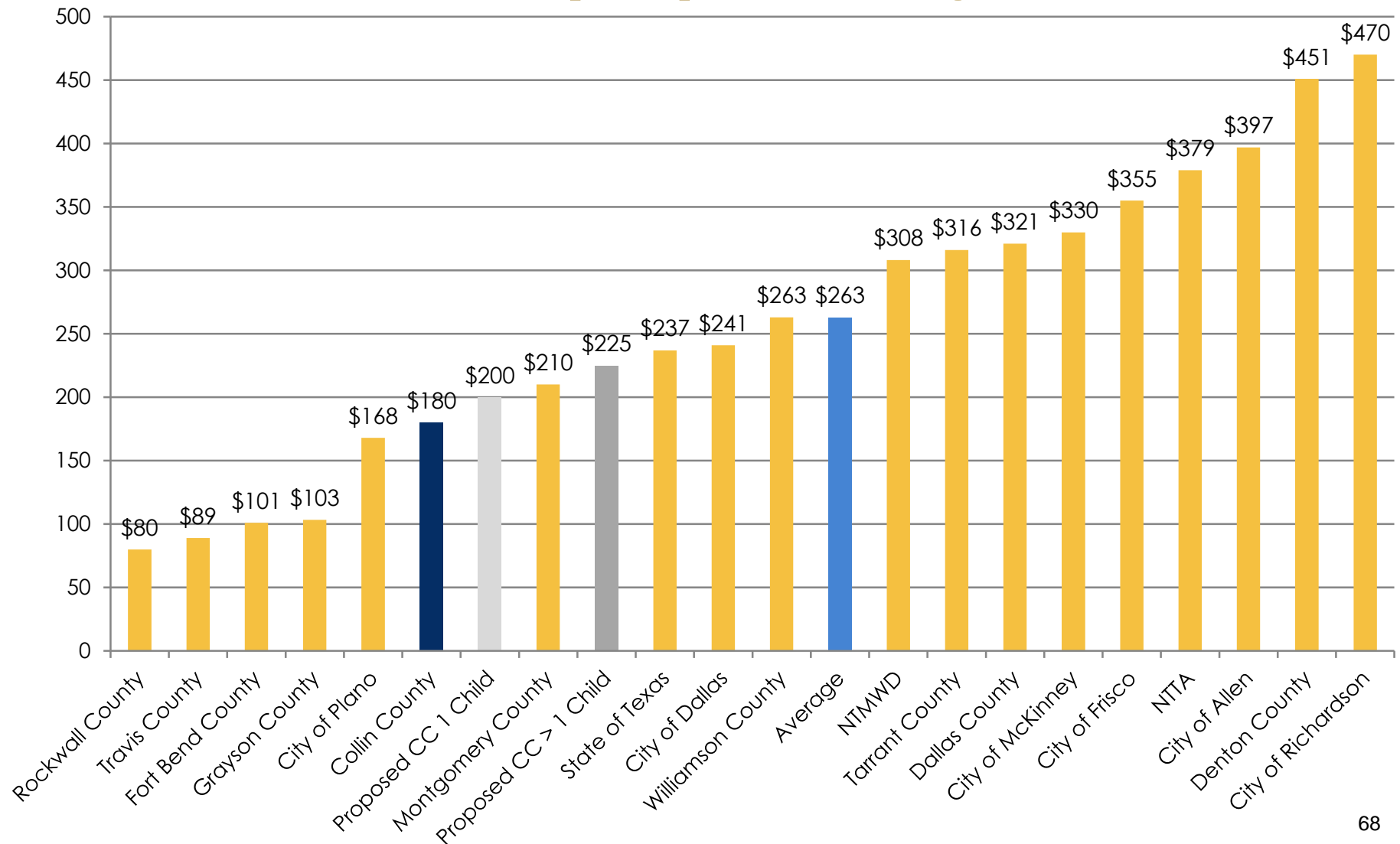
BENEFITS PRESENTATION

Premium Medical Plan Employee & Spouse Coverage Cost/Month



BENEFITS PRESENTATION

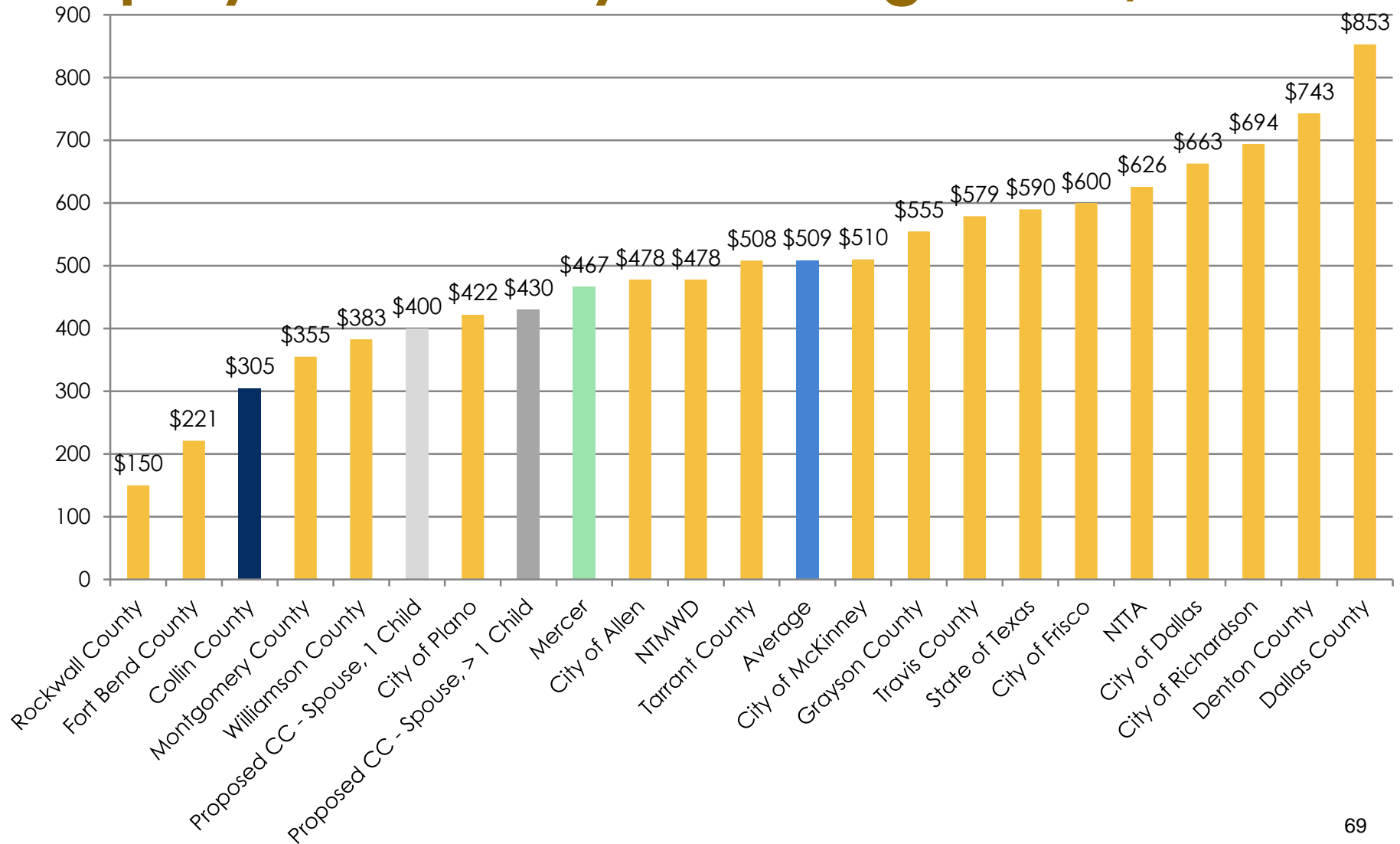
Premium Medical Plan Employee & Child(ren) Coverage Cost/Month



BENEFITS PRESENTATION

Premium Medical Plan

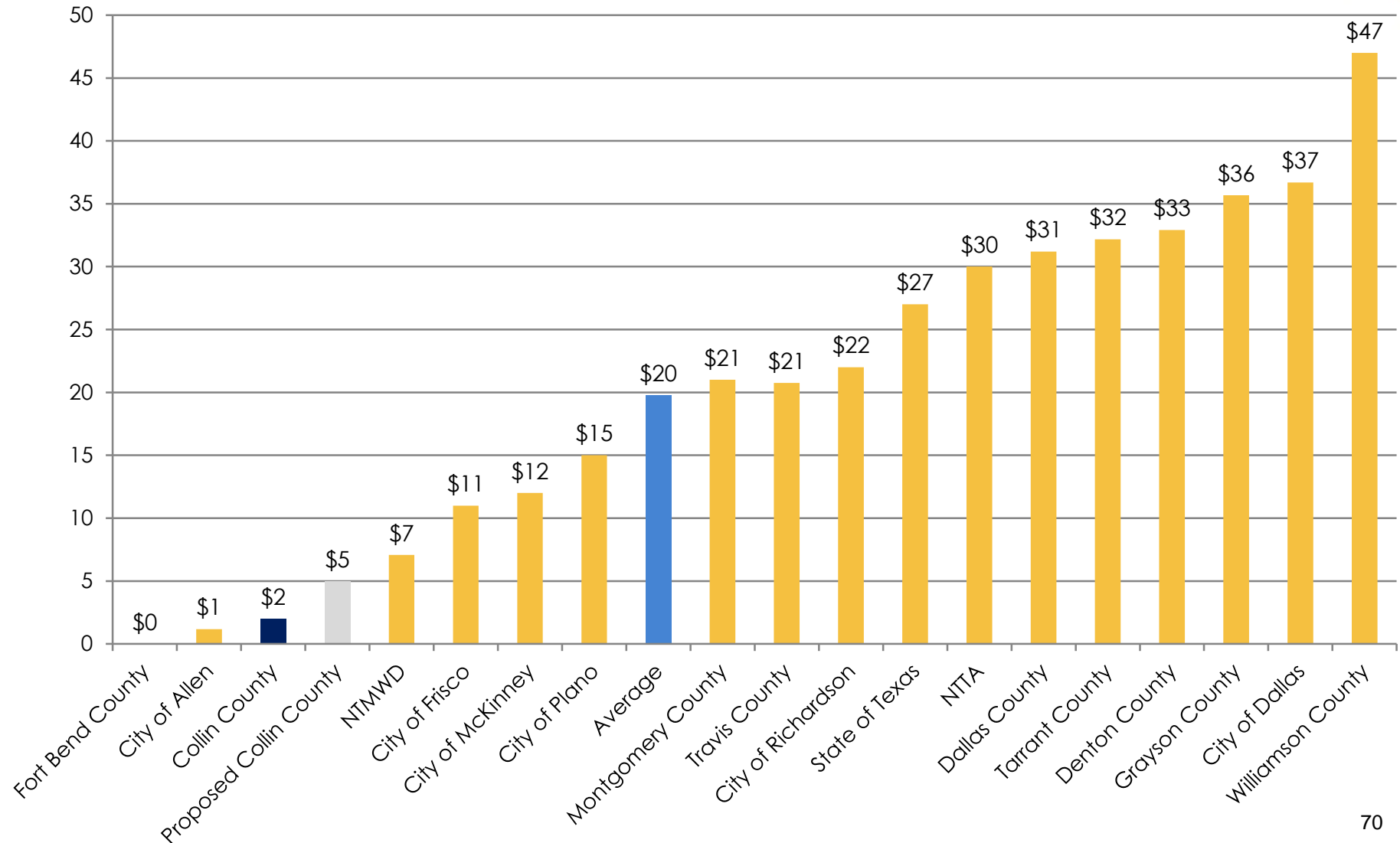
Employee & Family Coverage Cost/Month



BENEFITS PRESENTATION

Dental Plan

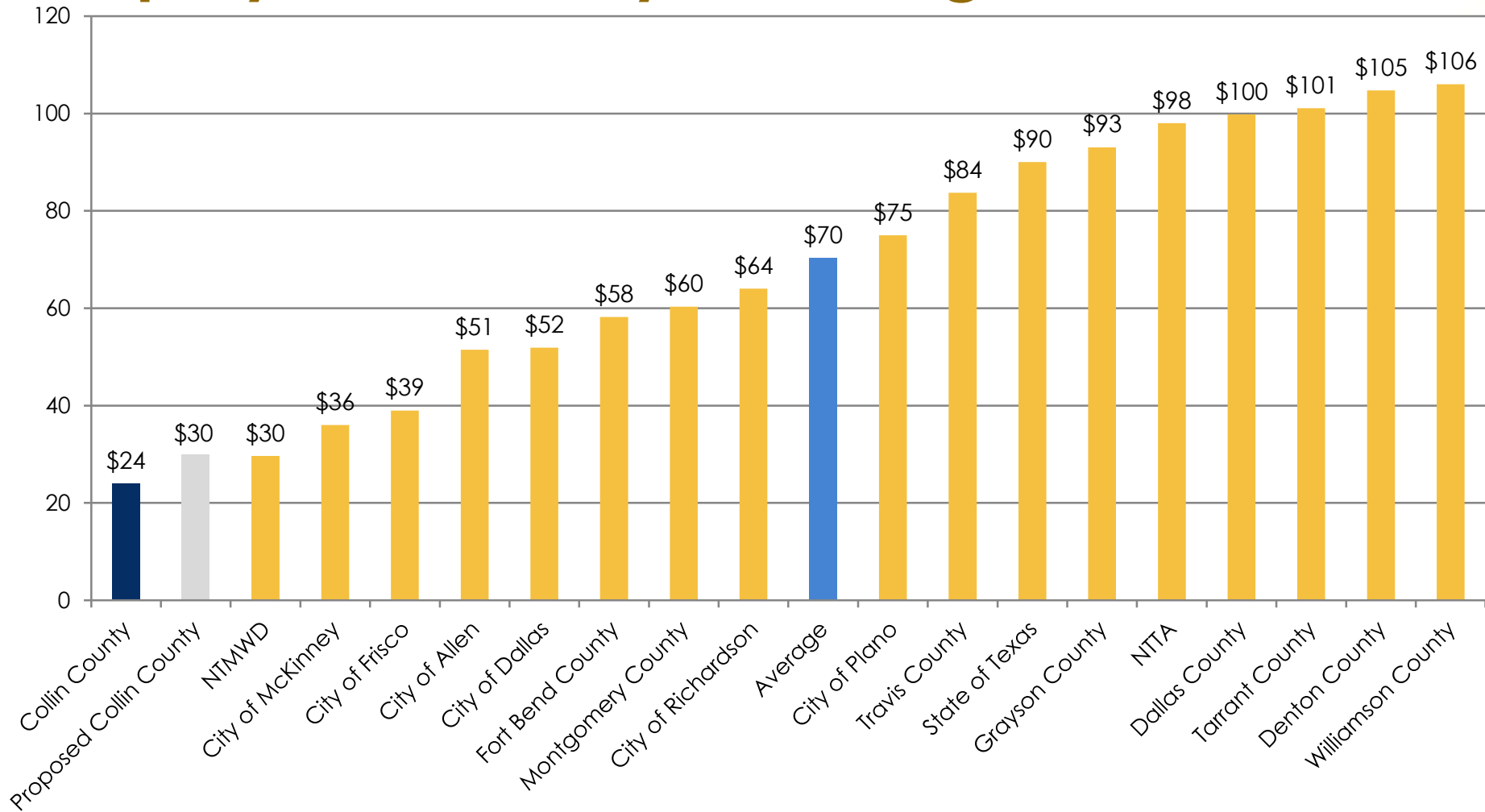
Employee Only Coverage Cost/Month



BENEFITS PRESENTATION

Dental Plan

Employee & Family Coverage Cost/Month



BENEFITS PRESENTATION

Summary of Change Considerations

- Increase out-of-pocket maximums:
 - \$1,000 for both plans
 - Projected savings: \$1.8 million
 - Include 3 person maximum
 - Projected savings: \$118,000
- Implement \$1,000 per occurrence deductible for spine and joint surgery if not at a Center of Excellence.
 - Projected savings: \$10,000 per case with estimate of 4 cases
- Introduce co-insurance into pharmacy with minimum and maximum co-payment amounts.
 - Projected savings: \$150,000
- Change medical coverage levels and premiums.
 - Projected savings: \$853,000
- Change dental premiums.
 - Projected savings: \$89,000