



Collin County 2019 Benefits

2019 Presentation for FY2020 Budget



Benefits Presentation

Fiscal Year 2018 Benefit Costs

(does not include stop loss reimbursements)

| Medical and Prescription | 2017 Costs | 2018 Costs |
|----------------------------------|--------------------|--------------------|
| Total Claims Cost | \$24,180,173 | \$28,741,881 |
| Employees Pay | \$3,120,398 (13%) | \$3,191,093 (11%) |
| County Pays | \$21,059,775 (87%) | \$25,550,788 (89%) |
| Average # of Covered Subscribers | 1,419 | 1,470 |



Benefits Presentation

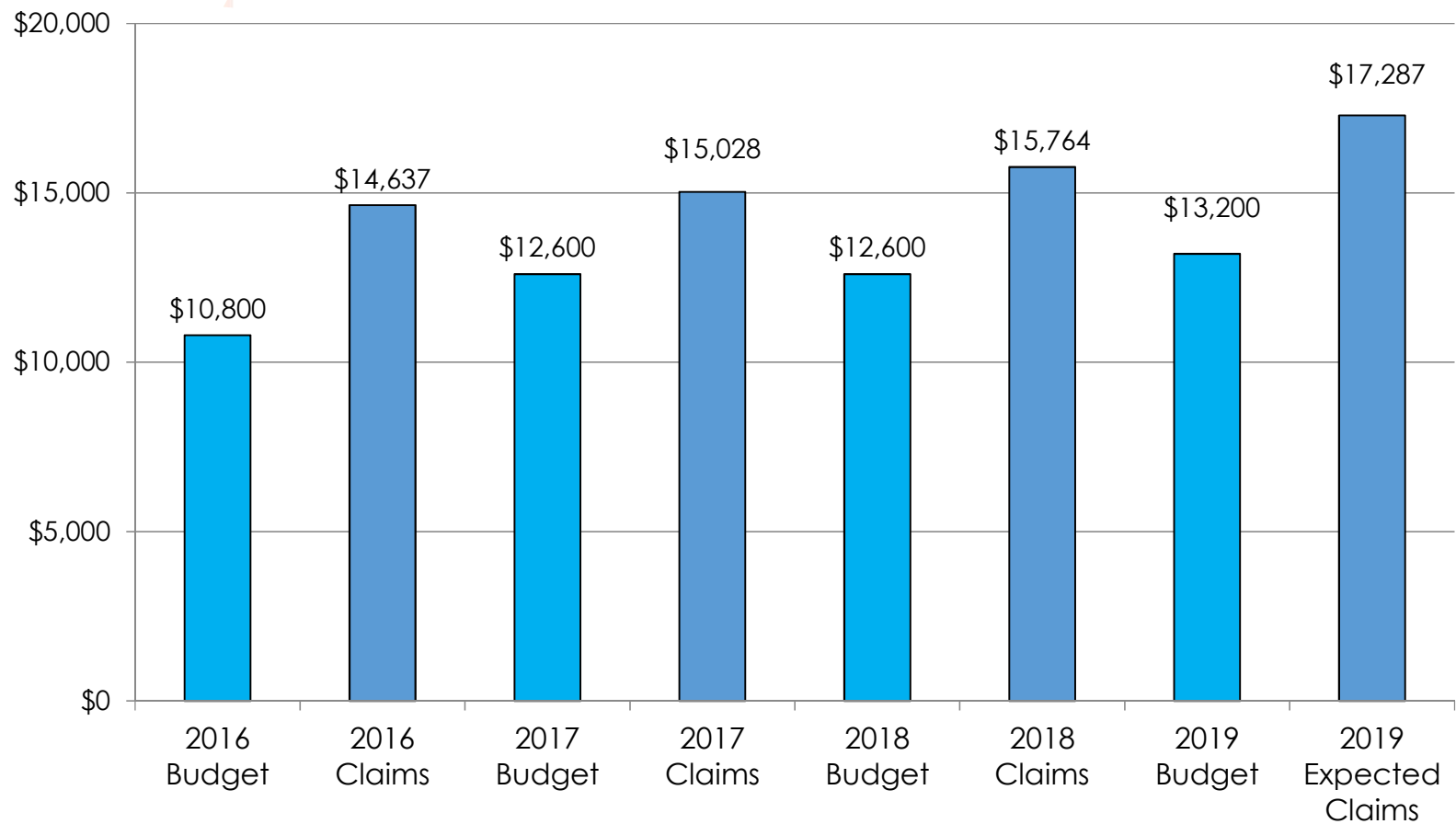
Employee Cost Share

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---------------|------|------|------|------|------|
| Employee Pays | 17% | 14% | 14% | 13% | 11% |
| Employer Pays | 83% | 86% | 86% | 87% | 89% |

Benefits Presentation

Fiscal Year Budget vs. Claims Per Employee

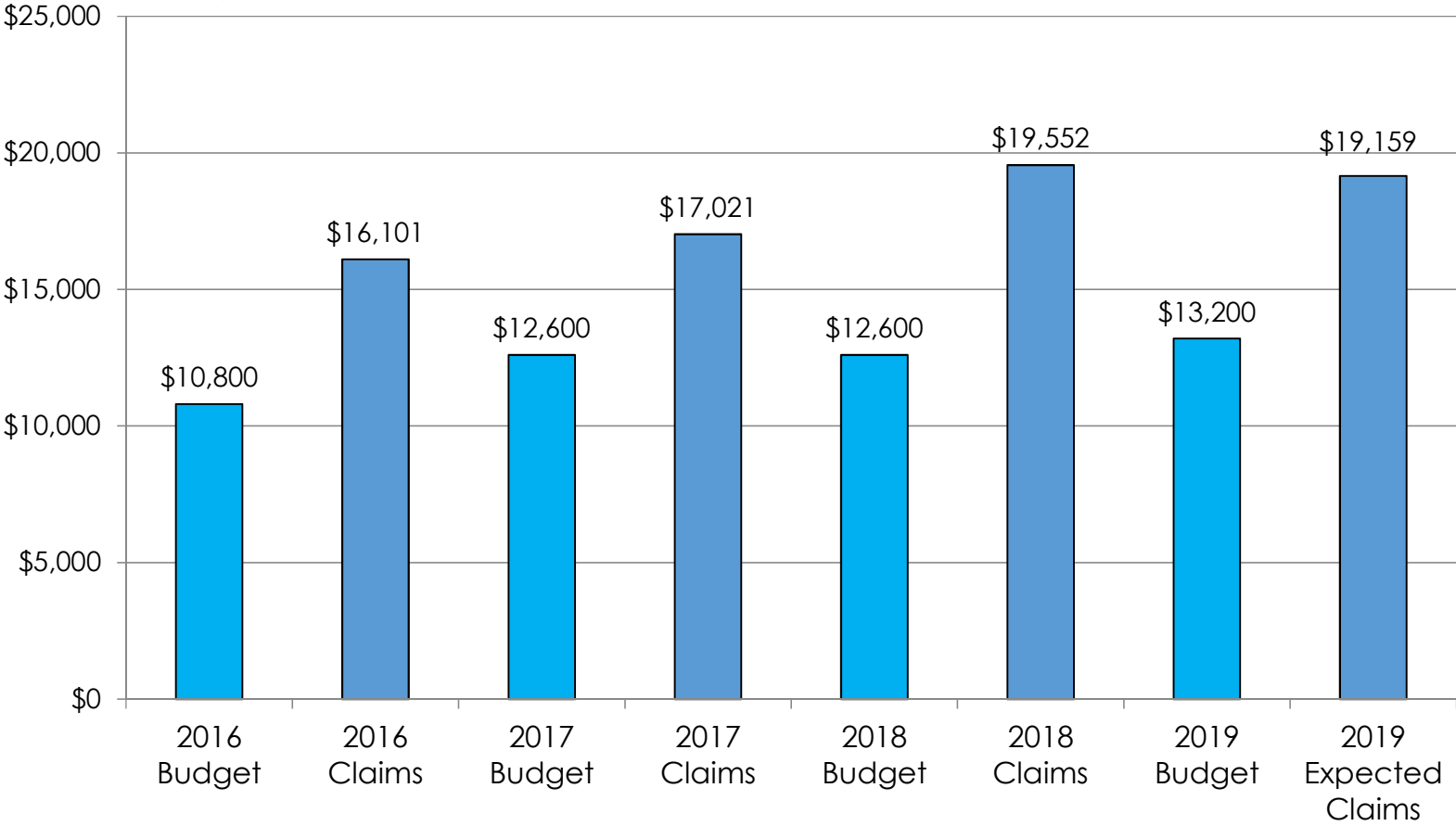
(with stop loss reimbursements)



Benefits Presentation

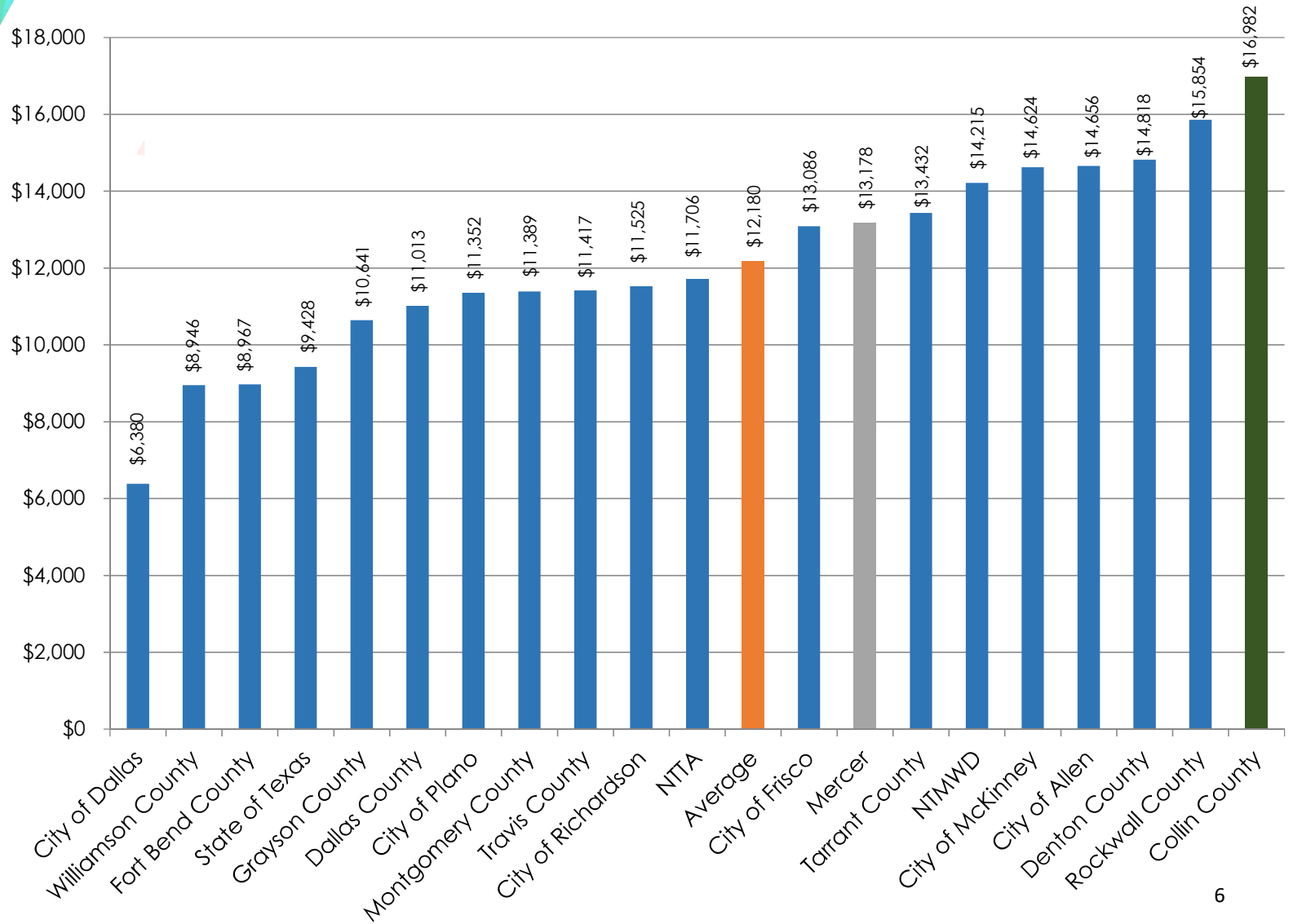
Fiscal Year Budget vs. Claims Per Employee

(without stop loss reimbursements)



Benefits Presentation

2018 Average Employer Premium Cost Per Employee Premium Plan



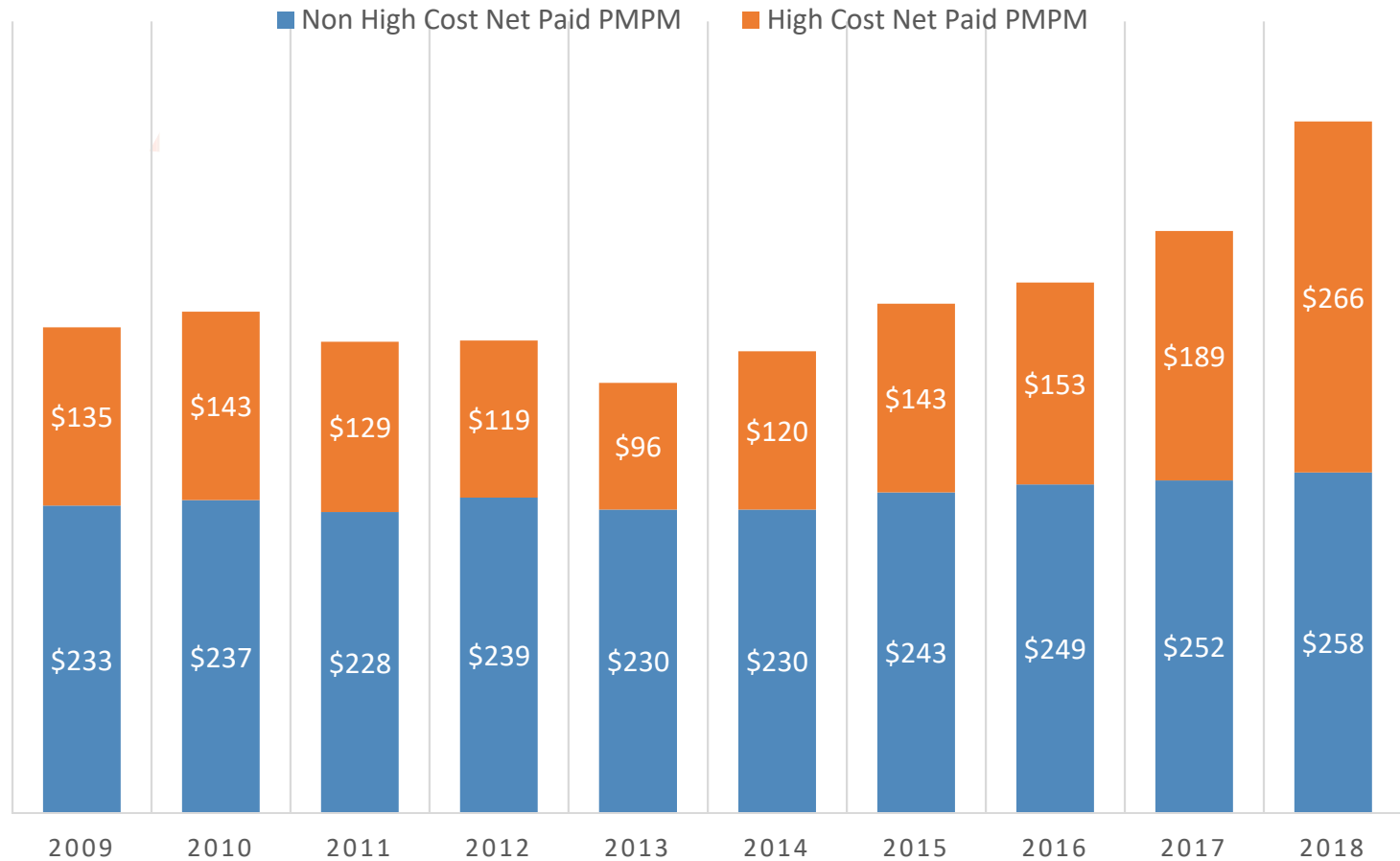


Benefits Presentation

2018 Claims Information

- Utilization of medical benefits is 99%.
- Insured members averaged 3,487. For every insured employee we also cover an average of 1.39 dependents.
- Catastrophic cases are those that exceed \$50,000. 50% of our claims cost was due to high cost claimants, which is about 7% percent more than the prior year.
- 76 claims were over \$50,000 in 2018 (increase of 21).
 - 36 claims were between \$50,000 and \$100,000 (decrease of 1).
 - 40 claims were over \$100,000 (increase of 22). Of those claims, 16 were over \$200,000 (increase of 9).
- There was a 1.4% increase in the average cost of a high cost claim compared to a 22% increase last year.

Medical Net Paid PMPM Historical Trend



- High Cost Net Paid PMPM increased 97% from 2009 to 2018
- Non High Cost Net Paid PMPM increased 11% from 2009 to 2018

Benefits Presentation

Large Loss Claims Top Categories

| <u>Condition</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> |
|--------------------------------------|-------------|-------------|-------------|
| Cancer (Neoplasms) | | | |
| Breast | 8 | 3 | 0 |
| Other | 10 | 7 | 5 |
| Musculoskeletal | | | |
| Disc Disorder/Back Pain | 10 | 5 | 9 |
| Arthritis/Osteoarthritis | 7 | 0 | 2 |
| Other | 1 | 5 | 3 |
| Injuries and Poisoning | | | |
| Device/Implant Complications | 4 | 1 | 4 |
| Fractures | 6 | 0 | 1 |
| Other | 1 | 2 | 2 |
| Nervous System | | | |
| Inflammatory Conditions | 1 | 2 | 0 |
| Episodic Disorders | 1 | 2 | 1 |
| Other | 3 | 2 | 1 |
| Circulatory | | | |
| Hardening of the arteries | 5 | 1 | 0 |
| Dysrhythmias / Myocardial Infarction | 1 | 6 | 5 |
| Other | 2 | 4 | 7 |

Benefits Presentation

Top Diagnosis Categories by Cost

| <u>Diagnosis</u> | <u>Claimants</u> | <u>Dollars</u> | <u>Cost/Claimant</u> | <u>Catastrophic Dollars %</u> |
|-------------------------|------------------|----------------|----------------------|-------------------------------|
| Cancer | 366 ↑ | \$3,824,960 ↑ | \$10,451 ↑ | 88% ↑ |
| Musculoskeletal System | 1,043 ↑ | \$3,255,463 ↑ | \$3,121 ↑ | 52% ↑ |
| Injuries and Poisonings | 569 ↑ | \$2,279,243 ↑ | \$4,006 ↑ | 60% ↑ |
| Circulatory System | 670 ↑ | \$1,500,944 ↑ | \$2,240 ↓ | 48% ↓ |
| Digestive System | 488 ↑ | \$1,447,802 ↑ | \$2,967 ↑ | 28% ↑ |

Top Diagnosis Categories

- Cancer diagnoses were a primary driver of medical costs. The number of cancer claimants increased by 12%, and the cost of cancer claims increased by 81%. Our number of claimants is 10% lower than our peers, but our cost per claim is 79% higher. 88% of cancer claim dollars were for high cost claims.
- Musculoskeletal claimants increased by 2% and the cost of claims increased 19%. Our number of claimants is 3% lower than our peers, but our cost per claim is 25% higher. 52% of musculoskeletal claim dollars were for high cost claims.
- Injury and poisoning claimants increased by 5% and are 4% lower than our peer group; however, the cost of claims increased 57%. 60% of injury and poisoning claim dollars were for high cost claims. Many of these claims were due to complications of implants or surgery, fractures, and head injuries.
- Circulatory system claims cost decreased by 0.3%. We are 10% lower than our peer group. 48% of circulatory claim dollars were for high cost claims.



Benefits Presentation

Stop Loss

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Stop Loss Fee | \$1,497,337 | \$1,593,727 | \$1,905,407 | \$1,880,061 | \$2,838,935 |
| Stop Loss Reimbursement | \$1,454,918 | \$1,223,371 | \$2,048,231 | \$2,826,984 | \$5,568,269 |
| Carrier Impact | 3% | 23% | (8%) | (50%) | (96%) |

Major Cost Drivers

- Cancer is the highest cost driver and spend increased 81% from last year.
- Musculoskeletal diagnoses was the leading primary clinical cost driver for the last three years and remains in the top five this year.
- Catastrophic cases (those over \$50,000) net paid PMPM increased 36%. Net paid PMPM is 46% higher than the norm.
 - Cancer: 18 members / claims totaled \$3,809,248 (34% of total Catastrophic claims cost)
 - Musculoskeletal: 18 members / claims totaled \$1,844,463 (17% of total Catastrophic claims cost)
 - Injury and Poisoning: 11 members / claims totaled \$1,442,067 (13% of total Catastrophic claims cost)
- Those with more than \$50,000 in medical net payments represent 2% of claimants and 50% of medical costs.
- Net paid per ER visit increased 1.4% and is 29% higher than the norm.

Pharmacy

- Total pharmacy costs were \$5,511,478 for the year; 19% of total costs.
 - Total pharmacy cost decreased 10%.
- Top 15 drugs cost Collin County \$2 million and comprise 41% of the county's pharmacy costs.
- Over the last five years:
 - Net paid per member per month decreased 4%.
 - Plan paid specialty per member per month increased 87%.
 - Plan paid non-specialty per member per month decreased 26%.
 - Plan paid per prescription decreased 11%.



Benefits Presentation

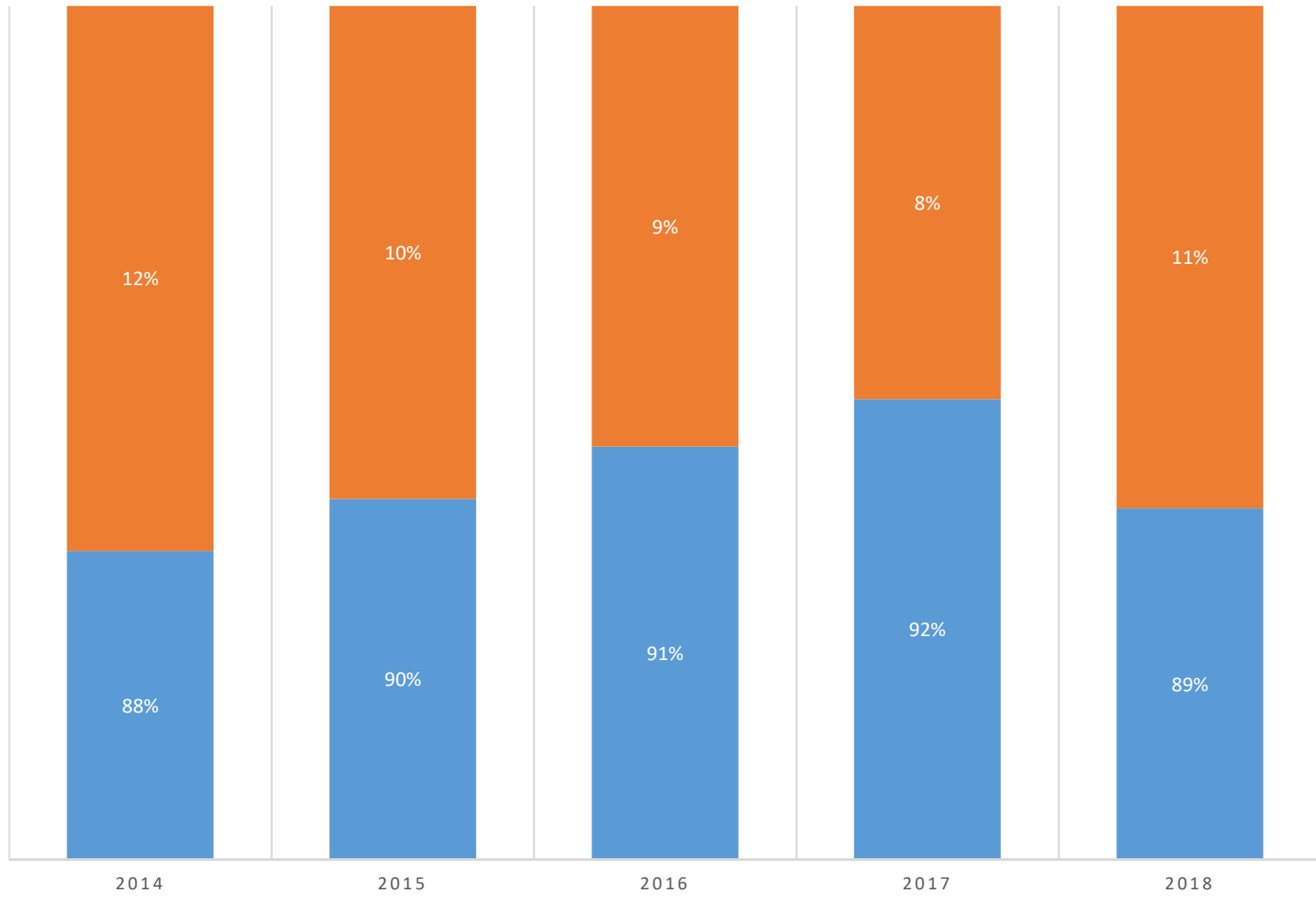
Pharmacy

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total Spend | \$5,330,426 | \$5,983,182 | \$5,450,909 | \$6,133,097 | \$5,511,478 |
| Change in Total Spend | 44% | 12% | -9% | 13% | -10% |
| Employee Pays | \$613,632 (12%) | \$598,200 (10%) | \$508,519 (9%) | \$507,947 (8%) | \$582,468 (11%) |
| Employer Pays | \$4,716,794 (88%) | \$5,384,982 (90%) | \$4,942,390 (91%) | \$5,625,150 (92%) | \$4,929,010 (89%) |

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 Condition | 2 | 11 | 50 | \$325,240 | \$6,505 |
| HARVONI* | Blood Disorder | 2 | 2 | 9 | \$284,527 | \$31,614 |
| STELARA* | Inflammatory Condition | 2 | 5 | 16 | \$229,672 | \$14,335 |
| SPRYCEL* | Oncology | 3 | 1 | 5 | \$170,581 | \$34,116 |
| VICTOZA (1) | Diabetes | 2 | 34 | 195 | \$158,867 | \$815 |
| TECFIDERA* (2) | Multiple Sclerosis | 2 | 3 | 13 | \$127,588 | \$9,814 |
| VYVANSE | ADHD | 2 | 83 | 490 | \$106,583 | \$218 |
| JAKAFI* | Oncology | 2 | 1 | 7 | \$94,785 | \$13,541 |
| OTEZLA* | Inflammatory Condition | 3 | 3 | 20 | \$88,592 | \$4,430 |
| AUBAGIO* | Multiple Sclerosis | 3 | 2 | 5 | \$87,570 | \$17,514 |
| HUMALOG KWIKPEN | Diabetes | 2 | 22 | 119 | \$84,273 | \$708 |
| JARDIANCE | Diabetes | 2 | 21 | 136 | \$68,162 | \$501 |
| INVOKANA | Diabetes | 2 | 18 | 133 | \$66,678 | \$501 |
| BASAGLAR KWIKPEN** | Diabetes | 3 | 19 | 143 | \$66,170 | \$463 |
| NUTROPINA AQ NUSPIN 20* | Growth Hormone Deficiency | 2 | 1 | 5 | \$64,210 | \$12,842 |

*Specialty Medications

**Lantus Solostar excluded in 2018; members switched to Basaglar Kwikpen

1) VICTOZA: Patent expired 08/17

2) TECFIDERA: Patent expired 04/19



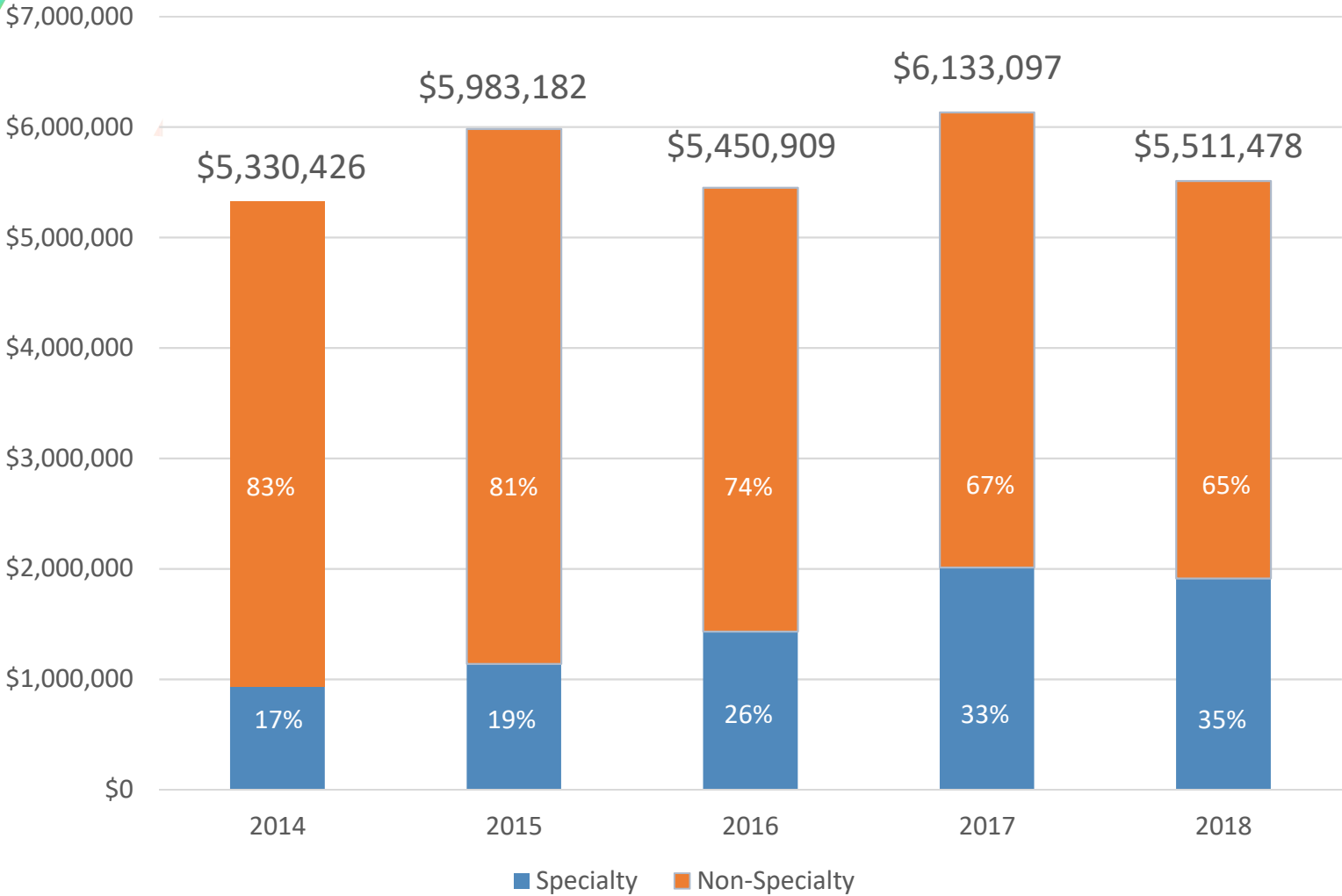
Benefits Presentation

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
- The Mercer survey reported for 2018 that spending on specialty drugs is rising much faster than overall spending on pharmacy benefits. In 2018, annual average specialty drug cost per employee increased 12%.
- Specialty drug costs decreased 7% (\$115,367 less).
 - 74 specialty utilizers represent 3% of total population and 38% of plan paid.
 - Specialty plan paid per RX is 25% higher than peer.
- Employees contributed almost 1.4% of specialty drug costs in 2018. In 2017, employees contributed less than 0.5% of specialty drug costs.

Benefits Presentation

TOTAL PHARMACY COST

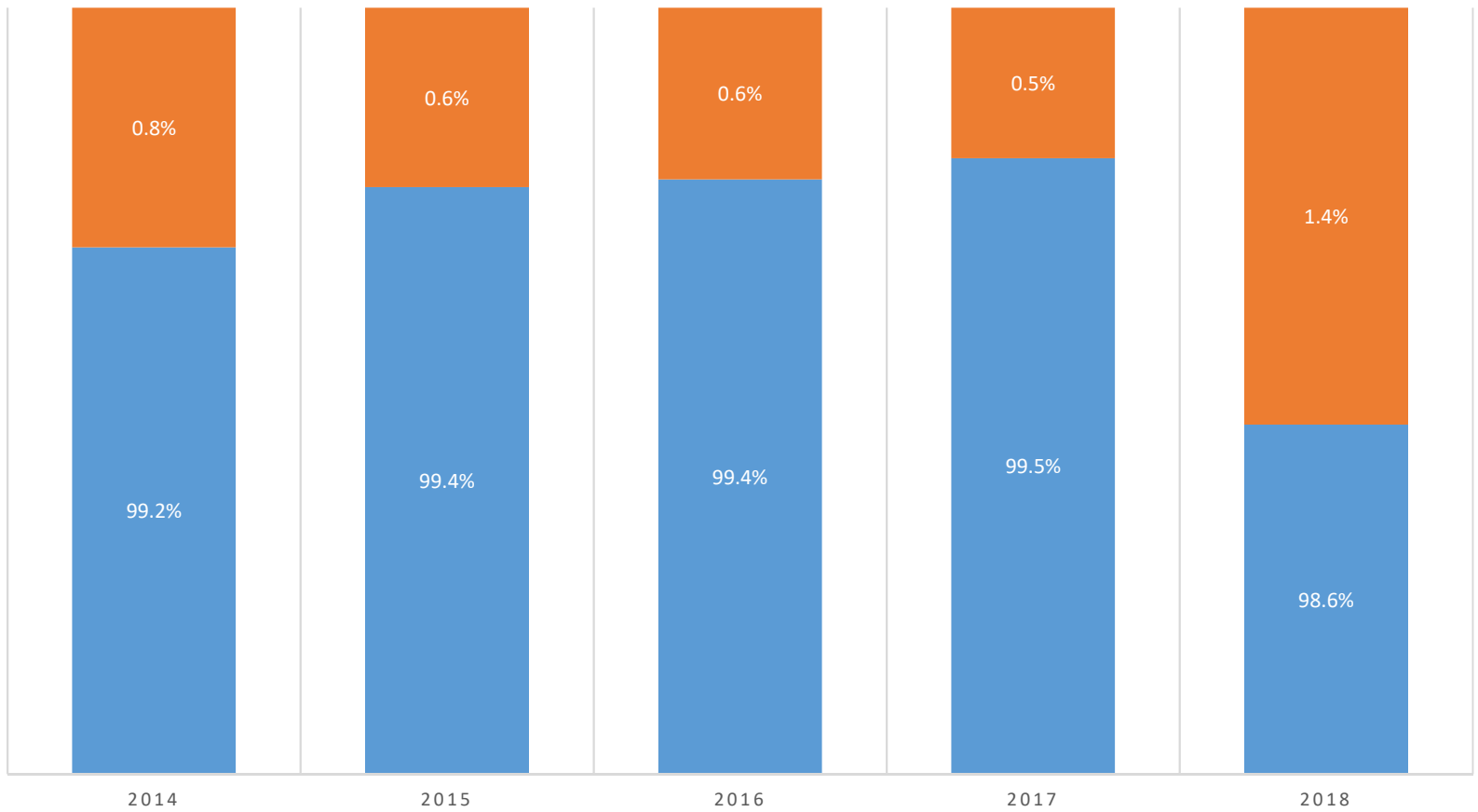


* Value pharmacy network added for plan year 2016

Benefits Presentation

SPECIALTY PHARMACY COST SHARE

■ Plan Paid ■ Employee Paid





Medical and Dental
Benefit
Comparisons



Benefits Presentation

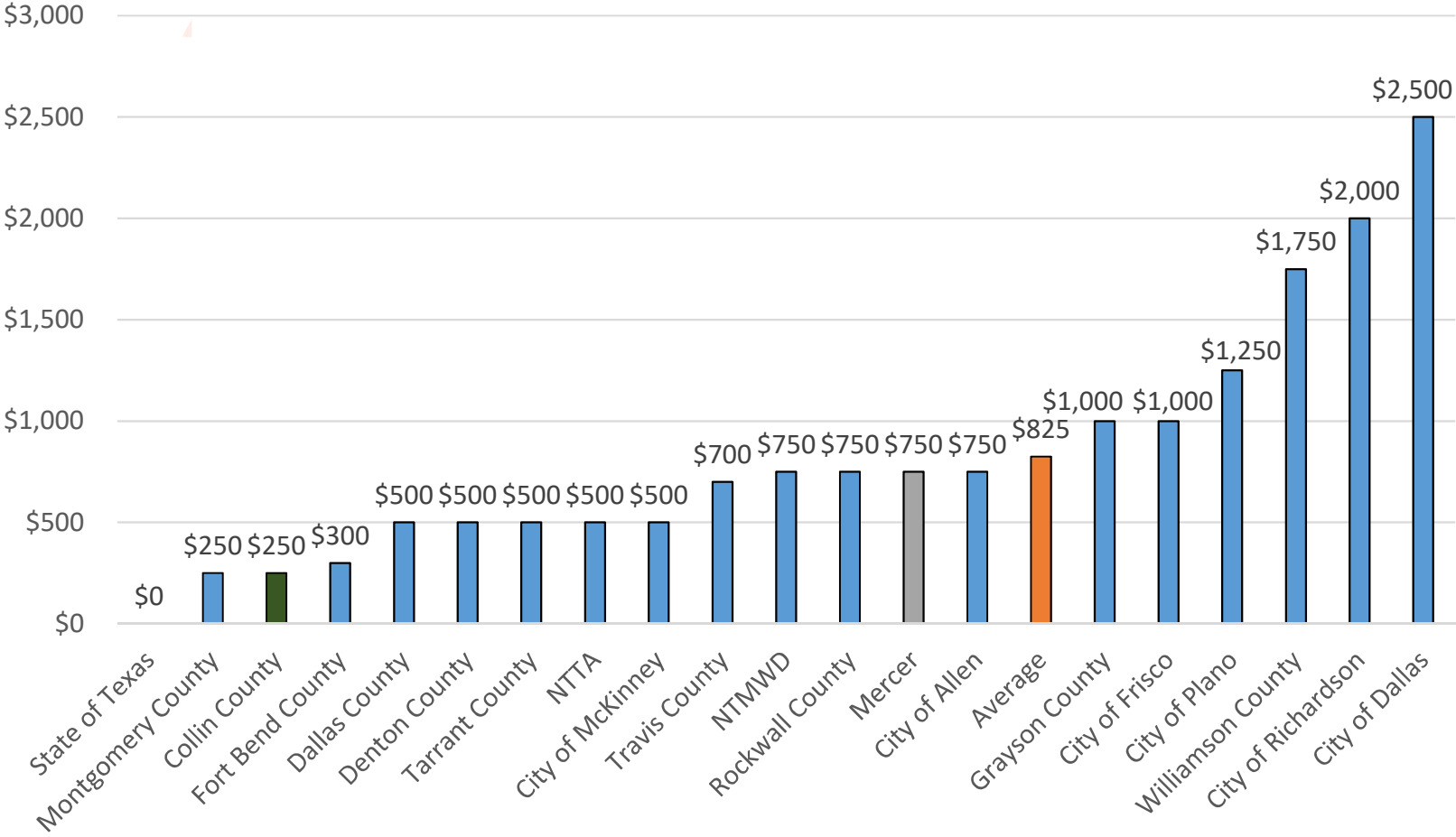
Medical Plan Benefit Comparison

- **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:**
 - Our out-of-pocket maximum is equivalent to Mercer, Dallas County, Denton County, Tarrant County, Grayson County, City of Frisco, and NTTA, but less than all other entities surveyed except Montgomery County and North Texas Municipal Water District.
- **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 \$77.76 per member per month, a 24% 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 \$234.15 per member per month, a 9% increase.
 - Average specialist cost is 201% more than primary care cost.
- **Percent of Services Paid:**
 - We have one of the lowest percentage paid (75%). City of Richardson's percentage paid is 70%.
 - In-patient hospital stays and outpatient surgeries are covered at 100% after applicable co-pay and deductibles.

Benefits Presentation

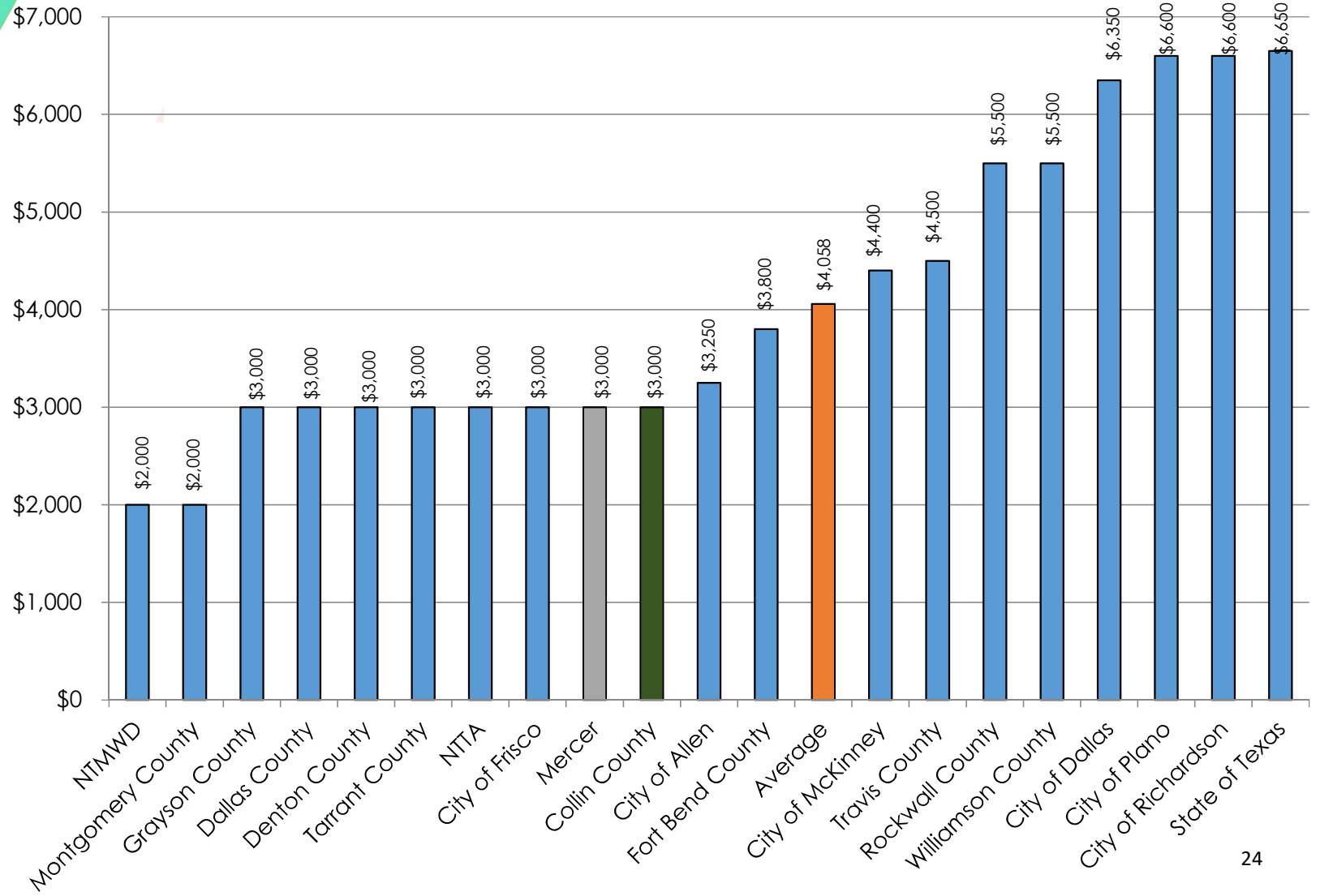
Premium Medical Plan Deductibles

Deductibles



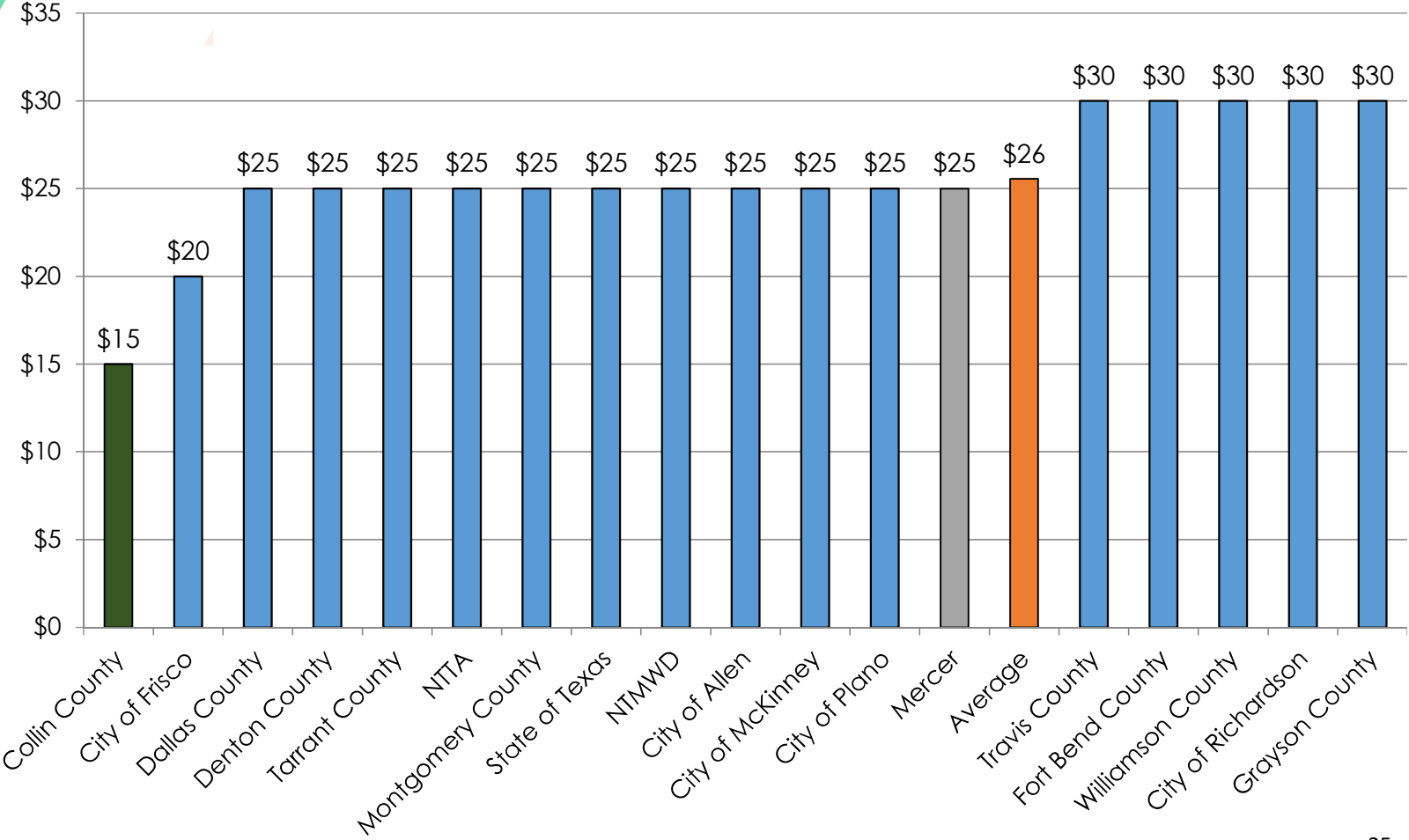
Benefits Presentation

Premium Medical Plan Out-of-Pocket Expenses – In-Network



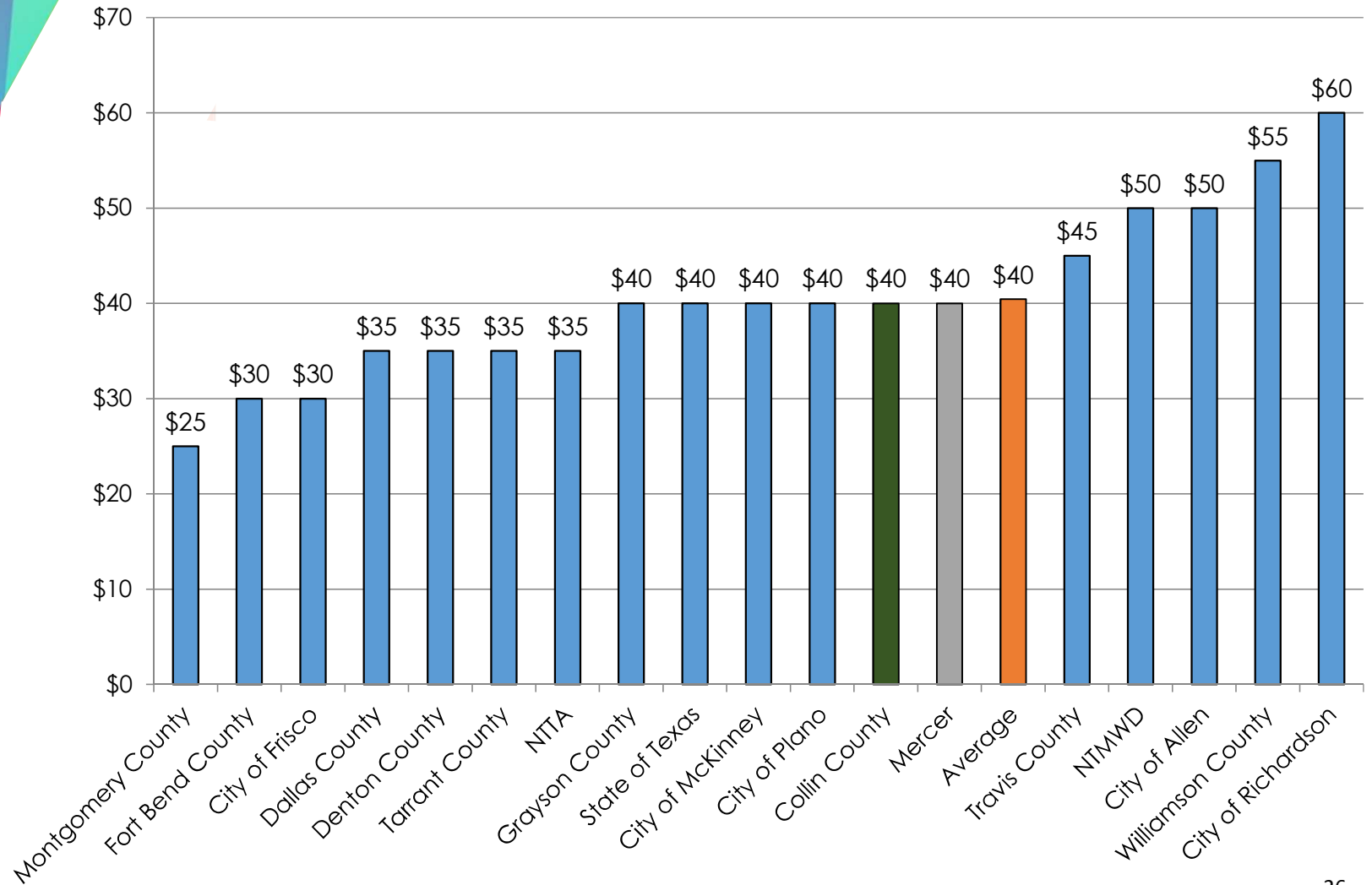
Benefits Presentation

Premium Medical Plan Primary Care Physician Co-Pay



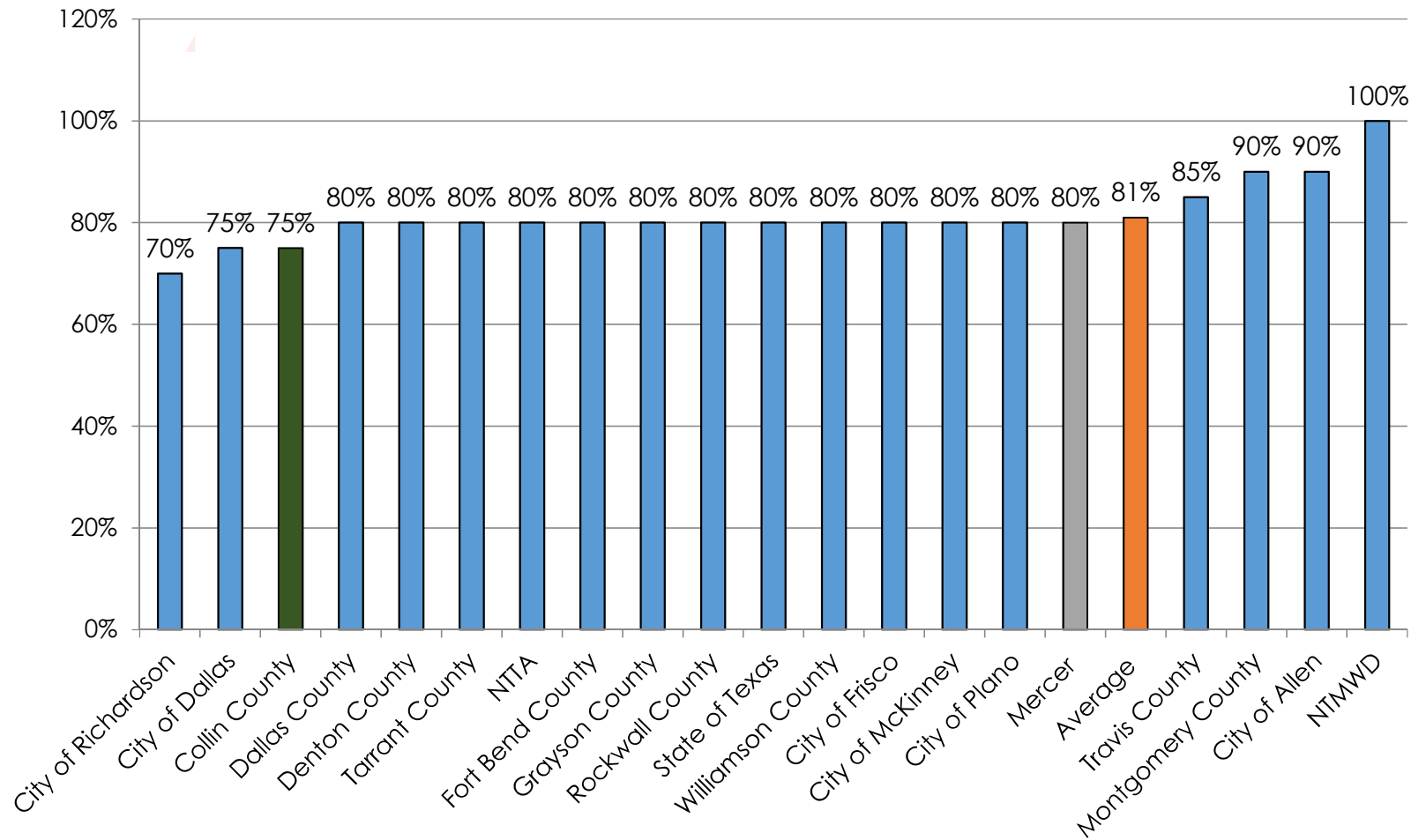
Benefits Presentation

Premium Medical Plan Specialist Co-Pay



Benefits Presentation

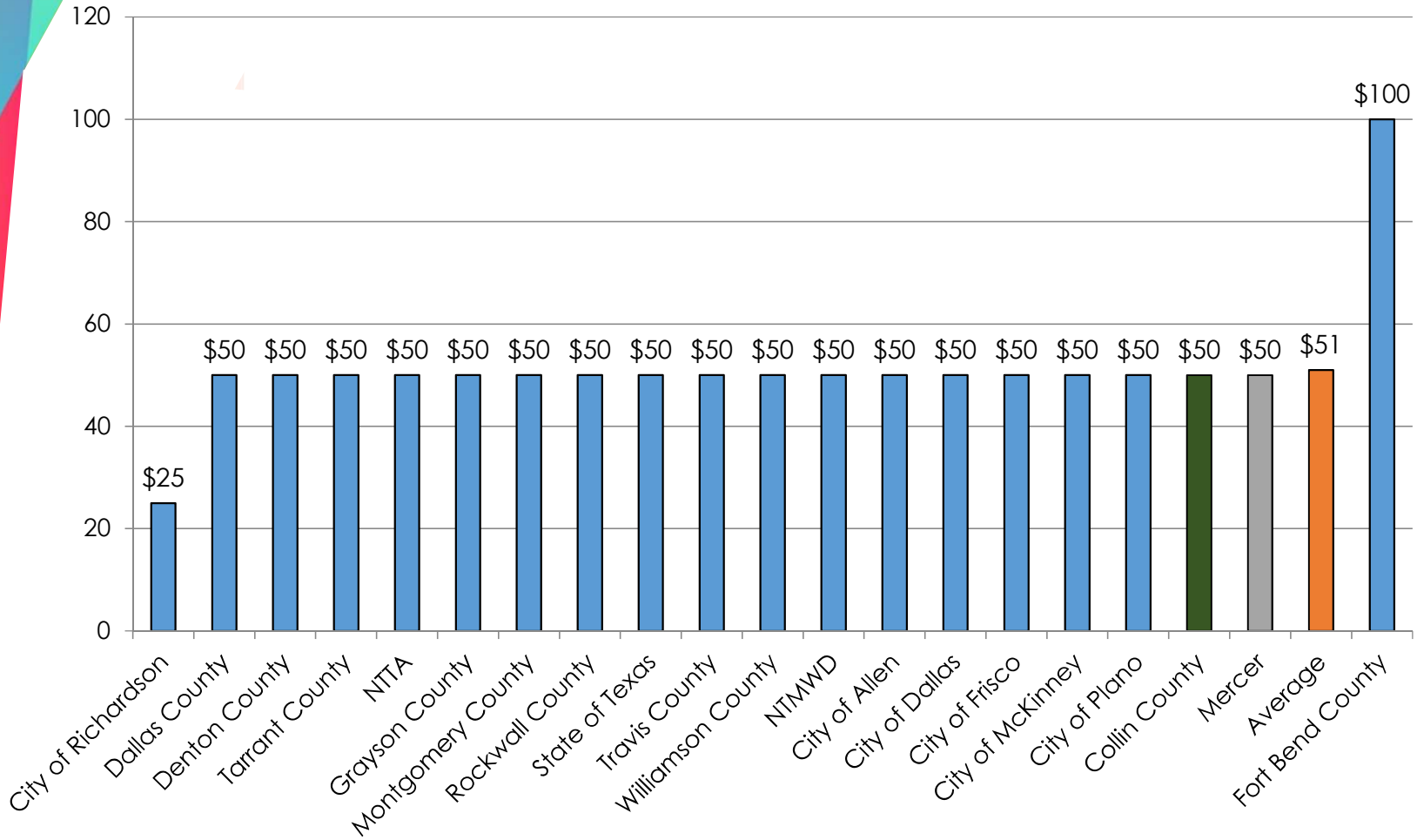
Premium Medical Plan Co-Insurance % Paid – In-Network



Dental Plan Benefit Comparison

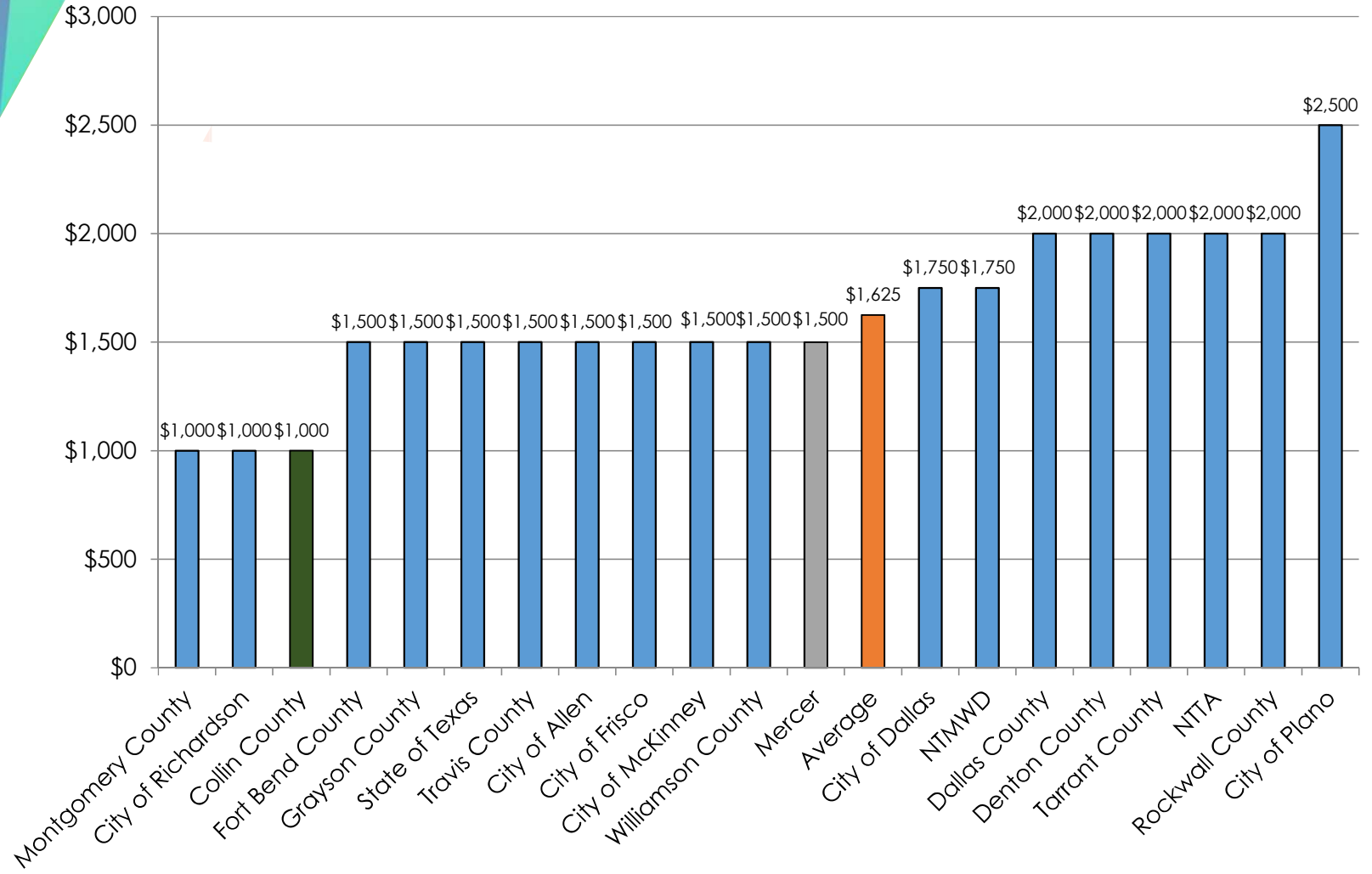
- Our dental plan deductible of \$50 is consistent with our counterparts.
- Our dental plan maximum (\$1,000) is lower than the majority of our counterparts. 155 of 1,479 employees (11%) used the maximum level of benefits.

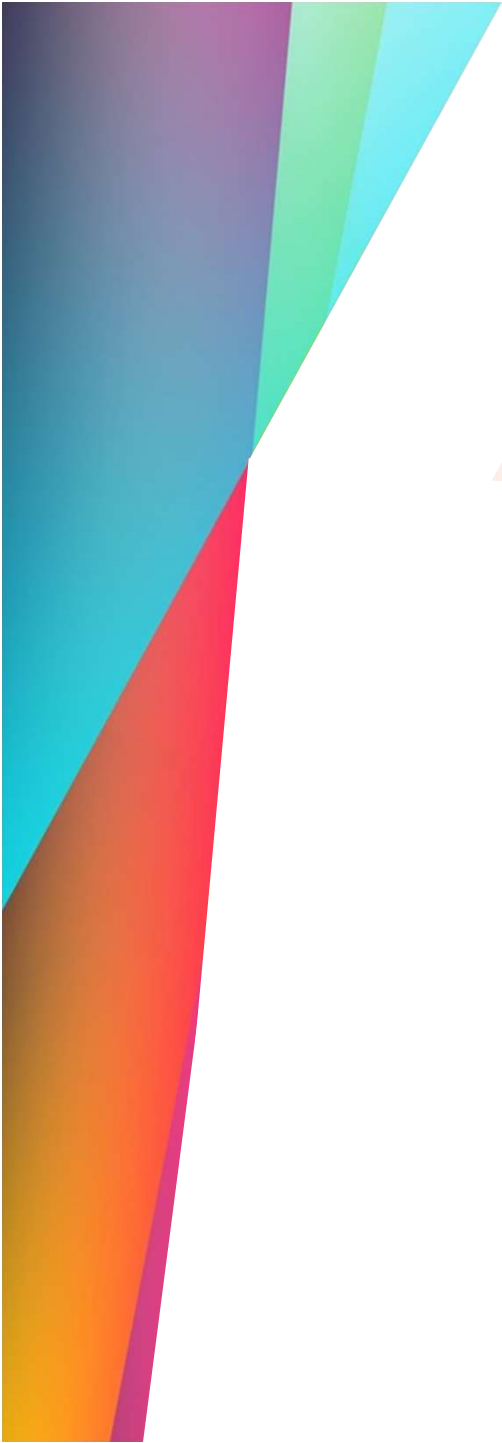
Dental Plan Deductibles



Benefits Presentation

Dental Plan Maximums

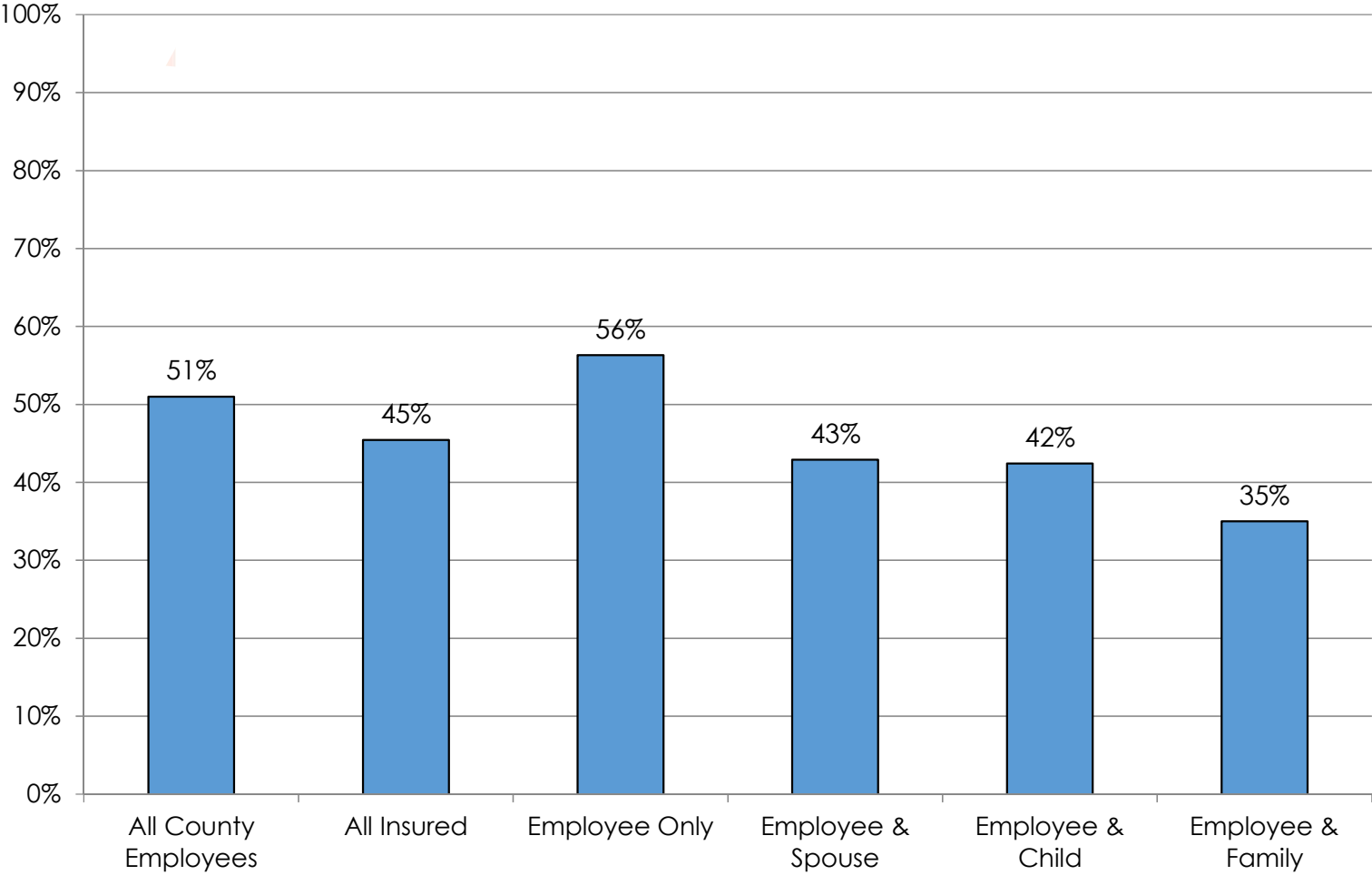




Medical and Dental Employee Premium Comparisons

Benefits Presentation

Percentage of Employees with Salaries Under \$50,000

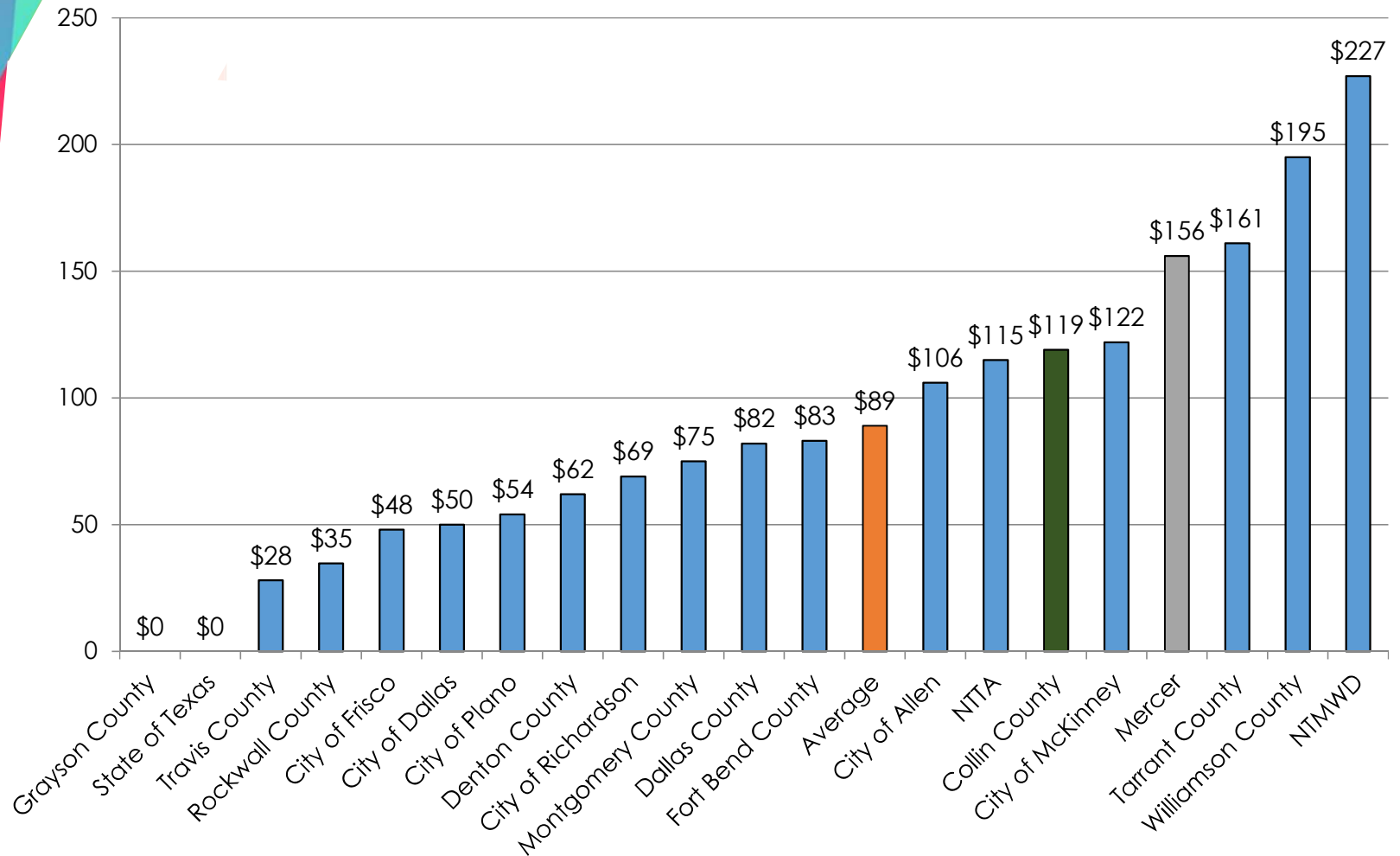


Medical Plan Employee Premium Comparison Summary

- Collin County's Employee Only contribution is above the average.
- Employee/Spouse and Employee/Family premiums are in the lowest quartile.
- Employee/Children premiums are in the second lowest quartile.

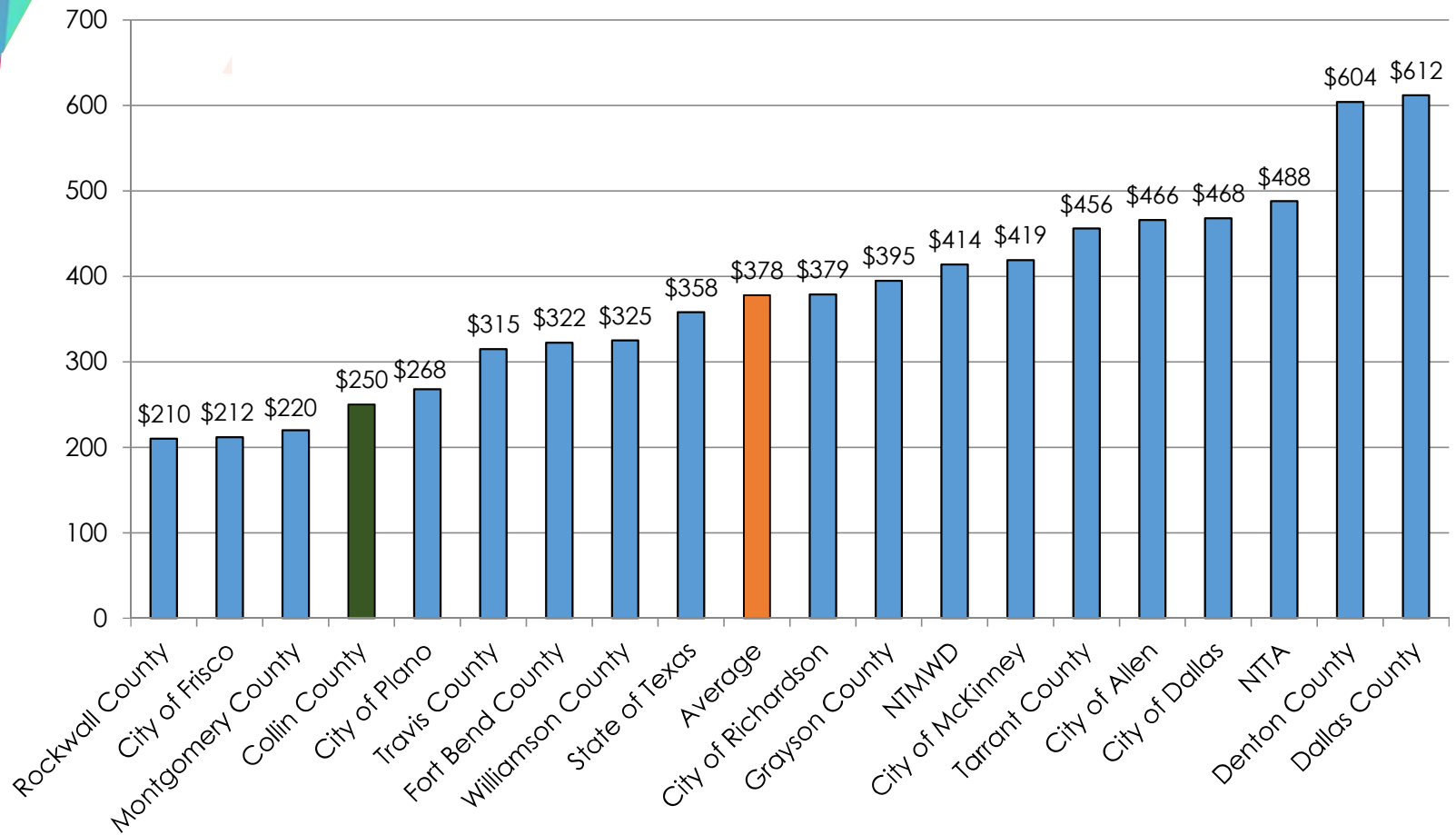
Benefits Presentation

Premium Medical Plan Employee Only Coverage Cost/Month



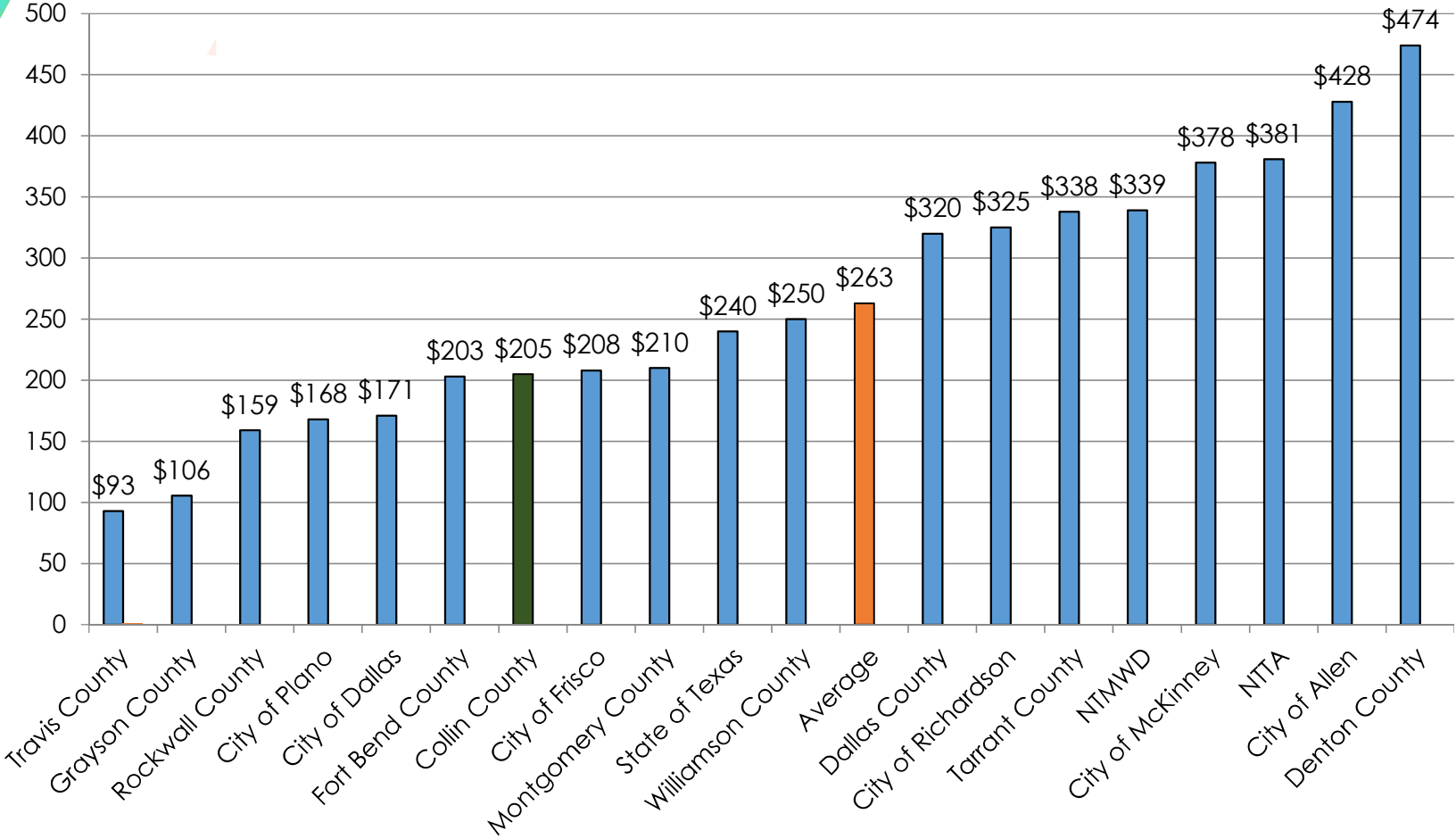
Benefits Presentation

Premium Medical Plan Employee & Spouse Coverage Cost/Month



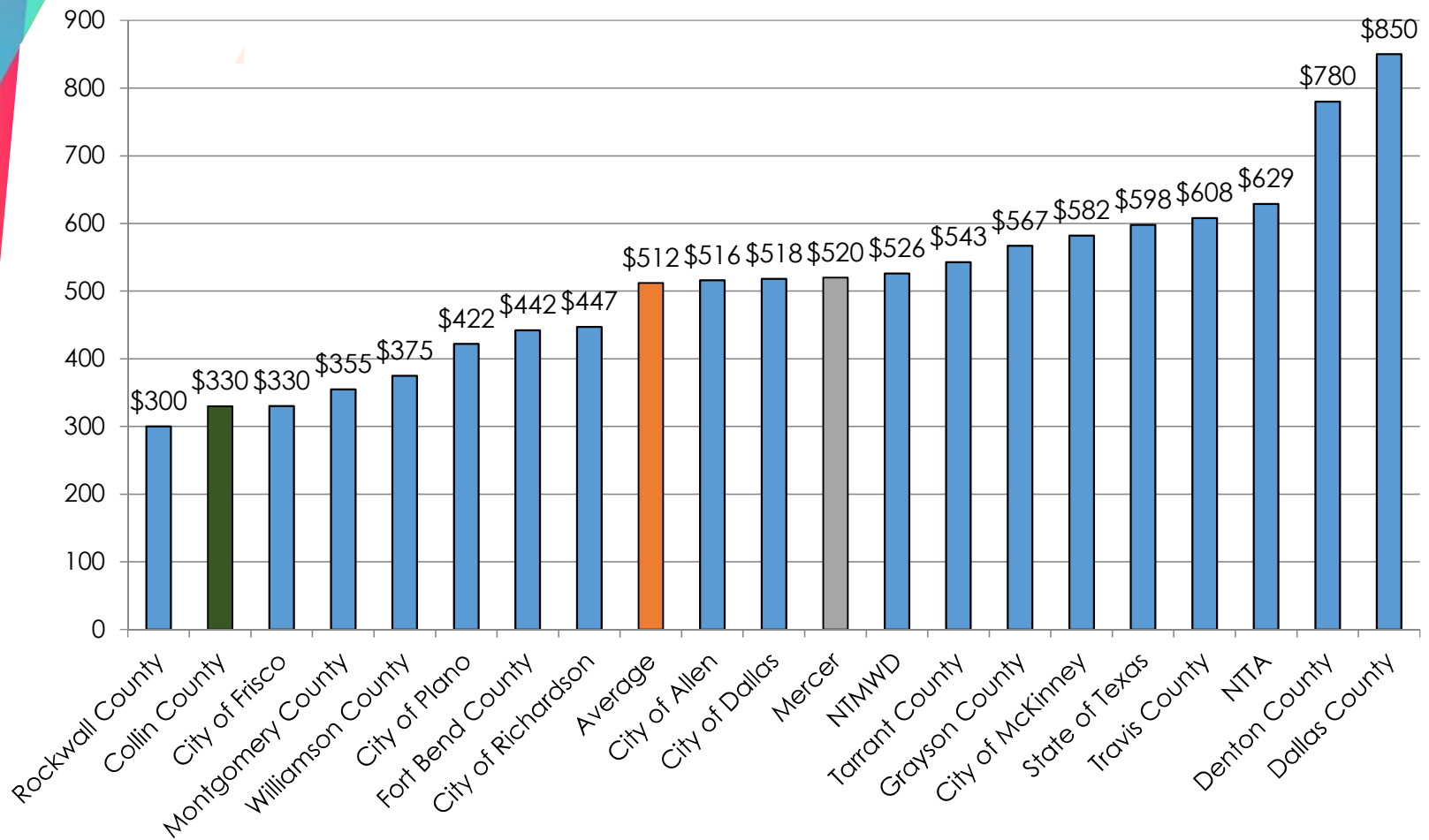
Benefits Presentation

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



Benefits Presentation

Premium Medical Plan Employee & Family Coverage Cost/Month

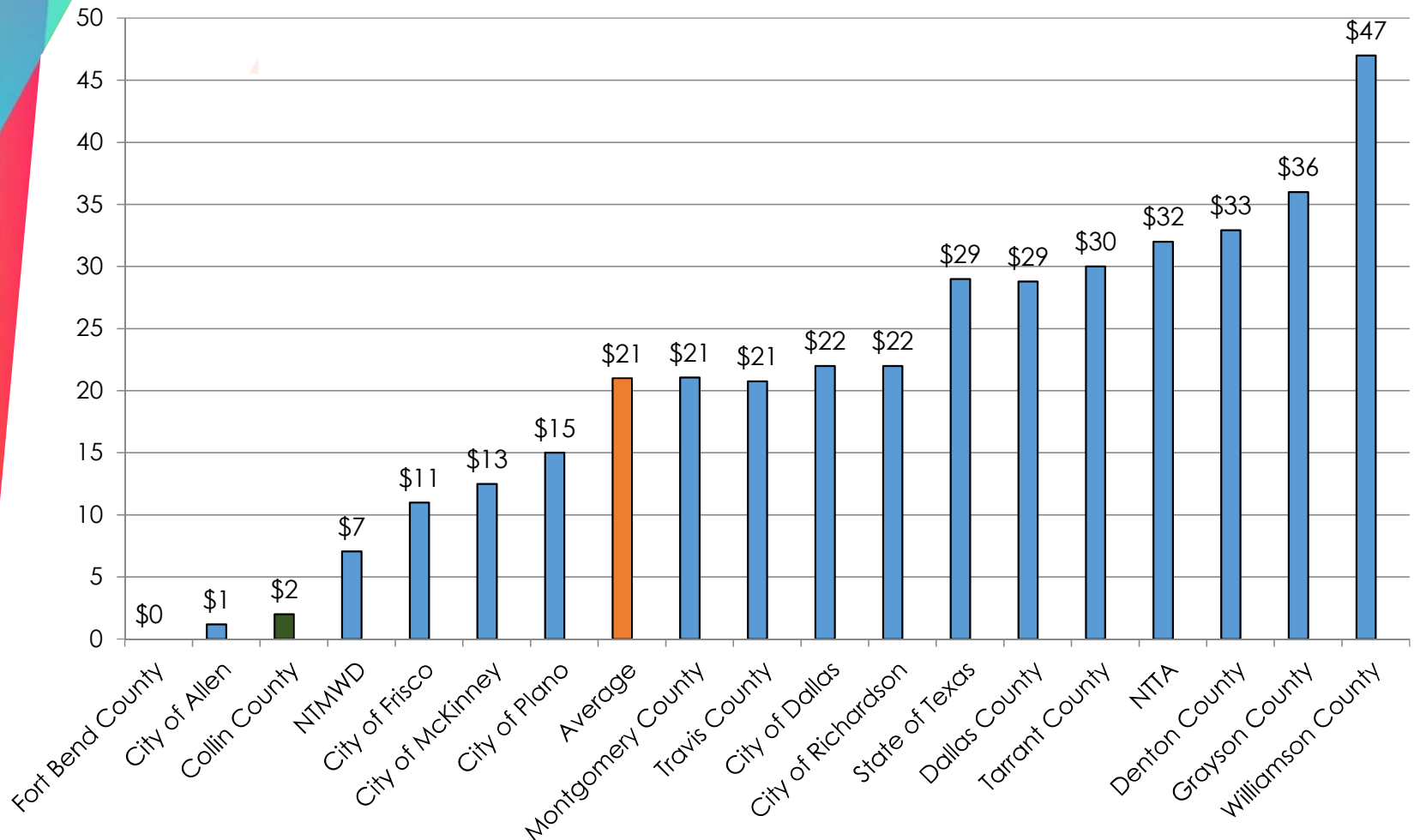


Dental Plan Employee Premium Comparison Summary

- Collin County is the only surveyed entity with a 2-tier premium design. 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.

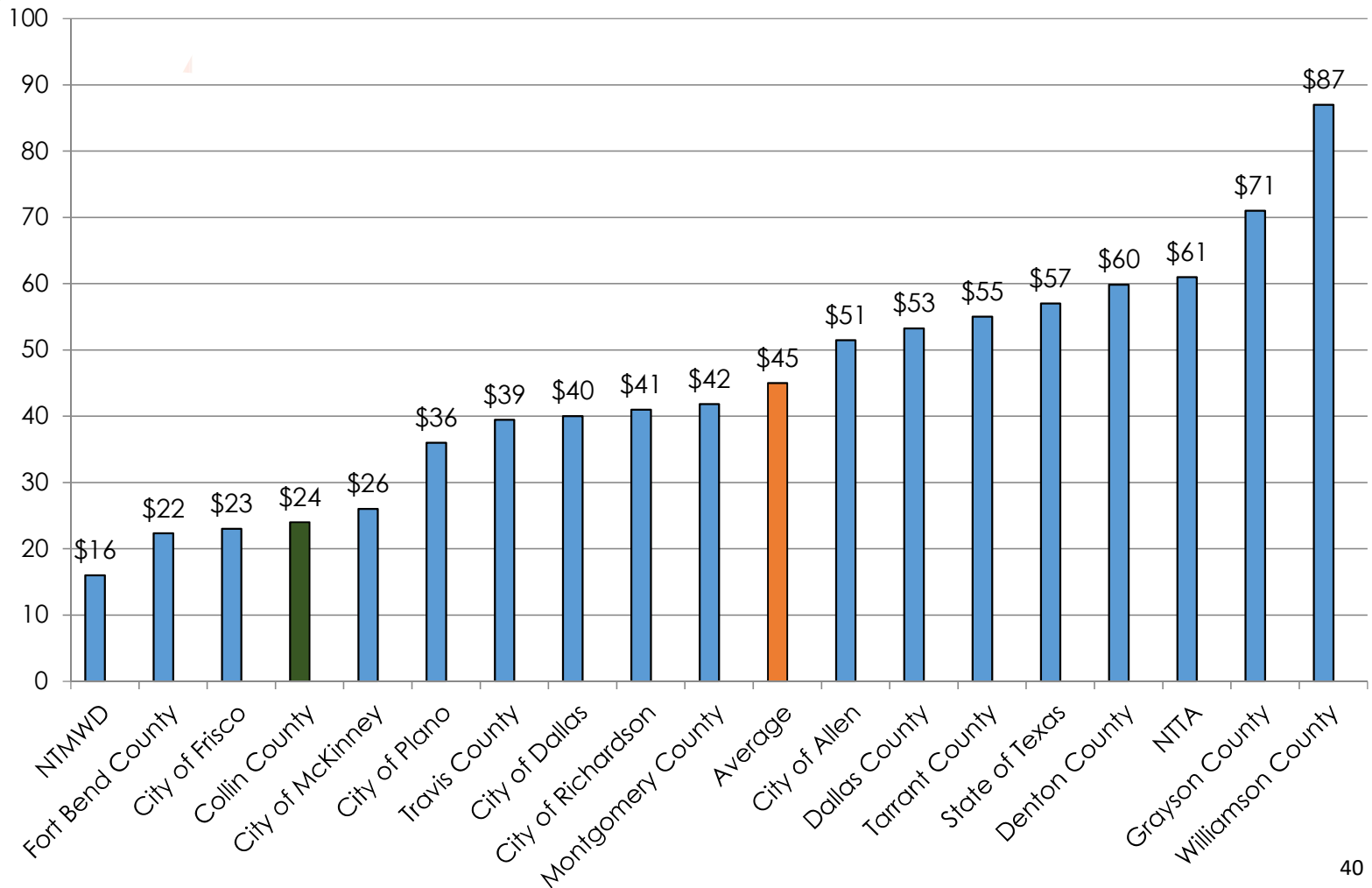
Benefits Presentation

Dental Plan Employee Only Coverage Cost/Month



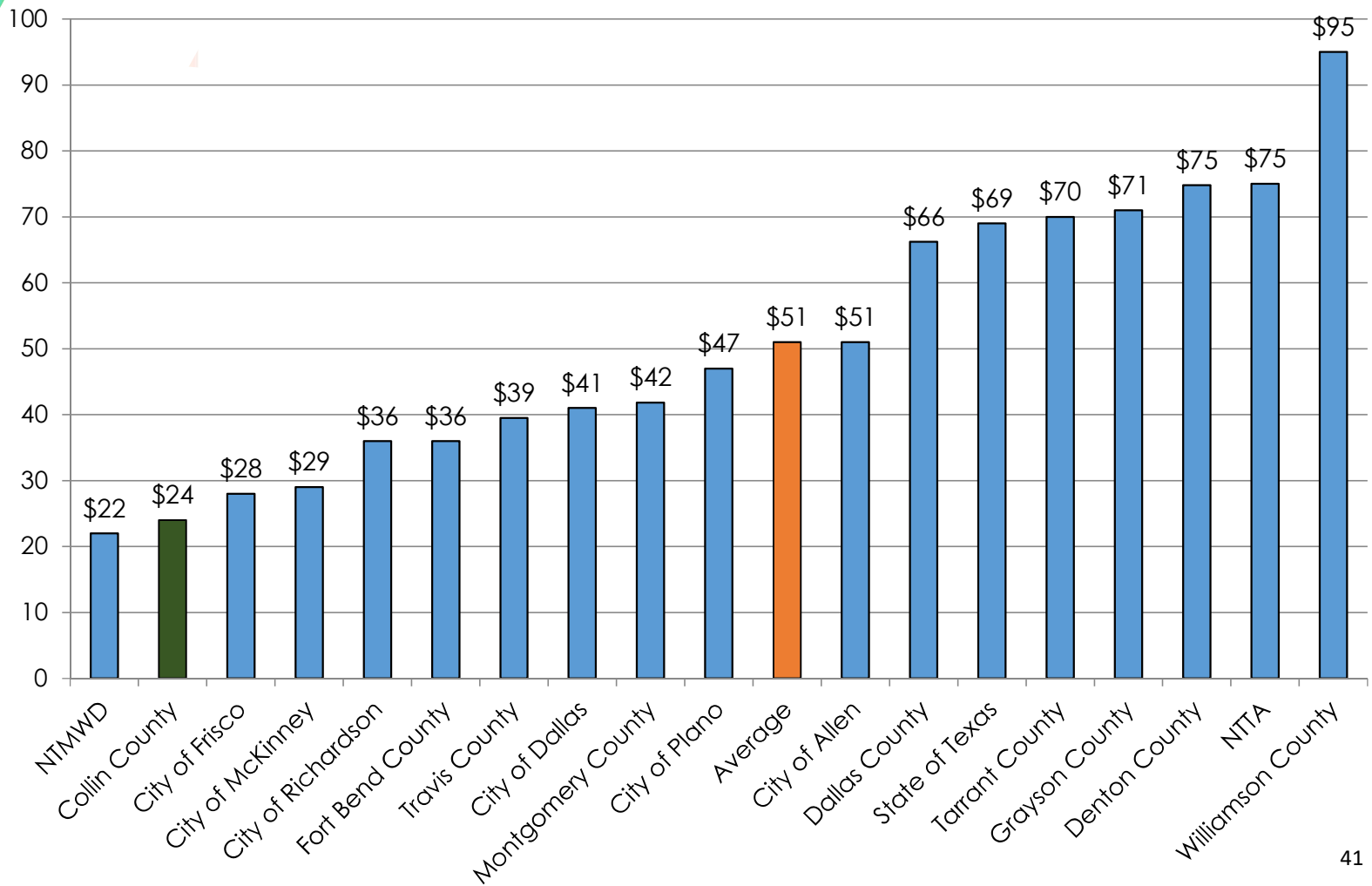
Benefits Presentation

Dental Plan Employee & Spouse Coverage Cost/Month



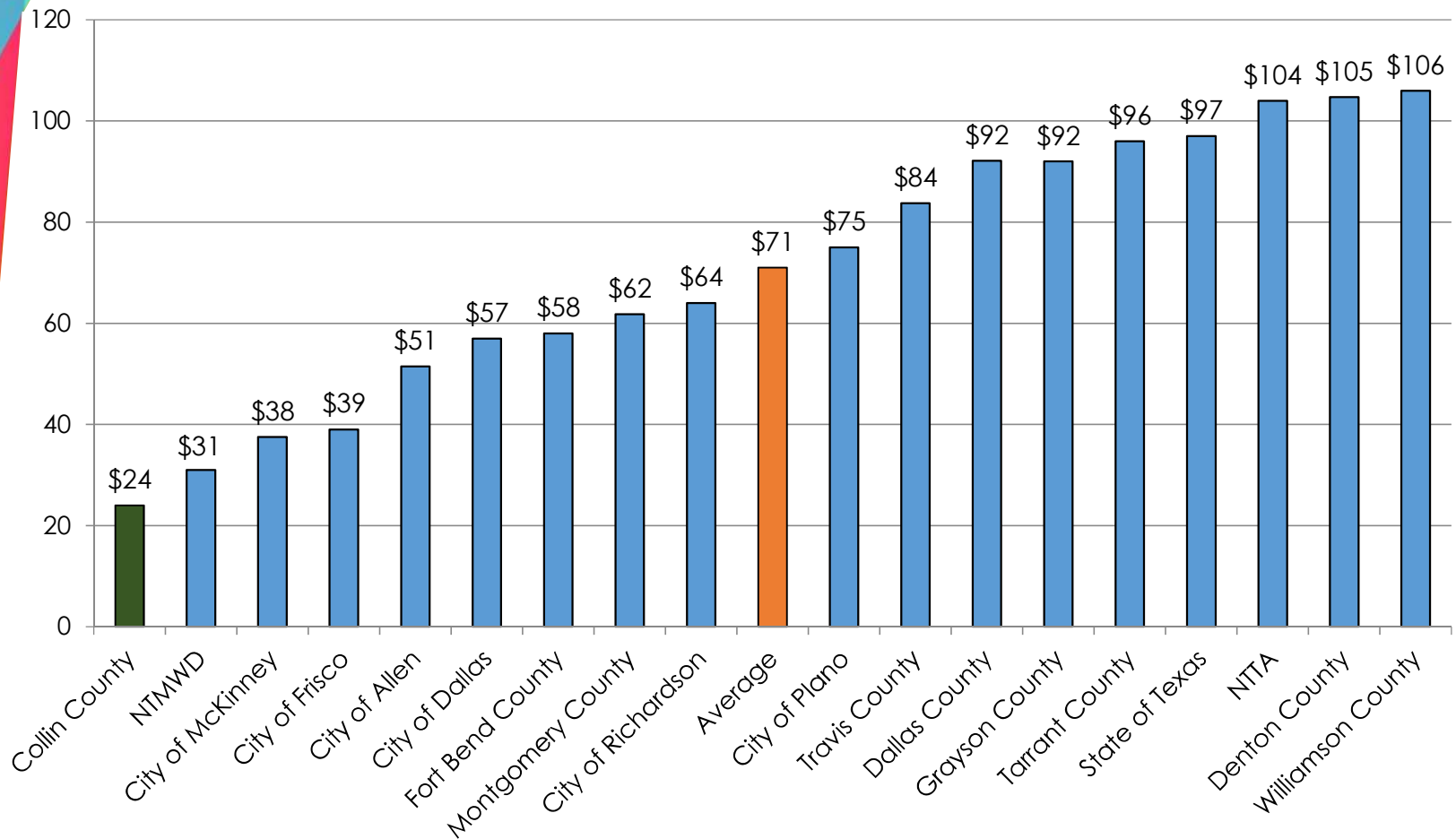
Benefits Presentation

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



Benefits Presentation

Dental Plan Employee & Family Coverage Cost/Month





Medical Plan Premium and Enrollment Information

Benefits Presentation

2018 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 (44) | \$90 (63) | \$94 (232) | \$119 (29) | \$144 (47) |
| EE & Spouse | \$160 (37) | \$185 (7) | \$210 (17) | \$225 (107) | \$250 (10) | \$275 (34) |
| EE & Child(ren) | \$120 (68) | \$145 (14) | \$170 (14) | \$180 (140) | \$205 (10) | \$230 (24) |
| EE & Family | \$220 (99) | \$245 (10) | \$270 (49) | \$305 (198) | \$330 (16) | \$355 (65) |
| Total | 332 | 75 | 143 | 677 | 65 | 170 |

*As of December 2018

Benefits Presentation

Advantage Plan Premium History for Full Time Employees

| Plan | Medical Coverage Level | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Advantage Premium Discount (Wellness Physical) | EE Only | \$0 | \$0 | \$82 | \$65 | \$65 | \$65 | \$65 | \$65 | \$65 |
| | EE & Spouse | \$160 | \$160 | \$160 | \$160 | \$160 | \$160 | \$160 | \$160 | \$160 |
| | EE & Child(ren) | \$120 | \$120 | \$120 | \$120 | \$120 | \$120 | \$120 | \$120 | \$120 |
| | EE & Family | \$220 | \$220 | \$220 | \$220 | \$220 | \$220 | \$220 | \$220 | \$220 |
| Advantage Standard Premium (New Hire) | EE Only | \$25 | \$25 | \$107 | \$90 | \$90 | \$90 | \$90 | \$90 | \$90 |
| | EE & Spouse | \$185 | \$185 | \$185 | \$185 | \$185 | \$185 | \$185 | \$185 | \$185 |
| | EE & Child(ren) | \$145 | \$145 | \$145 | \$145 | \$145 | \$145 | \$145 | \$145 | \$145 |
| | EE & Family | \$245 | \$245 | \$245 | \$245 | \$245 | \$245 | \$245 | \$245 | \$245 |
| Advantage Premium Surcharge (No Wellness Physical) | EE Only | \$50 | \$50 | \$132 | \$90 | \$90 | \$90 | \$90 | \$90 | \$90 |
| | EE & Spouse | \$210 | \$210 | \$210 | \$210 | \$210 | \$210 | \$210 | \$210 | \$210 |
| | EE & Child(ren) | \$170 | \$170 | \$170 | \$170 | \$170 | \$170 | \$170 | \$170 | \$170 |
| | EE & Family | \$270 | \$270 | \$270 | \$270 | \$270 | \$270 | \$270 | \$270 | \$270 |

Benefits Presentation

Advantage Plus Plan Premium History for Full Time Employees

| Plan | Medical Coverage Level | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Advantage Plus Premium Discount (Wellness Physical) | EE Only | \$25 | \$25 | \$94 | \$94 | \$94 | \$94 | \$94 | \$94 | \$94 |
| | EE & Spouse | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 | \$225 |
| | EE & Child(ren) | \$180 | \$180 | \$180 | \$180 | \$180 | \$180 | \$180 | \$180 | \$180 |
| | EE & Family | \$305 | \$305 | \$305 | \$305 | \$305 | \$305 | \$305 | \$305 | \$305 |
| Advantage Plus Standard Premium (New Hire) | EE Only | \$50 | \$50 | \$119 | \$119 | \$119 | \$119 | \$119 | \$119 | \$119 |
| | EE & Spouse | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 | \$250 |
| | EE & Child(ren) | \$205 | \$205 | \$205 | \$205 | \$205 | \$205 | \$205 | \$205 | \$205 |
| | EE & Family | \$330 | \$330 | \$330 | \$330 | \$330 | \$330 | \$330 | \$330 | \$330 |
| Advantage Plus Premium Surcharge (No Wellness Physical) | EE Only | \$75 | \$75 | \$144 | \$144 | \$144 | \$144 | \$144 | \$144 | \$144 |
| | EE & Spouse | \$275 | \$275 | \$275 | \$275 | \$275 | \$275 | \$275 | \$275 | \$275 |
| | EE & Child(ren) | \$230 | \$230 | \$230 | \$230 | \$230 | \$230 | \$230 | \$230 | \$230 |
| | EE & Family | \$355 | \$355 | \$355 | \$355 | \$355 | \$355 | \$355 | \$355 | \$355 |



Additional Information

Benefits Presentation

Plan Demographics*

| | Advantage Medical Plan | Advantage Plus Medical Plan | Total |
|----------------|------------------------|-----------------------------|-----------|
| Total Enrolled | 550 | 912 | 1462 |
| Gender | | | |
| Male | 296 (39%) | 456 (61%) | 752 (51%) |
| Female | 254 (36%) | 456 (64%) | 710 (49%) |
| Salary Level | | | |
| Under \$50,000 | 310 (47%) | 354 (53%) | 664 (45%) |
| Over \$50,000 | 240 (30%) | 558 (70%) | 798 (55%) |
| Age | | | |
| 30 and younger | 153 (64%) | 87 (36%) | 240 (16%) |
| 31 – 40 | 158 (49%) | 164 (51%) | 322 (22%) |
| 41 – 50 | 131 (31%) | 296 (69%) | 427 (29%) |
| 51 – 60 | 87 (26%) | 247 (74%) | 334 (23%) |
| 60 + | 21 (15%) | 118 (85%) | 139 (10%) |

*As of December 2018

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 |
|--------------------|--|---|--|--|
| City | | | | |
| City of Allen | 14% | 27% | 30% | 22% |
| City of Dallas | 10% | 42% | 18% | 36% |
| City of Frisco | 5% | 12% | 14% | 15% |
| City of McKinney | 16% | 25% | 25% | 23% |
| City of Plano | 10% | 19% | 16% | 20% |
| City of Richardson | 7% | 27% | 25% | 30% |
| Average | 10% | 25% | 21% | 24% |
| County | | | | |
| Collin County | 10% | 11% | 10% | 13% |
| Dallas County | 9% | 36% | 23% | 38% |
| Denton County | 4% | 16% | 11% | 17% |
| Fort Bend County | 10% | 29% | 20% | 35% |
| Grayson County | 0% | 10% | 19% | 29% |
| Montgomery County | 7% | 18% | 17% | 26% |
| Rockwall County | 4% | 11% | 11% | 12% |
| State of Texas | 0% | 25% | 20% | 31% |
| Tarrant County | 9% | 17% | 17% | 17% |
| Travis County | 4% | 20% | 9% | 25% |
| Williamson County | 19% | 28% | 23% | 30% |
| NTMWD | 25% | 25% | 24% | 24% |
| NTTA | 12% | 25% | 24% | 20% |
| Average | 9% | 21% | 18% | 24% |
| Private | 24% | | | |



Benefits Presentation

Changes in Benefits

- No major changes in 2017
- 2018 Changes
 - Out-of-pocket Maximum: Increased by \$1000 individual/\$2000 family
 - Pharmacy: Moved from co-payment to co-insurance
 - Advantage Plus Vision: 30-day grace period for exams and lenses
 - Dental: Exams, cleanings, and x-rays do not count toward the maximum
 - Real Appeal (discontinued in September 2018)
 - Personal Health Support with Disease Management (added 06/01/2018 no cost to the county)
- 2019 Changes
 - Cancer Support Services (added 01/01/2019 no cost to the county)
 - Pharmacy: Specialty medication must be filled through Briova
 - TMJ: Removed lifetime maximum
 - Infertility: Increased lifetime maximum to \$20,000
 - Acupuncture: Allow 26 visits per year under Advantage Plus
 - Chiropractic Visits: Allow 26 visits per year under Advantage Plus
 - Lasik: Removed lifetime maximum limit
 - Advantage Plus Vision: \$500 maximum on materials implemented
 - Sleep Apnea: Remove lifetime limit and treat CPAP as durable medical equipment



Benefits Presentation

On-Site Nurse

- The Nurse Liaison engaged in 679 individual sessions. The top 3 activity types were:
 - Targeted Outreach
 - Individual Coaching
 - Clinical Program Education
- The Nurse Liaison primarily focused on back health, diabetes, cancer support and education, and catastrophic/in-patient claimants.
- The Nurse Liaison held 34 group sessions. Topics included:
 - United at Work Presentations
 - Diabetes/Prediabetes
 - Mental Health Resources
 - Appropriate Care
 - Health and Wellness Education
 - Stress Management
 - Benefits/UHC Clinical Program Education



Benefits Presentation

Diabetes

- 1 out of 10 enrolled members are diabetic.
 - 326 enrolled members have diabetes.
 - In addition 289 individuals have multiple risk factors including hypertension, high cholesterol and obesity.
- Diabetes with complications
 - Number of claims has increased 13%.
 - Claims paid per member per month has decreased 5%. We are 42% lower than our peers.
- Diabetes without complications
 - Number of claimants has decreased 10%.
 - Claims paid per member per month has increased 3% and is 8% lower than peers.



Benefits Presentation

2018 Trends

- Medical net paid per member per month increased 16%.
 - 23% decrease in average length of hospital stay.
 - Average net paid per admission decreased 30%
 - 8% decrease in net paid per outpatient surgery.
 - 1% increase in net paid per ER visit.
- Catastrophic cases increased with frequency and severity.
 - 36% increase in number of cases
 - Almost 36% increase in plan cost
 - Represent 2% of all claimants and 50% of total medical costs.
- Chronic conditions contributed to the trend.
 - Cancer – Net paid per member per month increased 81%.
 - Musculoskeletal – Net paid per member per month increased 19%.
 - Heart Conditions – Net paid per member per month decreased 0.3%.
 - Digestive – Net paid per member per month increased 20%



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 2017 to 2018 by an average of 258%.
- Collin County charges the actuarial cost for all retirees that elected coverage after 05/31/2010.

| Monthly Premium | Employee Only | Employee/ Spouse | Employee/ Child(ren) | Employee/ Family |
|-----------------|---------------|------------------|----------------------|------------------|
| 2018 | \$7,208.87 | \$14,417.68 | \$12,975.85 | \$16,940.86 |
| 2017 | \$2,015.22 | \$4,030.42 | \$3,627.36 | \$4,735.76 |

- 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 2018, there were no new enrollments in retiree medical coverage.
 - A total of one retiree was enrolled in medical insurance as of 12/1/2018.



Affordable Care Act



Benefits Presentation

Affordable Care Act

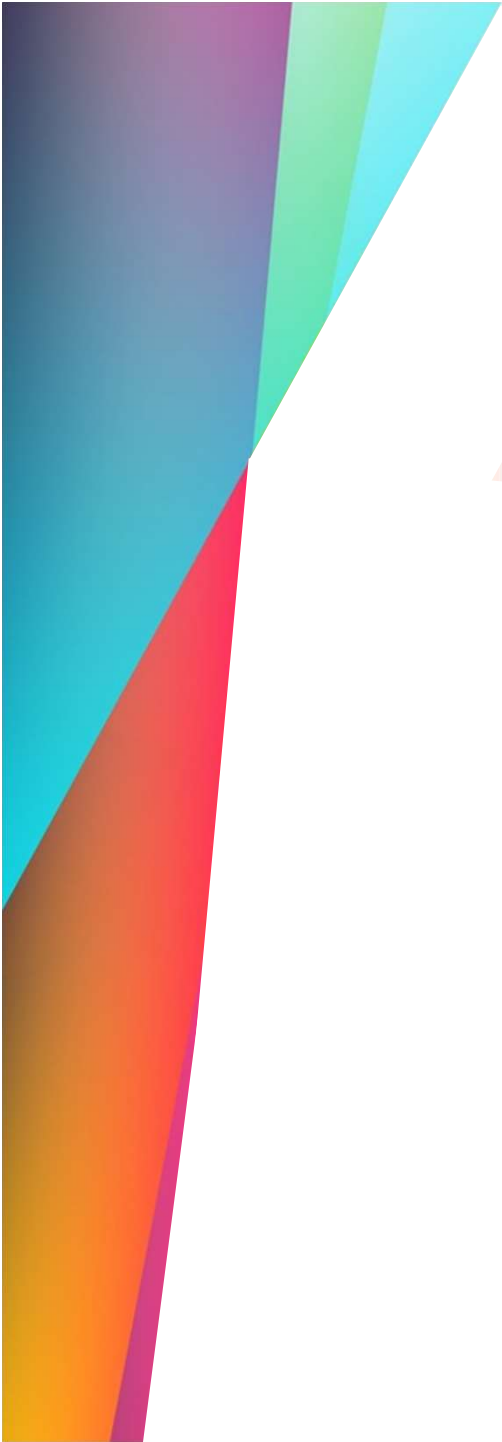
- Collin County's Advantage plan meets affordability and coverage requirements; must re-evaluate annually.
 - A plan is considered affordable if employee costs are less than \$102.63 a month. The Advantage plan is currently \$90 a month.
 - Minimum coverage requires a plan to cover 60% of health care costs. The Advantage plan covers 86% of health care costs.
- In-network deductibles and co-pays, and prescription costs apply to annual out-of-pocket expense limits.
- Benefit changes including:
 - 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 maximum
 - Cover certain clinical trials
- Additional reporting requirements including employee communication and extensive W-2 requirements.

Affordable Care Act

- Additional Fees
 - PCORI – \$2.45 per covered member fee for 2018. Payment made in July 2019 was \$6,662. This fee will not continue after plan year 2018.

- Cadillac Tax: Implementation 2022. House Resolution 748 passed in 2019 to repeal the Cadillac Tax. Pending a vote by the Senate.

- 1094/1095 IRS Tax Forms
 - Forms mailed to employees; transmitted to IRS.
 - CSCD employees, whose medical benefits are provided through ERS, are included in Collin County’s IRS transmittals.
 - State (ERS) distributes the 1095-b (shows medical coverage).
 - Collin County distributes the 1095-c (shows coverage was offered).
 - State does not provide info to us.
 - Subject to penalties of up to \$270 per return with a maximum penalty of \$3,275,500.



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, 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

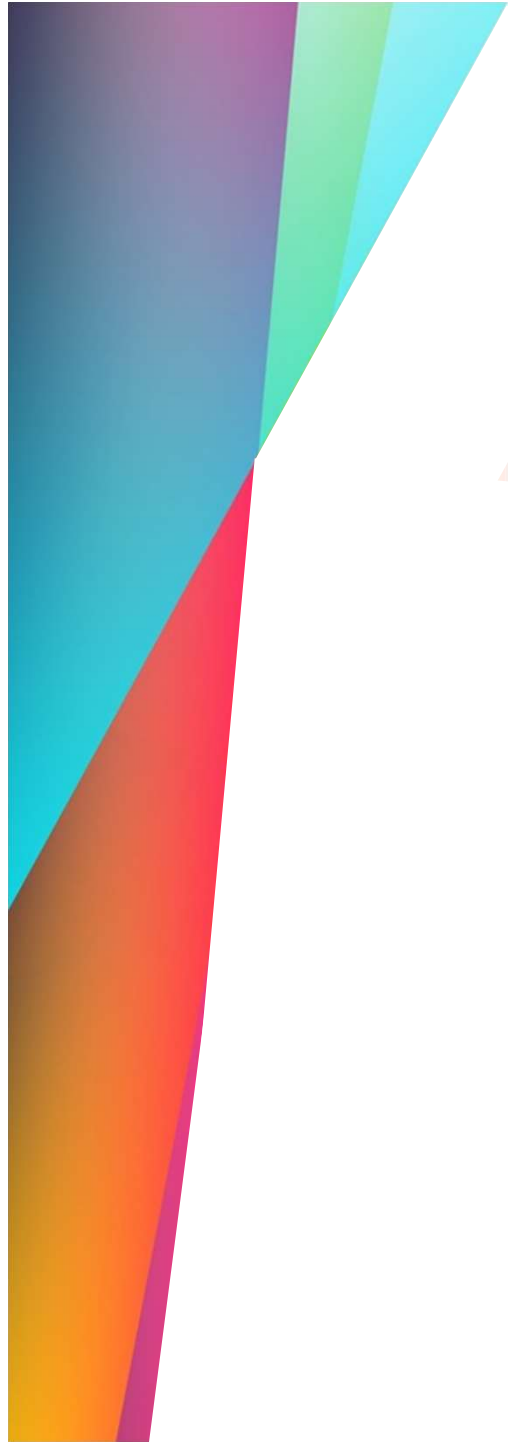
2018 BMI Statistics

| | | Employee | | Spouse | | Total | |
|-------------|-------------|----------|------------|--------|------------|--------|------------|
| Category | BMI | Counts | % of Total | Counts | % of Total | Counts | % of Total |
| Underweight | Below 18.5 | 6 | .5% | 1 | 0.2% | 7 | 0.4% |
| Normal | 18.5 - 24.9 | 154 | 14% | 76 | 16% | 230 | 14% |
| Overweight | 25.0 - 29.9 | 343 | 30% | 159 | 33% | 502 | 31% |
| Obese | 30+ | 625 | 55% | 243 | 51% | 868 | 54% |
| Total | | 1128 | | 479 | | 1607 | |

Benefits Presentation

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

| Category | BMI | U.S. 2017 | Texas 2017 | Collin County 2018 | Difference U.S. | Difference Texas |
|-------------|-------------|--------------|---------------|-----------------------|--------------------|---------------------|
| Underweight | Below 18.5 | 2% | 2% | 0.4% | -1.4% | -1.4% |
| Normal | 18.5 - 24.9 | 32% | 29% | 14% | -18% | -15% |
| Overweight | 25.0 - 29.9 | 35% | 36% | 31% | -4% | -5% |
| Obese | 30+ | 32% | 33% | 54% | 22% | 21% |



Changes for Considerations



Benefits Presentation

Medical Plan Design Considerations

- Any changes to plan design will be dependent on the outcome of the bid process and will be presented for consideration to Commissioners' Court following selection of medical provider.



Benefits Presentation

Pharmacy Considerations

- Any changes to plan design will be dependent on the outcome of the bid process and will be presented for consideration to Commissioners' Court following selection of pharmacy processor.