

County of Hidalgo

Health Plan Updates

Lou Arias | June 9, 2020



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Agenda

- I. Financial Monitor Report as of March 31, 2020
- II. Aetna 2019 Year End Summary
- III. COVID-19 Updates



A Self-Funded
Evaluation

**YTD CLAIM ANALYSIS
PREPARED EXCLUSIVELY FOR:**

County of Hidalgo

January 1, 2020 - December 31, 2020

March 2020

Presented by



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This analysis is for illustrative purposes only, and is not a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. Please see your policy or contact us for specific information or further details in this regard.



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Financial Monitoring Report - County of Hidalgo

Medical Summary - Combined

Reporting as of March 31, 2020

Carrier: Aetna
 Specific Deductible: \$300,000
 Contract Type: Paid
 Plan Year: 1/1/2020 - 12/31/2020

Paid Month	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Year-to-Date		
													Total	PEPM	
Enrollment															
Subscribers ¹	3,840	3,850	3,903	0	0	0	0	0	0	0	0	0	0	11,602	
Members ¹	6,675	6,692	6,752	0	0	0	0	0	0	0	0	0	0	20,119	
Contract Size	1.74	1.73	1.73	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.73	
Claim Payments															
Medical Claims	\$1,460,530	\$1,688,727	\$1,819,071	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$4,968,328	\$428.06
Pharmacy Claims	\$602,085	\$589,320	\$584,067	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,775,472	\$153.03
Stop Loss Reimbursements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Claim Wire Billing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0.00
Total Net Claim Payments	\$2,062,615	\$2,276,047	\$2,403,138	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,741,801	\$581.09
Total Net Claim Payments PEPM	\$537	\$590	\$616	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Fixed Costs															
Administrative Fees	\$102,581	\$103,089	\$104,264	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$309,934	\$26.71
Stop Loss Premiums	\$148,608	\$149,343	\$151,046	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$448,997	\$38.70
Total Fixed Costs	\$251,189	\$252,432	\$255,310	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$758,932	\$65.41
Total Fixed Costs PEPM	\$65	\$65	\$65	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Plan Cost	\$2,313,804	\$2,528,479	\$2,658,449	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,732	\$646.50
Contributions															
Employer Contributions ²	\$2,486,200	\$2,496,972	\$2,525,094	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,507,266	\$647.07
Employee Contributions ²	\$276,026	\$275,405	\$277,061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$828,492	\$71.41
Total Contributions	\$2,761,226	\$2,772,377	\$2,802,155	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,335,758	\$718.48
Budget Comparison															
Budgeted Cost ³	\$2,761,226	\$2,772,377	\$2,802,155	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,335,758	\$718.48
Total Plan Cost	\$2,313,804	\$2,528,479	\$2,658,449	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,500,732	\$646.50
Surplus/(Deficit) (\$)	\$447,421	\$243,898	\$143,707	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$835,026	\$71.97
Variance from Projected (%)	83.8%	91.2%	94.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	90.0%	

(1) Most recent month of enrollment based on prior month

(2) Estimated based on monthly enrollment and employer/employee contributions.

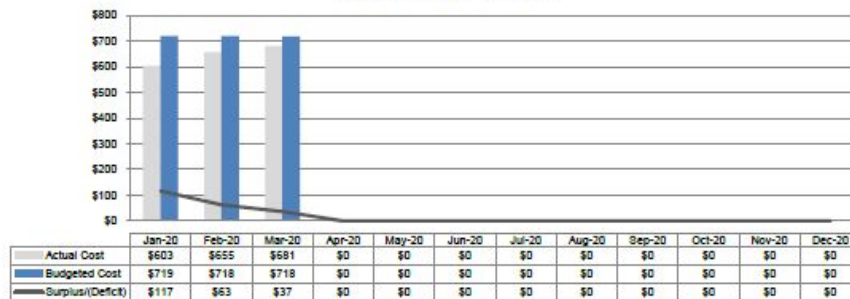
(3) This exhibit does not reflect any of the enrollment, claims, or contributions associated with the indemnity plan.



Medical Summary thru March 2020

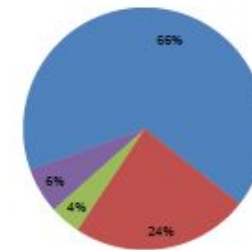
- 66% of cost is for medical expenses
- 24% of cost is for pharmacy expenses
- 4% of cost is for admin fees (ASO)
- 6% of cost is for stop loss premiums
- Plans combined are running at a \$835,026 surplus.

Budget Comparison PEPM



Combined Plan Expenses

Medical Claims Pharmacy Claims Administrative Fees Stop Loss Premiums

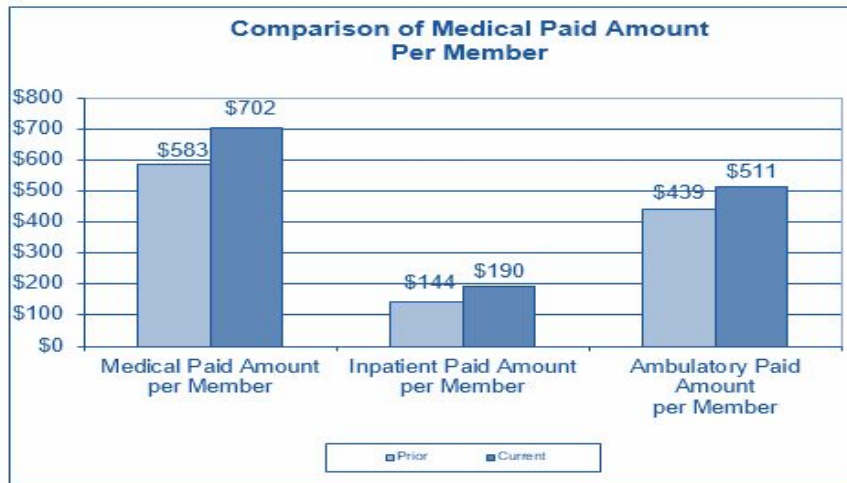
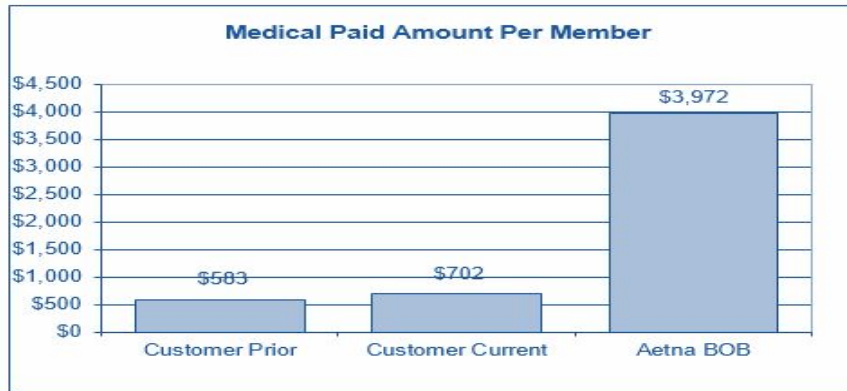


Key Medical Statistics from Jan 2020 – March 2020



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*Source- Aetna Standard Claims Report

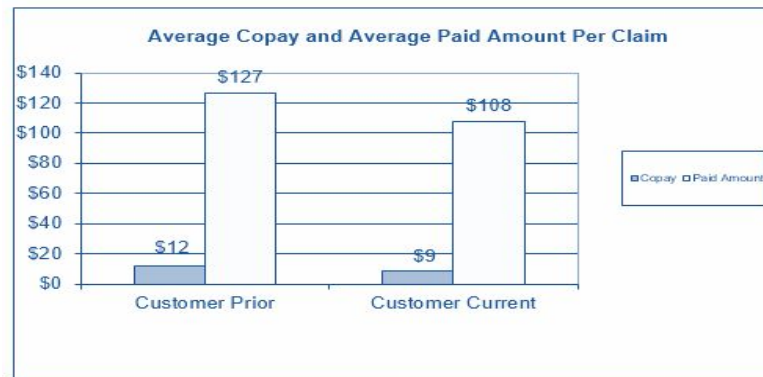
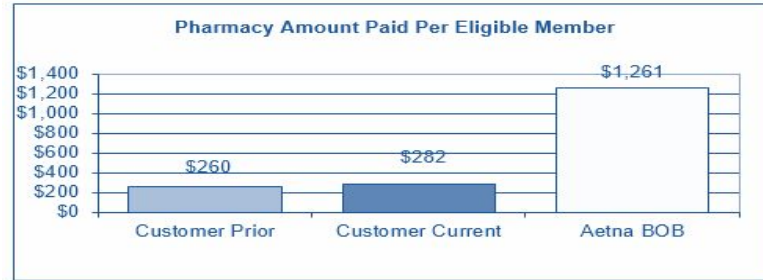
Key Pharmacy Statistics from Jan 2020 – March 2020



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- Generic Utilization 87%
- Generic Substitution 99.3%
- Brand Utilization 12.9%
- Formulary Utilization 94.2%



*Source- Aetna Standard Claims Report



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County of Hidalgo Aetna 2019 Year End Summary



Executive Summary for 2019 Plan Year

**Paid PMPM Trend
CY 2019**

-6.8% ↓ w/ HCC
w/o HCC
2.0% ↑

**Inpatient
Average Length of Stay**

4.6% ↑

**High Cost Claims
HCC > \$75K 2019**

↓ **-18.9%**
Claimants
/1000
↓ **Avg Cost per
HCC -07.2%**



**% Claims Pd
In Network**

**86.0% vs. BoB
91.6%**

**Institutes of
Quality'
Potential Savings**

\$78.8K ✓

**Emergency Room
visits per 1000**

↑ **186/1000
2.7%**

* Aetna Impact Report 2019



Hidalgo County at a Glance

Key Metrics at a Glance

SNAPSHOT

ELIGIBILITY	Jan-Dec 18	% Change	Jan-Dec 19	EMPLOYER†	Peer*
Average Eligible Members Per Month	6,666	-0.3%	6,649		
Avg. Monthly Utilizers as % of Members	28.2%	2.9%	29.0%	33.5%	41.4%
Average Member Age	33	0.2%	33	36	40

COST

Total Gross Cost	\$6,678,492	15.2%	\$7,691,775		
Total Net Cost	\$6,080,790	16.6%	\$7,092,949		
Gross Cost PMPM	\$83.49	15.5%	\$96.40	\$121.34	\$159.29
Net Cost PMPM	\$76.02	16.9%	\$88.90	\$109.16	\$144.90
Member Cost Share	8.9%	-13.0%	7.8%	10.0%	9.0%

DRUG MIX

% Single Source Brands	13.4%	-0.1%	13.4%	11.5%	11.8%
% Multi Source Brands	0.7%	-22.5%	0.6%	1.1%	1.0%
Generic Dispensing Rate	85.8%	0.2%	86.0%	87.4%	87.2%
Generic Substitution Rate	99.1%	0.2%	99.3%	98.8%	98.8%

UTILIZATION

Total Prescriptions	51,349	1.2%	51,975		
% Retail Prescriptions	99.6%	0.0%	99.6%	79.3%	86.2%
% Mail Prescriptions	0.4%	1.6%	0.4%	6.0%	5.6%
% Maintenance Choice® Prescriptions	0.0%		0.0%	14.8%	8.1%
Days' Supply PMPM	23.51	3.0%	24.22	33.14	46.39

SPECIALTY

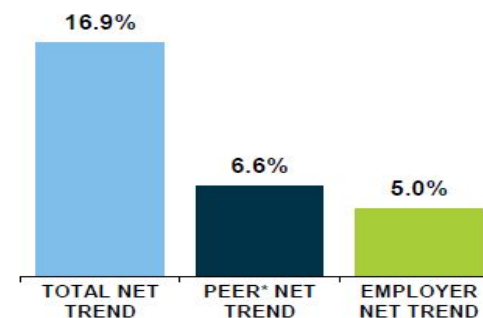
Specialty Total Net Cost	\$1,770,276	33.8%	\$2,368,174		
Specialty Utilizers as % of Members	0.9%	27.7%	1.2%	0.8%	1.0%
Specialty Net Cost PMPM	\$22.13	34.1%	\$29.68	\$52.15	\$65.02
Specialty % of Total Net Cost	29.1%	14.7%	33.4%	47.8%	44.9%
Specialty % of Total Prescriptions	0.8%	29.9%	1.0%	1.3%	1.1%
% Specialty Member Cost Share	0.5%	0.9%	0.5%	3.9%	2.4%

*Peer: Government

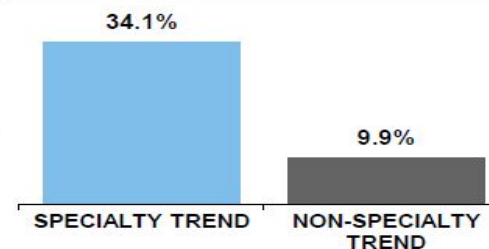
†EMPLOYER information is based on the most recent year ending Dec 31, 2019.

- Aetna Impact Report 2019

YOUR NET TREND



YOUR SPECIALTY VS. NON-SPECIALTY TREND





Executive Summary: Top Specialty

Executive Summary: Your Top Specialty Classes by Contribution to Trend

Key Metrics:



SPECIALTY PRESCRIPTIONS represented **33.4%**

of total net cost and comprised

1.0% of all prescriptions.



NEWLY LAUNCHED MEDICATIONS contributed **1.7%**

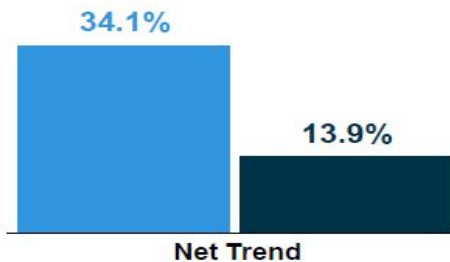
to specialty trend.



PRICE INFLATION contributed **4.0%** to specialty trend.

SPECIALTY TREND

Hidalgo
Peer



27.1%

OVERALL SPECIALTY utilization increase compared to prior period



The TOP THREE CLASSES with the greatest contribution to specialty drug utilization trend are:

- Oncology
- Rheumatoid Arthritis
- Psoriasis

YOUR TOP 5 CONTRIBUTING SPECIALTY CLASSES

Specialty Class	Top Contributors	Net Cost	Utilizers	Net Cost PMPM	Contribution to Net Trend
Oncology	Iclusig, Cabometyx	\$690,726	12	\$8.66 \$12.40	4.5%
Rheumatoid Arthritis	Humira, Enbrel	\$808,977	23	\$10.14 \$16.12	2.7%
Inflammatory Bowel Disease	Cimzia, Remicade	\$71,133	3	\$0.89 \$1.16	0.8%
Psoriasis	Cosentyx, Otezla	\$247,054	8	\$3.10 \$6.96	0.6%
Seizure Disorders	Vigabatrin, Sabril	\$148,274	2	\$1.86 \$0.53	0.5%

Peer:Government

* Aetna Impact Report 2019



COVID-19 Impact thru April 2020

COUNTY OF HIDALGO - 96141420
Group Number(s): 285608

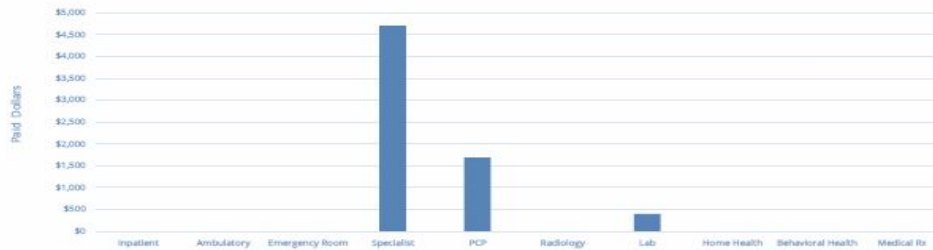
Prior: Jan - Apr 2020, paid through April 2020
Current: Jan - Apr 2019, paid through April 2019
Average Current Member: 6,721

COVID-19 Costs

\$6,789

represents COVID-related claims for 53 unique claimants across these medical cost categories:

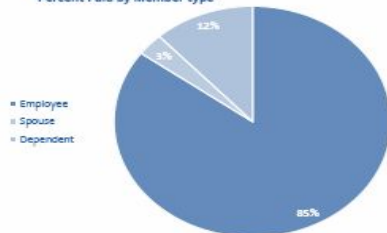
COVID-19 represents 0.1% of total year to date costs



Spotlight on specific categories



Percent Paid by Member type



Claimant distribution*

How your total claimants break down based on diagnosis code information



1	Confirmed
0	Probable
30	Exposure
22	Lab test only

*refer to Report terms on page 1

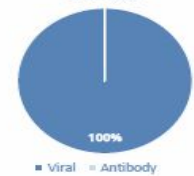
Coronavirus testing



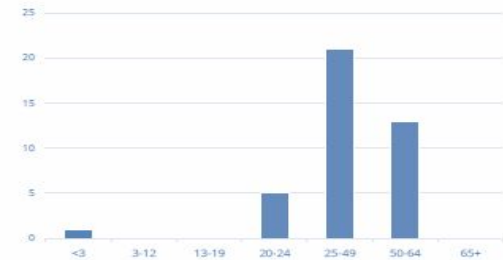
40

COVID Tests

of Tests



of Tests by Age Band





COVID-19 and Non-COVID-19 Impact

**Gallagher Benefit Services
Healthcare Analytics
COVID-19 and Non COVID-19 Related Cost Estimates ¹**

Client:	County of Hidalgo	2020 Est. Claim Costs
Total Members:	6,690	PMPY - Med: \$3,100
Member Cost Share Waived:	Testing and Treatment	PMPY - Rx: \$1,200
		PMPY Total: \$4,300

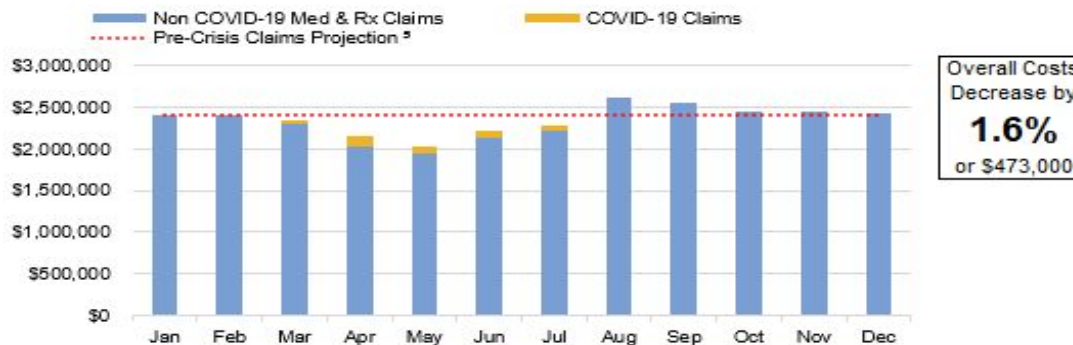
2020 COVID-19 and Non COVID-19 Related Impact

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5
Testing Rate	5.0%	10.0%	20.0%	33.0%	50.0%
Incidence of Infection ²	0.5%	1.0%	2.5%	5.0%	10.0%
COVID-19 Impact ³	0.8%	1.5%	3.6%	6.8%	12.9%
Non COVID-19 Impact ⁴	(3.0%)	(3.2%)	(4.2%)	(5.1%)	(6.6%)
Total 2020 Impact (as a % and as PMPY)	(2.3%) (\$98.06)	(1.6%) (\$70.69)	(0.7%) (\$29.11)	1.6% \$69.67	6.3% \$269.97

2020 Paid Claims Cash Flow Impact

Scenario 2

OVERALL CLAIMS IMPACT (1.0% INFECTION RATE)



¹ All estimates based on assumptions and data as of April 2, 2020.

² No adjustments have been made for differences in prevalence and severity amongst child dependents versus adult employees and spouses. Additionally, no geographic adjustments have been made. We do expect geographical differences to have an impact on ultimate infection rates – therefore, a spectrum of outcomes have been provided.

³ No adjustments have been made for population demographics based on expected workforce reductions.

⁴ No adjustments have been made for a potential increase in mental health claims, or other indirect ramifications of the COVID-19

⁵ No adjustments have been made for seasonality of claims; rather flat costs are assumed across each month of 2020. Claims seasonality may result in different impacts to COVID-19 and Non COVID-19 claims than those illustrated here.



Hidalgo County Wellness Program

Strategy to improve the health of County employees and reduce County health insurance cost related to preventable medical conditions.

Education on Employee Benefits

- Medical insurance Program: Teladoc, Aetna App, Livongo-Diabetes Management
- Employee Assistance Program: Short-term Counseling Sessions, Life Coaching, Stress Reduction Program

Education on Employees Maximizing Medical Insurance

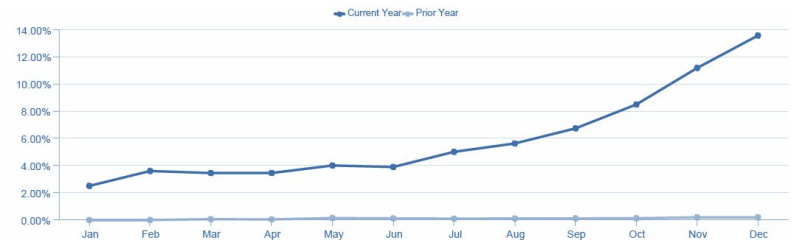
- Urgent Care Vs. Emergency Room
- In-Network vs. Out-of-Network

Hidalgo County Wellness Program Key Approaches

Education on Preventable Medical Conditions

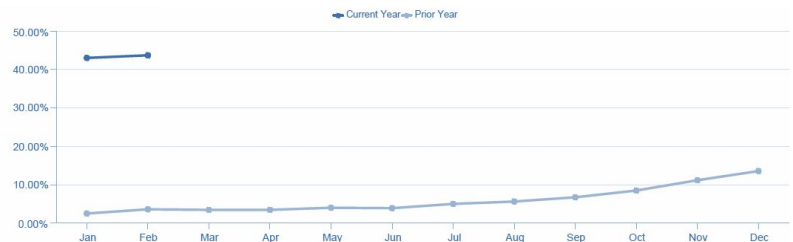
- Diabetes
- Obesity
- Hypertension
- Hyperlipidemia

Teladoc 2018 and 2019 Annualized Utilization Trend



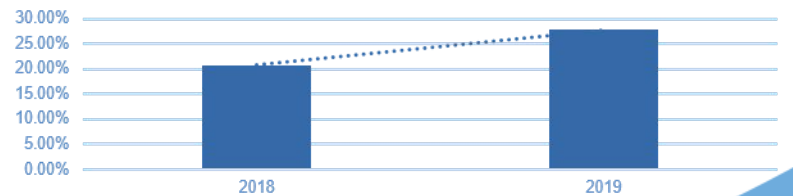
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Teladoc 2019 and 2020 Annualized Utilization Trend



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Registrations in Aetna systems (%)



Disclaimers

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Thank You!

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