

WILLIAMSON COUNTY

BENEFITS COMMITTEE MEETING

OCTOBER 31, 2018

AGENDA

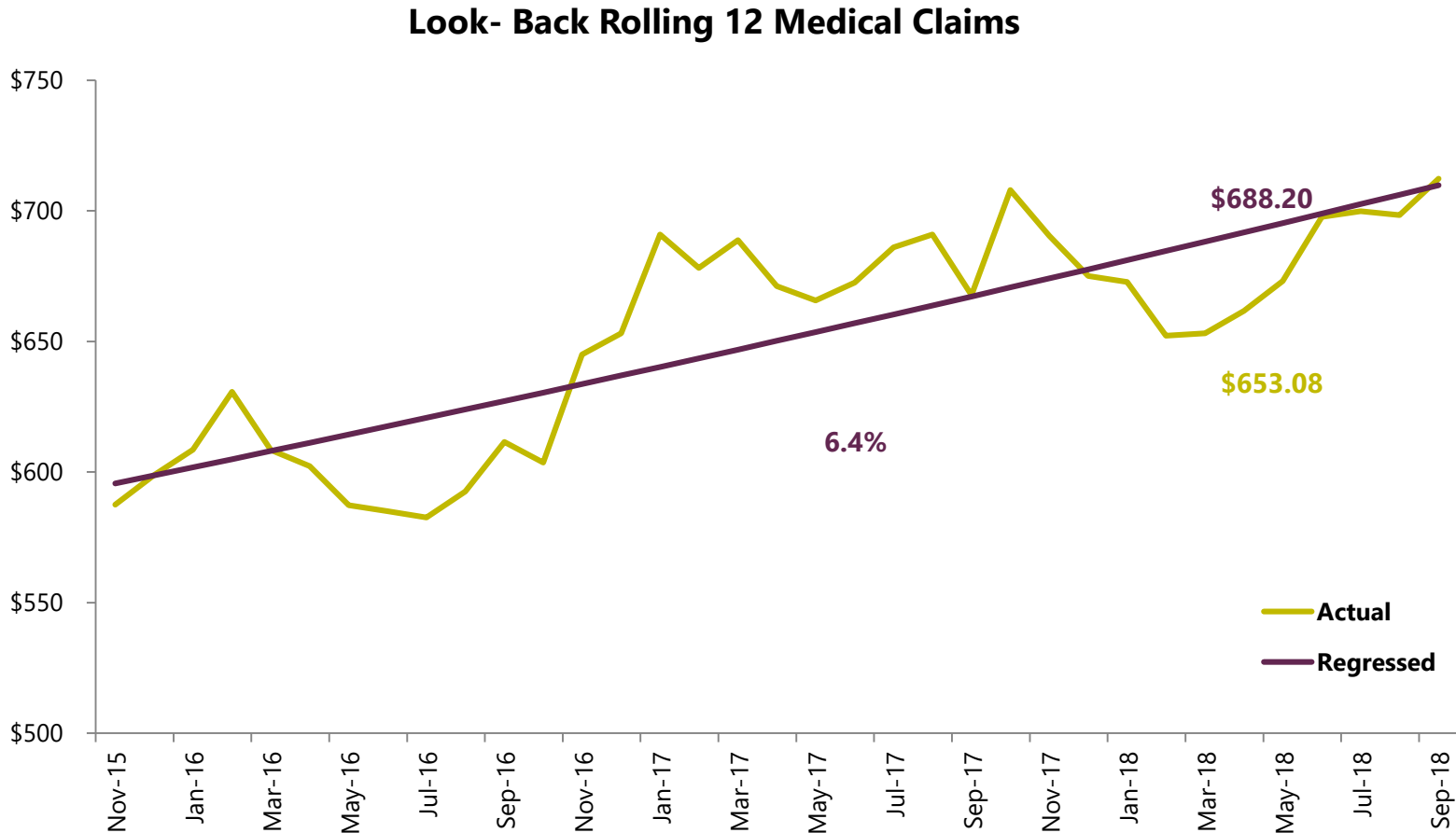
- **CURRENT STATE ASSESSMENTS**
 - Trends/Projections
 - Large Claims
- **DIABETICS**
- **RX CHANGES**
- **STOP LOSS**
 - RFP
 - Level
- **UHC CONTRACT UPDATES**



**OUR CLIENTS
ARE LIKE FAMILY.**

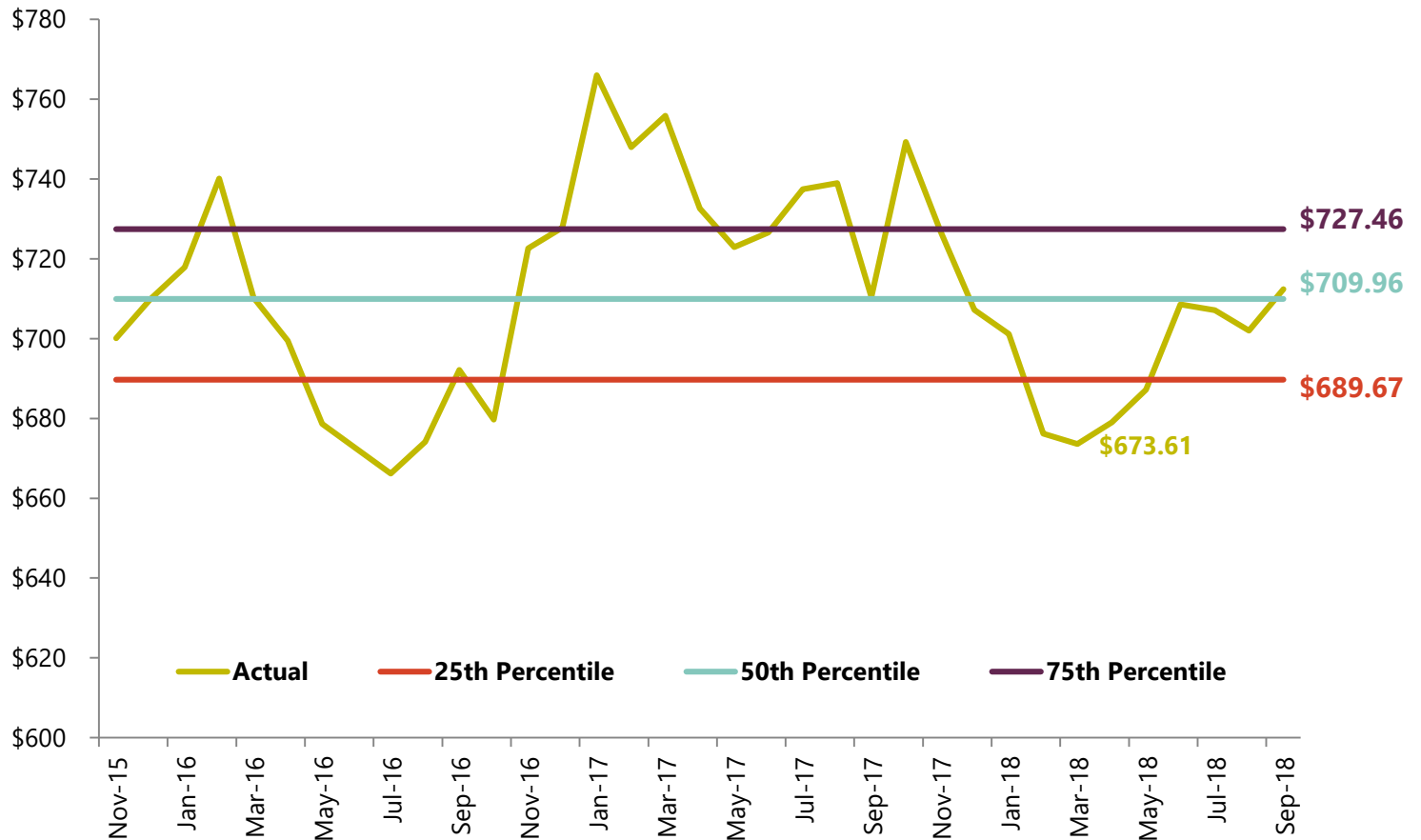
*Welcome
Holme!*

LOOK BACK ROLLING 12 MEDICAL CLAIMS



PAST COVERAGE LEVEL (PCL) MEDICAL

Past Coverage Level (PCL) - Medical



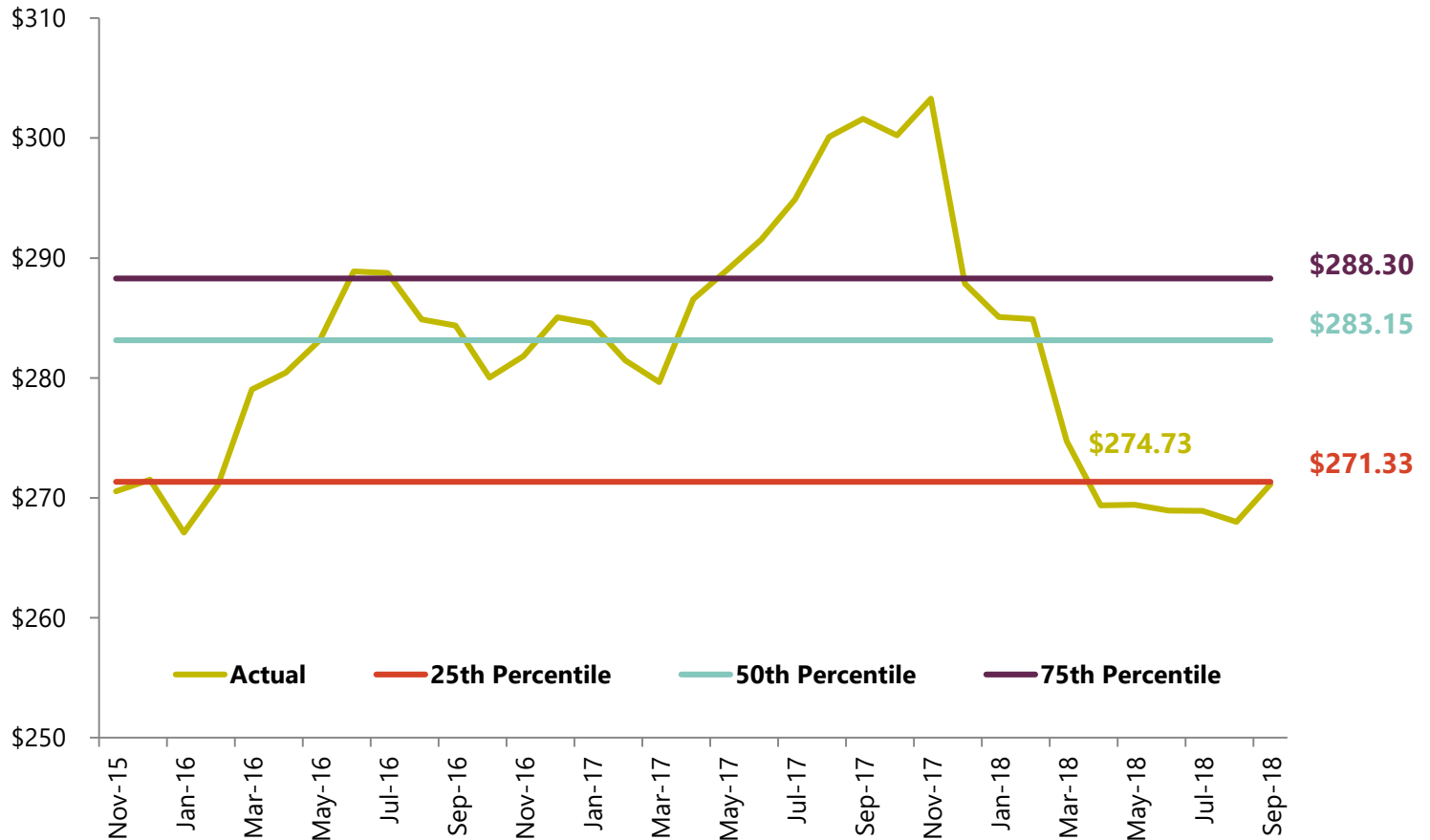
LOOK-BACK ROLLING 12 RX CLAIMS

Look-Back Rolling 12 Rx Claims



PAST COVERAGE LEVEL (PCL) RX

Past Coverage Level (PCL) - Rx



CURRENT LARGE CLAIMS



High Dollar Claim Diagnosis Report

Customer: Williamson County

Renewal: 1/1/2019

Note: This Large Loss Report is to only be released after Contracts has received all signed documentation.

<p>Claimant 1 Paid Amount: \$ 289,742.51 Status: Ongoing Diagnosis: Paraplegia</p>	<p>Claimant 2 Paid Amount: \$ 250,179.83 Status: Ongoing Diagnosis: Myelodysplastic Syndrome</p>
<p>Claimant 3 Paid Amount: \$ 176,228.85 Status: Ongoing Diagnosis: Leukemia</p>	<p>Claimant 4 Paid Amount: \$ 162,920.57 Status: Ongoing Diagnosis: Colon Cancer</p>
<p>Claimant 5 Paid Amount: \$ 138,692.81 Status: Ongoing Diagnosis: Spondylosis</p>	<p>Claimant 6 Paid Amount: \$ 126,229.49 Status: Ongoing Diagnosis: Sensorineural Hearing Loss</p>
<p>Claimant 7 Paid Amount: \$ 123,174.36 Status: Ongoing Diagnosis: Prostate Cancer</p>	<p>Claimant 8 Paid Amount: \$ 119,330.85 Status: Ongoing Diagnosis: Breast Cancer</p>
<p>Claimant 9 Paid Amount: \$ 116,093.14 Status: Ongoing Diagnosis: Breast Cancer</p>	<p>Claimant 10 Paid Amount: \$ 111,983.98 Status: Closed Diagnosis: Termed</p>

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PLAN YEAR SUMMARY

PEPM Cost

	2018	2019		
	Reforecast	Before Chg	After Chg	Savings
Revenue				
County Contribution	\$745.50	\$745.50	\$751.65	
EE Contribution	\$172.24	\$172.24	\$220.94	
Total Premium	\$917.74	\$917.74	\$972.58	
% Increase in ER Funding			0.8%	
% Increase in EE Funding			28.3%	
Cost				
Gross Cost	\$1,099.72	\$1,182.53	\$1,182.53	\$0.00
Employee Contribution	\$172.24	\$172.24	\$220.94	\$48.70
Net Cost	\$927.48	\$1,010.30	\$961.59	\$48.70
Gross % Cost Increase		7.5%	7.5%	
Net % Cost Increase		8.9%	3.7%	

Annual Cost

	2018	2019		
	Reforecast	Before Chg	After Chg	Savings
Revenue				
County Contribution	\$17,579,000	\$17,579,000	\$17,724,000	
EE Contribution	\$3,127,000	\$3,175,000	\$4,072,000	
Total Premium	\$20,706,000	\$20,754,000	\$21,796,000	
Cost				
Gross Cost	\$19,966,000	\$21,796,000	\$21,796,000	\$0
Employee Contribution	\$3,127,000	\$3,175,000	\$4,072,000	\$897,000
Net Cost	\$16,839,000	\$18,621,000	\$17,724,000	\$897,000
Net \$ Cost Increase		\$1,782,000	\$885,000	
Surplus/(Deficit)	\$740,000	(\$1,042,000)	\$0	



DIABETIC RX CHANGE IMPACT

(IMPACT OF COVERING TIER 2 & 3 AT 35% UP TO \$100 INSTEAD OF 100%)

- THE ESTIMATED PLAN-COST SAVINGS AND NEW MEMBER COST-SHARING WOULD BE ABOUT \$163,000 PER YEAR.
- ABOUT 320 MEMBERS WOULD BE IMPACTED AND WOULD NEED TO GET A NEW PRESCRIPTION AND MOVE TO A TIER 1 MEDICATION OR PAY A HIGHER COST-SHARE.
- BASED UPON THE AVERAGE COST OF THE TIER 2 AND 3 DRUGS, A VERY LARGE PORTION OF THE IMPACTED MEMBERS WOULD LIKELY HIT THE \$100 MAXIMUM COPAY AMOUNT EACH MONTH.
- ONLY 7 OF THE TIER 2 AND TIER 3 DIABETIC DRUGS HAVE BEEN ORDERED AS DISPENSE-AS-WRITTEN BY PHYSICIANS.
- IT IS INHERENTLY DIFFICULT TO MEASURE AND PREDICT THE IMPACT TO MEDICAL CLAIMS FOR A NON-COMPLIANT DIABETIC DUE TO A VERY SPECIFIC PLAN CHANGE LIKE THIS ONE. IN ADDITION, WE DO NOT HAVE ENOUGH WILCO-SPECIFIC CLAIM DATA TO ESTIMATE THE AVERAGE COST OF A DIABETIC COVERED BY THE PLAN. HOWEVER, THE CDC ESTIMATED THE ADDITIONAL HEALTH CARE COST OF A DIABETIC TO BE APPROXIMATELY \$9,600 IN 2017. SO, A BALLPARK ESTIMATE WOULD BE THAT 17 NEWLY NON-COMPLIANT DIABETICS (OR ABOUT 5% OF THE 320 IMPACTED MEMBERS) WOULD BE REQUIRED TO OFFSET THE PHARMACY COST SAVINGS. NOTE THAT THIS IS BASED UPON AVERAGE COSTS AND DOES NOT CONSIDER THE POTENTIAL IMPACT OF A HIGH COST CLAIMANT TO THE PLAN, OR OF COURSE THE PERSONAL/SOCIAL IMPACT TO AN IMPACTED MEMBER.



DIABETIC RX CHANGE IMPACT

Williamson County							
Diabetic Utilization January through July 2018 (seven months of claims data)*							
Rx Tier	Number of Claimants	Number of Prescriptions	Plan Net Paid	Average Plan Net Paid per Script	Estimated Member Cost-Sharing Per Script**	Potential Member Cost-Sharing/Plan Savings @ 35% Coinsurance Tier 2 & 3 up to \$100	
Tier 1	236	961	\$ 78,408.32	\$ 81.59			
Tier 2	72	293	\$ 166,452.60	\$ 568.10	\$ 100.00	\$	29,300.00
Tier 3	248	704	\$ 439,267.28	\$ 623.96	\$ 93.20	\$	65,611.20
Grand Total	556	1958	\$ 684,128.20	\$ 349.40		\$	94,911.20
					Potential Annualized Savings/Impact:	\$	162,704.92
*AHFS Group = ANTIDIABETIC AGENTS							
**Based on average cost of Tier 2 & 3 medications, nearly all affected drugs will trigger the \$100 max copay							
Estimated number of members impacted:		320					
Increase in cost to members (annualized):	\$	162,704.92					
Plan cost savings (annualized):	\$	162,704.92					
Tier 2 and Tier 3 Diabetic DAW's:		7					



OTHER PRESCRIPTION DRUG PLAN CHANGES

Pharmacy Programs	Description	Members	Annual Savings	Savings Opportunities
Advantage PDL	Highest value drugs placed on the lowest possible tier = total healthcare value.	1,041		\$248.3
Medical Necessity	Evaluates the clinical appropriateness of a medication regarding condition and severity being treated.	149		\$84.5
Notification	Physician authorization required to promote better member decisions.	271		\$43.6
Step Therapy	Requiring members to try a more cost-effective medication first. Includes classes such as MS & Seizure medications.	163		\$27.6
Quantity per Duration	Supply Limit; limiting waste by determining the max amount of a drug over a specified time-period.	95	\$12.0	
Quantity Level Limit	Supply Limit; limiting waste by determining the max amount of a drug per copay.	52	\$1.8	
Specialty Pharmacy	We focus on the members' total condition, not just their drug management.	41	\$100.9	
Strategic Exclusions	Remove unnecessary costs and preserve affordable choice.	328		\$180.0
TOTAL		2,140	\$114.7	\$584.0
<ul style="list-style-type: none"> • Projected savings are annualized. • Members impacted reflect time-period chosen. - QD & QLL member impacted based on percentage of spend outside limits. • Savings are estimates based on analysis of UHC ASO Book of Business. 				\$14.33



STOP LOSS SUMMARY

Williamson County Exhibit A - Stop Loss RFP Price Sheet -	CURRENT	Proposed	Proposed	Proposed
# of Employees	1503	1503	1503	1503
# of Employees w/EE Only	658	658	658	658
# of Employee w/Family	845	845	845	845
Individual Stop Loss (ISL)				
Carrier	UHC	UHC	UHC	UHC
Contract & Coverage	15/12 Medical & Rx	PAID/12 Medical & Rx	PAID/12 Medical & Rx	PAID/12 Medical & Rx
Deductible	\$250,000	\$250,000	\$300,000	\$350,000
Employee	\$45.77	\$67.93	\$57.77	\$51.52
Family	\$45.77	\$67.93	\$57.77	\$51.52
Aggregate Stop Loss (ASL)				
Contract & Coverage	24/12 Medical & Rx	PAID/12 Medical & Rx	PAID/12 Medical & Rx	PAID/12 Medical & Rx
Aggregating Specific Deductible				
ASL Factor (120%)				
Employee	\$1,257.82	\$1,568.91	\$1,575.67	\$1,583.12
Family	\$1,257.82	\$1,568.91	\$1,575.67	\$1,583.12
ASL Premium				
Employee	\$4.72	\$4.97	\$4.99	\$5.01
Family	\$4.72	\$4.97	\$4.99	\$5.01
Total Premium	\$50.49	\$72.90	\$62.76	\$56.53
Covered Employees	1536	1536	1536	1536
Annual Premium	\$930,632	\$1,343,693	\$1,156,792	\$1,041,961
Cost Difference		\$413,061	\$226,161	\$111,329
% Increase		44%	24%	12%



STOP LOSS LEVEL

Large Claims - last 45 months												
Claim	2015	Reimburse- ment @250	Reimburse- ment @300	2016	Reimburse- ment @250	Reimburse- ment @300	2017	Reimburse- ment @250	Reimburse- ment @300	2018 TYD	Reimburse- ment @250	Reimburse- ment @300
1	\$599,000	\$349,000	\$299,000	\$363,000	\$113,000	\$63,000	\$505,000	\$255,000	\$205,000	\$289,744	\$39,744	\$0
2	\$350,000	\$100,000	\$50,000	\$315,000	\$65,000	\$15,000	\$332,000	\$82,000	\$32,000	\$297,981	\$47,981	\$0
3	\$259,000	\$9,000		\$299,000	\$49,000		\$251,000	\$1,000				
4				\$298,000	\$48,000							
5				\$282,000	\$32,000							
Total		\$458,000	\$349,000		\$307,000	\$78,000		\$338,000	\$237,000		\$87,725	\$0
More Risk Assumed by County			\$109,000			\$229,000			\$101,000			\$87,725
Premium Saved by increasing ISL Deductible			(\$170,079)			(\$170,079)			(\$170,079)			(\$186,901)
Net savings based on Current/Prior Claims			(\$61,079)			\$58,921			(\$69,079)			(\$99,176)



NEXT STEPS