



HOLMES MURPHY®

THINKING AHEAD

WILLIAMSON COUNTY

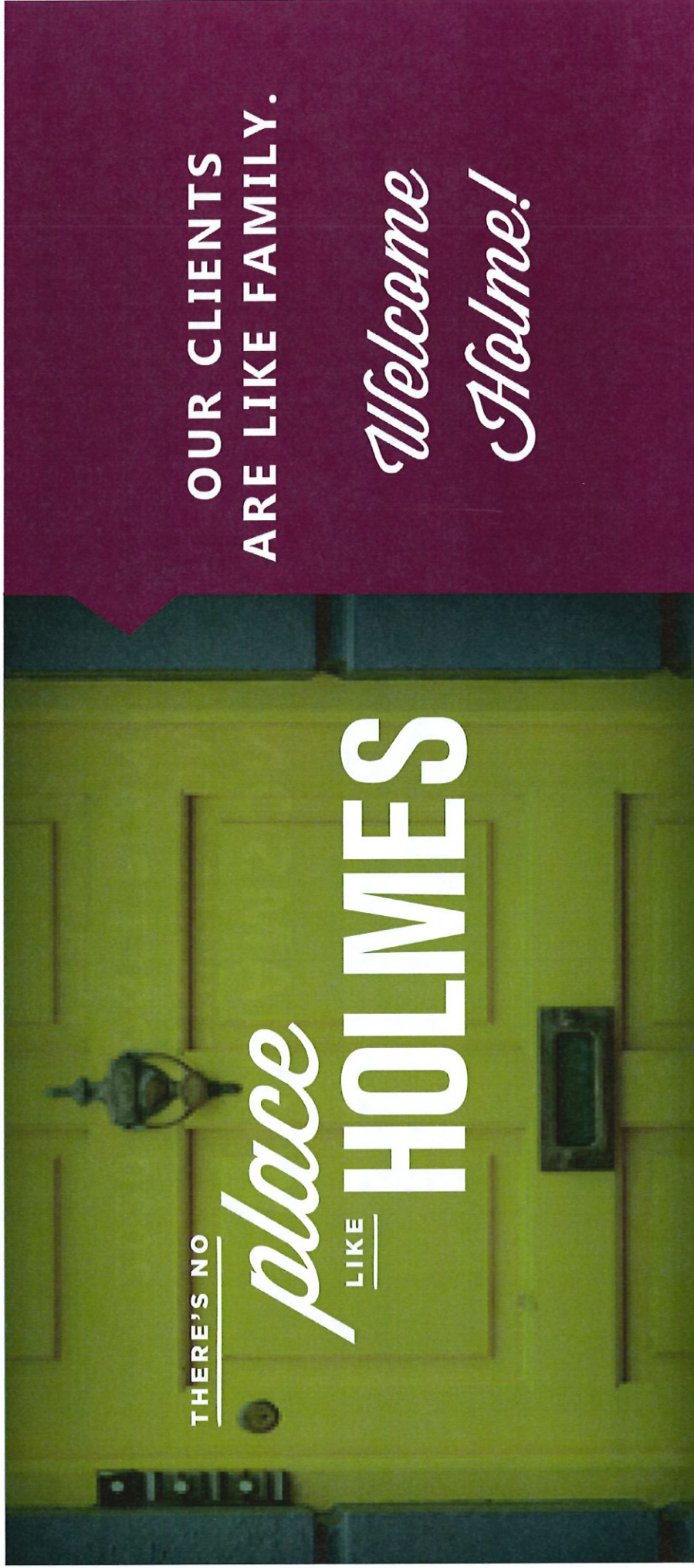
BENEFIT COMMITTEE

2020 BUDGET PLANNING MEETING

MAY 15, 2019

AGENDA

- CORE BELIEFS
- 2019 PLAN YEAR SUMMARY & UHC CLAIMS UPDATE
- 2020 PLAN CHANGE OPTIONS & FINANCIAL IMPACT
- BUDGET MEETING



THERE'S NO

place

LIKE

HOLMES

OUR CLIENTS
ARE LIKE FAMILY.

*Welcome
Holme!*



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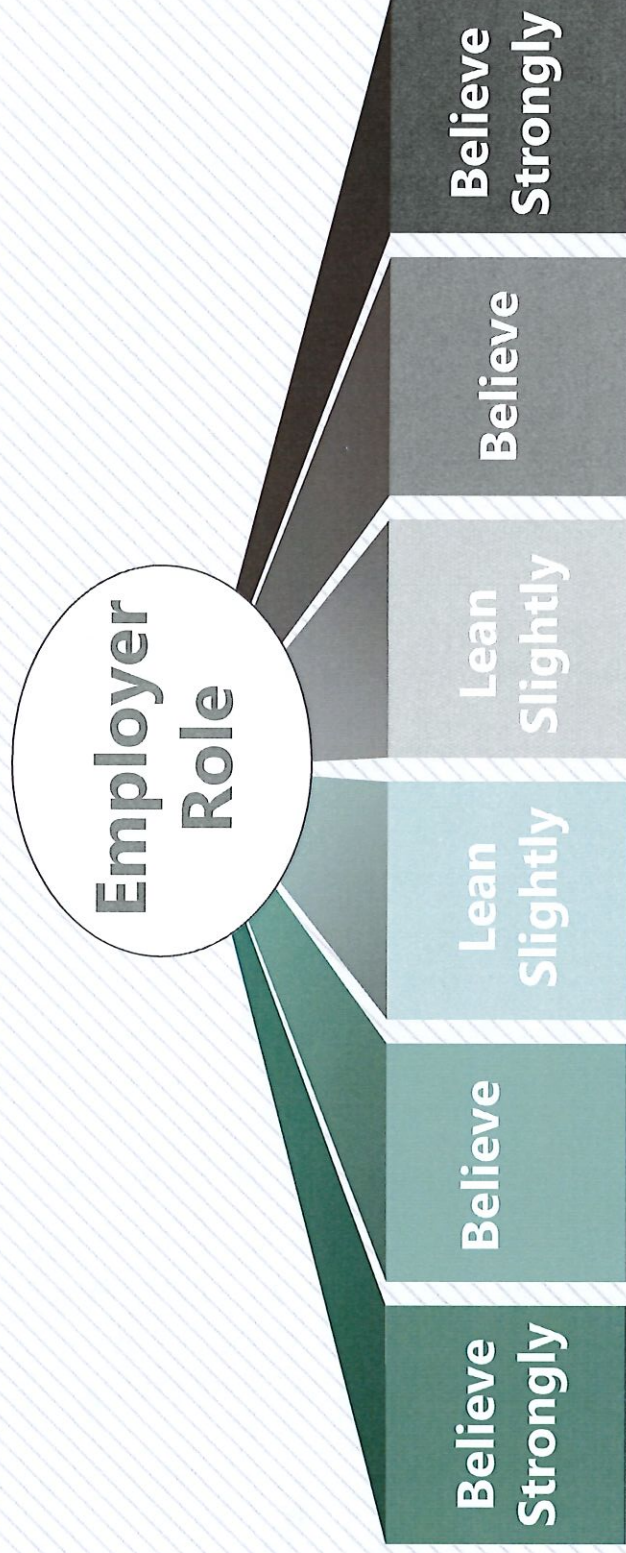
CORE BELIEFS

UNCOVERING YOUR HEALTHCARE "WHY"

CORE BELIEFS

It's Wilco's responsibility to focus on creating market competitive health insurance plans

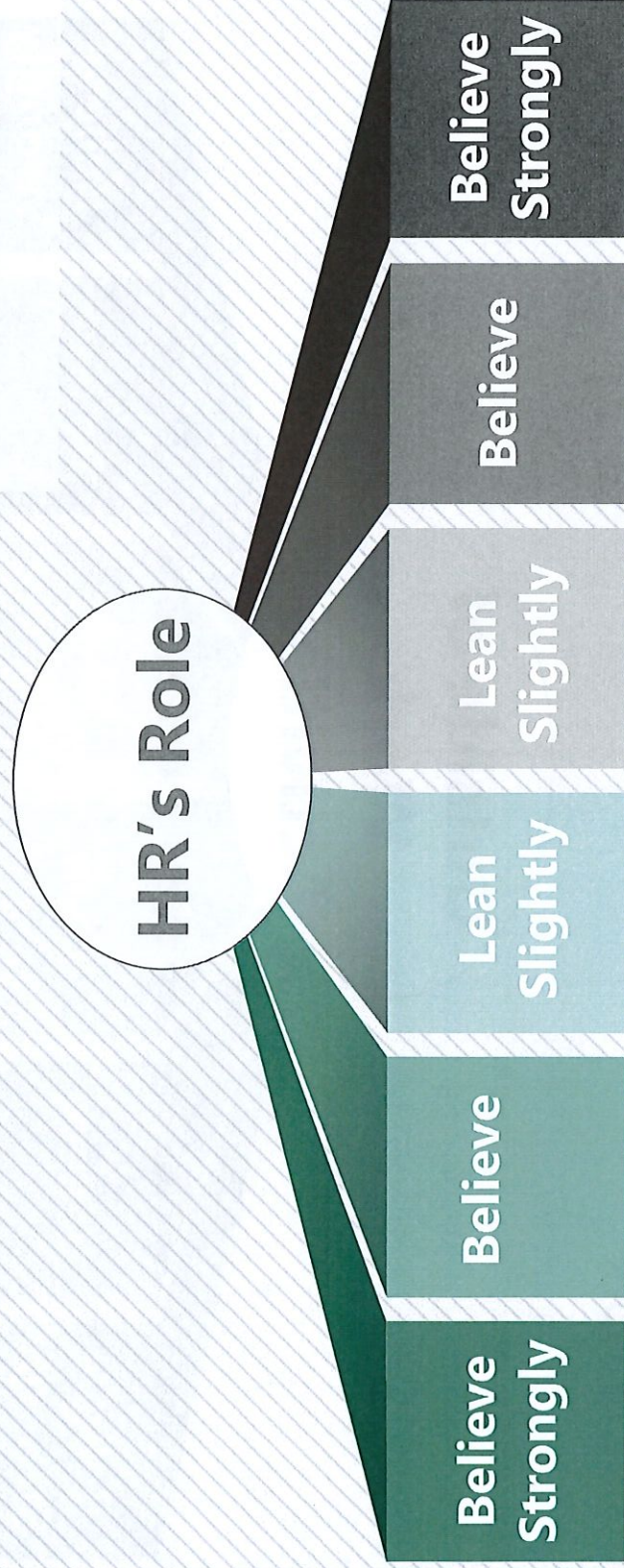
Because Wilco owns the risk, it is our responsibility to influence the health outcomes of the population in order to affect cost



CORE BELIEFS

Because health status is a private matter, it is not a primary responsibility for HR

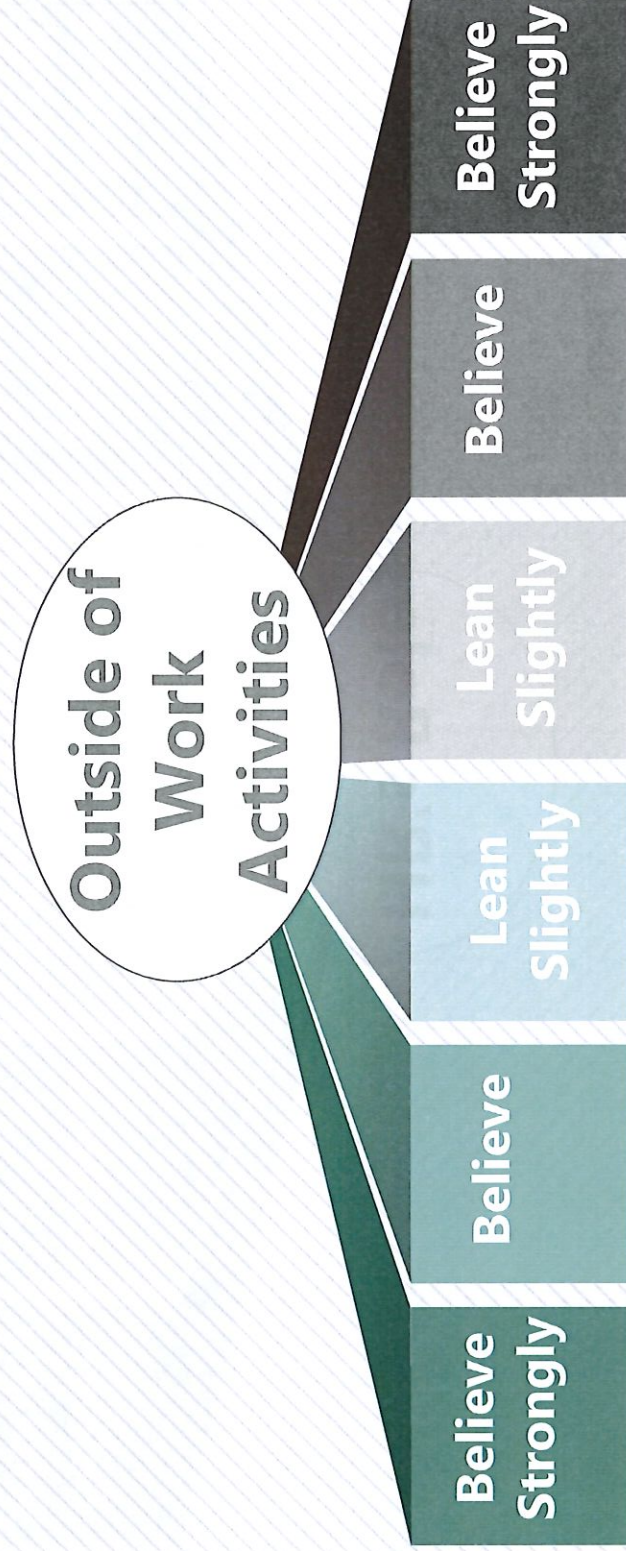
It should be a primary responsibility of HR to focus on health status of employees when designing and managing the health plan



CORE BELIEFS

The County does not have the right to influence what a person does or does not do outside of work

The County has a right to influence outside activities that potentially impact claims



CORE BELIEFS

Benefits and contributions are influenced by a comparator group of employers

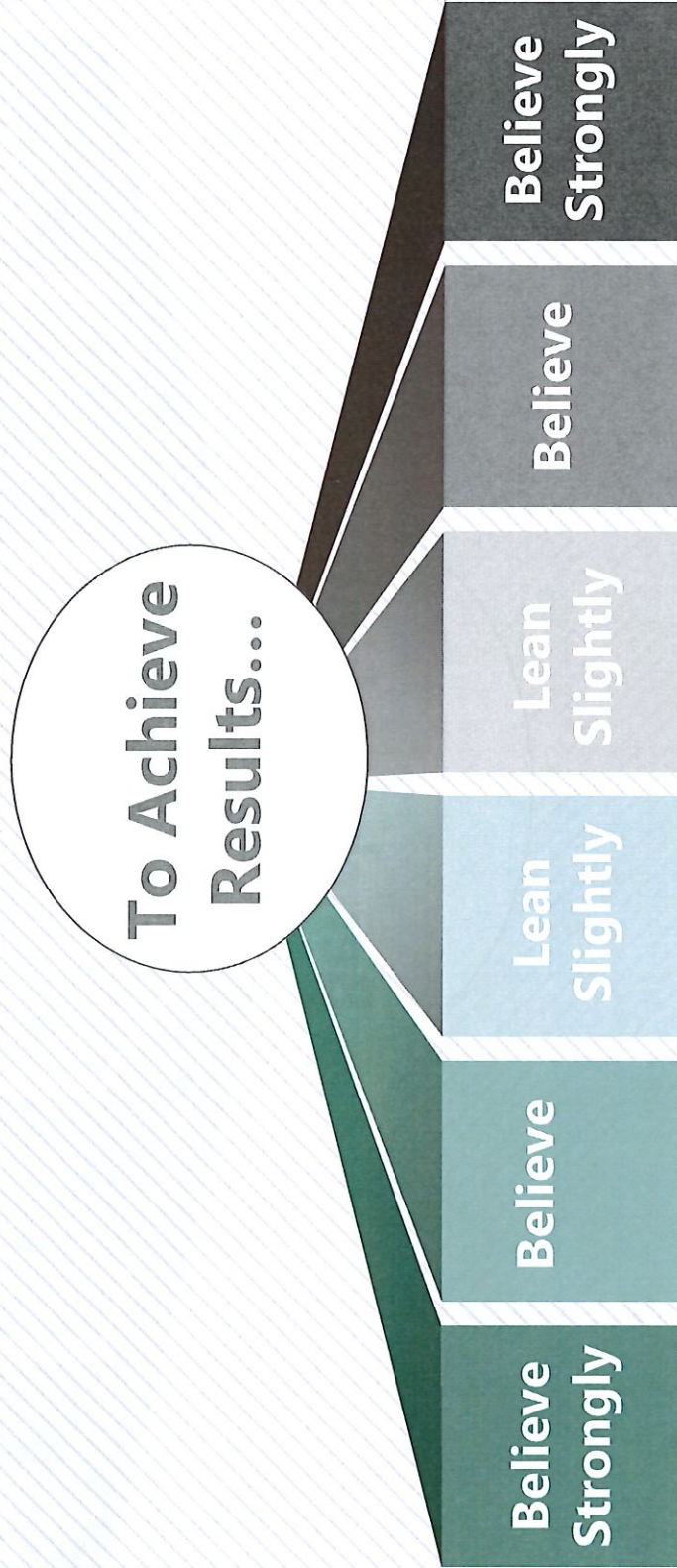
The organization makes decisions without regard to competitive benchmarking



CORE BELIEFS

Optional

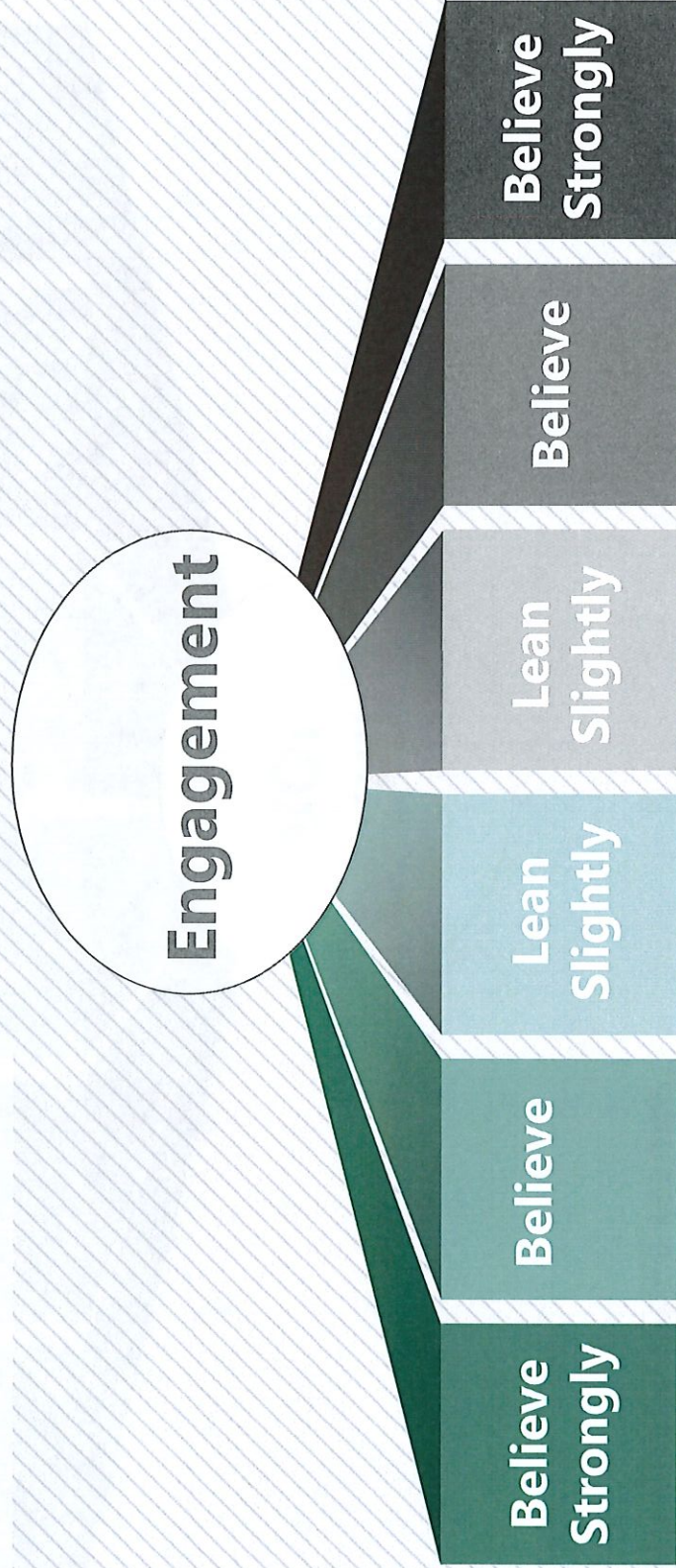
Mandated



CORE BELIEFS

The health plan should be designed in a way that requires little effort from members in order to access the benefit

The health plan should be designed in a way that requires members to become active consumers



CORE BELIEFS

Program investments must/can be justified with quantitative results

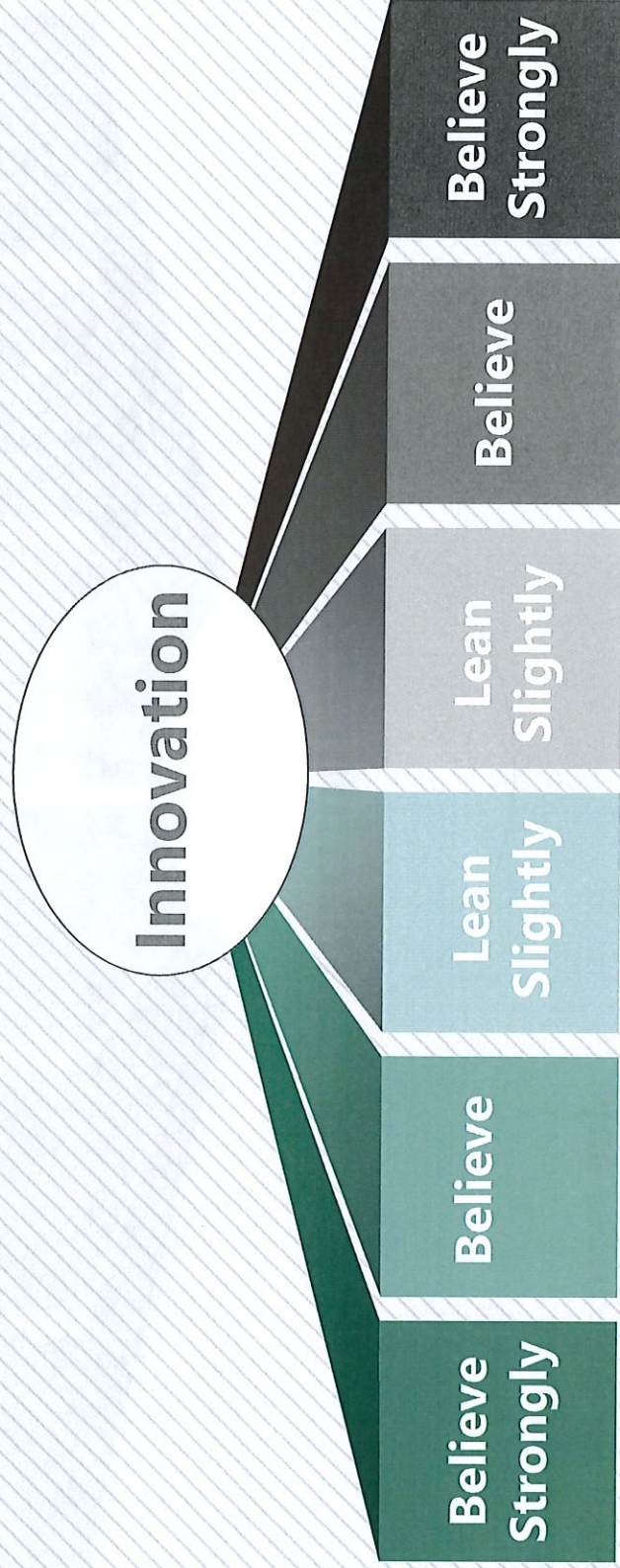
Program investments must/can be justified with qualitative results



CORE BELIEFS

Market proven

Leading edge



CORE BELIEFS

Discrimination in favor of, or against, any group of employees is inappropriate under any circumstances

Discrimination in favor of, or against, any group of employees would be acceptable if it serves the greater good





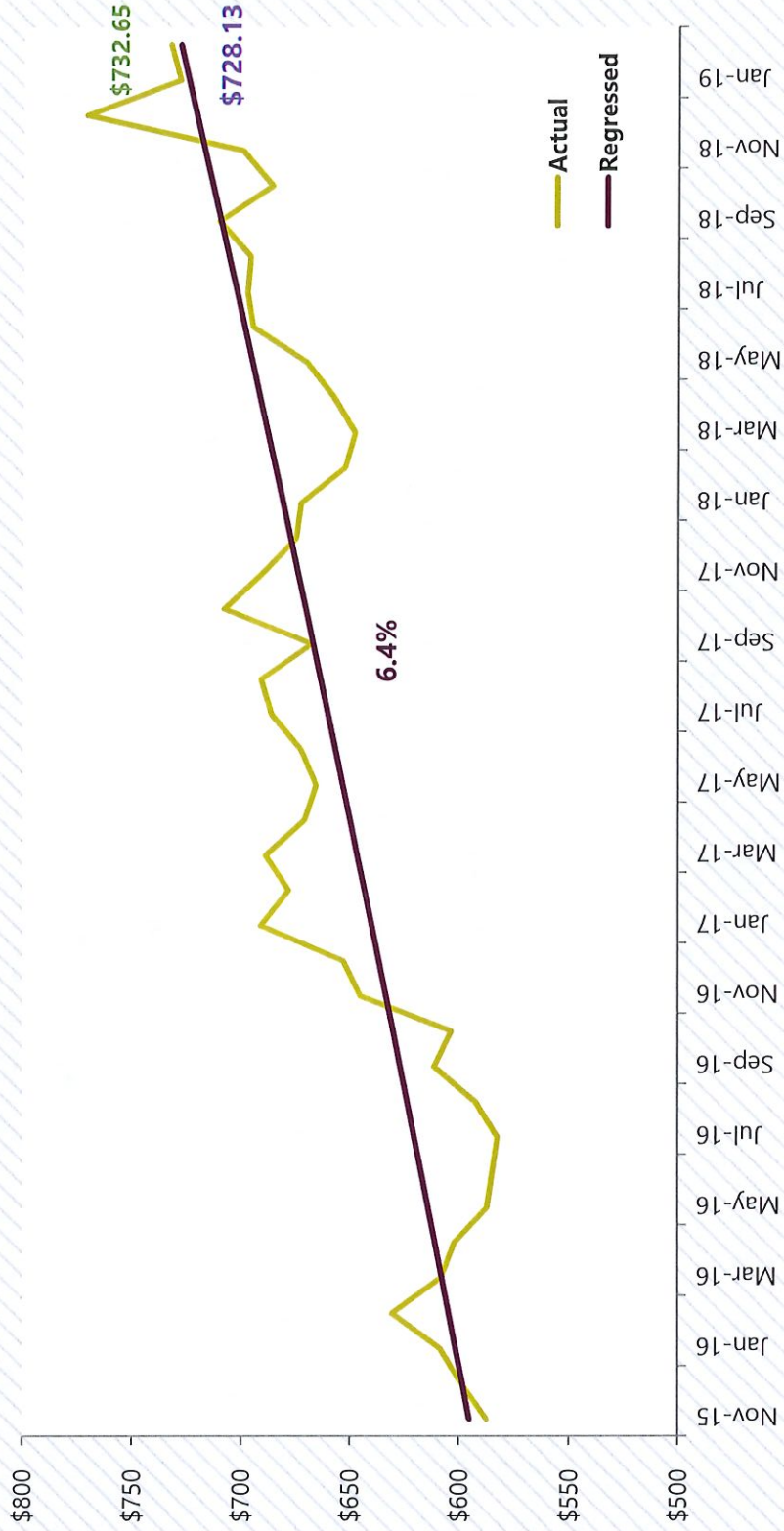
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2019 PLAN YEAR SUMMARY & CLAIMS UPDATE

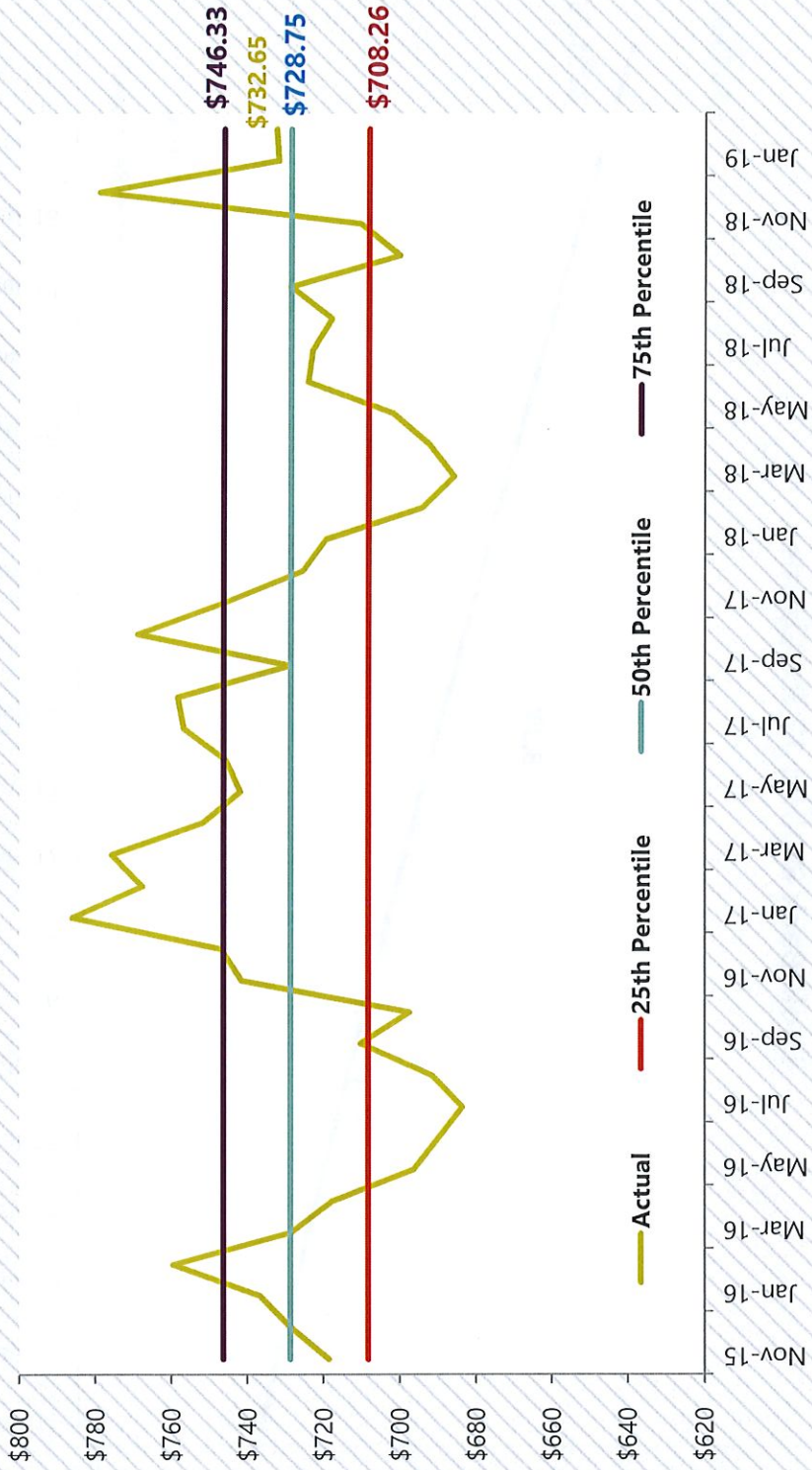
LOOK BACK ROLLING 12 MEDICAL CLAIMS

Look- Back Rolling 12 Medical Claims



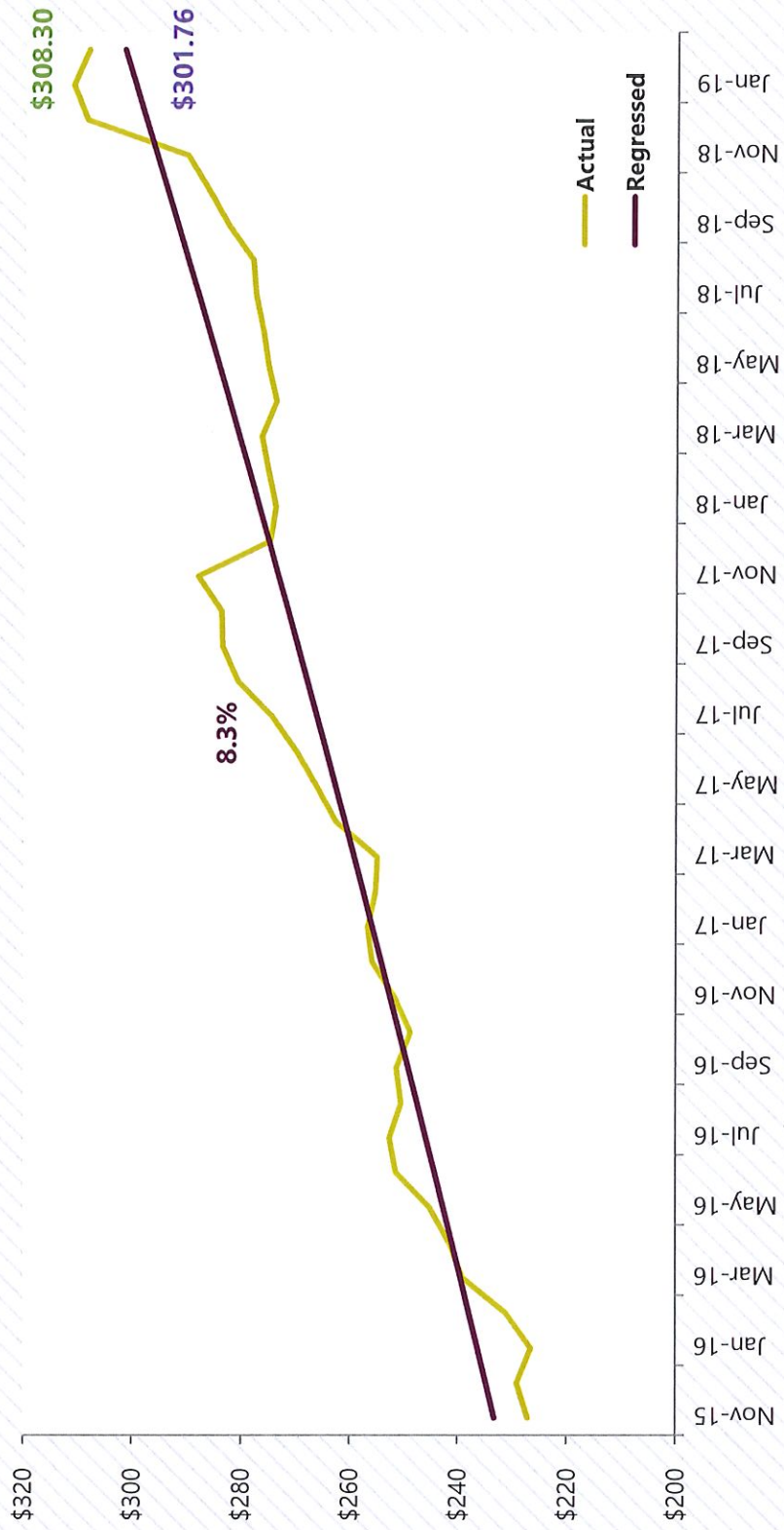
PAST COVERAGE LEVEL (PCL) MEDICAL

Past Coverage Level (PCL) - Medical



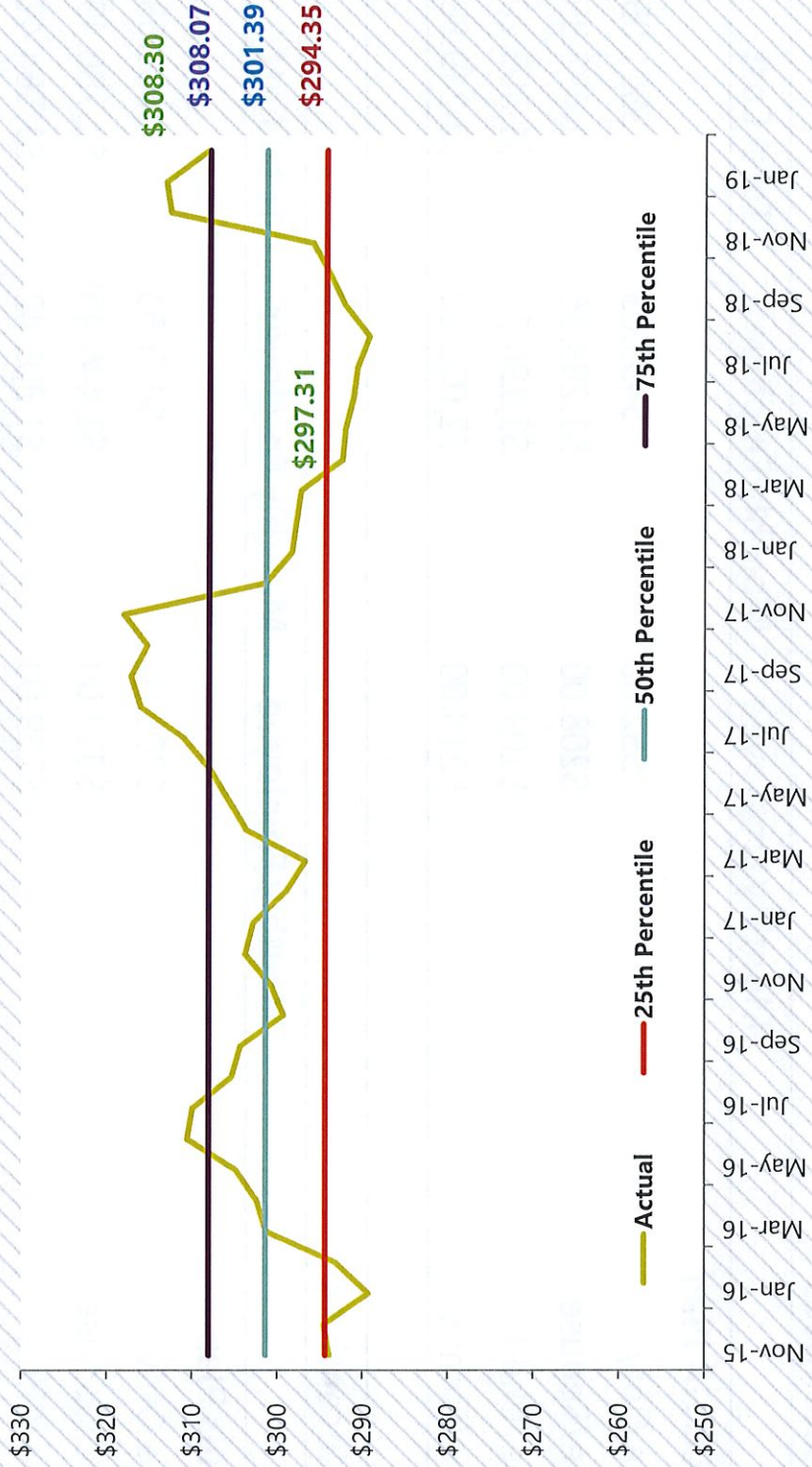
LOOK-BACK ROLLING 12 RX CLAIMS

Look-Back Rolling 12 Rx Claims



PAST COVERAGE LEVEL (PCL) RX

Past Coverage Level (PCL) - Rx



2019 RATES (EMPLOYEE & EMPLOYER)

With All Incentives			
	Monthly Employee	Monthly Employer	Total Cost
Nexus ACO OA Plan			
Employee Only	\$52.00	\$499.05	\$551.05
Employee/Spouse	\$208.00	\$1,288.35	\$1,496.35
Employee/Child	\$109.00	\$1,196.20	\$1,305.20
Employee/Family	\$218.00	\$2,031.88	\$2,249.88

With All Incentives			
	Monthly Employee	Monthly Employer	Total Cost
Choice Plus Plan			
Employee Only	\$203.00	\$479.53	\$682.53
Employee/Spouse	\$337.00	\$1,449.49	\$1,786.49
Employee/Child	\$259.00	\$1,305.42	\$1,564.42
Employee/Family	\$389.00	\$2,280.48	\$2,669.48





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2020 PLAN CHANGE OPTIONS

CONFIRM 2020 PHARMACY CHANGES

Williamson County RX Clinical Programs 1.1.2019

Dollars below are in thousands
(000)

Pharmacy Programs	Description	Implemented 1/1/2019	Members	Annual Savings	Savings Opportunities
Advantage PDL	Highest value drugs placed on the lowest possible tier = total healthcare value.	NO	1,041		\$248.3
Medical Necessity	Evaluates the clinical appropriateness of a medication regarding condition and severity being treated.	YES	149		\$84.5
Notification	Physician authorization required to promote better member decisions.	YES	271		\$43.6
Step Therapy	Requiring members to try a more cost-effective medication first. Includes classes such as MS & Seizure medications.	YES	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. Both historical and 1.1.19 exclusions were implemented	YES	328		\$180.0
TOTAL			2,140	\$114.7	\$584.0

PMPM Savings: \$2.81 **\$14.33**

Notes

- 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.
- All Exclusions went into place on 1.1.19.
- Members using drugs impacted by Medical Necessity, Notification and Step Therapy were grandfathered for one year.



2019 VISION UTILIZATION

Client Experience and Utilization



Selection Parameters **Values on Report**
 Client ID: 432899
 Incurring Date Range: 01/01/2018 To 04/30/2019
 Business Category: Both Stand Alone and Embedded Both

Current Effective Date: 01/01/2018
 Current Renew Date: 01/01/2018
 Client Policy ID: 0911463
 Current Term Date: 12/31/2999

Williamson County

Incurred Month	Number of Subscribers	Number of Members	Collected Revenue	Incurred Claim*	BCR	Claim Count	Average Cost Per Incurred Claim*
01/2018	1,497	3,357	\$35,835.46	\$16,193.27	45.2%	156	\$103.80
02/2018	1,491	3,325	\$35,561.53	\$20,049.11	56.4%	179	\$112.01
03/2018	1,503	3,351	\$35,835.60	\$18,078.38	50.4%	159	\$113.70
04/2018	1,513	3,382	\$35,546.29	\$17,799.53	50.1%	158	\$112.66
05/2018	1,486	3,346	\$34,975.11	\$16,722.55	47.8%	153	\$109.30
06/2018	1,486	3,342	\$34,967.49	\$17,432.33	49.9%	168	\$103.76
07/2018	1,500	3,372	\$35,657.85	\$18,440.19	51.7%	164	\$112.44
08/2018	1,519	3,388	\$35,945.78	\$22,822.32	63.5%	228	\$100.10
09/2018	1,531	3,400	\$36,047.89	\$19,658.25	54.5%	186	\$105.69
10/2018	1,525	3,380	\$36,209.65	\$19,506.93	53.9%	187	\$104.32
11/2018	1,518	3,368	\$36,009.17	\$20,984.72	58.3%	200	\$104.92
12/2018	1,524	3,387	\$36,192.80	\$31,242.82	86.3%	285	\$109.62
01/2019	1,524	3,393	\$36,555.11	\$19,982.57	54.7%	176	\$113.54
02/2019	1,556	3,461	\$36,494.69	\$19,193.14	52.6%	177	\$108.44
03/2019	1,552	3,466	\$36,501.52	\$24,199.58	66.3%	211	\$114.69
04/2019	1,566	3,490	\$36,914.28	\$17,472.00	47.3%	101	\$172.99
Totals:			\$575,250.22	\$319,777.69	55.6%	2,888	\$110.73

* Incurred claims include a reserve/IBNR (incurred but not reported)



OTHER PLAN CONSIDERATIONS

- **MEMBER TRANSPORTATION FOR TREATMENT**
 - Example given dialysis treatment
- **EMPLOYER PAID LIFE INSURANCE**
 - \$20,000 employee benefit no rate increase.
 - Rate Guarantee until 1/1/2021





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BUDGET MEETING

2019 PLAN YEAR FINANCIALS

- **CURRENT STATE BUDGET**
- **DISCUSS ASSUMPTIONS**
 - Funding Level for 2020
 - Assume 2020 FTE Count
 - Assumed HR Expenses



HR BENEFIT FUNDS

HR Benefits Funds (0885.0885 & 0885.0886)

Last Update:

KEY:

		2019	Actual	Variance	% Remaining
		Current Budget	as of 4/15/2019		
63504.00					
Object	Description				
Benefits Accounts					
885.0885	3600EMPLOYEE ASSIST. PGRM	\$55,722.00	\$12,953.70	\$42,768.30	76.75%
885.0885	4039RETIREE HEALTH CLAIMS, DENTAL	\$57,785.00	\$27,244.00	\$30,541.00	52.85%
885.0885	4040RETIREE HEALTH CLAIMS, MEDICAL	\$1,138,775.00	\$695,308.23	\$443,466.77	38.94%
885.0885	4041RETIREE HEALTH CLAIMS, PRESCRIPTI	\$769,824.67	\$332,280.00	\$437,544.67	56.84%
885.0885	4049HEALTH CLAIMS PAID, DENTAL	\$1,041,177.00	\$474,643.00	\$566,534.00	54.41%
885.0885	4050HEALTH CLAIMS PAID, MEDICAL	\$11,987,101.00	\$5,093,318.03	\$6,893,782.97	57.51%
885.0885	4051PRESC DRUG CLAIMS PD.	\$5,064,179.00	\$1,726,049.81	\$3,338,129.19	65.92%
885.0885	4054ADMIN COST, HEALTH INS.	\$888,444.48	\$447,374.02	\$441,070.46	49.65%
885.0885	4054ADMIN COST, DENTAL	\$50,993.28	\$30,710.16	\$20,283.12	39.78%
885.0885	4057STOP LOSS INSURANCE	\$1,028,649.60	\$613,517.07	\$415,132.53	40.36%
885.0885	4058GROUP LIFE PREMIUMS (FGL/AD&D)	\$18,500.00	\$6,086.31	\$12,413.69	67.10%
885.0885	4059ADMIN. COST FLEX PLANS	\$28,794.00	\$19,474.72	\$9,319.28	32.37%
885.0885	4060ADMIN COST COBRA	\$8,000.00	\$5,256.28	\$2,743.72	34.30%
885.0885	4065Retiree Vision Insurance	\$25,858.00	\$14,478.73	\$11,379.27	0.00%
885.0885	4066Employee Vision Insurance	\$405,112.00	\$245,733.94	\$159,378.06	0.00%
885.0885	4911Compliance Fees	\$0.00	\$0.00	\$0.00	#DIV/0!
885.0885	4996WELLNESS PROGRAM				
		\$29,850.00	\$0.00	\$29,850.00	100.00%
885.0885	4999Misc (885)			\$0.00	#DIV/0!
Total 0885.0885 Benefit Accounts		\$22,598,765.03	\$9,744,428.00	\$12,854,337.03	56.88%

HR BENEFIT FUNDS

Operating Accounts					
Object	Description				
885.0886	1100F/T SALARIES	\$197,599.90	\$95,603.23	\$101,996.67	51.62%
885.0886	1100Unalloc/F/T	\$0.00		\$0.00	#DIV/0!
885.0886	1101P/T SALARIES 20-30 HRS/WK	\$0.00		\$0.00	#DIV/0!
885.0886	1107Temp Labor-seasonal Help	\$15,600.00	\$0.00	\$15,600.00	100.00%
885.0886	1109CELL PHONE STIPEND	\$960.00	\$520.00	\$440.00	45.83%
885.0886	1110OVERTIME	\$0.00	\$0.00	\$0.00	#DIV/0!
885.0886	1130MERIT PAY	\$4,297.87		\$4,297.87	100.00%
885.0886	1145Longevity Pay	\$1,872.00	\$72.00	\$1,800.00	96.15%
885.0886	2010FICA	\$16,855.23	\$7,052.90	\$9,802.33	58.16%
885.0886	2020RETIREMENT	\$28,539.33	\$13,457.90	\$15,081.43	52.84%
885.0886	2030INSURANCE	\$27,396.00	\$13,698.00	\$13,698.00	50.00%
885.0886	2050WORKER'S COMP	\$500.00	\$324.79	\$175.21	35.04%
885.0886	2080RANDOM-DRUG-TESTING	\$0.00	\$0.00	\$0.00	#DIV/0!
885.0886	3005OFFICE FURNITURE < \$5,000	\$0.00	\$1,350.00	-\$1,350.00	#DIV/0!
885.0886	3006OFFICE EQUIPMENT < \$5,000	\$0.00	\$0.00	\$0.00	#DIV/0!
885.0886	3010COMPUTER EQUIPMENT < \$5,000	\$0.00	\$0.00	\$0.00	#DIV/0!
885.0886	3100OFFICE SUPPLIES	\$2,200.00	\$173.95	\$2,026.05	92.09%
885.0886	3601Employee Recognition Program	\$40.00	\$0.00	\$40.00	100.00%
885.0886	3900MEMBERSHIP DUES	\$1,820.00	\$1,440.00	\$380.00	20.88%
885.0886	4100PROFESSIONAL SERVICES	\$102,726.00	\$33,333.35	\$69,392.65	67.55%
885.0886	4181INDEPENDENT AUDIT	\$22,145.00	\$3,500.00	\$18,645.00	84.20%
885.0886	4208Internet Cloud Solutions	\$115,000.00	\$36,883.44	\$78,116.56	67.93%
885.0886	4211TELEPHONE SERVICE	\$600.00	\$203.31	\$396.69	66.12%
885.0886	4212POSTAGE	\$2,000.00	\$0.00	\$2,000.00	100.00%
885.0886	4216Postage Meter Rental/Supplies	\$300.00	\$75.00	\$225.00	75.00%
885.0886	4231TRAVEL	\$1,000.00	\$78.93	\$921.07	92.11%
885.0886	4232Training, Conf. Seminars (HR & Benefits Committee Combined)	\$48,031.20	\$18,648.91	\$29,382.29	61.17%
885.0886	4350PRINTED MATERIALS & BINDING	\$2,100.00	\$0.00	\$2,100.00	100.00%
885.0886	4621COPIER RENTAL & SUPPLIES	\$3,900.00	\$2,109.39	\$1,790.61	45.91%
885.0886	4705PRE-EMPLOYMENT SCREENING	\$200.00	\$0.00	\$200.00	100.00%
885.0886	4999MISCELLANEOUS	\$500.00	\$0.00	\$500.00	100.00%
885.0886	4998CONTINGENCIES	\$40.00	\$40.00	\$0.00	#DIV/0!
	Employee Recognition	\$40.00	\$40.00	\$0.00	0.00%
Total 0885.0886 Operating Accounts		\$596,222.53	\$228,565.10	\$367,657.43	61.66%
Total Operating Expenses		\$23,194,987.56	\$9,972,993.10	\$13,221,994.46	57.00%

HR BENEFIT FUNDS

Revenue Accounts		Current Budget	Actual as of 4/15/2019	
Object	Description			
0885.0000	361200INTEREST, BANK DEPOSITS	\$0.00	\$0.00	#DIV/0!
0885.0000	361300INTEREST, INVESTMENTS	\$45,000.00	\$26,096.83	42.01%
0885.0000	367100EMPLOYER CONTRIBUTIONS	\$17,944,380.00	8,947,077.00	50.14%
0885.0000	367200EMPLOYEE DEDUCTIONS/MEDICAL	\$4,064,946.00	\$1,506,655.33	62.94%
0885.0000	367201EMPLOYEE DEDUCTIONS/DENTAL	\$1,204,920.00	\$622,699.25	48.32%
0885.0000	367202EMPLOYEE DEDUCTIONS/VISION	\$0.00	\$0.00	#DIV/0!
0885.0000	367300COBRA/RETIREE DEP PREM	\$378,082.28	\$285,241.47	24.56%
0885.0000	367310CLAIMS REFUNDS	\$0.00	\$0.00	#DIV/0!
0885.0000	370500MISCELLANEOUS REVENUE	\$0.00	\$0.00	#DIV/0!
0885.0000	380100TRANSFER FM GENERAL FUND	\$0.00	\$0.00	#DIV/0!
TOTAL 0885.0000		\$23,637,328.28	\$23,637,328.28	100.00%
Revenue Accounts		(\$442,340.72)	\$9,972,993.10	

2020 SUMMARY

(FOR DISCUSSION)

HR Benefits Funds (0885.0885 & 0885.0886)

		Last Update:	5/8/2019	KEY:
Object	Description	2019	2020	Difference
		63504.00		
		Proposed Budget		
			HMA Inputs	
885.0885	3600EMPLOYEE ASSIST. PGRM	\$55,722.00	\$55,722.00	\$0.00
885.0885	4039RETIREE HEALTH CLAIMS, DENTAL	\$57,785.00	\$57,785.00	\$0.00
885.0885	4040RETIREE HEALTH CLAIMS, MEDICAL	\$1,138,775.00	\$1,138,775.00	\$0.00
885.0885	4041RETIREE HEALTH CLAIMS, PRESCRIPTI	\$769,824.67	\$769,824.67	\$0.00
885.0885	4049HEALTH CLAIMS PAID, DENTAL	\$1,041,177.00	\$1,041,177.00	\$0.00
885.0885	4050HEALTH CLAIMS PAID, MEDICAL	\$11,987,101.00	\$12,714,541.00	-\$727,440.00
885.0885	4051PRESC DRUG CLAIMS PD.	\$5,064,179.00	\$5,201,293.00	-\$137,114.00
885.0885	4054ADMIN COST, HEALTH INS.	\$888,444.48	\$903,537.00	-\$15,092.52
885.0885	4054ADMIN COST, DENTAL	\$50,993.28	\$50,993.28	\$0.00
885.0885	4057STOP LOSS INSURANCE	\$1,028,649.60	\$1,217,657.00	-\$189,007.40
885.0885	4058GROUP LIFE PREMIUMS (FGL/AD&D)	\$18,500.00	\$18,500.00	\$0.00
885.0885	4059ADMIN. COST FLEX PLANS	\$28,794.00	\$28,794.00	\$0.00
885.0885	4060ADMIN COST COBRA	\$8,000.00	\$8,000.00	\$0.00
885.0885	4065Retiree Vision Insurance	\$25,858.00		
885.0885	4066Employee Vision Insurance	\$405,112.00		
885.0885	4911Compliance Fees	\$0.00	\$0.00	\$0.00
885.0885	4996WELLNESS PROGRAM	\$29,850.00	\$51,000.00	-\$21,150.00
885.0885	4999Misc (885)			\$0.00
Total 0885.0885 Benefit Accounts		\$22,598,765.03	\$23,257,598.95	-\$658,833.92