



# WILLIAMSON COUNTY

Commissioners Court Meeting  
July 20, 2010

**WILLIAMSON COUNTY**  
**Prospective Rate Projection**  
**May 2010**  
17 Months

			PPO High	PPO Low	EPO/HMO	DENTAL	VISION	TOTALS
<b>Paid Claims</b>			\$5,782,966 +	\$136,135 +	\$5,046,045 +	\$840,738 +	\$280,554 =	\$11,805,884
<b>Prescription Drugs</b>			\$1,123,993 +	\$44,427 +	\$990,502 +	+	\$0 =	\$2,158,922
<b>Stop Loss Reimbursements</b>			(\$627,929) +	\$0 +	(\$36,035) +	\$0 +	\$0 =	(\$663,964)
<b>Plan Changes</b>				\$0 +	\$0 +	\$0 +	\$0 =	\$0
<b>TOTAL PAID CLAIMS:</b>			\$6,279,030	\$180,562	\$6,000,512	\$840,738	\$280,554	\$13,300,842
<b>Trend</b>								
	<b>Medical</b>	<b>11%</b>	\$567,054 +	\$14,975 +	\$551,101 +	\$0 +	\$0 =	\$1,133,130
	<b>Dental</b>	<b>11%</b>	\$0 +	\$0 +	\$0 +	\$92,481 +	\$0 =	\$92,481
	<b>RX</b>	<b>20%</b>	\$224,799	\$8,885 +	\$198,100 +	\$0 +	\$0 =	\$431,784
<b>CLAIMS SUMMARY:</b>			\$7,070,883	\$204,422	\$6,749,714	\$933,219	\$280,554	\$14,958,238
<b>Insurance Expense</b>			\$327,266 +	\$230,298 +	\$48,484 +	\$0 +	\$0 =	\$606,048
<b>Administrative Expense</b>			\$670,706 +	\$471,978 +	\$99,364 +	\$44,816 +	\$15,896 =	\$1,302,760
<b>TOTAL EXPENSE:</b>			\$997,972	\$702,276	\$147,848	\$978,036	\$296,450	\$1,908,809
<b>REQUIRED PREMIUM:</b>			\$8,068,854 +	\$906,699 +	\$6,897,561 +	\$978,036 +	\$296,450 =	\$17,147,600
<b>EXISTING PREMIUM:</b>			\$7,084,828 +	\$1,386,159 +	\$5,085,370 +	\$981,024 +	\$308,286 =	\$14,845,667
<b>NET CHANGE:</b>			14%	-35%	36%	0%	-4%	16%

# RECOMMENDED PLAN CHANGES

- ⊙ Add \$50 Rx Deductible
- ⊙ Move Retail Rx to 30% Co-Insurance vs. Co-pay and add a Specialty Pharmacy Co-pay of \$125
- ⊙ Add separate Out of Pocket Maximum of \$1,250 for Rx
- ⊙ Remove Deductible Carry Over
- ⊙ Remove Out of network charges applying to Out of Pocket Maximums
- ⊙ Make Out of Pocket Maximum and Deductible to Match Plan Year

# RECOMMENDED CHANGES CONT'D

- ⊙ Raise EPO Plan Out of Pocket Maximum to \$3,500 Individual and \$6,000 Family
- ⊙ Raise High Plan Out of Pocket Maximum to \$3,500 Individual and \$6,000 Family
- ⊙ Replace High Plan With New Core PPO Plan
- ⊙ Opt out of Mental Health Parity
- ⊙ Create Equity in rates between plans
- ⊙ Create Equity among Rate Tiers (i.e. employee vs. employee and spouse)

# PLAN CHANGES DUE TO NEW FEDERAL LEGISLATION 2010 -2011

- ⊙ Removal of Pre-Existing Condition for children up age 19
- ⊙ Coverage for Married or Unmarried children up to age 26
- ⊙ Removal of Life Time Maximum Limit
- ⊙ Removal of Preventative Care Annual Maximum

# WILLIAMSON COUNTY PROPOSED RATE STRUCTURE

NO COUNTY CONTRIBUTION INCREASE

## PPO Core Plan

	Census	Rate	County Contribution	Monthly EE Cost	Monthly Increase to EE
Employee	274	\$524.00	\$436.00	\$88.00	\$40.18
EE + Spouse	108	\$991.00	\$743.00	\$248.00	\$79.72
EE + Child(ren)	128	\$836.00	\$618.00	\$218.00	\$60.23
EE/Family	235	\$1,200.00	\$876.00	\$324.00	\$113.64
	745				

## PPO Deductible Plan

Employee	72	\$460.00	\$436.00	\$24.00	\$5.80
EE + Spouse	13	\$867.00	\$743.00	\$124.00	\$13.80
EE + Child(ren)	15	\$731.00	\$618.00	\$113.00	\$12.83
EE/Family	21	\$1,047.00	\$876.00	\$171.00	\$20.73
	121				

## EPO

Employee	238	\$631.00	\$436.00	\$195.00	\$120.73
EE + Spouse	64	\$1,194.00	\$743.00	\$451.00	\$162.27
EE + Child(ren)	72	\$1,005.00	\$618.00	\$387.00	\$116.31
EE/Family	149	\$1,442.00	\$876.00	\$566.00	\$205.09
	523				

# WILLIAMSON COUNTY PROPOSED RATE STRUCTURE

COUNTY CONTRIBUTION INCREASE OF \$800,000

## PPO Core Plan

	Census	Rate	County Contribution	EE Cost	Increase to Employee
Employee	274	\$529.00	\$460.00	\$69.00	\$21.19
EE + Spouse	108	\$991.00	\$802.00	\$189.00	\$20.72
EE + Child(ren)	128	\$836.00	\$676.00	\$160.00	\$2.23
EE/Family	235	\$1,200.00	\$940.00	\$260.00	\$49.64
	745				

## PPO Deductible Plan

Employee	72	\$465.00	\$460.00	\$5.00	-\$13.20
EE + Spouse	13	\$867.00	\$802.00	\$65.00	-\$45.20
EE + Child(ren)	15	\$731.00	\$676.00	\$55.00	-\$45.17
EE/Family	21	\$1,047.00	\$940.00	\$107.00	-\$43.27
	121				

## EPO

Employee	238	\$636.00	\$460.00	\$176.00	\$101.73
EE + Spouse	64	\$1,194.00	\$802.00	\$392.00	\$103.27
EE + Child(ren)	72	\$1,005.00	\$676.00	\$329.00	\$58.31
EE/Family	149	\$1,442.00	\$940.00	\$502.00	\$141.09
	523				

**Core PPO Plan**

**Deductible PPO Plan**

**EPO Plan**

Plan Design Changes								
<i>November 1, 2010 Effective Date</i>								
	<b>PPO High Plan</b>	<b>11/1/2010</b>		<b>Current</b>	<b>11/1/2010</b>		<b>Current</b>	<b>11/1/2010</b>
<b>Benefits (In / Out of Network)</b>	<b>Plan Design</b>	<b>Plan Design</b>		<b>Plan Design</b>	<b>Plan Design</b>		<b>Plan Design</b>	<b>Plan Design</b>
	<b>In Netwk/Out of Netwk</b>	<b>In Netwk/Out of Netwk</b>		<b>In Netwk/Out of Netwk</b>	<b>In Netwk/Out of Netwk</b>		<b>In Network</b>	<b>In Network</b>
Individual Deductible	\$750 / \$1,500	No Deductible		\$1,250 / \$2,500	No Change		\$300	No Change
Family Deductible	\$2,250 / \$4,500	No Deductible		\$3,750 / \$7,500	No Change		\$900	No Change
Coinsurance (eligible expenses)	10% / 40%	See Below		20% / 40%	No Change		10%	No Change
Individual Out of Pocket	\$2,500 / \$10,000	\$3,500 (1)		\$3,000 (1)	No Change (1)		\$1,500	\$3,500
Family Out of Pocket	\$7,500 / \$30,000	\$6,000 (1)		\$9,000 (1)	No Change (1)		\$4,500	\$6,000
<b>Hospital Services (eligible expenses)</b>								
Deductible	\$750 / \$1,500	No Deductible		\$1,250 / \$2,500	No Change		\$150	\$300
Coinsurance	10% / 40%	10% / 50%		20% / 40%	No Change		10%	10%
Inpatient	deductible & coinsurance	10% / 50%		deductible & coinsurance	No Change		deductible & coinsurance	deductible & coinsurance
Outpatient Surgery	deductible & coinsurance	10% / 50%		deductible & coinsurance	No Change		deductible & coinsurance	deductible & coinsurance
Outpatient Diagnostic & Therapeutic Services	deductible & coinsurance	30% / 50%		deductible & coinsurance	No Change		deductible & coinsurance	deductible & coinsurance
Emergency Room	\$225 copayment	30%		\$225 copayment	No Change		\$225 copayment	No Change
<b>Physician Services (eligible expenses)</b>								
Physician Office Visits - Primary	\$25 copayment	30% / 50%		\$25 copayment	No Change		\$25 copayment	No Change
Physician Office Visits - Specialist	\$40 copayment	30% / 50%		\$40 copayment	No Change		\$40 copayment	No Change
<b>Other Services (eligible expenses)</b>								
Preventive Care - In Network only	No Copayment \$400 max	Covered at 100%		No Copayment \$400 max	Covered at 100%		\$25 PCP / \$40 Specialist	Covered at 100%
Urgent Care Facility	\$40 copayment	30%		\$40 copayment	No Change		\$40 copayment	No Change
Outpatient Diagnostic Services: Lab / Xray (in network only)	100% (deductible waived)	Covered at 100%		100% (deductible waived)	Covered at 100%		100% (deductible waived)	Covered at 100%
<b>Prescription Drug Copays</b>								
Deductible	N/A	\$50		N/A	\$50		N/A	\$50
Retail Pharmacy (30 days)	\$10/\$30/\$50	30% / 30% (2)		\$10/\$30/\$50	30% / 30% (2)		\$10/\$30/\$50	30% / 30% (2)
Mail Order Pharmacy (90 days)	\$20/\$60/\$100	\$20 / \$70		\$20/\$60/\$100	\$20 / \$70		\$20/\$60/\$100	\$20 / \$70
Specialty Drugs		\$125			\$125			\$125

(1) Out of Network charges will not apply to the Out of Pocket Maximum; Out of Network charges will never be paid at 100%

(2) There is a separate \$1,250 Prescription Out of Pocket Maximum



# MEDICAL PLAN CLAIM ANALYSIS SCENARIOS

## Williamson County Plan Analysis

### Scenario 1 - Four Office Visit Per Year

	Deductible Plan	Core Plan	EPO Plan
Avg Allowed	\$70	\$70	\$70
Member cost per Visit	\$25	\$21	\$25
<b>Total member paid-office visit claims</b>	<b>\$100</b>	<b>\$84</b>	<b>\$100</b>
Annual Premium*			
EE	\$288	\$1,056	\$2,340
EE+SP	\$1,488	\$2,976	\$5,412
EE+Child(ren)	\$1,356	\$2,616	\$4,644
EE+FM	\$2,052	\$3,888	\$6,792
Annual Premium**			
EE	\$60	\$828	\$2,112
EE+SP	\$780	\$2,268	\$4,704
EE+Child(ren)	\$660	\$1,920	\$3,948
EE+FM	\$1,284	\$3,120	\$6,024

\* Rates with no County Contribution Increase

\* Rates with \$800k County Contribution Increase

# MEDICAL PLAN CLAIM ANALYSIS SCENARIOS

## Williamson County Plan Analysis

### Scenario 2 - Maternity Claim

	Deductible Plan		Core Plan		EPO Plan	
Avg Allowed		\$70		\$70		\$70
Avg Allowed Hospital		\$6,385				
Avg Allowed Doctor		\$2,000				
Avg Allowed Anesthesiologist		\$1,900				
Member cost per Hospital	Deductible	\$1,250.00		\$0.00		\$300.00
	Co-Benefit 20%	\$1,027.00	10%	\$638.50	10%	\$608.50
Member Cost Doctor	Co-Benefit 20%	\$400.00	30%	\$600.00	10%	\$200.00
Avg Allowed Anesthesiologist	Co-Benefit 20%	\$380.00	30%	\$570.00	10%	\$190.00
<b>Total member paid-maternity claim</b>		<b>\$3,057.00</b>		<b>\$1,808.50</b>		<b>\$1,298.50</b>
Annual Premium*						
EE		\$288		\$1,056		\$2,340
EE+SP		\$1,488		\$2,976		\$5,412
EE+Child(ren)		\$1,356		\$2,616		\$4,644
EE+FM		\$2,052		\$3,888		\$6,792
Annual Premium**						
EE		\$60		\$828		\$2,112
EE+SP		\$780		\$2,268		\$4,704
EE+Child(ren)		\$660		\$1,920		\$3,948
EE+FM		\$1,284		\$3,120		\$6,024

\* Rates with no County Contribution Increase

\* Rates with \$800k County Contribution Increase

# MEDICAL PLAN CLAIM ANALYSIS SCENARIOS

## Williamson County Plan Analysis

### Scenario 3 - Large Claim

	Deductible Plan		Core Plan	EPO Plan
Allowed Hospital Claim	\$16,250		\$35,000	\$35,300
Member cost per Hospital	Deductible	\$1,250.00	\$0.00	\$300.00
Maximum OOP		\$3,000.00	\$3,500.00	\$3,500.00
OOP Does not Consider O/V Co-pays				
<b>Total member paid-large claim</b>		<b>\$4,250.00</b>	<b>\$3,500.00</b>	<b>\$3,800.00</b>
Annual Premium*				
EE		\$288	\$1,056	\$2,340
EE+SP		\$1,488	\$2,976	\$5,412
EE+Child(ren)		\$1,356	\$2,616	\$4,644
EE+FM		\$2,052	\$3,888	\$6,792
Annual Premium**				
EE		\$60	\$828	\$2,112
EE+SP		\$780	\$2,268	\$4,704
EE+Child(ren)		\$660	\$1,920	\$3,948
EE+FM		\$1,284	\$3,120	\$6,024

# PRESCRIPTION DRUG ANALYSIS

Drug Name	Prescription Tier		Allowed Amount	30%	Last years Co-Pay	Difference
HYDROCODONE-ACETAMINOPHEN	Tier 1	Pain Medicine	\$ 35.50	\$ 10.65	\$ 10.00	\$ 0.65
LISINOPRIL	Tier 1	Blood Pressure	\$ 63.08	\$ 18.92	\$ 10.00	\$ 8.92
AZITHROMYCIN	Tier 1	Antibiotic	\$ 17.89	\$ 5.37	\$ 10.00	\$ (4.63)
LIPITOR	Tier 2	Cholesterol	\$ 125.71	\$ 37.71	\$ 30.00	\$ 7.71
SIMVASTATIN	Tier 1	Cholesterol	\$ 31.93	\$ 9.58	\$ 10.00	\$ (0.42)
AMOXICILLIN	Tier 1	Antibiotic	\$ 11.33	\$ 3.40	\$ 10.00	\$ (6.60)
CRESTOR	Tier 2	Cholesterol	\$ 141.03	\$ 42.31	\$ 30.00	\$ 12.31
FLUTICASONE PROPIONATE	Tier 1	Allergy	\$ 23.83	\$ 7.15	\$ 10.00	\$ (2.85)
METFORMIN HCL	Tier 1	Diabetes	\$ 12.37	\$ 3.71	\$ 10.00	\$ (6.29)
LEVOTHYROXINE SODIUM	Tier 1	Thyroid	\$ 9.92	\$ 2.98	\$ 10.00	\$ (7.02)
METOPROLOL SUCCINATE	Tier 1	bloop pressure	\$ 37.26	\$ 11.18	\$ 10.00	\$ 1.18
FEXOFENADINE HCL	Tier 1	Allergy	\$ 43.22	\$ 12.97	\$ 10.00	\$ 2.97
CITALOPRAM HBR	Tier 1	Anti depreesant	\$ 13.93	\$ 4.18	\$ 10.00	\$ (5.82)
ALPRAZOLAM	Tier 1	Anti depreesant	\$ 11.14	\$ 3.34	\$ 10.00	\$ (6.66)
SYNTHROID	Tier 2	Thyriod	\$ 30.45	\$ 9.14	\$ 30.00	\$ (20.87)
SERTRALINE HCL	Tier 1	Anti depreesant	\$ 23.85	\$ 7.16	\$ 10.00	\$ (2.85)
AMLODIPINE BESYLATE	Tier 1	Heart/angina	\$ 16.43	\$ 4.93	\$ 10.00	\$ (5.07)
HYDROCHLOROTHIAZIDE	Tier 1	bloop pressure	\$ 7.63	\$ 2.29	\$ 10.00	\$ (7.71)
ZOLPIDEM TARTRATE	Tier 1	sleeping aid	\$ 18.44	\$ 5.53	\$ 10.00	\$ (4.47)
LISINOPRIL-HYDROCHLOROTHIAZIDE	Tier 1	Blood Pressure	\$ 15.03	\$ 4.51	\$ 10.00	\$ (5.49)
ACTOS	Tier 2	Diabetes	\$ 235.00	\$ 70.50	\$ 30.00	\$ 40.50
SINGULAIR	Tier 2	asthma/allergy	\$ 141.41	\$ 42.42	\$ 30.00	\$ 12.42
LEXAPRO	Tier 3	Anti depreesant	\$ 101.48	\$ 30.44	\$ 50.00	\$ (19.56)
AMOX TR-POTASSIUM CLAVULANATE	Tier 1	Antibiotic	\$ 30.86	\$ 9.26	\$ 10.00	\$ (0.74)



ANY QUESTIONS



# HEALTH CARE CLINIC SERVICES

- ⦿ Primary Care visits at no cost to employee at time of service.
- ⦿ All Lab work done in clinic at no cost to employee.
- ⦿ Prescription Drugs dispensed through the clinic at no cost to employee.
- ⦿ Wellness and disease management performed through clinic.
- ⦿ Annual Health Risk Assessment performed by clinic personnel:
  - ⦿ Blood work – 30 different tests
  - ⦿ Height & Weight
  - ⦿ Blood Pressure Checks
  - ⦿ Each participant receives Risk Assessment
  - ⦿ Doctor will call high risk and medium risk members for visit to clinic to discuss Risk Assessment

# HEALTH CARE CLINIC SERVICES CONT'

- ⦿ Office Visits will be for 20-30 minutes with doctor
- ⦿ Same day appointments in most cases
- ⦿ No waiting in office
- ⦿ Office staffed by MD and two nurses (minimum staffing levels)
- ⦿ Flexible hours determined by the County
- ⦿ Clinic charges a flat hourly rate for time (\$3,462 per day) only billed when clinic is open.
  - ⦿ Staff Time
  - ⦿ Risk Assessment
  - ⦿ Supplies and prescriptions are a pass through cost paid monthly
- ⦿ Ability to provide wellness visits to offset new laws.
- ⦿ Approximate annual cost is \$1 million

**CARE ATC  
ESTIMATED FIXED COST BREAK OUT  
WILLIAMSON COUNTY**

	<b>Fixed Cost Per Day</b>	<b>% Breakout</b>
Clinic Salaries and Benefits (Physician, Nurse, Clerical/Medical Assistant)	\$1,740.88	50.30%
Annual Personal Health Assessment for Each Adult (Employee & Spouse)	\$553.76	16.00%
Central Office Support (Phones, Data Entry)	\$256.11	7.40%
Medical Directors, Management, Overhead, Information Systems, Insurance	\$910.24	26.30%
<b>Total Operations Cost Per 8 Hour Day</b>	<b>\$3,461.00</b>	<b>100.00%</b>
	<b>Total Cost</b>	<b>% Breakout</b>
Clinic Salaries and Benefits (Physician, Nurse, Clerical/Medical Assistant)	\$435,330.75	50.30%
Annual Personal Health Assessment for Each Adult (Employee & Spouse)	\$138,440.00	16.00%
Central Office Support (Phones, Data Entry)	\$64,028.50	7.40%
Medical Directors, Management, Overhead, Information Systems, Insurance	\$227,560.75	26.30%
<b>Total Operations Cost for 5 days per Week</b>	<b>\$865,250.00</b>	<b>100.00%</b>
Total Variable Costs	\$100,000.00	
Total Implementation Costs	\$10,000.00	
Total First Year Cost of Clinic Operations	\$975,250.00	

**Cost does not include facility costs such as lease, utilities, etc.**