



Blount County Government HR/Insurance Committee

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Presented by:

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Topics –Employee Benefit Planning

- 2017 Medical Utilization
- Current Vendors
- Overview and 2019 Recommendations
- Wellness Incentives

Metric	Actual			Benchmark	Current Period Comparison to Benchmark
	Jan 2016 - Dec 2016	Jan 2017 - Dec 2017	% Change		
Cost Summary					
Medical Plan Paid	\$11,609,741	\$12,413,401	6.9%	-	-
Pharmacy Plan Paid	\$4,188,639	\$4,783,351	14.2%	-	-
Total Plan Paid	\$15,798,380	\$17,196,752	8.9%	-	-
PEPM Summary					
Medical Plan Paid PEPM	\$565.97	\$614.10	8.5%	\$490.03	25.3%
Pharmacy Plan Paid PEPM	\$204.19	\$236.64	15.9%	\$166.37	42.2%
PMPM Summary					
Medical Plan Paid PMPM	\$262.90	\$281.43	7.0%	\$242.58	16.0%
Pharmacy Plan Paid PMPM	\$94.85	\$108.44	14.3%	\$82.36	31.7%
Place of Service Summary (PMPM)					
Inpatient Hospital Plan Paid	\$73.01	\$67.34	-7.8%	\$72.98	-7.7%
Outpatient Hospital Plan Paid	\$83.82	\$95.70	14.2%	\$76.82	24.6%
Office Plan Paid	\$48.52	\$59.21	22.0%	\$55.81	6.1%
Emergency Room Plan Paid	\$30.40	\$29.62	-2.6%	\$10.90	171.7%
Skilled Nursing Facility Plan Paid	\$1.59	\$1.24	-21.7%	\$0.47	164.5%

* **Pharmacy claims do not include rebates received (\$500,000+)**

* **Expected high cost claimant to exceed stop-loss limit for 2018**

Notes:

- Data is run on a paid basis, 2016 & 2017.

Comments:

- Medical Plan Paid PEPM and PMPM have increased approximately 8% in the current period. Both metrics are above the benchmark, by 25.3% and 16.0%, respectively.
- Inpatient Plan Paid has decreased in the current period. This is due to both lower frequency and severity of admissions.
- Outpatient Hospital Plan Paid has increased 14.2% in the current period. There are three claimants with over \$100K in outpatient spend, each with a different type of cancer. When excluding these claimants, the PMPM drops to \$85.16.
- ER Plan Paid PMPM is in line with prior year's total, but is still well above the benchmark, by 171.7% in the current period. Chest Pains account for 22.9% of all diagnoses in the ER, leading to x-rays, CT scans, and MRIs accounting for 22.6%.

Potentially Avoidable Emergency Room Visits:

Potentially avoidable emergency room visits are ER Visits which could have been appropriately managed in another setting such as a primary care provider, office or clinic.

Deerwalk's potentially avoidable emergency room visit logic is based on a study by Medi-Cal. Potentially avoidable diagnoses are grouped into conditions. When an emergency room visit is flagged with one of these conditions as the primary diagnosis it is tagged as potentially avoidable.



2018 – Current Vendors

- Allegiance (medical / FSA)
 - Employers Health / CVS Pharmacy
- PartnersRE (stop loss)
- Delta Dental of Tennessee (dental)
- Superior Vision (vision)
- Dearborn (term life, STD, LTD)
- Colonial (voluntary benefits: critical illness, accident, cancer, whole life)
- Convenient Care Plus (telemedicine, Call-a-doc)
- BariNet (bariatric surgery)
- Blount Discount Pharmacy (tobacco cessation)
- Interactive Health (wellness)



Medical Insurance Administrative Services

- **Allegiance**

- All medical claims and administration
- Consolidated billing
- Direct contracting
- Feeds to Pharmacy Benefit Manager and Stop-Loss
- Exceeds all performance guarantee metrics
- CIGNA Network discounts
 - Cumulative of 59.52%
 - Humana hovered around 55%
- Monthly reporting
- Semi-annual in-person review
- Flexible, responsive, and pleasant to work with

- **Renewal not yet received**

- Recommend stay with Allegiance & CVS Caremark (Employers Health)



Performance Guarantee Reporting

I. Medical Time to Process	Goal	Q1	Q2	Q3	Q4	YTD
Medical Time to Process	90% in 14 days	97.6	98.4	99.0	97.8	98.2
II. Medical Call Services	Goal	Q1	Q2	Q3	Q4	YTD
Average Speed of Answer	30 seconds	86.2%	95.4%	95.9%	95.9%	93.4%
Abandonment Rate	<3%	2.6%	1.1%	1.2%	1.1%	1.5%
First Call Resolution		99.6	99.2	98.9	99.6	99.3
Total Calls	N/A	966	926	936	566	3,394
III. Medical Claim Quality	Goal	Q1	Q2	Q3	Q4	YTD
Financial Accuracy	99%	99.8	99.9	99.7	99.9	99.8
Processing Accuracy	95%	99.7	99.8	99.7	99.4	99.7



Medical – Current Plan

Benefits		Current Plan	
Deductible (Ind/Fam)		\$750 / \$1,500	
Coinsurance (Plan/Employee)		85% / 15%	
Medical Out of Pocket Maximum		\$3,000 per covered person	
Prescription Out of Pocket Maximum		\$2,000 per covered person	
Prescription Drug Copays		Generic - \$10 copay Preferred Brand – 30% to a max \$60 copay Non-Preferred Brand – 40% to a max \$100 copay Specialty – 50% to a max \$200 copay	
Current Rates	Blount County	Employee	Total Rate
Employee Only	\$475.00	\$85.00	\$560.00
Employee + Spouse	\$1,085.00	\$200.00	\$1,285.00
Employee + Child(ren)	\$1,085.00	\$175.00	\$1,260.00
Family	\$1,085.00	\$225.00	\$1,310.00





Medical – Renewal Plan

Benefits		Renewal Plan	
Deductible (Ind/Fam)		\$750 / \$1,500	
Coinsurance (Plan/Employee)		85% / 15%	
Medical Out of Pocket Maximum		\$3,000 per covered person	
Prescription Out of Pocket Maximum		\$2,000 per covered person	
Prescription Drug Copays		Generic - \$10 copay Preferred Brand – 30% to a max \$60 copay Non-Preferred Brand – 40% to a max \$100 copay Specialty – 50% to a max \$200 copay	
Renewal Rates	Blount County	Employee	Total Rate
Employee Only	\$500.00		
Employee + Spouse	\$1,140.00		
Employee + Child(ren)	\$1,140.00		
Family	\$1,140.00		





Flexible Spending Account (FSA)

- **Allegiance**
 - \$5.25 per employee per month (administrative fee)
 - Moved from Ameriflex in 2018
 - In the first quarter since moving there has been a significant reduction in disruption over Ameriflex
- Administrative fees will remain the same for 2019
- The Medical FSA and the Dependent Care FSA allow employees to set aside money pre-tax for approved medical and dependent care expenses.
 - Benefit to Employee – they pay no Federal, FICA or State taxes on the amount deducted from their pay
 - Benefit to Employer – not required to pay the employer portion of the Social Security tax (7.65%) on employee contributions to the FSA.



Dental Plan – Delta Dental of TN

The County pays all but \$5 of the employee only cost

- Employee Only: \$22.14 per month (Blount County pays \$17.14 and Employee pays \$5.00)
- Family: \$69.46 per month (Blount County pays \$17.14 and Employee pays \$52.32)
- Change in funding:
 - 35 employees dropping plan (due to double coverage or lack of need)
 - \$9,298.80 in savings
 - Premium differential saved \$113,578 in total dental premiums paid by the County
- Requested renewal – 17% increase (if offered as a single option)
 - 2 year loss ratio of 103.6% (\$2,166,489 in Claims / \$2,091,239.20 in Premiums)
 - 4 years of same charged total rates
- Recommend dual option to allow employees to purchase up to a higher maximum benefit
- Reviewed self-funded arrangement as an alternative



Delta Dental – Current Plan

Benefits	Current Plan
Annual Maximum	\$1,000
Deductible (Ind/Fam)	\$50 / \$150
Ortho Lifetime	\$1,000
Preventative/Basic/Major/Ortho	100% / 80% / 50%
Preventative Excluded from Max	No

Current Rates	Blount County	Employee	Total Rate
Employee Only	\$17.14	\$5.00	\$22.14
Family	\$17.14	\$52.32	\$69.46
Renewal Rates	Blount County	Employee	Total Rate
Employee Only			\$26.04
Family			\$81.68

**Renewal rates are based on a single dental plan being offered. These rates are subject to change if a dual plan is offered.*





Delta Dental – Current Plan (w/Preventative Excluded from Maximum)

Benefits	High Plan
Annual Maximum	\$1,000
Deductible (Ind/Fam)	\$50 / \$150
Ortho Lifetime	\$1,000
Preventative/Basic/Major/Ortho	100% / 80% / 50%
Preventative Excluded from Max	Yes

	Blount County	Employee	Total Rate
Employee Only			\$27.22
Family			\$85.40

**Rates are based on a single dental plan being offered. These rates are subject to change if a dual plan is offered.*





Delta Dental – High Plan (Option)

Benefits	High Plan
Annual Maximum	\$2,000
Deductible (Ind/Fam)	\$50 / \$150
Ortho Lifetime	\$1,000
Preventative/Basic/Major/Ortho	100% / 80% / 50%
Preventative Excluded from Max	Yes

	Blount County	Employee	Total Rate
Employee Only			\$31.14
Family			\$107.84

**Rates are based on a single dental plan being offered. These rates are subject to change if a dual plan is offered.*





Vision Plan – Superior Vision Services

- Rate hold
- Recommend staying with Superior
- No current issues

Current Rates	Blount County	Employee	Total Rate
Employee Only	\$0.00	\$8.88	\$8.88
Employee+Spouse	\$0.00	\$17.53	\$17.53
Employee+Child(ren)	\$0.00	\$17.18	\$17.18
Family	\$0.00	\$26.15	\$26.15



Term Life/Disability

- Dearborn
 - Rate Hold
 - Basic Term Life and AD&D – County pays 100% for FT employees
 - Voluntary Term Life, Voluntary STD, and Voluntary LTD – Employees pay 100% of the cost (FT and PT employees)
- Recommendation
 - USABLE
 - Carrier Consolidation with other voluntary products
 - Short-Term Disability product specifically for teachers
 - Matching rates
 - New guarantee issue for all product lines, beneficial for those who have previously declined enrollment
 - Will help educate employees throughout the open enrollment process





Voluntary Products (Critical Illness, Cancer, Accident and Whole Life)

- Colonial
 - Provides enrollers for all BC offered products
 - Currently covers \$4 Per Enrolled Employee Per Month towards F.S.A. administration
- USABLE
 - Recommendation for 2019 enrollment
 - Will provide paid Substitute teachers to help alleviate enrollment issues
 - Will cover \$5.25 Per F.S.A. Enrolled Employee Per Month towards F.S.A. Administration
 - Will work to try to implement all products on the Kronos platform, and cover any costs associated with changes made to the interface
 - Enrollers employed by USABLE and salaried
 - Works with 85 school districts and 45 Municipalities in TN



Additional Products



Convenient Care Plus

- **Telemedicine – Level 3**

- Voluntary product at \$10 rate per month per enrolled employee (covers employee and family members)
- Access to a doctor 24 hours a day by phone or video for treatment of minor illnesses / injuries (skin conditions, upper respiratory infections, urinary tract infections, bronchitis, allergies, pink eye, sinusitis, earaches, strep throat, sore throat, minor strains & sprains)
- Prescriptions sent to your local pharmacy - includes Generic Drugs (if on their the list) - at no cost to the member
- No changes for 2019



Convenient Care Plus

- **Telemedicine - Level 2**
 - \$15 Employee Cost / \$30 Family Premium
 - \$30 Copay for CVS/Walgreens walk-in clinics
 - Includes all of the benefits under the telemedicine/pharmacy
- **Utilization (1/1/18 – current)**
 - 50 Call-A-Doc visits (Level 2 and Level 3 combined)
 - 6 Walk-in Clinic visits (Level 2 only)
 - 109 enrolled (Level 2 and Level 3 combined)



Utilization Report for 01/01/2018 - 03/31/2018 Blount County Government (Group Number: BLNT9199)

CONSULTATION REPORT	MEMBERS	CONSULTATIONS	UTILIZATION
Primary Members	109	24	22.02%
Dependents	226	26	11.50%
Total Members	335	50	14.93%
Estimated Annualized Utilization %*			60.30%

Where Member Would Have Gone		COST	SAVINGS
Primary Care Physician	35	\$142.00	\$4970.00
Urgent Care Clinic	14	\$173.00	\$2422.00
Emergency Room	1	\$1201.00	\$1201.00
No Treatment	0	-	-
Total	50		\$8593.00

Rx REPORT	
Total Consultations	50
# Consults with Rx	48
# Consults with no Rx	2
% Consults with Rx	96.00%
Total Rx	89
Avg # Rx Per Consult	1.85

TOP PRESCRIPTIONS

ZITHROMAX CAPSULES (250 MG)
 MEDROL DOSEPAK TABLET (4 MG)
 MEDROL DOSEPAK (4 MG)
 TAMIFLU CAPSULE (75 MG)
 AMOXCILLIN TABLETS (500 MG)

TOP DIAGNOSES

Acute sinusitis, unspecified
 Acute upper respiratory infections of unspecified site
 Acute bronchitis
 Sore Throat Acute pharyngitis
 Influenza with other respiratory manifestations



BariNET

- Provides coverage for certain bariatric procedures
 - Only available to full time employees, enrolled on the medical plan with at least 1 year of employment
 - Not available for dependents
 - 2 currently going through the approval process
- No cost Per Employee Per Month to the County
 - The member copay for the procedure is \$5,000
 - The member is also responsible for any deductible, coinsurance, or other applicable charges for office visits.
 - Services must be performed by a BariNET provider to be eligible.



Additional Product available through USAbLe

- Hospital Indemnity
 - Provides cash payout to member in the event of a hospitalization
 - Benefit is paid directly to the member with no coordination of benefits with the medical plan
 - Guarantee Issue is also available
 - Premiums 100% paid by employee
 - Needs approval to be offered (new benefit)



Tobacco Cessation

- Resolution adopted 1/1/2018
- Blount Discount Pharmacy is hosting the Tobacco Cessation
- 4 people have enrolled in the program so far
- Currently, no differentiation in cost based on Tobacco Status
- Participation would likely increase if incentives were available



Interactive Health - Wellness

- Resolution adopted 1/1/2018
- Onsite biometric screenings are currently being scheduled for later this year (May)
- Participation in biometric screenings will be voluntary for 2018
- Based on an online employee survey conducted by HR, employee participation in a wellness program would likely increase if incentives were offered



Thank you!