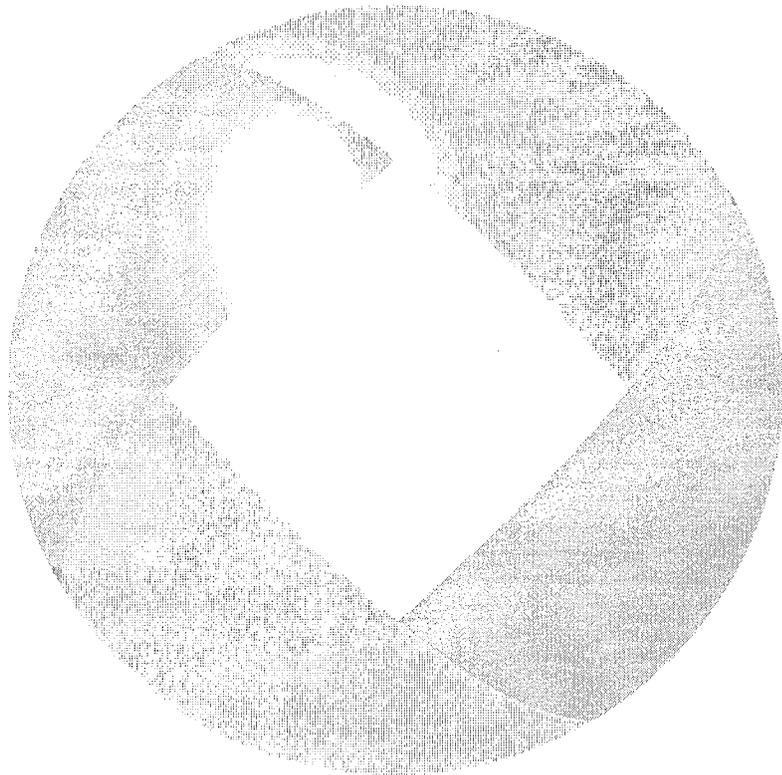


BCC INFORMAL REGULAR SESSION

DATE: Wednesday, September 9, 2015

<u>NAME</u>	<u>TITLE</u>	<u>AFFILIATION</u>	<u>PHONE/EMAIL ADDRESS</u>
1. <u>Brian McCormick</u>	<u>Managing Director</u>	<u>None</u>	<u>513-519-7585</u> ^{brian.mccormick@chemcastinteractive.com}
2. <u>Bob Sander</u>	<u>HR</u>		
3. _____	_____	_____	_____
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Clermont County
2016 Renewal Formal Session
September 9, 2015
Steve Ashe, CEBS, Account Manager



- 1. Medical Claims Update**
- 2. 2016 Medical Renewal Overview**
 - Administration and Stop Loss Renewals
 - Health Care Reform
 - 2016 Total Projected Medical Costs
- 3. Medical Plan Changes Overview**
- 4. Employee & County Contributions**
- 5. 2016 Dental Renewal**
 - 4 Tier Rates/Contributions
- 6. Vision 4 Tier Rates/Contributions**
- 7. 2016 Ancillary Renewal**
- 8. Worksite Voluntary Benefits**
- 9. Primary Care Physician Program (Wellness) Update**

Claims Update – 2015 YTD



The chart below compares our 2015 projected costs with actual monthly claims/fixed costs through July. YTD Clermont County is running at 85% of expected:

	Enrolled	Medical Claims	Rx Claims	Total Claims	Fixed Costs	Total Plan Cost	Expected Plan Costs ²	Loss Ratio
Jan-15	1,017	\$500,143	\$115,072	\$615,215	\$126,776	\$741,991	\$950,741	78%
Feb-15	1,024	\$608,699	\$131,376	\$740,075	\$127,648	\$867,723	\$957,285	91%
Mar-15	1,015	\$656,130	\$128,110	\$784,240	\$126,526	\$910,766	\$948,872	96%
Apr-15	1,014	\$430,587	\$123,418	\$554,005	\$126,402	\$680,407	\$947,937	72%
May-15	1,016	\$506,495	\$134,903	\$641,398	\$126,651	\$768,049	\$949,807	81%
Jun-15	1,015	\$608,056	\$140,399	\$748,455	\$126,526	\$874,981	\$948,872	92%
Jul-15	1,017	\$547,418	\$155,847	\$703,265	\$126,776	\$830,041	\$950,741	87%
Aug-15								
Sep-15								
Oct-15								
Nov-15								
Dec-15								
Total	1,017	\$3,857,528	\$929,125	\$4,786,653	\$887,306	\$5,673,959	\$6,654,256	85%

Claims Over Individual Stop Loss Deductible (\$200,000)	\$0
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Net of Claims Over Individual Stop Loss Deductible (\$200,000)	\$4,786,653
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\$887,306	\$5,673,959
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\$6,654,256	85%
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Humana administration and stop loss renewals for 2016:

- **Administration:** Humana offered a rate hold.
 - The 2016 Human renewal had a 2.5% cap as a result of negotiations last year. Humana agreed to offer a rate hold for 2016 due to not marketing the administration.

- **Specific Deductible Stop Loss:** Humana offered a 5.9% increase.
 - 2013: Humana paid out \$1,900,000 in stop loss reimbursement.
 - 2014: Humana did not pay out any stop loss reimbursement.
 - 2015: Year to date (July) Humana has not paid out any stop loss reimbursements
 - HORAN is currently conducting a full market bid to ensure Clermont County is receiving competitive stop loss pricing.

- **Aggregate Stop Loss:** Humana offered a 3.2% increase.

Recommendation: Renew with Humana administration. Evaluate the stop loss market.

Clermont County will continue to pay Health Care Reform taxes and fees:

- Transitional Reinsurance Plan (TRP) fee which has decreased from \$63 per member per year (paid in 2015) to \$44 pmpy (paid in 2016)
- Patient Centered Outcome Research Institute (PCORI) fee which has increased from \$2.08 pmpy (paid in 2015) to an estimated \$2.25 pmpy (paid in 2016)
- Based on an average membership count of 2,391 this equates to \$110,584 in taxes and fees
 - PCORI fee is estimated based on inflation/trend as a final number is yet to be released

Clermont County will be responsible for 1094/1095 reporting requirements due January 31, 2016 (form to employees) and March 31, 2016 (transmittal to the IRS).

- Reporting is based on 2015 plan year enrollment

Currently OH requires medical coverage be offered to dependents up to age 28 (given certain requirements are met).

H.B. 201 was passed earlier in 2015 that limits the dependent age to 26.

- Age 26 matches the federal age guidelines

2016 Total Expected Costs



The following includes a claims projection with data through July. Total medical costs are expected to increase 3.0%, \$341,365 (claims projection is final and will not be updated again).

	2015 Annual	2016 Annual	% Change	\$ Change
Administration	\$561,872	\$561,872	0.0%	\$0
Stop Loss	\$959,437	\$1,015,255	5.8%	\$55,818
Claims Projection	\$9,352,782	\$9,683,353	3.5%	\$330,570
HCR Taxes/Fees	\$155,606	\$110,584	-28.9%	(\$45,022)
County Administration Fee	\$120,000	\$120,000	0.0%	\$0
HSA Contributions	\$259,200	\$259,200	0.0%	\$0
TOTAL	\$11,408,898	\$11,750,263	3.0%	\$341,365

Claims increase for including coverage for Cochlear Implants is included in the above claims projection. ~\$51,000 increase

HORAN, Human Resources and the Health Advisory Committee discussed several changes for 2016.

Recommendation: Include coverage for Cochlear Implants with limitations.

- Of the changes we reviewed, Cochlear Implants are the only benefit standardly covered by other medical carriers that is not covered by Humana.
- Cochlear Implants - A **cochlear implant** (CI) is a surgically implanted electronic device that provides a sense of sound to a person who is profoundly deaf or severely hard of hearing. **Cochlear implants** may help provide hearing in patients who are deaf because of damage to sensory hair cells in their cochlea.

HORAN, Human Resources and the Health Advisory Committee developed and discussed several contribution scenarios. This year employees that participated in the PCP Initiative will receive discounted rates as illustrated below.

Recommendation:

CDHP

Contributions Per Pay		Non PCP Participation		\$ Increase	PCP Participation		\$ Increase
Tier	County Share	Employee Share	Employee Share	Employee Share	Employee Share	Employee Share	Employee Share
Single	\$183.63	\$27.00		\$5.04	\$22.00		\$0.04
EE + Spouse	\$351.94	\$89.89		\$10.23	\$79.89		\$0.23
EE + Child(ren)	\$293.29	\$71.58		\$5.19	\$66.58		\$0.19
Family	\$569.35	\$119.25		\$13.83	\$109.25		\$3.83

Continue with the annual HSA Contribution of \$600 single and \$1,200 All other tiers

NPOS

Contributions Per Pay		Non PCP Participation		\$ Increase	PCP Participation		\$ Increase
Tier	County Share	Employee Share	Employee Share	Employee Share	Employee Share	Employee Share	Employee Share
Single	\$226.78	\$37.99		\$5.20	\$32.99		\$0.20
EE + Spouse	\$433.68	\$121.83		\$10.60	\$111.83		\$0.60
EE + Child(ren)	\$361.42	\$98.19		\$5.49	\$93.19		\$0.49
Family	\$702.08	\$165.16		\$15.34	\$155.16		\$5.34

2016 Dental Renewal & Contributions



Clermont County administration is under a rate guarantee until 1/1/17

HORAN updated the dental projection with data through July and total dental costs are expected to decrease 2.5%, \$13,039 (claims projection is final and will not be updated again).

Recommendation: Move to 4 Tier rates to match the medical.

Per Pay Rates

Funding Rates (Total Projected Cost)				Under a 4-Tier Structure	
Tier	<u>Current Enrollment</u>	<u>Current Rates</u>	<u>Renewal Rates</u>	<u>Current Enrollment</u>	<u>Renewal Rates</u>
Single	346	\$13.04	\$12.71	346	\$12.71
EE + Spouse	0	\$0.00	\$0.00	143	\$32.24
EE + Child(ren)	0	\$0.00	\$0.00	57	\$35.01
Family	451	\$37.35	\$36.40	251	\$39.09

Vision 4 Tier Rates & Contributions



Clermont County is under a rate guarantee until 1/1/19

Recommendation: move to 4 Tier rates to match the medical and dental.

Per Pay Rates

Funding Rates (Total Projected Cost)			Under a 4-Tier Structure	
Tier	Current Enrollment	Current Rates	Current Enrollment	Renewal Rates
Single	259	\$2.97	259	\$2.97
EE + Spouse	0	\$0.00	118	\$6.60
EE + Child(ren)	0	\$0.00	44	\$6.91
Family	361	\$7.49	199	\$8.71

Voya offered the following renewals all guaranteed for two years:

- Basic Life and AD&D (revised renewal offering): 6.25% decrease, \$1,835
 - Initial renewal offer was a rate hold
- Voluntary Life and AD&D: Rate Hold
- Long Term Disability (LTD): 33.2% increase, \$6,847

HORAN conducted a full market bid for all lines of coverage and Symetra has provided the most competitive quotes for all lines of coverage. All rates guaranteed for 3 years:

- Basic Life and AD&D: 15% decrease, \$4,403
- Voluntary Life and AD&D: Matched current rates
- LTD: 14.4% decrease, \$3,150
 - Annual Savings = \$7,553
 - Three year savings = \$22,659

Recommendation: Change ancillary carriers to Symetra

HORAN, HR and the Health Advisory Committee explored two new Voluntary benefits to offer in 2016 in order to:

- Enhance the current benefits package
 - Compliment the current wellness program
 - Compliment the Consumer Driven Health Plan (CDHP)
1. **Critical Illness** – employees enroll at \$15,000 of coverage that is paid out if a covered individual incurs a specified critical illness. If a covered individual receives biometric screening they receive \$25, routine checkup they receive \$50 and if they have a follow up visit with their provider they receive another \$50. Total possible payout of \$125.
 2. **Accident** – fee schedule that pays out a flat dollar benefit based on type of service or accident incurred. If a covered individual receives a preventive service they will receive \$100.

Three finalist meetings were conducted and the preferred vendor is Trustmark based on rates, benefits and service capabilities.

Recommendation: Offer Critical Illness and Accident through Trustmark.

Encourage employees and spouses to receive a wellness exam/physical with their PCP. The PCP will sign off on a form indicating the member had his/her wellness exam/physical. Participation qualifies them for a percent or dollar reduction to premiums. Both the employee and spouse need to turn in signed vouchers or they are not classified as participating.

The strategy was implemented because it provides several additional benefits for Clermont County and your members:

- Promote a relationship between participants and their PCP, which will help steer care to the PCP rather than higher cost sources such as the ER.
- Incent employees to develop a relationship with a PCP, which will promote better coordination of care.
- Potential large claimants will be identified sooner when the cost of care / outcomes is more positive.
- Preventive services are at no cost to employees. Clermont would pay the cost as a claim, but this is a positive place to spend money.

Below is the timeline of the current program:

- **October 2014:** Communicate the program requirements during Open Enrollment
- **November 2014 through October 2015:** Employees receive their annual physical and turn in the signed PCP voucher form to qualify for discounted contributions
- **January 2016:** Employees receive \$5 per pay discount to single and employee/child(ren) tiers and \$10 per pay discount for employee/spouse and family tiers.

Year to date there the employee participation is 40%

Recommendation: Continue with the same PCP initiative, timeline and medical contribution discount incentive.



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Questions