

Volusia County Florida

Benefits and Health Plan Review and RFP Plan of Action

April 2, 2015

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Presentation Overview

1. Overview of Employee Benefits Offered
2. Information on Current Health Plan
 - a. Components
 - b. Benefits
 - c. Claims Trend
3. Financial Information on Plan
4. Current Status and Trends of Health Plans
5. RFP Timeline and Issues
6. Questions



County Sponsored Benefits

Employee Benefit	County Paid	County Amount	Employee Paid	Subscriber Enrollment
Health and Dental Plan Cost – Employee Only	✓	86%	✓	1,472
Health and Dental Plan Cost – Employee with Dependents	✓	71%	✓	1,339
Term Life Insurance – Basic	✓	100%		2,914
Term Life Insurance – Supplemental		0%	✓	2,401
Long Term Disability	✓	100%		2,914
Short Term Disability		0%	✓	2,314
Vision Insurance		0%	✓	1,270
Cancer, Heart & Stroke, and Critical Illness		0%	✓	1,248

Current Health Plan Overview

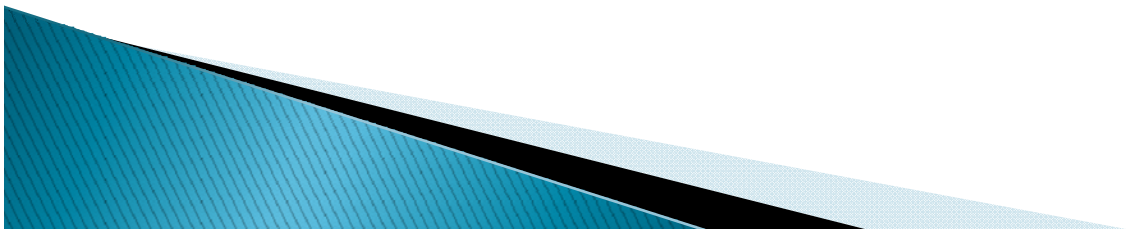
▶ Volusia Health Partnership Plan

- Plan Has Been Self-Funded Since 1993, Providing County Financial Flexibility
- Health Plan Coverage Has In-Network, Expanded-Network, and Out-of-Network Coverage (PPO Type Plan) and includes Medical, Pharmacy, and Dental Benefits
- Plan includes Several Components
 - Medical, Pharmacy, Dental, and Vision Plan Administration
 - Network Providers (Includes Local, regional, state, and national providers)
 - Plan Management (Pre-certification and prior authorization)
 - Employee Assistance Program

▶ Contracted Plan Administration

- Administered by a Third Party Administrator (TPA)
 - TPA Processes Claims and Provides Customer Service
 - Plan Administration Based on a Written Plan Document Specifically Designed for the County

▶ Health Partnership Plan Contracts Expire December 31, 2016



Health Plan Components

Current Arrangement

Component	Provider	Services
Third Party Administration (TPA)	HealthSmart (MedSave)	Medical, Dental, and Vision Claims Administration
Pharmacy	Catamaran (HealthSmart)	Retail and Mail Order Pharmacy
Provider Network Tier 1 Local	Volusia Health Network	Halifax Providers in Volusia and Flagler County
Tier 1 Local and Regional	Florida Memorial Health Network	Florida Hospital Providers in Volusia, Flagler, Lake, Seminole, Orange, and Osceola County
Tier 2 State and National	Multi Plan	State and National
Tier 1 Local	Doctors Professional Services	Chiropractic Network
Plan Management	KePro	Precertification and Prior Authorization
Employee Assistance Program (EAP)	Health Advocate	EAP Services

Health Plan Monthly Premiums

Category	Employee/Retiree Premiums Current	Employee/Retiree Premiums June 5, 2015 Paycheck
Active Employees		
Employee Only	\$32.50	\$54.17
Employee & Spouse	\$259.16	\$280.82
Employee & Children (1 or 2)	\$259.16	\$280.82
Employee & Family (Spouse and Child(ren) or 3 + Children)	\$364.93	\$386.60
Retirees With FRS		
Retiree Only	\$398.71	\$420.38
Retiree & Spouse	\$680.07	\$701.74
Retiree & Children	\$680.07	\$701.74
Retiree & Family	\$825.06	\$846.73

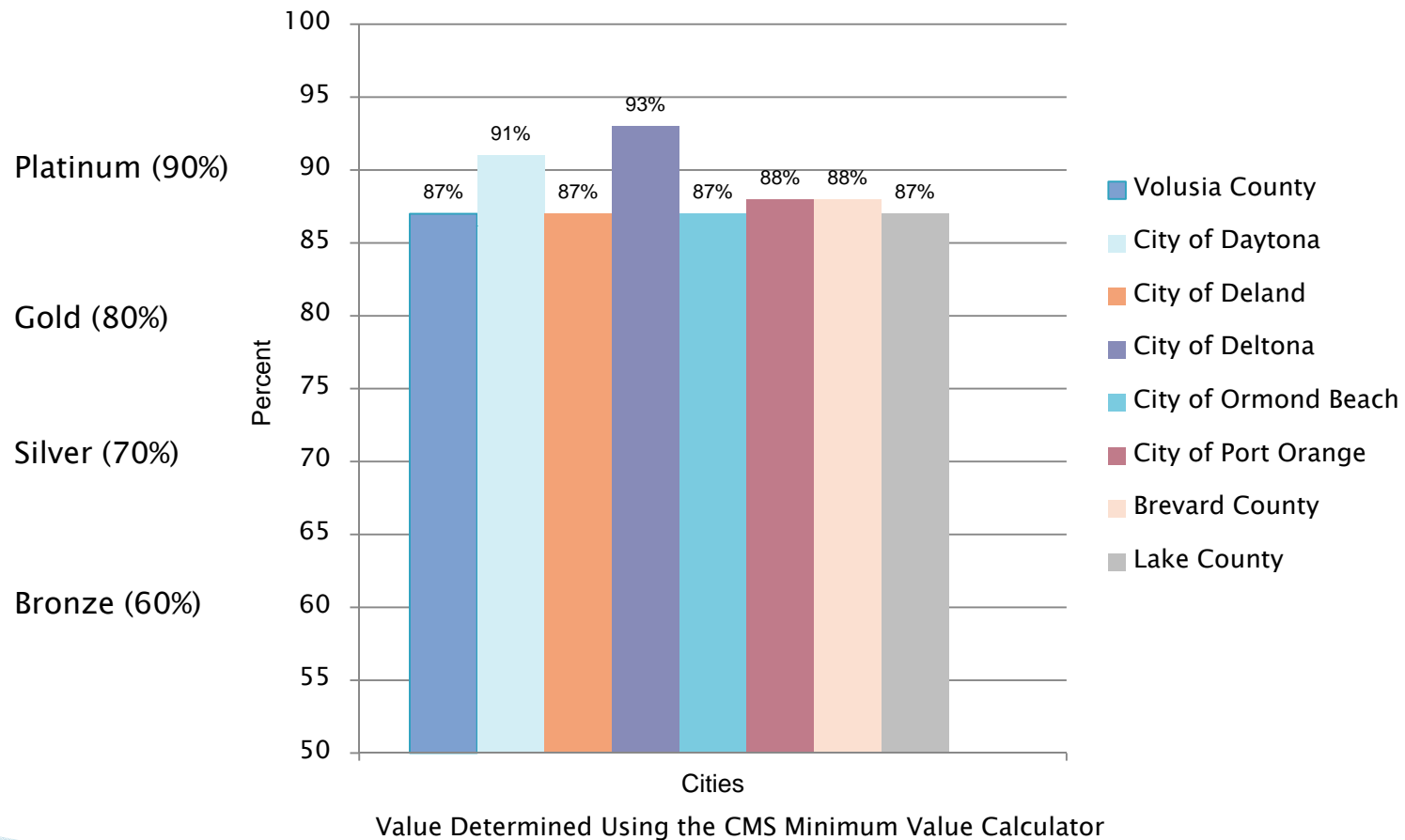
Volusia County Health Plan

Employee Out-of-Pocket Cost

Benefits	In-Network (Local/Regional)	Expanded- Network (State/National)	Out-of- Network
Deductible	\$250/\$750*	\$500/\$1,500**	\$2,000/\$6,000***
Annual Out-of-Pocket Limit	\$5,000/\$10,000	\$5,000/\$10,000	\$10,000/\$20,000
Office Visits	\$25/\$40	20%**	40%***
Urgent Care	\$50	20%	40%
Inpatient	\$250/Day 3 Days	20%**	40%***
Emergency Room	\$65	20%	40%
Outpatient Surgery	\$250	20%**	40%***
Major Radiology (CAT & MRI)	10% *	20%**	40%***
X-Ray	\$25	20%**	40%***
Pharmacy	\$20/\$35/\$55	\$20/\$35/\$55	50%***
- Coinsurance is the % Employee Pays of the Allowable Fee – Either Negotiated or Usual & Customary - Deductibles Applies * ** ***			

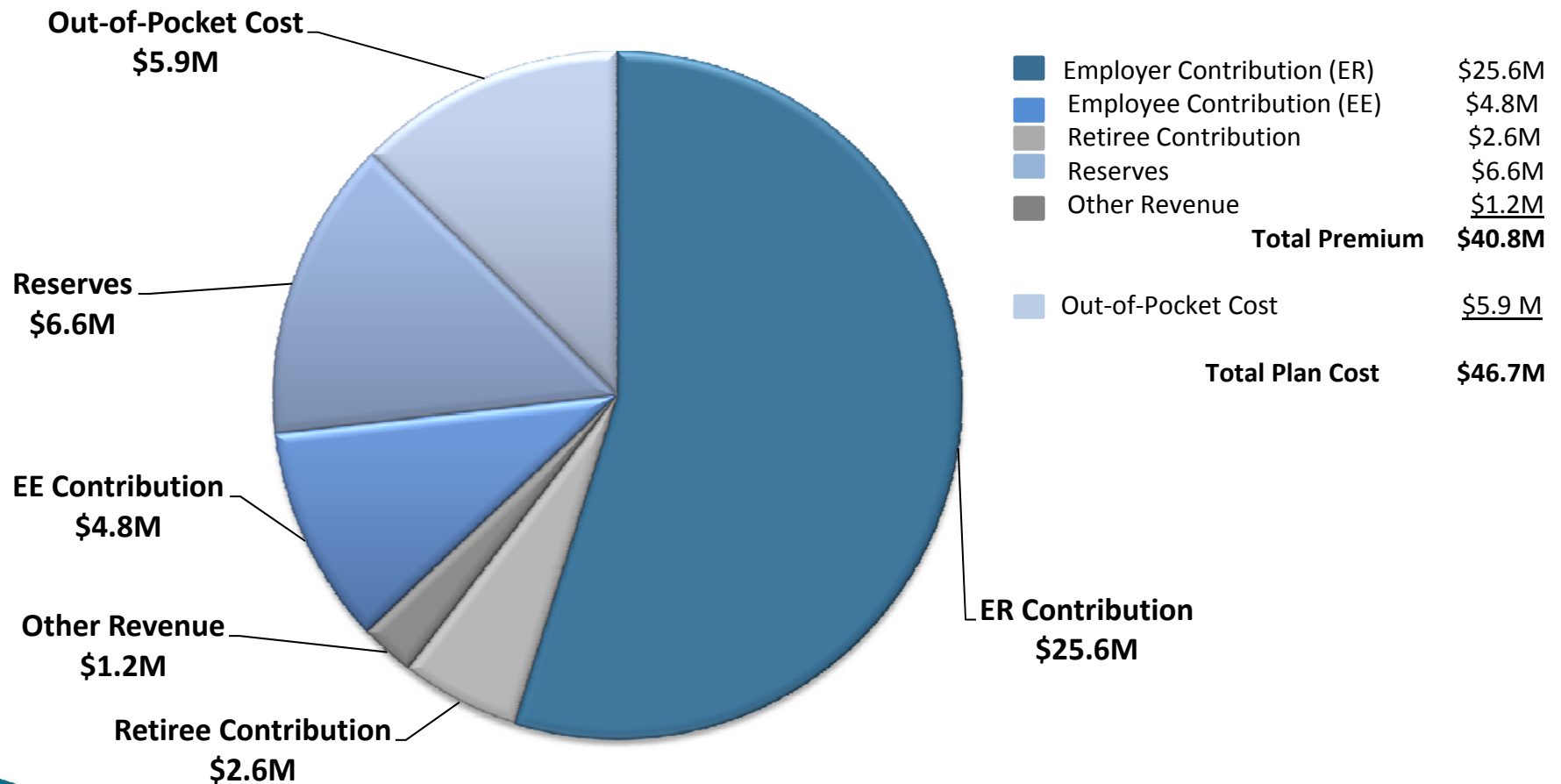
Health Plan Coverage Comparison

Average Minimum Value (2014)

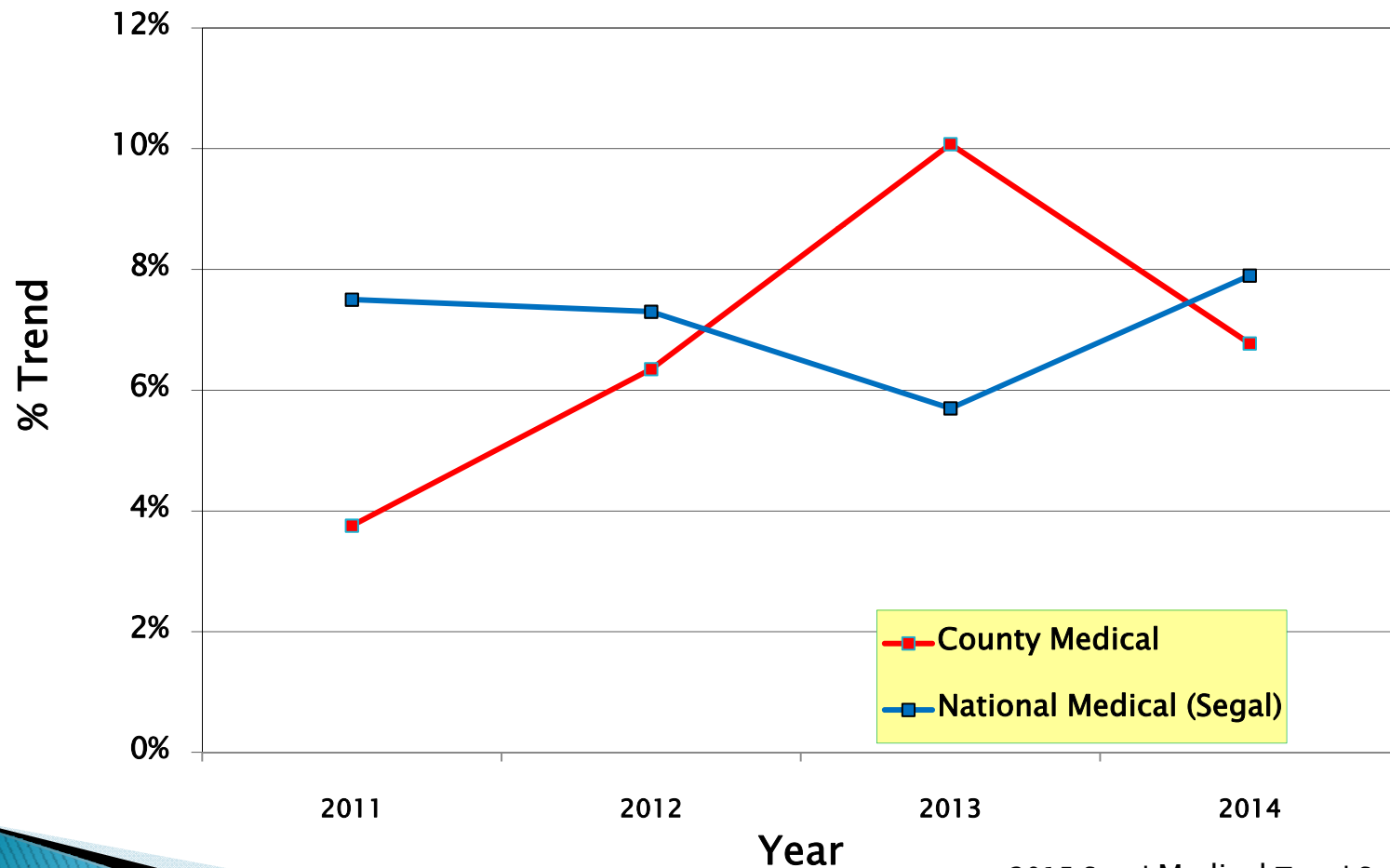


Health Plan Cost Breakdown (FY 2014)

Premium & Out-of-Pocket Costs

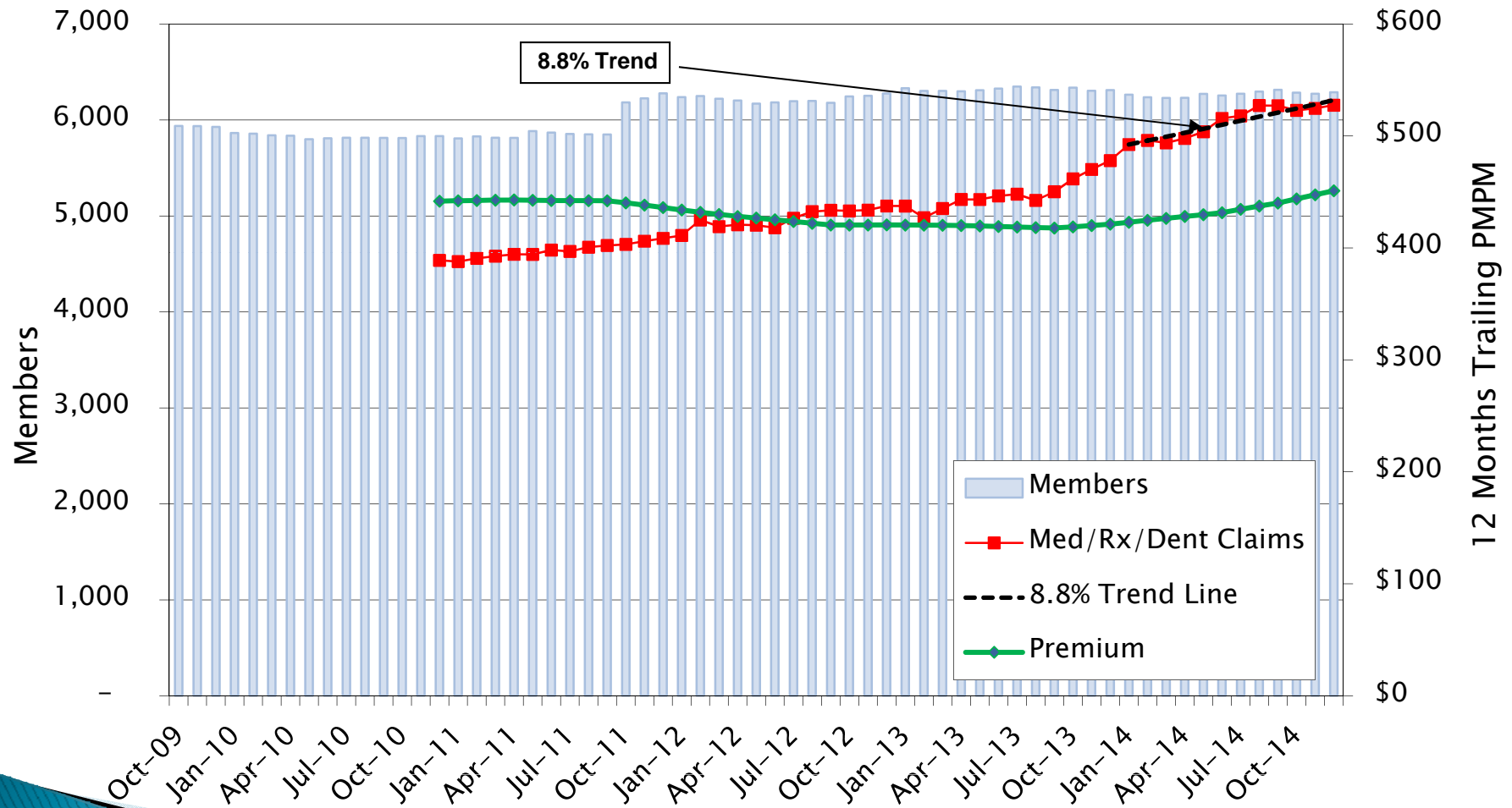


Medical Plan Trend Claims Impact County Compared to National



2015 Segal Medical Trend Survey

County Health Plan Claims Trend Through Dec. 2014



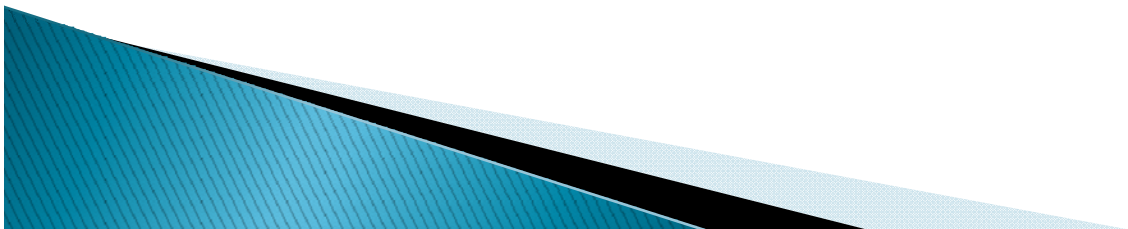
Health Fund Status and Projections

	FY 2014	FY 2015	%	FY 2016	%
	Actual	Projected	Change	Projected	Change
Revenue					
Employer Contributions	\$25,571,138	\$29,393,999	14.9%	\$32,472,545	10.5%
Other Revenue					
Employee Contributions (Including Dependents)	\$4,787,999	\$6,656,008	39.0%	\$7,652,488	15.0%
Retiree Contributions	\$2,601,487	\$2,758,022	6.0%	\$2,949,064	6.9%
Other Insurance Revenues	\$969,570	\$861,221	-11.2%	\$907,193	5.3%
Miscellaneous Revenues	\$306,377	\$181,826	-40.7%	\$181,826	0.0%
Use of One-time Reserves	\$6,560,994	\$2,822,202	-57.0%	\$2,296,841	-18.6%
Total Revenue	\$40,797,565	\$42,673,278	4.6%	\$46,459,957	8.9%
Plan Costs					
Claims Cost	\$39,759,731	\$41,633,436	4.7%	\$45,380,445	9.0%
Administrative Cost	\$1,037,834	\$1,039,842	0.2%	\$1,079,512	3.8%
Total Plan Cost	\$40,797,565	\$42,673,278	4.6%	\$46,459,957	8.9%
Reserves (Fund Balance)					
End of Year	\$17,773,991	\$14,951,789	-15.9%	\$12,654,948	-15.4%
60 Day Requirement *	\$6,706,449	\$7,014,785	4.6%	\$7,637,253	8.9%

* Per Florida Statutes

Pro-Active Measures to Help Manage the Health Plan

- ▶ Current Action for Improvements
 - Analyzing Financial and Utilization Patterns for Opportunities for Future Savings and Improvements
 - Increased Network Urgent Care Facilities
 - Increased Network Freestanding Facilities
 - Negotiated Changes to Pharmacy Benefit that is to Result in over \$2.0 million Savings Over Length of Contract
 - Maintained Florida Hospital Network in Surrounding Counties
 - Plan to Separate Vision and Dental Insurance from Medical With the Goal of Providing Improved Benefits at Same Cost
- ▶ Conduct Regular Claims Audits by Outside Firm
- ▶ Working With Unions on Plan Flexibility
- ▶ Beginning the RFP Process Early to Allow for Maximum Input



Current Trends of the Health Plans

- ▶ Self-Funded Health Plans for Large Employers
- ▶ Higher Out-of-Pocket Costs for Plan Users
- ▶ Patient Centered and Integrated Provider Delivery Systems
- ▶ Emphasis on Quality and Affordability
- ▶ Adherence Based Programs
 - Incentives for Health Related Improvements
 - Biometric Screening Results in BMI, Blood Pressure, Cholesterol, and Fasting Glucose
 - Tobacco Cessation Program
 - Gaps in Care Improvements
- ▶ Condition Specific Programs to Improve Health

Health Plan Direction

- ▶ Importance of Quality Care
 - Health Plan Coverage
 - Pharmacy Coverage
 - Quality of Providers
- ▶ Importance of Provider Network
 - Local Health Plan Network
 - Halifax and/or Florida Memorial Hospital Systems
 - Broad or Narrow Network of Physicians
 - Broad or Narrow Network of Pharmacies
 - Expanded Health Plan Network
 - Surrounding County Coverage
 - State and National Coverage
 - Centers of Excellence

Important Health Plan Issues for RFP

- ▶ Good Customer and Administrative Services
- ▶ Integration of Administrative Services
- ▶ Good Network Provider Access
- ▶ Patient Centered Programs for Health Improvement
- ▶ Guaranteed Costs
 - Medical Plan Guarantees
 - Administrative Fees
 - Network Discounts
 - Pharmacy Price Guarantees
- ▶ Assistance in Managing Future Costs



Timeline for Health Plan RFP Activity

Action	Timeline
Presentation to County Council on Plan Performance and RFP Process	April 2015
Meetings with Union Officials and Employees on Plan Performance and RFP Process	April 2015
Begin Health Plan Information Gathering Portion for the RFP	Summer 2015
Joint Workshop on Updated Health Plan Performance with County Council and Health Plan Review Committee	August 2015
Joint Workshop on Scope of Services with County Council and Health Plan Review Committee	September 2015
Council Approval of Scope of Services for RFP	October 2015
Release of RFP, Analyze Responses, and Make Recommendations	February – May 2016
County Council Analysis and Action on Health Plan Recommendations	May – June 2016
Negotiations with Unions on Impact of Health Plan Action	July – September 2016
Effective Date of New Contracts	January 1, 2017