Managing the Soaring Costs of Healthcare

October 6, 2017
9:00 – 10:15

Strategic Agility will provide the Resilient Management Solutions for the 2017-2018 Soaring Healthcare Revolution Costs
Mission Statement

To provide excellent service offering competitive health benefits and administrative services to eligible municipalities and other governmental entities in Texas and other states by utilizing innovative, viable, affordable alternatives while maintaining financial integrity.

Trustee Support

- Direct the organization in the best interests of the members
- Protect the interests of the organization’s membership
- Respect the membership by listening, communicating and understanding their interest
- Reflect on the organization’s performance
- Select talented people to lead the organization
- Inspect the performance of the organization
Manage the Chronic Disease States with some of the highlighted PEBA Effective Employee Benefit Solutions

- Pre Sixty-five Pool
- Active Pool
- UMR/UnitedHealthcare Network Access
- HITECH Sophistication
- Optum Complex: Centers of Excellence
- OptumInsight: Data Analytics and Pricing Transparency
- Optum Collaborative Care: Claim Integrity Audit
- Reinsurance Expertise
- Regulatory Benefits Compliance
- Prescription Pricing Review
- Medical Consult
- Behavioral Health
- Dermatology Services
- Procurement Negotiation
- AWP comparison over date range to actual cost
- Contract Details
- Therapeutic Alternative
- Utilization Summary
- Post Sixty-five Benefits
- Contract Details
- Therapeutic Alternative
- Utilization Summary
- 365 Healthcare Access
- 24 / 7 / 365 Healthcare Access

- Wells Fargo Prescription Pricing Review
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Insurance Mandate</td>
<td>Health Insurance Portability and Accountability Act 1996 Title II (HIPAA)</td>
<td>Free Marketing: ineffective in managing healthcare costs</td>
<td>Digital Devices</td>
</tr>
<tr>
<td><strong>Employer Mandate</strong>: Regulatory Reporting: ≥ 50 census: Applicable Larger Employer or Non Applicable Large Employer; 6055 and 6056 Forms: Individual Transmittal Jan 31, Aggregate Filing February 28 and E-Filing March 31, 2018</td>
<td>June 26 2015 Obergefell v Hodges: Same Sex Marriage Benefit Equity</td>
<td></td>
<td>Telehealth</td>
</tr>
<tr>
<td><strong>Cost Sharing Subsidies</strong>: 100%-400% Federal Poverty Level</td>
<td>W-2 Form: Benefit Cost Reporting ≥ 250 Employees</td>
<td>Potential State Risk Pool</td>
<td>Electronic Medical Records</td>
</tr>
<tr>
<td><strong>Reinsurance Trust Fund</strong>: Corridor Payment 12.6%</td>
<td>King v. Burwell: Subsidies for 100%-400% Federal Poverty Level, 12.6% corridor payment made</td>
<td>Catastrophic Plan Options</td>
<td>Provider Electronic Payment</td>
</tr>
<tr>
<td><strong>Prohibition of Lifetime Maximum for Essential Benefits</strong>:</td>
<td>State Mandates</td>
<td>Repeal Insurance Mandate and Employer Mandate</td>
<td></td>
</tr>
<tr>
<td><strong>FEOC Compliance</strong>: No Gender Discrimination in the Workplace</td>
<td>Pharmacare Cost Controversy: Opioid Addiction</td>
<td>Expansion of Pre-Tax Benefits: Health Savings Account H.S.A. cash out penalty 10% vs. 20%</td>
<td>Relay Credit Scores: Assessment due to uncompensated care/Prepay requirements</td>
</tr>
<tr>
<td><strong>FEOC Compliance</strong>: Sensitivity to Wellness Programs 30% Most Cost Effective Benefit Plan Differential for lack of participation in wellness programs, 50% differential for lack of participation in tobacco cessation programs</td>
<td>Disproportionate Share Hospital: Decrease assistance in provision of uncompensated care</td>
<td>Health Savings Accounts: Both spouse catch up allowances to $1,000 dollars</td>
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2017-2018 Healthcare Transformation
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<th>2017-2018 Healthcare Transformation</th>
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<tr>
<td><strong>PPACA</strong></td>
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<tr>
<td><strong>PACE:</strong> Community Rating for small groups &lt; 100 employees</td>
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<tr>
<td><strong>Illegal Dumping:</strong> into Insurance Marketplace, Tricare, Medicare, Medicaid</td>
</tr>
<tr>
<td><strong>Patient Centered Outcome Research Institute (PCORI):</strong> $2.36 PMPY October 2, 2017-Jan 1, 2018, Jan 2, 2018-October 1, 2018 $2.46 PMPY</td>
</tr>
<tr>
<td><strong>Healthcare Affordability:</strong> &lt; 9.69 of Box 1 W-2 Form</td>
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<tr>
<td><strong>Coverage of Dependents:</strong> until attained age 26</td>
</tr>
<tr>
<td><strong>Ten Essential Benefits:</strong> Ambulatory/Outpatient Care, Emergency Room, Inpatient Care, Prenatal Care-Maternity and Well-baby Care, Mental Health Parity, Prescription Drugs, Rehab/Habilitative, Lab Tests, Preventive Services, Pediatric Vision/Dental within Medical PlanQualified Health Plan no coverage for abortion unless life threatening or rape/incest)</td>
</tr>
<tr>
<td><strong>Maximum Out of Pocket (MOOP):</strong> 2017 $6,650 Individual/Family $13,100</td>
</tr>
</tbody>
</table>
## 2017-2018 Healthcare Transformation

|-------|------------|----------------------------------------------------------------------------------------|--------------------------------------------|
| **No Cost Share Benefits:**
*Women’s Health and Cancer Act, Wellness and Prescription Benefits* |  | 2020 repeal ACA income-based premium tax credits |  |
| **No Cost Share Benefits:**
US Preventive Task Force |  | **State Roles:** Develop short-term block grant programs called the Market-based Health Care Grant Program. No block grant program funding authorized or appropriated after 2026, develop program for high-risk individuals, reinsurance program to stabilize premiums, direct payments to health care providers, reduce deductibles and other cost sharing risk, program to assist in non-group purchasing, 15% allotment for Medicaid, provision of coverage for non Medicaid/CHIPS participants, ombudsman program, Medicaid work requirement for nondisabled/nonelderly |  |
| **Small Business Tax Credit** |  |  |  |
| **Support of Medicaid Expansion:**
Elderly adults and disabled adults |  |  |  |
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<tbody>
<tr>
<td><strong>Cadillac Tax Delay:</strong> 2020</td>
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<tr>
<td><strong>Actuarial Value of Benefit Plans:</strong> 60% benefit percentage for network services delay deductible cap $2,000 and $4,000 family deductible (Discussion dental and vision under medical: preventive, and non-routine services)</td>
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<td><strong>Network benefit percentage for emergent services at OON provider</strong></td>
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<td><em>Refund of Medical Loss Ratio: Refund for Loss Ratio &lt; 85%</em></td>
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<td><strong>Ombudsman Program</strong></td>
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<td><strong>Appeal Process</strong></td>
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<td><strong>Benefit Plan Accreditation</strong></td>
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Stakeholders: Patient Protection Affordable Care Act

- **Employer Coverage**
  - 2010: 150 million people
  - 2017: 155 million people

- **Medicaid Expansion: Adults <138% of Federal Poverty includes Childless Adults & Disabled Adults**
  - 2010: 40 million people
  - 2017: 67 million people
    - 11 million made eligible by ACA
    - 51 million otherwise eligible
    - 6 million CHIP

- **Individual/Small Group Coverage**
  - 2010: 27 million
  - 2017: 24 million (fear of loss of coverage for 24 million), decrease due to increase in premium cost in 2017
    - 15 million Individual Marketplace
    - 9 million purchased outside the Marketplace

- **Uninsured**
  - 2010: 50 million
  - 2017: 26 million (10% of the population)

- **Better Care Reconciliation Act 2017 CBO 07/21/17**
  - 20 million more uninsured by 2026
  - Budget Savings 2017-2026, 420 billion due to Medicaid and Medicaid Expansion changes and ACA reduction of benefits
Stakeholders: Top 10 Priorities for Next President and Congress

1. Making sure that high-cost drugs for chronic conditions are affordable to those who need them (74%)
2. Government action to lower prescription drug prices (63%)
3. Making sure health plans have sufficient provider networks of doctors and hospitals (57%)
4. Protecting people from being charged high prices when they visit in-network hospitals or outpatient clinics but are seen by an out-of-network doctor (54%)
5. Making information comparing the quality of care provided by doctors and hospitals more available (53%)
6. Making information about the price transparency of visits, tests, and procedures more available (50%)
7. Making information about what doctors and hospitals are covered under different health plans more available (49%)
8. Helping people with moderate incomes pay high out-of-pocket costs for care (44%)
9. Repealing the requirement that nearly all Americans have insurance or pay a fine (38%)
10. Repealing the entire health care law (37%)

Stakeholders: Without Cost-Sharing Subsidies, 2018 Silver Plan Rates Would Rise 19% IEBP 13.1%

Premium increases to compensate for the loss of cost-sharing reduction payments, states using healthcare.gov

<table>
<thead>
<tr>
<th>State</th>
<th>Cost-Sharing Reduction Payments as a Share of Benchmark Silver Premiums for a 40-year-old in 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>MS</td>
<td>27%</td>
</tr>
<tr>
<td>FL</td>
<td>25%</td>
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<tr>
<td>AL</td>
<td>25%</td>
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<tr>
<td>SC</td>
<td>23%</td>
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<tr>
<td>GA</td>
<td>23%</td>
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<td>HI</td>
<td>21%</td>
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<td>TN</td>
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<td>IA</td>
<td>20%</td>
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<tr>
<td>NC</td>
<td>20%</td>
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<tr>
<td>TX</td>
<td>19%</td>
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<tr>
<td>MO</td>
<td>19%</td>
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<td>KS</td>
<td>18%</td>
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<td>VA</td>
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<td>OK</td>
<td>18%</td>
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<td>WI</td>
<td>17%</td>
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<td>SD</td>
<td>17%</td>
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<td>ME</td>
<td>17%</td>
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<td>PA</td>
<td>17%</td>
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<td>AR</td>
<td>17%</td>
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<td>MI</td>
<td>16%</td>
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<td>NV</td>
<td>16%</td>
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<td>WV</td>
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<td>UT</td>
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<td>NE</td>
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<td>NJ</td>
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<td>WY</td>
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<td>IN</td>
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<td>IA</td>
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<td>IL</td>
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<td>AZ</td>
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<td>OH</td>
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<td>MT</td>
<td>13%</td>
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<td>NM</td>
<td>13%</td>
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<td>DE</td>
<td>11%</td>
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<tr>
<td>AK</td>
<td>11%</td>
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<tr>
<td>NH</td>
<td>10%</td>
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<tr>
<td>OR</td>
<td>10%</td>
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<td>ND</td>
<td>9%</td>
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The U.S. does not have a consumer-driven health care system today. One way to compare the degree of consumer-driven health care in advanced economies is to examine the percentage of national health spending that consumers pay for directly, rather than through third parties (i.e., insurance). Health savings accounts – the key instruments of consumer-driven care – are more widespread in Switzerland, and especially in Singapore. (Source: OECD, WHO, A. Roy analysis)
Fewer physicians are willing to see Medicaid and Medicare enrollees. The 2008 Health Tracking Physician Survey found that individuals with commercial health insurance enjoyed broad access to physicians, while those in Medicaid – and increasingly Medicare – do not. Reimbursement rates for Medicaid and Medicare, relative to private insurance, have fallen since 2008, suggesting that these access gaps have widened further. (Source: Center for Studying Health System Change)
Federal Government Focus

Five Goals

- Expand coverage well above Accountable Care Act levels without individual mandate
  - Block Grants vs. Subsidy
- Improve quality of coverage for care for low-income Americans
- Make all U.S. healthcare entitlement programs permanently solvent
- Reduce Federal deficit without raising taxes
- Reduce Cost of Health Insurance

Five Core Elements

- Premium Assistance
- Employer-sponsored Insurance Reform
- Medicaid Reform
- Medicare Reform “Modernizing Medicare”
- Veterans; Health Reform
Integrity of Healthcare Dollar: The Employer Healthcare Cost Dilemma

- Other factors related to healthcare costs are of a concern for political subdivisions including utilization of care and the cost of providing coverage for dependents

- Dependent Verification

- **First: Percentage of Healthcare Utilizers and their impact to Soaring Healthcare Cost**
  - Examine utilization of care
    - 1% of the coverage population incur 25% of the claim costs
    - 3% of the population incur 46% of the claim costs
    - 10% of the population incur 65% of the claim costs
    - 67% of healthcare costs are spent on chronic disease states
Integrity of the Healthcare Dollar: The Employer Healthcare Cost Dilemma

- **First: Percentage of Healthcare Utilizers and their impact to Soaring Healthcare Cost**
  - The lack of medical and prescription treatment compliance and existing gaps in care contribute to the increase of healthcare especially for chronic disease states.

- **Second: Cost of Dependent Care**
  - The number of employee dependents covered on healthcare plans has had an impact on costs.
  - Dependents, who typically bring a higher risk claim utilization, increase the level of incurred costs for medical and prescription services.
Integrity of the Healthcare Dollar: Addressing the Most Complex & Costly Medical Issues

Percent of Population

<table>
<thead>
<tr>
<th>Complex High Cost Cases</th>
<th>Percent of Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy</td>
<td>50%</td>
</tr>
<tr>
<td>Stable</td>
<td>27%</td>
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<tr>
<td>At Risk</td>
<td>12%</td>
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<tr>
<td>Chronic</td>
<td>8%</td>
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<tr>
<td>Critical</td>
<td>3%</td>
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<tr>
<td>Best Doctors</td>
<td></td>
</tr>
<tr>
<td>Interconsultation &amp;</td>
<td></td>
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<tr>
<td>Critical Care services</td>
<td></td>
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<tr>
<td>improve outcomes for the most complex cases</td>
<td></td>
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</tbody>
</table>

Behavioral Health issues range from those requiring counseling/therapy to more severe cases requiring psychiatry

Teladoc focuses on less complex, acute conditions through General Medical, Dermatology, Pediatrics, Caregiving and others
Integrity of the Healthcare Dollar:
The Employer Healthcare Cost Dilemma

**Second: Cost of Dependent Care**

- Employees, without covered dependents, believe their out of pocket costs for healthcare are unfairly increased due to the dependent healthcare utilization.

- Employers now must address the questions of equitable financial subsidy support for employees and employees with dependents, in addition to finding the revenue to maintain current employer subsidy support.

- **Option**
  - Spousal Incentive Reimbursement Arrangement (SIRA)
  - Not eligible if not on the plan previous plan year
Integrity of the Healthcare Dollar: The Employer Healthcare Cost Dilemma

Third: Plan Design Options to Buy Down Employer Cost of Healthcare Premiums/Contributions

- Political subdivisions rely on tax based revenue, established by the tax payers in their community, to pay for healthcare.
  - Some political subdivisions cannot feasibly raise taxes to meet the rising costs of healthcare and must consider other difficult options.

- Benefit Plan Changes to decrease premium/contribution costs
  - These options include: buying down the healthcare costs by increasing deductibles and out of pocket expenses
    - IEBP’s Rerate Buy Down Limitations
      ✤ 2016: 8%
      ✤ 2017: 6%
  - Cost of Care Management regarding Prescription services MAC C to MAC A
Integrity of the Healthcare Dollar: The Employer Healthcare Cost Dilemma

Third: Plan Design Options to Buy Down Employer Cost of Healthcare Premiums/Contributions

- Benefit Plan Changes to decrease premium/contribution costs
  - Implement narrow networks/value tiered provide networks
  - Narrow medication formularies,
  - Implement premium/contribution employee/employer premium/contribution cost share
  - Delete Supplemental Benefit Options: Dental, Vision, Life, etc.
    - Convert to Voluntary Benefits
    - Voluntary Benefits are Higher Cost than Group Benefits due to Adverse Selection
  - Alliance Relationships and their interface with membership
    - Long Term Care
    - Local Site Wellness
Integrity of the Healthcare Dollar: The Employer Healthcare Cost Dilemma

Fourth: Promote Employer and Employee Health and Wellness Engagement

- Employers and Employees must develop a partnership to increase employee engagement in managing the cost of healthcare by engaging in health and wellness programs, engagement in health and wellness lifestyles and maintain treatment compliance.

- Employee Engagement
  - Transition from Passive Participation to Progressive Awareness

- Minimize Delay of Care for Employees due to Out of Pocket Expenses

- Consumer Health and Wellness Engagement
  - Annual biometric screenings are helpful in early diagnosis of treatment.
    - One of the challenges in the annual biometric screening and health and wellness program is the engagement of the employee population.
    - A participation reward program is helpful. The Patient Protection Affordable Care Act allows employers to incorporate a 30% premium/contribution of most cost effective plan differential for covered individuals who choose not to engage in the employer’s health and wellness program.
Integrity of the Healthcare Dollar:
The Employer Healthcare Cost Dilemma

Fourth: Promote Employer and Employee Health and Wellness Engagement

- Consumer Health and Wellness Engagement
  - Annual biometric screenings are helpful in early diagnosis of treatment.
    - 50% Tobacco Cessation Differential
    - Spousal Surcharge
    - Spousal Required Participation in Health Assessment and Biometric Screenings
  - To assist in making Texas Healthier, IEBP will be providing local site biometric screening services for 2017-2018. Increasing political subdivision employees in healthcare consumer education and benefit plan designs will be key in the management of the integrity of the healthcare dollar.
  - IEBP is attempting to make Texas Healthier by providing 100% plan paid biometric screenings to ensure employees are being diagnosed early and treated appropriately.
  - 1:3 cost differential ratio for maturing population
Integrity of the Healthcare Dollar: The Employer Healthcare Cost Dilemma

Fourth: Promote Employer and Employee Health and Wellness Engagement

- On-Site/Local Site Clinics
  - 298 employees
  - 305 dependents
  - $9,045,00 x 12 = $108,540.00
  - Need 150.75 office visits a month average cost $60.00
  - Average for current utilization for Deer Park with community providers is 190.58/$80.00 average spend 135.67 visits
  - 30% would be 63.53 clinic utilization

- Telehealth Ease of Access/Managed Out of Pocket Spending Access: Legislation approved audio/visual healthcare services
  - Medical Consult
  - Behavioral Health Level of Care
  - Dermatology Level of Care
IEBP Making Texas and Oklahoma Healthier

[Map showing locations for wellness screening and mobile 3D mammogram sites across Texas and Oklahoma]
Stakeholders:
The Employer Healthcare Cost Dilemma

- **Fifth: Transition to Consumer Engagement Benefit Plans**

  Consumer Engagement: Increase political subdivision employees in healthcare consumer education and benefit plan designs will be the key in the management of the integrity of the healthcare dollar

  - Section 125
  - Health Reimbursement Accounts
  - Retiree Reimbursement Accounts
  - Health Savings Accounts with Qualified High Deductible Plan
Stakeholders: The Employer Healthcare Cost Dilemma

**Sixth: Healthcare Revolution**

- Value Based Healthcare
  - Treatment Outcomes measured with effectiveness of healthcare and patient compliance
- Collaborative Teaming with Providers/Delivery System
  - Working with Provider to align, goal set, benefit incentive, cost risk
  - Narrow Network/High Performance Networks/Shared Risk Networks – Accountable Care Organizations
  - Area Factor
- Multigenerational Membership
- Digital Healthcare
- Providers
  - NICU Definitions
  - Level of Care
  - Evidence Based Medicine
  - Transition of Care
- Federal Government
  - Patient Protection Affordable Care Act (PPACA)
  - American Health Care Act (AHCA)/Better Care Reconciliation Act 2017
Integrity of Healthcare Dollar  
Per Employee Per Year Claim Dollar  
Cost of Healthcare: Medical w/Rx & Admin

<table>
<thead>
<tr>
<th>PEPY (Per Employee Per Year)</th>
<th>$8,253.57</th>
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<tbody>
<tr>
<td>Employee PMPY (Per Member Per Year)</td>
<td>$5,122.42</td>
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<tr>
<td>Dependent Spouse PMPY (Per Member Per Year)</td>
<td>$8,307.86</td>
</tr>
<tr>
<td>Dependent Child PMPY (Per Member Per Year)</td>
<td>$2,690.19</td>
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<tr>
<td>Total Dependent PMPY (Per Member Per Year)</td>
<td>$4,130.51</td>
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<thead>
<tr>
<th>Year</th>
<th>Pool</th>
<th>Industry Standard</th>
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<tbody>
<tr>
<td>PY05-06</td>
<td>5,026</td>
<td>5,048</td>
<td>5,421</td>
</tr>
<tr>
<td>PY06-07</td>
<td>7,140</td>
<td>7,516</td>
<td>7,970</td>
</tr>
<tr>
<td>PY07-08</td>
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<td>5,837</td>
<td>6,070</td>
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<td>PY08-09</td>
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<td>PY09-10</td>
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<td>10,475</td>
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<td>PY10-11</td>
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<td>11,961</td>
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<tr>
<td>PY12-13</td>
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<td>PY15-16</td>
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<td>PY16-17</td>
<td>12,716</td>
<td>7,575</td>
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<td></td>
<td>13,937</td>
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<td>8,254</td>
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Integrity of Healthcare Dollar and Member Equity $47.23 / Reserves: $26.57
Stakeholders: PPACA Cost Impact to Rates

Average Increase = 13.1%

2017-2018 Average Rate Increase

- 2017-18: 13.10%
- 2016-17: 4.60%
- 2015-16: 5.60%
- 2014-15: 6.80%
- 2013-14: 4.50%
- 2012-13: 4.70%
- 2011-12: 3.40%
- 2010-11: 8.70%

- Expanded Benefit Risk: $29.0 Million, 15.78%
- Federal Liaison Services and PPACA Administrative Fees: 0.16%

IEBP's Pooling Solution of 13.1% vs 15.94%
Stakeholders: PPACA Cost Impact to Rates

PPACA Costs for 2015-2016

2016-2017 Average Rate Increase: 4.6%

Expanded Benefit Risk $49.9 million
Discounts about 19.3%
Federal Liaison Services and PPACA Administrative Fees 1.16%

20.46% VS IEBP's Pooling Solution of 4.6%

PPACA Costs for 2014-2015

2015-2016 Average Rate Increase: 5.6%

Expanded Benefit Risk $42.6 million
Discounts about 10.9%
Federal Liaison Services and PPACA Administrative Fees 1.04%

11.03% VS IEBP's Pooling Solution of 5.6%

PPACA Costs for 2013-2014

2014-2015 Average Rate Increase: 6.8%

Expanded Benefit Risk
10.2% with Discounts about 6.12%
Federal Liaison Services and PPACA Administrative Fees 1.88%

8.00% VS IEBP's Pooling Solution of 6.8%
## Integrity of Healthcare Dollar
### Catastrophic Claim Overview

<table>
<thead>
<tr>
<th>Plan Year 2016-17</th>
<th>$Amount (in Millions)</th>
<th>Number of Potential Covered Individuals</th>
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<tbody>
<tr>
<td></td>
<td>Oct- August</td>
<td>$2.0</td>
</tr>
<tr>
<td></td>
<td>Oct-July</td>
<td>$2.0</td>
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<td></td>
<td>Oct-Mar</td>
<td>$2.0</td>
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2017-2018 Healthcare Revolution

**Benefit Innovation, Strategic Agility, and Visionary Resilience**

- **Competitive Benefits**
  - Continuum of Care Expansion for Political Subdivision Employees due to Tenure
    - Employee, Dependents, Pre Sixty-five Retirees, Post Sixty-five Retirees
    - Retiree Options: Within Manuals, 195% of Active, Pre Sixty-five Pool
    - Management of Covered Individual Out Of Pocket Costs

- **Competitive Administrative Service Cost**
  - < 15%

- **Health and Wellness**
  - Local Site Access
  - Community Access
  - $150.00 Incentive Fee
  - Health Assessment
  - Healthy Living Interface
  - Tracker Interface

- **Telehealth/Mobile Medicine**
2017-2018 Healthcare Revolution

- Benefit Innovation, Strategic Agility and Visionary Resilience
  - Improved Healthcare Delivery System
    - Genetic Testing
    - Best Doctor Utilization
    - Independent Review Organizations
    - Notification, Concurrent Review, Discharge Planning, Transition of Care
  - Pretax Benefits
    - Health Reimbursement Accounts
    - Health Savings Accounts/Health Savings Bank
    - Section 125
      - Standard
      - $500.00 Carry Over 2013
      - 2-month, 15-day Extension 2007
    - Retiree Reimbursement Account
    - Consumer Centered Pool Plans
    - Defined Contribution

24 / 7 / 365 Healthcare Access
2017-2018 Healthcare Revolution

- **Political Subdivision Interface Requirements**
  - Claim Adjudication Accuracy and Turnaround Time
  - Customer Care Abandonment Rate Compliance
  - Alliance Vendor Alignment with Political Subdivision Membership
  - Broker / Consultant Interface
  - Cultural Sensitivity
    - Current Documents in Spanish/Spanish Portal
      - Summary of Benefits and Coverage (SBC)
      - Medical Intelligence Denials
      - ROR
      - Other Insurance
      - Surveys
      - Need Details from Medical Intelligence
      - Health Authorization
    - Request for Translation Support
      - Enrollment/Change/Termination Forms
      - OES
      - Enrollment Poster
      - Spanish Poster Should be Added
Healthcare Revolution 2017-2018

- Electronic Medical Records
- Telehealth House Calls/Professional Health Coaching
- Chronic Care Prescription Savings Program
- Spousal Incentive Reimbursement Program
- MyHITECH Reconnect Resource Library
- MyHealth Calendar and Membership Communication
- Zero OON Benefit Options
- 75 Mile Radius Bump Up Benefit
  - Not if services telehealth accessible
    - Medical
    - Dermatology
    - Behavioral Health
- Narrow Networks
  - Medical
    - High Performance Network
    - Dual Plan Option at Employer Level
  - Prescription
Health Information Technology

- Multigenerational Digital Healthcare
  - Millennials: 4 Devices
  - Baby boomers: 3 Devices
  - Seniors: 2 Devices
- Technology Interoperability
- Cyber Security Procedure
- Regulatory Reporting Tracking
- Digital Healthcare Resources
  - Website
  - Provider Electronic Payment
  - Mobile Applications
  - Health Assessment and Improved Quality of Life Programs
  - Personal Health Record
  - Professional Health Coach
  - Health Calendar
  - Teladoc
  - Benefits on Demand
  - Claim Look-Up
  - UHC Cost Estimator

24 / 7 / 365 Healthcare Access
Health Information Technology

- Digital Healthcare Resources
  - OptumRx Single Sign On
  - Online Privacy Practices
  - Lunch and Learn Webcast
  - Online Enrollment System (OES)
  - Satisfaction Survey
  - Healthcare Utilization
    - Claim Look-Up
    - Health Assessment and Healthy Living Guides
    - H.S.A. Banking Interface
    - Electronic Prior Authorization
      - Provider: Manual Cost $7.50; Electronic $1.89
      - Payor: Manual Cost $3.68; Electronic $0.04
      - Time Savings/Cost Saving/Minimizes Delay in Care
      - Demo Set-up being Scheduled
      - Regarding the pricing for Hx Authorizations, there is a $.04 PEPM and a ballpark implementation of $20k - $25k.
2017-2018 Healthcare Revolution

- Optimization of Managing the **Integrity of the Healthcare Dollar**
  - Pooling/Stability of Rates
  - Managing Out of Pocket Employee Spend
  - Minimize Adverse Selection
    - % of Employer Payment
    - 100% Participation Requirements
      - Non Tricare
      - Non Indian Tribe
      - Non Medicare
      - Non Spousal
      - Non Attained Age 26
      - International Workers
    - Spousal Incentive Reimbursement Program
    - Dual Options
    - Employer Subsidy of 75%
    - Health and Wellness Defined Contribution Steerage
    - Healthcare Transparency/Cost Estimator
    - Employer Defined Contributions
2017-2018 Healthcare Revolution

- Optimization of Managing the Integrity of the Healthcare Dollar
  - PEBA Purchasing
  - Employee, Dependent Costs Per Year
  - Medical Notification, Independent Review Organizations and Best Doctors
  - Network Advantages
    - High Performance Networks/Value Tiered
    - Premium Providers
    - Zero Out of Network Impact
    - 75 mile radius: Network Adequacy Improvement per Telehealth Services
    - Network Adequacy/IEBP Individual Cate Rate Contracts
    - Best Doctors/Teladoc Acquisition

TML MultiState
Intergovernmental Employee Benefits Pool

24 / 7 / 365 Healthcare Access
2017-2018 Healthcare Revolution

- Optimization of Managing the **Integrity of the Healthcare Dollar**
  - **Medication Costs**
    - Formulary management
    - Over the Counter Steerage
      - Reflux Medication, Antihistamines, Nasal Steroids, Proton Pumps
    - Rx Savings Program (narrow formularies) Chronic Care
    - Biologics/Biosimilars: derived from living organisms, including cells from humans, animals or various micro organisms. The living systems are inherently complex and variable, which makes getting an exact compound match of an existing biologic drug virtually impossible; biosimilars hoping to provide less expensive versions of branded biologic drugs in the same way generic drugs do for small molecule chemical drugs.
    - Rx Savings Narrow Networks: $10 copay differential between Preferred Pharmacy and PPO Pharmacy (OptumRx states estimated total savings 1.5% of savings on medications)
      - HEB Estimated Savings per Rx $.96
      - Walmart Estimated Savings per Rx $.50 per Pool and $.96 Pool and ASO

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Have a Great Day!

Your Time is Appreciated