



2020 HEALTH CARE PLAN

Presented by

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Health Plan Timeline

- October 2018 – Commissioners requested more information on health care plan and no changes were made for the 2019 Plan year.
- April 8, 2019, the County Manager posted a message on County Central regarding health care and the intent to hire an outside employee benefit consultant.
- April of 2019, the County puts out an RFP for a benefit consultant.
- June 18, 2019, the County Manager posted another message discussing the budget, her intent to maintain the current health plan and identify ways to slow the growth trend on our health care expenses.



- County received 12 proposals and narrowed down to 4 finalists.
- July 16, 2019, the County Manager announces the hiring of USI and that Staff will present proposed changes to the health plan in September
- USI reviews the County's Health Plan
- August 19, 2019, the County Manager posts another message stating that USI is in the process of reviewing the current health plan and Staff will present the recommended changes to employees/retirees in September.
- End of August 2019, USI presented the County with its findings and recommendations for plan year 2020



USI Findings





Benefit Comparison

	Standard	Buy-Up	Core	Industry
Membership	52%	24%	24%	
PCP	\$25	\$25	\$25	\$25
Specialist	\$40	\$40	\$40	\$50
Rx Copays	\$0/\$10/\$40	\$0/\$20/\$40	\$0/\$20/\$40	\$5/\$10/\$50
Deductible – Individ.	\$300	\$400	\$650	\$1,000
Deductible – Fam.	\$600	\$750	\$1,000	\$3,000
Coinsurance	5%	20%	30%	20%
OOP Max. – Individ.	\$750	\$1,150	\$1,900	\$4,000
OOP Max. – Fam.	\$1,500	\$2,500	\$3,750	\$8,000





Employee Cost Share Comparison

- Buncombe County Employees pay a lower percentage of out of pocket expenses than BCBS's other governmental employers.

	<u>Buncombe County</u>	<u>BCBS Industry</u>
Employer	91%	83%
Employee	6%	14%
COB/Medicare	3%	3%



Employee Premium Comparison

Bi-weekly	Individual	Family
Standard	\$25	\$70
Buy-Up	\$35	\$95
Core	\$20	\$65
USI County Gov. Avg.	\$43	\$169





Employee Cost Share Example

Bi-weekly	Employee	Employee+ Child	Employee+ Children	Employee+ Spouse	Family
Standard	\$25.00	\$40.00	\$70.00	\$65.00	\$70.00
Standard 86/14	\$63.75	\$86.98	\$148.61	\$120.60	\$177.91
Buy-Up	\$35.00	\$80.00	\$95.00	\$85.00	\$95.00
Buy-Up 86/14	\$58.34	\$79.30	\$134.91	\$109.64	\$161.35
Core	\$20.00	\$40.00	\$65.00	\$50.00	\$65.00
Core 86/14	\$54.54	\$73.91	\$125.30	\$101.94	\$149.73



Buncombe County Top Conditions

- Top 5 Condition Categories based on BCBS data:

	<u>PMPM</u>	<u>Annual</u>	<u>Industry +/-</u>
1. Musculoskeletal	\$73.82	\$3,520,000	+\$1,200,000
2. Endocrinology	\$61.21	\$2,787,000	+\$1,017,000
3. Neurology	\$45.06	\$2,149,000	+\$1,286,000
4. Neoplasms	\$42.33	\$2,019,000	-\$95,000
5. Psychiatry	\$31.59	\$1,506,000	+\$789,000



Claim Comparison Per Member Per Month

- ▶ Two Year Change Compared to BCBS Industry Average

	<u>16/17</u>	<u>17/18</u>	<u>18/19</u>
Industry	\$435	\$443	\$475
Buncombe	\$494	\$551	\$572
	+13.6%	+24.4%	+20.4%

- ▶ Over the past two years, Paid PMPM for Buncombe County increased 16% vs. the Industry average of 9%.
- ▶ This is a 77.8% higher increase than average.



Total Cost Comparison

- ▶ Buncombe County has 35% more members per employee than Industry average.
- ▶ Employees pay -64% less in cost share expenses compared to the Industry.
- ▶ The total claim payments per member are 20.4% higher than industry average.
- ▶ With 35% more members and 20.4% higher cost per member, the total cost per employee should be around 60% higher than the Industry average.

- ▶ Total cost net claims for 2018 was \$28,382,000.
- ▶ Total extra claims compared to Industry was \$10,643,000:

Members on the Plan	\$6,812,000
Cost Share (Benefit Level)	\$1,596,000
Health of Members	\$2,235,000

- ▶ This cost benchmark does NOT take into account lower receipts of payroll deductions.



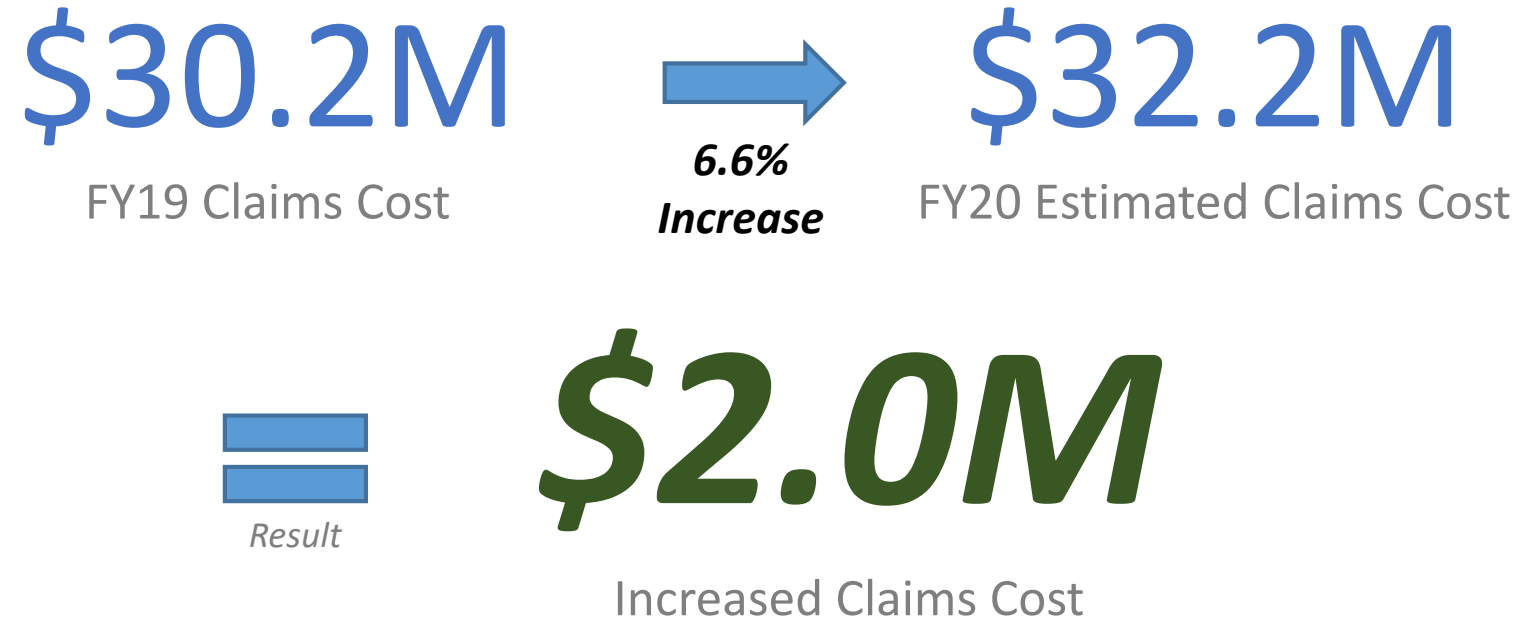
Current Wellness Program

- ▶ 9% of employees/retirees completed the 150-point requirement of the wellness program.
- ▶ 8.2% of members participated in the pharmacy management program.
- ▶ If you include spouses on the plan, just 5.5% of members were actively part of the wellness program options.

- Total Health Insurance Budget is \$34.8M
 - Includes health clinic costs, condition care, additional BCBS fees, dental claims, dental administration



Renewal Rates Based on BCBS Estimates



This number only includes medical claims, stop loss coverage and medical administrative fees

USI Recommendations



- Pay less for services associated with plan costs. USI is actively bidding savings opportunities for stop loss and Rx costs.

After initial savings, the County has three paths:

- 1) County continues to pay 100% of the health care cost increases.
- 2) The County passes some or all of the health care cost increases to employees through premiums, deductibles and out of pocket maximums.
- 3) The County employees as a population get healthier and make better decisions when accessing services with the County providing additional resources.



USI Recommendations

- Adopt a health risk assessment program with incentives for participation and follow up.
- Increase employee premiums by 6.6% (same increase as the County).
- Change the Drug Formulary from BCBS Enhanced to BCBS Net Results.
- Provide physical therapy resources
- Do not charge for onsite clinic visits.



Health Risk Assessments and Provider Follow UP

- Participants that have an HRA and follow up with a medical provider will cost approximately 20% less in claims over time than employees that don't participate.
- Over 40% of program participants will improve their health over the prior year compared to most people getting a little less healthy each year.
- The typical claim cost savings are far greater than the cost of the program.
- See USI NC County examples



County Government #1 (1,937 EE/Ret)

- Net claims per subscriber were down -2.4% for the 18/19 budget year.
- Annual claim cost per employee the last 5 years:

18/19	\$10,671
17/18	\$10,977
16/17	\$10,375
15/16	\$11,120
14/15	\$10,467
- The four-year trend has been 0.5% annually.
- The BCBS published trend has average 6.5% over this time.
- The difference between 0.5% and 6.5% , over 4 years approximately \$9,500,000.
- Local Government #1 has not had a budget increase per employee in the past 4 years.



County Government #1 (cont.)

- Participants are required to do:
 - a health risk assessment
 - provider follow up appointments
 - receive an additional incentive for health improvement or maintaining good health.
- Health risks per participant have gone down by -20.3% since inception of the wellness program.
- Wellness program participation has gone from 74.8% to 92.0%.
- Participants incurred \$6,550 in annual claims vs. \$14,700 for non-participants.
- 70.3% of high-risk employees improved their health last year.
- 47.9% of pre-diabetics improved their glucose score vs. 16.8% getting worse.
- Pre-diabetics have \$5,965 in annual claims vs. \$13,420 for diabetics.



County Government #2 (1,056 EE/Ret)

- Over the past 5 years Local Government #2 has seen a 1.1% annual trend compared to the projected 6.5% annual trend projected by BCBS.
- This has been a saving of \$9,000,000 over five years.
- Annual claim cost per employee:

18/19	\$10,281
17/18	\$9,578
16/17	\$9,367
15/16	\$9,975
14/15	\$9,655
13/14	\$9,469
- Local Government #2 has not had a budget increase per employee for the past four years.



County Government #2 (cont.)

- Participants are required to do a health risk assessment, provider follow up appointments and receive an additional incentive for health improvement.
- Local Government #2 has 74.9% participation in their Wellness Program.
- Participants average \$6,210 in claims vs. \$11,990 for non-participants.
- Participants reduced the number of higher risk by 33.4% over the past year.
- Local Government #2 went from a health coaching model to onsite clinic provider 2 years ago.
- They have added additional hours and services available in the clinic due to high employee demand.

Staff Recommended Changes to the Health Plan

- That premiums are increased 6.6% effective July 1, 2020
- That all subscribers and spouses were asked to get a health risk assessment.
- For those that don't get the health risk assessment, their premiums will double plus the 6.6% increase effective July 1, 2020.
- For those that get the health risk assessment, they would receive a wellness discount where the premiums stay the same plus the 6.6% increase effective July 1, 2020.
- Buncombe County will switch from the BCBS Enhanced Formulary to BCBS NetResults formulary effective July 1, 2020.
- Kept co-pays at \$5.00 at employee health clinic



Messaging the Health Plan Changes to Employees and Retirees



Transparency Regarding Health Plan Changes

- September 18, 2019, the County Manager posts a message on County Central inviting employees to attend a Health Care Workshop.
- Friday, Sept. 20, 9-10:30 am. **and** 11 a.m.-noon, 200 College St., first floor conference room
- Thursday, Sept. 26, 2-3:30 p.m. **and** 4-6 p.m., Hughes Building
- Saturday, Sept. 28, 11 a.m., Pack Library, Lord Auditorium
- Wednesday, Oct. 2, 9-10:30 a.m. **and** 5-7 p.m., Detention Center
- Thursday, Oct. 3, 10:45 a.m.-noon, Leicester Crossing, 339 New Leicester Highway
- Friday, Oct. 4, 9-10:30 a.m., County Landfill
- Friday, Oct. 4, 1-2 p.m., Transfer Station
- Friday, Oct. 4, 3:30 p.m., EMS Headquarters (The Castle), 164 Erwin Hills Road
- Thursday, Oct. 10, noon-1 p.m. at 200 College St., room 310



Transparency Actions

- At each session, County Manager/staff asked for feedback as to what employees do not like about proposal.
- October 1, 2019, Retirees were sent an invitation to watch the webinar regarding the health plan changes
- October 7, 2019, the power point of the health care plan presentation and a FAQ section was posted on the County Central.
- October 18, 2019, the Open Enrollment Packet went out with the new rate information to both employees and retirees.
- December 5, 2019, the County posted information regarding the health risk assessments and health fairs.
- December 5, 2019 – January 27, 2020, answered employee questions posted on the County Central.



Plan Design

- No changes to:
 - Deductibles
 - Co-insurance
 - Out of pocket maximums
 - Co-pays



Premium Increase 6.6% July 1, 2020

	Employee	Employee Child	Employee Children	Employee Spouse	Family
Standard Plan	\$25.00	\$40.00	\$70.00	\$65.00	\$70.00
Standard + 6.6%	\$26.65	\$42.64	\$74.62	\$69.29	\$74.62
Increase Per Pay Period	\$1.65	\$2.64	\$4.62	\$4.29	\$4.62
Buy Up	\$35.00	\$80.00	\$95.00	\$85.00	\$95.00
Buy Up + 6.6%	\$37.31	\$85.28	\$101.27	\$90.61	\$101.27
Increase Per Pay Period	\$2.31	\$5.28	\$6.27	\$5.61	\$6.27
Core	\$20.00	\$40.00	\$65.00	\$50.00	\$65.00
Core + 6.6%	\$21.32	\$42.64	\$69.29	\$53.30	\$69.29
Increase Per Pay Period	\$1.32	\$2.64	\$4.29	\$3.30	\$4.29



HEALTH RISK ASSESSMENT

- Partnership to control health costs
- Implement Health Risk Assessment for employees, spouses and retirees
- County held health fairs the last two weeks in January 2020 (a total of 14 sessions across the County)
- County had 1573 participants
- Employees can also get HRA at their doctor



Health Risk Assessment

The HRA will measure:

1. Weight

2. BMI

3. Waist

4. Blood Pressure

5. Pulse Rate

6. Glucose

7. Total Cholesterol

8. HDL Cholesterol

9. LDL Cholesterol

10. Triglycerides

- Confidential results – Results sent to participants home



Wellness Program

- Employees scores are placed in risk categories
- 2 or more high risks, individuals required to visit Employee Health Clinic to discuss their results and develop a plan for improvement
- Employees may opt to visit their personal care provider about the results.



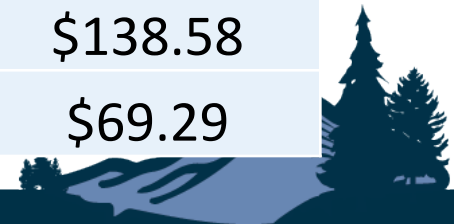
Wellness Program (cont.)

- Each year the employees/retirees and spouses will get a health risk assessment
- For 7/1/20, a two tiered premium system
 - No HRA (Regular Rate)
 - Gets HRA (Discounted Rate) and follow up with Health Clinic on results
- Conduct health Risk Assessments in November of 2020.
- Beginning 1/1/21 a three tiered premium system
 - No HRA (Regular Rate)
 - Gets HRA (Discounted Rate) with follow up visits
 - Gets HRA and either improves on their risk factors or has 0-1 risk factors (Extra Discounted Rate)



Proposed Premium Plan Effective July 1, 2020

	Employee	Employee Child	Employee Children	Employee Spouse	Family
Standard w/ HRA	\$26.65	\$42.64	\$74.62	\$69.29	\$74.62
Standard w/o HRA	\$53.30	\$85.28	\$149.24	\$138.58	\$149.24
Increase Per Pay Period	\$26.65	\$42.64	\$74.62	\$69.29	\$74.62
Buy Up w/ HRA	\$37.31	\$85.28	\$101.27	\$90.61	\$101.27
Buy Up w/o HRA	\$74.62	\$170.56	\$202.54	\$181.22	\$202.54
Increase Per Pay Period	\$37.31	\$85.28	\$101.27	\$90.61	\$101.27
Core w/HRA	\$21.32	\$42.64	\$69.29	\$53.30	\$69.29
Core w/o HRA	\$42.64	\$85.28	\$138.58	\$106.60	\$138.58
Increase Per Pay Period	\$21.32	\$42.64	\$69.29	\$53.30	\$69.29



Pharmacy Formulary

- Switch to the BCBS NetResults formulary
 - Estimate 89 people may have to switch medications
 - Estimate 300 people will have their tiers changed
- Estimates saving \$1,000,000 for entire mature year
- First year (immature first year) \$750,000
- 6 months (immature first year) \$350,00



Formulary Changes

- Certain drugs are discouraged by the formulary
- For each discouraged drug, there are lower cost drugs in the same therapeutic class
- If an employee wants to use one of the discouraged drugs without a penalty, their doctor must certify that it is a medical necessity or receive prior approval from BCBS.



Discouraged Drug List

Drug	Tier	Use	Drug	Tier	Use	Drug	Tier	Use
ADZENYS XR-ODT	4	ADHD	HUMALOG	4	Diabetes	TAYTULLA	4	Birth Control
AJOVY	4	Migraines	HUMALOG KWIKPEN	4	Diabetes	XOPENEX HFA	4	Bronchospasm
ALVESCO	4	Asthma	IMVEXXY MAINTENANCE PACK	4	Hormone			
ANDRODERM	4	Steroid	IMVEXXY STARTER PACK	4	Hormone			
APTENSIO XR	4	ADHD	LEVALBUTEROL TARTRATE HFA	4	Bronchospasm			
BASAGLAR KWIKPEN	4	Diabetes	MEMANTINE HYDROCHLORIDE ER	2	Alzheimer			
BRIVIACT	4	Seizures	METFORMIN HYDROCHLORIDE ER 24 hr osmotic	2	Diabetes			
CARAFATE	4	Ulcers	MONTELUKAST SODIUM oral granules packet	2	Asthma			
COMBIGAN	4	Eye Pressure	MYDAYIS	4	ADHD			
COTEMPLA XR-ODT	4	ADHD	OSPHENA	4	Dryness			
DAYTRANA	4	ADHD	PAROXETINE HCL ER 24 hr	2	Depression			
DESVENLAFAXINE ER	4	Depression	PROVENTIL HFA	4	Asthma			
DYANAVEL XR	4	ADHD	PULMICORT FLEXHALER	3	Crohn's			
GENOTROPIN MINIQUICK	5	Hormone	ROPINIROLE ER	2	Parkinson's			



Drug Tier Changes

- A number of drugs will change tiers which will increase the co-pay for the drug.

Current Buncombe Drug Tiers	Standard	Buy Up	Core
Tier I - Generic	\$0	\$0	\$0
Tier II - Generic	\$10	\$10	\$10
Tier III - Brand	\$40	\$40	\$40
Tier IV - Non-Preferred	\$50	\$50	\$50
Tier V - Specialty	\$50 min \$100 max	\$50 min \$100 max	\$50 min \$100 max
NetResults Changes	Number of Drugs Effected	Increased Cost to Member	
Tier I to Tier II	58	\$10 per 30 day refill	
Tier II to Tier V	6	\$40-\$90 per 30 day refill	
Tier III to Tier IV	2	\$10 per 30 day refill	
Tier IV to Tier V	16	\$0-\$50 per 30 day refill	



Drug	Tier	Drug	Tier	Drug	Tier	Drug	Tier
AMITRIPTYLINE HCL	1 to 2	DICLOFENAC POTASSIUM	1 to 2	LEFLUNOMIDE	1 to 2	PROBENECID/COLCHICINE	1 to 2
AMITRIPTYLINE HYDROCHLORIDE	1 to 2	DIGOXIN	1 to 2	LEVONORGESTREL/ETHINYL ESTRADIOL	1 to 2	PROPRANOLOL HCL	1 to 2
AUBAGIO	4 to 5	DILTIAZEM HCL ER	1 to 2	METHYLPHENIDATE HYDROCHLORIDE	1 to 2	PROPRANOLOL HYDROCHLORIDE	1 to 2
AVONEX PEN	4 to 5	DILT-XR	1 to 2	METOLAZONE	1 to 2	PULMOZYME	4 to 5
AZATHIOPRINE	1 to 2	DOXEPIN HCL	1 to 2	MICROGESTIN 1.5/30	1 to 2	SIMPONI	4 to 5
BENAZEPRIL HCL/HYDROCHLOROTHIAZIDE	1 to 2	ENBREL MINI	4 to 5	MIRTAZAPINE	1 to 2	SPIRONOLACTONE/HYDROCHLO ROTHIAZIDE	1 to 2
BUMETANIDE	1 to 2	ENBREL SURECLICK	4 to 5	MYCOPHENOLATE MOFETIL	2 to 5	STELARA	4 to 5
BUPROPION HCL	1 to 2	FENOFIBRATE	1 to 2	MYCOPHENOLIC ACID DR	2 to 5	SUCRALFATE	1 to 2
BUPROPION HCL XL	1 to 2	FENOFIBRATE MICRONIZED	1 to 2	NAPROXEN	1 to 2	SULFASALAZINE	1 to 2
BUPROPION HYDROCHLORIDE ER (XL)	1 to 2	FLECAINIDE ACETATE	1 to 2	NAPROXEN SODIUM	1 to 2	TACROLIMUS	2 to 5
BUPROPION HYDROCHLORIDE XL	1 to 2	FLUOXETINE HYDROCHLORIDE	1 to 2	NIFEDIPINE ER	1 to 2	TAMOXIFEN CITRATE	1 to 2
CARBAMAZEPINE	1 to 2	HALOPERIDOL	1 to 2	NORTREL 0.5/35 (28)	1 to 2	TECFIDERA	4 to 5
CIMETIDINE	1 to 2	HUMIRA	4 to 5	OMNITROPE	4 to 5	THEOPHYLLINE ER	1 to 2
COMBIVENT RESPIMAT	3 to 4	HUMIRA PEN	4 to 5	OTEZLA	4 to 5	TOBRAMYCIN	2 to 5
COPAXONE	4 to 5	HYDROXYCHLOROQUINE SULFATE	1 to 2	OXCARBAZEPINE	1 to 2	TRI-LEGEST FE	1 to 2
COSENTYX	4 to 5	INTROVALE	1 to 2	OXYBUTYNIN CHLORIDE	1 to 2	VERAPAMIL HCL ER	1 to 2
COSENTYX SENSOREADY PEN	4 to 5	IPRATROPIUM BROMIDE	1 to 2	PHENYTOIN SODIUM EXTENDED	1 to 2	VERAPAMIL HCL SR	1 to 2
CROMOLYN SODIUM	2 to 5	JOLESSA	1 to 2	PRAZOSIN HCL	1 to 2	VIORELE	1 to 2
CYCLOSPORINE MODIFIED	2 to 5	JUNEL 1.5/30	1 to 2	PRAZOSIN HYDROCHLORIDE	1 to 2	XELJANZ XR	4 to 5
DEXMETHYLPHENIDATE HCL	1 to 2	KARIVA	1 to 2	PREMARIN	3 to 4		
DEXMETHYLPHENIDATE HYDROCHLORIDE	1 to 2	LABETALOL HYDROCHLORIDE	1 to 2	PROBENECID	1 to 2		



Drug Co-Payments

- Please note that any drug co-payment that you make during the plan year counts towards your out of pocket maximum for the year
- Flexible Spending Accounts are available



Physical Therapist

- \$3,500,000 in musculoskeletal claims per year
#1 surgical cost
- Have onsite PT available to employees, retirees and dependents at no charge
- Hope to lower the amount of surgical intervention
- Estimated saving of \$300,000
- RFP for Services when out on February 11, 2019



Dental

- Open Enrollment for Dental
- Currently we have 1409 employees/retirees
- Keep benefit levels and rates the same as 2019



Total Cost Savings

• 6.6% Premium Increase	\$75,000 (Jul. through Dec.)
• Stop Loss Savings	\$200,000
• Increasing Stop Loss to \$250,000	\$50,000
• Formulary Changes	\$350,000 (Jul. through Dec.)
• <u>Onsite PT</u>	<u>\$150,000 (Jul. through Dec.)</u>
• Total Savings	\$825,000 for 2020



Questions brought up at Public Comment

- The Health Fairs had a lack of privacy – each station was screened off from the other. Staff was instructed not to say numbers out loud.
- The people performing the blood draws were licensed nurses and phlebotomists.
- Rumor that someone had a blood borne pathogen exposure – Not true.



- The tests are inaccurate – The County choose to go with the blood draw because the results are more accurate than the finger prick.
- The County also had its consultant research whether the health risk assessment would violate any state or federal law and the answer was no.



Next Steps

- Start Open Enrollment – October 21 - November 4
DONE.
- Month of December – BCBS process selections and mail card before January 1, 2020 DONE.
- January and February of 2020 – Hold Health Fairs for employees to get their HRAs done. IN PROCESS.
- July 1, 2020 – institute changes to the Health Plan

