



# Health Plan Program Status for CY 2022 and Options for CY 2023

*Presented by*

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# AGENDA

- 1) Year to date financials for the self funded medical and pharmacy programs for calendar year 2022.
- 2) Updated calendar year 2023 forecast.
- 3) Options for plan programs design for calendar year 2023.



# YEAR TO DATE CY22 FINANCIALS:

- January through June 2022: medical and RX claims cost are above forecast by 4%.
  - Net Claims of \$15.9M vs. Forecast of \$15.5M
- 17 claimants have paid healthcare expenses over \$125,000. (8 employees / 9 spouse or children)
- Of the 17 large claimants: 5 are enrolled in Standard Plan, 7 in Buy-up plan, 5 in the Core plan



# YTD CY22 PROGRAM PERFORMANCE:

- BCBSNC discounts are averaging 50% of charges, saving \$23.5M over the last 12 months.
- Nurse Support Engagement increased, saving an estimated \$361,600 in care cost avoidance.
- Member Health Engagement rate is 15% vs. BCBSNC BOB at 11%. 363% better!!
- Generic Drug utilization is 88%, 1.3% above BCBSNC BOB.
- Medication Possession Rates (are people taking their medication) is above norm in all categories.
- Net Results Formulary has saved \$698,000 in the most recent 12 months



# YTD CY22 PROGRAM PERFORMANCE (CONT):

- Copay Maximization Program has saved \$279,000 in the most recent 12 months.
- Rx Savings Solution Program has saved \$1,300 in the most recent 12 months.
- Diabetic Adherence to Evidence based care is 20% above normative compliance.
- Diagnostic Imaging Management Program has saved \$49,000 in the most recent 12 months.
- ER & Urgent care utilization are 11% below normative.
- Preventive Screening rates are 5% to 15% above normative (depending on the screening).
- 7 year Review: Buncombe has outperformed the national average by 1% per year.



# UPDATED HEALTH PLAN CY 2023 FORECAST :

CY22 Budget (using current enrollment by plan by tier, 1762 ees) is \$33.52M (\$30.69M County, \$2.83M ees)

## TWO OPTIONS FOR 2023:

(1) CY23 Forecast with no changes (keep current program as is) is \$34.32M (\$31.48M County, \$2.83M ees)

- Increase of \$793k to the County, or approx. 2.35% increase.
- No increase to employee premiums, no change to employee plans design features.

(2) CY23 Forecast with no changes to current plans and add a qualified high deductible health plan with Health Savings Account funds is \$34.38M (\$31.58M County, \$2.81M ees)

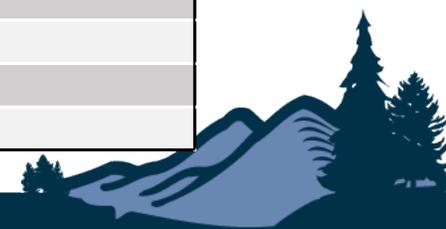
- Increase of \$888k to the County, or approx. 2.60% increase.
- No increase to employee premiums, no change to current employee plans design features.



# 2022 vs 2023 Plan Comparison

2022				
		Standard	Buy-Up	Core
		<i>In-Network Benefits</i>	<i>In-Network Benefits</i>	<i>In-Network Benefits</i>
Deductible				
	Individual	\$525	\$600	\$750
	Family	\$1,050	\$1,200	\$1,500
Coinsurance		5%	20%	30%
Maximum Out-of Pocket				
	Individual	\$1,375	\$1,600	\$2,250
	Family	\$2,750	\$3,200	\$4,500

2023					HDHP	
		Standard	Buy-Up	Core	<i>In-Network Benefits</i>	County Funded
		<i>In-Network Benefits</i>	<i>In-Network Benefits</i>	<i>In-Network Benefits</i>	<i>In-Network Benefits</i>	Health Savings Account
Deductible						
	Individual	\$525	\$600	\$750	\$1,500	\$1,500
	Family	\$1,050	\$1,200	\$1,500	\$3,000	\$3,000
Coinsurance		5%	20%	30%	30%	
Maximum Out-of Pocket						
	Individual	\$1,375	\$1,600	\$2,250	\$4,500	
	Family	\$2,750	\$3,200	\$4,500	\$9,000	



# Proposed Health Care changes 2023:

- 1) High Deductible Health Plan with a County funded Health Savings Plan to start January 1, 2023.
- 2) Deductibles = \$1500 individual / \$3000 family.
- 3) Co-insurance will be 30% (to match the current Core Plan).
- 4) Out of Pocket Maximums =\$4500 individual / \$9000 family.
- 5) Premium rates will match the current Core Plan rates WITH THE EXCEPTION of employee only coverage. Employee only coverage (with Health Risk Assessment compliance) will be a \$11 biweekly premium.
- 6) County will fund the Health Savings Account for the full deductible amount in 2023. Funding will be spread out over three payments per year (Jan – May – Sept). Second year funding will be at 50% of the deductible.



# What makes a HDHP different from our current plans?

- 1) A High Deductible Health Plan (HDHP) has a much **higher deductible and out of pocket maximum** than PPO plans.
- 2) Unlike PPO plans, HDHPs can be combined with a **health savings account (HSA)**. HSAs are portable for your lifetime, funds never expire, and contributions are tax free. Funds have potential investment earnings, which are also tax free.
- 3) HDHPs have **NO** co-payments. The member is required to **meet the deductible in its entirety** before insurance covers any cost. However, preventative screenings are still covered at 100% of the cost.



# Health Savings Account – deeper dive

Basically, when you combine an HSA with an HDHP, you're adding the power of investment to your efforts to cover medical expenses. Let's count the ways:

- 1) The money you put into an HSA goes in tax-free. If you choose, the funds can be invested (after a balance of \$1,000). Any growth is also tax-free.
- 2) When withdrawing money, your payments are also untaxed so long as they're made toward qualified medical expenses.
- 3) Unlike with Flexible Spending Accounts, the money in an HSA doesn't expire annually—it rolls over every year for as long as you have the account. Meanwhile, your contributions and interest earnings could lead to some impressive savings.
- 4) An HSA often includes an employer contributions, making them similar to a 401k for medical expenses.
- 5) You won't lose access to your HSA should you leave your job.
- 6) If you still have funds in it when you turn 65, the laws around your HSA will change. From there, that money is no longer restricted to medical expenses—you'll be able to use it as a supplement to retirement income.



# EXECUTIVE SUMMARY OF CY23 FORECAST

- Increase to fund CY23 , depending the option elected is in range of \$793k to \$888k, or 2.35% to 2.6%.
- Deploying the Q-HDHP is as much about the future program as it is short term savings.
- Data would suggest 40% of employee would be financial better off in the Q-HDHP.



# Ancillary Plan Changes for 2023

- Our fully funded dental coverage with Delta Dental will see an 8% increase in premium costs, with a guarantee that premiums will not increase more than 6% for 2024.
- We will change our Whole Life Insurance vendor from VOYA to Transamerica for ease of enrollment and administration.
- We will change our Term Life Insurance and Short Term Disability insurance from US Able to Lincoln Financial, gaining better terms and increasing the County paid Basic Term life insurance to 1X salary.
- We will offer a new Long Term Disability option through Lincoln Financial (employee paid).



# Any Questions?

