



# Health Plan Program Status for CY 2023 and Options for CY 2024

*Presented by*

Larry Recce, Senior Vice President, USI Insurance Services



# AGENDA

- 1) How is our Health Plan doing so far for calendar year 2023?
- 2) Updated calendar year 2024 forecast.
- 3) Recommended plan programs design for calendar year 2024.



# YEAR TO DATE CY23 FINANCIALS:

- January through August 2023 medical and RX claims cost are below forecast by 9.5%.  
Net Claims of \$19.4 M vs. Forecast of \$21.4 M
- 19 claimants have paid healthcare expenses over \$125,000. (11 employees / 5 spouses/ 3 children)
- Of the 19 large claimants: 10 are enrolled in Standard Plan, 7 in Buy-up plan, 2 in the Core plan
- Two members exceeded the \$250K Stop Loss amount.



# YTD CY23 PROGRAM PERFORMANCE:

## Savings through Blue Cross Blue Shield partnership

- BCBSNC discounts are averaging 54% of charges, saving \$26.1M over the last 12 months.
- Member Health Engagement rate is 13% in line with the BCBS BOB.
- Generic substitution rate utilization is 98.5% which was at BCBSNC BOB.
- Medication Possession Rates (are people taking their medication) is above norm in all categories including high blood pressure and diabetes.
- Net Results Formulary has saved \$219,000 in the most recent 12 months.
- Copay Maximization Program has saved \$336,000 in the most recent 12 months
- Drug Rebates year to date \$1.07M



# YTD CY23 PROGRAM PERFORMANCE:

Vendor or Program Item	Vendor role or program item detail	Impact
<b>Synergy</b>	<ul style="list-style-type: none"> <li>Health Risk Assessments</li> <li>Health Advocate + Condition Mgmt</li> <li>Autoimmune Program</li> </ul>	<ul style="list-style-type: none"> <li>Autoimmune program = <b>\$129,000</b></li> <li>HRAs = <b>\$1,100,000</b></li> <li>Health Advocate/Condition Mgmt = <b>\$419,000</b></li> </ul>
<b>Southwest Physical Therapy</b>	<ul style="list-style-type: none"> <li>PT program</li> </ul>	<ul style="list-style-type: none"> <li>County/PT Clinic/USI are working together to gather the appropriate data to measure the success and savings of the program</li> </ul>
<b>Onsite Clinic</b>	<ul style="list-style-type: none"> <li>Know Your Numbers</li> <li>Acute Care</li> <li>Lifestyle Management</li> <li>Rx Program</li> </ul>	<ul style="list-style-type: none"> <li>Clinic works in tandem with other wellness vendors to maximize outcomes</li> </ul>
<b>WellWorks</b>	<ul style="list-style-type: none"> <li>Challenges – 4 per year</li> <li>Education</li> </ul>	<ul style="list-style-type: none"> <li>Increased engagement</li> </ul>
<b>Blue Cross Blue Shield</b>	<ol style="list-style-type: none"> <li>ESMMWL</li> <li>MyStrength</li> <li>SmartShopper</li> <li>DM/CCM programs</li> </ol>	<ol style="list-style-type: none"> <li>20 members enrolled in 2022</li> <li>20 enrolled, 70% of enrolled activated (14 members), 71% of activated returned (10 members) for an average of 4 activities completed/member</li> <li>Claim Savings \$342,911</li> <li>DIM \$80,323 cost avoidance Nurse Support Program \$236,700 Teladoc \$53,531 in savings</li> </ol>
<b>Company Initiatives</b>	<ul style="list-style-type: none"> <li>5Ks</li> <li>Lunch and Learns</li> <li>Onsite events</li> </ul>	<ul style="list-style-type: none"> <li>Value-add, engagement tool</li> </ul>
<b>Employee Assistance Program</b>	<ul style="list-style-type: none"> <li>10 visits per person</li> <li>Other work-life resources</li> </ul>	<ul style="list-style-type: none"> <li>Steerage</li> <li>Reduce HCC</li> </ul>



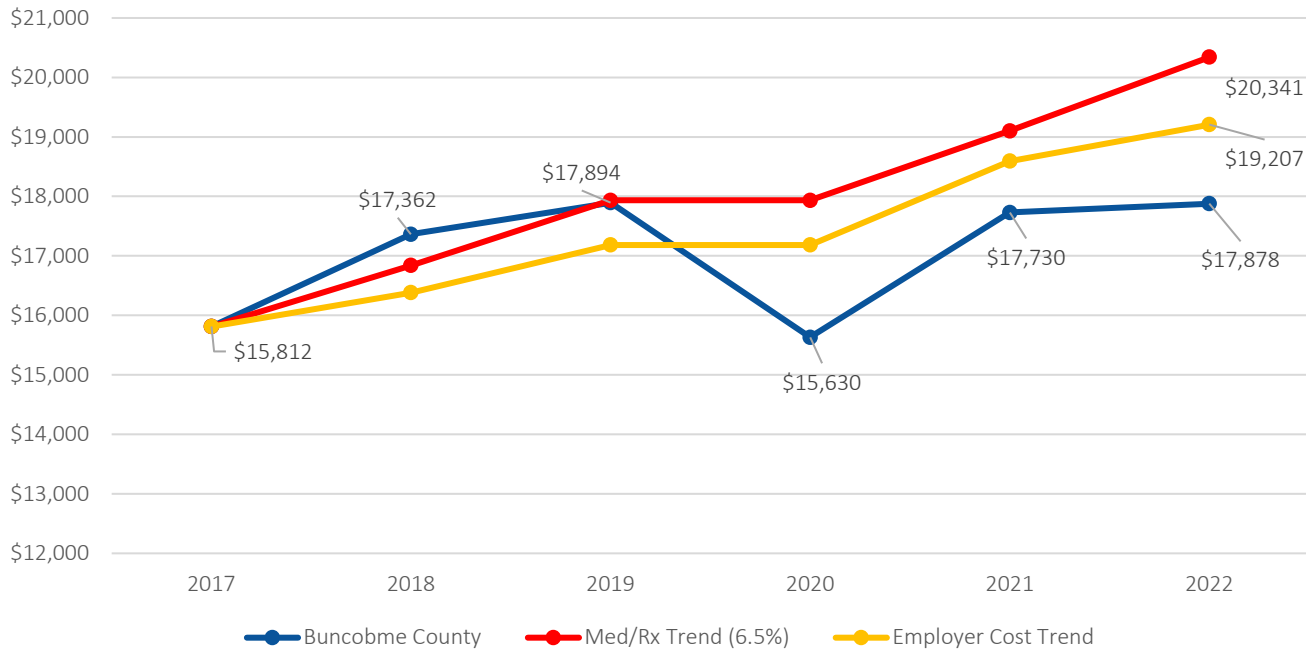
# YTD CY23 PROGRAM PERFORMANCE :

- Buncombe County has fewer diabetics, less employees with hypertension, 65% of higher risk members improved their health; 38% moderate risk improved their health; and hospital admissions are 18% less than average with cost per admission 23% less than average.
  - High risk diabetic members dropped from 6.3% to 5.6% and is now 1.7% below BCBSNC BOB! This is very positive for claim impact.
  - ER & Urgent care utilization are 12% below normative.
  - Preventive Screening rates are 5% to 13% above normative (depending on the screening).
- Over the past 4 years, Buncombe County's costs have only increased only 0.5% annually or 2.1% over 4 years. Buncombe County has had \$10.8 M in cost avoidance over 4 years compared to average annual client trend.



# LONG-TERM IMPACT ON YOUR PAID CLAIMS

Buncombe County Plan Year Historical Cost Benchmark (PEPY)



✓ Since 2019, (over last 4 years) Buncombe County has spent \$6,648,000 less than employer inflation cost and \$10,893,000 under an assumed glide path using medical/Rx trend.

✓ Cost averages reflect COVID delayed care. Employer average increases were: 2018: 3.6%, 2019: 4.9%, 2020: 0%, 2021: 8.2% and 2022: 3.3% (assumed).

With the focus of awareness, prevention, and creative cost savings solutions, Buncombe County has saved close to \$7 million in medical spend. With increased engagement around wellness programming, will see a direction savings of 2-5% total claims spend over the next 3 years based on historical USI client data.

**Cumulative Cost Avoidance  
over past 6 plan years:  
(Against NBGH Trend)**

**\$6,648,000**

\*Assuming number of employees is stable over the time period.



**BUNCOMBE COUNTY**



# UPDATED HEALTH PLAN CY 2024 FORECAST :

## RECOMMENDED CHANGE FOR 2024 for the Medical and RX programs:

CY24 Forecasted cost is \$34.2M (\$31.5M County, \$2.7M ees)

- Increase of \$393k to the County, or approx. 1.2% increase.\*
- No increase to employee premiums
- Changes to the medical/ Rx plan design outlined on the next slide

Without these changes, (keep current program as is) forecast is \$34.6M (\$31.9M County, \$2.7M ees), which is an increase of \$1.09M to the County, or approx. 2.7% increase.

\*Nationally, the renewal trend is approximately 7% increase





# 2023 vs 2024 Plan Comparison

		2023				2024 Proposed			
		Buy-Up	Standard	Core	HDHP	Buy-Up	Standard	Core	HDHP
<b>Deductible</b>									
	Individual	\$600	\$525	\$750	\$1,500	\$600	\$600	\$750	\$1,600*
	Family	\$1,200	\$1,050	\$1,500	\$3,000	\$1,200	\$1,200	\$1,500	\$3,200*
<b>Out-of-Pocket Maximum</b>									
	Individual	\$1,600	\$1,370	\$2,250	\$4,500	\$2,000	\$1,600	\$2,650	\$4,600
	Family	\$3,200	\$2,750	\$4,500	\$9,000	\$4,000	\$3,200	\$5,300	\$9,200
<b>Coinsurance</b>									
	In Network	20%	5%	30%	30%	20%	10%	30%	30%

As proposed last year, County will fund ½ the deductible amount into a Health Savings Account if enrolled in the HDHP.

\* Increase required per IRS regulations



# 2024 Bi-Weekly Employee Premiums

- No Change from 2023 Employee Premiums for the medical/rx plans

Bi-Weekly Rate	Wellness Premium				Non-Wellness Premium			
	Buy-Up	Core	HDHP	Standard	Buy-Up	Core	HDHP	Standard
Employee	\$37.31	\$21.32	\$11.00	\$26.65	\$74.62	\$42.64	\$42.64	\$53.30
Employee/Spouse	\$90.61	\$53.30	\$53.30	\$69.29	\$181.22	\$106.60	\$106.60	\$138.58
Employee/Child	\$85.28	\$42.64	\$42.64	\$42.64	\$170.56	\$85.28	\$85.28	\$85.28
Employee/Children	\$101.27	\$69.29	\$69.29	\$74.62	\$202.54	\$138.58	\$138.58	\$149.24
Family	\$101.27	\$69.29	\$69.29	\$74.62	\$202.54	\$138.58	\$138.58	\$149.24



# Dental Update - 2024

- Our fully funded dental coverage with Delta Dental will see an 6% increase in premium costs, with a guarantee that premiums will not increase more than 6% for 2025.

Biweekly rate	2023		2024		BUY UP INCREASE
	CORE	BUY UP	CORE	BUY UP	
Employee Only	\$18.19	\$22.17	\$18.19	\$23.83	\$1.66
Employee / 1 Child	\$32.66	\$39.80	\$32.66	\$42.79	\$2.99
Employee / Children	\$51.69	\$62.97	\$51.69	\$67.70	\$4.73
Employee / Spouse	\$34.49	\$42.02	\$34.49	\$45.18	\$3.15
Family	\$60.57	\$73.80	\$60.57	\$79.33	\$5.53



# Vision Update - 2024

- Our fully funded vision coverage with Superior Vision/MetLife is under a rate guarantee and premiums will not increase in 2024. We will conduct an RFP for the 2025 renewal.

	Biweekly rate
Employee Only	\$4.46
Employee / Children	\$8.92
Employee / Spouse	\$8.48
Family	\$13.12



# Upcoming Events

## OCTOBER

### Annual Health Risk Assessment:

- Accepting forms from Primary Care Providers July 1 – October 31, 2023
- Free onsite clinics the week of October 3 – 7, 2023 and again October 17 – 19, 2023

## NOVEMBER

### Benefits Open Enrollment

- November 1 – 15, 2023
- Benefit elections / changes will be effective January 1, 2024



# Any Questions?

