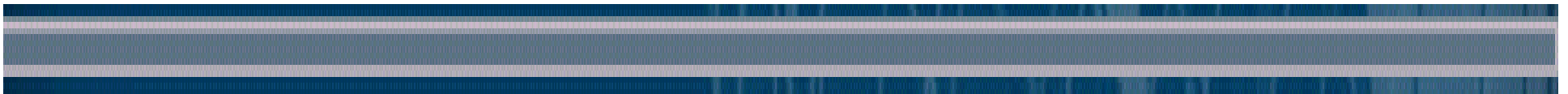


# COUNTY OF KANE Employee Benefits Presentation



## Agenda

- Benefit Plan overview
  - Premium vs. Claims
  - Renewal History
  - Wellness Program
  - Renewal Timeline
  - Benchmark & Analysis
-

## Employee Benefit Plan Design

- Blue Cross Blue Shield of Illinois
  - Three options:
    - PPO
    - HMO Blue Advantage
    - HMO Illinois
      - HMO plan designs are identical, difference in scope of doctors' network
-

## Employee Benefit Plan Design

- PPACA Changes since 2011
  - Annual wellness visit covered at 100%
  - No lifetime maximums
  - Dependent coverage to age 26 (IL state law since 2009)
  - PPACA costs are 1.5% of 2011 premium

# Employee Benefit Plan Design

## PPO

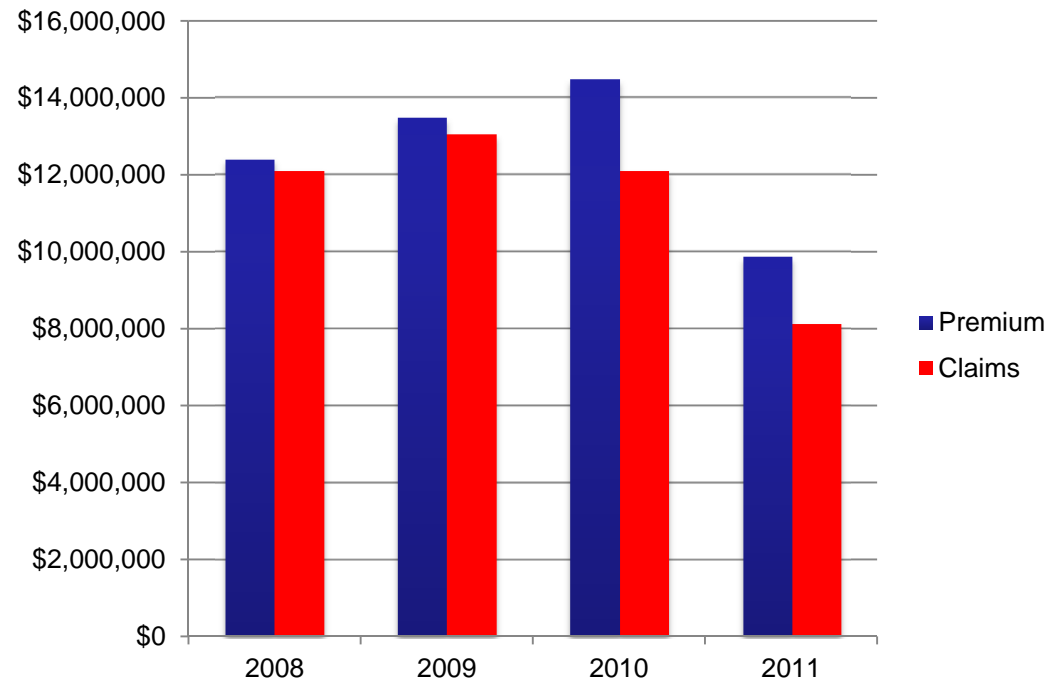
	In-Network	Out-of-Network
Deductible	\$500 single \$1,500 family	\$900 single \$2,700 family
Out-of-Pocket	\$1,000 single \$3,000 family	\$2,000 single \$6,000 family
Coinsurance	80%	60%
Office Visit Co-pay	\$20/\$40	60%
Annual Wellness Visit	100%	60%
Prescription	Tier 1: \$10 Tier 2: \$40 Tier 3: \$60	75% after copayment

# Employee Benefit Plan Design

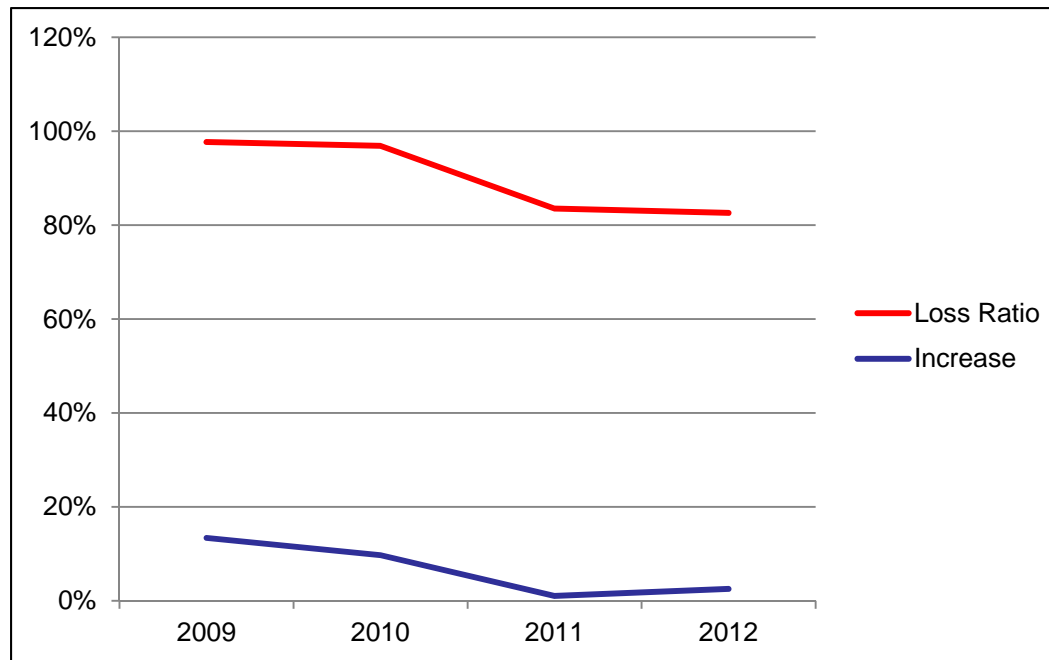
## HMO

	In-Network
Out-of-Pocket	\$1,500 single \$3,000 family
Office Visit Co-pay	\$25 primary \$35 specialist
Annual Wellness Visit	100%
Inpatient Co-pay	\$250
ER Co-pay	\$250
Prescription	Tier 1: \$10 Tier 2: \$20 Tier 3: \$35

# Premium vs. Claims



# Premium vs. Claims





# Premium vs. Claims

## Current Year Statistics *(through 8 months of claims)*

	Premium	Claims	Loss Ratio
HMO	\$3,962,134	\$3,522,685	88.91%
<u>PPO</u>	<u>\$5,903,121</u>	<u>\$4,607,966</u>	<u>78.06%</u>
<b>Total</b>	<b>\$9,865,255</b>	<b>\$8,130,651</b>	<b>82.4%</b>

# Renewal History



# HMO Migration Strategy

- Cost reducing strategy to move employees from HMO IL to HMO BA
    - BA premiums are 10% lower than IL
    - Same benefit plan design
  - Annual communication by Global at all Open Enrollment meetings at all Kane locations
-

# HMO Migration Strategy

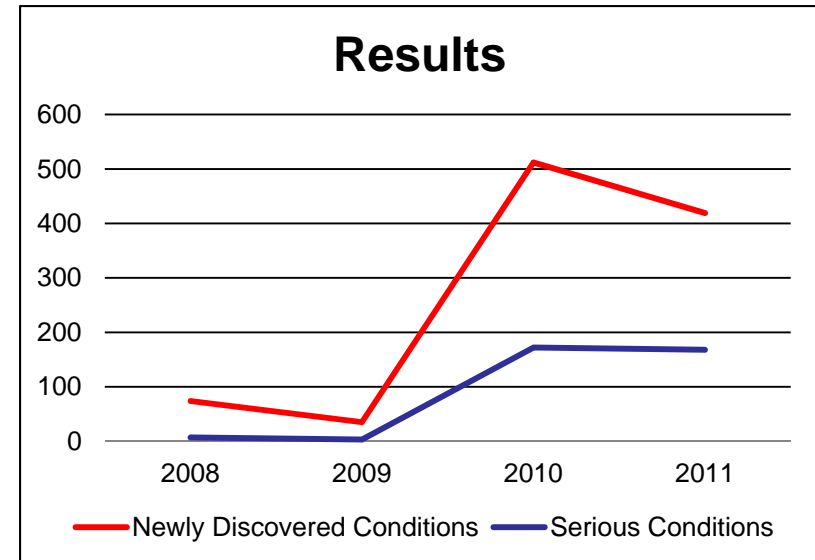
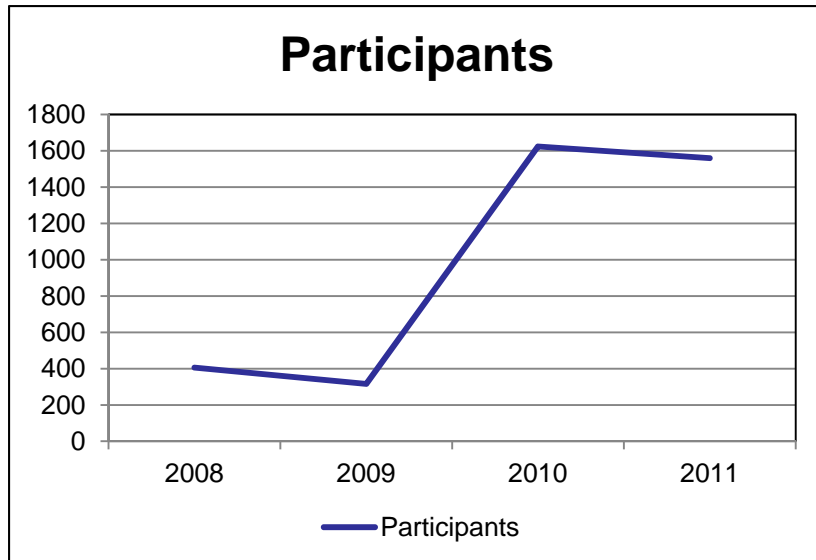
	12/1/2009	1/1/2010	1/1/2011	1/1/2012
Premium	\$1,169,894	\$1,257,757	\$1,235,813	\$1,201,786
Members	1,199	1,206	1,177	1,162
PEPM	\$975.72	\$1,042.92	\$1,049.97	\$1,034.24
PEPM increase		6.89%	0.68%	-1.50%
Renewal increase		9.7%	1.0%	-1.8%

	12/1/2009		1/1/2010			1/1/2011			1/1/2012		
	Enrolled	% of total	Enrolled	% of total	% change	Enrolled	% of total	% change	Enrolled	% of total	% change
PPO	697	57.89%	631	52.41%	-9.47%	593	50.95%	-6.02%	571	49.05%	-3.71%
HMO Blue	304	25.25%	481	39.95%	58.22%	490	42.10%	1.87%	504	43.30%	2.86%
HMO IL	203	16.86%	92	7.64%	-54.68%	81	6.96%	-11.96%	81	6.96%	0.00%
<b>Total</b>	<b>1,204</b>		<b>1,204</b>			<b>1,164</b>			<b>1,156</b>		

# Wellness Program

- Participating employees and their spouses are screened by a 3<sup>rd</sup> party vendor (Interactive Health Solutions) via blood draw
  - Employees receive a confidential, personalized individual health score comparing their results to AMA guidelines
  - Participating employees save \$50/month on their insurance contribution (\$100 for employee and spouse)
-

# Wellness Program



# 2013 Renewal Timeline

SERVICE DELIVERABLE	RESPONSIBLE PARTY	TARGET DATE
Renewal Receipt from BCBS	Global	18-Jul-12
Kick-off Meeting	Global/Kane	1-Aug-12
Renewal Analysis	Global	1-Aug-12
Review Administrative Charges		
Review Pooling Level and Charge		
Evaluate Reserves		
Analyze Demographic Modification		
Trend Review		
Large Claim Reivew		
Network Access Fee Review		
Receive Census Data	Kane County	18-Jul-12
Initial BCBS Renewal Presentation	Global/Kane	1-Aug-12
Quarterly Claim Review Meeting	Global/Kane	1-Aug-12

# 2013 Renewal Timeline

SERVICE DELIVERABLE	RESPONSIBLE PARTY	TARGET DATE
RFP Development	Global	18-Jul-12
RFP Released to Marketplace	Global	22-Jul-12
Funding Analysis	Global	1-Aug-12
Plan Design Benchmarking & Change Recommendation Meeting	Global/Kane	1-Aug-12
RFP Process Complete	Global	15-Aug-12
RFP Results Meeting	Global/Kane	17-Aug-12
Incumbent and Competing Carrier's Final Proposal Review	Global/Kane	27-Aug-12
Benefit Committee Meeting	Global/Kane	27-Aug-12
Quarterly Wellness & Communication Meeting	Global/Kane	19-Sep-12
Quarterly Claim Review Meeting	Global/Kane	19-Sep-12
Open Enrollment Meetings	Global	Nov-12
Benefit Committee Meeting	Global/Kane	19-Dec-12
Quarterly Wellness & Communication Meeting	Global/Kane	19-Dec-12



# Benchmark & Analysis

		<u>Benchmark</u>	<u>Kane County</u>	
<b>PPO employee enrollment rate -</b>	Midwest	68%	51%	
	1000-4999	75%		
	Government	66%		
<b>HMO employee enrollment rate -</b>	Midwest	16%	49%	
	1000-4999	18%		
	Government	31%		
<b>Average co-pay amount (office visit) -</b>	Midwest	\$20.00	<b>PPO</b> \$20	<b>HMO</b> \$25
	1000-4999	\$20.00		
	Government	\$20.00		
<b>Average co-pay amount (specialist)-</b>	Midwest	\$35.00	\$40	\$35
	1000-4999	\$35.00		
	Government	\$40.00		
<b>Average co-insurance -</b>	Midwest	80%/70%	80%/60%	100%
	1000-4999	80%/70%		
	Government	80%/70%		

# Benchmark & Analysis

		<u>Benchmark</u>		<u>Kane County</u>	
				<u>PPO</u>	<u>HMO</u>
<b>Employers average Single In-Network deductible -</b>	<i>Midwest</i>	\$500	\$500	N/A	
	<i>1000-4999</i>	\$500			
	<i>Government</i>	\$500			
<b>Employers average Single Out-Network deductible -</b>	<i>Midwest</i>	\$750	\$900	N/A	
	<i>1000-4999</i>	\$750			
	<i>Government</i>	\$750			
<b>Employers average Family In-Network deductible -</b>	<i>Midwest</i>	\$1,000	\$1,500	N/A	
	<i>1000-4999</i>	\$1,000			
	<i>Government</i>	\$1,000			
<b>Employers average Family Out-Network deductible -</b>	<i>Midwest</i>	\$1,600	\$2,700	N/A	
	<i>1000-4999</i>	\$1,600			
	<i>Government</i>	\$1,600			
<b>Employers individual Out of Pocket Maximums -</b>	<i>Midwest In-Network</i>	\$1,500	\$1,000	N/A	
	<i>Midwest Out-Network</i>	\$3,000			
	<i>1000-4999. In-Network</i>	\$2,000			
	<i>1000-4999. Out-Network</i>	\$3,000			
	<i>Government In-Network</i>	\$1,500			
	<i>Government Out-Network</i>	\$3,000			

# Benchmark & Analysis

		Benchmark		Kane County	
				PPO	HMO
<b>Employers prescription drug expense by tier</b>	<i>Midwest</i>	\$10 / \$25 / \$44	\$10/\$40/\$60	\$10/\$20/\$35	
<i>generic/brand/non-preferred brand</i>	<i>1000-4999</i>	\$10 / \$25 / \$48			
	<i>Government</i>	\$10 / \$25 / \$40			
<b>Employers offering Mail Order prescription drugs</b>	<i>Government</i>	93%		Yes	
	<i>Midwest</i>	\$20 / \$50 / \$80	\$20/\$80/\$120	\$20/\$40/\$70	
	<i>1000-4999</i>	\$20 / \$50 / \$90			
	<i>Government</i>	\$15 / \$50 / \$80			