

PEHP Overview

Retirement & Independent Entities

November 10, 2016

R. Chet Loftis



PROUDLY SERVING UTAH PUBLIC EMPLOYEES

Mission Statement

We serve Utah Public Employees in a Partnership of Trust with a Commitment to Value, Innovation, and Excellence.

Benefits

- » Medical
- » Dental
- » Life
- » Accidental Death and Disability
- » Long-term Disability

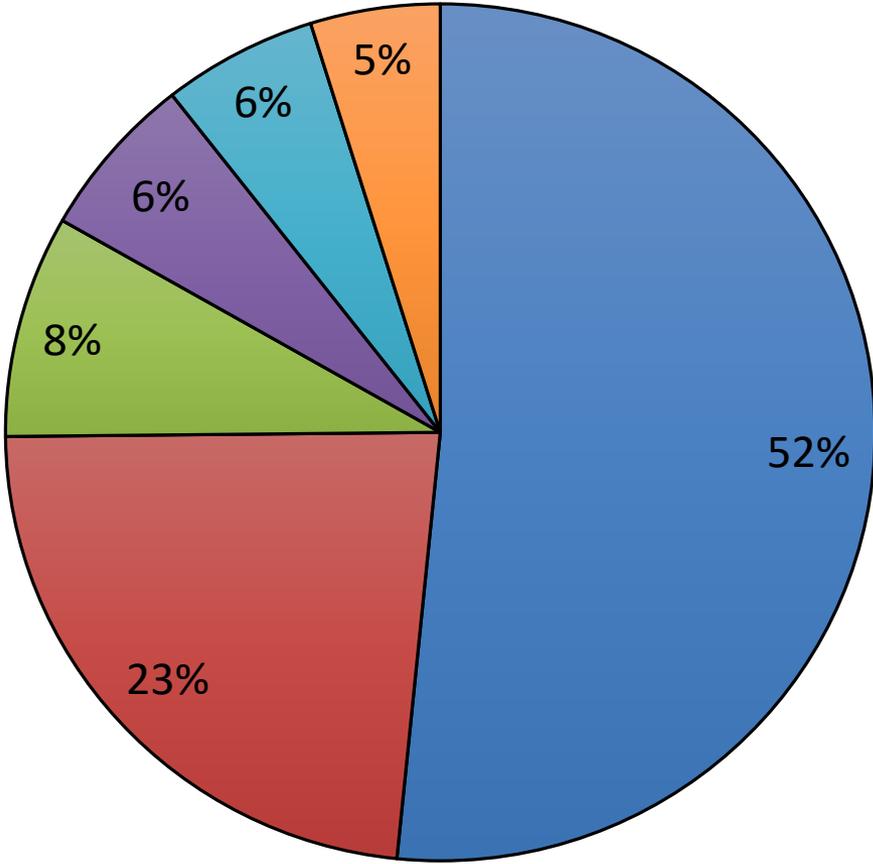
Concepts

- » Self-funding
- » Insurance Risk Pools
- » Days of Reserve
- » Reinsurance
- » Claims and Administrative Fees
- » Percent Off Billed vs Fixed Fees
- » Traditional & HSA-qualified
- » Networks: Advantage, Summit, Preferred
- » Cost Sharing: Copays, Deductibles, Coinsurance

Objectives

- » Provide Exceptional Service
- » Add Value Without Increasing Costs
- » Keep Renewals Reasonable & Preserve Benefits
- » Reduce Uncovered Costs Without Increasing PEHP's
- » Educate and Partner with Providers
- » Increase Fixed Fees & Manage Costs
- » Clinically Support Members
- » Improve Market & Be a Trusted Resource

Medical Membership – Oct 2016



State of Utah

LGRP

Medicare

USBA

Salt Lake City

Jordan School District

Member History Dashboard

15.9x

Risk Level: In Crisis

Enter a Member Number:

88%

Likelihood of Hospitalization

Member Info

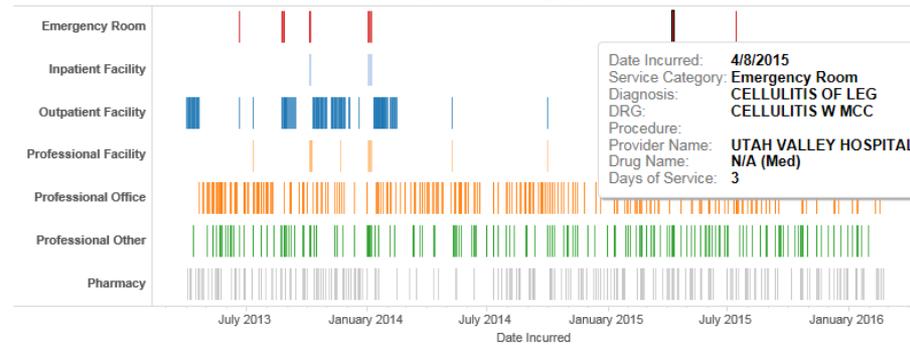
Gender: Female
 Age: 60
 Agency: Advantage
 Address(County):
 Network: Advantage

Health Status(Most Severe Episode): Chronic Maintenance
 HCC: 222 CHF.30 Congestive Heart Failure
 PCP: NOBUHARA, LAWRENCE K (69382) - INTERNAL MEDICINE
 Most Costly Provider: REICHMAN, HOWARD R (69091) - NEUROSURGERY

Most Frequent Primary Diagnoses
 First: 799.02 HYPOXEMIA
 Second: 724.2 LUMBAGO
 Third: R09.02 Hypoxemia

Most Frequent Prescriptions
 First: ELIQUIS
 Second: SIMVASTATIN
 Third: VITAMIN D2

Claims by Service Category



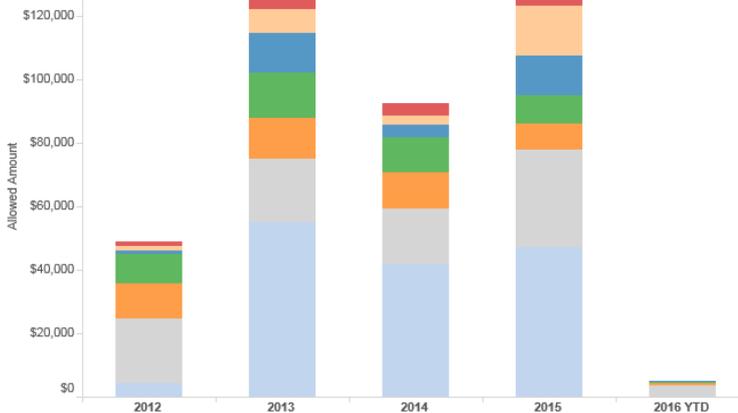
Allowed Amount by Service Category

Year

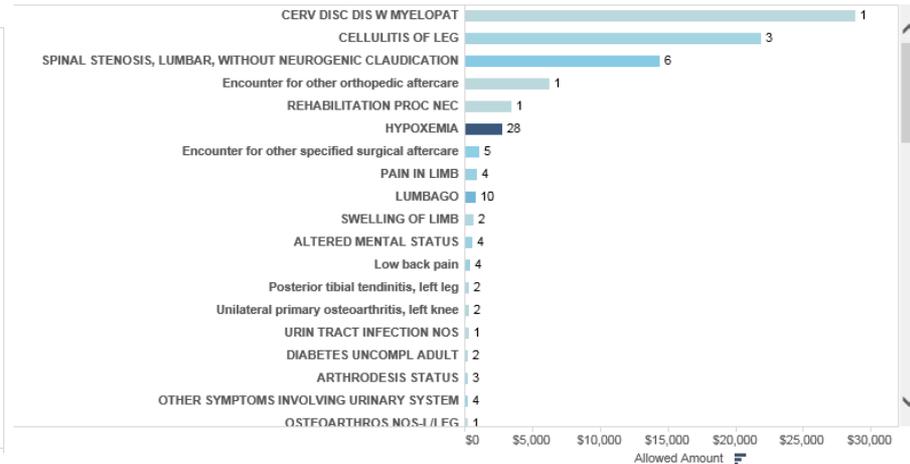
- (All)
- 2012
- 2013
- 2014
- 2015
- 2016 YTD

Service Category

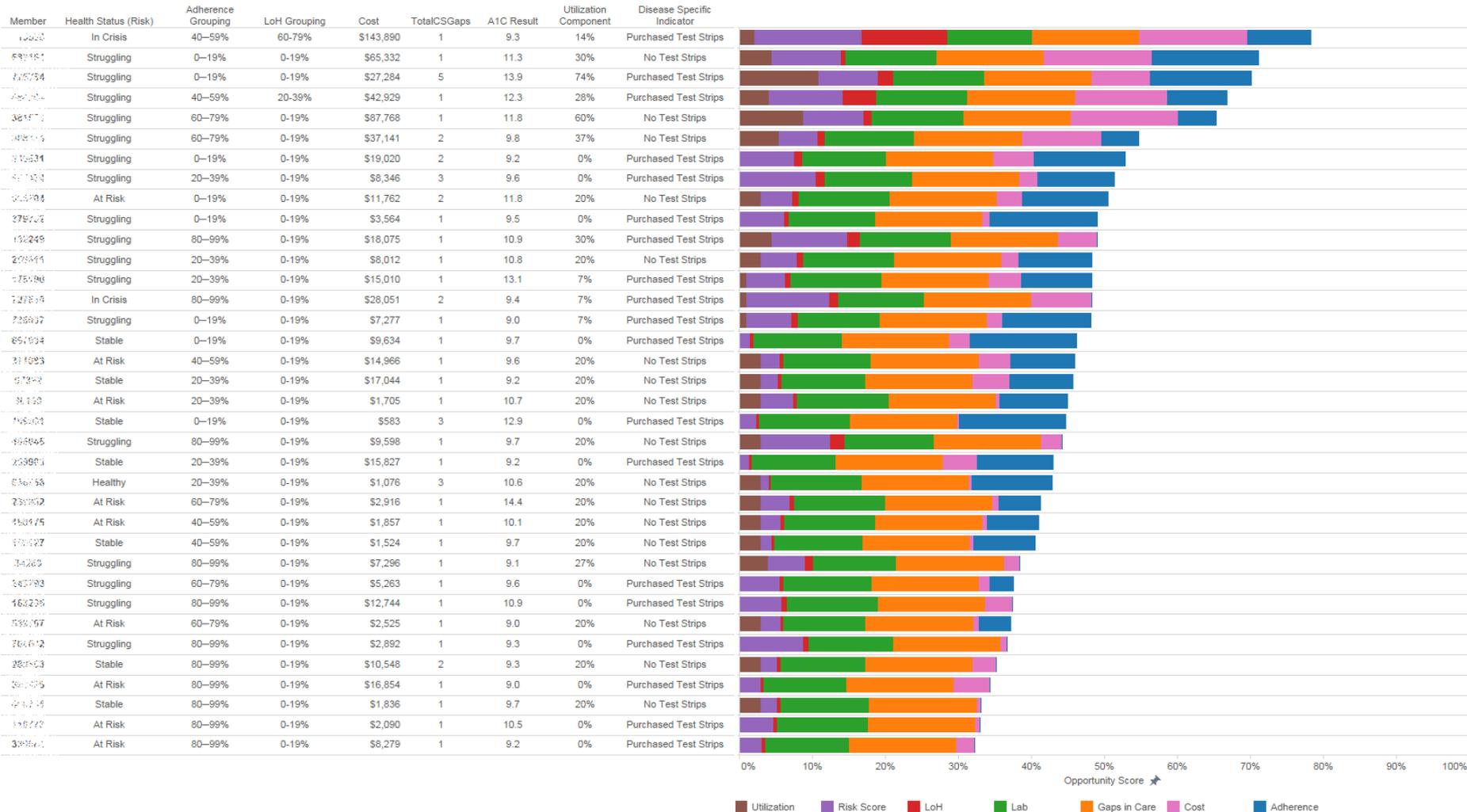
- Inpatient Facility
- Pharmacy
- Professional Office
- Professional Other
- Outpatient Facility
- Professional Facility
- Emergency Room



Top Diagnoses in the Past 12 Months by Cost

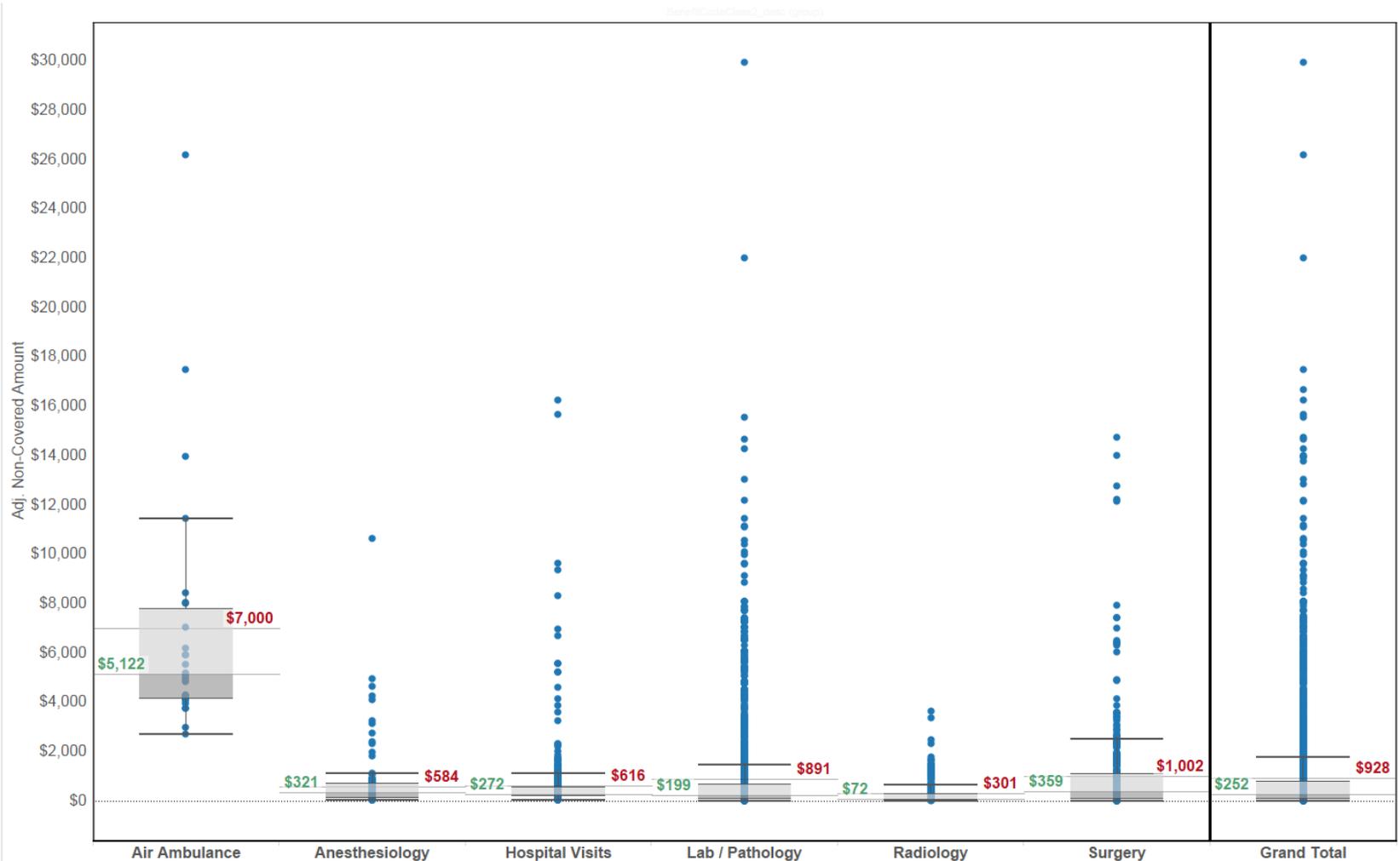


Disease Mgmt: Opportunity Scores

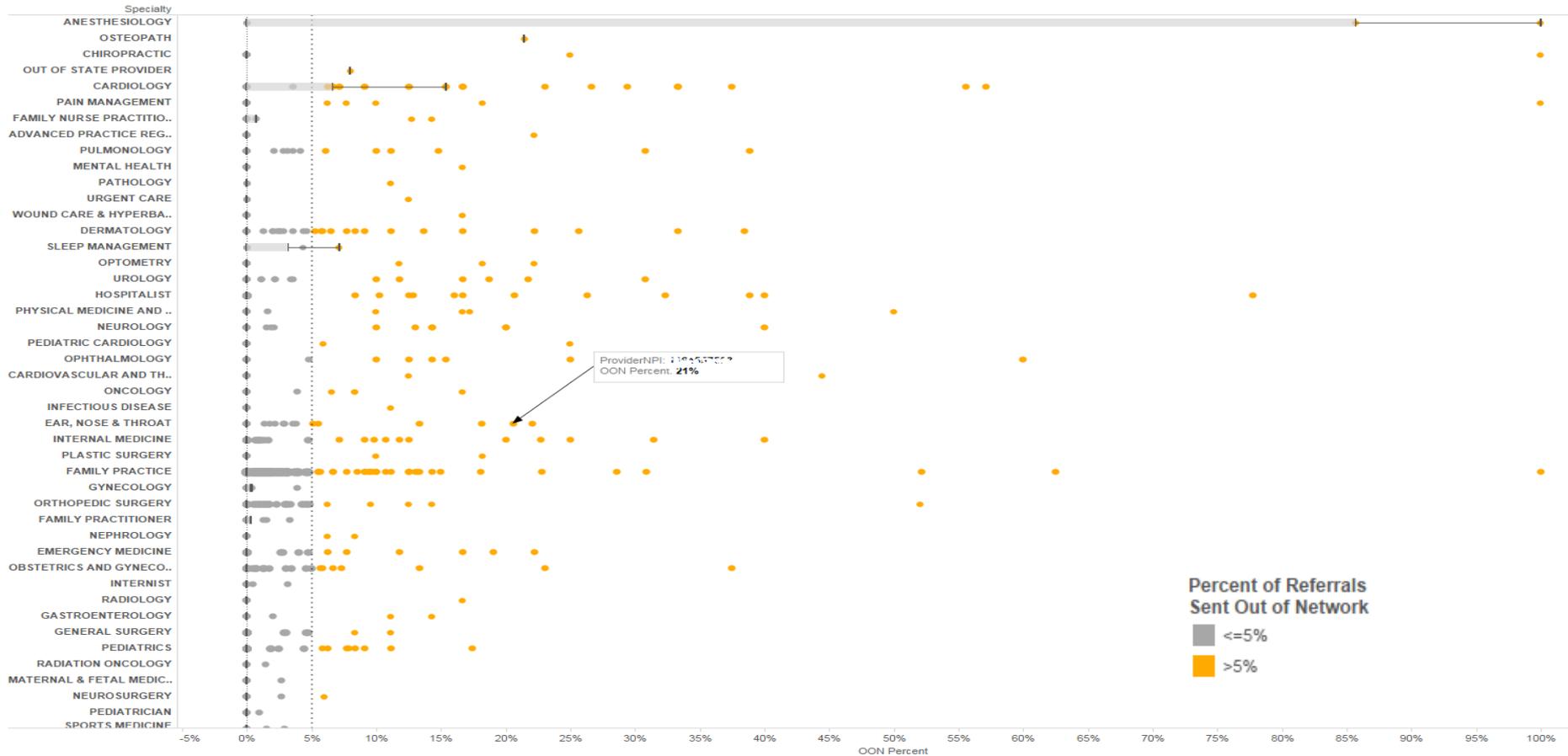


Impact of Uncovered Claims

With **Average** and **Median** labels



Percent of Referrals Sent Out of Network by Specialty



Top 25 Denials

Top 25 Procedure Code Descriptions For Denials

Procedure_desc	ProcedureC..	Claims	Non-Covered	Non-Covered Per Claim	Members Affected	Non-Covered Per Member
A 3D mammogram	77063	1,690	\$111,822	\$66	991	\$113
	77062	180	\$16,655	\$93	136	\$122
	77061	165	\$16,076	\$97	115	\$140
Fitting for contact lens(es)	92310	841	\$32,336	\$38	837	\$39
	92325	9	\$185	\$21	9	\$21
	92326	4	\$134	\$34	4	\$34
	92313	3	\$633	\$211	3	\$211
	92314	3	\$120	\$40	3	\$40
Lazy eye screening test	99174	533	\$24,395	\$46	526	\$46
Child development testing	96110	498	\$12,598	\$25	463	\$27
	96111	4	\$727	\$182	4	\$182
Self-care training	97535	373	\$27,562	\$74	312	\$88

DenialOrderingbyClinical

Procedure_d..	ClinicalCondition	Claims	Non-Covered
A 3D mammogram	Encounter for screening for malignant neoplasms	1,672	\$110,806
	Abnormal and inconclusive findings on diagnostic imagin..	107	\$10,393
	Unspecified lump in breast	92	\$9,446
	Other disorders of breast	85	\$7,325
	Benign mammary dysplasia	22	\$1,908
	Malignant neoplasm of breast	11	\$824
	Personal history of malignant neoplasm	11	\$1,391
	Encounter for other special examination without complai..	4	\$232
	Hypertrophy of breast	4	\$529
	Family history of primary malignant neoplasm	3	\$384
	Hemorrhage, not elsewhere classified	3	\$180
	Other postprocedural states	3	\$121
	Benign neoplasm of breast	2	\$90
	Encounter for follow-up examination after completed trea..	2	\$90
	Bronchitis, not specified as acute or chronic	1	\$85

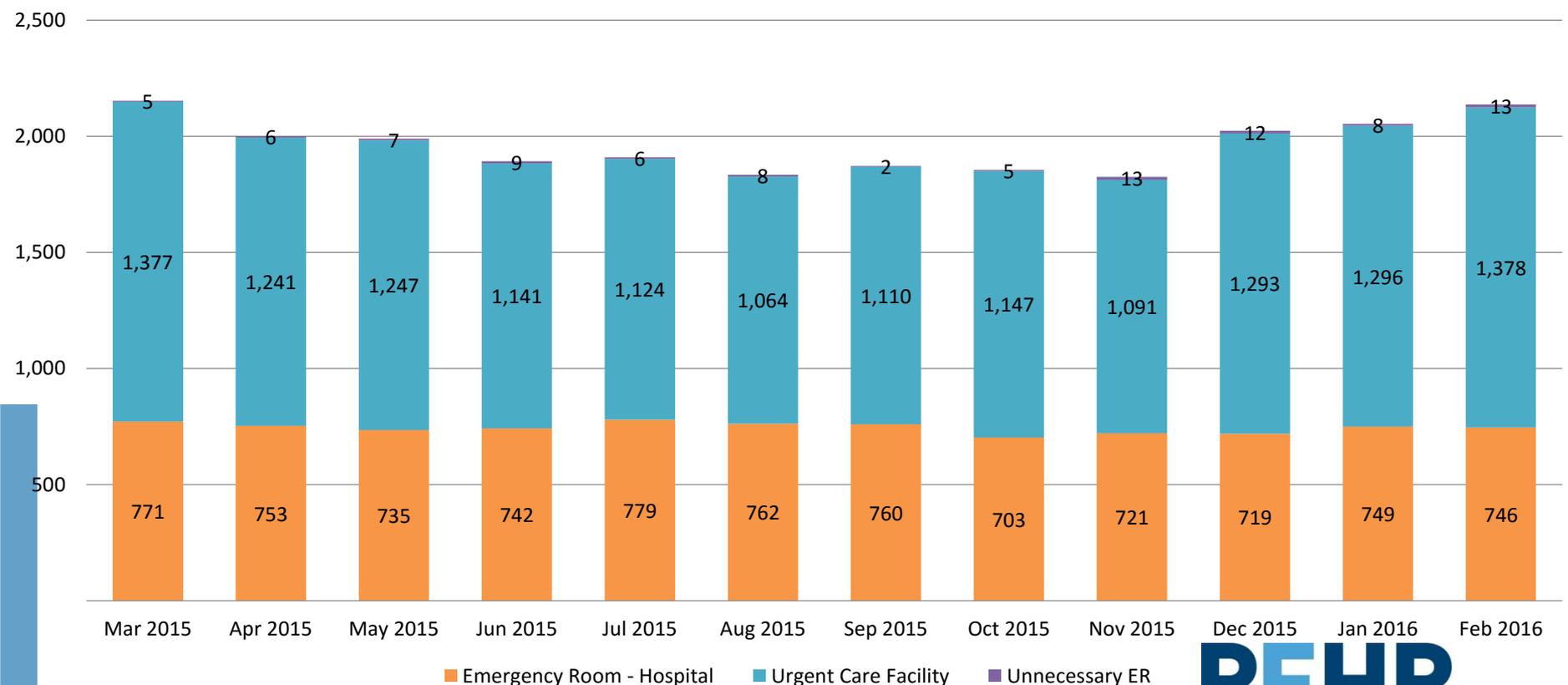
DenialOrderingbyProvider

Procedure_d..	ProviderI..	ProviderName	OrderingPr..	Claims	Non-Covered
A 3D mammogram	79584	HUNTSMAN CANC..		310	\$10,885
	44736	ST MARKS HOSPIT..		197	\$10,108
	170446	FREER, PHOEBE E	1588656870	48	\$2,160
			1902946478	27	\$1,215
			1700836947	2	\$90
			1942454343	2	\$90
			1861571333	1	\$45
			1306078498	1	\$45
			1386729077	2	\$90
			1801939582	3	\$135
		1710923966	1	\$45	
		1154424950	1	\$45	
		1346566171	2	\$90	
		1710936265	1	\$45	
		1851358949	1	\$45	

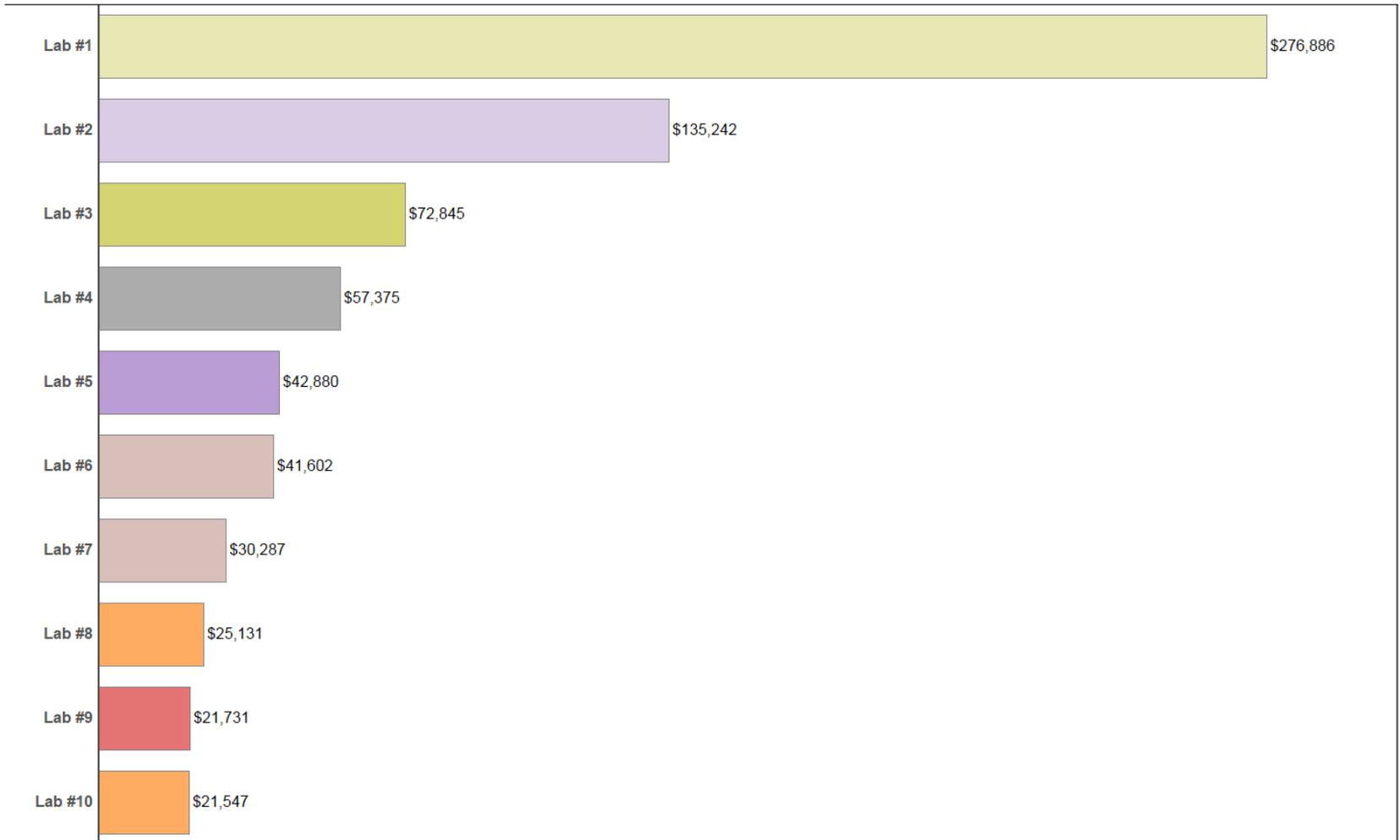
Visit Summary

Incurred March 15–February 2016, Paid May 2016

Unnecessary ER

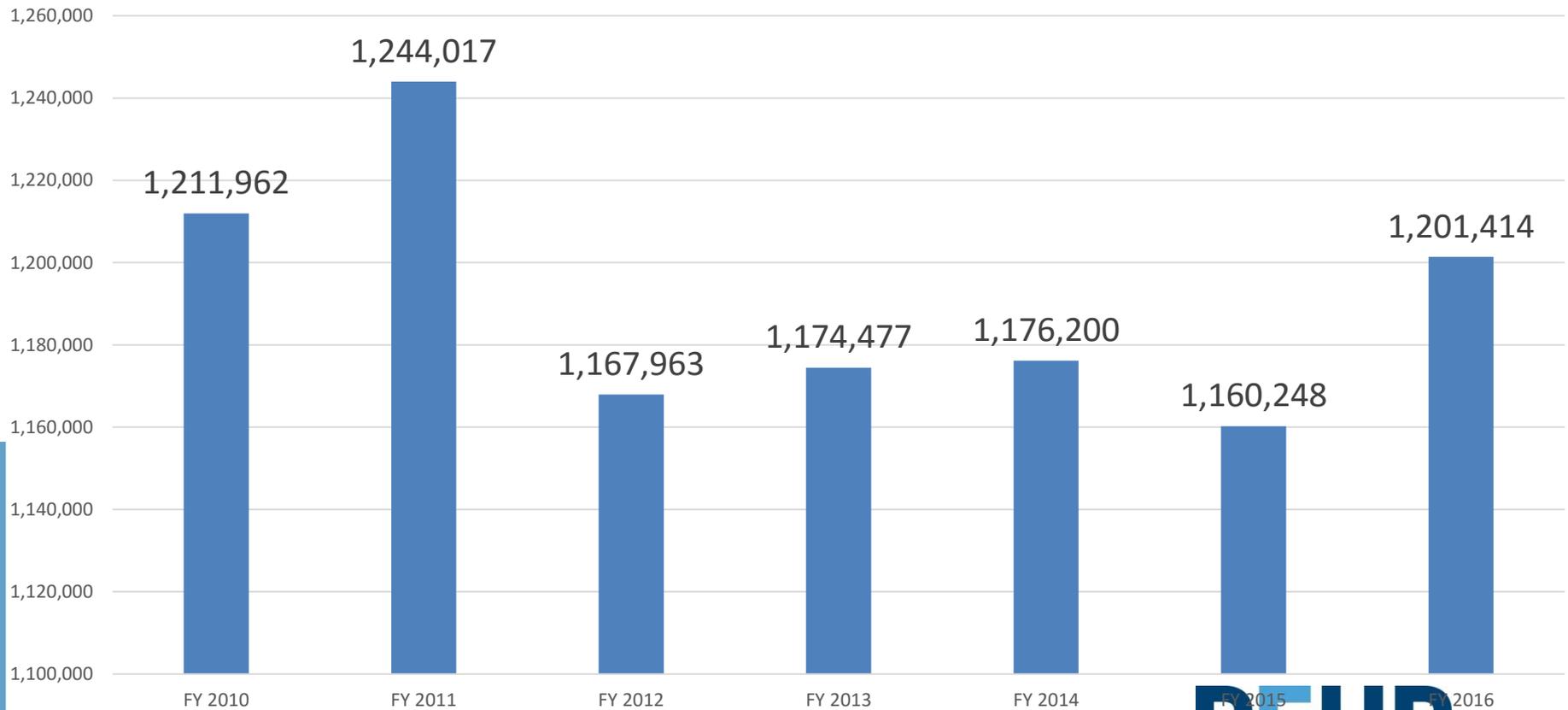


Out of State Labs



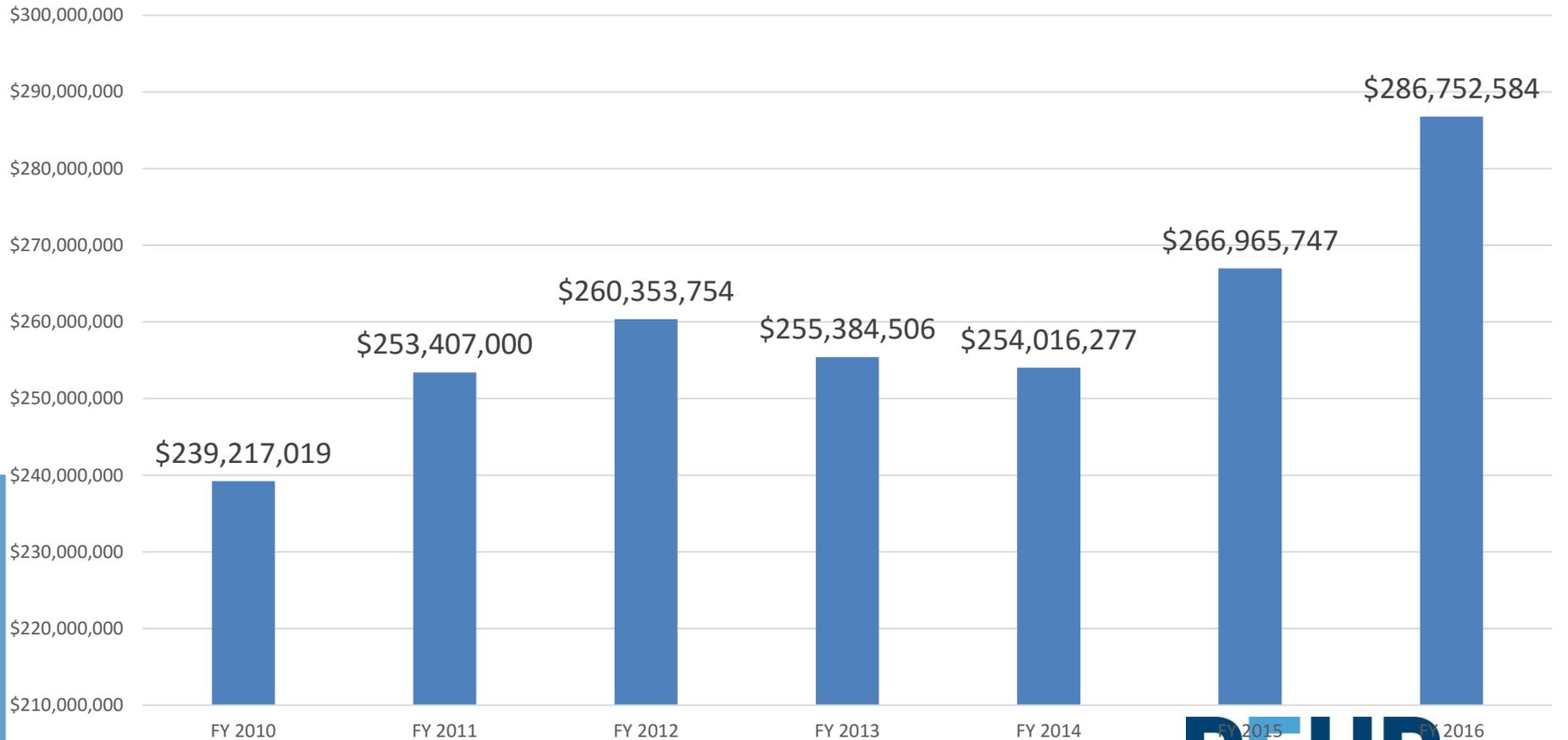
Count of Paid Claims

By plan year» medical and Rx (excludes IBNR)



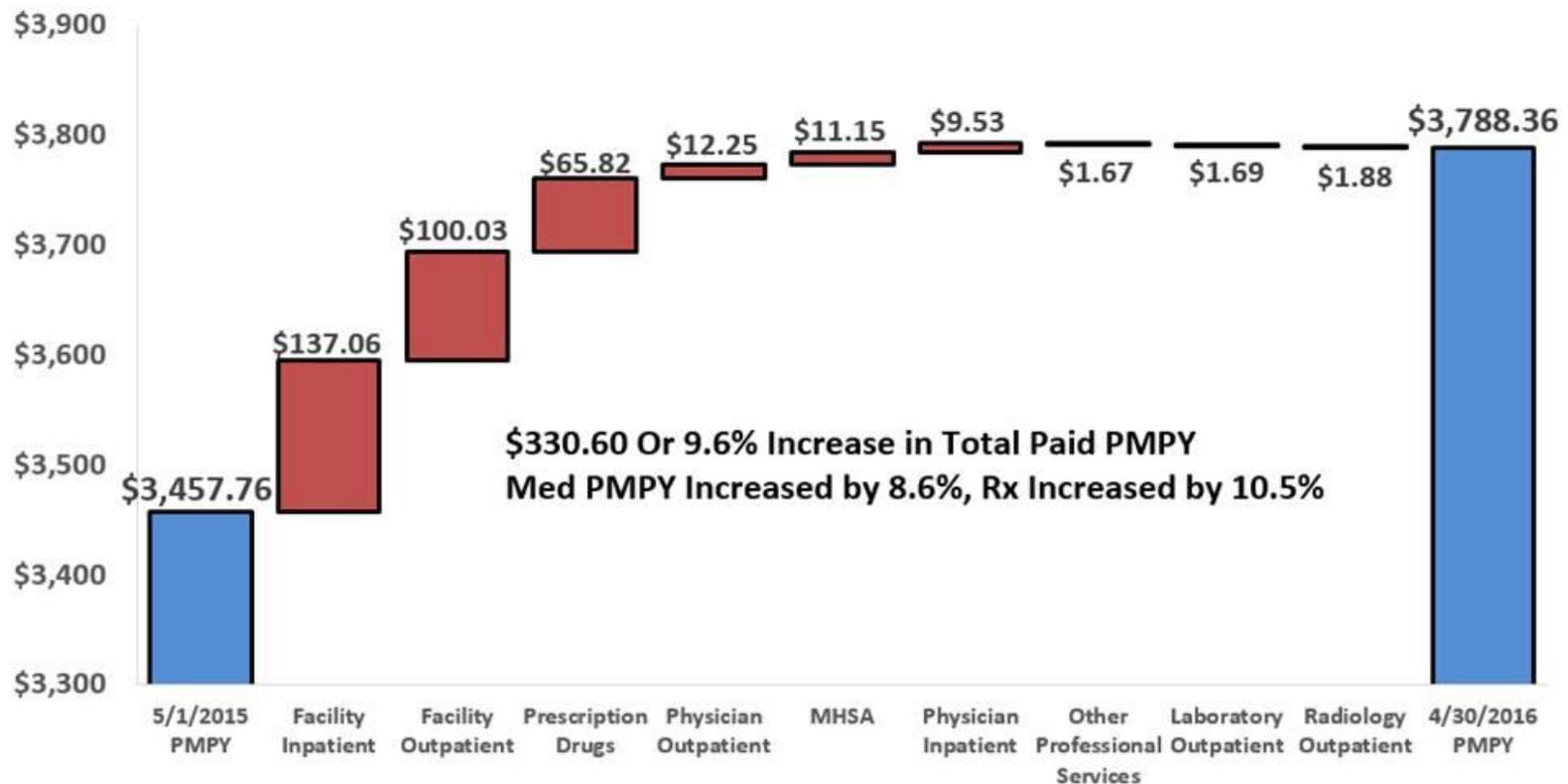
Total Paid Claims

By plan year » medical and Rx (excludes IBNR)



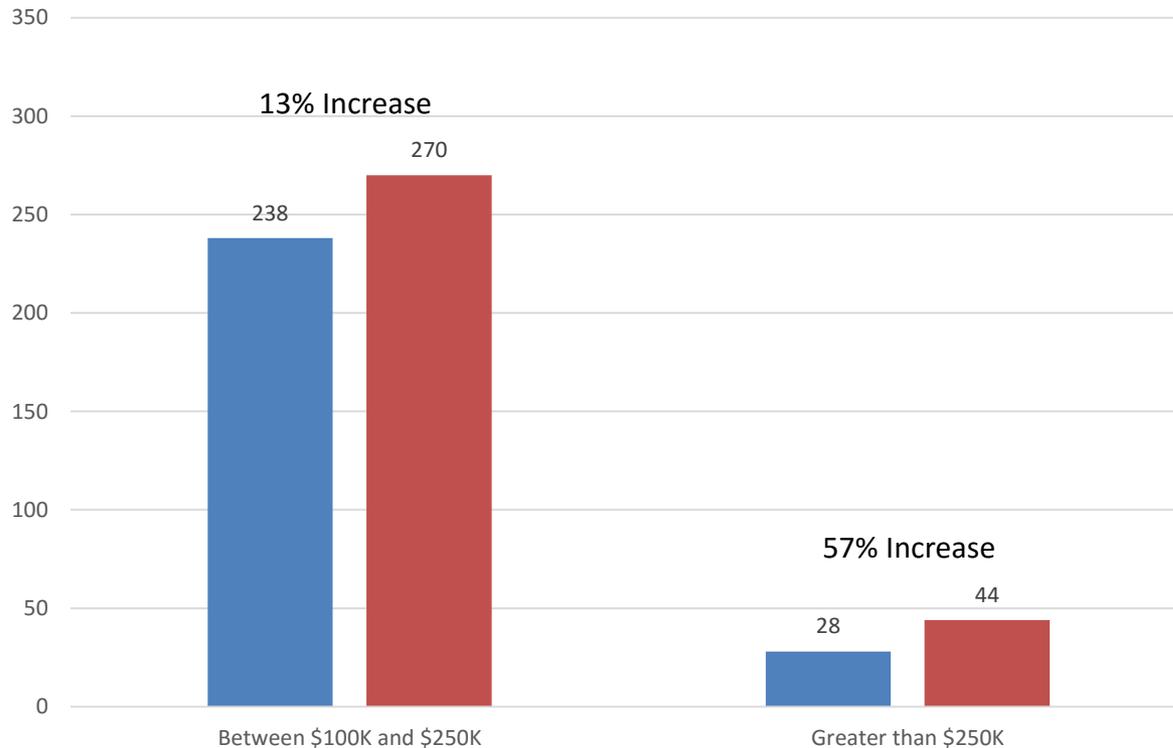
State Renewal \$22.6M/\$15.5M

- » Experience over the last year has been higher than long-term assumed trend
- » Inpatient: More large claimants (40 members above \$250K vs. 26 last year)
- » Outpatient: higher across the board (biggest are digestive, circulatory, musculoskeletal)
- » Pharmacy: generic and specialty drug inflation (specialty expected to continue)



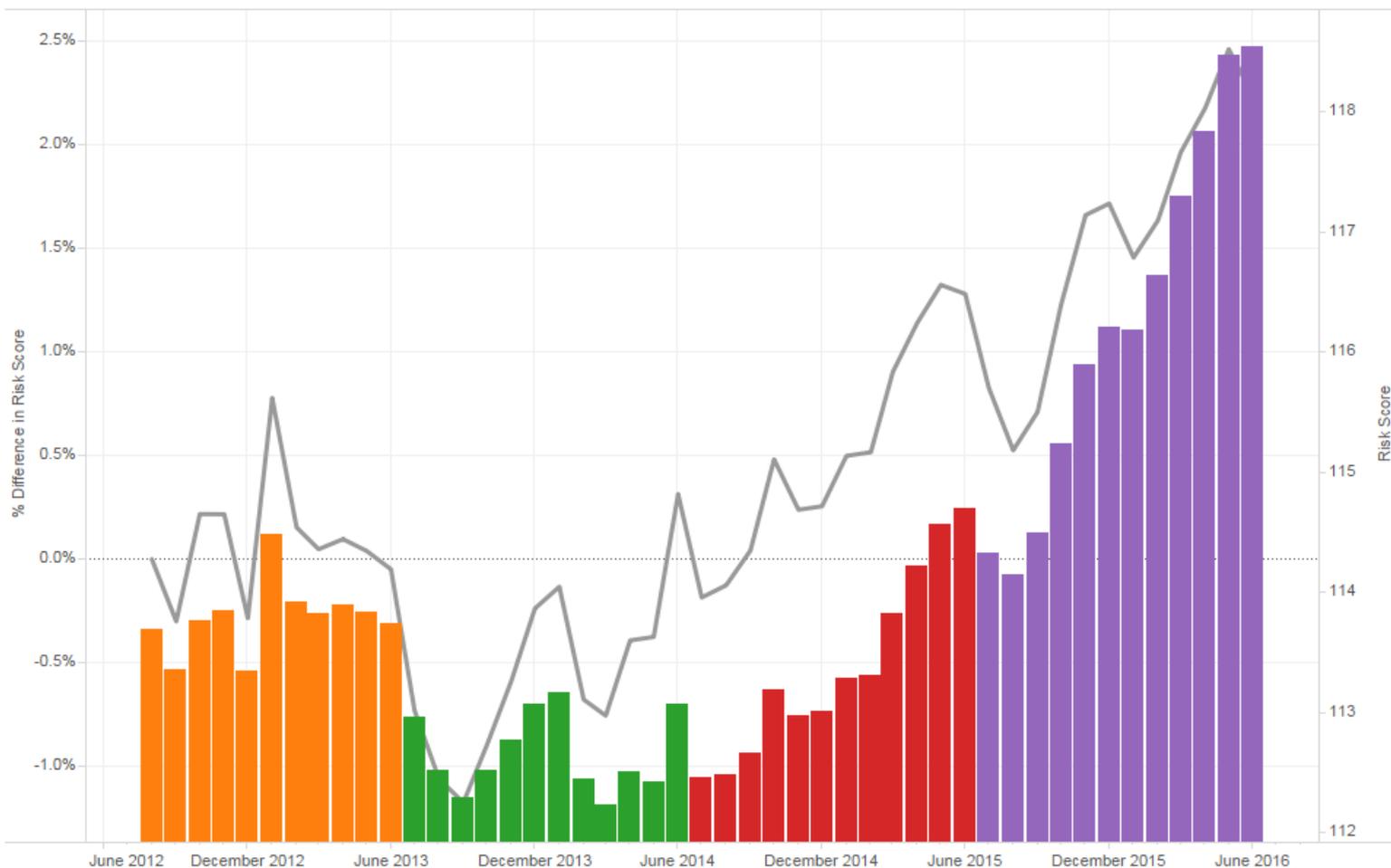
Volume of High Claimants

Number of high claimants rose materially between 2014/2015 and 2015/2016 plan years. (\$9.2 million increase in retained costs)



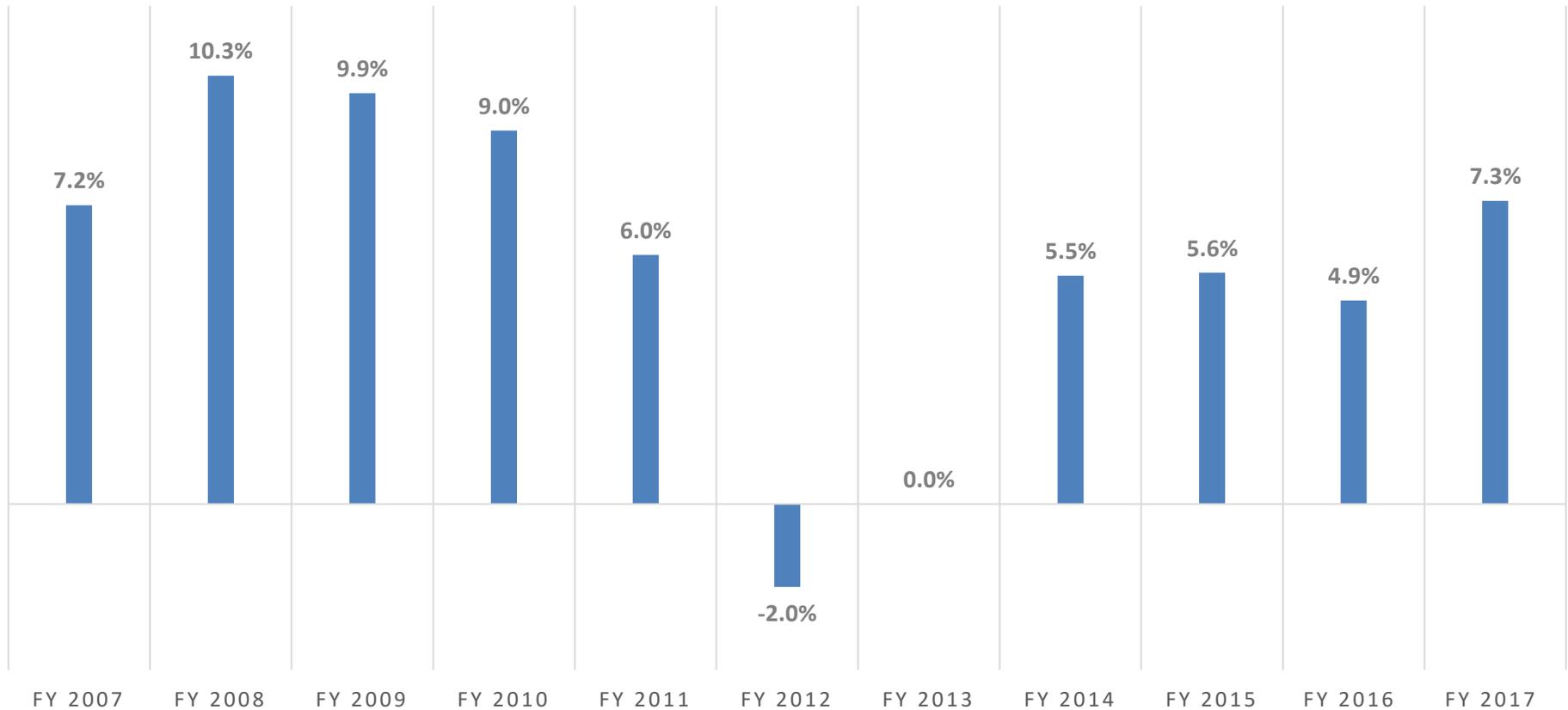
Risk (Diagnosis Based) Increasing

- » Recent diagnoses in claims suggest higher average costs going forward. (+2.5%)

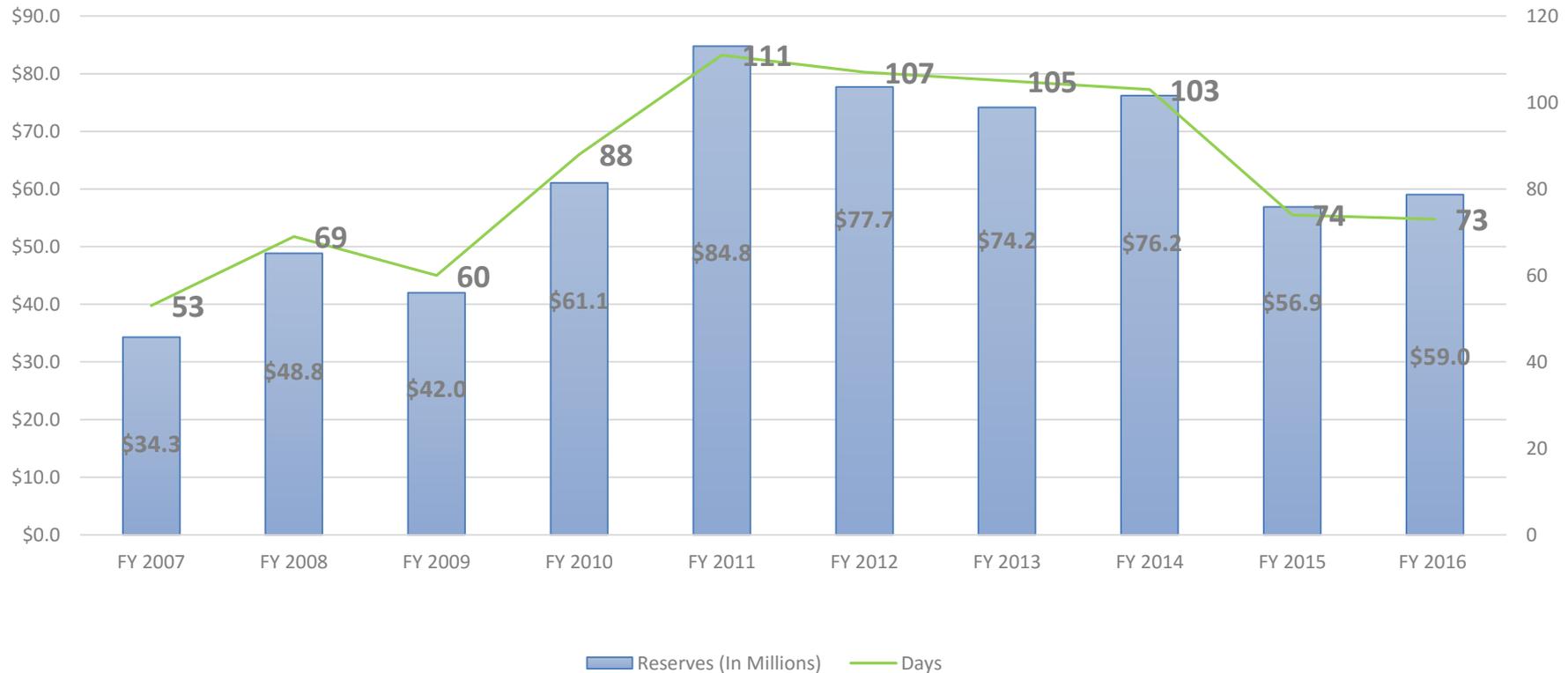


State Medical Renewal

RENEWAL INCREASE



State Reserves -\$ and Days



*Reserve refund of \$20.9 M (27 days) in 14/15

State Plans

» Traditional Plan

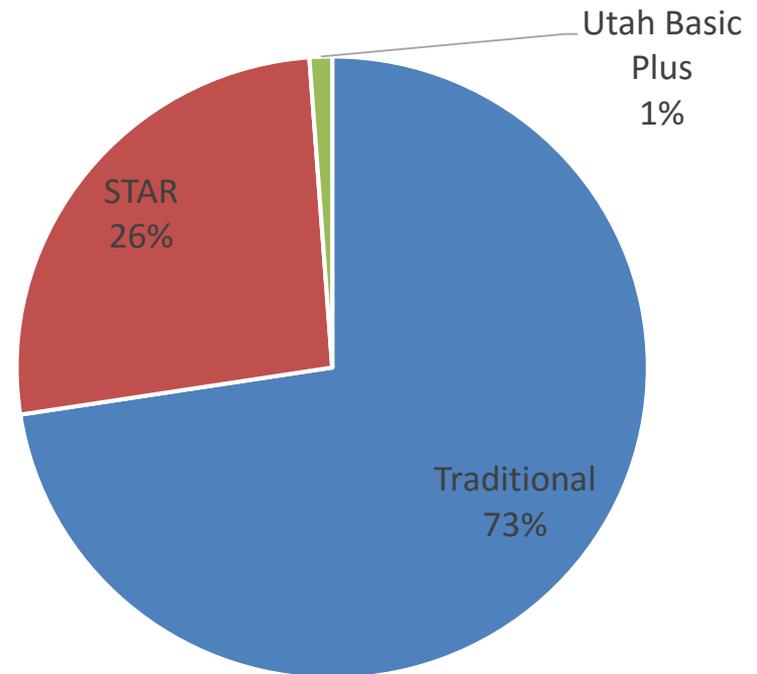
- › 350/700 Deductible
- › 3000/6000/9000 OOP Max
- › Copays before Deductible

» STAR Plan

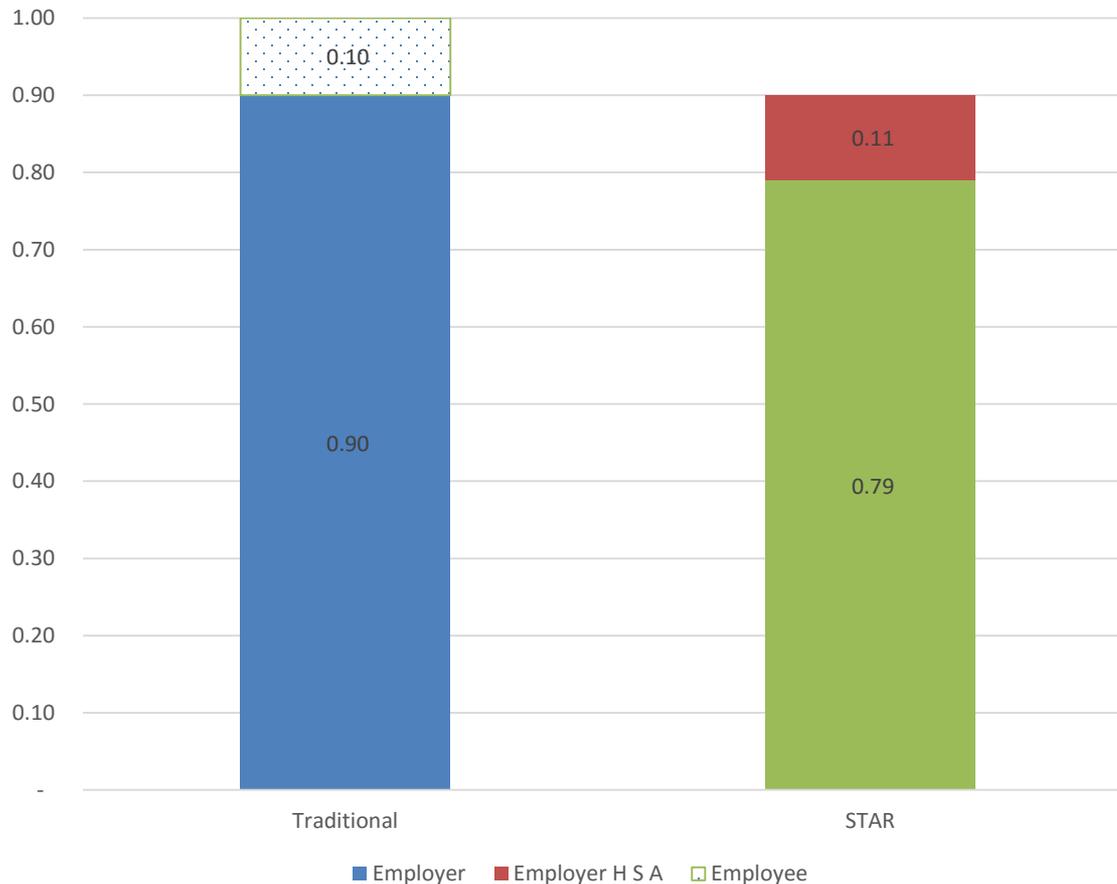
- › 1500/3000 Deductible
- › 2500/5000/7500 OOP Max
- › No Copays before Deductible
- › Employer HSA Contribution

» Utah Basic Plus

- › 3000/6000 Deductible
- › 6050/12100 OOP Max
- › No Copays before Deductible
- › Employer HSA Contribution



New: STAR Employee Premium



- » Employer funds 90% of Traditional Premium
- » Because of the large spread between the Traditional and STAR plan, the State can fund the STAR premium, make a sizeable HSA contribution, and have zero employee premium contribution.
- » New relativities don't leave enough room for that to continue.

1. Actuarial Equivalent	S	D	F
Deductible	\$2,000	\$4,000	\$4,000
OOP Max	\$3,000	\$6,000	\$9,000
HSA Contribution	\$750	\$1,500	\$1,500
Annual Employee Prem	\$202	\$426	\$672

2. Phase in	S	D	F
Deductible	\$1,500	\$3,000	\$3,000
OOP Max	\$3,000	\$6,000	\$9,000
HSA Contribution	\$750	\$1,500	\$1,500
Annual Premium Up To	\$419	\$872	\$1,268

3. Equal Deductible	S	D	F
Deductible	\$1,500	\$3,000	\$3,000
OOP Max	\$3,000	\$6,000	\$9,000
HSA Contribution	\$750	\$1,500	\$1,500
Annual Employee Prem	\$304	\$548	\$999