

# PEHP Update

Retirement & Independent Entities

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# Key Terms



## **PEHP**

- Administers Insurance Benefits & Offer Expertise

## **Self-funding**

- State Owns Funds in Pool & PEHP Returns Excess

## **Administrative Fee**

- PEHP Cost Per Member & No Change in 8 years

## **Annual Renewal**

- Cost to Keep Same Benefit Package



# Key Terms

## **50 to 90 Days of Reserve**

- Funds to Pay Higher than Expected Claims

## **Medical Trend**

- Assumption for Annual Medical Inflation

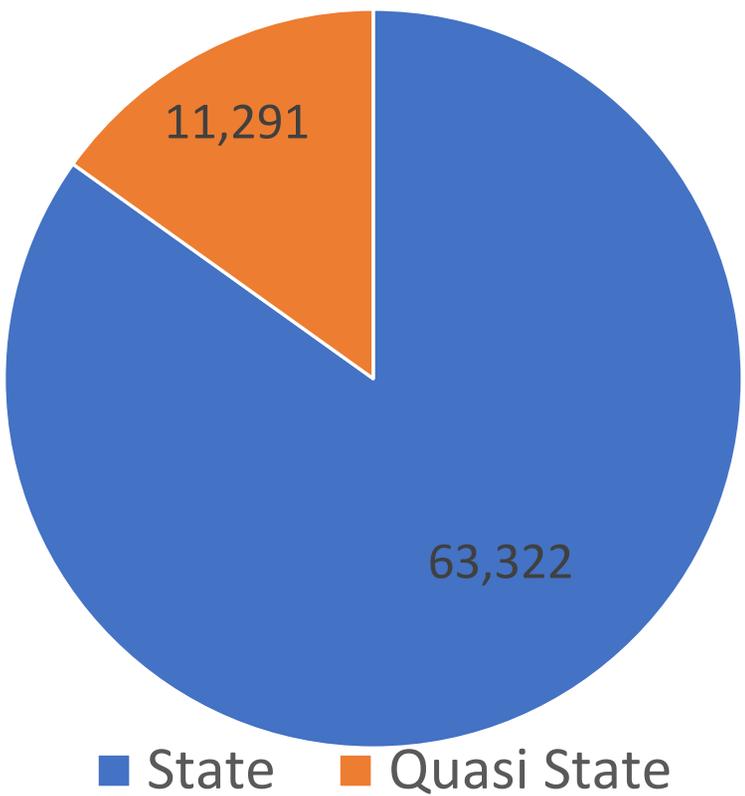
## **Plan & Network Options**

- Traditional, STAR HSA, Consumer Plus HSA
- Advantage, Summit, Preferred

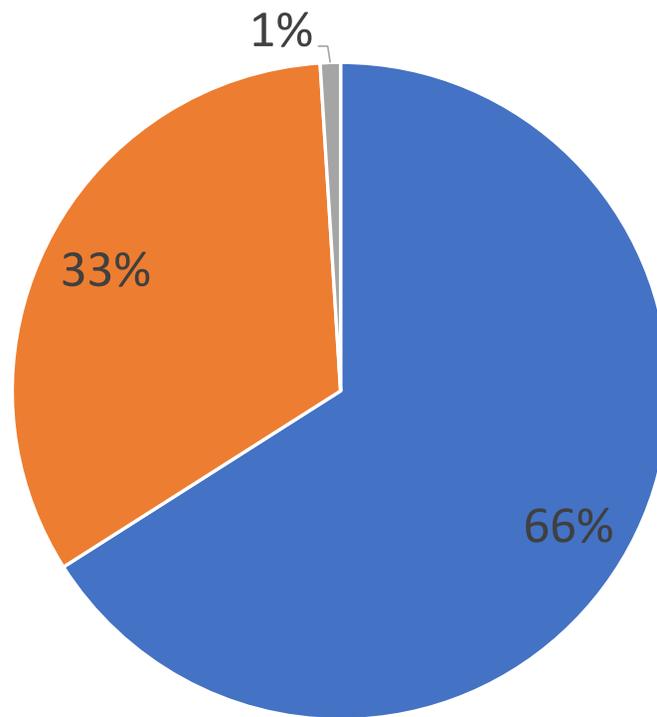
## **Insurance Benefits**

- Medical, Dental, Life, LTD

# Utah Employee Pool of 74,500 Members



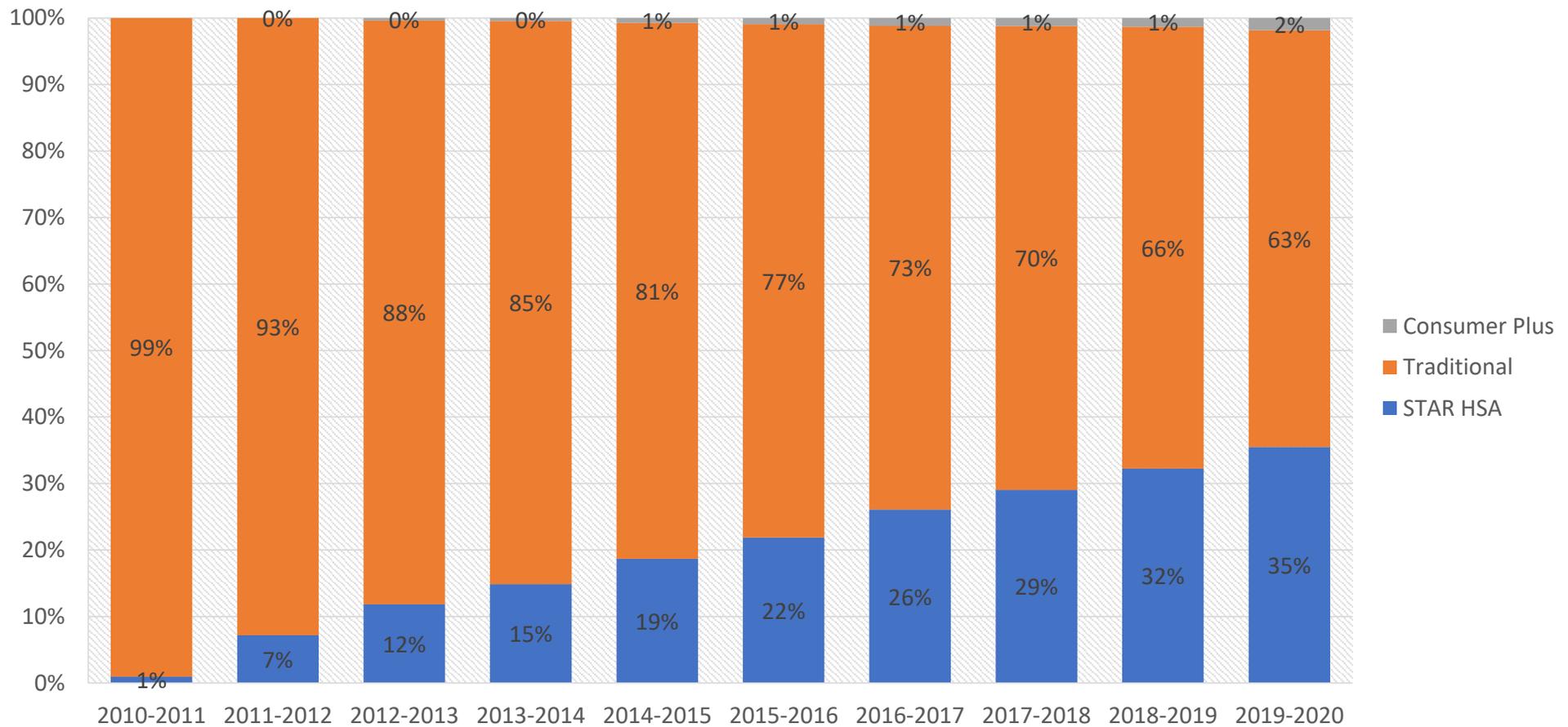
# Offer Three Provider Networks



■ Advantage ■ Summit ■ Preferred



# Migration to HSA-Qualified STAR



# Medical and Dental Renewal

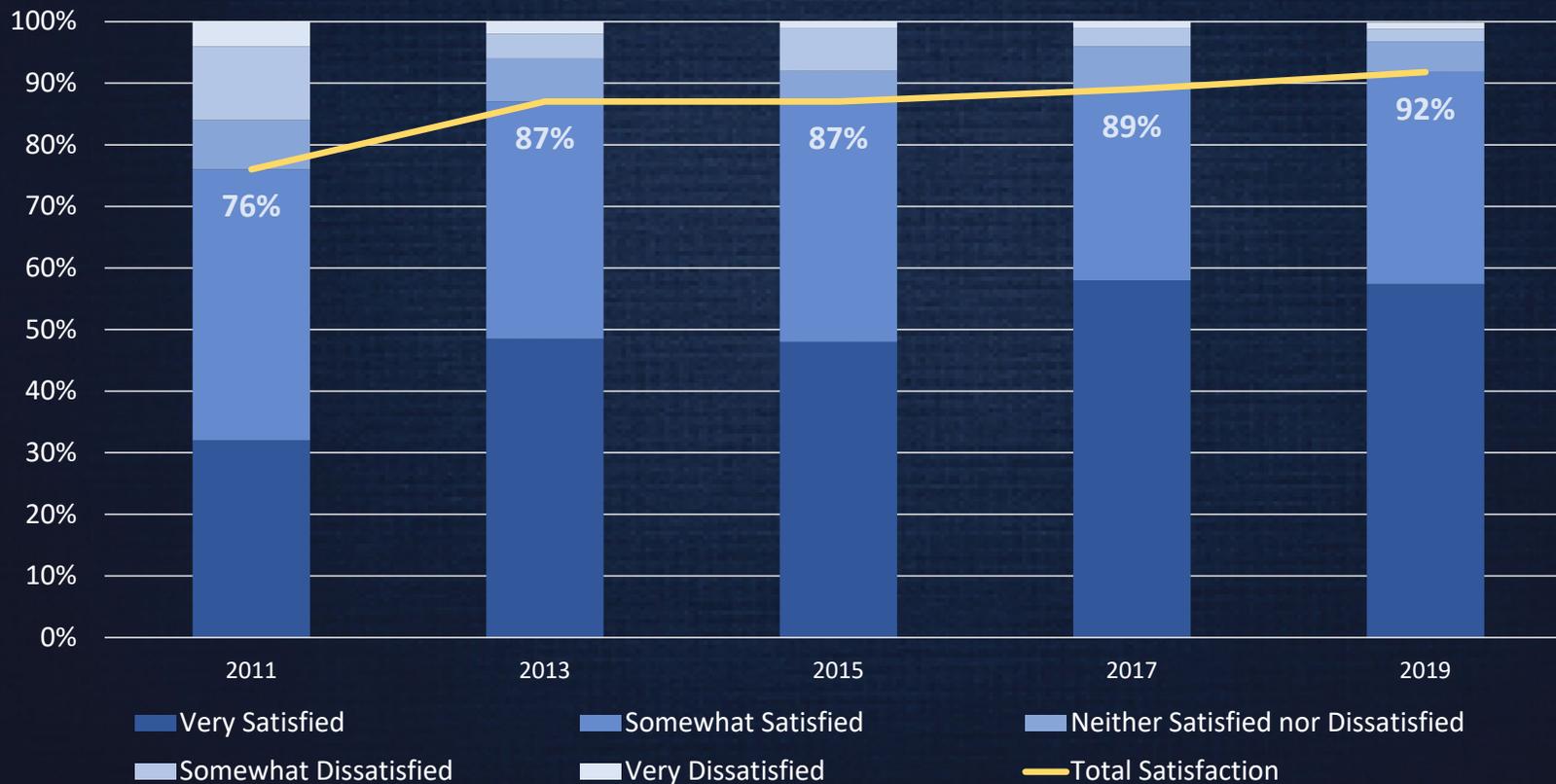


- **Medical Renewal of 4.53% or \$14.2M**
  - Propose \$30M Reserve Refund
    - State's Share is \$23.3M
    - State Employee's Share is \$2.1M
    - Reduction of 30 Days
- **Dental Renewal is a Rate Hold or 0%**

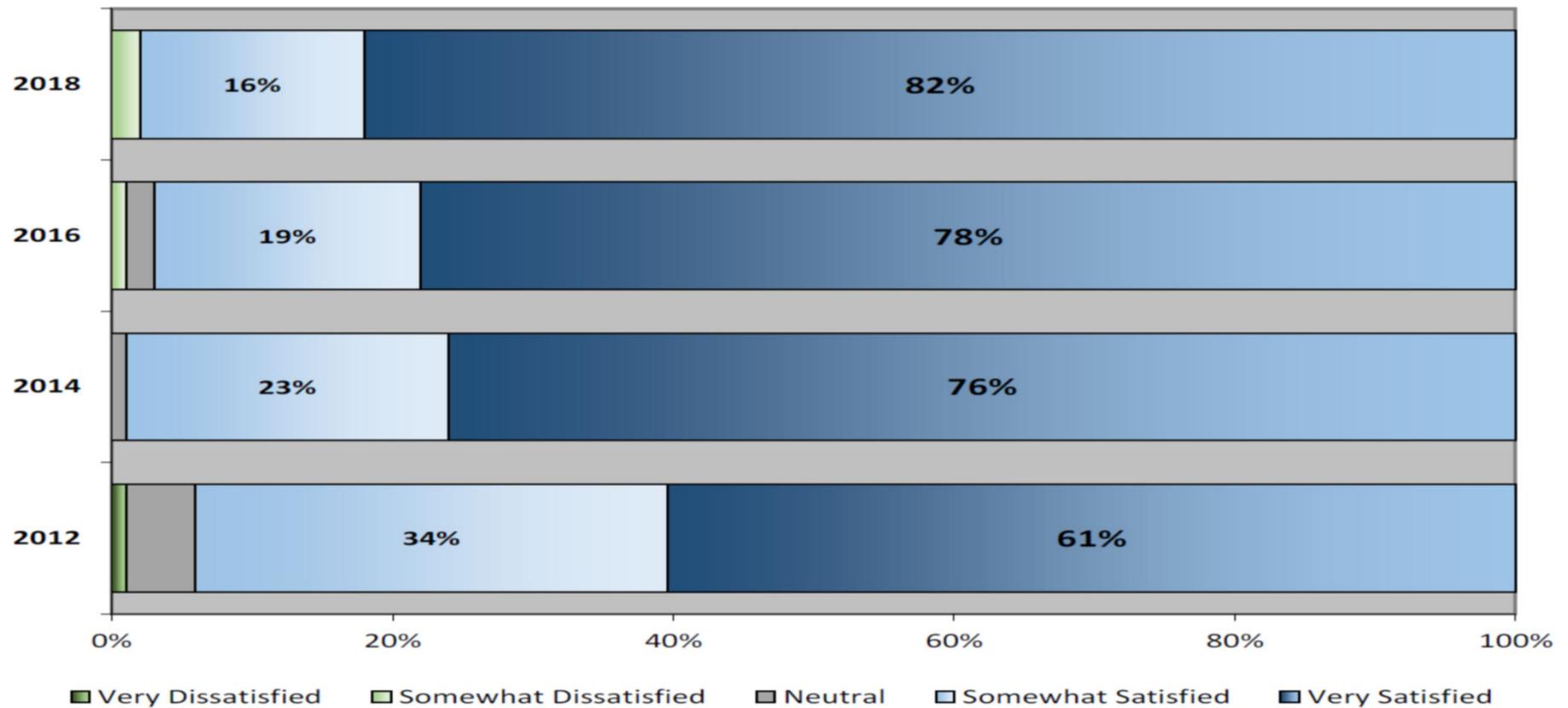
# 3-5 Year Goals

- Reduce Risk of Adverse Coverage Events for Members
- Provide Members with Tools, Advice, and Support to make good Healthcare-related Decisions
- Align our Direction and Resources to Best Manage Healthcare and Operational Costs to create Institutional Strengths to Benefit the State and its Employees

# 92% of Members “Satisfied” with PEHP, 57% “Very Satisfied” & 3% “Dissatisfied”



98% of employers satisfied with PEMP,  
82% “Very Satisfied” & 2% “Somewhat Dissatisfied”



# See Location Options

## TREATMENT COSTS



← Search

← MRI of Back

Search Results for: **MRI, inner spine (canal)**

Facility Type	Common Cost
<b>Office or Clinic</b>	\$333
Radiologist	\$333
<b>Outpatient Hospital</b>	\$1,834
Facility	\$1,721
Radiologist	\$113

# See Drug Options



Search Results for: **Lantus Solostar**

Drug Name	Type	Benefit Tier	Preauthorization Required	Common Use Class	Common Cost
Lantus Solostar	Brand Name	Tier 2	N	Diabetes	\$419.35

Alternative Medications

Drug Name	Type	Benefit Tier	Preauthorization Required	Common Use Class	Common Cost
Insulin Lispro	Brand Name	Tier 2	N	Diabetes	\$261.81
Apidra	Brand Name	Tier 3	N	Diabetes	\$261.81
Lantus	Brand Name	Tier 2	N	Diabetes	\$279.87
TOUJEO	Brand Name	Tier 2	N	Diabetes	\$383.35
TOUJEO Max	Brand Name	Tier 2	N	Diabetes	\$510.86

# Pharmacy Tourism

- New Location: Victoria, British Columbia
- 10 Members with about 10 in the Pipeline
- Very Positive Feedback
- \$250,000 in Savings or 45% Lower Cost

# Payment Reform

- Gain Share with Major Clinics
  - Global budget and share resulting savings
- Risk Share with Intermountain Healthcare
  - Global budget with set inflator and share resulting savings or losses

# New IT System



- Replacing 40-year old Inhouse System
- State of the Art System with Configuration
- Fast Track Implementation: Sep 2020
- Favorable Terms & Current Budget

# Greatest Risk

- New Gene Therapy Drugs
  - \$2.1M for one-time treatment
  - 34 Others Currently in Development
  - Exploring Opportunities to Share Risk