

2013

MEDICAL PLAN UPDATE

APRIL 8, 2013

2013 PLAN PERFORMANCE

PRELIMINARY MEDICAL PLAN COSTS

OAP, Choice Plan & Local Plus Combined

	Fiscal Year-to-Date <i>(7/1/12 through 2/28/13)</i> AVERAGE
Enrollment	
Subscribers	5,771
	<i>PEPM</i>
Claim Payments	
Medical Claims	\$620.53
Pharmacy Claims	\$102.94
HRA Payments	\$4.25
Claims Over Specific	\$10.67
Total Net Claim Payments	\$717.05
Fixed Costs	
Administrative Fees	\$32.61
Stop Loss Premiums	\$7.85
Total Fixed Costs	\$40.46
Total Plan Cost	\$757.51
Employee Contributions	\$258.46
Employer Cost	\$499.05

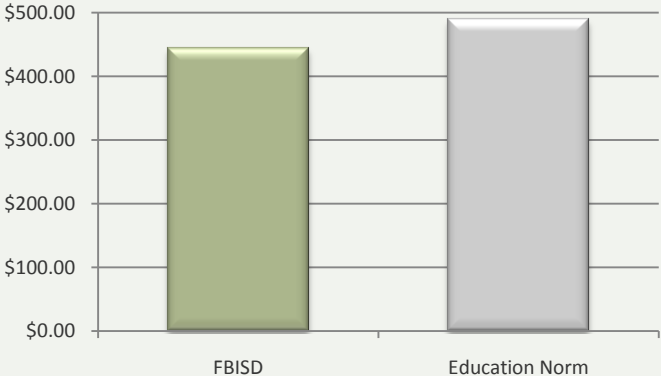
2012 PLAN REVIEW

When compared with other education organizations, the following observations and trends were identified:

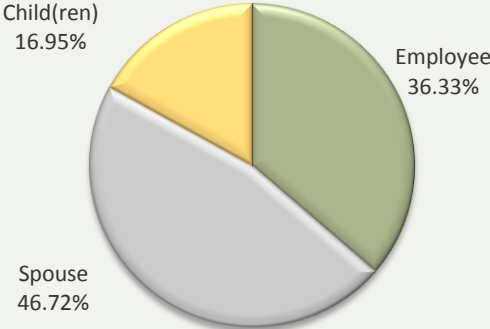
Observations

- Plan spend was 9.2% below the Education norm.
- Spouses incurred higher per member costs than employees.
- FBISD has fewer large claimants than other educational institutions, but the severity of the catastrophic medical events are more acute.
- Preventive Care utilization and Well Visit completions are above the norm.

Cost per Member per Month



Average Spend by Relationship

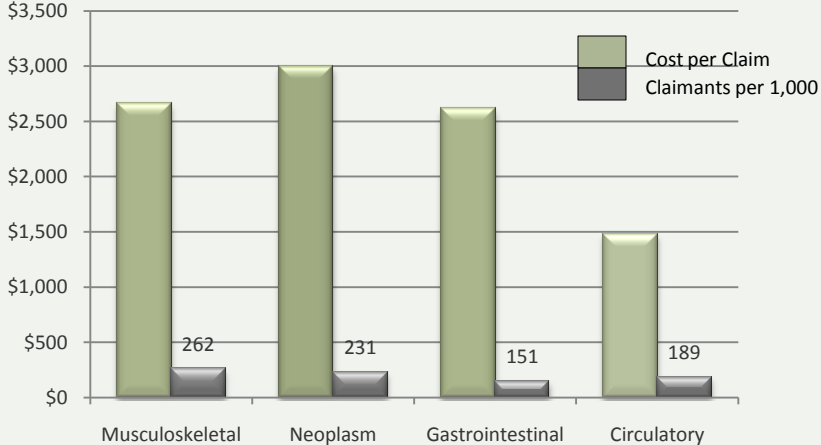


2012 PLAN REVIEW

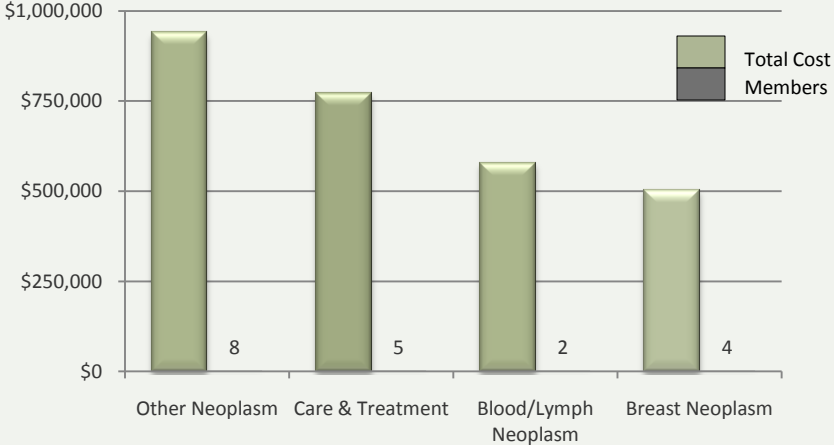
Utilization Trends

- The top condition by total plan spend are musculoskeletal, neoplasms, gastrointestinal, and circulatory issues.
- Neoplasm was the highest catastrophic category by cost.
 - Top 5 ICD9 Minor Categories for Neoplasm: (1) Other Neoplasm (\$941k for 8 members), (2) Care and Treatment for Neoplasm (\$772k for 5 members), (3) Other Blood/Lymph Neoplasm (\$579k for 2 members), (4) Female Breast Neoplasm (\$504k for 4 members), and (5) Malignant Melanoma and Other Skin (\$331k for 3 members)

*Cost by Category
Average per Claim*



Total Spend – Neoplasm Condition



CONTROLLING COSTS

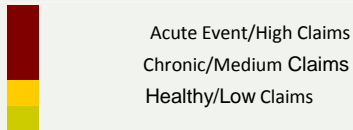
Controlling Future Cost

Who is Driving Cost? The 5/50 Principle



70% of chronic diseases are preventable or reversible²

1 - Mercer HR Consulting, (n=51,200 over 5 years); Unilever (March, 2005); 2 - www.cdc.gov/nccdphp - updated April 2008



First 2 Quarters top 5% = 558 members with incurred claims at \$15.3m; top 5% contributed 59.3% of total claims

First 3 Quarters top 5% = 599 members with incurred claims at \$25.3m; top 5% contributed 58.7% of total claims

CY 2012 top 5% = 612 members with incurred claims at \$32.3m; top 5% contributed 56.1% of total claims

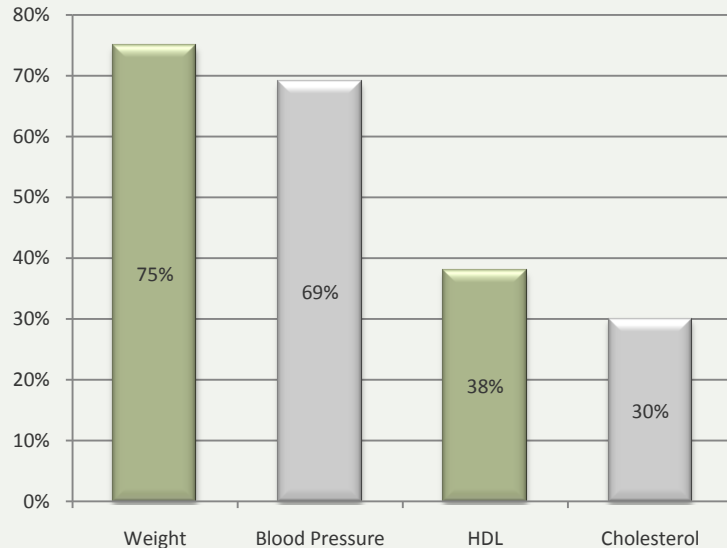
Top 5% in the Current Year			
Risk Category	# of Mbrs	Curr Spend	Cost/Mbr
Low (0-2 Risks)	179	\$7,246,281	\$40,482
Medium (3-4 Risks)	124	\$6,400,263	\$51,615
High (5+ Risks)	91	\$5,263,667	\$57,842
Eligible But Didn't Take HRA	201	\$9,465,326	\$47,091
Not Eligible to Take HRA	49	\$3,967,163	\$80,963
Total	644	\$32,342,700	\$50,222

Top 5% of Members With a Completed Health Risk Assessment				
Risk Level	Biometrics	# of Mbrs	Curr Spend	Cost/Mbr
Low	Y	151	\$6,508,785	\$43,105
	N	28	\$737,496	\$26,339
Medium	Y	111	\$5,587,702	\$50,340
	N	13	\$812,561	\$62,505
High	Y	89	\$5,216,354	\$58,611
	N	2	\$47,314	\$23,657
YES Biometrics		351	\$17,312,841	\$49,324
NO Biometrics		43	\$1,597,370	\$37,148
Grand Total		394	\$18,910,211	\$47,995

CONTROLLING COSTS

- Biometric screenings and Health Risk Assessments are being completed for a second year.
- Aggregated information collected used for wellness initiatives and outreach efforts.

Primary Risk by % of Population



2012 RESULTS

- Health Assessment Results
 - The top Primary Risks shown to the left are based on the 5,040 Health Assessment completions for 2012.
- Outreach Efforts
 - There were 1,134 members or 22.1% of identified for outreach members who did not want more information after Cigna outreach related to their disease.

WELLNESS HIGHLIGHTS

Program Highlights from 2012

- Houston Heart Walk, *November 2012*
Over 300 employees, family members, and friends attended the event.
- Biggest Loser Campaign, *November 2012*
765 employees participated with 3.5 lb. average weight lost. Five sites received reward for participation.
- Health Awareness Days
300 participants attended
- More! Weight management classes, Weight Watchers, flu shots, seminars

Upcoming Events

RELAY for LIFE

April 26, 2012

7:00 p.m. to 7:00 a.m.

Support the American Cancer Society mission.



CONVENIENCE CARE

- Plan members have made educated decisions about where to seek care for an urgent medical situation.
- Emergency Room is being used for appropriate conditions.
- Plan members are seeking medical attention at convenience care locations.

Convenience Care Results

- The top 4 Convenience Care clinics used are Non-Network Clinics, Redi Clinic, Minute Clinic, and Take Care.
- The top 2 utilization categories were Cold & Flu and Vaccines

2012 Convenience Care Opportunities

Office Visit Type	Plan Cost(\$)	Plan Cost		Visits/1000	Cost/Visit
		PMPM	Total Visits		
Cold And Flu	\$264,201	\$2.04	3,391	313.9	\$78
Vaccine	\$68,637	\$0.53	2,432	225.1	\$28
Bronchitis	\$49,752	\$0.38	649	60.1	\$77
Ear Infection	\$45,632	\$0.35	611	56.5	\$75
Allergy	\$39,790	\$0.31	510	47.3	\$78
Skin	\$39,225	\$0.30	550	50.9	\$71
Pain	\$39,048	\$0.30	441	40.8	\$89
Urinary Tract	\$22,339	\$0.17	335	31.0	\$67
Other	\$183,086	\$1.41	2,696	249.6	\$68
Total	\$751,710	\$5.80	11,615	1,075.2	\$65

Current Utilization	MINUTECLINIC	NON-CLINIC	REDICLINIC	TAKE CARE	Grand Total
COLD AND FLU	33	3,391	492	31	3,947
VACCINE	21	2,432	27	5	2,486
OTHER	3	2,044	53	3	2,103
BRONCHITIS	6	649	69	1	725
EAR INFECTION	6	611	76	11	704
ALLERGY	16	510	58	1	585
SKIN	2	550	29	1	581
PAIN		441			441
URINARY TRACT	4	335	57	2	398
HEADACHE		224	1		225
THROAT	2	163	53	4	222
EAR WAX		80	11		91
EARACHE	1	76	6		83
PREGNANCY TEST		62			62
LARYNGITIS		13	1		14
WARTS		14			14
ATHLETES FOOT		8			8
BITE/POISONING		8			8
MONO		3	2		5
Grand Total	95	11,615	935	59	12,705

CONSUMER TOOLS



Cost Comparison & Expense Tracking Tools

COST COMPARISON TOOLS

- Find high quality and cost efficient care

TRACK MEDICAL EXPENSES

- View deductibles to see what's been met
- Monitor HRA balance

Mobile App



Access www.mycigna.com information anytime

- Compare prescription costs from your phone
- Find providers nearby
- Available for iPhone and Android smartphones

You Searched For → Knee Arthroscopy | Near → Chicago, IL | Plan → Open Access Plus — Change Plan Type

We Found → 132 Doctors

Get Directions | Sort By | Make Selection | CIGNA CARE DESIGNATION | Print / Save Results

Doctor	Total Expected Cost	Your Estimated Cost
A Dr. Peter Gubbins 100 S State St Chicago, IL 60611 312-234-5555 0.83 Miles CIGNA CARE DESIGNATION Send To Text / Email	\$1722.00	\$1722.00
B Dr. John Vishna 263 W Wacker Dr Chicago, IL 60611 312-624-5555 1.67 Miles CIGNA CARE DESIGNATION Send To Text / Email	\$3425.00	\$2119.00
C Dr. Alicia Moore 987 Lake Shore Dr Chicago, IL 60611 312-578-5555 2.59 Miles CIGNA CARE DESIGNATION Send To Text / Email	\$4276.00	\$2287.00
D Dr. Vikas Ramalia 542 S Michigan Ave Chicago, IL 60611 312-997-5555	Not shown at doctors request	Not shown at doctors request

1:57 PM

Dosage Results

Tramadol TAB 10MG / 2 Per Day

You selected	Cheapest Alternative
You Pay \$23.85	You Pay \$14.35

Walgreens Lamar Blvd .02 Miles →

You Pay
\$14.35

You Pay
\$14.35

HEALTHCARE REFORM

Timeline for Plan Sponsors

- Early retiree reinsurance
- High-risk pools

- OTC drug reimbursements
- HSA penalties
- Employee notification requirements

- Comparative Effectiveness Research Fee
- FSA limit to \$2,500
- Itemized medical expense deduction changes
- Medicare tax increase
- Part D drug subsidy deduction eliminated
- Employee Exchange notification

6/23/10

9/23/10

1/1/11

1/1/12

1/1/13

1/1/14+

- Coverage expansion mandates
- Patient protections

- W-2 Reporting (begin implementation for 2012 W-2s)
- Internal and External Claims and Appeals Procedures
- “CLASS” LTC Program (suspended)
- SCOTUS Decision
- Women’s Preventive Services (plan years beginning on or after August 1, 2012; certain exemptions apply)
- Medical Loss Ratio Rebate Distributions (August 2012)
- Summary of Benefits and Coverage (open enrollments beginning on or after 9/23/2012)
- Quality of Care Reporting (guidance was due March 2012)

- Employer and individual mandates
- Insurance exchanges
- Patient protections
- Automatic enrollment?
- “Cadillac” excise tax (2018)
- Annual Health Insurer Fee
- Transitional Reinsurance Fee

HEALTHCARE REFORM

Full Time Employee for Penalty Calculation

Effective January 1, 2014

- A FTE is defined as: **employee who working an average of at least 30 hours/week**
- Part-time and seasonal employees working less than 30 hours/week – no penalty
- Measurement Period, Administrative Period, Stability Period

School Districts & Part Time Employees

Many school districts are considering the following:

- Method of tracking actual hours worked
- Establishing Measurement Period
- Creating full time positions for impacted job categories

FBISD Update

Additional FTE positions may be needed to minimize the size of the variable hour employee population.