



State Employee Benefits Committee
Group Health Program FY16 Planning
April 13, 2015

Objectives for Today's Discussion

- **Discuss Out Of Pocket Maximum for Out of Network PPO**
- **Review Current FY16 Funding**
- **Plan Design Option Discussion for FY16**
- **Next Steps**

OOP Limits for Delaware Plans for FY2016 *In-Network*

	Medical Out-of-Pocket Maximum	Prescription Drug Out-of-Pocket Maximum
Grandfathered Plans – Cost Impact \$265,000		
Aetna HMO Plan	\$4,500 individual/ \$9,000 family	\$2,100 individual/ \$4,200 family
Highmark Delaware First State Basic	\$2,000 individual/ \$4,000 family	\$2,100 individual/ \$4,200 family
Highmark Delaware Comprehensive PPO	\$4,500 individual/ \$9,000 family	\$2,100 individual/ \$4,200 family
Highmark Delaware IPA/HMO Plan	\$4,500 individual/ \$9,000 family	\$2,100 individual/ \$4,200 family
Non-Grandfathered Plans – Cost Impact \$3,000		
Aetna CDH Gold Plan with HRA	\$4,500 individual/ \$9,000 family	\$2,100 individual/ \$4,200 family
Highmark Delaware CDH Gold Plan with HRA	\$4,500 individual/ \$9,000 family	\$2,100 individual/ \$4,200 family

Highlighted areas represent plan changes.

OOP Limits for Delaware Plans for FY2016

Out-of-Network

	Current Medical Out-of-Pocket Maximum	Recommended Medical Out-of-Pocket Maximum
Highmark Delaware First State Basic	\$4,000 individual/ \$8,000 family	\$4,000 individual/ \$8,000 family
Highmark Delaware Comprehensive PPO	\$1,800 individual/ \$3,600 family	\$7,500 individual/ \$15,000 family
Aetna CDH Gold Plan with HRA	\$7,500 individual/ \$15,000 family	\$7,500 individual/ \$15,000 family
Highmark Delaware CDH Gold Plan with HRA	\$7,500 individual/ \$15,000 family	\$7,500 individual/ \$15,000 family

Highlighted areas represent plan changes.

FY16 Group Health Fund Projections

	April 2015
FY 2016 Expenditure Projections (includes ACA fees, estimated rebates, adjustments for EGWP subsidies and reinsurance reimbursements, and the cost of covering ACA requirements for preventive care and out-of-pocket limits)	(\$743.0M*)
FY2016 Revenue Projections (based on current FY2015 Rates)	\$626.7M
Total Deficit Prior to General Fund Allocation	(\$116.3)
Additional Revenue based on FY2016 General Fund allocation of \$26.1M	\$56.2M
Remaining Deficit for FY16	(\$60.1M)
General Fund Claim Payments plus 10% added participating group fee equals approximately \$5M monthly until additional funding or plan changes are determined	

*Reflects trend increase (5.5%)



Funding/Plan Design Combinations

GENERAL FUND PLAN DESIGN COMBINATION EXAMPLES

IF: Additional General Fund Contribution toward premium

THEN: Necessary Plan Design Change Values

Examples:

\$0 toward premiums

\$60 million plan design changes remain

\$7 million toward premiums

\$45 million plan design changes remain

\$14 million toward premiums

\$30 million plan design changes remain

\$28 million toward premiums

\$0 million plan design changes remain

(10% participating org charge would need to be adjusted accordingly).

Plan Design Change Options – Prescription Plan

			Current Benefit	New Benefit	Savings
□ Prescription Copay Changes	Option 1		30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$10, Preferred = \$25, NonPreferred = \$50; 90 day supplies are twice 30 day supply cost	\$2.6M
	Option 2		30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$10, Preferred = \$25, NonPreferred = \$50; 90 day supplies are two and one-half times 30 day supply cost	\$4.7M
	Option 3		30 day supply: Generic = \$8.50, Preferred = \$20, NonPreferred = \$45	30 day supply: Generic = \$8, Preferred = \$28, NonPreferred = \$50; 90 day supplies are twice 30 day supply cost	\$2.9M
□ Erectile Dysfunction Drugs	Option 1		6 pills per 30 days	4 pills per 30 days	\$0.9M
	Option 2		6 pills per 30 days	0 pills per 30 days	\$2.7M

Plan Design Change Options – Medical Plan Copays

			Current Benefit	New Benefit	Savings
<input type="checkbox"/>	Primary Care Physician Visit Copay		\$10 for HMO, \$15 for PPO	\$20 for HMO and PPO	\$4.4M
<input type="checkbox"/>	Specialist Visit Copay		\$20 for HMO, \$25 for PPO	\$30 for HMO and PPO	\$1.2M
<input type="checkbox"/>	Inpatient Room & Board Copay		\$100 per day, \$200 Max	\$150 per day, \$450 Max	\$2.7M

Plan Design Change Options – Medical Plan Copays

			Current Benefit	New Benefit	Savings
<input type="checkbox"/>	Outpatient Surgery¹		\$30 / \$75 for HMO, 100% covered for PPO	\$50 / \$100 for HMO and PPO	\$0.5M
<input type="checkbox"/>	Lab Tests Copay²		\$5 / \$5	\$5 / \$30	\$1.0M
<input type="checkbox"/>	X-Rays Copay²		\$15 / \$15	\$15 / \$75	\$4.2M
<input type="checkbox"/>	Advanced Imaging Copay²		\$15 / \$15	\$25 / \$100	
	1 Ambulatory Surgery/Outpatient Hospital 2 Freestanding Facility/Hospital Based				

Plan Design Change Options - Deductibles

			Current Benefit	New Benefit	Savings
<input type="checkbox"/>	Deductible	Deductible - Option 1 ³	No Deductible	\$100 employee/ \$200 family	\$8.4M
<input type="checkbox"/>		Deductible - Option 2 ³	No Deductible	\$100 employee/ \$250 family	\$9.3M
<input type="checkbox"/>		Deductible - Option 3 ³	No Deductible	\$200 employee/ \$400 family	\$16.2M
<input type="checkbox"/>		Deductible - Option 4 ³	No Deductible	\$300 employee/ \$600 family	\$23.7M
<input type="checkbox"/>		Deductible - Option 5 ³	No Deductible	\$400 employee/ \$800 family	\$31.9M
<input type="checkbox"/>		Deductible - Option 6 ³	No Deductible	\$500 family/ \$1000 family	\$39.5M
3 No change in deductibles for CDH or First State Basic					

Lab/Radiology

Freestanding versus Hospital Based Information

- Average cost of Lab Studies:
 - Freestanding: \$14.42
 - Hospital Based : \$36.10
- Average Cost of Radiology Studies – Not High-Tech
 - Freestanding : \$72.62
 - Hospital Based : \$143.28
- Average Cost of Radiology Studies –High-Tech
 - Freestanding : \$430.50
 - Hospital Based : \$759.01

Lab/Radiology

Freestanding versus Hospital Based Information

- Freestanding Sites Coverage:
 - All modalities of Radiology services are available at freestanding clinics in all counties
 - Guarantees in place to provide coverage within certain time frames based on degree of urgency
 - Services available to assist scheduling at freestanding locations for high tech radiology:
 - Aetna – Tiered approach when requesting approval
 - Highmark – Outreach to members when scheduled at hospital based facility

Next Steps

