Health Plan Overview & Update

Presented by:
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Director & Senior Benefits Consultant
Wednesday, June 7, 2017
Topics for Discussion

- Background
  - Claims Experience
  - Rate History
- Wellness Incentive Program
- Goals for 2017/2018 Plan Year
- City’s Awards & Recognitions
## Claims Experience

<table>
<thead>
<tr>
<th>Year</th>
<th>ANNUAL FUNDING</th>
<th>In Network Claims</th>
<th>Out Network Claims</th>
<th>Capitation</th>
<th>HRA Claims</th>
<th>Pharmacy Retail/Mail</th>
<th>TOTAL PAID CLAIMS</th>
<th>CIGNA ASO Payment</th>
<th>Stop Loss Premium</th>
<th>Total Plan Cost</th>
<th>Surplus / (Deficit)**</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-2010</td>
<td>$4,267,743</td>
<td>$3,247,141</td>
<td>$111,725</td>
<td>$111,958</td>
<td>$234,622</td>
<td>$543,819</td>
<td>$4,249,265</td>
<td>$299,893</td>
<td>$523,414</td>
<td>$2,072,572</td>
<td>($555,961)</td>
</tr>
<tr>
<td>2010-2011</td>
<td>$4,198,865</td>
<td>$2,634,270</td>
<td>$77,883</td>
<td>$162,430</td>
<td>$346,371</td>
<td>$434,330</td>
<td>$3,655,284</td>
<td>$226,591</td>
<td>$587,236</td>
<td>$3,655,284</td>
<td>$4,483,111</td>
</tr>
<tr>
<td>2011-2012</td>
<td>$4,004,967</td>
<td>$2,929,583</td>
<td>$31,047</td>
<td>$174,576</td>
<td>$438,086</td>
<td>$416,791</td>
<td>$3,990,083</td>
<td>$236,609</td>
<td>$661,891</td>
<td>$3,990,083</td>
<td>$4,084,456</td>
</tr>
<tr>
<td>2013-2014</td>
<td>$6,708,760</td>
<td>$3,022,426</td>
<td>$48,304</td>
<td>$229,885</td>
<td>$565,249</td>
<td>$590,807</td>
<td>$4,456,641</td>
<td>$251,467</td>
<td>$758,528</td>
<td>$4,456,641</td>
<td>$5,197,294</td>
</tr>
<tr>
<td>2015-2016</td>
<td>$5,200,244</td>
<td>$2,959,940</td>
<td>$12,553</td>
<td>$229,255</td>
<td>$513,870</td>
<td>$783,751</td>
<td>$4,499,370</td>
<td>$219,424</td>
<td>$803,728</td>
<td>$5,221,322</td>
<td>$6,323,955</td>
</tr>
<tr>
<td>2016-2017*</td>
<td>$6,021,414</td>
<td>$2,257,992</td>
<td>$12,940</td>
<td>$232,434</td>
<td>$512,080</td>
<td>$776,068</td>
<td>$3,791,514</td>
<td>$218,362</td>
<td>$838,266</td>
<td>$6,021,414</td>
<td>$4,848,142</td>
</tr>
</tbody>
</table>

*Data through March 2017 (Annualized for 12-month comparison. Fluctuations in claims can affect change projections.

**Surplus/(Deficit) includes stop loss claims reimbursements
Claims per Employee per Month

Cost per Employee per Month

Industry Trend = 8%
Catastrophic Claims ($25,000+)

- 33 Individuals (14 employees, 19 dependents)
- $1.99 million in claims cost
- 3.3% of covered lives has generated 52% of total claims cost in the prior 12-months

<table>
<thead>
<tr>
<th>Claim Payment Range</th>
<th>Claimants</th>
</tr>
</thead>
<tbody>
<tr>
<td>$25,000 - $49,999</td>
<td>20</td>
</tr>
<tr>
<td>$50,000 - $99,999</td>
<td>9</td>
</tr>
<tr>
<td>$100,000 - $199,999</td>
<td>4</td>
</tr>
<tr>
<td>$200,000+</td>
<td>0</td>
</tr>
</tbody>
</table>
Premium Contributions

No Premium Increases for:

2013/2014 Plan Year
2014/2015 Plan Year
2015/2016 Plan Year
2016/2017 Plan Year

<table>
<thead>
<tr>
<th>Choice Fund HRA (OAP)</th>
<th>Monthly Premium Rate</th>
<th>All Employees</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td>$560.51</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>EE + One</td>
<td>$1,104.21</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>EE + Family</td>
<td>$1,821.66</td>
<td>15%</td>
<td>85%</td>
</tr>
</tbody>
</table>
Wellness Incentive Program

Provide innovative, cutting edge benefits and a wellness program that is fiscally sustainable

- Employees complete a biometric screening and online Personal Health Assessment to receive the City HRA contribution and to be eligible for additional funding for wellness targets achieved
- Completely voluntary
- Employees and retirees are eligible
- $100 HRA contribution for each wellness target achieved; $500 maximum
- Alternative standard or physician waiver
- Enrollment in the program is one-time per year
Wellness Incentive Program

<table>
<thead>
<tr>
<th>[NEW]</th>
<th>Annual Preventive Physical Exam</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Replaces Body Mass Index</td>
</tr>
</tbody>
</table>

Complete a Preventive Physical Exam during the Plan Year  
*(Establish Doctor / Patient Relationship)*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Cholesterol Level</td>
<td>Achieve a level of less than or equal to 239 mg/dl or alternative standard</td>
</tr>
<tr>
<td>LDL Cholesterol Level</td>
<td>Achieve a level of less than or equal to 129 mg/dl or alternative standard</td>
</tr>
<tr>
<td>Blood Sugar Level</td>
<td>Achieve blood sugar level less than 100 mg/dl or alternative standard</td>
</tr>
</tbody>
</table>
| Blood Pressure           | Systolic – 139 or less  
                           | Diastolic – 89 or less  
                           | OR complete alternative standard |
| Alternative Standard     | Online or Telephonic Coaching, Participation in Wellness Program, and/or as prescribed by a physician |
Wellness Incentive Program

How does it work?

• All employees & retirees that elect to participate in the voluntary Wellness Incentive Program, must complete a biometric screening and a Personal Health Assessment
  • Certification/waiver from a physician is available if unable to meet targets
  • Participation & completion of a CIGNA reasonable alternative alternative through MotivateMe

• All biometric screening results are received & processed by CIGNA. The City does **NOT** receive personal health information from biometric screenings or Personal Health Assessments
Wellness Incentive Program Results

2016/17 Wellness activity highlights:

- On-site Wellness Coordinator (funded by Cigna)
- Monthly health and well-being programs and classes
- Installed Health Vending machines
- Race to Key West – 12 weeks; 41 employee; 17,334 miles; 36,611,900 steps
- Opened an employee Garden adjacent to Riverpark Community Center. Provides a variety of fruits, vegetables and herbs for employees to harvest.
- Improved communication through monthly WIN Newsletter, Stall Talk, WIN Facebook, and through the Health and Well-Being Committee
- Golden Ticket Walking Challenge – 12 weeks; 110 employees; 3,277 miles; 6,555,000 steps
- Food Cart Fridays – “Paying Forward” healthy treats and snacks to fellow departments; Mayor and Blue Zones inspired.
Wellness Incentive Program Results

- Health Improvement
  - 9% reduction employees at risk for blood pressure
  - 7% reduction employees at risk for waist circumference
  - 5% reduction employees at risk for cholesterol/HDL
  - 2% reduction employees at risk for tobacco use
Wellness Incentive Program Results

• Health Engagement
  • 90% + engagement in biometric screenings
  • Increased preventative care engagement from 38% to 60.2%
    • Breast cancer screening rate 13% above normal
    • Cervical cancer screening rate 11% above normal
    • Colon cancer screening rate 6% above norm
  • $288,083 savings from Disease management programs
Awards & Recognitions

- American Heart Association: Fit-Friendly Worksite – Platinum Achievement
- Blue Zones Project: Approved
- SALGBA: Value, Expertise, Support, Connection
- Win: Wellness in Naples
- Cigna Well-Being Award 2016
- Cigna Well-Being Award 2017
Goals for 2017/2018 Plan Year

- No premium increase for 5th year in a row
- Maintain current City HRA Fund contributions ($750/$1,250/$1,500)
- Maintain additional funding for employees & retirees for each wellness target achieved through the Wellness Incentive Program (up to $500)
- Provide alternative standards through CIGNA’s MotivateMe program through telephonic and online coaching program to be compliant with PPACA/ADA/EEOC guidelines.
Goals for 2017/2018 Plan Year

Employees must have a biometric screening and complete a Personal Health Assessment to receive the City HRA contribution & Wellness Target Funds

Tobacco Usage Surcharge - $25 per pay
- Non-Tobacco Use Statement signed annual at open enrollment
- Offering smoking cessation related services, and
- Anti-tobacco prescriptions are paid 100% by the plan with no cost to the employee or dependent
Questions & Answers