

Columbus Consolidated Government FY21 Healthcare Budget Recommendations

May 5, 2020

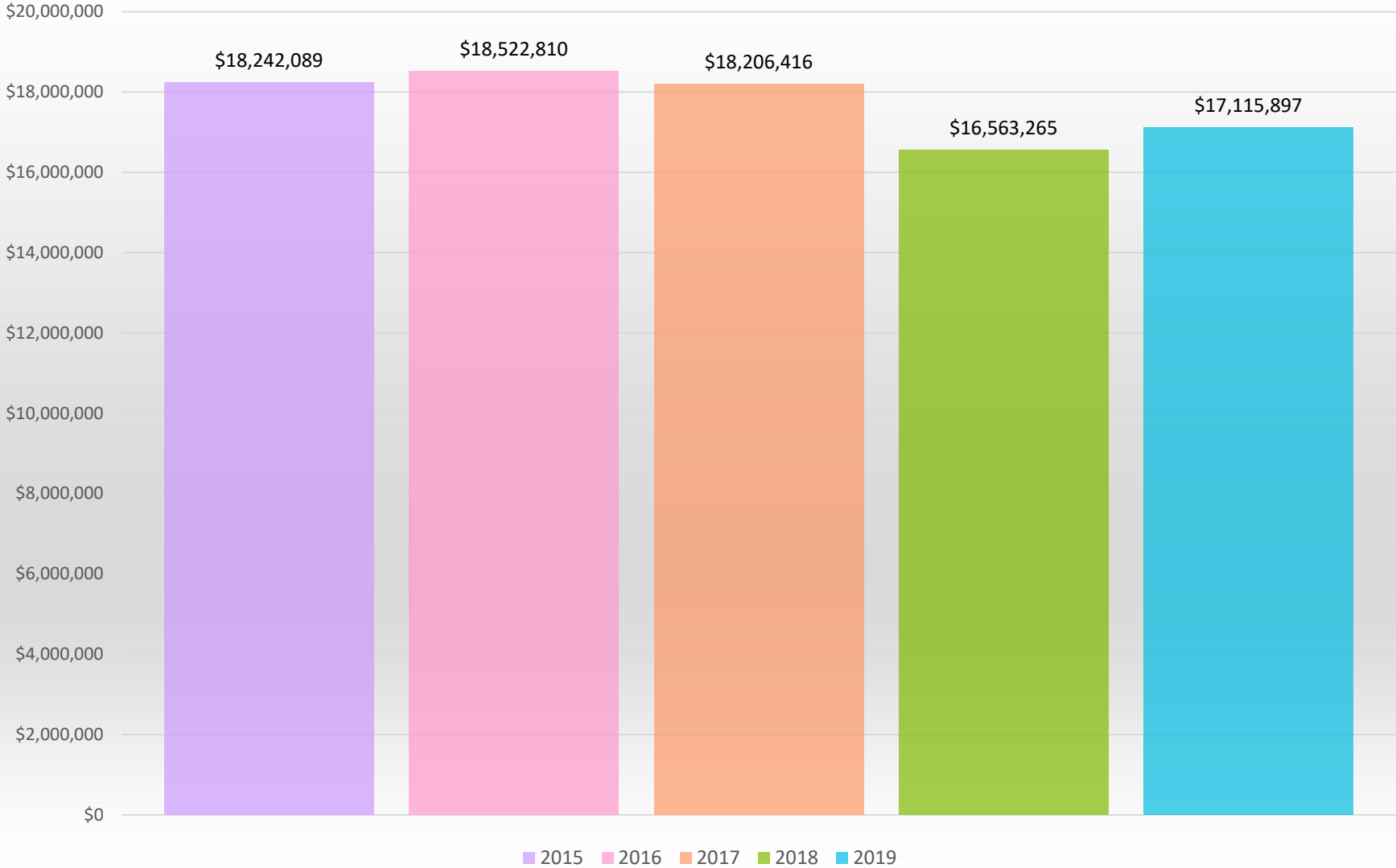
Overview of FY21 Analysis and Recommendations

- Health plan claims experience continues to run well: medical and prescription drugs
 - -\$1.4 million (-8%) from 2016 when plan changes, health and wellness center and comprehensive wellness initiatives were introduced
- Cost drivers targeted through wellness and discount prescription programs
- No change to plan designs or employee contributions for 2021
- Full marketing analysis completed- cost, network discounts, provider disruption, fully insured and self funded
 - Confirmed Anthem BCBS continues to offer most competitive option to administer CCG's health plan

Health Plan Overview

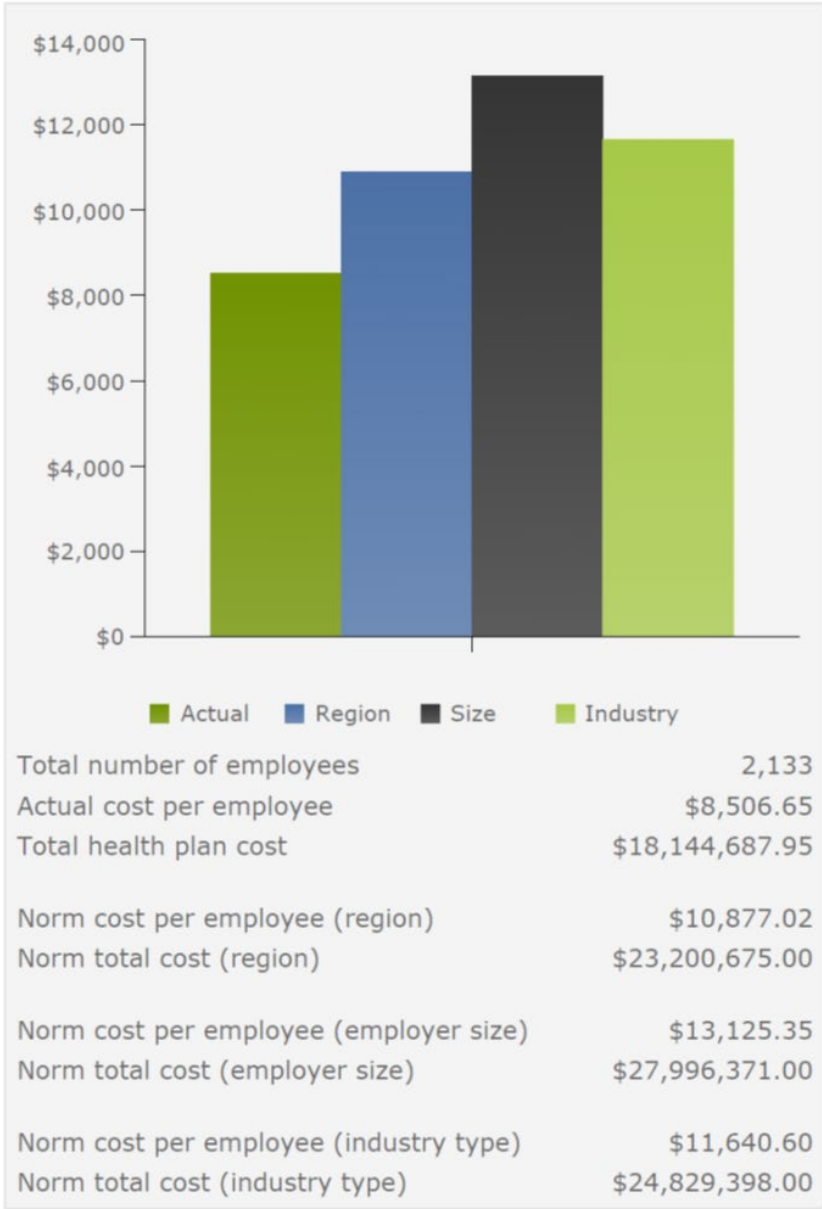
Annual Medical/Rx Claims

Columbus Consolidated Government Annual Medical/Rx Claims CY2015 - CY2019



Total Health Plan Costs- Benchmarks

Region	South
Industry type	State/Local Government



Cost Drivers

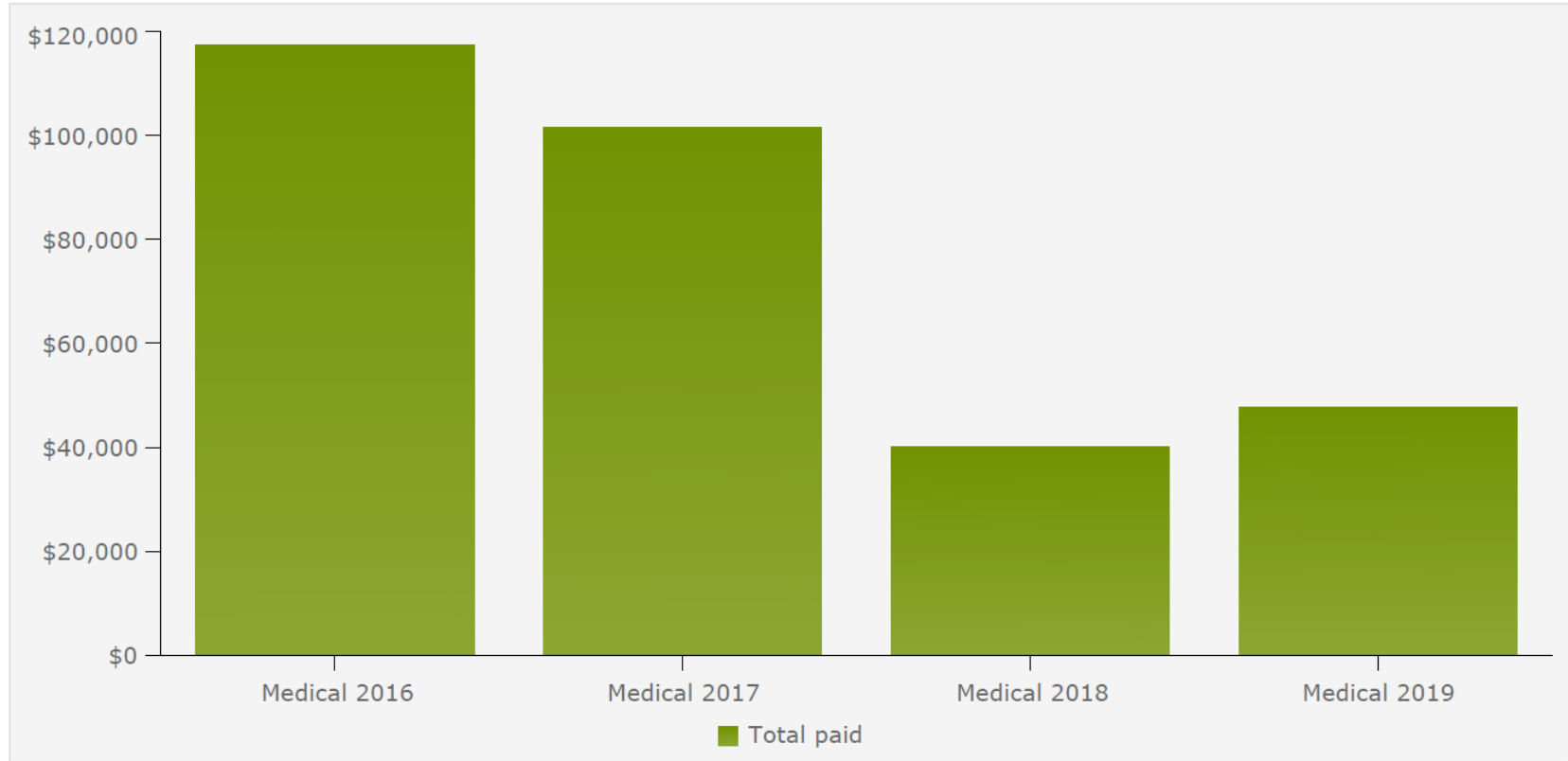
Disease Cost Drivers

Heart Disease Costs		Asthma/COPD Costs		Diabetes Costs	
Total Costs		Total Costs		Total Costs	
338.8% ↑		195.5% ↑		36.9% ↑	
Actual paid: \$556,010	Norm paid: \$126,713	Actual paid: \$47,680	Norm paid: \$16,135	Actual paid: \$160,031	Norm paid: \$116,866
Total Patients		Total Patients		Total Patients	
Actual patients: 493	Norm patients: 249	Actual patients: 95	Norm patients: 59	Actual patients: 303	Norm patients: 246

Asthma and COPD costs have improved since 2018. Number of patients has dropped by 7%. Costs have improved compared to benchmark- 2018 226.2% above norms.

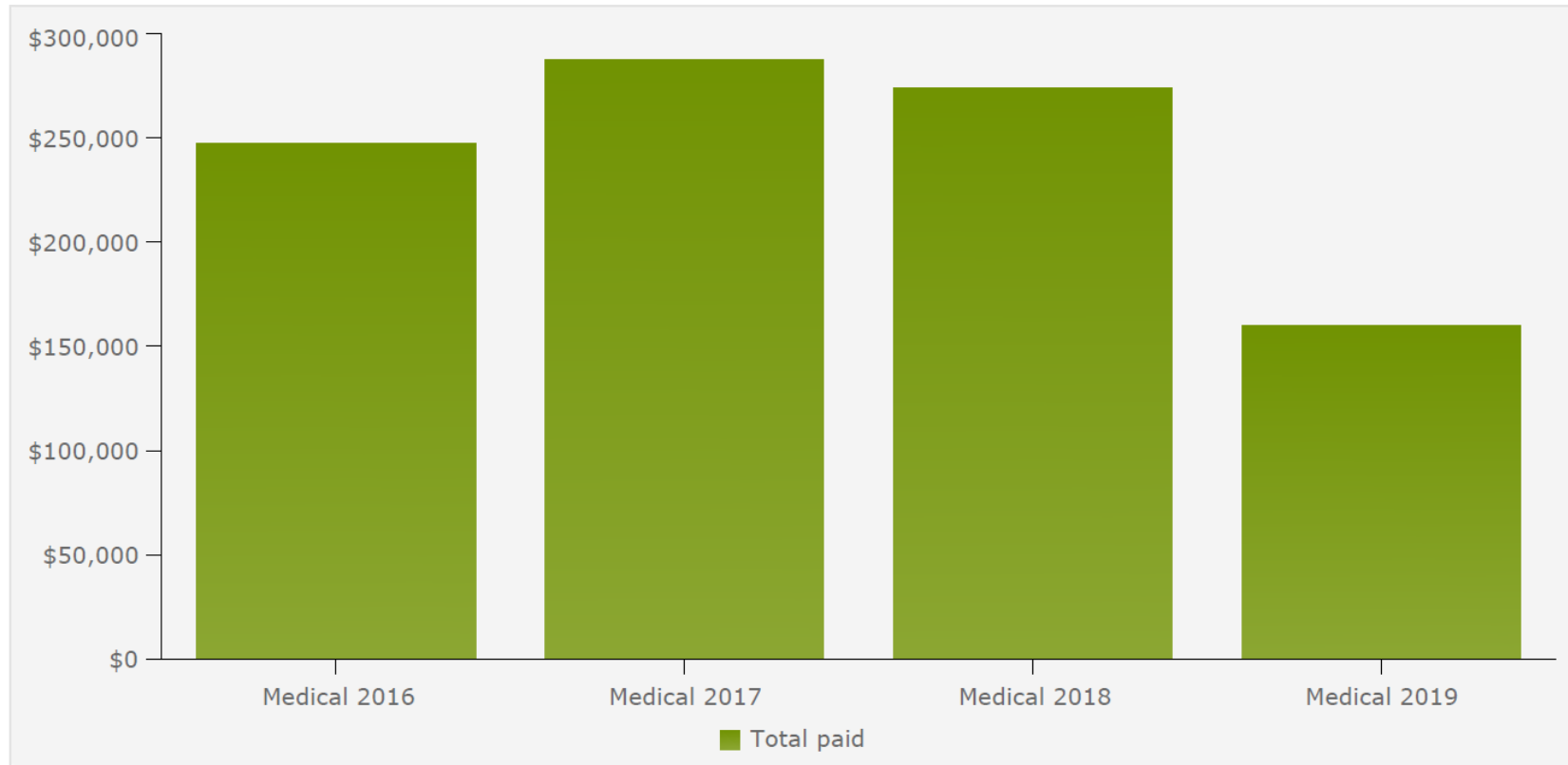
Diabetes costs have improved by 41% since 2018. Costs compared to benchmarks much improved- 2018 243.6% above the norms.

Asthma/COPD Total Paid Multiyear



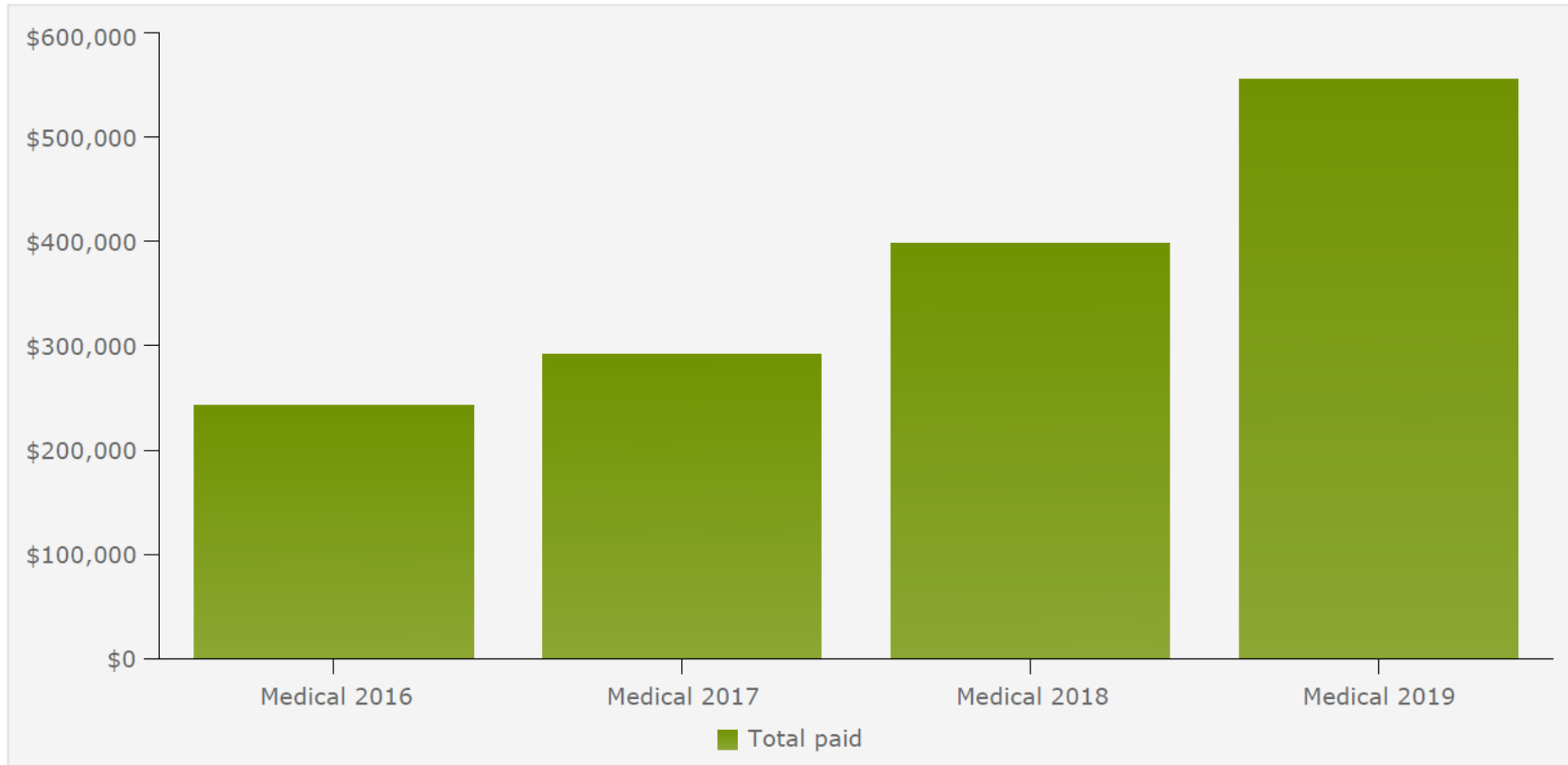
Project ID	Project Name	Project Period	Total Paid
370760	Medical 2016	01/01/2016 - 12/31/2016	\$117,337.72
384491	Medical 2017	01/01/2017 - 12/31/2017	\$101,491.17
402988	Medical 2018	01/01/2018 - 12/31/2018	\$40,076.36
417279	Medical 2019	01/01/2019 - 12/31/2019	\$47,680.47

Diabetes Total Paid Multiyear



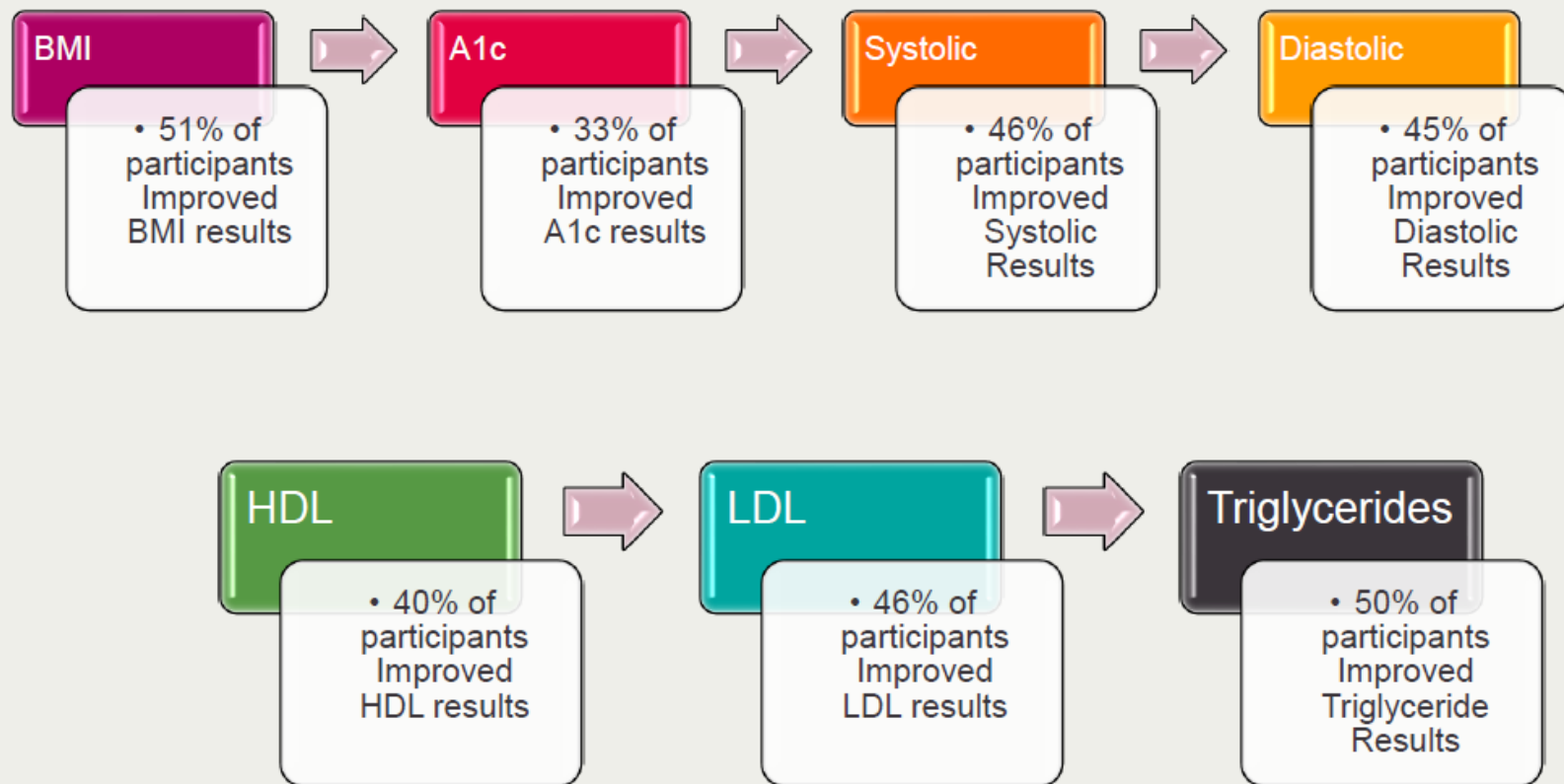
Project ID	Project Name	Project Period	Total Paid
370760	Medical 2016	01/01/2016 - 12/31/2016	\$247,289.59
384491	Medical 2017	01/01/2017 - 12/31/2017	\$287,498.33
402988	Medical 2018	01/01/2018 - 12/31/2018	\$273,908.22
417279	Medical 2019	01/01/2019 - 12/31/2019	\$160,031.31

Heart Disease Total Paid Multiyear



Project ID	Project Name	Project Period	Total Paid
370760	Medical 2016	01/01/2016 - 12/31/2016	\$242,845.85
384491	Medical 2017	01/01/2017 - 12/31/2017	\$291,556.12
402988	Medical 2018	01/01/2018 - 12/31/2018	\$397,898.21
417279	Medical 2019	01/01/2019 - 12/31/2019	\$556,010.15

Coaching Outcomes: Year Over Year Score Improvements



Enhanced Care Model-Prescription Drugs

- SPECIALTY MEDICATIONS ACCOUNTED FOR \$1.6 million IN PRESCRIPTION COSTS IN 2019
 - REPRESENTING OVER 26% OF TOTAL PLAN PHARMACY SPEND
 - This is improved from \$2.1 million in 2018
- Members access the same medication with increased medical support and high customer satisfaction, with considerable savings opportunity.
- 2019 realized savings of \$361,961
- 2020 additional savings with 22 newly identified patients= \$255,000

Rx Direct Purchasing Program- NFP Rx Solutions

	Drug	Member Cost	Plan Cost	Total Drug Cost
Current	Cosentyx	\$150	\$26,605	\$26,755
DPP	Cosentyx	\$0	\$7,715	\$7,715
Savings		\$150	\$18,890	\$19,040

Step 1: Rx Solutions Clinical Team identifies eligible Rxs

Step 2: Patient Advocate contacts patient to complete Patient Assistance Application

Step 3: Patient Advocate contacts patient's physician and submits application to Mfgr for approval

Step 4: Mfgr mails Rxs and refills directly to the patient

Alternative Funding Model for High Cost Rx's

- **Who Wins:** Both the Plan Member and the Plan significantly reduce costs
- **Reporting:** Savings tracked in real time for each prescription filled
- **Savings:** Based on a 100% of members eligible for patient assistance > \$15,000/Rx

\$589,535

Plan Savings

Key Metrics

- Only 48 of 44,426 RXs Affected
- Only 12 Patients Affected
- Over \$40,000 Savings Per Patient
- Current Plan Spend: \$6,091,062
- New Plan Spend: \$5,501,527

Direct Purchasing Program is Estimated to Save Your Plan Up to 9%

Results of Marketing

Marketing Analysis 2021- Network Discounts

- Priced self funded and fully insured options
 - Fully insured +17% higher than current self funded costs
- Conducted claims repricing analysis to evaluate value of network discounts with all carriers and TPAs
 - Anthem has retained greatest discounts for providers utilized by CCG members
 - Anthem savings \$1 million to \$3 million greater than other network options
- Evaluated Cigna Local Plus narrow network option
 - Piedmont Columbus Regional
 - \$293k savings projected if offered as additional plan option, assumes 600 employee elect this plan
 - Significant provider access disruption
 - Only 51% of top utilized facilities would be in network
 - Only 73% of top utilized professional providers would be in network

Health Plan Funding

Continued Wellness Incentive- 2021

No increase for employees if they participate in wellness

7.3% differential for employees that do not participate in wellness

CCG \$5,950 per budgeted position FY21

CCG funding 70% of active employees' cost

Increase tobacco surcharge to \$75 per month

Actives

No Change from 2020

Silver Plan	2021 Bi-Weekly Cost Wellness	2021 Bi-Weekly Non-Wellness	Bi-Weekly Difference Non-Wellness
Single	\$73.03	\$78.38	\$5.35
Employee + Spouse	\$137.29	\$147.35	\$10.06
Employee + Child(ren)	\$127.82	\$137.18	\$9.36
Family	\$202.31	\$217.13	\$14.82

Gold Plan	2021 Bi-Weekly Cost Wellness	2021 Bi-Weekly Non-Wellness	Bi-Weekly Difference Non-Wellness
Single	\$104.65	\$112.32	\$7.67
Employee + Spouse	\$196.74	\$211.15	\$14.41
Employee + Child(ren)	\$183.16	\$196.57	\$13.41
Family	\$289.90	\$311.13	\$21.23

Pre-65 Retirees No Change

Silver Plan	2021 Monthly Cost
Single	\$263.72
Retiree + Spouse	\$761.84
Retiree + Child(ren)	\$688.41
Family	\$1265.79

Gold Plan	2021 Monthly Cost
Single	\$332.23
Retiree + Spouse	\$895.05
Retiree + Child(ren)	\$812.06
Family	\$1464.43

Summary of Recommendations

- Retain Anthem BCBS as self-funded health plan administrator due to network discount cost savings
- No change to health plan coverage or employee contributions for 2021
- Continue wellness initiatives to further impact cost drivers
- Introduce prescription drug savings options



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