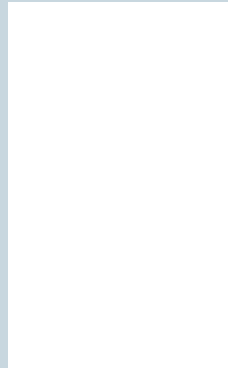
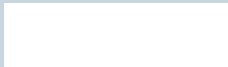
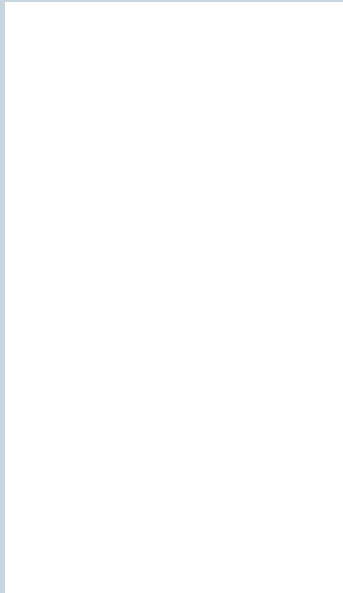
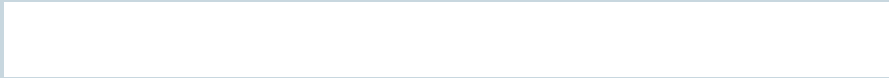


Pinellas County Government

Health Plan Trend Analysis – Draft

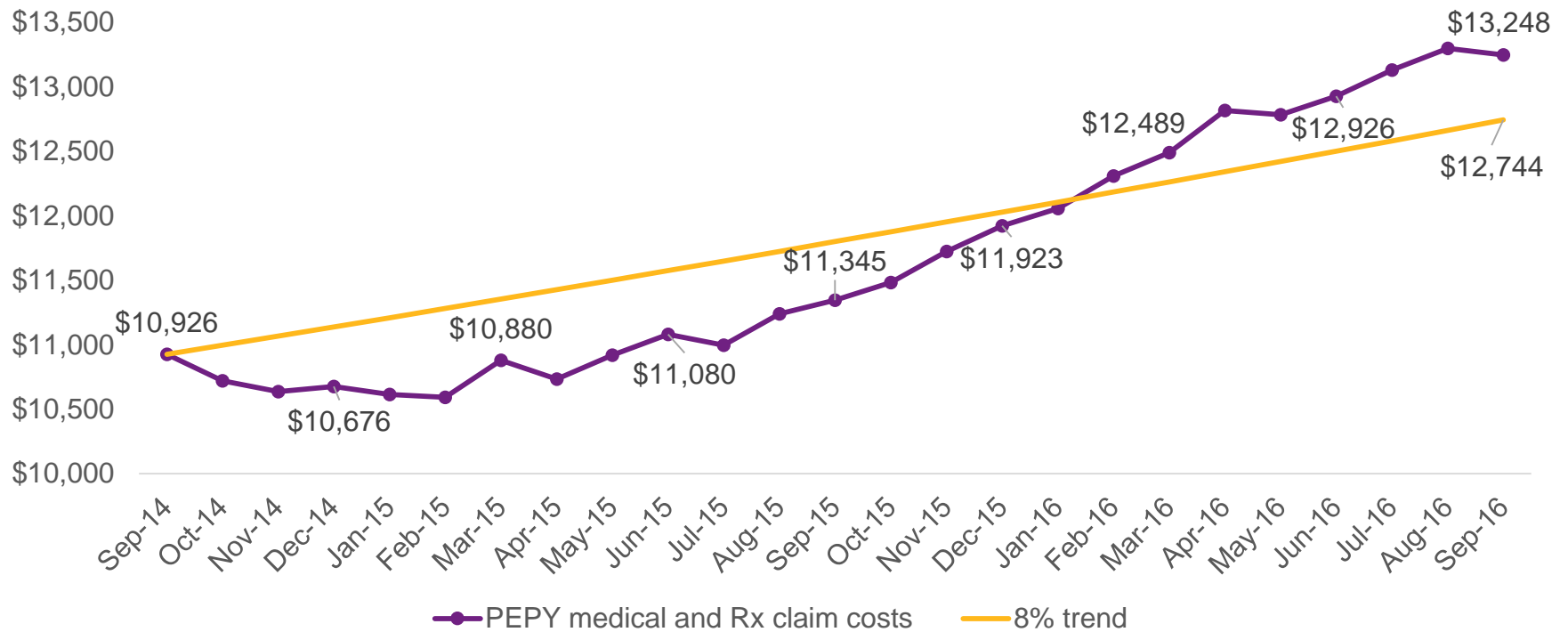
November 30, 2016



Pinellas County Rolling 12-month Self-Insured Claim PEPY

Active, COBRA, Pre-65 and Post-65 retirees*

- The average annual rolling 12 month medical and Rx claims cost PEPY increase in the last 12 months is 16.8%
- Yellow line models the 8% combined medical and pharmacy claim trend assumed in underwriting

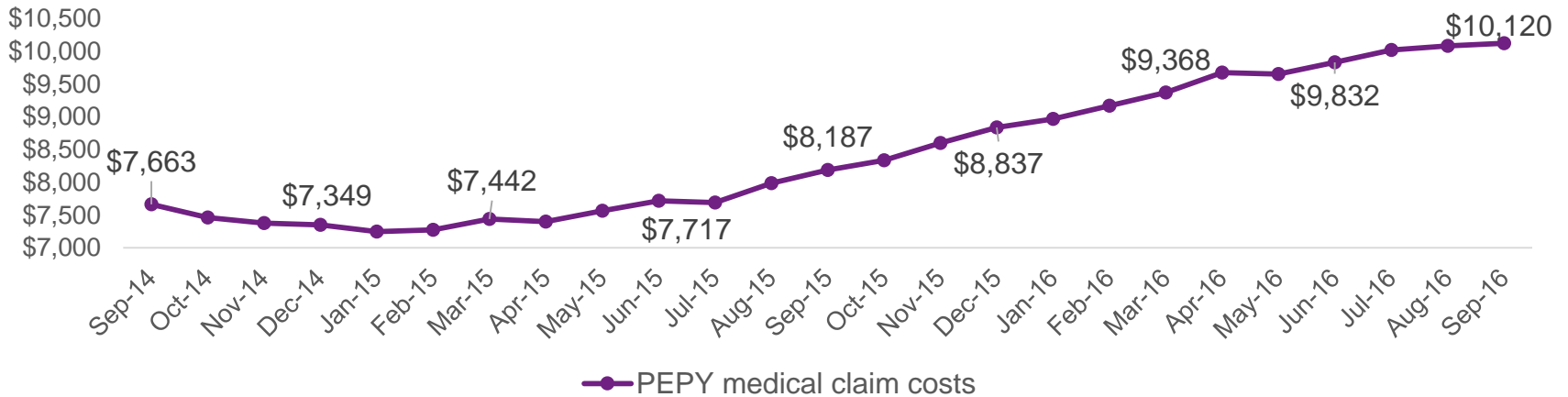


*Most Post-65 retirees migrated to the Medicare Advantage plan effective 1/1/2015
 Source: UHC and ESI claim reports

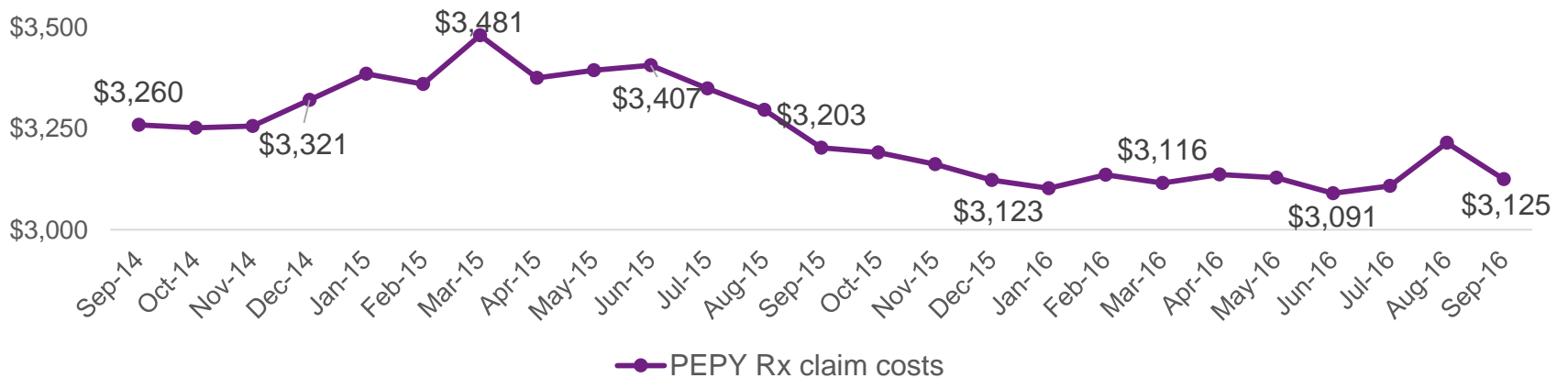
Pinellas County Rolling 12-month Self-Insured Claim PEPY

Active, COBRA, Pre-65 and Post-65 retirees

- The average annual rolling 12 month medical claims cost PEPY increase in the last 12 months is 23.6%



- The average annual rolling 12 month Rx claims cost PEPY decrease in the last 12 months is -2.4%

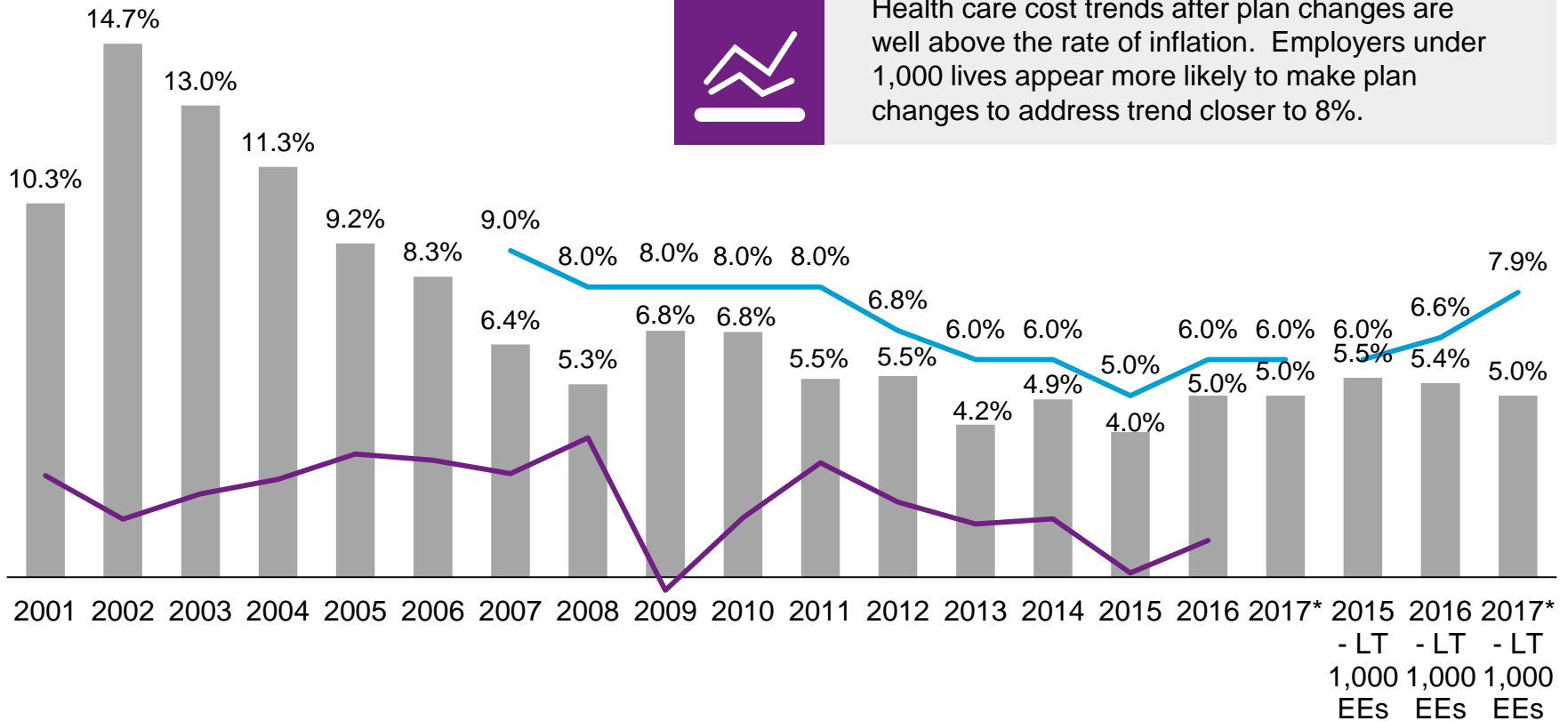


Source: UHC and ESI claim reports

Health care cost trend remains at historically low levels



Health care cost trends after plan changes are well above the rate of inflation. Employers under 1,000 lives appear more likely to make plan changes to address trend closer to 8%.



*Projected.

■ Health Care Trend After Plan Changes (Total Plan Costs) — Health Care Trend Before Plan Changes — CPI-U

Sample: Companies with at least 1,000 employees.

Source: 2016 Willis Towers Watson Best Practices in Health Care Employer Survey.

3 Year Self-Insured Health Plan Performance Summary

	January 2016 - September 2016*	January 2015 – December 2015	January 2014 – December 2014	3 Year Average
Health Plan Expense	\$34,418,186	\$42,134,342	\$40,226,002	\$38,926,177
Health Plan Budget	<u>\$33,248,292</u>	<u>\$43,387,593</u>	<u>\$45,020,978</u>	<u>\$40,552,288</u>
Surplus/(Deficit)	(\$1,169,894)	\$1,253,252	\$4,794,975	\$1,626,111
Average # of Employees/Retirees	3,269	3,257	3,515	3,347
Health Plan Expense PEPY	\$10,528	\$12,937	\$11,445	\$11,630
Health Plan Budget PEPY	<u>\$10,170</u>	<u>\$13,322</u>	<u>\$12,809</u>	<u>\$12,116</u>
Surplus/(Deficit) PEPY	(\$358)	\$385	\$1,364	\$486
Average # of Active Employees	2,740	2,715	2,659	2,705
Health Plan Expense Active PEPY	\$12,563	\$15,517	\$15,130	\$14,393
Health Plan Budget Active PEPY	<u>\$12,136</u>	<u>\$15,978</u>	<u>\$16,933</u>	<u>\$14,994</u>
Surplus/(Deficit) Active PEPY	(\$427)	\$462	\$1,803	\$601

- Health Plan Expense includes UHC medical claims, ESI pharmacy claims, ComPsych mental health claims, Pinellas' HSA contributions, incentive cost, transitional reinsurance fees, and administrative fees offset by estimates ESI pharmacy rebates and UHC stop loss reimbursements - Medicare Advantage plan is excluded
- Health Plan Budget is calculated using premium equivalent developed by Willis Towers Watson rates and enrollment provide by UHC
- Average # of Employees is calculated using monthly enrollment reports provided by UHC

*Current period reflects nine months of claim experience

Health Plan Projection for 2017 – Updated September 29, 2016

	Lives ¹² (January 2016)	2016 Fees		2017 Fees		FY 10/01/16-09/30/17 Projection
Medical Claim Cost Projection ^{1, 2}	3,241					\$ 36,379,399
2017 Plan Design Savings						\$ (311,190)
Retention						
Choice Plus PPO ³	3,081	\$33.71	PEPM	\$34.70	PEPM	\$ 1,273,778
Choice Plus HSA ³	160	\$35.05	PEPM	\$36.08	PEPM	\$ 68,779
Pooling Charge ³	3,241	\$27.22	PEPM	\$29.40	PEPM	\$ 1,122,229
Employer HSA Contribution	160					\$ 109,600
Enhanced Clinical Program Net Savings	3,241					\$ (168,892)
Estimated Wellness Vendor Fees ¹¹	3,699	\$0.00	PMPM	\$0.00	PMPM	\$ -
HSA Additional Estimated Fees						\$ -
Estimated Incentive Costs						\$ 600,000
Total Self Funded Medical Projection						\$ 39,073,702
UHC Medicare Advantage ⁴	1,793	\$445.19	PMPM	\$445.19	PMPM	\$ 9,578,708
Total Medical Projection with MA						\$ 48,652,410
Pharmacy Claim Cost Projection ^{1, 2}						\$ 11,177,707
Pharmacy Contract Negotiation Savings						\$ (1,264,000)
ScreenRx Program Savings						\$ (40,000)
Total Pharmacy Projection^{1, 2}	3,241					\$ 9,873,707
EAP ASO Fee ⁵	3,241	\$1.52	PEPM	\$1.57	PEPM	\$ 60,446
MH/SA ASO Fee ⁵	3,241	\$1.40	PEPM	\$1.44	PEPM	\$ 55,674
MH/SA FY Claims ⁶						\$ 223,195
Total Mental Health Projection						\$ 339,315
Transitional Reinsurance PPACA Fee ⁷	5,114	\$27.00	PMPY	\$0.00	PMPY	\$ 34,519
VISION ASO Fee ⁸	4,461	\$0.60	PEPM	\$0.60	PEPM	\$ 32,119
Vision Claims ⁹	4,461					\$ 266,054
Total Vision Projection						\$ 298,173
Total Projection						
PEPY (per active/cobra)	2,726					\$ 59,198,125
PEPY (total group)	4,461					\$ 1,810
						\$ 1,106
PCORI PPACA Fee ¹⁰	5,056	\$2.17	PMPY	\$2.26	PMPY	\$ 11,313
Total projection including PCORI Fee						\$ 11,313

Health Plan Projection for 2017 – Updated September 29, 2016

Footnotes

1. Projections are based on medical and Rx claims and enrollment data through 7/31/2016
2. Projections assume 7.0% medical trend, 10.0% Rx trend, 3% claims fluctuation margin
3. 2016 ASO fee and stop loss premium provided by UHC; 2017 assumes rates quoted in the RFP proposal
4. 2016 MA premium provided by UHC; 2017 reflect rates provided by UHC assuming a flat renewal
5. Assumes EAP and MH/SA benefits are offered to all actives and pre-65 retirees, fees are under rate guarantee through 2016; 2017 assumes a 3% increase
6. MH/SA 2014 claims provided by ComPsych and trended at 3% for 2015, 2016 and 2017
7. Lives equal total members assuming snapshot factor method, excludes the Medicare Advantage and Post 65 Indemnity Plans
8. Assumes 0% cost increase, includes Medicare Advantage members
9. Projections are based on vision claims and enrollment through 1/31/2016, trended at 5%
10. PCORI fee excluded from employee cost, lives equal members assuming snapshot factor method, excluding the Medicare Advantage members
11. Assumes active employees and their spouses are eligible to receive wellness benefits
12. Assumes 126 pre-65 spouses of post 65 retirees are enrolled in the non-grandfathered Pre-65 POS plan