



Health Care Benefits

BCC Workshop
October 17, 2017



Agenda

- What does self-funded mean?
- Contractual arrangement with Cigna
- Contractual arrangement with CareHere
- Wellness programs
- Comparative costs
- Questions



Health Plan Funding

- Fully Insured Concept
 - Employer pays a set premium
 - Insurance carrier assumes financial and legal risk of loss
 - Costs are fixed for the year
- Partially Self Funded / Self-Funded Concept
 - Employer assumes all or a portion of the risk
 - Additional risk protection through reinsurance
 - Employer pays health care claims themselves or via TPA or insurance carrier
 - Required reserves for self funding



Advantages of Self-Funding

- Flexibility in plan design
- Ability to use actuarial trend rather than marketplace trend (healthcare inflation)
- Risk management effectiveness through stop loss insurance
- Lower administrative costs
- Additional cash flow (employer holds reserves)
- Take full advantage of savings offered by Employee Health Center



Disadvantages of Self-Funding

- Employer assumes risk between anticipated claims and stop loss coverage
- Reserve requirements specific to public sector entities



Health Benefit Costs

2016 Actual

Claims	
Medical	17,875,594
Dental	880,830
Vision	82,273
Network / Administration	
Medical	2,101,845
Dental	46,950
Vision	17,118
Health Care Reimbursement Accounts	606,525
Health Center	2,672,732
Other	
Life Insurance	237,393
Employee Assistance Program	21,404
ACA Implementation	95,907
Central / Indirect	238,768
Operating Budget	118,711
	<hr/>
	24,996,050



Funding Sources

2016 Actual

Employee Contributions	3,497,368
Board of County Commissioner Departments	15,873,493
Constitutional Officers	3,163,276
Retirees	925,562
Other Agencies	<u>1,153,139</u>
	24,612,839



CIGNA

Administrative and Network Fee

- Medical and Dental
- Provides access to Cigna network and centralized services
- Covers claims administration
- Per member per month fee
- 2016 Actual - \$814,621
- 2018 Budget - \$847,000



CIGNA

Stop Loss coverage

- Individual limit - \$350,000 / \$400,000
- Per member per month fee
- 2016 Actual - \$1,259,526
- 2018 Budget - \$1,009,000



CIGNA

Actual Claims

- Paid through Cigna
- Network discount @ 67.7% (2016)
- 2016 Actual - \$18,232,343
- 2018 Budget - \$18,900,000



Employee Health Center

- Contracted service provided by CareHere
- Free care for employees and dependents covered by County health plan
- Free prescriptions for those drugs within formulary*
- Free imagery for prescriptions written by CareHere physician*

* Cost saving measure. Negotiated rates are below what would be paid through Cigna's network.



Employee Health Center

Medical Conditions supported

- Chronic conditions such as diabetes, high cholesterol, hypertension, asthma, obesity, etc.
- X-ray services
- Sore throats/ears/headache
- Strains/sprains/musculoskeletal problems
- Non-specific abdominal pain
- Non-specific chest pain
- Cough, Sinus, Allergies/allergy injections
- Rashes
- Acute urinary complaints



Employee Health Center

Medical Conditions supported

- Personal hygiene related problems
- Acute injuries/Acute routine office procedures
- Minor surgical procedures, such as sutures for laceration treatment
- Flu shots
- Ordinary and routine care of the nature of a visit to the doctor's office
- Annual GYN exams / Pap smears
- Direct contracting for additional imaging services



Employee Health Center

Wellness Services

- Dietician
- Exercise Physiologist
- Smoking cessation
- Health Coach
- Social Worker
- Multiple wellness programs (ex: diabetes management, weight management, reflux disorder, high blood pressure, lipid management, etc)



Employee Health Center

I.T. and Technology

- Electronic Medical Record System
- Scheduling Module
- Patient portal (CareHere Connect)
- Data Analytics Platform (integration of CIGNA and CareHere information)



CareHere

Service	Allocation
Program fees- Administration of Health Center and centralized services	Per member per month fee 2016: \$367,494
Operation of Health Center – Salaries, general supplies, medical supplies, etc.	Pro rata split with Sheriff’s office based on usage
Cost specific to BCC employees – Imaging, lab services, pharmaceuticals, etc.	Direct bill based on invoices



Wellness

- Incentive program
- Synergy with CareHere, Cigna, EAP
- Take advantage of community partners and programs
- Web-based resources



Wellness Programs

- Educational Seminars
- Challenges
- Recognition
- Fitness
- Other



Health Benefit Costs

2016 Actual

Claims	
Medical	17,875,594
Dental	
Vision	
Network / Administration	
Medical	2,101,845
Dental	
Vision	
Health Care Reimbursement Accounts	606,525
Health Center	2,672,732
Other	
Life Insurance	
Employee Assistance Program	
ACA Implementation	
Central / Indirect	
Operating Budget	
	<hr/>
	23,256,696



Questions?