

ACHIEVING RATE STABILITY WITH MEDICAL PREMIUMS

OSBA Capital Conference 2016

- ▶ Mike Davis, Treasurer, Talawanda City School District
- ▶ Tod Hug, Superintendent, Liberty Center Local Schools
- ▶ Sandy Mers, Superintendent, South Central Ohio ESC

Topics for Today

- ✓ What is Optimal Health Initiatives?
- ✓ Healthcare Landscape
- ✓ Key Strategies for School Districts
- ✓ Questions to Ask

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Optimal Health Initiatives

- ✓ OHI was created by three stand-alone consortia that wanted to leverage greater purchasing power without losing local autonomy and local control.
- ✓ Over the last six years membership has grown to over 45,000 lives in Ohio and Indiana.
- ✓ Membership is limited to public employers and political subdivisions.

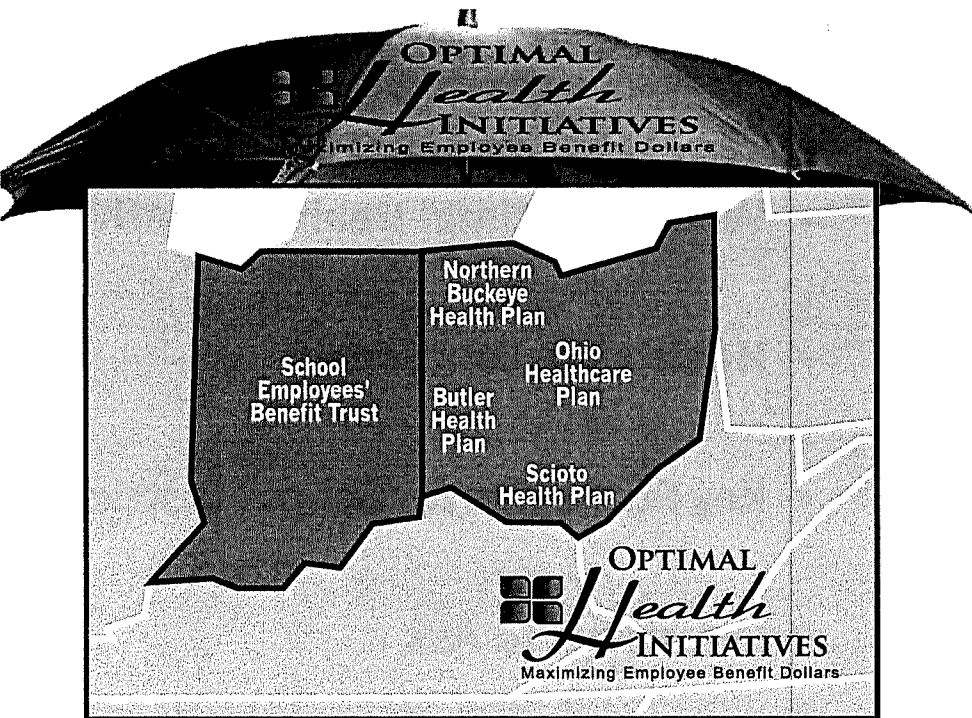
Optimal Health Initiatives Governing Board



From left: Mike Davis, Sandy Mers, Jerry Stewart, Tod Hug, Beth Weber, Nate Johnson, Tony Mantell, Alan Hutchinson (absent from picture)

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BUTLER Health PLAN

SW Division of OHI



Mike Davis, Board Member

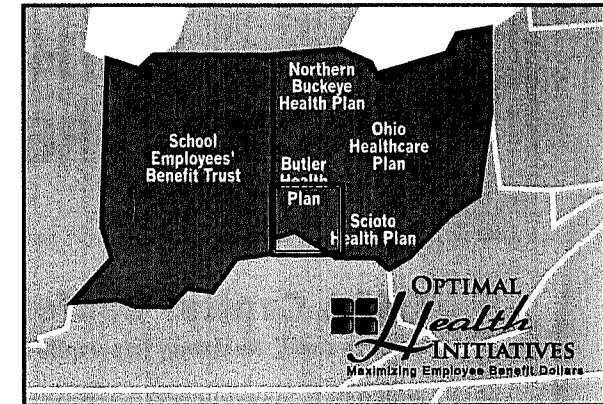
12 employer groups

Employees 4,800

Covered Lives 12,000

Southwest Counties:

- Butler County
- Clermont County
- Clinton County
- Hamilton County



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Tod Hug, Chairman

NORTHERN BUCKEYE Health PLAN

NW Division of OHI

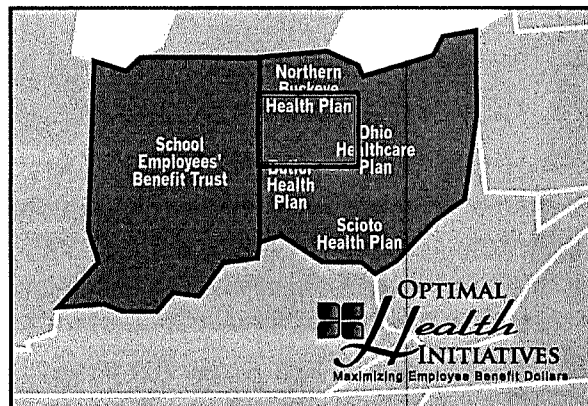
39 employer groups

Employees 3,345

Covered Lives 8,350

Northwest Counties:

- Defiance County
- Franklin County
- Fulton County
- Henry County
- Williams County



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Sandy Mers, Chairperson

SCIOTO Health PLAN

SE Division of OHI

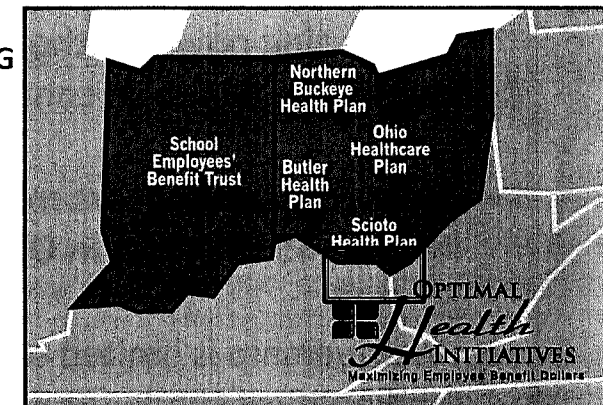
12 employer groups & COG

Employees 1,100

Covered Lives 2,200

Southeast:

- Scioto County



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Jerry Stewart, Chairman

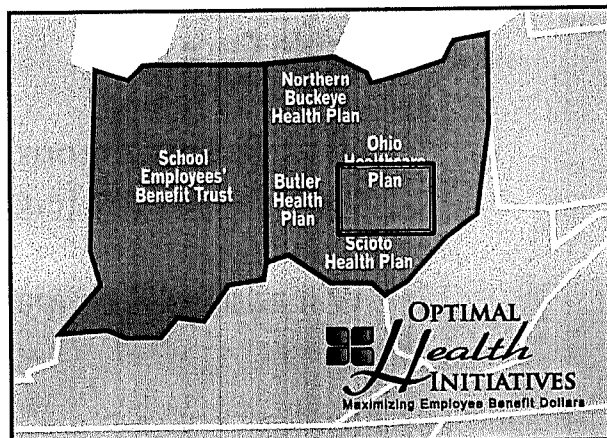
2 employer groups & COG

Employees 800

Covered Lives 2,000

Central Counties:

- Delaware County
- Franklin County
- Licking County
- Ross County



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The Healthcare Landscape

Healthcare Landscape

- **New Technology**
- **Affordable Care Act**
 - Cover more people and provide more benefits at zero cost to members
- **Health Exchanges**
- **Primary Care Alternatives**

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Healthcare Landscape

New Technology - Imaging

Examples:

- 3-D mammography (\$1,000 more than traditional imaging)
- Cardiac imaging screenings

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Healthcare Landscape

New Technology - RX

- Specialty medications are used to treat patients with chronic, serious health conditions.
- Average cost \$4,000 per prescription (30-day supply).
- In 2016, specialty drug approvals accounted for 60% of the new drugs approved.

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Healthcare Landscape

Affordable Care Act

- Goal → Cover more services at no cost to member (e.g. birth control)
- Will add 2-4% to market trend

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Healthcare Landscape

Impact of Healthcare Exchanges

- Losses much greater than anticipated
- Transitional reinsurance fee – future?

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Healthcare Landscape

Primary Care Alternatives

- Some physicians moving to concierge model.
 - \$1,500 fee for the privilege of seeing a primary care doctor.
- Multiple options available for members
 - Minute clinics
 - Teledocs
 - Employer-sponsored clinics

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Healthcare Landscape

Telemedicine



What kind of doctors can you see on LiveHealth Online?

Doctors on LiveHealth Online are:

- Board certified with an average of 15 years of practicing medicine
- Mainly primary care physicians
- Specially trained for online visits

When can you use LiveHealth Online?

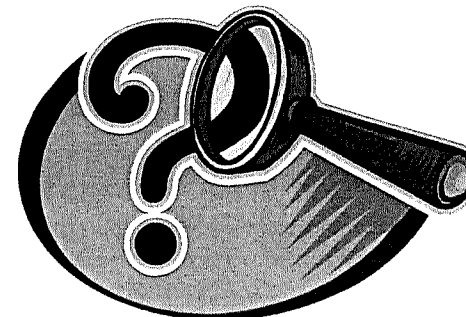
LiveHealth Online is a great option for care when your own doctor isn't available and more convenient than a trip to the urgent care. With LiveHealth Online, you can receive medical care for things like:

- Cold and flu symptoms, such as a cough, fever and headaches
- Allergies
- Sinus infections and more



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What Do Schools Do?



BE STRATEGIC...

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STRATEGY #1 Together is Better

School districts that purchase medical insurance through a consortium have significantly lower costs compared to those plans that do not.

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Financial Leveraged Contracts

- Stop Loss
- Prescription Benefit Manager
- TPAs
- Carriers / Networks
- Wellness
- Life Insurance
- Dental
- Vision
- Workers' Compensation Group Rating Pool

Saves Millions!

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STRATEGY #2

Go Self-Funded

Over time, employers who are self-funded pay less for healthcare than those who purchase fully-insured plans.

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STRATEGY #3

Effective Plan Designs

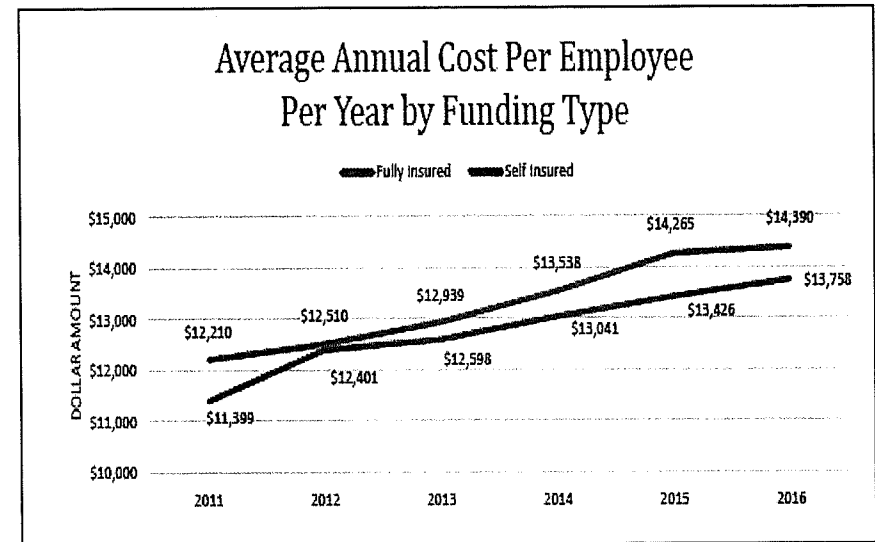
Does your plan design encourage use of cost-effective providers and drugs?

Examples:

- High Performance Formulary can save BIG (Pay for cost of generics and limited brand-name drugs)
- High emergency department co-pay
- Higher out-of-pocket for high cost facilities
- Wellness incentives
- Exclusive provider networks

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Self-Funding vs. Fully Insured



Source – 2016 Health Insurance Survey – The State Employment Relations Board (SERB)

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STRATEGY #4

Robust Wellness Programs

- On-site flu clinics
- Health Risk Assessments
- On-site biometric screenings
- On-site wellness programs
 - (Wellness Grants, Fitness Classes, Wellness Fairs, “Pillars of Health” Program, etc.)
- Designated Personal Nurse Health Coach
- Integrated Disease Management Programs

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STRATEGY #5

Employee Engagement

Employee Committees

- Understand benefits
- Understand how claims impact premiums
- Connect premium increases with lower wage adjustments
- Input into plan design

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STRATEGY #6

Ensure Affordable Access to Primary Care

- Are there enough primary care practitioners in your area?
 - Wait times?
 - Office hours?
- Is there access to affordable Urgent Care?

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Engagement Tools

HealthReports™
Bringing Transparency to Healthcare

Save Money on Healthcare Today! _____

HealthReports allows you to compare pricing, quality of care, and see the feedback of other members regarding their experience with the providers you're considering.

	HealthReports Price Range Examples
Colonoscopy	\$1,000 - \$9,000
IVIRL - Brain	\$700 - \$5,000
CT Scan - Abdomen	\$300 - \$2,000
X-ray - Ankle, 3 views	\$40 - \$300

Login to HealthReports and click the "Tutorial Video" button in the top-right hand corner to watch our new 7 minute video demo of the website and it's features.

Simple, Fast and Easy to Use
on the Web, your iPhone or iPad.

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Plan-Sponsored Health Center

How does it Work?

- ✓ Voluntary program
- ✓ No copay
- ✓ No waiting
- ✓ No deductible
- ✓ Prescription dispensary for higher incidence pharmaceuticals – No cost to member.

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All Services
Performed in the
Center are

FREE !

NO Claims

NO Office Co-Pay*

No Deductible

No Coinsurance

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EXCLUSIVE Facility for Members

CDL Exams

Drug Screenings

Vaccinations

Immunizations

Community Support: Sport Physicals

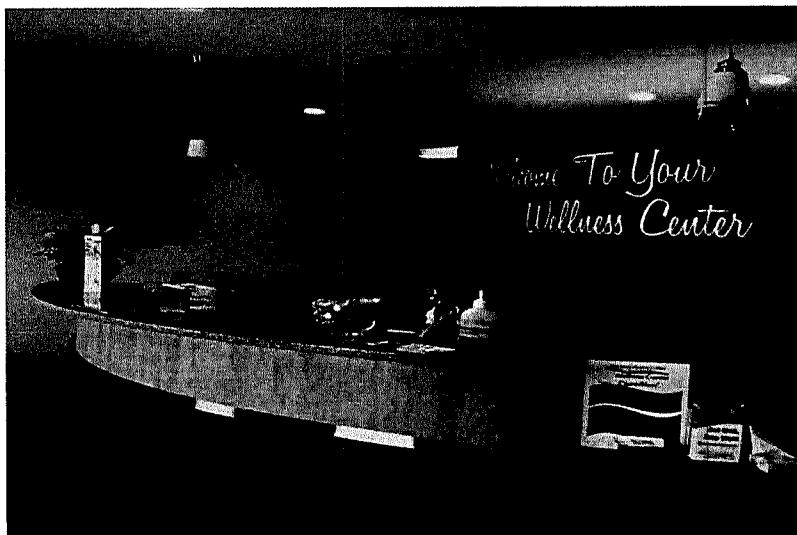


YOUR OWN DEDICATED STAFF

Medical Doctor

Physician Assistant or Nurse Practitioner

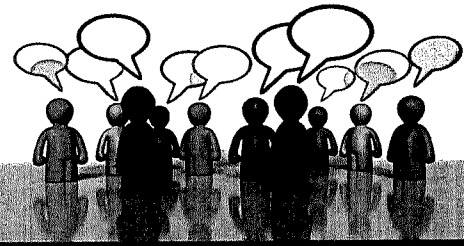
Medical Assistants



Plan-Sponsored Health Center

*Impressive
Results!*

- ✓ Tremendous member satisfaction
- ✓ Decreased emergency room visits
- ✓ Increased compliance with wellness guidelines



Summary

Bottom Line...

- ACA will add 2-6% to market trend of 9-10%.
- Need to have strategies in place to control costs and engage employees in process.

Optimal Health Initiatives Strategic Goals

Many plans simply negotiate next year's rate renewal.

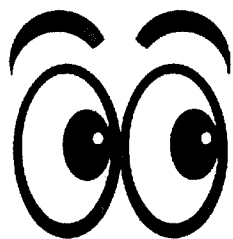
They miss the opportunity to manage current and future cost trend.

OHI realizes the importance of achieving our goals while still managing our Member's needs.

Key Strategies for Districts

Long Term Success at Achieving Rate Stability

- ✓ Join a consortium – Together is Better!
- ✓ Go Self-Funded.
- ✓ Implement plan designs that promote use of cost effective providers and technology.
- ✓ Implement low or no cost robust wellness programs.
- ✓ Engage your employees.
- ✓ Ensure affordable access to primary care.



Where's the Proof?

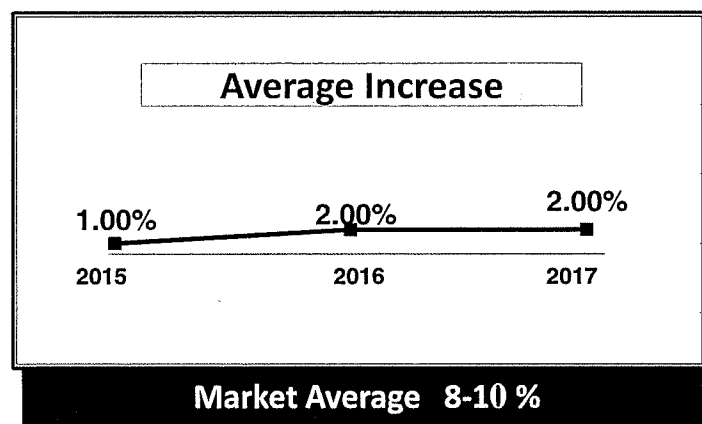
Optimal Health Initiatives

- ✓ Better than market plan design options
- ✓ Rates at or below peer and SERB median rates
- ✓ Low single digit rate increases

Ohio groups averaged less than a 2% premium increase in 2016!

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Premium Rate History



Questions to Ask...

1. What percentage of your premium goes to fixed costs?
Self insured average 6-7% vs. fully insured 10-15%
2. How is your broker/consultant compensated?
Is this amount included in the premium?
3. Is COBRA administration included in fixed cost or is it a separate charge?
Can vary greatly from \$ 2.00 pmpm to \$ 12.00 pmpm

Questions to Ask...

4. How is your network selected?
Are discounts validated by an independent actuary?
5. Are ACA fees included in your premium?

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Questions?



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Thank You!

Visit us at:

<http://www.ohi-online.org>

