

PIMA COUNTY HEALTH CARE BENEFITS TRUST ANNUAL REPORT

Plan Year Summary: July 1, 2018 – June 30, 2019

- Fund status: Active
- Fund Value: \$30,785,111. ([Annual Financial Report](#), 2019, p. 4)
- Operating Results: As part of the plan to spend a portion of the Fund's accumulated value, the Fund's value decreased by \$4,673,250. ([Annual Financial Report](#), 2019, p. 4)
- Health Plan Claims Experience:
 - Costs were less than expected as shown by the 87.2% Medical/Prescription Loss Ratio Actual Claims vs. Expected Claims. ([CBIZ Medical and Pharmacy Experience](#), thru June 2019, p. 1)
 - However, cost per employee increased as demonstrated by the Per Employee Per Month cost of \$740 a 3.4% increase over prior plan year. ([CBIZ Medical and Pharmacy Experience](#), thru June 2019, p. 1)
- Total Benefits Claims Spending: \$57,186,467. ([Annual Financial Report](#), 2019, p. 4)
- Investment Income: \$1,242,929. ([Annual Financial Report](#), 2019, p. 4)
- Trends in benefits use:
 - The top 1% of members with the highest claims cost account for 46.4% of Total Claims Cost compared to the Cotiviti's Norm¹ of 31.7%. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 10)
 - The cost of medical services increased by 3% which is lower than the national trend. Costs increased primarily because of medical inflation even though utilization of services decreased by 12%. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 16)
 - Prescriptions per employee decreased by 16% while cost per prescription increased by 7%. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 28)
 - Top 20 Drugs by cost are all Specialty drugs, among these the top three are: Humira Pen, Embrel Sureclick, and Imbruvica. Specialty Drugs are high-cost prescription medications used to treat complex, chronic conditions like cancer, rheumatoid arthritis, and multiple sclerosis. Specialty drugs sometimes require special handling and administration (typically injection or infusion), and patients using a specialty drug may need careful oversight from a health care provider who can watch for side effects and ensure that the medication is working as intended. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 32)

¹ Cotiviti's Norm: based on Cotiviti's normative database of health plan claims which compares population performance compared to a large, aggregated commercial norm.

² Cotiviti: National claims database representative across the entire United States that contains 31.2 million member lives across all ages, gender, industries, and region; consisting of multi-diagnosis, multi-procedure, and multi-revenue codes.

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- Top three most expensive medical benefits by place of service: Inpatient Hospital 16.5% increase (makes up 31.9 % of total plan paid), Office visits 0.4% decrease (22.4% of total plan paid), and Outpatient Hospital 4% decrease (21.1% of total plan paid). The remainder 24.6% included Emergency Room visits, Ambulatory Surgical Centers, Laboratories, among others. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 48)
- Top three most expensive medical benefits by procedure type: Drugs paid by medical plan 11.4% decrease (8.1% of total plan paid), Orthopedic Surgery 15.5% decrease (4.8% of total plan paid), and Emergency Room 26% decrease (4.6% of total plan paid). The remainder 82.5% included gastrointestinal surgery, Mental Health and Substance Abuse visits, Dialysis, among others. ([Cotiviti Medical Intelligence](#), thru June 2019, p. 50)

Plan Changes

Effective July 1, 2019 preventive care services were expanded to include:

- Skin cancer screenings
- Heart disease screening
- Added Bariatric surgery and related services

Effective November 1, 2019:

- Transgender services

References

[Annual Financial Report](#) (2019)

[CBIZ Medical and Pharmacy Experience](#) (thru June 2019)

[Cotiviti Medical Intelligence Report](#) (thru June 2019)

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