Pima County Health Care Benefits Trust Board Meeting
February 14, 2019, 9:00 a.m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given that the Pima County Health Care Benefits Trust will hold a meeting open to the public on Thursday, February 14, 2019, at 9:00 a.m. The meeting is in the Human Resources Training Room located on the 4th floor of 150 W. Congress, Tucson, Arizona.

AMENDED - AGENDA

A. Roll Call

B. Pledge of Allegiance

C. Approval of November 8, 2018 Meeting Minutes

D. Aetna Presentation (30 minutes)

1. **Medical Utilization Review**
2. **Potential Services Additions (Cost/Avoided Costs/Any other Relevant Details)**
   Skin Cancer Screenings
   Heart Screenings / Calcium Score
   Ovarian Cancer Screenings
   Bariatric Surgery
   Obesity services (current and recommendations for areas of improvement)
   Transgender Services
   In-Network limitations – future research
3. **Attached *Pima County Potential Plan Enhancements* to use with discussion of Potential Services Additions (Added)**

E. Caremark/CVS Presentation (20 minutes)

1. **Pharmacy Utilization Review**
2. **Follow up items**

F. Ameritas Presentation (15 minutes)

1. **Dental Utilization Review**
2. **2018/19 Plan change review**
3. **In/Out of network utilization by procured type**

Should you require ADA accommodations, please contact Human Resources at (520) 724-2732. Requests should be made at least 36 hours before the meeting to facilitate the accommodation.

G. CBIZ Presentation (15 minutes)

1. **Claims Review**
2. **Recommendations on Potential Service Additions as presented by Aetna in item (C)(2) and request for approval (Added)**

H. Pima County Finance (20 minutes)

1. **Quarterly Review**

I. Human Resources (10 minutes)

Communications
Healthy Lifestyle Premiums Discounts
Short Term Disability
YMCA funding

J. Call to the Audience

K. Next Meeting Date

1. **Future Discussion Items**

L. Adjournment

Should you require ADA accommodations, please contact Human Resources at (520) 724-2732. Requests should be made at least 36 hours before the meeting to facilitate the accommodation.

Pima County Health Care Benefits Trust Board Meeting
November 8, 2018, 9:00 a.m.

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MINUTES

A. Roll Call

Present	Henry Boice, Chair, Board Member
	Keith Dommer, Board Member
	Daisy Jenkins, Board Member
	Dr. Francisco Garcia, Board Member
Absent	None
Also Present	Marchelle Pappas, Board Coordinator
	Cathy Bohland, Pima County, Human Resources
	Eric Rustand, CBIZ
	Matt Weel, CVS Health
	Mike Zucarelli, CBIZ
	Andy Welch, Pima County, Finance
	Gayl Zambo, Pima County, Human Resources
	Jennifer Billa, Pima County, Human Resources
	Xavier Rendon, Pima County, Finance
	Erin Marts, Pima County, Human Resources
	Mandy Armenta, Pima County, Finance
	Zulema Adame, Pima County, Finance
	Casey Lawton, Ameritas
	Michelle Campagne, Pima County, Finance
	Ana Roth, CBIZ
	Meredith Litton, Pima County, Finance
	Taylor Nervo, Employers Health

Meeting was called to order at 8:57 a.m.

B. Pledge of Allegiance

All present joined in the pledge of allegiance.

C. Approval of August 23, 2018 Meeting Minutes

Mr. Dommer moved to approve the minutes as presented. Ms. Jenkins seconded. Vote taken – 4:0 to approve minutes, motion passes unanimously.

D. Aetna Presentation

1. **Medical Utilization Review**

   Ray Eveleth and Karen Peters presented the Aetna Utilization review

   - Demographics (current vs prior period) – No discussion
   - Claim Segmentation – No discussion
   - Financial Summary – Question raised as to the reason for the inpatient paid amount per member increase of 23.3%. Mr. Eveleth answered that the increase was incurred which is result of the high cost claimants. Discussion ensued.
   - Impact of High Cost Claimants - clarification was provided the there are three high cost claimants, one new to this year and 2 carry over from last year.
   - Medical Utilization Summary – No discussion
   - Network Summary – No discussion
2. **Break-out of employees vs. dependents utilization (request from last meeting)** – Ray Eveleth presented – No discussion
3. **Aetna's target network discount (66.2 or greater) (request from last meeting) -**
4. **High Cost Claimants (request from last meeting) -** Top Claimants during Q4 – Noted that the claimants are engaged with in touch care. Discussion regarding substance abuse provision. Should the insured not comply with terms of treatment what would be the plans provisions? Discussion ensued regarding opioid addiction and limiting care to in network facilities. Dr. Garcia noted that relapse is the normal not the exception and we may need to look at redesigning the plan. Discussion ensued regarding deductibles
5. **Top 5 Diagnostic Categories (request from last meeting) –** Dr. Garcia inquired as to the percentage of the population is in the top diagnostic categories. Ray noted he did not have that information at this time, but it can be provided at the next meeting. Discussion moved to the ethics of treatment and the associated cost of the plan. Discussion regarding the populated driven diagnostic categories and the relation to the age of the insured. Discussion regarding the occupational health nexus and be able to provide training, equipment, etc.
6. **Top 5 Pharmacological Categories (request from last meeting) -** Discussed under agenda item F.2 presented by CVS/Caremark.
7. **Trends in Disease Category (request from last meeting)** – No discussion

E. Aetna Discussion

1. Potential Services Additions – Gayl Zambo requested Aetna provide estimated costs to the plan if it were to add preventative service screenings for skin cancer, heart conditions (calcium scores) and bariatric surgery. Discussion followed regarding the overall cost

being minimal to have screenings done. Dr. Garcia noted we should look into the US preventative task force for recommendations on health screenings. The Board should not just be looking at specific costs, but the whole prospective of treatment. There should be some personal responsibility component with prevention, benchmarks should be met and tracked. Mr. Boice inquired if these items were for discussion or if a vote was required to implement preventive screenings. It was noted that a vote would come back to the Trust Board once staff had a recommendation.

F. Caremark/CVS Presentation –

1. Pharmacy Utilization Review

Mark Weel from CVS Caremark presented the Pharmacy Utilization review to include July through September 2018 data and RX detail.

- Top 10 Therapeutic Class review – No discussion
- Top 25 RX - by gross cost – currently there are not clear identifiable as more data is gathered CVS can track adherence. Ms. Jenkins discussed specialty screenings may be appropriate as it has an effect in a clinical perspective and relates to cost. Discussion continued. Question raised as to whether the Trust is seeing a decrease in cost by carving out the pharmacy piece and whether it is providing value? Discussion followed on whether the gross cost is declining. HR Staff did a comparison of the prior data RX plan and RX that are comparable and cost is cheaper for the plan with the carve out. 90 supply is optional for Pima County – Mr. Dommer questioned if other insurance plans were voluntary vs. mandatory, Mr. Neil answered that plans have a 50/50 split. Discussion followed. Question raised as to whether the plan would see any costs savings if we encouraged plan participants to move from retail to mail order with a 3 months' supply. It was answered that, yes there would be savings. Maintenance choice is a cost efficient choice, mail order option but the participant picks up the RX in the CVS store. Customer service of the plan was discussed. Issue Dr. Garcia brought up is the high cost of the antiviral with copay issue. Questions for future is why do our members have to go through a separate corporate door to take advantage of discounts? Barriers for the employee and beneficiary and it is incumbent on the group to figure out how to overcome this. Currently 1800 numbers to take advantage of copay assistance. Question raised as to when does CVS interaction with HR and when does HR see issues. Discussed that Caremark reaches out bimonthly call into HR to support Pima County and get ahead of any trends and share with team and to make recommendations. Discussion regarding looking at clinical performance for the patient, not just the cost. Discussion followed.

2. Top 5 Pharmacological Categories (request from last meeting)

Aetna presented the top 5 pharmacy categories which include antidiabetics, antiviral, psychotherapeutic, antiasthenic and antineoplastic. Discussion regarding preventative

screenings and the potential benefit and employee engagement through wellness. At the next meeting Aetna will provide bariatric surgery projected cost and avoidance.

G. Ameritas Presentation

Casey Lawton from Ameritas presented the dental presentation.

1. **Dental Utilization Review**
   - Claims over the past 24 months – No discussion
   - Paid Claims before PPO savings and employer cost savings – No discussion
   - Claims per employee per month (monthly paid claims) – No discussion
   - Paid Claims by Procedure – There is a higher orthodontic utilization. Discussion regarding types of procedures; type 1 - preventative exams, x-rays; type 2 - fillings, periodontics, root canal; type 3 – crowns and orthodontics
   - Network vs. Out of Network claims – Pima County uses in Network at 69%, book of business is 81%. This is an area that can be improved upon. Question raised as to why we feel there is so much out of network claims. Discussion regarding the various reasons plan participants may be going out of network. Staff will look at the plan design to see where we can possibly make changes. Discussion regarding the advantage of basic care by adding preventive dental points into the wellness incentives.
   - Savings from PPO (in network savings) – No discussion

H. CBIZ Presentation

Eric Rustand presented the information from CBIZ

1. **Actuary Review** – No discussion
2. **2019/20 Funding Requirements** –
   - Setting premium rates used 24 months of paid claims experience (year 1 dates 9/17 through 8/18) (year 2 dates 9/16 through 08/17) blend 80% year 1 and 20% year 2; Annual trend is industry standard RX trend had come down.
   - Claims margin (error margin) – 2% claims margin is reasonable assumption
   - Rebate Savings – 2.8 million and use 70% of projected savings which is conservative.
   - Stop Loss – Projecting a 12% stop loss
   - 0 % cost increase to premiums in the upcoming plan year
   - HSA contributions – No discussion
   - Medical Plan Costs – No discussion
   - Question raised as to whether the Trust Board takes any action on setting the rates? Answered that the data presented is for informational purposes. Question raised if the Fund should be expecting additional costs per trend and

how this affects the Fund balance? Fund balance will be staying flat at 34 million which is a healthy Fund balance and is above the 26 million. One caveat to note is even though the Trustee's do not taken any action on the finances, but there are decisions that the Board can make which will have an impact on the balance. For instance plan design, addition of preventative screenings, service, etc. The Board has room to make some changes as there is a very healthy Fund balance. No further discussion.

3. **Rx Market Check –** No discussion

I. Pima County Finance

Andy Wells presented the Pima County Financial Reports

1. **Year End Review**
   - Statement of Net Position Comparative 2017 to 2018 – No discussion
   - Statement of Revenues, Expenses, and Changes in Net Position Comparative – No discussion.
   - Statements of Revenues, Expenses, and Changes in Net Position Major Line Item Analysis – Discussion ensued regarding pharmacy rates and if Pima County could see better rebates. Staff answered that based on the response to the RFP the rebate amounts should increase with the new contract. Discussion regarding the wellness program showing the non-medical consultation from Aetna. This category is for the money that Aetna provides for Pima County Wellness programs offered to the employees.

2. **Quarterly Review – First Quarter FY18/19**
   - Statement of Net Position – No discussion
   - Statement of Net Position Comparative – No discussion
   - Statement of Revenues, Expenses and Changes in the Net Position Comparative – No discussion
   - Statement of Revenues, Expenses and Changes in Net Position Major Line Item Analysis – No discussion.
   - Budget, Actual and Forecast – Budgets are based on straight line projections. No discussion.
   - Healthcare Premiums – Discussed how employees are made of aware of the great price of the healthcare offered for employees and it was suggested that staff look into developing a communicative strategy around the low premiums and incentives offered. HR staff will think this through. HR Staff noted that there is a larger story to be told on how generous the County is as an employer. Discussion ensued regarding the "hidden salary" as a recruitment tool.

J. Call to the Audience – No response

K. Next Meeting Date – February 14, 2019

1. **Future Discussion Items –** Cathy Bohland asked the Trustee's if they were okay with the meeting schedule and times. Noted that the Trustee's prefer to meet in the morning and the schedule works for them. Discussion on the reporting structure and if the Trustee's would like to see any additional information or less information. It is noted that the Trustee's would like the reports to stay the same and would like to have CVS present. Mr. Boice thanked everyone and reminded all that the main objective should be that the County employees are well taken care of at the best price.

L. Adjournment

Ms. Jenkins moved to adjourn the meeting. Mr. Dommer seconded. Vote taken – 4:0 to adjourn; motion passes unanimously. Meeting adjourned at 11:04 a.m.

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Pima County Health Plan Review

2nd Quarter Utilization Review

2018/2019

Feb. 1, 2019

Reporting Parameters*

- Current Reporting Period = 7/1/18 – 12/31/18

- Prior Reporting Period = 7/1/17 – 12/31/17

- Processed Date

- High Cost Claimants (HCC) = >$100,000

- Aetna's Book of Business (BoB) results include HCCs and are annualized using the most recent 12 months of incurred data with a two month lag

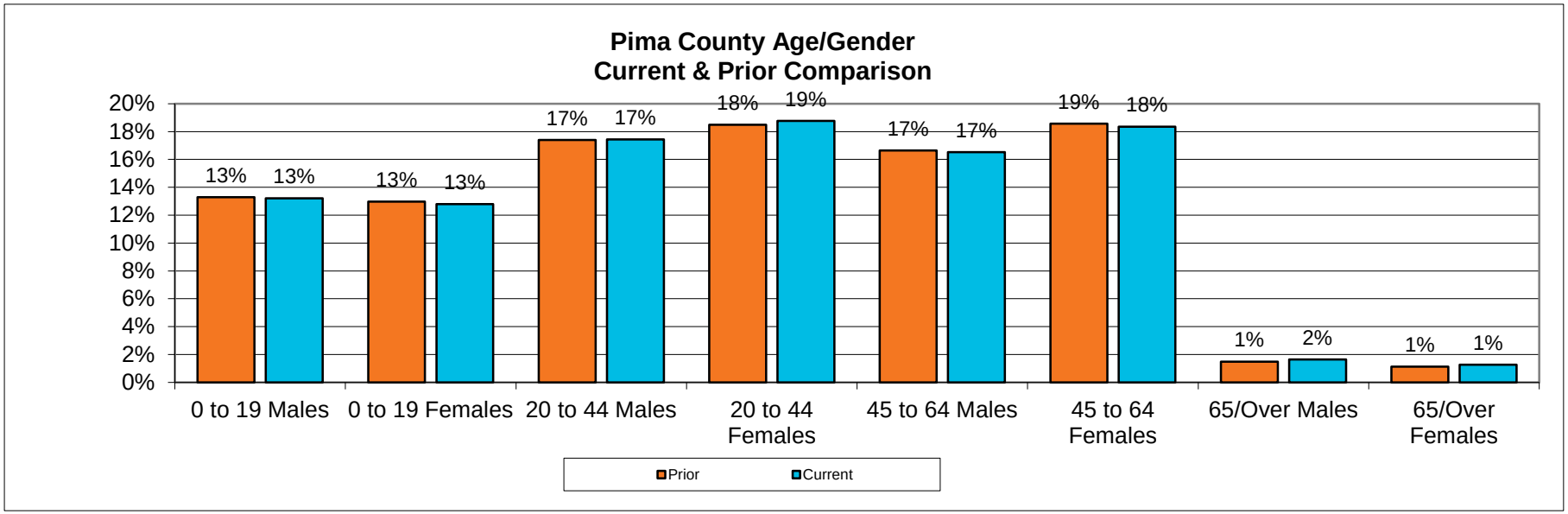
*Unless Otherwise Noted

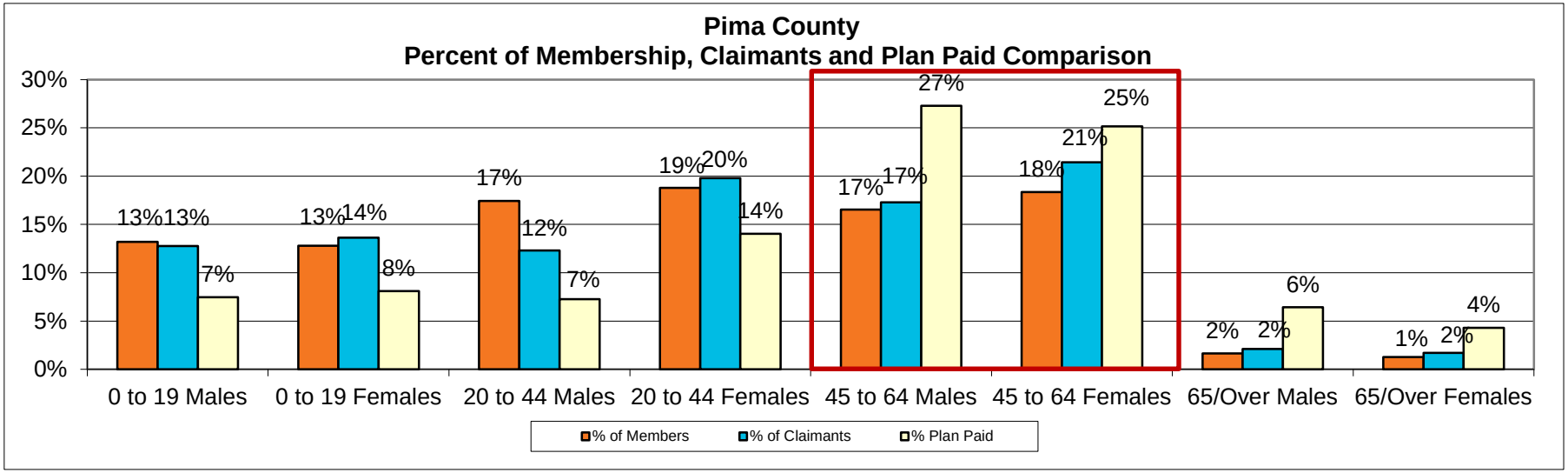
Demographics

Current vs. Prior Period

	Employees (% Change)	Members (% Change)	Ratio of Members to Employees (% Change)	% Male Members (% Change)	% Female Members (% Change)	Average Age (% Change)
HSA	4,805 (0)	10,478 (-1)	2.2 (0)	49 (0)	51(0)	35 (0)
HDHP	339 (-7)	525 (-9)	2 (-2)	45 (-2)	55 (2)	47 (4)
All	**5,144 (-1)**	**11,003 (-1)**	**2.1 (-1)**	**49 (0)**	**51(0)**	**35 (0)**

Claim Segmentation





Financial Summary

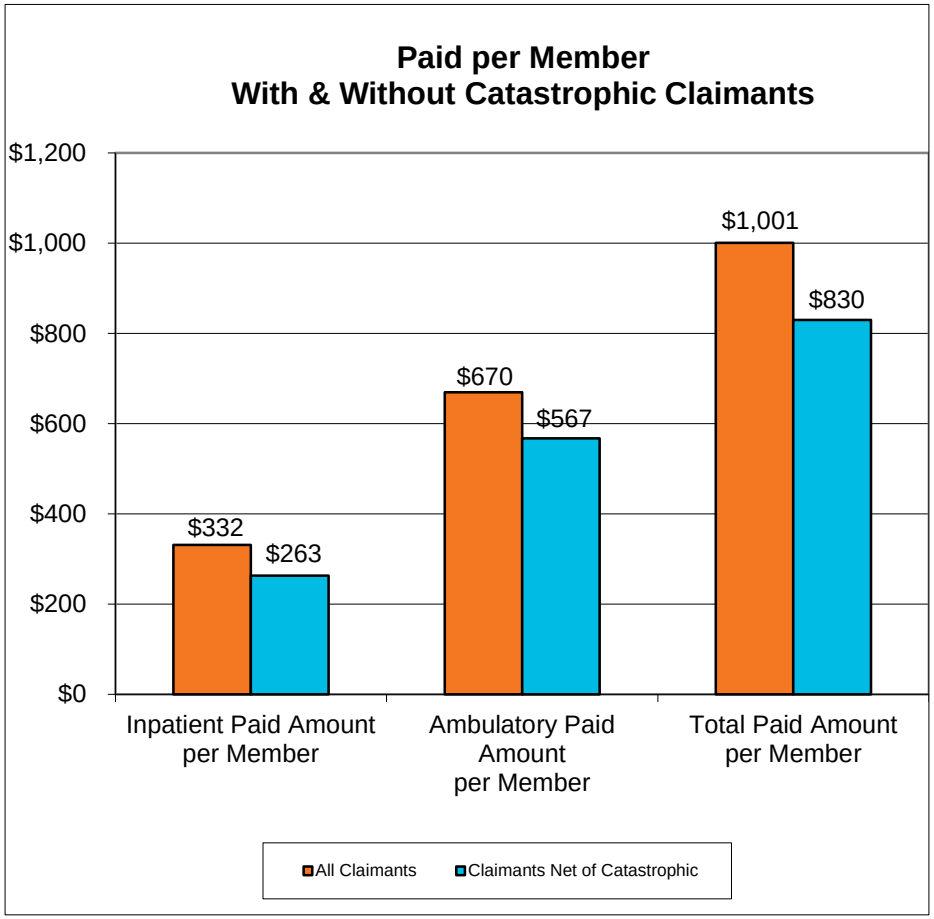
Key Financial Metrics	Prior	Current	% Change	W/O HCC	Aetna BoB*	HSA	HDHP
Total Medical/Pharmacy Paid Amount	$15,523,922	$11,015,477	-29.0%	$9,132,732	N/A	$10,117,104	$899,747
Total Medical/Pharmacy Paid Amount per Employee	$2,991	$2,142	-28%	$1,775	N/A	2,106 w/HCC 1,753 w/o HCC	2,655 w/HCC 2,091 w/o HCC
Total Medical/Pharmacy Paid Amount per Member	$1,415	$493	-65%	$830	N/A	966 w/HCC 804 w/o HCC	1,714 w/HCC 1,350 w/o HCC
Total Medical Paid Amount	$10,873,941	$11,015,477	1.3%	$9,132,732	N/A	$10,117,104	$899,747
Medical Paid Amount per Employee	$2,095	$2,142	2.2%	$1,775	N/A	2,106 w/HCC 1,753 w/o HCC	2,655 w/HCC 2,091 w/o HCC
Medical Paid Amount Per Member	$977	$1,001	2.5%	$830	$4,113	966 w/HCC 804 w/o HCC	1,714 w/HCC 1,350 w/o HCC
Total Pharmacy Paid Amount	$4,649,981	$0	-100.0%	N/A	N/A	0	0
Pharmacy Paid Amount per Employee	896	N/A	N/A	N/A	N/A	0	0
Pharmacy Paid Amount per Member	$418	N/A	N/A	N/A	N/A	0	0
Inpatient Paid Amount per Member	$303	$332	9.5%	$262	$1,367	$317	$580
Ambulatory Paid Amount per Member	$674	$670	-0.6%	$567	$2,746	$649	$769

*Aetna BoB = financial Book of Business result are product specific and adjusted to Pima County's region, age and gender mix.
All BoB metrics are based on the most recent 12 month incurred time frame period with a two month lag.

Impact of High Cost Claimants*

Current vs. Prior

*High Cost Claimants			
	Prior	Current	% Change
Number of Claimants	10	12	20.0%
Claimants per 1,000 Members	0.9	1.1	N/A
Medical Paid Amount for these Claimants	$1,836,195	$1,882,744	2.5%
Average Paid Per Catastrophic Claimant	$183,619.47	$156,895.30	-14.6%
% of Total Paid Amount	16.9%	17.1%	0.2%



*All Plans, HCC = $100,000

Q2 Top 10 Claimants Exceeding $100,000

#	Medical Category	Medical Spend	Rx Spend	Total Spend	Provider w/ Highest Paid Amount	Network Experience	AITC Engagement	Clinical Notes/ Anticipated Future Spend
1	Substance Dependence Disorder	$311,287	$46	$311,333	Affinity Group LLC	OON Inpt & IOP facilities	None	Unknown spend outlook; member stepped down to 30 day IOP program on 12/31/18
2	Cancer	$256,654	$5,819	$262,472	Carondelet St. Joseph's Hospital	In Network	Virtual; member engaged w/ CM at cancer center	Anticipate continued spend due to ongoing cancer treatment and co-morbidities
3	Renal Disorders / Cardiac	$202,772	$2,015	$204,787	Fresenius Medical Care	In Network	Virtual; member ineligible due to Mcare primary	Anticipate reduced spend; Mcare primary as of 1/1/19
4	Premature Birth	$199,968	$0	$199,968	Tucson Medical Center	In Network	Nurse engaged	Premature birth at 29 weeks; home and stable but continuing respiratory issues.
5	Genetic Metabolic Disease	$186,544	$0	$186,544	Banner UMC	In Network	None	Anticipate continued spend for ongoing infusion therapy to treat genetic metabolic disease
6	Renal Disorders	$139,715	$3,000	$142,714	Tucson East Dialysis	In Network	Member engaged with CM at dialysis facility	Anticipate continued spend due to dialysis and transplant approval. Evaluation for transplants at both Banner and Baylor. Mcare secondary 10/01/17 - 03/31/20, primary 04/01/20. (30 mos. COB)
7	Liver Disorders	$131,913	$0	$131,913	Mayo Clinic Hospital	In Network	Terminatd / No longer eligible	Member stable post liver transplant; member terminated from County and now covered under wife's insurance as of 12/01/18
8	Cardiac/Pulmonary Disorders	$126,447	$1,563	$128,010	Banner UMC	In Network	Outreach in Process	Anticipate ongoing spend due to co-morbidities and high cost specialty drugs
9	Renal Disorders	$122,483	$220	$122,703	DaVita, Inc.	In Network	Virtual; member engaged w/ CM at dialysis & transplant faciities	Member stable post kidney transplant; anticipate continued spend due to anti-rejection drugs. Mcare secondary, 05/01/18-10/31/20, primary 11/101/20 (30 mos. COB)
10	Renal Disorders / Respiratory Disorders	$108,671	$1,021	$109,692	Banner UMC	In Network	Virtual, declined nurse engagement	Admitted for respiratory distress. Anticipate ongoing medical spend due to extensive co-morbidities. Medicare secondary 08/01/18-01/31/21, primary 02/10/21 (30 mos. COB)

Medical Utilization Summary

All Plans - Current vs. Prior

Key Utilization Metrics	Prior	Current	% Change	W/O HCC	Aetna BoB*	HSA Current	HDHP Current
Admissions/1,000 Members	21	24	13.4%	22	56	23	36
Days of Care/1,000 Members	97	94	-3.2%	77	263	92	131
Average Length of Stay	4.6	3.9	-14.6%	3.5	4.7	4.0	3.6
Total Surgeries/1,000 Members	274	282	2.9%	277	588	271	503
Inpatient Surgeries/1,000 Members	14	18	27.1%	17	41	18	30
Ambulatory Surgeries/1,000 Members	260	264	1.6%	260	547	253	472
Office Visits/1,000 Members	1,531	1,537	0.4%	1,524	3,528	1,520	1,825
ER Visits/1,000 Members	102	103	0.8%	102	199	102	122

*Aetna BoB = utilization Book of Business result are product specific and adjusted to Pima County's region, age and gender mix. All BoB metrics are based on the most recent 12 month incurred time frame period with a two month lag.

Utilization by Relationship

Current and Prior % Change

Key Utilization Metrics	Employees	Spouse/Partner	Child(ren)
Total Admissions	86	49	99
% Change	6	19	15
Total Surgeries	1,747	822	530
% Change	9	-9	-2
Total PCP Visits	3,251	1,464	2,834
% Change	-7	-2	-2
Total Specialist Visits	5,237	2,510	1,594
% Change	2	1	3
Total ER Visits	505	238	380
% Change	9	-8	-7

Top 5 Disease Categories

	Most Recent 12 Month (through Dec '18)	
Disease Conditions	**Spend**	**Prevalence**
Hypertension	$10,536,733	
Hyperlipidemia	$8,364,210	
Depression	$5,275,452	
Nonspecific Gastritis/Dyspepsia	$5,159,121	
Low Back Pain	$4,803,899	
Hypertension		16.10%
Hyperlipidemia		15.00%
Depression		7.60%
Chronic Thyroid Disorders		7.00%
Low Back Pain		6.90%

Top 5 Diagnostic Categories

	July 1 – Dec 31	
Major Diagnostic Category	**Spend**	**Prevalence**
Musculoskeletal/Connective	$1,266,105	
Circulatory System	$859,607	
Kidney, Urinary Tract	$849,965	
Digestive System	$845,028	
Nervous System	$784,406	
Musculoskeletal/Connective		8,413
Endocrine, Metabolic		4,764
Ear, Nose and Throat		3,800
Skin, Subcutaneous, Breast		3,438
Digestive System		3,220

Network Summary

All Plans - Current vs. Prior Period

Network Discount PG = 66.2%

Provider Network Savings	Prior	Current	% Change	Current Network Discount Savings
Billed Network Charges (before discount)	$39,897,739	$41,447,446	3.9%	
Network Discount Savings				
Inpatient Facility	$5,741,125	$6,653,478	15.9%	71.8%
Ambulatory Facility	$11,149,296	$11,811,268	5.9%	73.1%
Physician/Other	$9,446,795	$9,701,426	2.7%	60.5%
Total	$26,337,216	$28,166,172	6.9%	68.0%
Per Employee	$5,073	$5,476	7.9%	
Per Member	$2,365	$2,560	8.2%	
Per Admission	$25,403	$29,703	16.9%	
Network Utilization Metrics				**Aetna BOB**
% Admissions in Network	97.0%	85.8%	-11.2%	95.4%
% Physicians Office Visits in Network	96.9%	95.3%	-1.6%	92.2%
% Claims Paid In Network	91.1%	89.2%	-1.9%	90.5%

Thank you

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Pima County Potential Plan Enhancements

Services	Cost	Other Relevant Details
Skin Cancer	0.2% ($48,000 based on 2017 claims)	Skin Cancer screening for a new or established patient by a Dermatologist or Dermatologist Nurse Practioner, will be covered as preventive at the 100% benefit level. Removal of pre-cancerous or cancerous lesion and biopsies are excluded and will be billed to the member's insurance (subject to deductible and coinsurance).
Cardiac Stress Testing	0.05% ($13,000 based on 2017 claims)	Cardiac stress tests will be covered as preventive at the 100% benefit level. Any additional office visits, testing or procedures that are required to make a diagnosis or treat the patient, are excluded and will be billed to the member's insurance (subject to deductible and coinsurance).
Calcium Score	0.075% ($19,000 based on 2017 claims)	Calcium CT scans will be covered as preventive at the 100% benefit level. Any additional office visits, testing or procedures that are required to make a diagnosis or treat the patient, are excluded and will be billed to the member's insurance (subject to deductible and coinsurance).
Ovarian Cancer (Clinical Policy Bulletin 635 provided regarding Hematopoietic Cell Transplantation for Ovarian Cancer)	*Underwriting is unable to make an estimate*	The USPSTF recommends against screening for ovarian cancer in asymptomatic women. This recommendation applies to asymptomatic women who are not known to have a high-risk hereditary cancer syndrome. USPSTF bases its recommendations on the evidence of both the benefits and harms of the service and an assessment of the balance. The USPSTF does not consider the costs of providing a service in this assessment. **Benefits of Screening** The USPSTF found adequate evidence that screening with transvaginal ultrasound, testing for the serum tumor marker cancer antigen 125 (CA-125), or a combination of both does not reduce ovarian cancer mortality. USPSTF Assessment The USPSTF concludes that there is at least moderate certainty that the harms of screening for ovarian cancer outweigh the benefits. **Harms of Screening** The USPSTF found adequate evidence that screening for ovarian cancer can result in important harms, including many false-positive results, which can lead to unnecessary surgical interventions in women who do not have cancer. Depending on the type of screening test used, the magnitude of harm ranges from moderate to substantial and reflects the risk for unnecessary diagnostic surgery.
Obesity Services	*0.3%* *($78,000 based on 2017 claims)*	Medical Nutrition Therapy, face-to-face consult Nutritional Counseling, dietitian visit Preventive Medicine Counseling and/or risk factor reduction intervention Annual face-to-face obesity screenings
Bariatric Surgery	*0.41%* *($106,600 based on 2017 claims)*	Plan pays for one surgical procedure for the treatment of Morbid Obesity per person per lifetime (bariatric surgery). Benefits will only be allowed for obesity when a surgical procedure is required due to **morbid** obesity. Morbid obesity is a condition in which persistent and uncontrollable weight gain causes a threat to life. Excess skin removal, if not medically necessary, would be considered cosmetic in nature and not covered.
Transgender Services	0.5% ($130,000 based on 2017 claims)	Sex change: Any teatment, drug, service or supply related to changing sex or sexual characteristics, including: - Surigical procedures to alter the appearance or function of the body; - Hormones and hormone therapy; - Prosthetic devices, and; - Medical or psychological counseling

Recent academic article estimated that there were between 3000 and 9000 gender reassignment surgeries performed in the U.S. per year.
Spread over about 250,000,000 U.S. adults that gives an incidence rate of about 0.003% per year.

Pima County Q2 2018 Pharmacy Review

Matt Weel

Taylor Nervo

February 14th 2019

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Pima County Key Information

2018 JULY – SEPT REBATE PAYMENT	$720,826.58
CLINICAL OPPORTUNITIES	Doxepin (Step Therapy) – 0 Utilizers 510k Products (Prior Authorization) – 4 Utilizers / $6,700 Total Gross Cost Diclofenac (Prior Authorization) – 19 Utilizers / $2,538 Total Gross Cost
STRATEGIC OPPORTUNITIES	Maintenance Choice All Access Opt Out - $191K
PLAN DESIGN IMPROVEMENTS	Enhanced Specialty Guideline Management for Rheumatoid Arthritis, Hereditary Angioedema, Dupixent and Soliris effective 4/1/2019
NEXT STEPS	Any plan changes that go into effective for 7/1/19, CVS team will need to know by 5/15/2019

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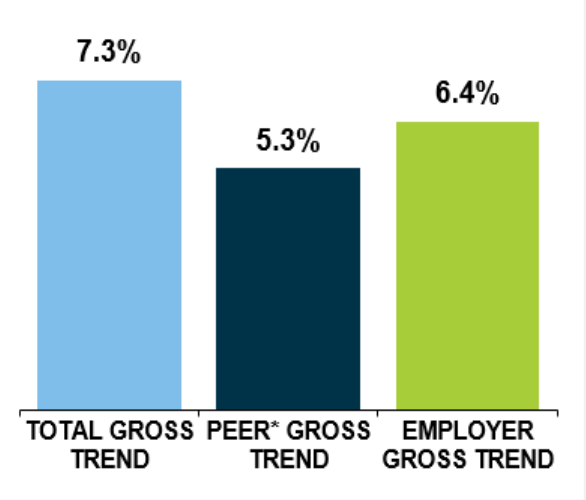
Key Metrics at a Glance

SNAPSHOT

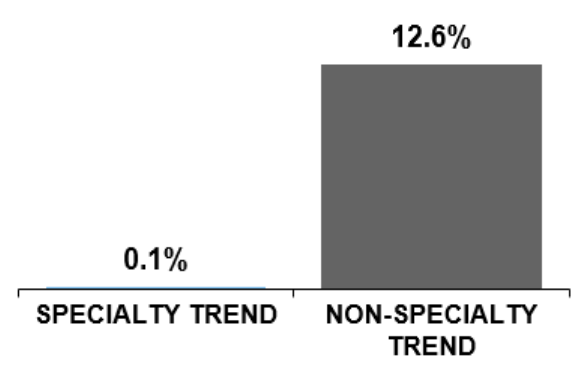
ELIGIBILITY	Jul-Sep 18	% Change	Oct-Dec 18	EMPLOYER	Peer*
Average Eligible Members Per Month	11,034	-0.5%	10,976		
Avg. Monthly Utilizers as % of Members	30.5%	6.9%	32.6%	34.3%	42.6%
Average Member Age	35	-0.2%	35	36	41
COST					
Total Gross Cost	$2,687,188	6.7%	$2,867,914		
Total Net Cost	$2,037,800	26.0%	$2,567,105		
Gross Cost PMPM	$81.18	7.3%	$87.10	$122.82	$159.42
Net Cost PMPM	$61.56	26.6%	$77.96	$112.27	$145.91
Member Cost Share	24.2%	-56.6%	10.5%	8.6%	8.5%
DRUG MIX					
% Single Source Brands	11.8%	3.0%	12.2%	13.6%	13.6%
% Multi Source Brands	1.0%	-5.1%	0.9%	1.0%	0.9%
Generic Dispensing Rate	87.2%	-0.3%	86.9%	85.4%	85.5%
Generic Substitution Rate	98.9%	0.1%	98.9%	98.8%	98.9%
UTILIZATION					
Total Prescriptions	26,990	6.2%	28,661		
% Retail Prescriptions	90.9%	-1.3%	89.7%	79.8%	86.6%
% Mail Prescriptions	3.1%	-7.2%	2.9%	6.1%	5.5%
% Maintenance Choice® Prescriptions	6.0%	23.1%	7.4%	14.1%	7.9%
Days' Supply PMPM	25.87	8.3%	28.01	33.89	47.21
SPECIALTY					
Specialty Total Gross Cost	$1,143,035	-0.5%	$1,137,743		
Specialty Utilizers as % of Members	0.9%	2.6%	0.9%	0.8%	0.9%
Specialty Gross Cost PMPM	$34.53	0.1%	$34.55	$49.78	$61.42
Specialty % of Total Gross Cost	42.5%	-6.7%	39.7%	40.5%	38.5%
Specialty % of Total Prescriptions	1.1%	0.9%	1.1%	1.1%	1.0%
% Specialty Member Cost Share	25.6%	-87.4%	3.2%	2.4%	1.8%

*Peer: Government

YOUR GROSS TREND



YOUR SPECIALTY VS. NON-SPECIALTY TREND



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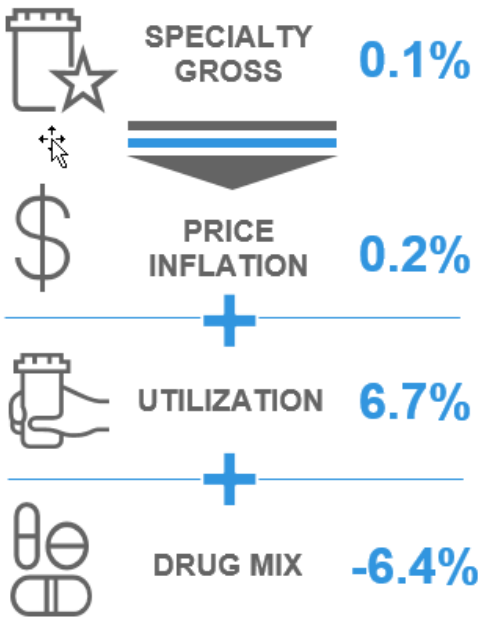
Specialty Pharmacy Trend, Cost and Utilization Metrics



Use Multiple Strategies to Manage Specialty Spend in the Pharmacy Benefit:

- Help control **PRICE** with Exclusive Pharmacy Network**
- Help manage **UTILIZATION** with Specialty Guideline Management
- Help control **DRUG MIX** with Preferred Drug Formulary Strategy

YOUR SPECIALTY UTILIZATION METRICS

	Jul-Sep 18	% Change	Oct-Dec 18	Oct-Dec 18 EMPLOYER	Oct-Dec 18 Peer*
Specialty Prescriptions	293	7.2%	314		
Specialty Rx as % of Total Prescriptions	1.1%	0.9%	1.1%	1.1%	1.0%
% CVS Caremark Specialty Pharmacy Prescriptions	85.3%	9.7%	93.6%		
Specialty Utilizers	97	2.1%	99		
Specialty Utilizers as % of Utilizers	2.0%	-3.2%	2.0%		
Average Age Per Specialty Utilizer	49.6	-0.2%	49.5		

YOUR SPECIALTY COST METRICS

	Jul-Sep 18	% Change	Oct-Dec 18	Oct-Dec 18 EMPLOYER	Oct-Dec 18 Peer*
Specialty Gross Cost	$1,143,035	-0.5%	$1,137,743		
Specialty % of Total Gross Cost	42.5%	-6.7%	39.7%	40.5%	38.5%
Specialty Net Cost	$849,917	29.5%	$1,100,958		
Specialty % of Total Net Cost	41.7%	2.8%	42.9%	43.3%	41.3%
Specialty Member Cost	$293,118	-87.5%	$36,785		
% Specialty Member Cost Share	25.6%	-87.4%	3.2%	2.4%	1.8%
Gross Cost Per Specialty Utilizer	$11,784	-2.5%	$11,492		
Specialty Utilizers as % of Members	0.9%	2.6%	0.9%	0.8%	0.9%

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Your Top 10 Therapeutic Class Review

Trend Analysis by Gross Cost

BOB Rank*	Prior Rank	Current Rank	Therapeutic Class	GDR	Total Rx	Gross Cost	Utilizers	Gross Cost (PMPM)	PERCENTAGE CHANGE OVER TIME: COST: Gross PMPM	COST COMPONENTS: Utilization: Days' Supply PMPM	COST COMPONENTS: Drug Mix/ Inflation: Gross Cost Per Day	UTILIZATION COMPONENTS: Density of Use: Utilizers	UTILIZATION COMPONENTS: Density of Use: Days' Supply/ Utilizer
1	1	1	Antidiabetics	60.3%	2,064	$586,643	547	$17.82	3.7%	7.7%	-3.7%	2.0%	5.6%
2	2	2	Analgesics - Anti-Inflammatory	86.9%	719	$448,851	454	$13.63	-1.4%	8.5%	-9.1%	-0.1%	8.6%
4	3	3	Psychotherapeutic And Neurological Agents - Misc.	37.0%	81	$230,379	35	$7.00	8.7%	20.0%	-9.4%	21.3%	-1.1%
7	5	4	Antiasthmatic And Bronchodilator Agents	45.4%	1,479	$225,287	612	$6.84	33.6%	21.0%	10.4%	15.6%	4.6%
5	4	5	Antineoplastics	88.1%	193	$185,559	84	$5.64	0.0%	0.3%	-0.2%	-2.9%	3.3%
6	6	6	Antivirals	84.0%	388	$165,057	210	$5.01	35.5%	22.7%	10.5%	31.1%	-6.4%
10	7	7	Antihyperlipidemics	99.3%	2,131	$105,957	913	$3.22	2.2%	2.6%	-0.4%	0.7%	1.8%
3	8	8	Dermatologicals	89.0%	509	$83,868	359	$2.55	20.7%	3.4%	16.7%	-4.0%	7.7%
18	10	9	Contraceptives	88.7%	1,333	$66,229	561	$2.01	8.4%	7.6%	0.8%	1.3%	6.2%
13	11	10	Antidepressants	98.8%	2,337	$64,236	912	$1.95	12.1%	6.1%	5.7%	-0.9%	7.0%
			Subtotal of Top 10	81.3%	11,234	$2,162,066		$65.66	8.1%	7.7%	-4.9%		
			All Other Categories	90.5%	17,427	$705,848		$21.44	5.0%	8.7%	-3.4%		
			Total	86.9%	28,661	$2,867,914	5,041	$87.10	7.3%	8.3%	-0.9%	5.4%	2.2%
												Top 10 Therapeutic Classes as a Percent of Gross Cost	75.4%

*EMPLOYER information is based on the most recent year ending Sep 30, 2017.

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Your Top 25 Drugs

BY GROSS COST

BOB Rank*	Prior Rank	Current Rank	Drug Name	Dispense Type	Therapeutic Class	Generic Launch Date**	Gross Cost	Total Rx	Utilizers	Gross Cost Per Rx	Gross Cost Per Days' Supply
1	2	1	Humira	Specialty	Analgesics - Anti-Inflammatory	NA	$168,377	29	9	$5,806.12	$207.36
2	1	2	Enbrel	Specialty	Analgesics - Anti-Inflammatory	NA	$140,314	30	11	$4,677.12	$167.04
36	3	3	Imbruvica	Specialty	Antineoplastics	NA	$78,306	7	3	$11,186.57	$399.52
4	5	4	Trulicity	Brand	Antidiabetics	NA	$64,299	74	28	$868.90	$24.77
7	9	5	Tecfidera	Specialty	Psychotherapeutic And Neurolo	NA	$56,567	8	3	$7,070.93	$235.70
12	4	6	Novolog	Brand	Antidiabetics	NA	$56,169	63	30	$891.57	$23.90
5	6	7	Victoza	Brand	Antidiabetics	NA	$54,350	66	28	$823.48	$24.65
8	8	8	Januvia	Brand	Antidiabetics	NA	$52,143	102	44	$511.21	$13.78
65	10	9	Rebif	Specialty	Psychotherapeutic And Neurolo	NA	$48,922	7	2	$6,988.84	$249.60
56	11	10	Orencia	Specialty	Analgesics - Anti-Inflammatory	NA	$47,589	12	5	$3,965.79	$141.64
16	13	11	Advair Diskus	Brand	Antiasthmatic And Bronchodilat	Q1-2019	$45,866	90	45	$509.62	$13.41
28	17	12	Ibrance	Specialty	Antineoplastics	NA	$43,361	4	1	$10,840.26	$387.15
24	15	13	Levemir Flextouch	Brand	Antidiabetics	NA	$40,825	71	28	$575.00	$18.91
37	7	14	Metformin Hcl Er	Generic	Antidiabetics	NA	$39,202	126	68	$311.13	$7.02
33	20	15	Symbicort	Brand	Antiasthmatic And Bronchodilat	NA	$37,980	113	58	$336.11	$9.25
131	29	16	Enbrel Mini	Specialty	Analgesics - Anti-Inflammatory	NA	$37,417	8	3	$4,677.12	$167.04
6	25	17	Novolog Flexpen	Brand	Antidiabetics	NA	$35,559	54	23	$658.51	$21.22
9	30	18	Truvada	Specialty	Antivirals	Q1-2021	$34,158	22	9	$1,552.62	$53.96
95	33	19	Xtandi	Specialty	Antineoplastics	NA	$31,407	3	1	$10,468.98	$348.97
414	19	20	Tracleer	Specialty	Cardiovascular Agents - Misc.	NA	$31,337	3	1	$10,445.76	$348.19
25	21	21	Rosuvastatin Calcium	Generic	Antihyperlipidemics	NA	$31,016	357	170	$86.88	$2.14
50	55	22	Biktarvy	Specialty	Antivirals	NA	$30,046	10	3	$3,004.62	$100.15
15	32	23	Tresiba Flextouch	Brand	Antidiabetics	NA	$29,335	52	20	$564.14	$19.45
80	44	24	Atripla	Specialty	Antivirals	NA	$28,930	11	3	$2,630.01	$87.67
62	40	25	Ozempic	Brand	Antidiabetics	NA	$27,814	37	13	$751.74	$25.66
Subtotal of Top 25 Drugs							$1,291,291	1,359	519	$950.18	$26.16
All Others							$1,576,623	27,302	5,004	$57.75	$1.81
Total							$2,867,914	28,661	5,041	$100.06	$3.11

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Pima County

#301261

February 2019

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The Financials

- Paid Claims fiscal trends 2017-2020
- Paid Claims monthly
- Paid Claims by Type
- Paid Claims by procedure
- In network vs out of network claims
- PPO savings

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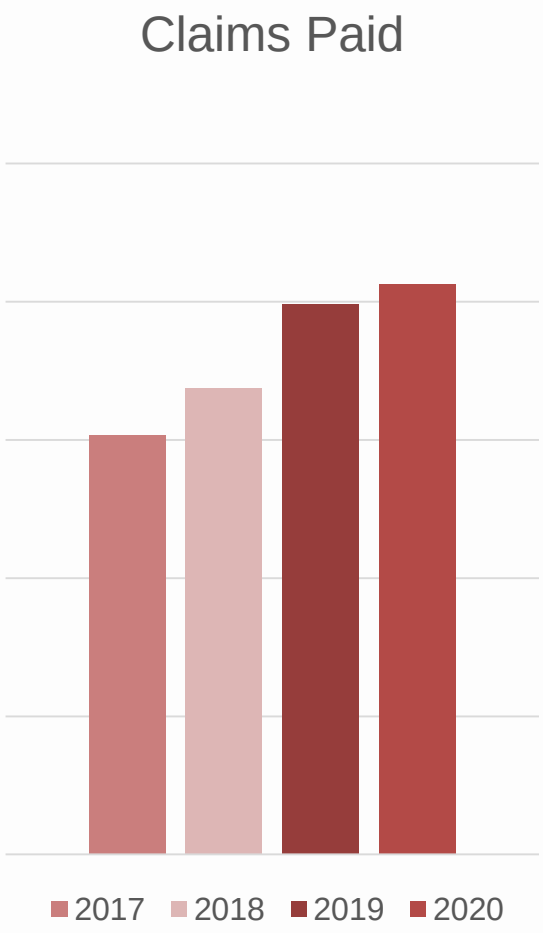
Pima County – Paid Claims



2017	2018	2019	2020	% Change 2017 / 2018	Annual Trend AVG.
$4,036,831	$4,372,397	$4,981,213	$5,130,649	+6.7%	+8.6%

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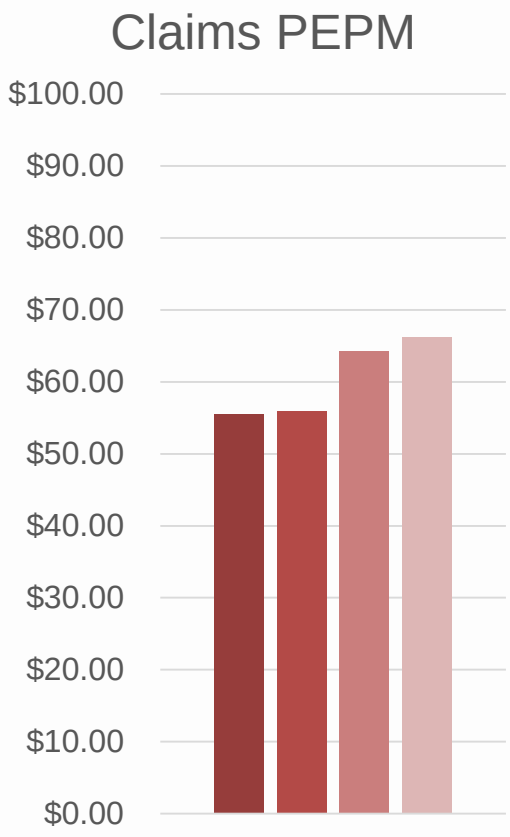
Pima County - Monthly Paid Claims



Month	Fees	Paid Claims	Enrolled Employees	PEPM
Dec 2018	$7,381	$140,256	2,690	52
Nov 2018	$7,389	$149,882	2,683	56
Oct 2018	$7,367	$200,721	2,691	75
Sep 2018	$7,378	$127,411	2,687	47
Aug 2018	$7,389	$170,913	2,690	64
Jul 2018	$7,777	$149,742	2,692	56
Jun 2018	$6,837	$134,657	2,500	54
May 2018	$6,894	$124,273	2,503	50
Apr 2018	$6,864	$136,999	2,498	55
Mar 2018	$6,812	$146,178	2,505	58
Feb 2018	$6,930	$134,478	2,534	53
Jan 2018	$6,718	$128,407	2,531	51
2017 Total	**$81,507**	**$1,660,692**		**55.51**
2018 Total	**$85,737**	**$1,743,915**		**55.88**
2019 Total		**$1,973,486**		
2020 Total		**$2,032,690**		

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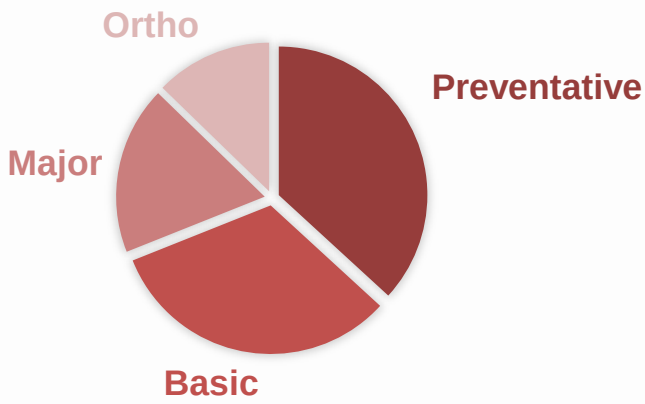
Pima County – Paid Claims by Type

PROCEDURE TYPE BREAKDOWN



Dental Procedure Type	2017	2018	Benchmark National	2018* Paid
Preventative	36.5%	37.2%	54.10%	$648,947
Basic	33.4%	33%	28.9%	$574,810
Major	18.8%	17.9%	13.7%	$311,335
Ortho	11.9%	12.2%	3.3%	$213,191
Total				$1,743,914

•Claims paid through 12/31/18

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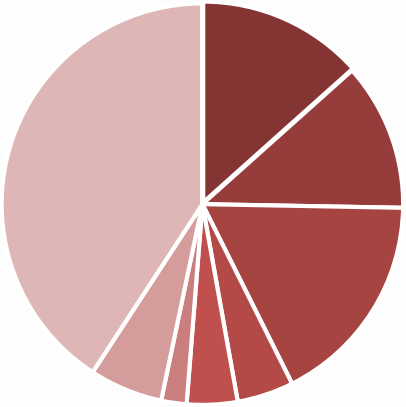
Pima County- Paid Claims by Procedure



- Exams/X-rays
- Cleanings / Sealants/ Appl
- Restorative
- Endodontics
- Periodontics
- Prostodontics
- Oral Surgery /Anesthesia
- General Services
- Orthodontics

Procedure Group	Proc Count	Total Current Claims Paid	2017	2018	Benchmark National
Exams/X-rays	11,249	$666,894	19.3%	20%	29.3%
Cleanings / Sealants/ Appl	7,395	$555,899	17.2%	17.8%	23.6%
Restorative	3,320	$1,353,746	27.9%	26%	23.2%
Endodontics	267	$200,331	6.7%	6.3%	5.4%
Periodontics	1,607	$310,888	5.9%	6.3%	4.1%
Prosthodontics	282	$316,248	2.6%	2.9%	3%
Oral Surgery /Anesthesia	1,525	$364,303	8.4%	8.2%	6.7%
General Services	209	$65,279	0.7%	0.5%	1.5%
Ortho	2,255	$427,347	11.9%	12.2%	3.3%
Total	**29,191**	**$4,372,697**			

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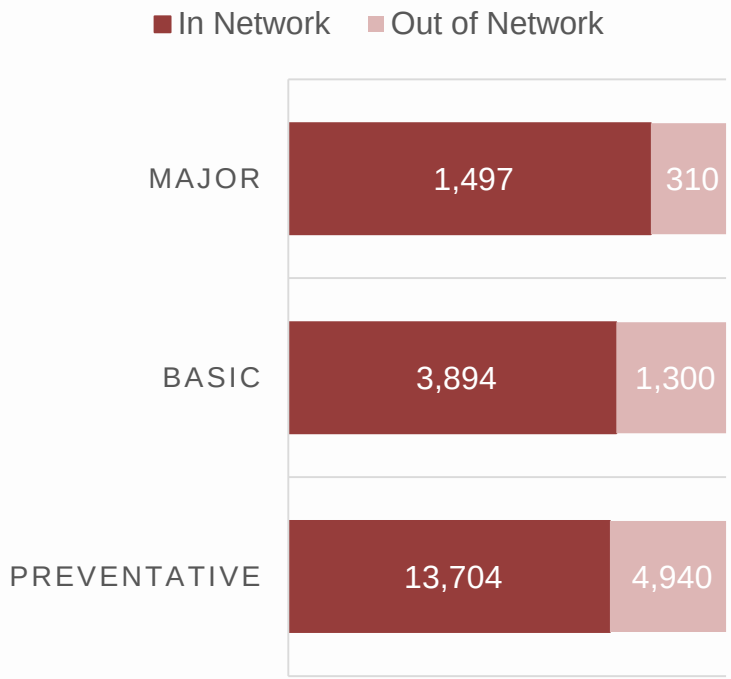
Pima County- Network Utilization by Procedure



Procedure Group	Proc Count	In-Network	Out-Of-Network	% In Network
Exams/X-rays	11,249	8,271	2,978	74%
Cleanings / Sealants/ Appl	7,395	5,433	1,962	73%
Restorative	3,320	2,436	884	73%
Endodontics	267	244	23	91%
Periodontics	1,607	1,214	393	76%
Prosthodontics	282	175	107	62%
Oral Surgery /Anesthesia	1.525	1,322	203	87%
General Services/TMD	223	176	47	79%
Ortho	2,255	1,991	264	88%
Total	**29,191**	**21,262**	**6,861**	**73%**

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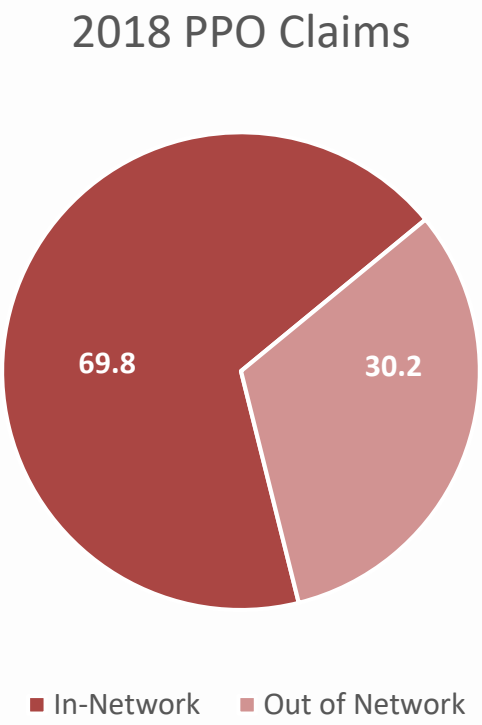
Pima County In Network vs Out of Network Claims



PPO	Proc Count	Total Current Claims Paid	2017	2018	Benchmark (AZ)
Yes	22,303	$3,199,702	66.8%	69.8%	81%
No	6,888	$989,392	33.2%	30.2%	19%
Total	29,191	$4,221,367	100.0%	100.0%	100%

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Thank You!

Pima County
February 2019
Reporting Fiscal Year 2017-2020

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Pima County

Medical and Pharmacy Experience

Plan Year: *July 2018 to June 2019*

Month End: *December 2018*

Presented by your CBIZ Team

Eric Rustand, Ana Roth, and Jessica Velasquez

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Pima County
Medical Plan Costs - Incurred and Paid
Plan Year: July 2018 to June 2019 (as of December 2018)

	Loss Ratio				PEPM Costs			
Month	2018/2019 Actual Claims vs. Expected Claims (%)	2017/2018 Actual Claims vs. Expected Claims (%)	2016/2017 Actual Claims vs. Expected Claims (%)	2015/2016 Actual Claims vs. Expected Claims (%)	2018/2019 Total Claims Paid and Other Costs ($)	2017/2018 Total Claims Paid and Other Costs ($)	2016/2017 Total Claims Paid and Other Costs ($)	2015/2016 Total Claims Paid and Other Costs ($)
Jul	29.2%	24.6%	21.9%	36.0%	382	371	353	420
Aug	53.0%	49.5%	51.5%	49.8%	529	534	548	511
Sep	68.9%	60.1%	58.8%	65.7%	627	603	597	616
Oct	69.0%	78.1%	63.9%	72.8%	628	720	630	662
Nov	80.3%	70.9%	70.0%	72.8%	697	673	670	662
Dec	70.9%	87.9%	78.6%	78.5%	639	785	727	699
Jan		95.2%	78.8%	88.2%		833	729	762
Feb		79.2%	84.6%	86.6%		728	768	751
Mar		78.9%	80.1%	79.3%		726	737	703
Apr		101.8%	85.0%	96.4%		876	770	814
May		110.5%	110.5%	100.4%		933	938	840
Jun		90.6%	83.6%	94.5%		802	761	800
Total	**61.8%**	**77.2%**	**72.3%**	**76.7%**	**583**	**715**	**686**	**687**

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Pima County

Medical Plan Costs - Incurred and Paid

Plan Year: July 2018 to June 2019 (as of December 2018)

Aetna - HDHP Plan											Loss Ratio	PEPM Costs			
Month	Subscribers	Expected Claims Liability ($)	Medical Claims Paid ($)	Rx Claims Paid ($)	Rx Rebates ($)	Stop Loss Recovery ($)	Total Claims Paid ($)	Admin Fees ($)	HSA Contributions (active ee's only) ($)	Total Claims Paid and Other Costs ($)	Actual Claims vs. Expected Claims (%)	Paid Claims (Medical) ($)	Paid Claims (Rx) ($)	Total Paid ($)	Total Claims Paid and Other Costs ($)
A	B	C = (T*B)	D	E	F	G	H = (D+E+F+G)	I = (Q*B)	J = (R*S)	K = (H+I+J)	L = (H/C)	M =(D/B)	N = (E+F/B)	O = (H/B)	P = (K/B)
Jul-18	5,162	3,184,954	403,091	525,597	-	-	928,689	412,650	628,225	1,969,564	29.2%	78	102	180	382
Aug-18	5,162	3,184,954	910,158	777,093	-	-	1,687,251	412,650	629,641	2,729,542	53.0%	176	151	327	529
Sep-18	5,144	3,173,848	1,452,276	735,111	-	-	2,187,388	411,211	626,892	3,225,491	68.9%	282	143	425	627
Oct-18	5,124	3,161,508	1,302,584	880,260	-	-	2,182,843	409,613	624,725	3,217,181	69.0%	254	172	426	628
Nov-18	5,130	3,165,210	1,697,172	843,410	-	-	2,540,582	410,092	624,642	3,575,316	80.3%	331	164	495	697
Dec-18	5,140	3,171,380	2,124,364	843,889	(720,827)	-	2,247,426	410,892	626,892	3,285,209	70.9%	413	24	437	639
Jan-19															
Feb-19															
Mar-19															
Apr-19															
May-19															
Jun-19															
Total	**30,862**	**19,041,854**	**7,889,645**	**4,605,360**	**(720,827)**	**-**	**11,774,179**	**2,467,108**	**3,761,016**	**18,002,303**	**61.8%**	**256**	**126**	**382**	**583**

Avg	**5,144**

Admin Fees ($)	Q
Admin Fees PEPM	74.97
ISL Fee PEPM ($1M with a 12/15 Contract)	4.97
Total PEPM Fees for the PPO Plan	***79.94***

Claim Factors ($)	T
Expected Claims Factor PEPM	**617**

HSA Contribution ($)	Annual Amt	Monthly Amt
EE Only	1,000	83.33
EE & Family	2,000	166.66

HDHP with HSA Enrollment for HSA Contributions					
Tier (R)	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
HSA Cont. (S)	83.33	166.66	166.66	166.66	
Jul	2,095	788	727	1,207	4,817
Aug	2,094	793	734	1,204	4,825
Sep	2,083	786	733	1,201	4,803
Oct	2,077	780	726	1,204	4,787
Nov	2,082	774	724	1,209	4,789
Dec	2,093	783	726	1,206	4,808
Jan	0	0	0	0	0
Feb	0	0	0	0	0
Mar	0	0	0	0	0
Apr	0	0	0	0	0
May	0	0	0	0	0
Jun	0	0	0	0	0
Total	**12,524**	**4,704**	**4,370**	**7,231**	**28,829**

HDHP without HSA					
Month	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
Jul	231	64	21	29	345
Aug	222	65	21	29	337
Sep	227	66	19	29	341
Oct	222	68	17	30	337
Nov	222	71	17	31	341
Dec	217	70	15	30	332
Jan	0	0	0	0	0
Feb	0	0	0	0	0
Mar	0	0	0	0	0
Apr	0	0	0	0	0
May	0	0	0	0	0
Jun	0	0	0	0	0
Total	**1,341**	**404**	**110**	**178**	**2,033**

Confidential and Proprietary

Pima County
Medical Plan Costs - Incurred and Paid
Plan Year: July 2017 to June 2018 with Runout through December 2018

Aetna - HDHP Plan											Loss Ratio	PEPM Costs			
Month	Subscribers	Expected Claims Liability ($)	Medical Claims Paid ($)	Rx Claims Paid ($)	Rx Rebates ($)	Stop Loss Recovery ($)	Total Claims Paid ($)	Admin Fees ($)	HSA Contributions (active ee's only) ($)	Total Claims Paid and Other Costs ($)	Actual Claims vs. Expected Claims (%)	Paid Claims (Medical) ($)	Paid Claims (Rx) ($)	Total Paid ($)	Total Claims Paid and Other Costs ($)
A	B	C = (AF*B)	D	E	F	G	H = (D+E+F+G)	I = (AE*B)	J = (AG*AH)	K = (H+I+J)	L = (H/C)	M =(D/B)	N = (E+F/B)	O = (H/B)	P = (K/B)
Jul-17	5,191	3,391,644	277,771	556,781	-	-	834,552	465,737	626,308	1,926,596	24.6%	54	107	161	371
Aug-17	5,187	3,389,030	874,734	803,747	-	-	1,678,481	465,378	625,642	2,769,500	49.5%	169	155	324	534
Sep-17	5,197	3,395,564	1,291,653	749,593	-	-	2,041,246	466,275	626,892	3,134,412	60.1%	249	144	393	603
Oct-17	5,182	3,385,763	1,792,093	850,926	-	-	2,643,019	464,929	625,308	3,733,257	78.1%	346	164	510	720
Nov-17	5,200	3,397,524	1,597,222	810,289	-	-	2,407,511	466,544	628,142	3,502,197	70.9%	307	156	463	673
Dec-17	5,218	3,409,285	2,119,824	877,650	-	-	2,997,474	468,159	630,808	4,096,441	87.9%	406	168	574	785
Jan-18	5,203	3,399,484	2,213,634	1,021,612	-	-	3,235,246	466,813	630,225	4,332,284	95.2%	425	196	622	833
Feb-18	5,174	3,380,536	1,745,754	930,575	-	-	2,676,329	464,211	625,892	3,766,432	79.2%	337	180	517	728
Mar-18	5,153	3,366,816	2,021,588	973,788	(338,197)	-	2,657,180	462,327	623,058	3,742,565	78.9%	392	123	516	726
Apr-18	5,133	3,353,748	2,334,179	1,081,548	-	-	3,415,727	460,533	622,142	4,498,402	101.8%	455	211	665	876
May-18	5,131	3,352,441	2,503,642	1,200,033	-	-	3,703,675	460,353	621,308	4,785,337	110.5%	488	234	722	933
Jun-18	5,141	3,358,975	2,371,389	1,077,227	(406,167)	-	3,042,449	461,251	621,142	4,124,842	90.6%	461	131	592	802
Total	**62,110**	**40,580,811**	**21,143,483**	**10,933,769**	**(744,364)**	**-**	**31,332,888**	**5,572,509**	**7,506,866**	**44,412,264**	**77.2%**	**340**	**164**	**504**	**715**

Avg Enrollment	5,176

Aetna Runout					
Month	Paid Medical ($)	Paid Rx ($)	Rx Rebates ($)	Stop Loss Recovery ($)	Total Paid ($)
Q	R	S	T	U	V = (R+S+T+U)
Jul-18	1,720,036	523,858	-	-	2,243,894
Aug-18	619,750	107	-	-	619,857
Sep-18	248,965	(429,918)	(659,492)	-	(840,445)
Oct-18	337,302	-	-	-	337,302
Nov-18	55,021	-	-	-	55,021
Dec-18	43,228	-	-	-	43,228
Jan-19				-	-
Feb-19				-	-
Mar-19				-	-
Apr-19				-	-
May-19				-	-
Jun-19				-	-
Total	**3,024,302**	**94,047**	**(659,492)**	**-**	**2,458,857**

2017/2018 Medical Plan Costs with Runout

Total Claims Incurred for Time Period ($)	Total Stop Loss Recovery ($)	Admin Fees ($)	HSA Contributions ($)	Total Paid Claims and Other Costs ($)	Actual Claims vs. Expected Claims Liability (%)	Total Paid Claims & Other Costs PEPM ($)
W=(H+R+S+T)	X = (G+U)	Y = I	Z =J	AB=(W+X+Y+Z)	AC = (W+X/C)	AD =(AB/B)
33,791,745	**-**	**5,572,509**	**7,506,866**	**46,871,121**	**83.3%**	**755**

Confidential and Proprietary

Pima County
Medical Plan Costs - Incurred and Paid
Plan Year: July 2017 to June 2018 with Runout through December 2018

Admin Fees ($)	AE
Admin Fees PEPM	76.98
ISL Fee PEPM ($400K + $200k Agg ISL with a 12/15 Contract)	12.74
Total PEPM Fees for the PPO Plan	***89.72***

Claim Factors ($)	AF
Expected Claims Factor PEPM	**653.37**

HSA Contribution ($)	Annual Amt	Monthly Amt
EE Only	1,000	83.33
EE & Family	2,000	166.66

HDHP with HSA Enrollment for HSA Contributions

Tier (AG)	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
HSA Cont. (AH)	**83.33**	**166.66**	**166.66**	**166.66**	
Jul	2,116	771	696	1,233	4,816
Aug	2,110	765	701	1,233	4,809
Sep	2,119	760	708	1,234	4,821
Oct	2,124	759	706	1,225	4,814
Nov	2,136	765	709	1,227	4,837
Dec	2,146	766	715	1,231	4,858
Jan	2,135	766	713	1,235	4,849
Feb	2,121	762	707	1,226	4,816
Mar	2,107	760	700	1,225	4,792
Apr	2,094	765	700	1,221	4,780
May	2,092	762	703	1,217	4,774
Jun	2,090	771	704	1,207	4,772
Total	**25,390**	**9,172**	**8,462**	**14,714**	**57,738**

HDHP without HSA

Month	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
Jul	239	65	35	36	375
Aug	241	68	34	35	378
Sep	242	66	35	33	376
Oct	235	70	32	31	368
Nov	237	68	29	29	363
Dec	232	70	29	29	360
Jan	229	69	28	28	354
Feb	233	67	28	30	358
Mar	237	65	28	31	361
Apr	233	63	26	31	353
May	238	65	26	28	357
Jun	245	68	26	30	369
Total	**2,841**	**804**	**356**	**371**	**4,372**

Confidential and Proprietary

Pima County

Medical Plan Costs - Incurred and Paid

Plan Year: July 2016 to June 2017 with Runout

Aetna - HDHP Plan											Loss Ratio	PEPM Costs			
Month	Subscribers	Expected Claims Liability ($)	Medical Claims Paid ($)	Rx Claims Paid ($)	Rx Rebates ($)	Stop Loss Recovery ($)	Total Claims Paid ($)	Admin Fees ($)	HSA Contributions (active ee's only) ($)	Total Claims Paid and Other Costs ($)	Actual Claims vs. Expected Claims (%)	Paid Claims (Medical) ($)	Paid Claims (Rx) ($)	Total Paid ($)	Total Claims Paid and Other Costs ($)
A	B	C = (AF*B)	D	E	F	G	H = (D+E+F+G)	I = (AE*B)	J = (AG*AH)	K = (H+I+J)	L = (H/C)	M =(D/B)	N = (E+F/B)	O = (H/B)	P = (K/B)
Jul-16	5,196	3,431,698	277,015	474,964	-	-	751,979	464,367	616,975	1,833,321	21.9%	53.31	91	145	353
Aug-16	5,202	3,435,661	1,047,016	722,185	-	-	1,769,201	464,903	617,642	2,851,746	51.5%	201	139	340	548
Sep-16	5,215	3,444,247	1,337,245	689,285	-	-	2,026,530	466,065	618,559	3,111,153	58.8%	256	132	389	597
Oct-16	5,206	3,438,303	1,362,489	835,022	-	-	2,197,511	465,260	616,642	3,279,414	63.9%	262	160	422	630
Nov-16	5,188	3,426,415	1,553,156	844,899	-	-	2,398,055	463,652	614,642	3,476,348	70.0%	299	163	462	670
Dec-16	5,227	3,452,172	1,833,491	878,631	-	-	2,712,122	467,137	618,225	3,797,484	78.6%	351	168	519	727
Jan-17	5,234	3,456,795	1,873,257	852,129	-	-	2,725,386	467,763	623,058	3,816,207	78.8%	358	163	521	729
Feb-17	5,210	3,440,945	1,853,322	1,059,098	-	-	2,912,420	465,618	621,642	3,999,680	84.6%	356	203	559	768
Mar-17	5,229	3,453,493	2,295,776	954,175	(485,253)	-	2,764,698	467,316	623,142	3,855,155	80.1%	439	90	529	737
Apr-17	5,216	3,444,907	2,027,853	901,783	-	-	2,929,636	466,154	622,475	4,018,265	85.0%	389	173	562	770
May-17	5,221	3,448,209	2,765,177	1,043,702	-	-	3,808,879	466,601	622,892	4,898,371	110.5%	530	200	730	938
Jun-17	5,206	3,438,303	2,269,436	1,111,718	(507,233)	-	2,873,921	465,260	620,392	3,959,573	83.6%	436	116	552	761
Total	62,550	41,311,148	20,495,233	10,367,591	(992,486)	-	29,870,338	5,590,094	7,436,286	42,896,718	72.3%	328	150	478	686

Avg	5,213

Aetna Runout					
Month	Paid Medical ($)	Paid Rx ($)	Rx Rebates ($)	Stop Loss Recovery ($)	Total Paid ($)
Q	R	S	T	U	V = (R+S+T+U)
Jul-17	1,419,747	-	-	-	1,419,747
Aug-17	979,130	-	-	-	979,130
Sep-17	242,150	-	(351,662)	-	(109,513)
Oct-17	147,282	-	-	-	147,282
Nov-17	81,185	-	-	-	81,185
Dec-17	37,837	-	(519,042)	-	(481,205)
Jan-18	96,035	-	-	-	96,035
Feb-18	17,171	-	-	-	17,171
Mar-18	12,112	-	-	-	12,112
Apr-18	30,743	-	-	-	30,743
May-18	39,860	-	-	-	39,860
Jun-18	56,041	-	-	-	56,041
Total	3,159,293	-	(870,705)	-	2,288,588
			Runout Paid in 2018-2019 PY		98,060

2016/2017 Medical Plan Costs with Runout

Total Claims Incurred for Time Period ($)	Total Stop Loss Recovery ($)	Admin Fees ($)	HSA Contributions ($)	Total Paid Claims and Other Costs ($)	Actual Claims vs. Expected Claims Liability (%)	Total Paid Claims & Other Costs PEPM ($)
W=(H+R+S+T)	X = (G+U)	Y = I	Z =J	AB=(W+X+Y+Z)	AC = (W+X/C)	AD =(AB/B)
32,158,926	-	5,590,094	7,436,286	45,185,306	77.8%	722
32,256,986	-	5,590,094	7,436,286	45,283,365	78.1%	724

Confidential and Proprietary

Pima County
Medical Plan Costs - Incurred and Paid
Plan Year: July 2016 to June 2017 with Runout

Admin Fees ($)	AE
Admin Fees PEPM	76.67
ISL Fee PEPM ($375K + $200k Agg ISL with a 12/15 Contract)	12.70
Total PEPM Fees for the PPO Plan	***89.37***

Claim Factors ($)	AF
Expected Claims Factor PEPM	**660.45**

HSA Contribution ($)	Annual Amt	Monthly Amt
EE Only	1,000	83
EE & Family	2,000	167

HDHP with HSA Enrollment for HSA Contributions

Tier (AG)	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
HSA Cont. (AH)	**83.33**	**166.66**	**166.66**	**166.66**	
Jul	2,102	727	707	1,217	4,753
Aug	2,110	727	706	1,218	4,761
Sep	2,111	727	710	1,219	4,767
Oct	2,104	723	705	1,220	4,752
Nov	2,098	720	698	1,221	4,737
Dec	2,135	719	701	1,222	4,777
Jan	2,159	729	707	1,223	4,818
Feb	2,132	731	709	1,224	4,796
Mar	2,140	737	707	1,225	4,809
Apr	2,128	740	705	1,226	4,799
May	2,137	739	703	1,227	4,806
Jun	2,137	737	689	1,228	4,791
Total	**25,493**	**8,756**	**8,447**	**14,670**	**57,366**

HDHP without HSA

Month	EE	EE + Sp	EE & Ch	EE & Fam	Total EE's
Jul	270	91	38	44	443
Aug	267	91	38	45	441
Sep	275	89	38	46	448
Oct	280	86	39	49	454
Nov	276	88	38	49	451
Dec	274	91	38	47	450
Jan	260	78	37	41	416
Feb	251	81	40	42	414
Mar	261	74	40	45	420
Apr	264	71	38	44	417
May	262	71	39	43	415
Jun	266	68	38	43	415
Total	**3,206**	**979**	**461**	**538**	**5,184**

Confidential and Proprietary

Pima County
Medical Plan Costs
Plan Year: July 2017 to June 2018 with Runout through December 2018

Annual Cost Comparison Analysis 2017/2018 vs. 2018/2019

Cost Categories	2017-2018 Annual Costs with Runout ($)	PEPM Costs ($)	2018-2019 Estimated Annual Costs ($)	PEPM Costs ($)	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	24,167,785	389	26,856,353	435	11.1%	2,688,567	11.8%	46
Rx Claims Costs**	11,027,816	178	12,250,258	198	11.1%	1,222,442	11.8%	21
Rx Rebates***	(1,871,808)	(30)	(2,640,000)	(43)	41.0%	(768,192)	41.9%	(13)
Stop Loss Recoveries	-		-			-		
Admin & Stop Loss Fees (SF)	5,572,509	90	4,934,217	80	-11.5%	(638,293)	-10.9%	(10)
HSA Contributions	7,506,866	121	7,522,032	122	0.2%	15,166	0.8%	1
Total Costs	**46,403,169**	**747**	**48,922,859**	**793**	**5.4%**	**2,519,691**	**6.1%**	**45**

PEPM Total Cost History ($)		Increase/ Decrease (%)	National Med/Rx Trend (%)
2013-2014	631		
2014-2015	715	13.3%	9% Med / 9% Rx
2015-2016	722	1.0%	7.9% Med / 8.6% Rx
2016-2017	722	0.0%	8% Med / 11.3% Rx
2017-2018	747	3.4%	7.8% Med / 11.3% Rx
2018-2019	793	6.1%	8.0% Med / 11.3% Rx

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	62,110	61,724	-0.6%	(386)

2018-2019 Annualized Expected Claims Liability vs. Annualized Paid Claims	
Annualized Expected Claims Liability ($)	38,083,708
Annualized Expected Claims Liability vs. Annualized Paid Claims (%)	95.8%
Annualized Expected Claims PEPM ($)	617.00

*2018-2019 Medical Claims Costs has a 148% escalator for participants that have not satisfied their deductible and a 15% Completion Factor
**2018-2019 Rx Claims Costs a 133% escalator load for participants that have not satisfied their deductible
***2018-2019 Rx rebates are estimated

Annual Cost Comparison Analysis 2016/2017 vs. 2017/2018

Cost Categories	2016-2017 Costs with Runout ($)	PEPM Costs ($)	2017-2018 Annual Costs with Runout ($)	PEPM Costs ($)	% Cost Change	$ Cost Change	% PEPM Change	$ PEPM Change
Medical Claims Costs*	23,654,526	378	24,167,785	389	2.2%	513,259	2.9%	11
Rx Claims Costs	10,367,591	166	11,027,816	178	6.4%	660,225	7.1%	12
Rx Rebates***	(1,863,191)	(30)	(1,871,808)	(30)	0.5%	(8,617)	1.2%	(0)
Stop Loss Recoveries	-		-					
Admin & Stop Loss Fees (SF)	5,590,094	89	5,572,509	90	-0.3%	(17,584)	0.4%	0
HSA Contributions	7,436,286	119	7,506,866	121	0.9%	70,581	1.7%	2
Total Costs	**45,185,306**	**722**	**46,403,169**	**747**	**2.7%**	**1,217,863**	**3.4%**	**25**

2017-2018 Annualized Expected Claims Liability vs. Annualized Paid Claims	
Annualized Expected Claims Liability ($)	40,580,811
Annualized Expected Claims Liability vs. Annualized Paid Claims (%)	82.1%
Annualized Expected Claims PEPM ($)	653

	Annual	Annualized	% Enrollment Change	# Enrollment Change
Enrollment	62,550	62,110	-0.7%	(440)

***2017-2018 Rx rebates are estimated

Confidential and Proprietary

Pima County

Health Benefit Trust Fund

December 31, 2018

Financial Statements

Statement of Net Position Comparative

	Health Benefit Trust Fund		
	12/31/2017	12/31/2018	Net Change
Assets			
Current assets:			
Cash and cash equivalents	$ 39,805,451	$ 42,846,638	$ 3,041,187
Interest receivable	24,225	120,849	96,624
Accounts receivable	3,033,980	1,228,363	(1,805,617)
Total current assets	42,863,656	44,195,850	1,332,194
Noncurrent assets:			
Net other postemployment benefits asset		3,548	3,548
Total noncurrent assets		3,548	3,548
Total assets	42,863,656	44,199,398	1,335,742
Deferred outflows of resources:			
Pension and other postemployment benefits	169,188	123,491	(45,697)
Total deferred outflows of resources	169,188	123,491	(45,697)
Liabilities			
Current liabilities:			
Accounts payable	2,440,441	1,471,616	(968,825)
Accrued employee compensation	13,382	19,972	6,590
Compensated absences payable, current portion	40,633	42,638	2,005
Reported but unpaid losses, current portion	549,450	608,851	59,401
Incurred but not reported losses, current portion	3,113,550	3,450,149	336,599
Total current liabilities	6,157,456	5,593,226	(564,230)
Noncurrent liabilities:			
Compensated absences payable		4,326	4,326
Reported but unpaid losses	5,550	6,149	599
Incurred but not reported losses	31,450	34,851	3,401
Net pension liability	939,317	1,010,771	71,454
Total noncurrent liabilities	976,317	1,056,097	79,780
Total liabilities	7,133,773	6,649,323	(484,450)
Deferred inflows of resources			
Pension and other postemployment benefits	142,619	87,307	(55,312)
Total deferred inflows of resources	142,619	87,307	(55,312)
Net position			
Restricted for Healthcare	35,756,452	37,586,259	1,829,807
Total net position	$ 35,756,452	$ 37,586,259	$ 1,829,807

Statement of Revenues, Expenses, and Changes in Net Position Comparative

	Health Benefit Trust Fund		
	12/31/2017	**12/31/2018**	**Net Change**
Operating revenues:			
Charges for services	$ 36,812,784	$ 29,899,270	$ (6,913,514)
Other	917,333	1,856,353	939,020
Total net operating revenues	37,730,117	31,755,623	(5,974,494)
Operating expenses:			
Employee compensation	448,404	462,904	14,500
Operating supplies and services	631	4,199	3,568
Medical claims	26,309,995	25,424,648	(885,347)
Insurance premiums	2,532,803	2,401,241	(131,562)
General and administrative	310,329	347,401	37,072
Professional services	1,694,575	1,437,071	(257,504)
Total operating expenses	31,296,737	30,077,464	(1,219,273)
Operating income	6,433,380	1,678,159	(4,755,221)
Nonoperating revenues:			
Investment income	180,410	449,739	269,329
Total nonoperating revenues	180,410	449,739	269,329
Change in net position	6,613,790	2,127,898	(4,485,892)
Net position at beginning of year	29,142,662	35,458,361	6,315,699
Net position at end of period	$ 35,756,452	$ 37,586,259	$ 1,829,807

Statement of Revenues, Expenses, and Changes in Net Position Major Line Items Analysis

	Health Benefit Trust Fund	% of Total	
Operating revenues:			
Charges for services	$ 29,899,270	94%	**1**
Other	1,856,353	6%	**2**
Total operating revenues	31,755,623	100%	
Operating expenses:			
Employee compensation	462,904	1%	
Operating supplies	4,199		
Medical claims	25,424,648	85%	**3**
Insurance premiums	2,401,241	8%	**4**
General and administrative	347,401	1%	
Professional services	1,437,071	5%	**5**
Total operating expenses	30,077,464	100%	
Operating income	1,678,159		
Nonoperating revenues:			
Investment income	449,739		
Total nonoperating revenues:	449,739		
Change in net position	2,127,898		
Net position at beginning of year	35,458,361		
Net position at end of period	$ 37,586,259		

Operating revenues:	
1 Charges for services	
Employer health premiums	$ 20,722,478
Employer dental premiums	424,927
Employee health premiums	1,787,909
Employee dental premiums	976,125
Employee HSA	3,937,741
HSA fee	167,495
Life insurance fee	937,915
Accident insurance fee	395,696
Short term disability fee	189,940
Vision insurance fee	196,345
Other	162,699
Total Charges for services	**$ 29,899,270**
2 Other	
Pharmacy rebates	$ 1,812,768
Other Insurance Premiums	43,585
Total Other	**$ 1,856,353**
Operating expenses:	
3 Medical claims	
Outside hospitals and other expenses	
Medical insurance and pharmacy	
Unit 2149 Medical Insurance HDHP	$ 11,883,120
Unit 2148 Medical Insurance PPO	1,611
Unit 2250 HDHP Pharmacy	5,150,294
Unit 2255 PPO Pharmacy	35
	17,035,060
Other expenses	
Unit 2150 HSA Bank	7,834,422
Unit 2151 Flexible Spending	47,680
	7,882,102
Subtotal Outside hospitals and other expenses	24,917,162
Dental services	907,486
IBNP/IBNR actuarial adjustment	(400,000)
Total Medical claims	**$ 25,424,648**

Statement of Revenues, Expenses, and Changes in Net Position Major Line Items Analysis

	Health Benefit Trust Fund	% of Total	
Operating revenues:			
Charges for services	$ 29,899,270	94%	**1**
Other	1,856,353	6%	**2**
Total operating revenues	31,755,623	100%	
Operating expenses:			
Employee compensation	462,904	1%	
Operating supplies	4,199		
Medical claims	25,424,648	85%	**3**
Insurance premiums	2,401,241	8%	**4**
General and administrative	347,401	1%	
Professional services	1,437,071	5%	**5**
Total operating expenses	30,077,464	100%	
Operating income	1,678,159		
Nonoperating revenues:			
Investment income	449,739		
Total nonoperating revenues:	449,739		
Change in net position	2,127,898		
Net position at beginning of year	35,458,361		
Net position at end of period	$ 37,586,259		

Operating expenses continued:		
4 Insurance Premiums		
Unit 2154 Vision Premiums	$	187,480
Unit 2153 Dental Premiums (Employers Dental)		234,018
Unit 2212 Short Term Disability		31,940
Unit 2156 Stop loss		151,444
Unit 2211 AFLAC insurance		447,892
Unit 2157 Employee assistance program		69,003
Unit 2291 Life insurance		1,279,464
Total Insurance Premiums	**$**	**2,401,241**
5 Professional services		
TPA service fees		
Unit 2149 Aetna HDHP	$	1,056,538
Unit 2152 Ameritas Dental		44,162
Unit 2155 ASI COBRA		6,922
Unit 2151 ASI Flex		2,373
Unit 2150 HSA Bank fees		25,056
Unit 2250 CVS-Caremark Rx fees		11,924
Subtotal - TPA service fees		1,146,975
Non-medical consultants		
Automatic Data Processing Inc		139,930
CBIZ Benefits & Insurance		31,894
Lewis & Ellis - Actuary		16,250
eThority - ACA platform for IRS reporting		25,522
Heinfeld Meech & Co - auditing services		16,500
Wellness programs		60,000
Subtotal - Non-medical consultants		290,096
Total Professional services	**$**	**1,437,071**

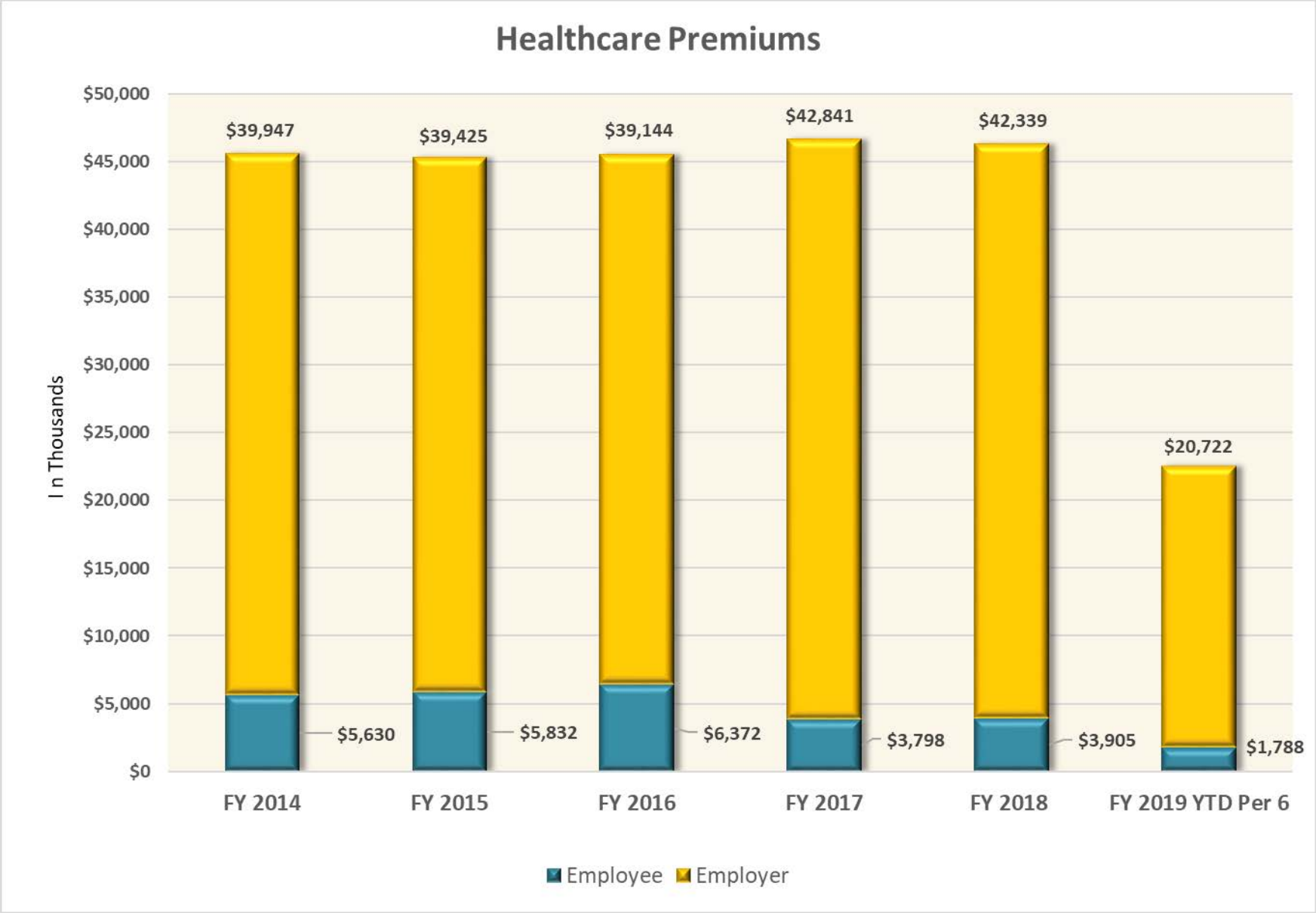
Budget, Actual and Forecast

For the Period Ended December 31, 2018

Health Benefit Trust Fund

	Fiscal Year 2018/2019 Budget	Fiscal Year 2018/2019 Actual	Fiscal Year 2018/2019 Forecast	Variance (Budget vs. Forecast)
Operating revenues:				
Charges for services	$ 56,570,287	$ 29,899,270	$ 57,655,462	$ 1,085,175
Other	1,595,187	1,856,353	3,746,882	2,151,695
Total net operating revenues	58,165,474	31,755,623	61,402,344	3,236,870
Operating expenses:				
Employee compensation	1,018,579	462,904	1,103,952	(85,373)
Operating supplies	96,250	4,199	99,582	(3,332)
Medical claims	56,152,378	25,424,648	52,845,967	3,306,411
Insurance premiums	4,517,300	2,401,241	4,861,618	(344,318)
General and administrative	809,575	347,401	809,575	
Professional services	3,455,321	1,437,071	3,470,636	(15,315)
Total operating expenses	66,049,403	30,077,464	63,191,330	2,858,073
Operating income (loss)	(7,883,929)	1,678,159	(1,788,986)	6,094,943
Nonoperating revenues:				
Investment earnings	390,929	449,739	667,340	276,411
Total nonoperating revenues:	390,929	449,739	667,340	276,411
Income before transfers	$ (7,493,000)	$ 2,127,898	$ (1,121,646)	$ 6,371,354

Health Benefit Trust Fund



PROPOSAL FOR HEALTHY LIFESTYLE PREMIUM DISCOUNT PROGRAM UPDATE

Human Resources Department – Employee Wellness

Submitted: September 14, 2018

OVERVIEW

Human Resources ("HR") Employee Wellness is submitting this proposal to update the Healthy Lifestyle Premium Discount ("Discounts") Program to comply with anticipated changes to the Equal Employment Opportunity Commission's ("EEOC") guidelines and all other Federal regulations for wellness programs.

OBJECTIVE

- To change the program design to comply with all Federal regulations for wellness programs.
- To provide employees with a variety of options to participate in to qualify for the premium Discounts.
- To increase the overall number of employees who participate in healthy lifestyle programs and activities.

BACKGROUND

In 2016, the American Association of Retired Persons ("AARP") filed a case against the EEOC alleging that the EEOC issued wellness incentive rules under the Americans with Disabilities Act ("ADA") and the Genetic Information Nondiscrimination Act ("GINA") regulations that did not meet the "voluntariness" requirements of these regulations.[1] The EEOC created a "safe harbor" financial incentive limit of 30% of the total cost of self-only coverage, meaning an employer could provide a financial incentive to employees and their spouses valued up to 30% of the total cost of self-only coverage for participating in a health risk assessment or biometric screen.[2]

The court found that 30 percent of the total cost of self-only coverage may not be seen as "voluntary" by all employees, especially those with lower incomes and allowed the EEOC time to re-issue new wellness regulations. To date, the EEOC has failed to issue new wellness incentives. As a result, effective January 1, 2019, the current EEOC rules specific to the 30% limit on incentive rewards tied to programs that collect health information will be vacated and the limit on incentive rewards will revert back to the Affordable Care Act ("ACA"), ADA, and GINA regulations.[3] The ACA requires employers to offer a reasonable alternative to any individual who fails to meet the requirements for a reward, in that the employee must be

[1] Both the ADA and GINA allow for the collection of employee health information if that collection of information is part of a voluntary wellness program.

[2] Before the safe harbor amount imposed by the EEOC, there was no clear incentive amount identified that would be permissible.

[3] The limits on incentive rewards under the ACA, ADA, and GINA, range from 30% to 50%, dependent on whether the program includes tobacco cessation.

given the opportunity to earn the full reward regardless of their personal health status.[4] As a result, while it is still permissible to have these types of programs, the programs must be voluntary and alternatives must exist to allow employees to earn the maximum incentive without having to participate in them.

PROPOSAL

In order for the County to be in compliance with the ACA, ADA, and GINA regulations concerning incentive rewards linked to collection of health information, the County is proposing a change to how an employee earns the Discounts.

CURRENT DISCOUNT DEDUCTIONS

Currently, the Discount Program is divided into four (4) distinct Discounts, totaling up to $35 per paycheck as outlined here:

- Discount #1 – Be Tobacco Free ($20 per paycheck)
- Discount #2 – Complete a Health Assessment ($5 per paycheck)
- Discount #3 – Complete a Preventive Exam ($5 per paycheck)
- Discount #4 – Earn 100+ Healthy Lifestyle Activity Points ($5 per paycheck)

Discount #1 will remain the same. However, Discount #2 ($5) and Discount #3 ($5) can no longer be a *requirement* to earn the total $10 per paycheck reward incentive, though employees are not prohibited from continuing to select these Discounts if they so choose. This means that the County must provide alternative options for employees to earn the $10 per paycheck reward incentive.

PROPOSED DISCOUNT DEDUCTIONS

HR proposes to change our Discount Program to a menu with a points-based model. This model will increase the number of options and current points earned for wellness activities, while reducing the points earned for options that collect health information, in an effort to equalize the value between wellness activities and those requiring collection of health information. With this type of program model, employees are able to choose which programs and activities they would like to complete in order to meet the required number of points necessary to qualify for premium deductions, while meeting the "voluntariness" requirement of the Federal regulations.

The foundation of the updated program model would operate similar to the current Discount Program. The tobacco-free discount would remain the same (Discount #1), but instead of having three separate discounts for completing a health assessment, completing a preventive exam, and earning 100+ Healthy Lifestyle Activity Points ("Points), there would just be one Discount (Discount #2) in which an employee could attain Points. The total maximum Discounts would remain $35 per paycheck.

- Discount # 1 – Be Tobacco Free ($20 per paycheck)
- Discount #2 – Health Lifestyle Activity Points (HLAPs)

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[4] For example, an employee who is medically unable to participate in a physical activity, must be offered an alternative to earn the full reward. Similarly, an employee who fails to meet a required health standard must be offered an alternative to meet the full reward.

- Level 1 50 points $5 per paycheck
- Level 2 100 points $10 per paycheck
- Level 3 150 points $15 per paycheck

To earn the Points, employees would pick from a menu option of programs and activities to complete in order to earn the assigned point value for that option.[5] (See Attachment 1.)

It is anticipated that the current EEOC incentive plan will vacate January 1, 2019, at which time the prior requirements of ACA, ADA, and GINA will become effective. It is unclear when the County will be required to implement these practices or whether a grace period will be provided to implement changes. HR would like to launch the proposed Discount Program March 1, 2019, for the 2020/21 reporting year, thereby affording the County a clean transition and offer plenty of time to communicate/educate the changes.

CONCLUSION

As of January 1, 2019, Pima County needs to change our wellness program design in order to comply with changes to Federal regulations on incentives associated with health assessments and preventive exams. HR proposes elimination of the health assessment and preventive exam as requirements for receiving the premium deduction and instead, add them to a menu of voluntary options used towards earning points for a premium discount.

5 The reporting and distribution periods would remain the same.

BE WELL BENEFITS WELLNESS

COMING SOON

ENHANCED HEALTHY LIFESTYLE PREMIUM DISCOUNTS PROGRAM

Starting March 1, 2019

Current Discounts

Discount #1

- Be Tobacco Free **($20)**

Discount #2

- Complete a Health Assessment **($5)**

Discount #3

- Complete a Preventive Exam **($5)**

Discount #4

- Earn 100 Healthy Lifesyle Activity Points **($5)**

Updated Discounts

Discount #1*

- Be Tobacco Free ($20)

Discount #2

- Earn up to 150 Healthy Lifestyle Activity Points (*See Reverse)*
- Level 1: 50 points **($5)**
- Level 2: 100 points **($10)**
- Level 3: 150+ points **($15)**

TOTAL SAVINGS UP TO $910 PER YEAR

Reporting Year: 3/1/2019 – 3/28/2020 | **Distribution Year: 7/1/2020 – 6/30/2021**

*Discount #1 Remains the Same

Progress toward your discounts will be available in the ADP Employee Self-Service (ESS) portal each month for the previous month

Learn more at www.pima.gov/bewell

HEALTHY LIFESTYLE ACTIVITY POINTS

All program information can be found in the Employee Wellness section of www.pima.gov/bewell

*** Newly proposed program ** Point values starting March 1, 2019**

Category	Program Name	Points **
BE WELL BE ACTIVE	100 Pushup Challenge	20
	200 Lunge Challenge	20
	Seasonal Fitness Challenge	10 - 60
BE WELL EAT SMART	Eat Right For Life	20
	Eat Smart: Fruit & Veggie Challenge	15 - 25
	Farmers Market*	5
BE WELL HAVE A HEALTHY HEART	Heart Walk*	5
	Wear Red Day & Heart Healthy Quiz	5
BE WELL LEARN MORE	Common Cents: Financial Wellness	20
	Health Assessment	50
	Health Tracks Health Coaching	15-60
	Health & Wellness Fair	5
	Healthy Living Program (CDSMP)	50
	Online Presentations & Quizzes	5
	Wellness Workshops	10
BE WELL LIVE WELL	12 Days of Wellness Challenge	10
	Aetna Disease Management Program	50
	Better Sleep Challenge	20
	Blood Donation*	5
	Community Volunteering & Participation	5 - 25
	Self-Care Essentials	50
BE WELL PRACTICE PREVENTION	Annual Physical Exam	50
	Beginning Right Maternity Program	50
	Colorectal Preventive Exam	50
	Dental Preventive Exam*	25
	Flu Shots*	25
	Age Appropriate Routine Preventive Immunization*	25
Preventive Exams/Screenings will be capped at 50 points per reporting year.	Mammography Preventive Exam	50
	Prostate Preventive Exam	50
	Routine Preventive Lab Panel	50
	Skin Cancer Screening*	50
	Vision Preventive Exam*	25
	Well Adult/Women Exam	50
BE WELL STRESS LESS	Stress Less Blood Pressure Challenge	20
BE WELL WATCH YOUR WEIGHT	Fit & Lean Team Challenge	20 - 30
	No Weight Gain Contest	20 - 30
	Weight Watchers At Work	50

BE WELL HEALTHY LIFESTYLE PREMIUM DISCOUNTS

ENHANCED PROGRAM & NEW OPTIONS STARTING MARCH 1, 2019

Attend this workshop to learn about the changes to the 2020/21 Healthy Lifestyle Premium Discounts.

Earn 10 points for attending!

Rewarding YOUR Healthy Choices

www.pima.gov/bewell

Location	Date	Time
NANINI LIBRARY 7300 N. Shannon Rd. Large Conf. Room	FRI MAR 1	8:30 AM – 9:30 AM
SUPERIOR COURT 110 W. Congress St. 9th Floor Conf. Room 945	FRI MAR 1	1:30 PM – 2:30 PM
ELECTIONS 6550 S. Country Club Rd. Main Conf. Room	MON MAR 4	10:00 AM – 11:00 AM
WATER CAMPUS 2955 W. Calle Agua Nueva Radon Conf. Room	MON MAR 4	1:00 PM – 2:00 PM
PUBLIC WORKS BUILDING 201 N. Stone Ave. Basement Conf. Room C	TUES MAR 5	9:00 AM – 10:00 AM
ABRAMS BUILDING 3950 S. Country Club Rd. Conf. Rooms 1104/1106/1108	TUES MAR 5	3:30 PM – 4:30 PM
PUBLIC WORKS BUILDING 201 N. Stone Ave. 9th Fl. Conf. Rooms A/B	WED MAR 6	9:30 AM – 10:30 AM
SUPERIOR COURT 110 W. Congress St. 9th F. Conf. Room 945	FRI MAR 8	9:00 AM – 10:00 AM
ADMIN WEST 150 W. Congress St. 4th Fl. HR Training Room	MON MAR 11	12:00 PM – 1:00 PM
BofA BUILDING 33 N. Stone Ave. 10th Fl. Conf. Room	FRI MAR 15	10:30 AM – 11:30 AM
PECOC 3434 E. 22nd St. Conf. Room	FRI MAR 15	2:00 PM – 3:00 PM
NRPR 3500 W. River Rd. Large Conf. Room	MON MAR 18	8:30 AM – 9:30 AM
FLEET SERVICES 1291 S. Mission Rd. Training Room	WED MAR 20	8:30 AM – 9:30 AM
PUBLIC SERVICE CENTER 240 N. Stone Ave. 7th Fl. Santa Catalina Room	THUR MAR 21	9:30 AM – 10:30 AM
SHERIFF'S DEPT. 1750 E. Benson Hwy. SOC, 3rd Floor	TUES MAR 26	12:00 PM – 1:00 PM
LEGAL SERVICES 32 N. Stone Ave. 14th Fl. Conf. Room	WED MAR 27	12:00 PM – 1:00 PM

MEMORANDUM

Date: December 19, 2018

To: The Honorable Chairman and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

Re: **Premium Discount Program Update – Informational Only**

As a result of recent litigation[1], beginning January 1, 2019, Pima County will need to change its wellness program design in order to comply with changes to Federal regulations regarding incentives associated with health assessments and preventive exams. Human Resources will eliminate the health assessment and preventive exam as *requirements* for receiving the premium deduction, and instead, add these two items to a menu of *voluntary* options used towards earning points for premium deductions.

Please see the attached Enhanced Healthy Lifestyle Premium Discounts Program flyer for specific information. Human Resources will provide education to County employees beginning in February 2019, regarding the upcoming changes, which will go into effect **March 1, 2019** for the **FY 2020/21 Plan Year**.

CHH/lab

Attachment

c: Jan Lesher, Chief Deputy County Administrator
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Cathy Bohland, Director, Human Resources

[1]In *AARP v. EEOC,* the U.S. District Court for the District of Columbia ordered the EEOC to reconsider its 2016 final regulations that allow the maximum 30% penalty/incentive. At issue is whether allowing an incentive violates the Americans with Disabilities Act ("ADA") and the Genetic Information Nondiscrimination Act ("GINA") requirements that an employer can only collect employee health data as part of a wellness program if the employees' provision of the health information is "voluntary."

BE WELL BENEFITS WELLNESS

COMING SOON

ENHANCED HEALTHY LIFESTYLE PREMIUM DISCOUNTS PROGRAM

Starting March 1, 2019

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