

Healthcare Update

URS/PEHP Annual Conference

March 16, 2017

R. Chet Loftis



PROUDLY SERVING UTAH PUBLIC EMPLOYEES

Next Round of Federal Health Law

- **Governor Leavitt**
 - Year 25 of 40 Year Health Reform Process
 - Narrow Meaning of “Repeal & Replace”
 - \$800B Impact of Normalized Interest Rates
- **John Boehner**
 - Minimal Repeal
 - Don't Repeal without Replacement

1. Market Reforms

- **Key Elements**
 - Age 26
 - No Pre-existing Conditions
 - Lifetime Caps
- **Little Change**
 - Impacts Everyone
 - Not Politically Charged

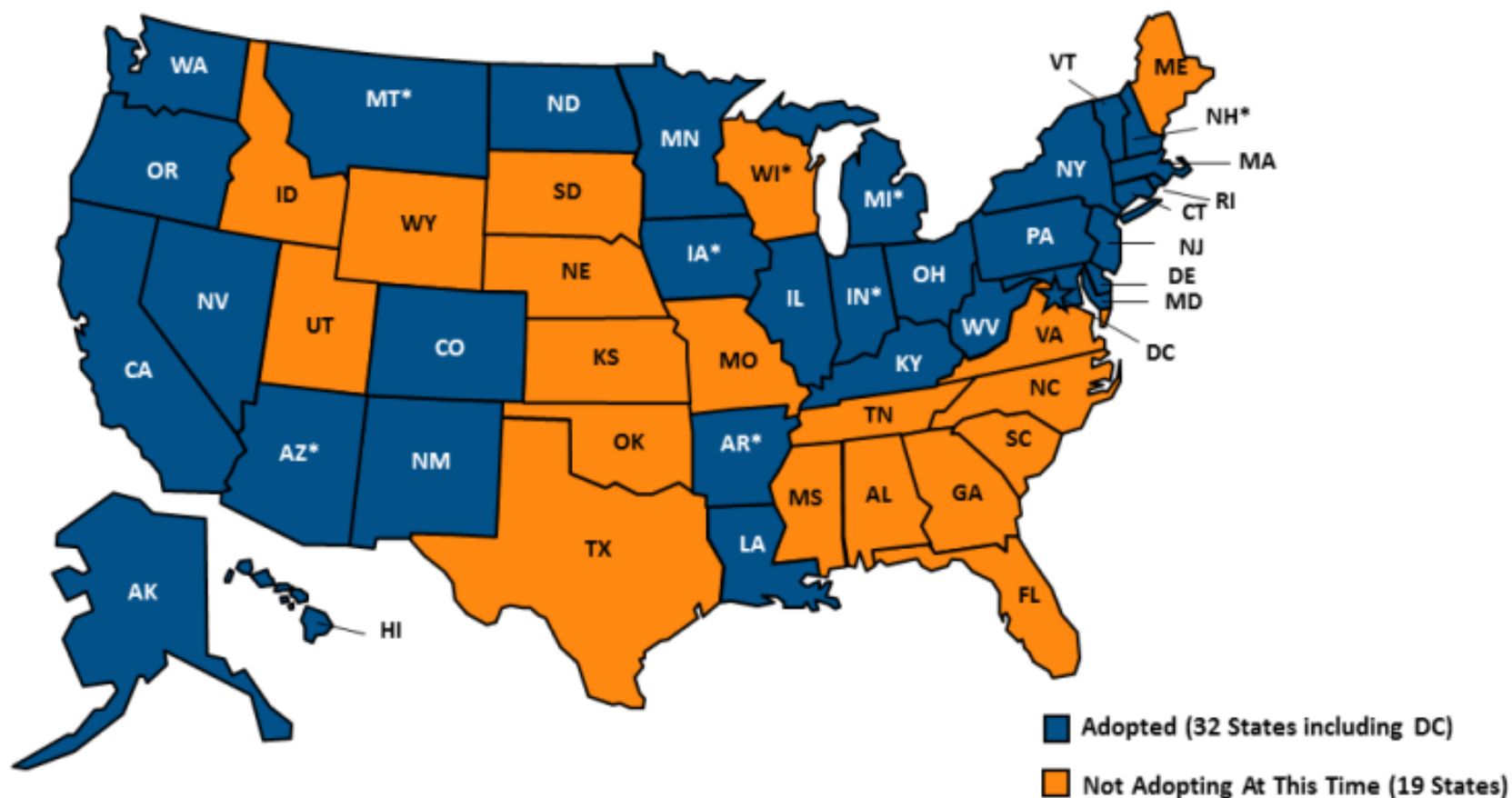
2. Individual/Exchange Market

- Guarantee Issue = Can't Deny Based on Health
- Sliding Fee Subsidy = Needs Based Assistance
- Closer Age Bands = Cost Shift to Younger
- **Issue 1: Dispersing Federal Funds for Insurance?**
 - Financial Need vs. Age
 - Help Poor or All Taxpayers
 - Attracting Young and Healthy
- **Issue 2: Protecting Market with Guarantee Issue?**
 - Individual Mandate vs. One-year Premium Penalty
 - Other Options
 - Reinsurance Attachment Point
 - State High Risk Pools

3. Medicaid Expansion

- **Carrot to Expand Given Court Ruling**
 - 100% Federal Funds to 90%
 - Right to Care vs Cost to Government
 - Phase-out
- **Issue: If a State Expands, Who Should Pay?**
 - Federal vs. State
 - Red Congress vs. Red & Purple States
 - Impact of Utah House

Current Status of State Medicaid Expansion Decisions



NOTES: Current status for each state is based on KCMU tracking and analysis of state executive activity. *AR, AZ, IA, IN, MI, MT, and NH have approved Section 1115 waivers. WI covers adults up to 100% FPL in Medicaid, but did not adopt the ACA expansion.

SOURCE: "Status of State Action on the Medicaid Expansion Decision," KFF State Health Facts, updated January 1, 2017.

<http://kff.org/health-reform/state-indicator/state-activity-around-expanding-medicaid-under-the-affordable-care-act/>

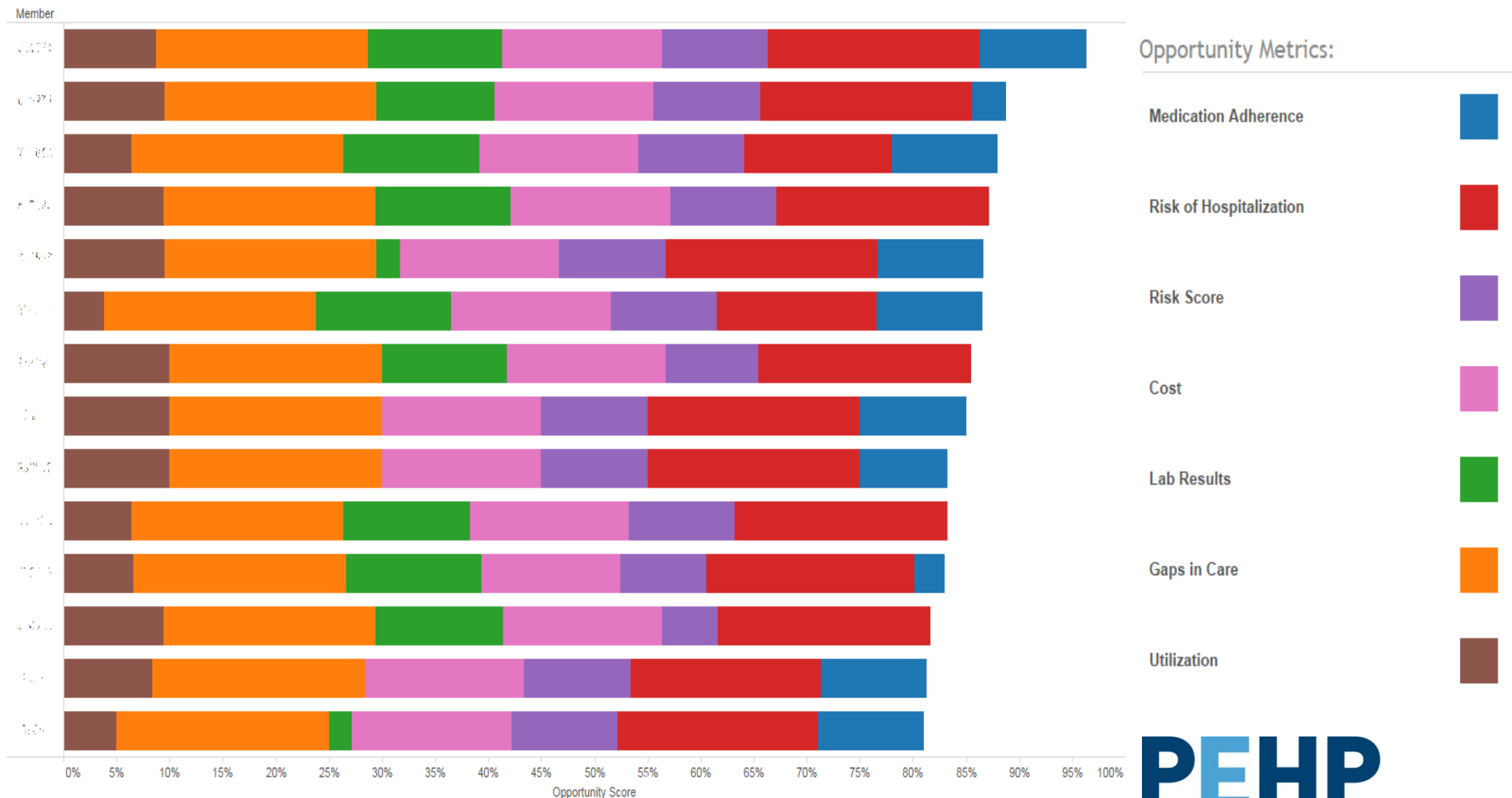
Takeaways

- Market Reforms for Group Market
- No Individual Mandate = No IRS Reporting
- The Rule of Administration Construction
- Funding Medicaid Key Political Issue
- Won't be Easy Even With Reconciliation
- Will States Protect Individual Market?
- Everything Can Change Tomorrow
- Potential for Medicare Payment Reform

Real Drivers In Healthcare

- **Technology**
 - Home Monitoring
 - Chatbots
 - Data Analytics
 - Network Management
 - Member Opportunities
- **Providers Bearing Risk**
 - Fusion of Care and Cost
 - Directability of Patient Choices
 - Drive for Innovation to Reduce Costs
 - Utah & Outpatient Fixed Fees

Disease Management Opportunity Scores



Takeaways

- Technology is a game changer
- May even reduce costs
- Market will continue to evolve

State Front

- **Reasonably Quiet Session**
 - No Federal Law Changes to Work Through
 - No Calls for Expanding Medicaid
- **Balance Bill Protection for Out-of-Network ER**
 - 5.9% of ER Visits
 - Average Balance Bill of \$1900
 - Highest \$74,000
 - Craziest was \$24,000 Bill for \$600 Procedure

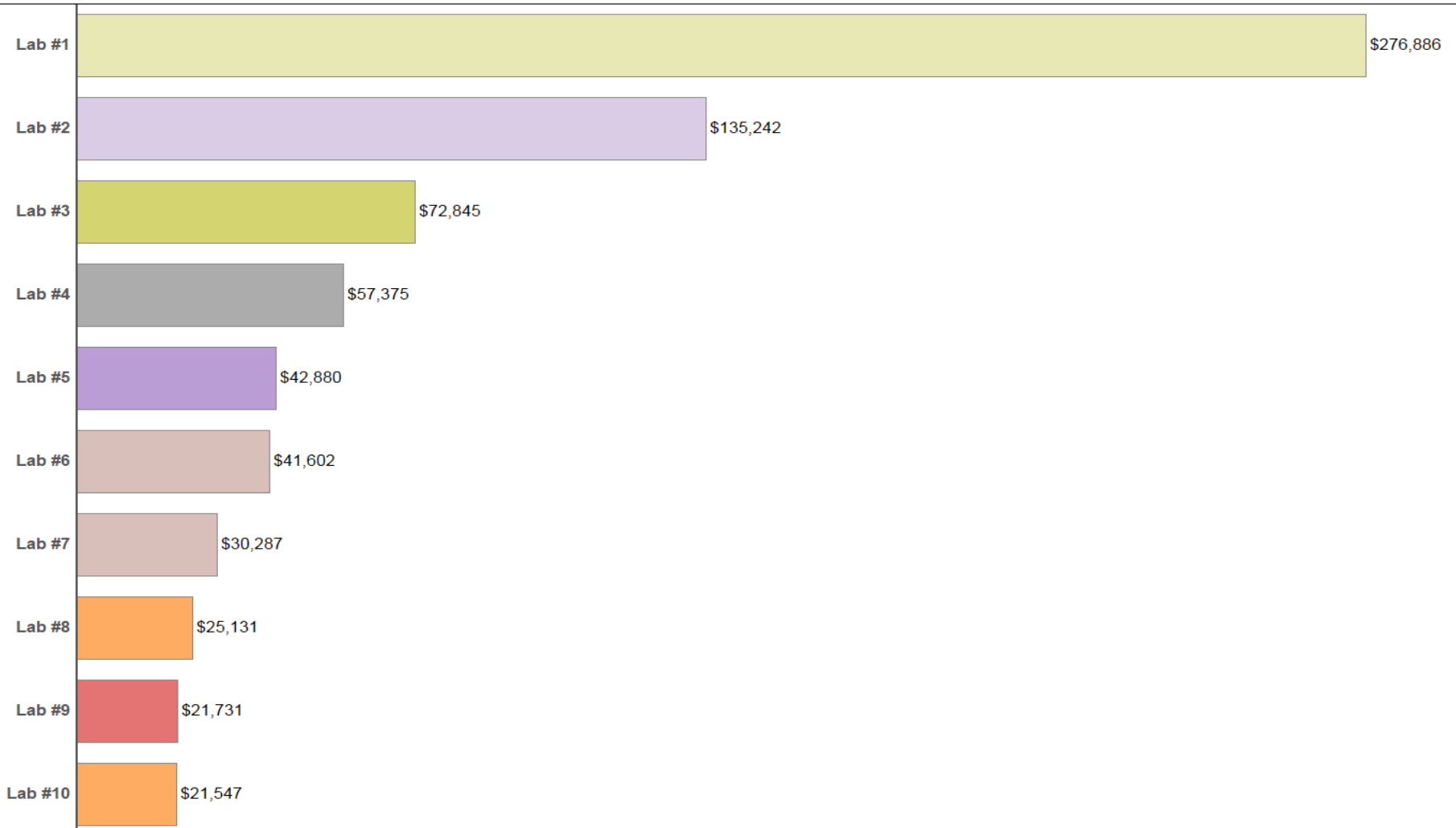
Takeaways

- Next Session Should be Interesting
- Be Careful Out There
- Know You're Covered if with PEHP

Protecting Members

- Reduce Uncovered Costs without Increasing PEHP's
- Small Group of Provides
 - Won't Contract at Market Rates
 - Aggressively Balance Bill Members
 - Pay for Legal Defense of Claims
 - No Meeting of Minds on Price
 - Procedural Unconscionability
 - Pay Legal Costs from PEHP Admin Fee

Out of State Labs



Member Education

- **Town Halls**
 - Regional Issues, Unique Benefits, Integrating Efforts
- **Education Philosophy**
 - Insurance 101
 - Recent Survey
 - Enhanced Provider Look Up
 - One-pagers
 - Provider Data and Warnings
 - Automated Messages Triggered by Events
 - Receive/Send/Attach in new Message Center



Mental Health Benefits

Your mental health benefit covers only treatment of a specific condition or diagnosis. It doesn't pay for things such as behavioral therapy or marriage counseling.

Eligible Services

Your mental health benefit covers treatment for specific mental health conditions. You must have a diagnosis in order to use this benefit.

Examples of Ineligible Services

- » conduct disorders
- » marriage counseling
- » parental counseling
- » hypnosis, biofeedback
- » stress management
- » relaxation therapy
- » learning disabilities
- » residential treatment

See your [Master Policy](#) for a complete list of exclusions.

Preauthorization

The following mental health services require [preauthorization](#):

- » all inpatient mental health services (hospitals, inpatient treatment centers, inpatient pain clinics, etc.)

Other Mental Health Options

If you're seeking professional care for an ineligible service, consider these options:

» Ask your employer about any Employee Assistance Program (EAP) or Life Assistance Counseling available to you. Many such plans pay for a limited number of mental health visits, without requiring a specific diagnosis.

» See if any of these [community resources](#) may help.

» You may qualify for intensive crisis counseling services. Call the PEHP Member Services Nurse (801-366-3961) to determine if you or a family member may be eligible.

Is Your Therapy Working?

[This article](#) addresses ways to get the most from mental health therapy.

Messages



Inbox



Sent Items



Archive



Return to
MyPehp

Message Editor

Subject

Please select..

Customer Service

Enrollment

Clinical Management

Preauthorization

Pharmacy

Life and AD&D

FLEX

Health Savings Account (HSA)

Health Reimbursement Account (HRA)

Provider Relations

Wellness

WeeCare

Integrated Care

Long-Term Disability

Recoveries



Send



Cancel

New Plan Design Option?

- **Traditional**
 - Copays, low deductible, coinsurance
- **STAR**
 - Health savings account, high deductible, preventative
- **Consumer Engagement**
 - \$68 vs. \$750
- **Hybrid Plan**
 - First dollar coverage for chronic care
 - Higher deductible coupled with HRA
 - HSA-like except can't personally contribute

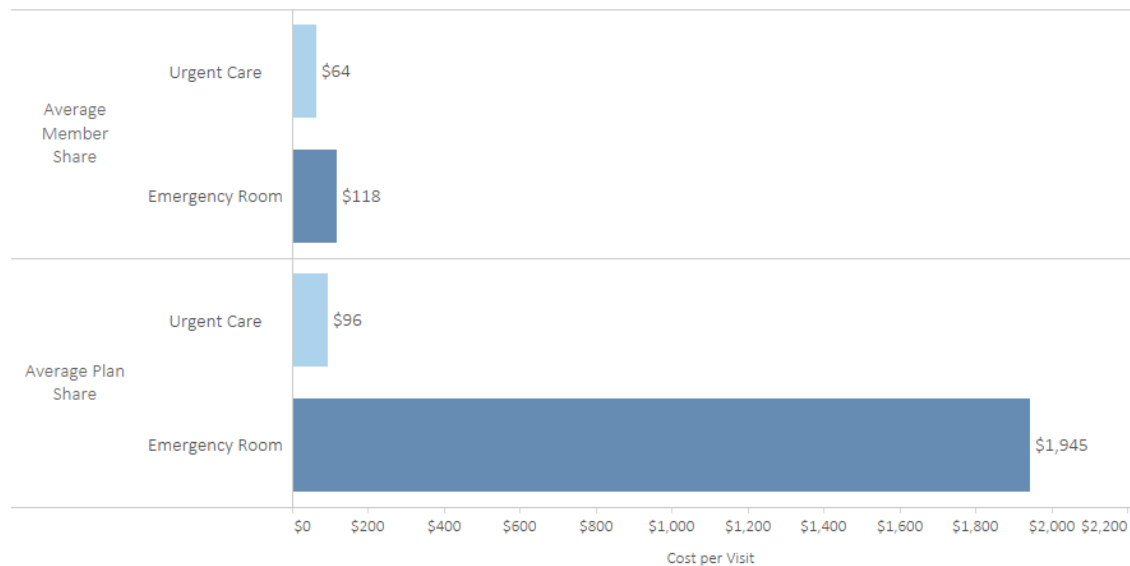
Employer Collaboration

- New Reporting Package
 - Regional & Employer Specific
 - Actionable Data
 - Talking Points and Materials
 - Coordinated Campaign

Agency Name

Urgent Care and Emergency Room Visits

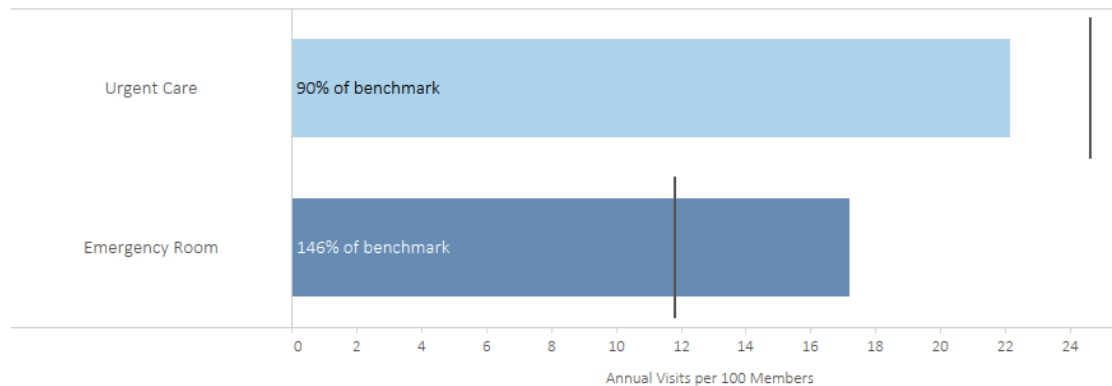
When going to an urgent care rather than the emergency room, both your members and the plan save money:



Agency Name

Urgent Care and Emergency Room Visits

This is how your utilization compares to the benchmark:



If urgent care and emergency room utilization were in line with the benchmarks, the plan would save **\$22,665** annually, potentially helping with future renewals. See the educational material corresponding to this "Education Opportunity" for more information.

\$1,533 OR \$196?

IT'S YOUR CHOICE

A broken arm doesn't have to break the bank.

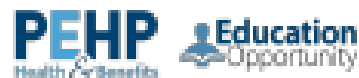
It's Saturday afternoon. The kids are playing in the backyard. One falls and breaks his arm. Where you choose to take him for treatment could save you a bundle.



Amwell On-Demand	Your Doctor (Primary Care)	Urgent Care Center	Emergency Room
See a doctor via mobile or web. EXAMPLES: • Cold/flu symptoms • Ear infections • Allergies • Migraines	For most non-urgent conditions when you can be seen during usual business hours.	When you need immediate medical attention, but your doctor isn't available. EXAMPLES: • Cold/flu symptoms after hours • Broken bones • Minor cuts and burns	For emergencies in which your life may be in danger or you're suffering severe symptoms. EXAMPLES: • Heart attack or stroke • Injury with severe bleeding • Drug overdose
\$ Best Value <i>As low as \$10</i>	\$\$ Low <i>Generally \$25-\$100</i>	\$\$\$ Medium <i>Generally \$25-\$150</i>	\$\$\$\$ High <i>\$150-\$2,000 or more</i>
24/7	Usual business hours	Seven days a week, often with extended hours	24/7

Find Medical Providers

Go to www.pehp.org and log in to PEHP for Members to find and select medical providers.



To request printed copies for your employees, email publications@pehp.org. [Click here](#) for an electronic version for employee distribution.

Sample Average In-Network Rates*

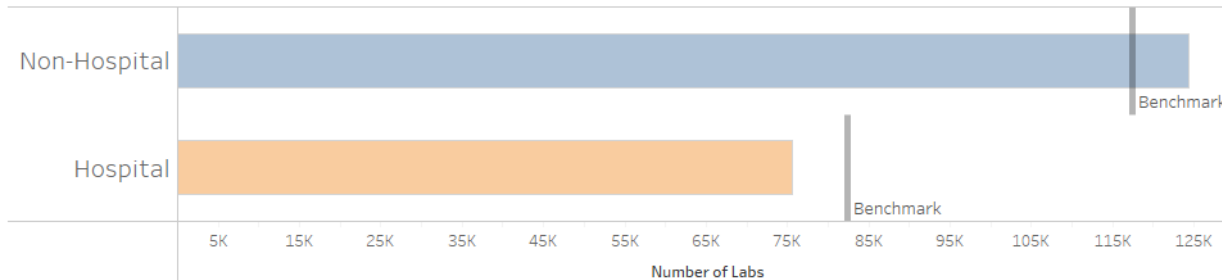
	ER	Urgent Care
Blood Diseases	\$1,751	\$140
Burns	\$803	\$150
Circulatory Issues	\$2,201	\$136
Digestive Issues	\$2,152	\$147
Infections	\$1,307	\$153
Injuries, Poisonings	\$1,533	\$196
Respiratory Issues	\$1,493	\$146

*The above rates represent only OneCare PPO average cost data from December 2014. Your costs may vary.

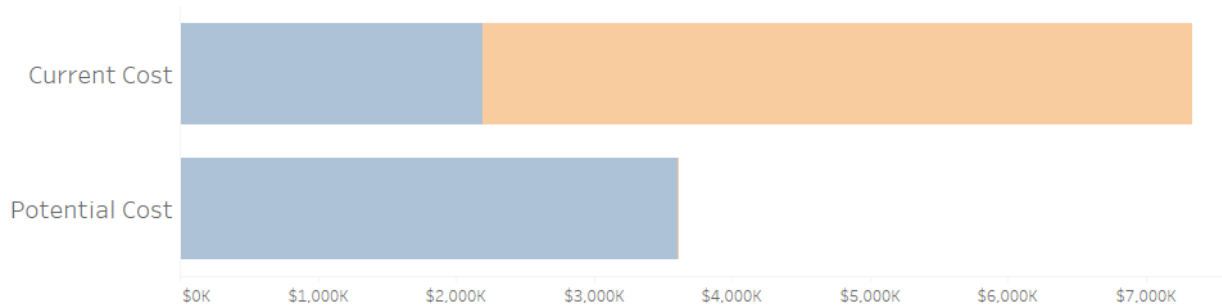
AgencyName

Lab Site of Service

This is how your utilization compares to the benchmark:



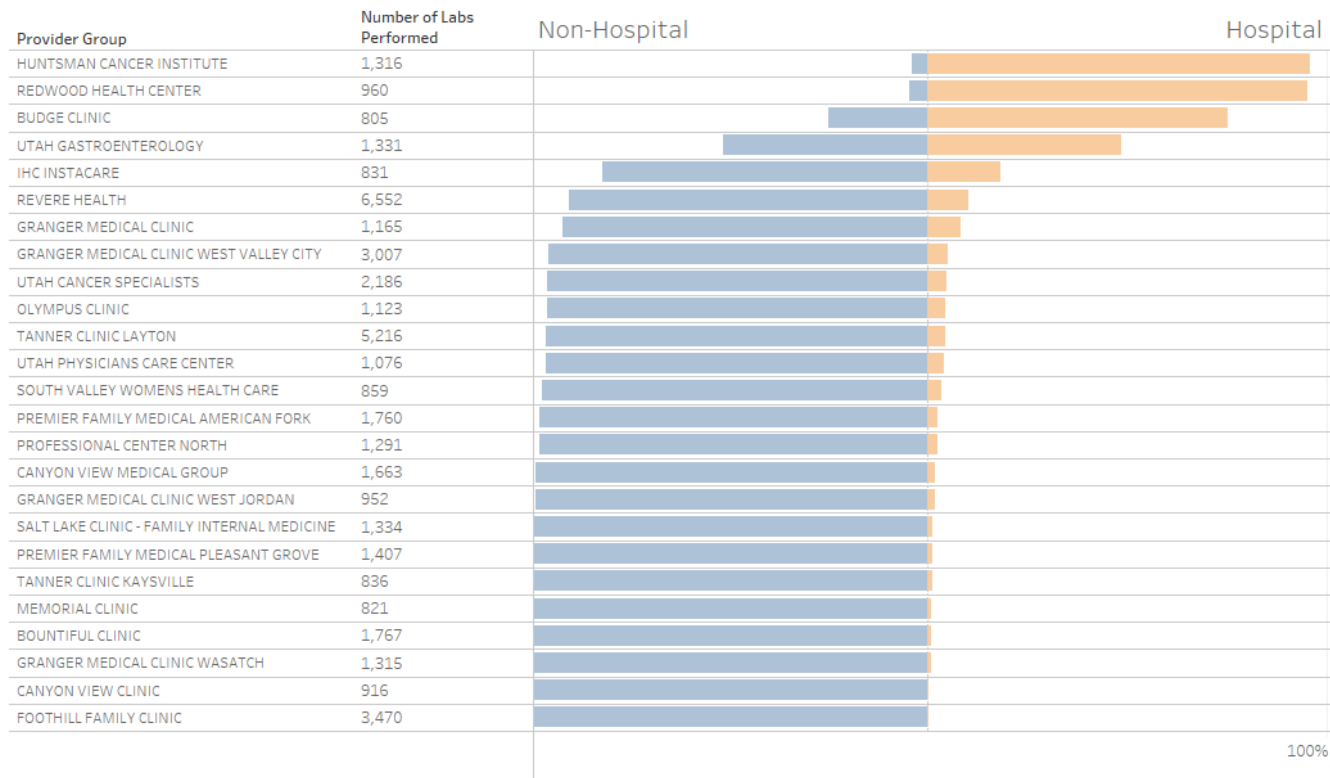
If all of the labs that could be done in an office setting were kept out of the hospital, the plan would save **\$3,727,323** annually, potentially helping with future renewals. See the educational material corresponding to this "Education Opportunity" for more information.



AgencyName

Lab Site of Service

Choosing providers who keep labs out of the hospital can put you closer to the benchmark:



AgencyName

Lab Site of Service

Ten most common labs that can be done in an office setting:

Procedure desc	Number of Labs	Number of Labs done in Hospital	Percent of Labs done in Hospital	Average Allowed: Non-Hospital	Average Allowed: Hospital	Potential Savings	Relation to Benchmark
Metabolic blood tests	25,850	13,438	52%	\$21	\$67		At
Detailed blood cell count	19,532	10,422	53%	\$12	\$41		At
Cholesterol testing	14,712	4,071	28%	\$26	\$58		Better
Urine analysis	13,731	5,526	40%	\$6	\$32		At
Comprehensive health testing	13,149	1,464	11%	\$22	\$185		Better
Blood sugar (glucose) test	11,054	2,513	23%	\$19	\$44		Better
Thyroid hormone test	10,055	3,947	39%	\$33	\$59		At
Pathology, exam of body tissue	9,528	4,855	51%	\$141	\$170		Worse
Urine test for bacteria	7,186	2,447	34%	\$22	\$51		At
Test prothrombin clotting time	4,615	2,437	53%	\$13	\$24		At

Employer ²⁰¹⁷ Basics

For PEHP Employers

A guide for helping you and
your employees understand
and navigate PEHP benefits



PEHP
Health & Benefits

PROUDLY SERVING UTAH PUBLIC EMPLOYEES

PEHP
Health & Benefits

Employer Portal Reports

- **Agency Reports**
 - Replace Executive Reporting
- **Enrollment Reports**
 - Full Eligibility Roster
 - Enrollment Change Reports
 - By Product Line
 - Active & Non-Active
 - HSA & Flex Change Reports
 - Output in Excel
 - Real Time

Enrollment Reports

Please note that report creation may take a minute or more for large organizations.

Report Name

- ☒ Eligibility
☐ Enrollment Change

Report Start Date

02/01/2017

Report End Date

02/08/2017

Products

Clear all

- ☒ Medical
☒ Dental
☒ Life
☒ Vision

Create Report

Coverages

Clear all

- ☒ Active members
☒ Members on Long Term Disability - Stipend Only

More to Come...

- Single Entry of Demographic Data for URS/PEHP
- Make Online, Real-Time Enrollment Changes
- Employer Message Center—Send/Receive/Attach
- Online Billing Discrepancy Updates

Mission-Driven not Profit-Driven

- **Ron Howard, “Ethics in the Real World”**
 - Who You Work For Matters
 - 36% of Americans Quit Job due to Ethics
- **Focus on Adding Value not Making Money**
 - Never a Conflict in Interests
 - Take Healthcare to the Next Level

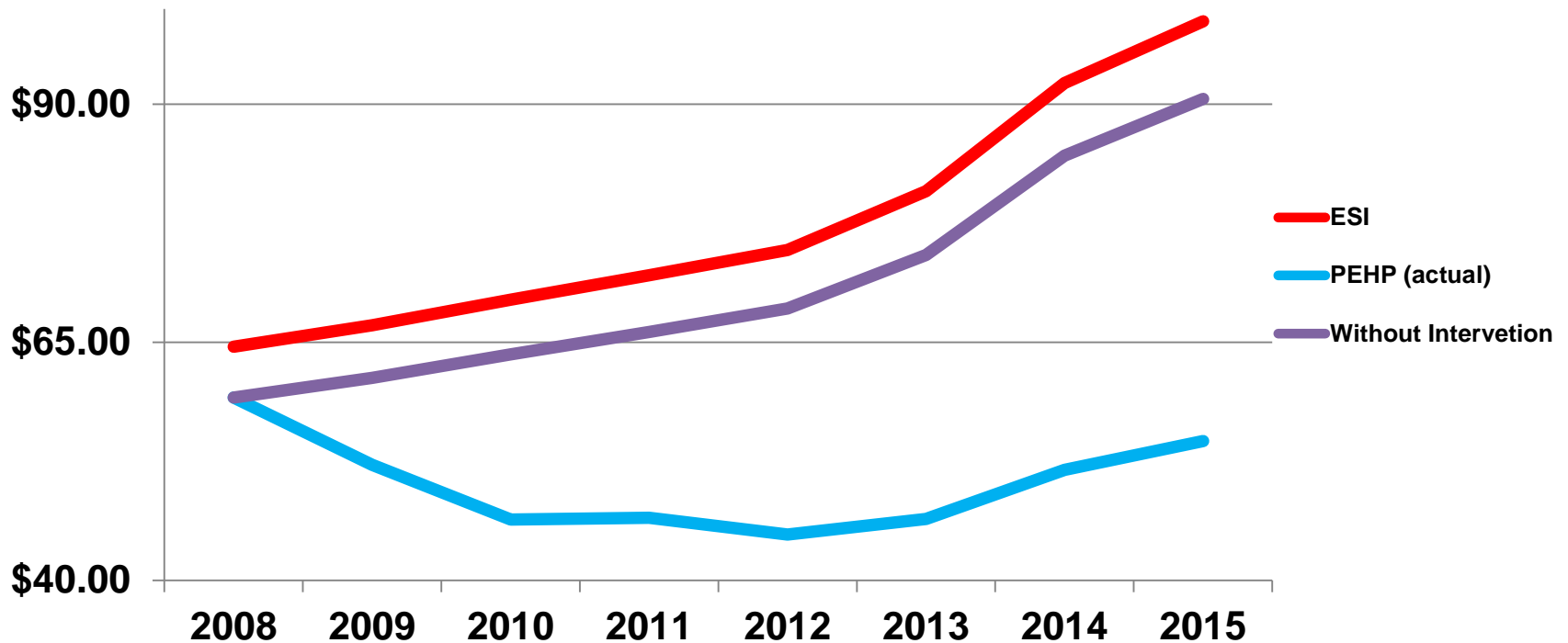
We Don't Just...

- Take calls, we solve problems with advocates
- Enroll people, we call and welcome them
- Give ranges on our cost tool, we provide real prices
- Tell you who is network, we give you:
 - member reviews,
 - comments on practice patterns
 - warnings to avoid surprises
 - ability to nominate a provider
 - and just starting

We Don't Just...

- Offer a wellness benefit, we offer interrelated, targeted, and increasingly comprehensive wellness program
- Care about health plan costs, we care about:
 - Reducing uncovered costs
 - Finding innovative solutions in RX and provider contracting
- Care about providing access to care, we help you find:
 - the right health care
 - at the right place
 - with the right provider

RX PMPM Cost



Final Takeaway

- **Together we can make a difference in:**
 - Serving your employees in every imaginable way
 - Supporting you completely
 - Keeping renewals reasonable
 - Helping the healthcare system work better for us all

THANK

YOU