

# DEPARTMENTAL MATTERS

## INDIAN RIVER COUNTY MEMORANDUM

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To: Jason Brown  
County Administrator

From: Suzanne Boyll *svb*  
Human Resources Director

Date: February 12, 2020

Subject: Health Plan and Employee Clinic Workshop

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### **Background**

Indian River County provides employee and retiree group health insurance through a partially self-insured plan. Health insurance is available to full-time employees (budgeted at 30 hours per week or more) and eligible retirees of the Board of County Commissioners and the respective Constitutional Officers (Sheriff, Property Appraiser, Tax Collector, Clerk of Courts, and the Supervisor of Elections) to include their eligible dependents. Medical and pharmacy claims and plan administration expenses are funded from contributions made by employer and employee/retiree contributions.

The health insurance plan is an essential part of the employee benefit package and important to recruitment and retention efforts. The County goal is to maintain a benefits package that is:

- ✓ Affordable
- ✓ Competitive
- ✓ Sustainable

**The current premiums and enrollment in the two plans offered through the employee health insurance program are:**

	Enrollment	Employee Premium	Employer Premium	Monthly Premium
Premier Gold Employee	516	\$110.00	\$700.00	\$810.00
Premier Gold Family	782	\$400.00	\$1,105.00	\$1,505.00

	Enrollment	Employee Monthly	Employer Monthly	Monthly Premium
Premier Silver Employee	212	\$15.00	\$700.00	\$715.00
Premier Silver Family	165	\$207.50	\$1,105.00	\$1,312.50

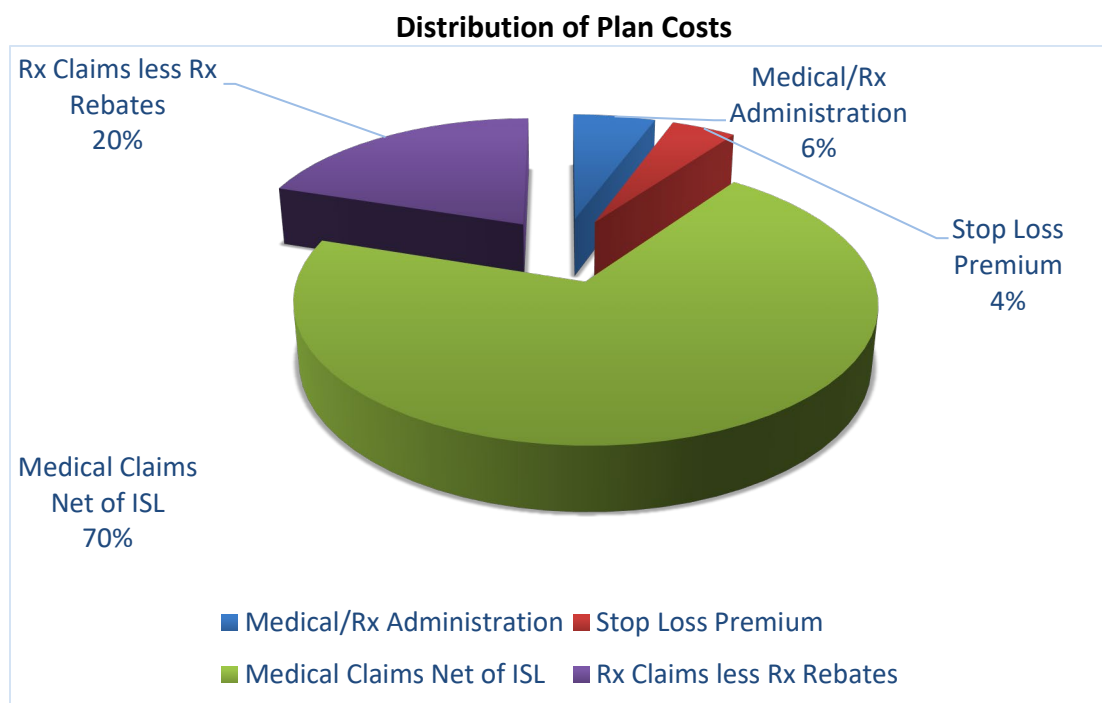
Recommendations for plan changes are evaluated and made with an emphasis on minimizing disruption to members and maintaining an affordable, competitive, and sustainable plan.

### Recent cost savings measures that have been implemented include:

- Carve out of pharmacy benefit from Prime Therapeutics (BCBS) to RX Benefits (Express Scripts). Improved RX pricing and rebates.
- Implementation of additional RX savings programs.
  - Manufacturer's coupon (SaveOn SP). \$293,743 net savings in 2020.
  - High Dollar Claims Review. \$127,552 cost avoidance in 2020.
  - Low Clinical Value drug exclusion. \$63,825 cost avoidance in 2020.
- Added the Silver Plan which is a lower premium health plan with higher deductibles, out of pocket maximums, and copays.
- Increased ER copays (waived for admission) to encourage non-emergent use in more appropriate setting (urgent care).
- Added Telemedicine benefit for low cost visits (\$10 In-Network General Medical Copay/\$20 In-Network Dermatology Copay).

### Other Options Explored

- In 2018, Lockton marketed the health plan's administrative services. Blue Cross Blue Shield of Florida was ranked #1 and was awarded the Administrative Services Only (ASO) agreement in May 2018.
- SurgeryPlus analysis of savings underway. SurgeryPlus is a supplemental benefit for non-emergent surgeries using Surgeons of Excellence Network and bundled pricing for procedures. Performance guarantee for savings. Member deductible and copays are waived. Nationwide access to network to serve all enrolled members.
- Marketing of pharmacy underway to explore other Pharmacy Benefits Manager (PBM) models and possible savings.



## Plan Financials

*Executive Summary: Calendar YTD through December  
Historical Costs*

<b>Plan Cost History YTD through December</b>			
		<b>January 2020 thru December 2020</b>	<b>January 2019 thru December 2019</b>
<b>Average Enrollment</b>		1,677	1,664
<b>Component of Cost</b>	<b>Total \$ Current</b>	<b>PEPM</b>	<b>PEPM</b>
Medical/Rx Administration	\$1,136,458	\$56	\$52
Stop Loss Premium	\$894,241	\$44	\$34
Medical Claims Net of ISL	\$14,180,794	\$705	\$704
Rx Claims less Rx Rebates	\$4,047,052	\$201	\$246
<b>Total</b>	<b>\$20,258,544</b>	<b>\$1,007</b>	<b>\$1,036</b>
Year-over-Year Trend		-2.8%	N/A

<b>Trend History YTD through December</b>		
		<b>January 2020 thru December 2020</b>
<b>Component of Cost</b>	<b>Total \$ Current</b>	<b>Trend</b>
Medical/Rx Administration	\$1,136,458	9.4%
Stop Loss Premium	\$894,241	30.7%
Medical Claims Net of ISL	\$14,180,794	0.1%
Rx Claims less Rx Rebates	\$4,047,052	-18.4%
<b>Total</b>	<b>\$20,258,544</b>	<b>-2.8%</b>

### Trend

For the period January 2020 through December 2020, the plan is trending -2.8%. Significant reduction in the pharmacy spend has been realized from the prior 12-month period.

### Primary Cost Drivers:

#### 1.9% of members account for 45% of plan spend

High-cost claimants are members who have claims in excess of \$50,000

### Utilization patterns:

Inpatient Admissions - 21% of total cost; (17% decrease from year prior)

Emergency Room - 6% of total costs (8% increase over year prior)

### The most costly conditions by spend:

Multiple Sclerosis, Ulcerative Colitis/Crohn's, Breast and Gynecological Cancers, End Stage Renal Disease

At the June 16, 2020 Board of County Commissioners meeting, the Board directed staff to bring back a proposal related to employee health clinics via a workshop. In preparation for this workshop, Human Resources staff surveyed other public employers as noted below:

Agency	Response	Clinic
Cocoa	Y	Y
IRC Schools	Y	Y
Martin County SO	Y	Y
Martin County BOCC	Y	Y
Plantation	Y	Y
Port St. Lucie	Y	Y
St. Lucie County BOCC	Y	Y
Stuart	Y	Y
Palm Bay	Y	Closed
Fellsmere	Y	N
Vero Beach	Y	N
Sebastian	Y	N
Brevard County BOCC	Y	N
Melbourne	Y	N
Brevard County Schools	Unable to respond	
Collier County BOCC	No Response	

Below is some general information noted from the survey responses. The actual responses are attached.

- 16 employers surveyed and 14 responses.
- 8 employers surveyed have clinics.
- 1 employer closed their clinic after determining it was not cost effective.
- Consultants were utilized to guide the clinic evaluation and vendor selection process.
- Start-up costs can vary.
- Annual recurring costs range from \$500K to \$2.7M (2 locations) and include general medical and limited pharmacy. Smaller city's clinic cost was approximately \$250K per year.
- Zero copay for employees to utilize the clinic and obtain certain medications. Employers with a clinic perceive it as a valuable benefit for employees.
- Clinic staffing models vary based on services provided, equipment, locations, and hours of operation.
- Marketing campaigns and incentives for using the clinic and encouraging wellness are typically utilized.
- Oversight of clinic, administration, wellness strategies, and billing reconciliation involve consultant and employer staffing in coordination with clinic vendor and providers.

At the workshop, the opportunity for additional review and discussion regarding an Employee Health Clinic will be provided.