

Annual Report

OKHEEI: ALL



Oklahoma Higher Education
Employee Insurance Group

May 5, 2016



Plan Performance	High Cost Claimants	Inpatient Facility	Diagnostic Categories
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| <ul style="list-style-type: none"> Enrollment decreased 10% in the current period. The average age also decreased from 40.8 to 40.4 years of age. The medical paid PMPM increased 9.1% in the current period In-network utilization was 98.7% in the current period The discount percentage for OKHEEI was 57.1% | <ul style="list-style-type: none"> HCC's are responsible for 32.0% of the total paid PMPM HCC paid dollars increased 38.7% in the current period The amount of Claimants with over \$300K in paid dollars doubled from the prior period. Neoplasms make up 29% of the total HCC paid Neoplasm paid HCC paid dollars increased 28.9% while claimants decreased 22.2% | <ul style="list-style-type: none"> Inpatient facility Paid per Admission increased 18.1% Total admissions decreased by 3.4% HCC paid increased 27.7% driving the overall IP Paid PMPM increase of 14.0% HCC accounted for 69.5% of the IP Paid PMPM Surgical is the top service type for IP, responsible for 56.1% of the IP Paid PMPM | <ul style="list-style-type: none"> Neoplasms is the top Diagnostic category with 78.9% of the PMPM coming from HCC's This has been the top category for 2 years Musculoskeletal has been trending upwards 3 years. Being driven by Non-HCC's with 76.3% of the current PMPM coming from Non-HCC's. The top 3 Diagnostic categories are all above the Higher Education Benchmark |
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What Opportunities does OKHEEI have?

OKHEEI is doing well with preventive testing. Keeping members educated and keeping the preventive visits high will assist in turning to a positive trend .

Usage of BDC+ facilities for Knee & Hip, Spinal, and Cardiac surgeries can provide some cost savings.

Continued Preventive screenings can help turn a positive trend on Neoplasms.

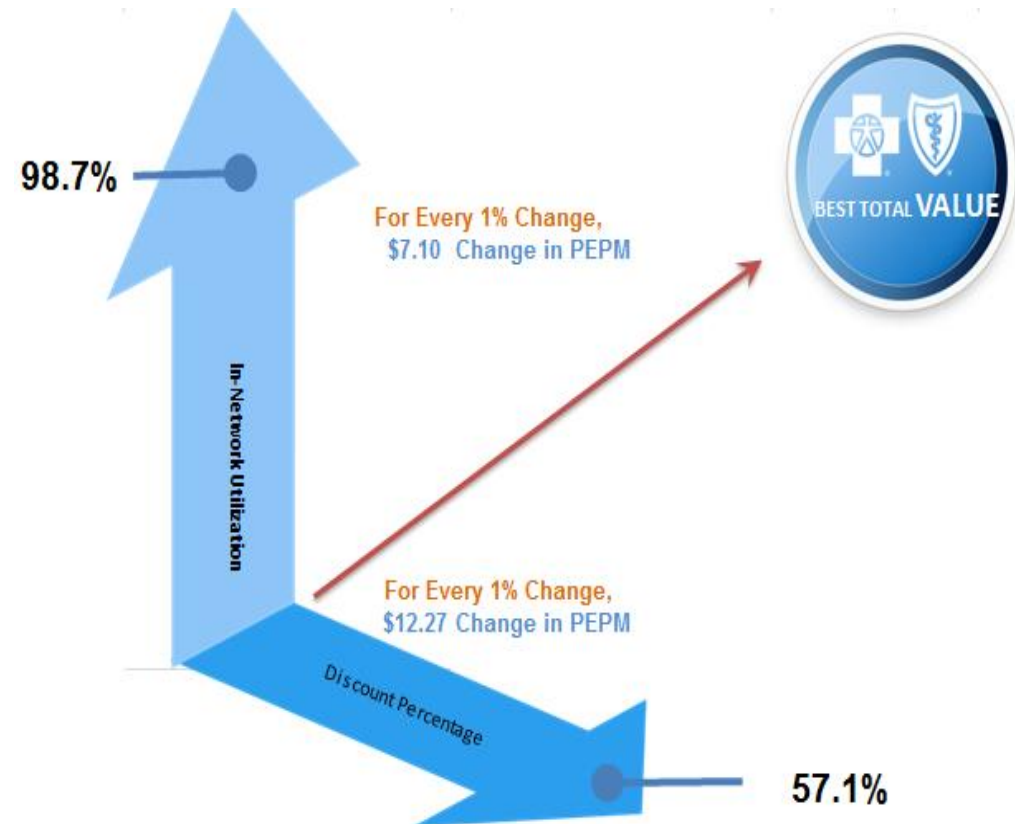
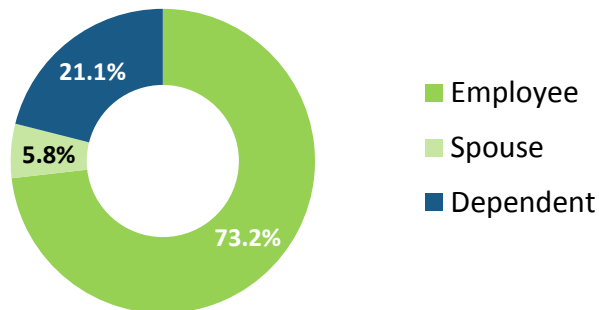
Data Parameters
Current Reporting Period: The current reporting period represents claims incurred from January 1, 2015 - December 31, 2015 and paid through February 29, 2016.
Prior Reporting Period: The prior reporting period represents claims incurred from January 1, 2014 - December 31, 2014 and paid through February 28, 2015.
 Benchmark data is based on BCBSOK's non-HMO book of business. The book of business includes all groups with greater than 500 subscribers.

Plan Performance: Enrollment and Value of the Network

Reporting Period	Jan 2015 - Dec 2015	OK Benchmark	Benchmark Variance	Higher Ed Benchmark	Benchmark Variance
Average Membership	7,087				
Employee	5,187				
Spouse	408				
Dependent	1,492				
Average Contract Size	1.4	1.9	-29.0%	1.8	-24.7%
Average Age	40.4	33.8	19.5%	39.3	3.0%
Employee	47.3	43.5	8.7%	49.1	-3.5%
Spouse	53.5	45.1	18.4%	51.3	4.3%
Dependent	12.9	12.1	6.5%	12.5	3.3%
Gender					
% of Males	44.4%	45.1%			
% of Females	55.6%	54.9%			
% of Females Ages 20-44	19.9%	20.4%			

Provider Contract Status	Service Category	Jan 2015 - Dec 2015			
		Covered	Discount	Discount %	Paid
Network Provider	Inpatient Facility	\$20,246,028	\$11,694,141	57.8%	\$8,057,137
	Outpatient Facility	\$29,842,006	\$18,456,368	61.8%	\$9,049,674
	Professional	\$23,677,208	\$11,985,780	50.6%	\$8,676,670
	Total	\$73,765,242	\$42,136,289	57.1%	\$25,783,480
Participating Provider	Inpatient Facility	-	-	-	-
	Outpatient Facility	\$929	\$251	27.0%	\$339
	Professional	\$40,566	\$28,454	70.1%	\$7,695
	Total	\$41,496	\$28,706	69.2%	\$8,034
Grand Total		\$73,806,738	\$42,164,994	57.1%	\$25,791,514

Enrollment by Relationship



		Feb 16 Selection				
		BLUE PLAN	RED PLAN	WHITE PLAN	TERMED MEMBERS	TOTAL
Dec 15 Selection	BLUE PLAN	544	47	76	35	701
	RED PLAN	310	3,744	2,102	215	6,371
	NEW MEMBERS	74	92	135		301
	TOTAL	928	3,883	2,313	250	7,373

55% enrolled in Red Plan

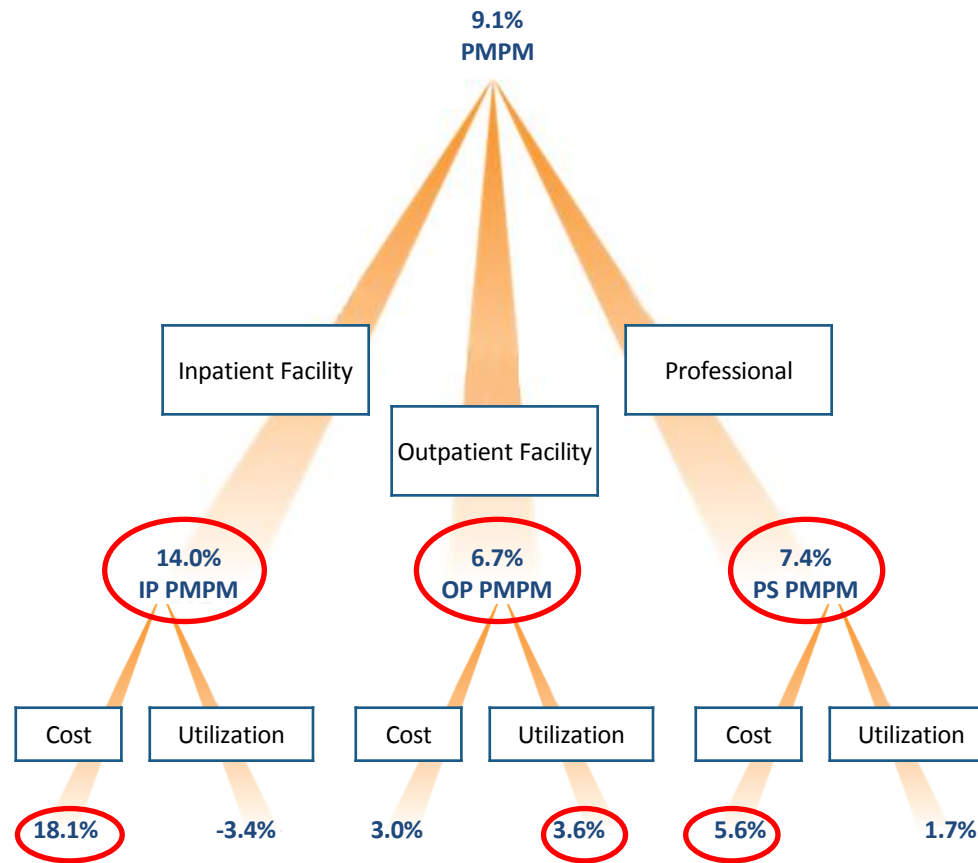
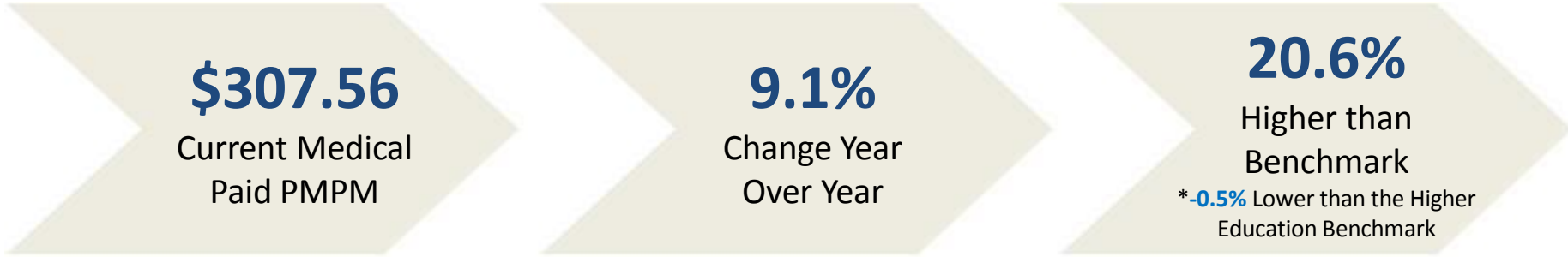
32% enrolled in White Plan

13% enrolled in Blue Plan

Column on left indicates members' prior selection (Dec '15); Row at top indicates current selection (Feb '16)

School	Single		Subscriber + Spouse		Subscriber + Dependent(s)		Family		All	
	Member	Subscriber	Member	Subscriber	Member	Subscriber	Member	Subscriber	Member	Subscriber
East Central University	385	385	50	25	146	56	34	9	615	475
Murray State College	130	130	18	9	68	21	17	5	233	165
Northeastern State University	781	781	82	41	276	106	98	25	1,237	953
Northern Oklahoma College	229	229	24	12	103	39	14	3	370	283
Northwestern Oklahoma State University	223	223	28	14	80	29	49	13	380	279
RUSO Board Staff	5	5					9	2	14	7
Redlands Community College	88	88	6	3	38	15	7	2	139	108
Rose State College	311	311	32	16	109	43	19	5	471	375
Seminole State College	103	103	10	5	56	22	7	2	176	132
Southeastern Oklahoma State University	341	341	46	23	145	54	60	16	592	434
Southwestern Oklahoma State University	422	422	64	32	246	88	93	22	825	564
University of Central Oklahoma	971	971	142	71	536	201	286	71	1,935	1,314
Western Oklahoma State College	74	74	4	2	58	23			136	99
Total: All	4,063	4,063	506	253	1,861	697	693	175	7,123	5,188

- Medical Enrollment only



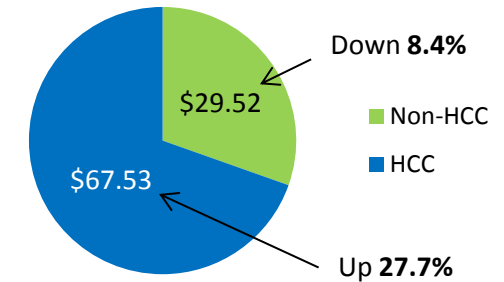
The above chart shows the % change from prior period to current period in paid PMPM, the % change in the amount paid per service (cost), and the % change in the number of services per 1,000 (utilization) by service category.

Key Indicators

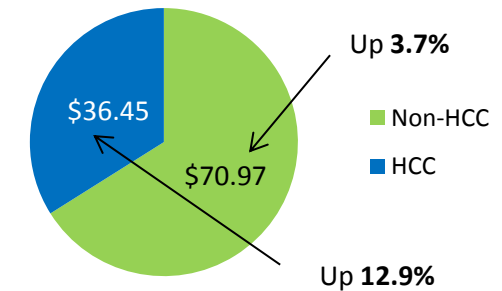
An increase in utilization and cost across all services categories, mostly driven by High Cost Claimants, is driving the overall medical paid PMPM up.

Service Category	Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Oklahoma Benchmark	Benchmark Variance	Higher Ed Benchmark	Benchmark Variance
Inpatient Facility	Paid PMPM	\$85.14	\$97.05	14.0%	\$75.84	28.0%	\$78.15	24.2%
	Paid PEPM	\$115.23	\$132.60	15.1%	\$145.85	-9.1%	\$140.55	-5.7%
	Allowed PMPM	\$94.68	\$102.25	8.0%	\$91.60	11.6%	\$175.76	41.8%
	Admissions/1,000	60.1	58.0	-3.4%	59.2	-2.1%	72.7	-20.1%
	Days/1,000	286.6	282.5	-1.4%	281.0	0.5%	439.6	-35.7%
	Average Length of Stay	4.8	4.9	2.1%	4.7	2.7%	6.0	-19.6%
	Paid/Admission	\$17,009	\$20,081	18.1%	\$15,365	30.7%	\$12,897	35.8%
	Paid/Day	\$3,565	\$4,123	15.7%	\$3,239	27.3%	\$2,133	93.3%
Outpatient Facility	Paid PMPM	\$100.70	\$107.42	6.7%	\$87.92	22.2%	\$106.26	1.1%
	Paid PEPM	\$136.30	\$146.76	7.7%	\$169.09	-13.2%	\$191.10	-23.2%
	Allowed PMPM	\$130.06	\$140.94	8.4%	\$132.44	6.4%	\$249.89	-43.6%
	Visits/1,000	1,822.6	1,887.5	3.6%	1,546.3	22.1%	1,974.1	-4.6%
	Paid/Visit	\$663	\$683	3.0%	\$682	0.1%	\$646	5.6%
Professional	Paid PMPM	\$95.97	\$103.09	7.4%	\$91.29	12.9%	\$124.63	-17.3%
	Paid PEPM	\$129.90	\$140.85	8.4%	\$175.57	-19.8%	\$224.14	-37.2%
	Allowed PMPM	\$136.09	\$140.45	3.2%	\$121.13	16.0%	\$154.02	-8.8%
	Services/1,000	18,634.8	18,949.0	1.7%	16,760.3	13.1%	23,818.7	-20.4%
	Paid/Service	\$62	\$65	5.6%	\$65	-0.1%	\$63	3.9%
Medical Summary	Paid PMPM	\$281.81	\$307.56	9.1%	\$255.06	20.6%	\$309.05	-0.5%
	Paid PEPM	\$381.43	\$420.21	10.2%	\$490.51	-14.3%	\$555.79	-24.4%
	Allowed PMPM	\$360.84	\$383.64	6.3%	\$345.17	11.1%	\$579.66	-33.8%
	In-Network Paid %	98.5%	98.6%		98.5%		98.5%	
	In-Network Services %	96.0%	96.9%		97.5%		96.6%	
	Plan Share %	79.3%	81.4%		81.0%		86.5%	

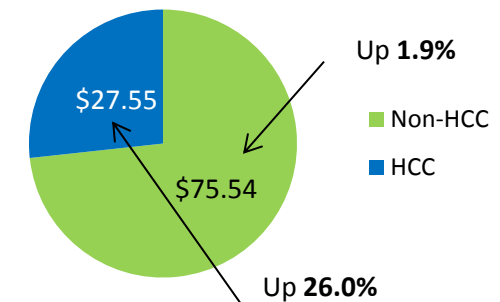
Inpatient Paid



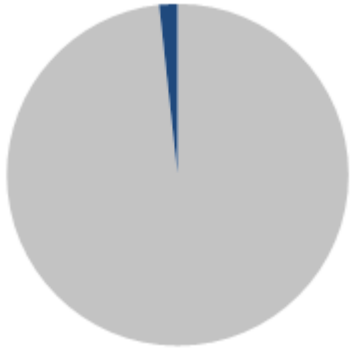
Outpatient Paid



Professional Paid

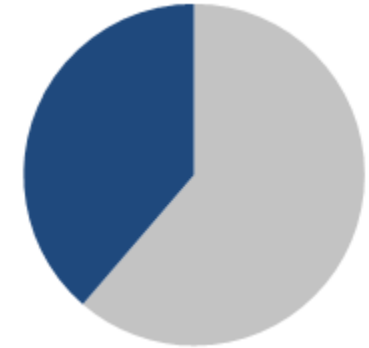


1.74%
Of Membership
1.14% Benchmark



	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
High Cost Claimants	116	123	6.0%		
% of Total Members	1.47%	1.74%		1.14%	
HCC Paid	\$12,194,374	\$14,482,682	18.8%		
% of Total Paid	33.6%	38.7%		32.7%	
Total Paid PMPM	\$383.63	\$440.38	14.8%	\$335.94	31.1%
Non-High cost	\$254.59	\$270.08	6.1%	\$226.02	19.5%
High Cost	\$129.04	\$170.30	32.0%	\$109.93	54.9%
HCC Paid/Claimant	\$105,124	\$117,745	12.0%	\$111,630	5.5%

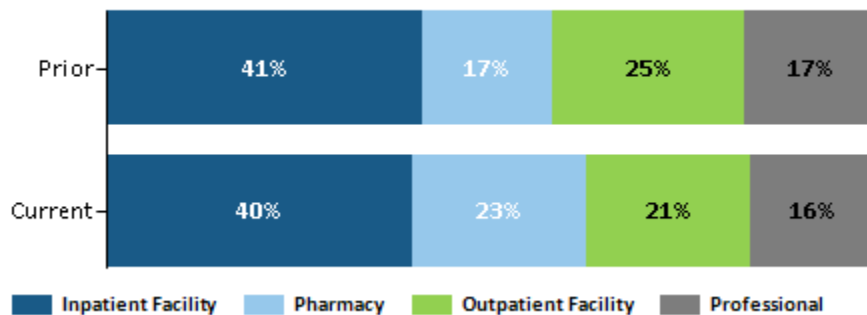
38.7%
of Total Paid
32.7% Benchmark



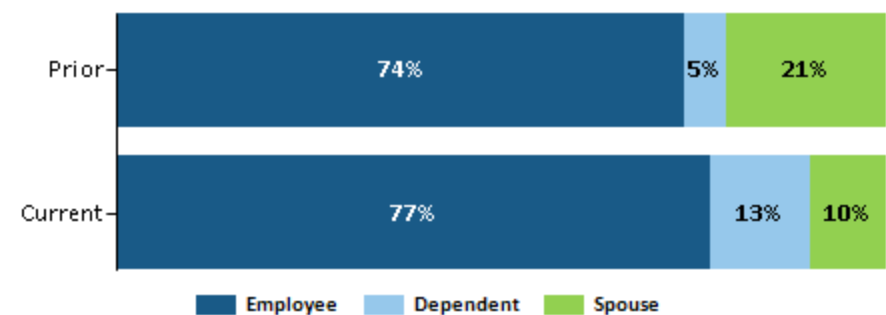
30.1%
Repeat HCCs
22.0% Benchmark

\$14.5 M
Total Paid
\$12.2 M in prior period

HCC Cost Distribution by Service Category



HCC Cost Distribution by Relationship



Benchmark data is based on BCBSOK Non-HMO book of business, all groups with greater than 500 subscribers

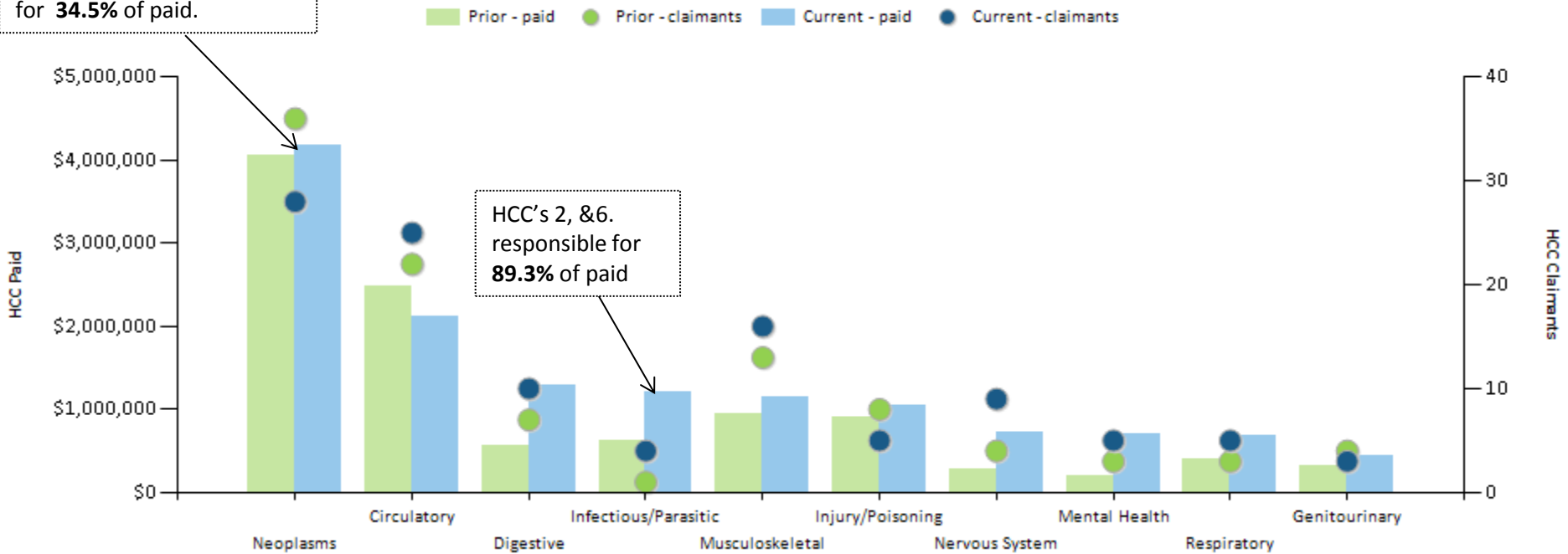
Claimant Distribution by Paid Band

Dollar Range	Jan 2014 - Dec 2014			Jan 2015 - Dec 2015			% Change	
	Claimants	Paid	Paid %	Claimants	Paid	Paid %	Claimants	Paid
\$0-\$49,999	8,047	\$24,059,035	66.4%	7,268	\$22,967,530	61.3%	-9.7%	-4.5%
\$50,000-\$99,999	82	\$5,385,786	14.9%	86	\$5,963,335	15.9%	4.9%	10.7%
\$100,000-\$299,999	29	\$4,440,847	12.3%	27	\$3,892,974	10.4%	-6.9%	-12.3%
\$300,000+	5	\$2,367,741	6.5%	10	\$4,626,372	12.4%	100.0%	95.4%
HCC Subtotal	116	\$12,194,374	33.6%	123	\$14,482,682	38.7%	6.0%	18.8%

- Twice as many \$300k+ claimants has nearly doubled the paid in this category.
- **90%** of the top 20 HCC's have IP stays, totaling over **3.3M** paid dollars.

HCC's 1, 7, & 10. These claimants are responsible for **34.5%** of paid.

Ten Most Costly HCC Diagnostic Categories

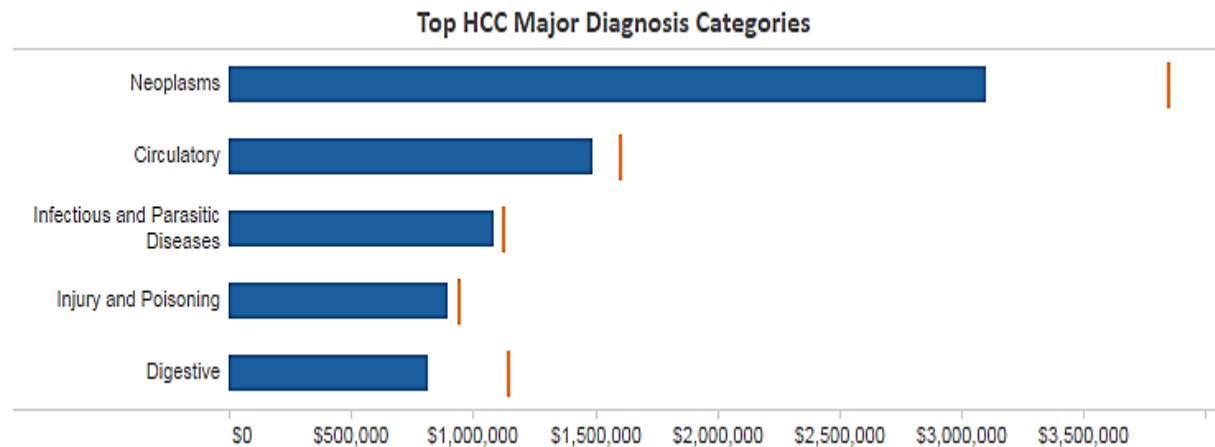


Rank	Age/Gender Band	Prior HCC	Currently Enrolled	Inpatient Paid	Outpatient Paid	Professional Paid	Pharmacy Paid	Total Paid
1	Male 60-64	\$155,105	No	\$464,228	\$250,233	\$41,369	\$35,246	\$791,076
2	Male 65+	NO	No	\$596,091	\$21,599	\$36,468	\$41,098	\$695,256
3	Male 60-64	\$130,105	No	\$397,887	\$169,513	\$44,963	\$19,267	\$631,630
4	Male 30-39	\$254,872	Yes	\$0	\$0	\$2,180	\$413,023	\$415,203
5	Male 20-29	\$210,156	Yes	\$61,519	\$3,306	\$10,348	\$312,710	\$387,883
6	Male 50-59	NO	No	\$329,853	\$10,590	\$27,222	\$7,780	\$375,445
7	Female <1-19	NO	Yes	\$241,714	\$90,594	\$9,384	\$675	\$342,367
8	Male 60-64	NO	Yes	\$158,984	\$94,393	\$80,619	\$4,948	\$338,944
9	Male 60-64	\$648,372	Yes	\$281,009	\$26,814	\$19,061	\$9,001	\$335,885
10	Female 60-64	NO	Yes	\$233,156	\$47,771	\$21,526	\$10,229	\$312,682

- 50% of the current HCC's were a HCC in the prior period
- 40% of the top 10 HCC's are no longer on the plan
- The top 10 HCC's include all members with over \$300K+ total paid.

Account Summary			
Current HCC Plan Spend	Est. Plan Spend	Est. 6 Month Growth	Bnmk Est. 6 Month Growth
\$10,361,864	\$12,494,864	21%	12%

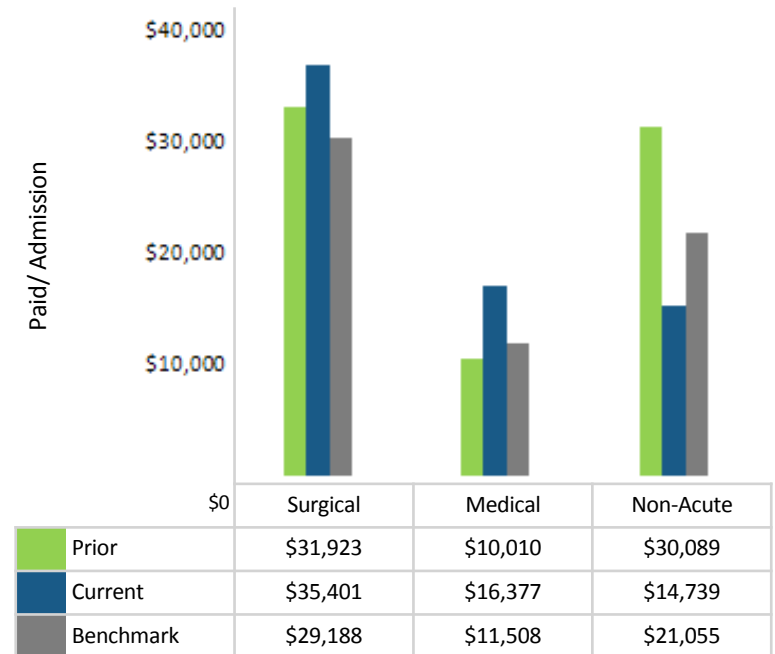
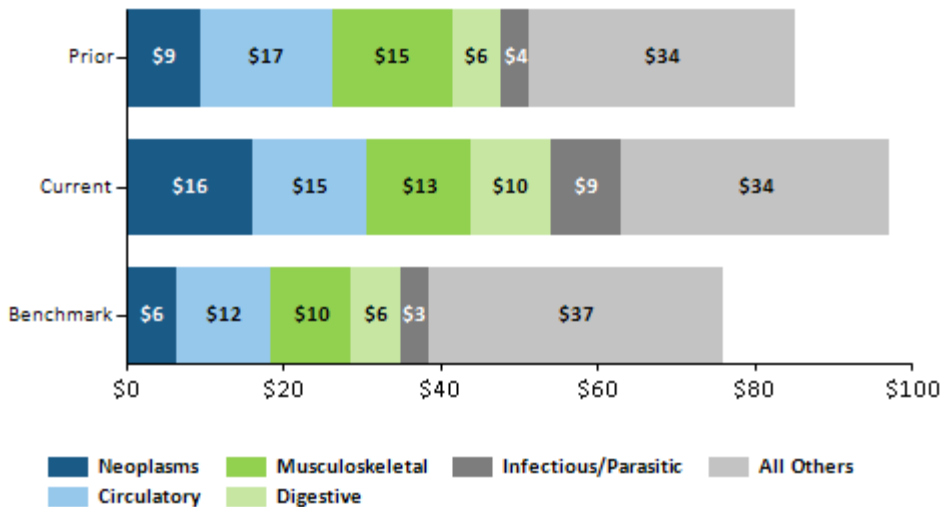
- Estimated growth through June 2016.
- Benchmark data based on OK accounts with 150+ subs
- Estimates are for medical paid ONLY



Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
Allowed	\$8,947,284	\$8,695,057	-2.8%		
Allowed PMPM	\$94.68	\$102.25	8.0%	\$91.60	11.6%
Paid	\$8,045,437	\$8,253,446	2.6%		
Paid PMPM	\$115.23	\$132.60	15.1%	\$145.85	-9.1%
Paid PMPM	\$85.14	\$97.05	14.0%	\$75.84	28.0%
Non-High Cost	\$32.24	\$29.52	-8.4%	\$30.72	-3.9%
High Cost	\$52.89	\$67.53	27.7%	\$45.12	49.7%
Admissions	473	411	-13.1%		
Admissions/1,000	60.1	58.0	-3.4%	59.2	-2.1%
Days/1,000	286.6	282.5	-1.4%	281.0	0.5%
Average Length of Stay	4.8	4.9	2.1%	4.7	2.7%
Paid/Admission	\$17,009	\$20,081	18.1%	\$15,365	30.7%
In-Network Paid %	99.3%	99.3%		98.6%	
In-Network Admissions %	97.9%	97.6%		98.0%	

- A **27.7%** increase in HCC PMPM is the cause of the **14%** overall IP Paid PMPM increase.
- HCC's are responsible for **69.6%** of IP Paid PMPM
- Surgical Paid per Admission increased **10.9%** in the current period and is **21.3%** above benchmark
- Medical Paid per Admission increased **63.6%** in the current period and is **42.3%** above benchmark

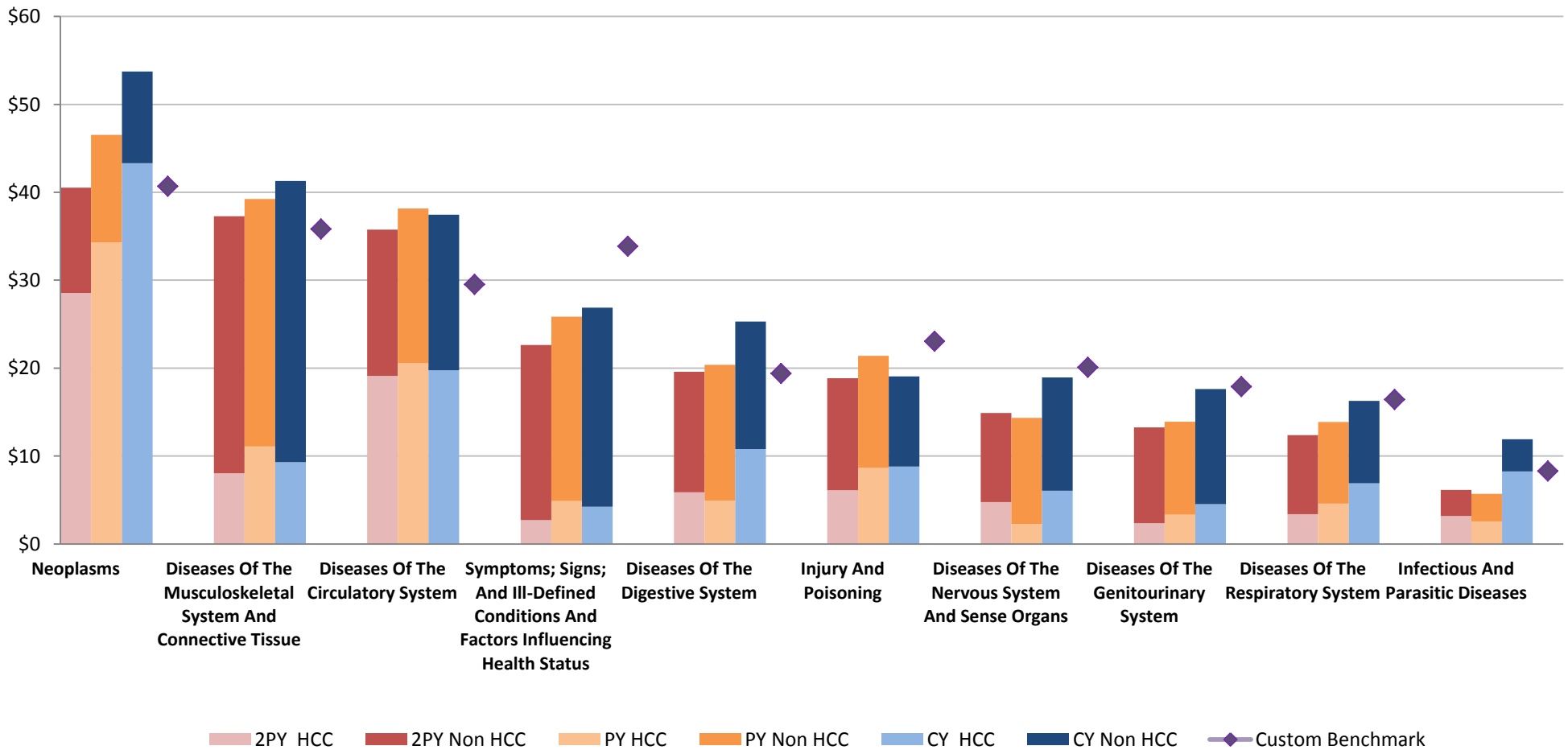
Inpatient Paid PMPM by Current Period Top Diagnostic Categories



- The top 5 diagnostic categories with the exception of Circulatory are all trending upwards this period.
 - With the exception of Symptoms/Ill-Defined the top 5 are all above the benchmark

- Neoplasms has been trending upwards the past 3 years.
 - 80.6%** is HCC spend and total PMPM is **30%** above the Benchmark
- Musculoskeletal has also been trending upwards the past 3 years
 - This is following a growing trend

Top 10 CCS Diagnostic Categories
 Three Years Paid PMPM with Higher Education Benchmark
 for High-Cost and Non-High-Cost Claimants



CATEGORY	CRITERIA	RECOMMENDED FREQUENCY OF TESTING	PRIOR 3 YRS CE	CURRENT 3 YRS CE	Oklahoma BoB BENCHMARK (3YRS CE)
Cervical Cancer Screening	Female, Age 21-64	Age 21-64: cervical cytology every 3 years Age 30-64: cervical cytology/HPV co-testing every 5 years	33.4%	31.9%	30.4%
Cholesterol Screening	Male Age 35+ Female Age 45+	Frequency of screening based on risk factor; every 5 years with repeated normal results.	47.8%	50.8%	44.9%
Colon Cancer Screening	Age 50-75	1) Annual fecal occult blood test - OR - 2) A flexible Sigmoidoscopy every 5 yrs - OR - 3) A colonoscopy every 10 yrs	17.6%	19.1%	16.2%
Mammogram Screening	Female, Age 50-74	Every 2 years	57%	55.3%	47.2%
Adult Preventive Exam (Visits/1000)	Age 18+	Annual Visit	278.0	329.0	239.0

- Preventive services create cost savings from early detection. Early detection means catching cancer at a less severe state and often allows for a more diverse selection of treatment options.
- All screenings, except Cervical and Mammogram, increased from the prior period.
- All screenings are above the Benchmark.
- Adult preventive and Mammogram are well above the Benchmark.
- Screening rates on this page are annual rates based on the HEDIS guidelines for each specific preventive screening test (3 years continuously enrolled).

BCBS has a 3.9% discount advantage compared to the best of the competition

How do BCBS network discounts compare to the competition?

When looking at OKHEEI claims paid from January 2015 to December 2015, BCBS has a \$4.0M advantage over the best of the competition, translating into \$63.70 PEPM.

	BCBS Network	Best Combo of Competitors
Allowed	\$43,991,000	\$49,942,000
Discount	57.1%	53.2%

BCBS Discount Comparison by Market

Market	Covered	BCBS Discount	Top Competitor Discount	Allowed Savings	BCBS PEPM Advantage
OK	\$96,899,000	54.5%	50.5%	\$3,828,000	\$63.62
TX	\$3,247,000	60.9%	57.3%	\$115,000	\$125.96
KS	\$168,000	44.6%	43.9%	\$1,000	\$3.73

How was this analysis done?

This analysis is based on claims and discount information provided by carriers to major consulting firms for the purpose of analyzing cost across the nation. BCBS participates in this national database and receives results by market. All competitor names are blinded for each market (except for BCBS).

Actual January 2015 to December 2015 paid claims for OKHEEI, were mapped against the BCBS discount estimates from the independent discount analysis, then mapped a second time against the best discounts for a non-BCBS carrier for each market.

BCBS Network Advantage



3.9%

discount advantage



\$3,951,000

allowed savings



8.6%

% increase in total savings



\$63.70

BCBS PEPM advantage

Appendix

Claims on paid basis

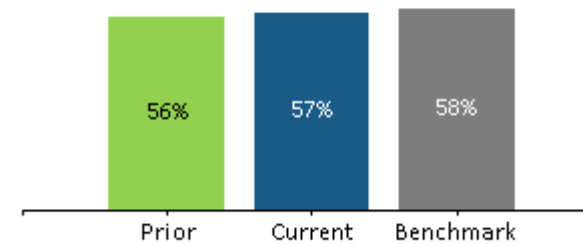
Financial Order of Reduction

	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change
Billed	\$89,810,260	\$88,350,069	-1.6%
Not Covered	\$10,362,053	\$10,205,892	-1.5%
Covered	\$79,448,208	\$78,144,178	-1.6%
Discount	\$44,389,906	\$44,593,427	0.5%
Allowed	\$35,058,301	\$33,550,751	-4.3%
Out of Pocket	\$7,026,101	\$6,066,474	-13.7%
COB	\$172,499	\$168,294	-2.4%
COB Medicare	\$773,009	\$769,543	-0.4%
Other Reductions	\$4,587	\$12,512	>100%
Other Adjustments	(\$71,131)	(\$63,165)	-11.2%
Paid - Provider	\$27,153,237	\$26,597,093	-2.0%
Other Payments	\$24,269	\$49,996	>100%
Total Paid	\$27,177,506	\$26,647,089	-2.0%
Allowed PMPM	\$370.98	\$394.52	6.3%
Paid PMPM	\$287.59	\$313.34	9.0%
Plan Share	79.5%	81.5%	2.5%

- The **total paid** amount **decreased by 2.0%** between reporting periods.
- Total in-network **discounts** (excluding Medicare) were **\$42,435,467 (57.0%)** for the current reporting period.
- The **in-network paid percentage** (excluding Medicare) was **98.8%** for the current reporting period.

Discount Percentage

(In-network, excluding Medicare)



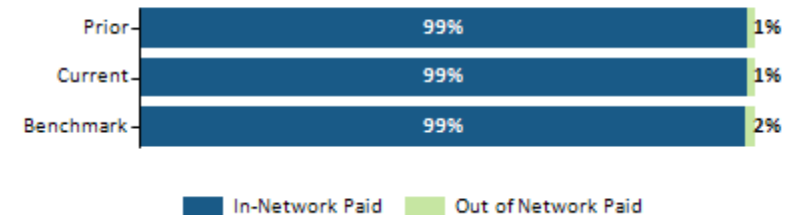
Network Overview Jan 2015 - Dec 2015

Medicare Primary

Indicator	Network Indicator	Covered	Discount	Discount %	Paid	% of Paid
No	In-Network	\$74,463,280	\$42,435,467	57.0%	\$26,135,849	98.66%
	Out of Network	\$1,688,167	\$1,058,381	62.7%	\$354,275	1.3%
Yes	In-Network	\$1,972,660	\$1,091,450		\$153,644	0.6%
	Out of Network	\$20,070	\$8,130		\$3,321	0.0%
Summary		\$78,144,178	\$44,593,427	57.1%*	\$26,647,089	100.0%

Network Paid Percentage

(excluding Medicare)



*Calculated discount percent excludes Medicare Primary.

Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
Average Membership	7,875	7,087	-10.0%		
Employee	5,818	5,187	-10.8%		
Spouse	474	408	-14.0%		
Dependent	1,583	1,492	-5.7%		
Average Contract Size	1.4	1.4	0.9%	1.9	-29.0%
Average Age	40.8	40.4	-0.9%	33.8	19.5%
Employee	47.3	47.3	0.0%	43.5	8.7%
Spouse	53.3	53.5	0.3%	45.1	18.4%
Dependent	13.0	12.9	-1.2%	12.1	6.5%
% Under 30	28.9%	29.4%		43.4%	
% 30 to 49	30.4%	30.9%		31.3%	
% 50 to 64	33.8%	32.7%		20.7%	
% 65+	4.4%	4.4%		3.7%	
Gender					
% of Males	45.0%	44.4%		51.6%	
% of Females	55.0%	55.6%		48.4%	
% of Females Ages 20-44	19.6%	19.9%		19.7%	

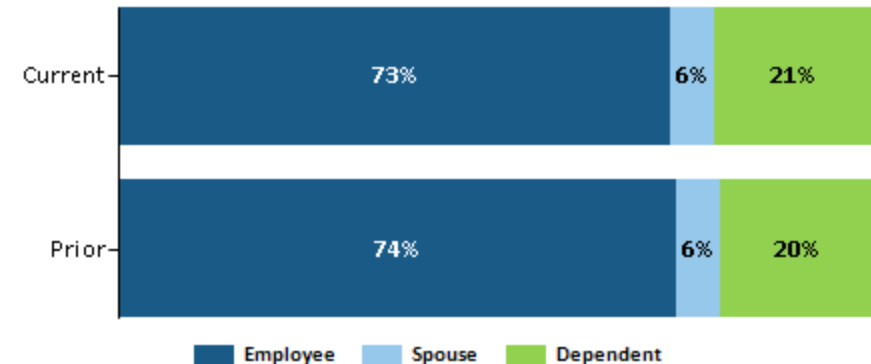
- Overall, membership **decreased by 10.0%** between reporting periods.

- The average age was 40.4 and **decreased by 0.9%** between reporting periods.

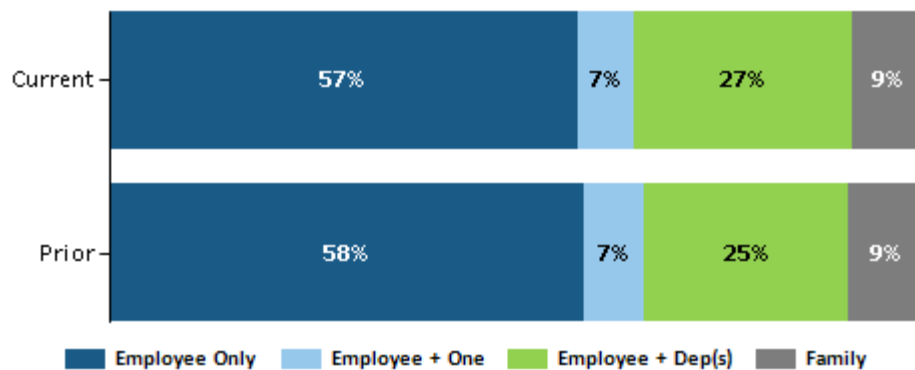
- Contract size **increased by 0.9%** between reporting periods.

- The percentage of females between ages 20 and 44 **increased from 19.6% to 19.9%** between reporting periods.

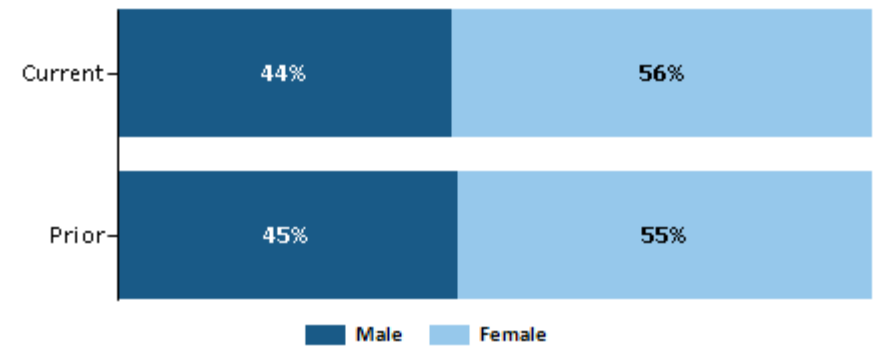
Enrollment by Relationship



Enrollment by Tier



Enrollment by Gender



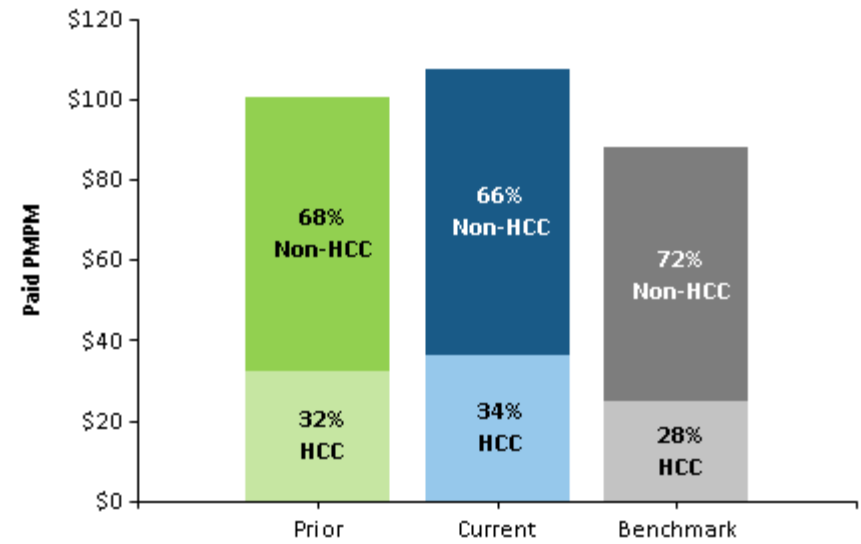
Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
Allowed	\$12,291,387	\$11,986,022	-2.5%		
Allowed PMPM	\$130.06	\$140.94	8.4%	\$132.44	6.4%
Paid	\$9,516,592	\$9,134,960	-4.0%		
Paid PMPM	\$100.70	\$107.42	6.7%	\$87.92	22.2%
Non-High Cost	\$68.41	\$70.97	3.7%	\$63.38	12.0%
High Cost	\$32.29	\$36.45	12.9%	\$24.54	48.5%
Visits	14,353	13,376	-6.8%		
Visits/1,000	1,822.6	1,887.5	3.6%	1,546.3	22.1%
Paid/Visit	\$663	\$683	3.0%	\$682	0.1%
In-Network Paid %	98.2%	98.6%		98.4%	
In-Network Visits %	94.9%	96.5%		96.6%	

- Outpatient paid PMPM **increased by 6.7%** between the two reporting periods and was **22.2% higher than** the benchmark.
- High Cost Claimants accounted for **33.9% of total outpatient spend** compared to **32.1%** from the previous reporting period.
- **Neoplasms** was the most costly diagnostic category for outpatient services in the current reporting period. It **decreased 0.9%** and was **82.1% higher than** the benchmark.

Outpatient Paid PMPM by Current Period Top Diagnostic Categories



Outpatient PMPM with HCC Impact



Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
Allowed	\$12,861,076	\$11,943,990	-7.1%		
Allowed PMPM	\$136.09	\$140.45	3.2%	\$121.13	16.0%
Paid	\$9,069,333	\$8,767,003	-3.3%		
Paid PMPM	\$95.97	\$103.09	7.4%	\$91.29	12.9%
Non-High Cost	\$74.10	\$75.54	1.9%	\$70.74	6.8%
High Cost	\$21.87	\$27.55	26.0%	\$20.56	34.0%
Visits/1,000	9,678.0	9,749.7	0.7%	8,396.7	16.1%
Services/1,000	18,634.8	18,949.0	1.7%	16,760.3	13.1%
Paid/Visit	\$119	\$127	6.6%	\$130	-2.7%
Paid/Service	\$62	\$65	5.6%	\$65	-0.1%
In-Network Paid %	98.2%	98.1%		98.3%	
In-Network Visits %	96.1%	96.9%		97.7%	

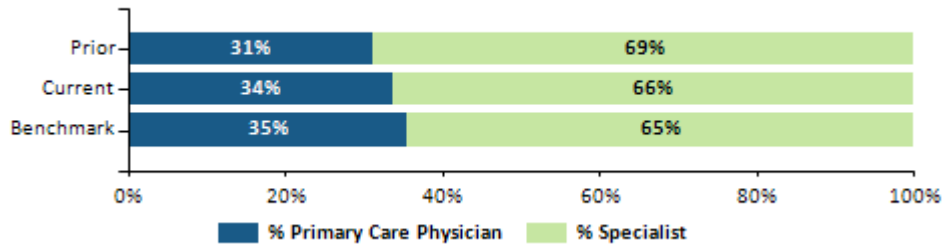
- Professional paid PMPM **increased by 7.4%** between the two reporting periods and was **12.9% higher than** the benchmark.

- High Cost Claimants accounted for **26.7% of total professional spend** compared to **22.8%** from the previous reporting period.

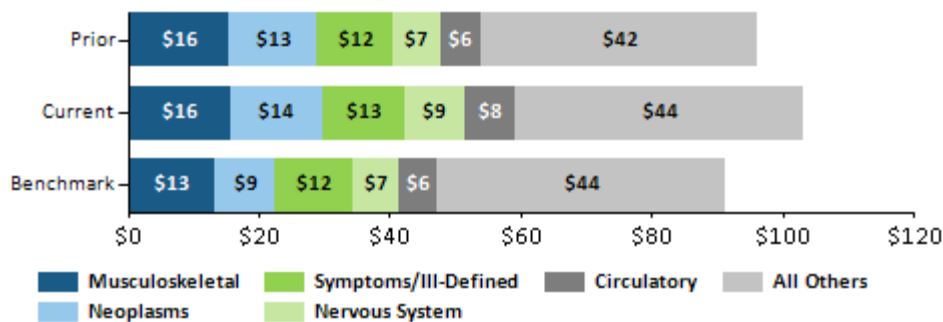
- Musculoskeletal** was the most costly diagnostic category for professional services in the current reporting period. It **increased 0.8%** and was **17.2% higher than** the benchmark.

- Primary Care Physicians accounted for **33.6% of the total professional visits** in the current reporting period.

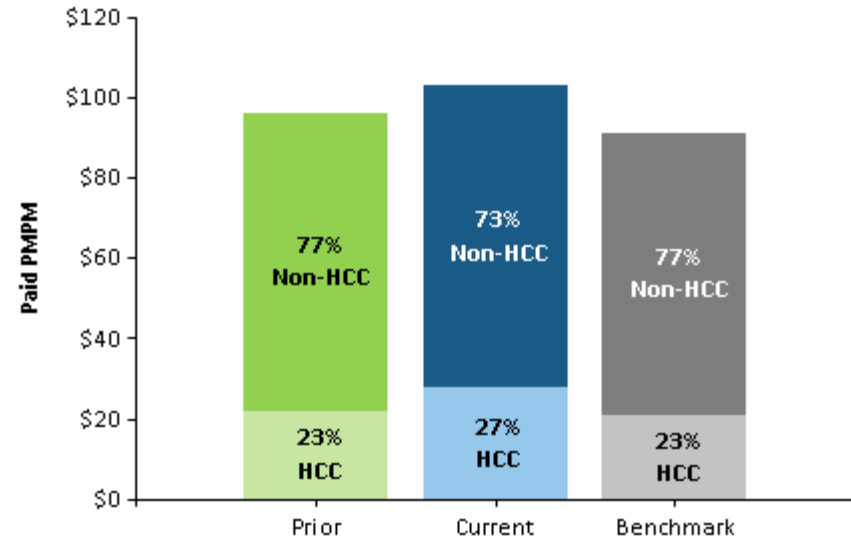
PCP vs Specialist % of Visits



Professional Paid PMPM by Current Period Top Diagnostic Categories



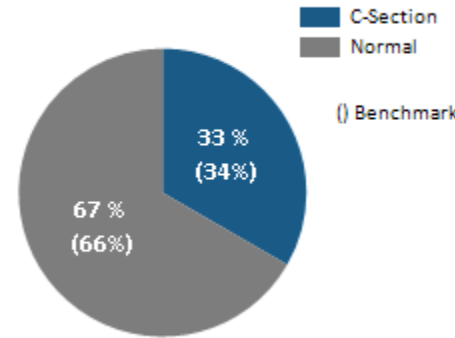
Professional PMPM with HCC Impact



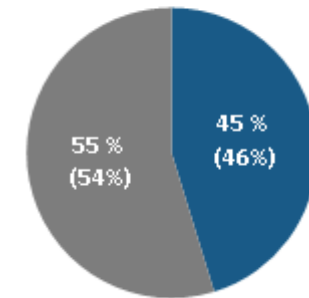
The C-Section rate was **33%** which is below the benchmark (34%) .

Reporting Period	Jan 2014 - Dec 2014	Jan 2015 - Dec 2015	% Change	Benchmark	Benchmark Variance
Paid	\$730,367	\$374,210	-48.8%		
Paid PMPM	\$7.73	\$4.40	-43.1%	\$5.22	-15.7%
Admissions	101	66	-34.7%		
C-Section Delivery	38	22	-42.1%		
Normal Delivery	63	44	-30.2%		
Admissions/1,000	12.8	9.3	-27.4%	11.1	-15.9%
Days/1,000	35.6	22.2	-37.7%	27.7	-20.0%
Average Length of Stay	2.8	2.4	-14.2%	2.5	-4.9%
C-Section Delivery	3.7	3.3	-11.8%	3.2	3.6%
Normal Delivery	2.2	1.9	-12.4%	2.2	-10.4%
Paid/Admission	\$7,231	\$5,670	-21.6%	\$5,660	0.2%
Average Mother Age	30.8	31.4	1.9%	29.1	8.0%

Percent of Deliveries by Type

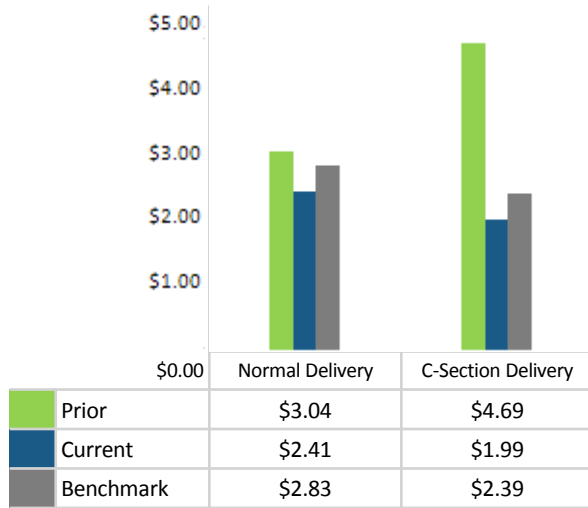


Percent of Delivery Costs by Type

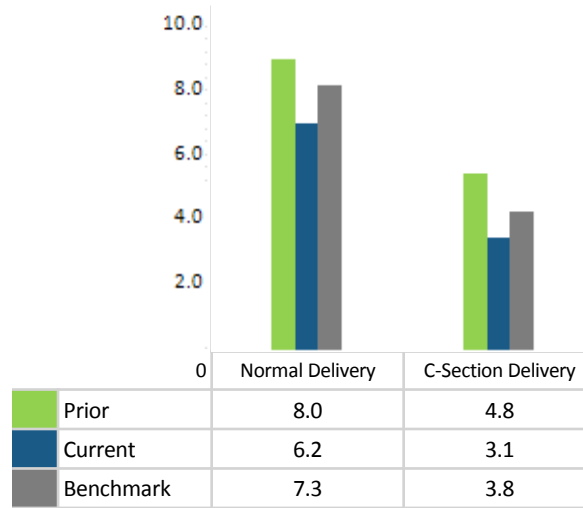


Normal Delivery and C-Section Overview:

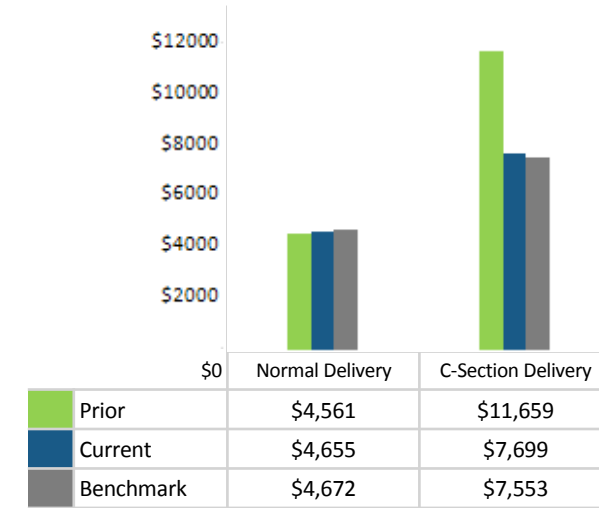
Paid PMPM



Admissions/1,000



Paid/Admission



Complications of Pregnancy, Childbirth and the Puerperium: Includes vaginal and cesarean deliveries and pregnancy complications (Hypertension, Hemorrhage, Early/Threatened Labor, Ectopic). Puerperium refers to 42 days following childbirth and expulsion of the placenta. Services are only related to the mother. This category now includes services formerly tied to the diagnostic category of Procreative and Contraceptive Management. This includes artificial insemination, fertility testing, genetic counseling, family planning, sterilizations and contraceptive management.

Conditions Originating in the Perinatal Period: Perinatal refers to the period beginning after the 28th week of gestation and ending 28 days after birth. Problems can include hemorrhage, digestive disorders, respiratory distress syndrome and disorders relating to short gestation and unspecified low birth weight. Claims previously found in the Liveborn Infants category can be found here as well. This includes V-codes for single and multiple births.

Congenital Anomalies: Includes the treatment of any condition present at birth. This includes Spina Bifida, cleft palate, Down's Syndrome, heart disease, kidney displacement & polycystic kidney disease.

Diseases of the Blood and Blood Forming Organs: Includes any problems associated with white or red blood cells, platelets or plasma. An example includes Anemia, a deficiency in red blood cells.

Diseases of the Circulatory System: Includes problems with the heart, blood vessels and circulation. Some common diagnoses include Coronary Artery Disease, Chronic Heart Failure, cardiovascular disease and stroke.

Diseases of the Digestive System: Includes the treatment of any organ or area of the body pertaining to digestion. These areas include the mouth/teeth, esophagus, stomach, intestines, gall bladder, liver and pancreas. Diagnoses include: Esophageal Reflux, Gastroenteritis, Appendicitis and hernias.

Diseases of the Genitourinary System: Includes problems related to the kidneys, bladder and male and female genitalia. Common diagnoses include Hematuria, Urinary Tract Infection, Acute or Chronic Renal Failure and Calculus of Kidney (stones). Dialysis treatments are found in this category.

Diseases of the Nervous System and Sense Organs: Includes treatment for disorders of the Central and Peripheral Nervous systems. Diagnoses include: Carpal Tunnel Syndrome, Obstructive Sleep Apnea, Epilepsy, Multiple Sclerosis, Alzheimer's Disease and Migraine headaches. This category also includes conditions involving the sense organs, including former diagnostic categories of Eyes and Ears and Mastoid. The mastoid process is the portion of the temporal bone extending down behind the ear. Diagnoses include Otitis Media, Tinnitus, Meniere's Disease, Hearing Loss and Labyrinthitis.

Diseases of the Respiratory System: Includes treatment for diagnoses such as Asthma, Pneumonia, Emphysema, Pharyngitis, Sinusitis, Bronchitis and COPD. These can be acute or chronic in nature.

Diseases of the Skin and Subcutaneous Tissue: This involves any condition relating to the skin or beneath the skin, including hair and nails. Some conditions include Acne, Corns, Cellulitis, Psoriasis, Dermatitis and fungal infections.

Endocrine, Nutritional & Metabolic Diseases and Immunity Disorders: Endocrine disorders include those of the endocrine glands and includes the thyroid, pituitary, pancreas, ovaries and testes. Disorders include Diabetes, thyroid disease, Obesity, Hyperlipidemia and any disease affecting the immune system.

Infectious and Parasitic Diseases: Includes diseases caused by microbes outside of the body that infect and cause damage within the body. These diseases are recognized as communicable or transmissible. Diagnoses include Hepatitis and Septicemia; includes vaccinations against disease.

Injury and Poisoning: Includes treatment for injuries to the body or for any poison ingested. Diagnoses include sprains & strains, fractures, burns and lead poisoning. Patients are most commonly seen in the ER for acute conditions. Complications from procedures and medical devices are also found here.

Mental Illness: Refers to a group of mental health disorders causing severe disturbances in thinking, feeling or relating. Includes treatment of any condition that affects mood or behavior. The most common diagnoses include anxiety disorders, depressive disorders and schizophrenia. Substance Abuse conditions are also found here and include behavior marked by the use of chemically active agents, such as prescription or illicit drugs, alcohol or tobacco. Cognitive, behavioral and physiological symptoms indicate that the person continues use of the substance.

Musculoskeletal and Connective Tissue Disease: Includes orthopedic treatment and involve anything related to the bones, muscles, joints and soft tissue. Diagnoses include: Arthritis, Tendonitis, back disorders, disc disorders, rheumatism and scoliosis. These diagnoses are usually chronic.

Neoplasms: Includes any abnormal growth of cells, either benign or malignant (cancer). Though these can be found at any spot of the body, some of the most common forms include neoplasms of the breast, lung, prostate, skin and colon. Other examples: Leukemia and Hodgkin's Disease. Diagnostic codes (V-codes) related to Chemotherapy, Immunotherapy and Radiation Therapy services are also found here. Personal or family history exams related to cancer conditions are also included here.

Signs, Symptoms, Ill-Defined Conditions and Factors Influencing Health Status (Signs & Symptoms): Includes signs, symptoms, abnormal lab results and ill-defined conditions for which no known cause can be found. For example, a patient may experience chest pain, but no known cause is found. Most common 3-digit diagnosis for emergency room visits. Factors Influencing Health Status includes monitoring of medications, post-surgical states, organ / tissue transplants, artificial limbs and replacements. Examples include knee replacements and organ transplant statuses. This category also contains items under the former category of Without Reported Diagnosis and includes general medical examinations, gynecological exams, mammogram screenings, preventive services, physicals and special screenings for neoplasms. This diagnostic category is often where preventive screening exams are bucketed. Conditions under the former category of Health Services: Reproduction and Development are also found here. These include services pertaining to the child only. For example, normal pregnancy, post-partum care and exam or health supervision of an infant or child.