



July 07, 2016

PARTNERSHIP FOR HEALTH AND WELFARE BENEFITS MANAGEMENT

OKHEEI RENEWAL MEETING

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Agenda

Section 1 – Medical & Pharmacy Cost Summary & Planning Options

- BCBSOK Fully Insured Renewal
- BCBSOK Self Insured Option
- HST Referenced Base Pricing Option

Section 2 – Dental Plan RFP Results & Planning

Section 3 – Retiree Plan Renewals

- UHC
- Healthsmart

Section 4 – Self Funding Sample Implementation Timeline

Section 5 – Renewal Timeline

Section 6 – Appendix

- Self Funding Value Added Services
- Self Funding Monthly Accommodation
- Self Funding Q&A
- Self Funding ACA Reporting Requirements

Section 7 – Confidentiality Statement and Disclosure



Medical & Pharmacy Cost Summary

Medical RFP Vendor Market List

Carrier	Status
BCBSOK	Incumbent - Quote Received
HST Referenced Base Pricing	Quote Received
Healthcare Highways	Uncompetitive
Aetna	Declined to Quote - Uncompetitive

Medical HST Reference Based Pricing Disruption Analysis

PHCS Physician Only Network Disruption Analysis

Total Records:	6,487
Total Records Analyzed:	6,130
# in the PHCS Network:	3,302
% in the PHCS Network:	54%

HealthSmart Primary PPO Physician Only Network Disruption Analysis

Total Records:	6,487
Total Records Analyzed:	6,208
# in the Healthsmart Primary PPO Network:	3,520
% in the Healthsmart Primary PPO Network:	57%

Medical & Contribution Planning

Medical*	Estimated Impact to Current Premium	% Increase to Current	Funding Basis	Notes	Comments
BCBSOK Negotiated Renewal	\$7,706,169	18.9%	Fully Insured	No Employee Disruption	Renew with current benefits Plan Design - Slides 8 & 9 Rates - Slide 10
1 BCBSOK Plan Change Rate Pass Option	\$774,685	1.9%	Fully Insured	Possible Employee Disruption	High Impact, keep premium close to current Plan Design & Rates - Slides 11 & 12
2 BCBSOK Plan Change 8% Increase Option	\$3,261,824	8.0%	Fully Insured	Possible Employee Disruption	High Impact, keep premium to 8% increase Plan Design & Rates - Slides 13 & 14
3 BCBSOK Self Funding with BCBSOK Stop Loss	\$5,318,500	13.0%	Self Funded	No Employee Disruption	BCBSOK Stop Loss @ Expected Claims, using \$320,000 specific stop loss Cost Summary - Slide 15 Rates - Slide 16
4 BCBSOK Self Funding with Swiss Re Stop Loss	\$3,534,488	8.7%	Self Funded	No Employee Disruption	Swiss Re Stop Loss @ Expected Claims using \$320,000 specific stop loss Aggregate Corridor lowered from 125% to 120% Cost Summary - Slide 17 Rates - Slide 18
5 BCBSOK Self Funding with SunLife Stop Loss	\$2,690,706	6.6%	Self Funded	No Employee Disruption	SunLife Stop Loss @ Expected Claims using \$320,000 specific stop loss Aggregate Corridor 120% Monthly Accomodation - Slide 43 Cost Summary - Slide 19 Rates - Slide 20
6 HST Hospital Reference Based Pricing Model	(\$5,771,575)	-14.2%	Self Funded	Possible Employee Disruption	140% Reference Based Pricing; includes savings from carving out Rx to CVS/Caremark Cost Summary - Slide 21 Rates - Slide 22
7 HST Hospital Reference Based Pricing Model	(\$1,082,949)	-2.7%	Self Funded	Possible Employee Disruption	200% Reference Based Pricing; includes savings from carving out Rx to CVS/Caremark Cost Summary - Slide 23 Rates - Slide 24

Pharmacy Planning

Rx	Savings Opportunity	% Savings to Renewal	Funding Basis	Notes	Comments
1	Proton Pump Inhibitor (\$442,000)	-0.9%	Fully Insured	Possible Employee Disruption	Exclude both generic and brand as PPI's are available over the counter at low cost. Estimated savings of 3.4% to drug cost or 0.9% overall cost
2	Member pay the difference - DAW2 (\$231,444)	-0.5%	Fully Insured	Possible Employee Disruption	This is where members would pay the difference in cost between brand and generic if generic is available if they request a brand. Claims Impacted 561 Impacted Members 143
3	Member pay the difference - DAW1&2 (\$340,332)	-0.7%	Fully Insured	Possible Employee Disruption	This is where members would pay the difference in cost between brand and generic if generic is available.
4	6 Tier Plan - Coinsurance Design (\$543,401)	-1.1%	Fully Insured	Possible Employee Disruption	6 tier (preferred generic, non-preferred generic, preferred brand, non-preferred brand, preferred specialty, non-preferred specialty)
5	Carve Out Pharmacy (\$1,170,000)	-2.4%	Self Funded	Possible Employee Disruption	Carving out Pharmacy Benefits . Estimated -9.0% to drug claims. Savings are included in the Swiss Re and HST offering above

Medical Plan Summary - Current

Fully Insured – Plan Design & Rates (pg 1 of 2)

General Plan Information	BCBSOK							
	Red Plan - Blue Choice PPO		White Plan				Blue Plan	
	In-Network	Out of Network	Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Calendar Year Deductible	\$1,000/Ind; \$3,000/Family	\$1,000/Ind; \$3,000/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$1,250/Ind; \$3,750/Family	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge	\$500/Ind; \$1,000/Family - After first \$500 of medical charges per Ind, which is covered at no charge
Calendar Year Max Out-Of-Pocket	\$3,300/Ind; \$9,900/Family	\$3,800/Ind; \$11,400/Family	\$3,500/Ind; \$10,500/Family	\$4,000/Ind; \$12,000/Family	\$4,500/Ind; \$13,500/Family	\$6,500/Ind; \$13,000/Family	\$5,500/Ind; \$11,000/Family	\$5,500/Ind; \$11,000/Family
Co-Insurance	Plan Pays 80% after CYD	50% Co-insurance after CYD	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit	\$25 copay	50% Co-insurance after CYD	\$25 copay	\$35 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Specialist Office Visit	\$40 copay	50% Co-insurance after CYD	\$40 copay	\$50 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD
Routine Health Exams	No Charge	Plan Pays 70% after CYD	No Charge	No Charge	No Charge	Plan Pays 70% after CYD	No Charge	Plan Pays 70% after CYD
Childhood Immunizations	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Routine Mammograms	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Allergy Treatment/Testing	Plan Pays 80% after CYD (60 Tests ever 24 mo)	50% after CYD (60 Tests ever 24 mo)	Plan Pays 80% after CYD (60 Tests ever 24 mo)	Plan Pays 70% after CYD (60 Tests ever 24	Plan Pays 60% after CYD (60 Tests ever 24 mo)	50% after CYD (60 Tests ever 24 mo)	50% after CYD (60 Tests ever 24 mo)	
Emergency Room	\$100 copay; then 80% after CYD (copay waived if admitted)		\$150 copay; then 80% after CYD (copay waived if admitted)				50% Co-insurance after CYD	
Other Covered Services								
Combined Therapy	Plan Pays 80% after CYD (60 Each per CY)	50% after CYD (60 Each per CY)	Plan Pays 80% after CYD (60 Each per CY)	Plan Pays 70% after CYD (60 Total per CY)	Plan Pays 60% after CYD (60 Total per CY)	50% after CYD (60 Each per CY)	50% after CYD (60 Each per CY)	
Private Duty Nursing	Plan Pays 80% after CYD (100 visits per CY)	50% after CYD (100 days per CY)	Plan Pays 80% after CYD (100 visits per CY)	Plan Pays 70% after CYD (100 visits per CY)	Plan Pays 60% after CYD (100 visits per CY)	50% after CYD (100 days per CY)	50% after CYD (100 days per CY)	
Home Health Care	Plan Pays 80% after CYD (100 visits per CY)	50% after CYD (100 visits per CY)	Plan Pays 80% after CYD (100 visits per CY)	Plan Pays 70% after CYD (100 visits per CY)	Plan Pays 60% after CYD (100 visits per CY)	50% after CYD (100 visits per CY)	50% after CYD (100 visits per CY)	
Hospice*	Plan Pays 80% after CYD	50% Co-insurance after CYD	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	
Hearing Screening	Plan Pays 80% after CYD (One per CY)	50% after CYD (One per CY)	Plan Pays 80% after CYD (One per CY)	Plan Pays 70% after CYD (One per CY)	Plan Pays 60% after CYD (One per CY)	50% after CYD (One per CY)	50% after CYD (One per CY)	
Health Assessment Deductible Credit	\$250 Deductible Credit							

Medical Plan Summary - Current

Fully Insured – Plan Design & Rates (pg 2 of 2)

				BCBSOK							
				Red Plan - Blue Choice PPO		White Plan			Blue Plan		
General Plan Information				In-Network	Out of Network	Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Pharmacy											
RUSO: Generic & Preferred - <\$100				Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Generic & Preferred - >\$100				Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Non-Preferred - <\$100				Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost
RUSO: Non-Preferred - >\$100				Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost
Rx Quantity Limits				120 day / 300 quantity							
RX PPI				Included							
				Red Plan - Blue Choice		White Plan			Blue Plan		
	Red	White	Blue								
Employee Only	2449	1332	285	\$585.70		\$520.60			\$448.10		
Employee & Spouse	144	80	30	\$1,200.80		\$1,067.40			\$918.50		
Employee & Child	187	136	43	\$820.10		\$729.00			\$627.20		
Employee & Children	145	107	75	\$1,054.40		\$937.30			\$806.40		
Employee & Family	70	47	60	\$1,669.40		\$1,484.00			\$1,276.90		

Total enrollment 5190

Medical Plan Summary – Renewal (↑18.9%)

Fully Insured – Current Plan Design & Renewal Rates

BCBSOK		
Red Plan - Blue Choice	White Plan	Blue Plan
\$696.40	\$618.99	\$532.79
\$1,427.75	\$1,269.14	\$1,092.10
\$975.10	\$866.78	\$745.74
\$1,253.68	\$1,114.45	\$958.81
\$1,984.92	\$1,764.48	\$1,518.23

Medical Plan Scenario – Option 1 (↑ 1.9%)

Fully Insured – Premium Pass Plan Design (pg 1 of 2)

General Plan Information	BCBSOK					
	\$2000 - BlueOptions PPO				\$750 - BluePreferred	
	Blue Preferred PPO In-Network	Blue Choice PPO In-Network	Blue Traditional PPO In-Network	Out of Network	BluePreferred	Out of Network
Calendar Year Deductible	\$2,000/Ind; \$6,000/Family	\$2,500/Ind; \$7,500/Family	\$3,000/Ind; \$9,000/Family	\$3,500/Ind; \$10,500/Family	\$750/Ind; \$1,500/Family	\$1,750/Ind; \$3,500/Family
Calendar Year Max Out-Of-Pocket	\$4,000/Ind; \$12,000/Family	\$5,000/Ind; \$15,000/Family	\$6,000/Ind; \$18,000/Family	\$10,500/Ind; \$28,500/Family	\$5,500/Ind; \$11,000/Family	\$7,000/Ind; \$14,000/Family
Co-Insurance	80% Co-insurance after CYD	70% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD	60% Co-insurance after CYD	50% Co-insurance after CYD
Primary Care Office Visit	\$25 copay	\$25 copay	\$25 copay	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Specialist Office Visit	\$50 copay	\$50 copay	\$50 copay	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Routine Health Exams	No Charge	No Charge	No Charge	Plan Pays 50% after CYD	No Charge	Plan Pays 50% after CYD
Childhood Immunizations	No Charge	No Charge	No Charge	Covered up to the allowed amount	No Charge	Covered up to the allowed amount
Routine Mammograms	No Charge	No Charge	No Charge	Covered up to the allowed amount	No Charge	Covered up to the allowed amount
Allergy Treatment/Testing	\$30 copay	\$30 copay	\$30 copay	Plan Pays 70% after CYD	Plan Pays 85% after CYD	Plan Pays 60% after CYD
Emergency Room	\$200 copay; Plan pays 80% after CYD	\$200 copay; Plan pays 80% after CYD	\$200 copay; Plan pays 80% after CYD	Plan Pays 50% after CYD	Plan Pays 60% after CYD	Plan Pays 50% after CYD
Other Covered Services						
Combined Therapy	\$25 copay (25 max combined therapies per CY)	\$35 copay (60 max combined therapies per CY)	\$35 copay (60 max combined therapies per CY)	Plan Pays 70% after CYD (60 max combined therapies per CY)	Plan Pays 60% after CYD (25 max combined therapies per CY)	Plan Pays 60% after CYD (60 max combined therapies per CY)
Private Duty Nursing	Plan pays 80% after CYD (85 days per CY)	Plan pays 80% after CYD (90 days per CY)	Plan pays 80% after CYD (90 days per CY)	Plan pays 70% after CYD (90 days per CY)	Plan pays 60% after CYD (85 days per CY)	Plan pays 60% after CYD (90 days per CY)
Home Health Care	Plan pays 80% after CYD (120 days per CY)	Plan pays 80% after CYD (120 days per CY)	Plan pays 80% after CYD (120 days per CY)	Plan pays 70% after CYD (120 days per CY)	Plan pays 85% after CYD (120 days per CY)	Plan pays 60% after CYD (120 days per CY)
Hospice*	Plan Pays 80% after CYD	Plan Pays 80% after CYD	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 85% after CYD	Plan Pays 60% after CYD
Hearing Screening	\$30 copay	\$35 copay	\$35 copay	Plan Pays 70% after CYD	No Charge	Plan Pays 60% after CYD
Health Assessment Deductible Credit	\$250 Deductible Credit					

Medical Plan Scenario – Option 1 (↑ 1.9%)

Fully Insured – Premium Pass Plan Design (pg 2 of 2)

				BCBSOK					
				\$2000 - BlueOptions PPO		\$750 - BluePreferred			
General Plan Information				Blue Preferred PPO In-Network	Blue Choice PPO In-Network	Blue Traditional PPO In-Network	Out of Network	BluePreferred	Out of Network
Pharmacy									
RUSO: Generic & Preferred - <\$100				\$10 retail; \$20 mail order	\$10 retail; \$20 mail order	\$10 retail; \$20 mail order	30% after \$10 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Generic & Preferred - >\$100				\$30 retail; \$60 mail order	\$30 retail; \$60 mail order	\$30 retail; \$60 mail order	30% after \$30 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - <\$100				\$60 retail; \$120 mail order	\$60 retail; \$120 mail order	\$60 retail; \$120 mail order	30% after \$60 copay of allowed amount	Plan Pays 85% after CYD	Plan Pays 60% after CYD
RUSO: Non-Preferred - >\$100				Covered	Covered	Covered	Covered up to the allowed amount	Covered	Plan Pays 60% after CYD
Rx Quantity Limits				120 day / 300 quantity					
RX PPI				Included					
				\$2000 - BlueOptions PPO		\$750 - BluePreferred			
				Red	White	Blue			
Employee Only				2449	1332	285	\$556.58		\$558.65
Employee & Spouse				144	80	30	\$1,168.82		\$1,173.16
Employee & Child				187	136	43	\$779.22		\$782.11
Employee & Children				145	107	75	\$1,001.85		\$1,005.57
Employee & Family				70	47	60	\$1,614.09		\$1,620.08

Total enrollment 5190

Medical Plan Scenario – Option 2 (↑ 8.0%)

Fully Insured – Alternate Plan Designs (pg 1 of 2)

General Plan Information	BCBSOK					
	\$1,750 Blue Options				\$750 Blue Preferred PPO	
	Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Calendar Year Deductible	\$1,750/Ind; \$5,200/Family	\$1,750/Ind; \$5,200/Family	\$1,750/Ind; \$5,200/Family	\$1,750/Ind; \$5,200/Family	\$750/Ind; \$2,250/Family	\$1,500/Ind; \$4,500/Family
Calendar Year Max Out-Of-Pocket	\$4,000/Ind; \$12,000/Family	\$5,000/Ind; \$13,500/Family	\$6,000/Ind; \$13,500/Family	\$8,000/Ind; \$24,000/Family	\$6,000/Ind; \$12,000/Family	\$6,500/Ind; \$13,000/Family
Co-Insurance	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD
Primary Care Office Visit	\$25 copay	\$35 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD
Specialist Office Visit	\$50 copay	\$70 copay	Plan Pays 60% after CYD	50% Co-insurance after CYD	80% Co-insurance after CYD	60% Co-insurance after CYD
Routine Health Exams	No Charge	No Charge	No Charge	Plan Pays 50% after CYD	No Charge	Plan Pays 60% after CYD
Childhood Immunizations	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Routine Mammograms	No Charge	No Charge	No Charge	No Charge	No Charge	No Charge
Allergy Treatment/Testing	Plan Pays 80% after CYD (60 Tests ever 24 mo)	Plan Pays 70% after CYD (60 Tests ever 24)	Plan Pays 60% after CYD (60 Tests ever 24 mo)	50% after CYD (60 Tests ever 24 mo)	50% after CYD (60 Tests ever 24 mo)	
Emergency Room	\$200 copay; then 80% after CYD (copay waived if admitted)				50% Co-insurance after CYD	
Other Covered Services						
Combined Therapy	Plan Pays 80% after CYD (25 visits per CY)	Plan Pays 70% after CYD (25 visits per CY)	Plan Pays 60% after CYD (25 visits per CY)	50% after CYD (25 visits per CY)	50% after CYD (25 visits per CY)	
Private Duty Nursing	Plan Pays 80% after CYD (85 visits per CY)	Plan Pays 70% after CYD (85 visits per CY)	Plan Pays 60% after CYD (85 visits per CY)	50% after CYD (85 days per CY)	50% after CYD (85 days per CY)	
Home Health Care	Plan Pays 80% after CYD (100 visits per CY)	Plan Pays 70% after CYD (100 visits per CY)	Plan Pays 60% after CYD (100 visits per CY)	50% after CYD (100 visits per CY)	50% after CYD (100 visits per CY)	
Hospice*	Plan Pays 80% after CYD	Plan Pays 70% after CYD	Plan Pays 60% after CYD	50% Co-insurance after CYD	50% Co-insurance after CYD	
Hearing Screening	Plan Pays 80% after CYD (One per CY)	Plan Pays 70% after CYD (One per CY)	Plan Pays 60% after CYD (One per CY)	50% after CYD (One per CY)	50% after CYD (One per CY)	
Health Assessment Deductible Credit	Deductible Credit Removed					

Medical Plan Scenario – Option 2 (↑8.0%)

Fully Insured – Alternate Plan Designs (pg 2 of 2)

				BCBSOK					
				\$1,750 Blue Options		\$750 Blue Preferred PPO			
General Plan Information				Blue Preferred PPO	Blue Choice PPO	Blue Traditional	Out of Network	In-Network	Out of Network
Pharmacy									
RUSO: Generic & Preferred - <\$100				Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$25 or Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Generic & Preferred - >\$100				Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost	Lesser of \$50 or 25% of Cost	Lesser of \$75 plus dispensing fee or Cost
RUSO: Non-Preferred - <\$100				Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$50 or Cost	Lesser of \$125 plus dispensing fee or Cost
RUSO: Non-Preferred - >\$100				Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost	Lesser of \$100 or 50% of Cost	Lesser of \$125 plus dispensing fee or Cost
Rx Quantity Limits				RX-Quantity limits-Change to Non-maintenance day supply-30, Maintenance Day Supply: 90 with one copay per 30					
RX PPI				Rx - PPI exclusion-generic and brand drugs					
				Red	White	Blue	\$1,750 Blue Options		\$750 Blue Preferred PPO
Employee Only				2449	1332	285	\$577.56		\$620.90
Employee & Spouse				144	80	30	\$1,212.87		\$1,303.88
Employee & Child				187	136	43	\$808.58		\$869.25
Employee & Children				145	107	75	\$1,039.60		\$1,117.61
Employee & Family				70	47	60	\$1,674.92		\$1,800.60

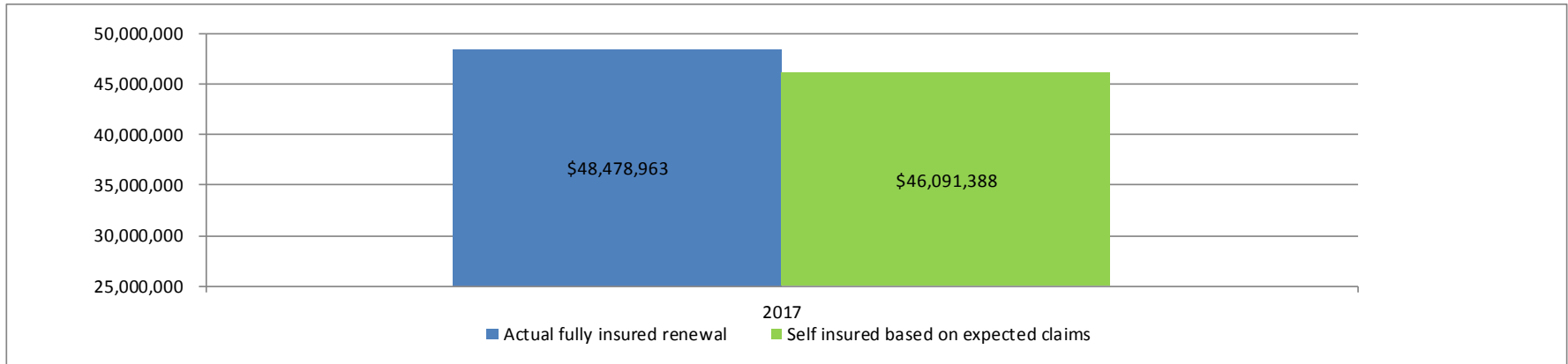
Total enrollment 5190

Medical & Pharmacy Cost Summary – Option 3 Self Funding (SF) BCBSOK (↑ 13.0%)

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BCBS Fully Insured vs. BCBS Self Insured and BCBS Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$48,478,963
Healthcare Reform Fees	Incl
Total	\$48,478,963
Enrollment	5,190
PEPY	\$9,341

Self insured based on expected claims

	2017
Admin	\$2,025,346
Stop loss	\$1,342,757
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$39,436,942
Total	\$46,091,388
Enrollment	5,190
PEPY	\$8,881

Estimated \$ savings based on expected cost vs. fully insured renewal premium	(\$2,387,575)
% savings from renewal	-4.9%
% change to current	13.0%
Maximum cost under self insured funding arrangement	\$55,950,623
PEPY	\$10,780
Maximum claims PEPY is 58% higher than the average claim PEPY from 2014 and 2015 of \$6,826	

Medical & Pharmacy Cost Summary – Option 3

SF BCBSOK – FI Equivalent Rates (↑13.0%)

OKHEEI - Premium Equivalent Scenarios

BCBS Fully Insured vs. BCBS Self Insured and BCBS Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost

			At 100% Expected	At 110% Expected	At 125% Expected
	Participation	Tiers	Monthly per unit Premium	Monthly per unit Premium	Monthly per unit Premium
Red	2449	Employee Only	\$ 662.10	\$ 718.75	\$ 803.73
	144	Employee and Spouse	\$ 1,357.43	\$ 1,473.58	\$ 1,647.80
	187	Employee and Child	\$ 927.08	\$ 1,006.40	\$ 1,125.38
	145	Employee and Child(ren)	\$ 1,191.94	\$ 1,293.92	\$ 1,446.90
	70	Employee and Family	\$ 1,887.16	\$ 2,048.63	\$ 2,290.84
White	1332	Employee Only	\$ 588.51	\$ 638.86	\$ 714.39
	80	Employee and Spouse	\$ 1,206.63	\$ 1,309.88	\$ 1,464.74
	136	Employee and Child	\$ 824.09	\$ 894.60	\$ 1,000.37
	107	Employee and Child(ren)	\$ 1,059.56	\$ 1,150.22	\$ 1,286.21
	47	Employee and Family	\$ 1,677.58	\$ 1,821.11	\$ 2,036.42
Blue	285	Employee Only	\$ 506.55	\$ 549.89	\$ 614.91
	30	Employee and Spouse	\$ 1,038.31	\$ 1,127.15	\$ 1,260.41
	43	Employee and Child	\$ 709.01	\$ 769.68	\$ 860.68
	75	Employee and Child(ren)	\$ 911.59	\$ 989.59	\$ 1,106.58
	60	Employee and Family	\$ 1,443.46	\$ 1,566.97	\$ 1,752.23

Total Monthly Cost	\$	3,840,949	\$	4,169,590	\$	4,662,552
Total Annual Cost	\$	46,091,388	\$	50,035,082	\$	55,950,623
Increase Above Current		13%		23%		37%

Medical & Pharmacy Cost Summary – Option 4

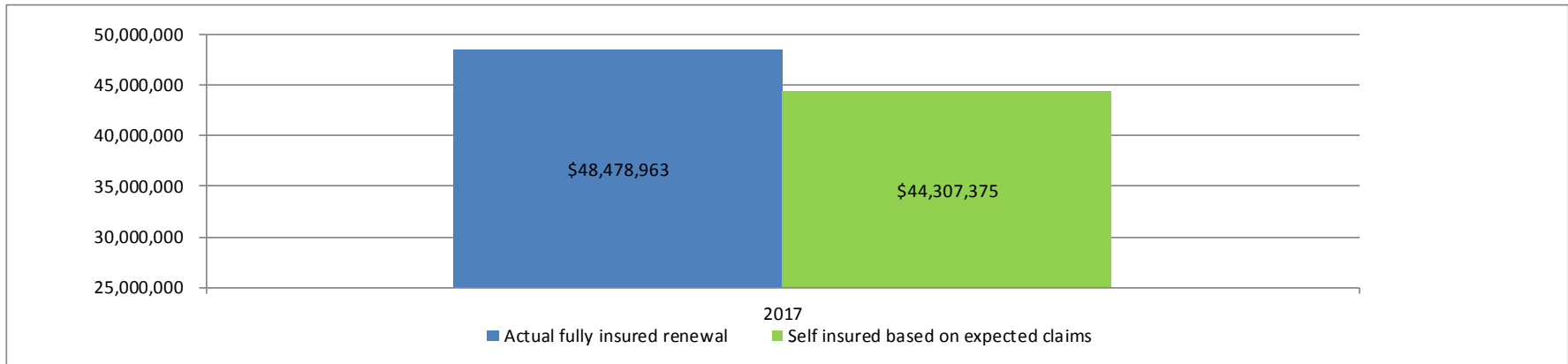
Self Funding Options BCBS w/Swiss Re (↑ 8.7%)

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For illustrative purposes only

BCBS Fully Insured vs. BCBS Self Insured and Swiss Re Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$48,478,963
Healthcare Reform Fees	Incl
Total	\$48,478,963
Enrollment	5,190
PEPY	\$9,341

Self insured based on expected claims

	2017
Admin	\$2,025,346
Stop loss	\$2,933,957
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$36,061,729
Total	\$44,307,375
Enrollment	5,190
PEPY	\$8,537

Estimated \$ savings based on expected cost vs. fully insured renewal premium	(\$4,171,588)
% savings from renewal	-8.6%
% change to current	8.7%
<i>Estimated Maximum cost under self insured funding arrangement</i>	\$51,519,721
PEPY	\$9,927
<i>Maximum claims PEPY is 45% higher than the average claim PEPY from 2014 and 2015 of \$6,826</i>	

Medical & Pharmacy Cost Summary – Option 4

SF Options BCBS w/Swiss Re – FI Equivalent Rates (↑ 8.7%)

OKHEEI - Premium Equivalent Scenarios

BCBS Fully Insured vs. BCBS Self Insured and Swiss Re Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost

			At 100% Expected	At 110% Expected	At 125% Expected
	Participation	Tiers	Monthly per unit Premium	Monthly per unit Premium	Monthly per unit Premium
Red	2449	Employee Only	\$ 636.47	\$ 690.93	\$ 740.09
	144	Employee and Spouse	\$ 1,304.89	\$ 1,416.54	\$ 1,517.33
	187	Employee and Child	\$ 891.19	\$ 967.44	\$ 1,036.28
	145	Employee and Child(ren)	\$ 1,145.80	\$ 1,243.84	\$ 1,332.34
	70	Employee and Family	\$ 1,814.12	\$ 1,969.34	\$ 2,109.45
White	1332	Employee Only	\$ 565.73	\$ 614.13	\$ 657.83
	80	Employee and Spouse	\$ 1,159.93	\$ 1,259.18	\$ 1,348.77
	136	Employee and Child	\$ 792.19	\$ 859.98	\$ 921.16
	107	Employee and Child(ren)	\$ 1,018.55	\$ 1,105.70	\$ 1,184.37
	47	Employee and Family	\$ 1,612.64	\$ 1,750.63	\$ 1,875.18
Blue	285	Employee Only	\$ 486.94	\$ 528.61	\$ 566.22
	30	Employee and Spouse	\$ 998.12	\$ 1,083.52	\$ 1,160.62
	43	Employee and Child	\$ 681.57	\$ 739.89	\$ 792.53
	75	Employee and Child(ren)	\$ 876.30	\$ 951.28	\$ 1,018.97
	60	Employee and Family	\$ 1,387.59	\$ 1,506.32	\$ 1,613.49

Total Monthly Cost	\$ 3,692,281	\$ 4,008,202	\$ 4,293,385
Total Annual Cost	\$ 44,307,375	\$ 48,098,425	\$ 51,520,616
Increase Above Current	9%	18%	26%

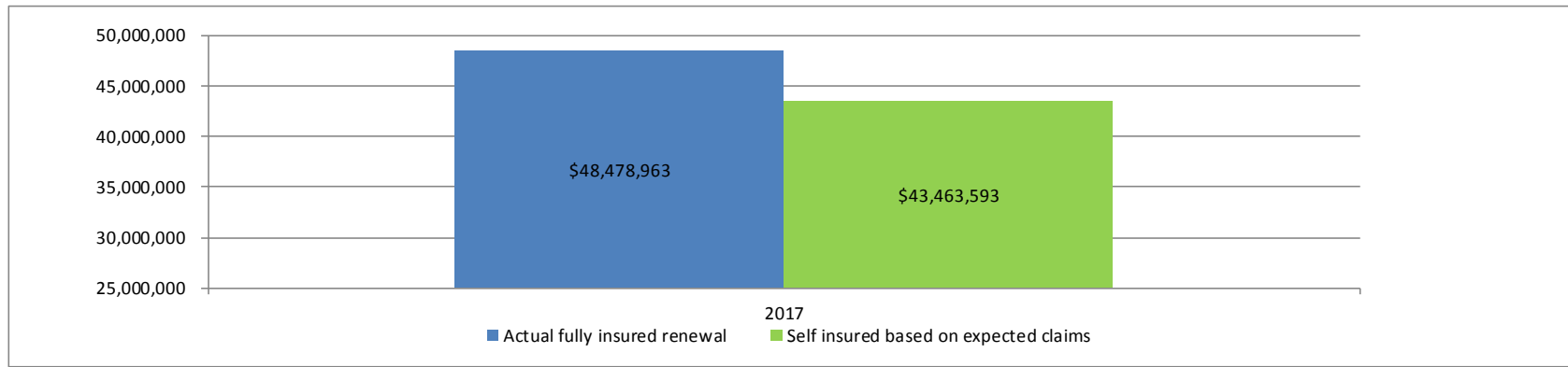
Medical & Pharmacy Cost Summary – Option 5

Self Funding Options BCBS w/SunLife (↑ 6.6%)

OKHEEI

BCBS Fully Insured vs. BCBS Self Insured and SUN LIFE Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$48,478,963
Healthcare Reform Fees	Incl
Total	\$48,478,963
Enrollment	5,190
PEPY	\$9,341

Self insured based on expected claims

	2017
Admin	\$2,025,346
Stop loss	\$1,812,043
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$36,339,861
Total	\$43,463,593
Enrollment	5,190
PEPY	\$8,374

Notes:

Early Lock; data thru 6/30/2016 required

Experience Refund Eligible

No New Lasers at Renewal

40% Renewal Premium Rate Cap

120% Corridor

Monthly Accomodation - See slide 43

Estimated \$ savings based on expected cost vs. fully insured renewal premium	(\$5,015,370)
% savings from renewal	-10.3%
% change to current	6.6%
<i>Estimated Maximum cost under self insured funding arrangement</i>	\$50,731,565
PEPY	\$9,775
<i>Maximum claims PEPY is 43% higher than the average claim PEPY from 2014 and 2015 of \$6,826</i>	

Medical & Pharmacy Cost Summary – Option 5

SF Options BCBS w/SunLife – FI Equivalent Rates (↑ 6.6%)

OKHEEI - Premium Equivalent Scenarios

BCBS Fully Insured vs. BCBS Self Insured and SUN LIFE Stop Loss @ \$320,000

2017 Fully Insured vs. Self Insured Cost

			At 100% Expected	At 110% Expected	At 125% Expected
	Participation	Tiers	Monthly per unit Premium	Monthly per unit Premium	Monthly per unit Premium
Red	2449	Employee Only	\$ 624.35	\$ 677.77	\$ 728.74
	144	Employee and Spouse	\$ 1,280.04	\$ 1,389.57	\$ 1,494.07
	187	Employee and Child	\$ 874.22	\$ 949.02	\$ 1,020.39
	145	Employee and Child(ren)	\$ 1,123.98	\$ 1,220.15	\$ 1,311.91
	70	Employee and Family	\$ 1,779.57	\$ 1,931.83	\$ 2,077.11
White	1332	Employee Only	\$ 554.96	\$ 602.44	\$ 647.74
	80	Employee and Spouse	\$ 1,137.84	\$ 1,235.20	\$ 1,328.09
	136	Employee and Child	\$ 777.11	\$ 843.60	\$ 907.04
	107	Employee and Child(ren)	\$ 999.15	\$ 1,084.64	\$ 1,166.21
	47	Employee and Family	\$ 1,581.93	\$ 1,717.29	\$ 1,846.43
Blue	285	Employee Only	\$ 477.67	\$ 518.54	\$ 557.54
	30	Employee and Spouse	\$ 979.11	\$ 1,062.89	\$ 1,142.82
	43	Employee and Child	\$ 668.59	\$ 725.80	\$ 780.38
	75	Employee and Child(ren)	\$ 859.62	\$ 933.17	\$ 1,003.34
	60	Employee and Family	\$ 1,361.17	\$ 1,477.63	\$ 1,588.75

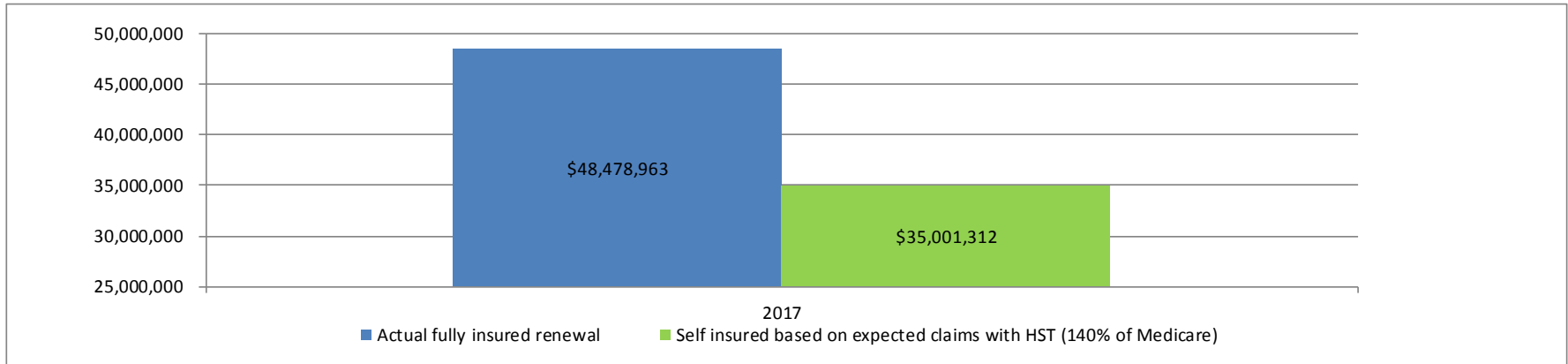
Total Monthly Cost	\$ 3,621,966	\$ 3,931,871	\$ 4,227,559
Total Annual Cost	\$ 43,463,593	\$ 47,182,447	\$ 50,730,706
Increase Above Current	7%	16%	24%

Medical & Pharmacy Cost Summary – Option 6

HST Hospital Referenced Based Pricing 140% (↓ 14.2%)

OKHEEI

BCBS Fully Insured vs. HST Self Funded (Hospital Referenced Based Pricing @ 140% Medicare) TPA - Loomis; Stop Loss - Swiss Re; PBM - CVS/Caremark
2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$48,478,963
Healthcare Reform Fees	Incl
Total	\$48,478,963
Enrollment	5,190
PEPY	\$9,341

Self insured based on expected claims with HST (140% of Medicare)

	2017
Admin	\$1,737,612
Stop loss	\$1,741,327
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$28,236,029
Total	\$35,001,312
Enrollment	5,190
PEPY	\$6,744

Estimated \$ savings based on expected cost vs. fully insured renewal premium	(\$13,477,651)
% savings from renewal	-27.8%
% change to current	-14.2%
<i>Estimated Maximum cost under self insured funding arrangement</i>	\$40,648,518
PEPY	\$7,832
<i>Maximum claims PEPY is 15% higher than the average claim PEPY from 2014 and 2015 of \$6,826</i>	

Medical & Pharmacy Cost Summary – Option 6

HST Hospital Referenced Based Pricing 140% (↓14.2%)

OKHEEI - Premium Equivalent Scenarios

BCBS Fully Insured vs. HST Self Funded (Hospital Referenced Based Pricing @ 140% Medicare) TPA - Loomis; Stop Loss - Swiss Re; PBM - CVS/Caremark

2017 Fully Insured vs. Self Insured Cost

			At 100% Expected	At 110% Expected	At 125% Expected
	Participation	Tiers	Monthly per unit Premium	Monthly per unit Premium	Monthly per unit Premium
Red	2449	Employee Only	\$ 502.79	\$ 545.81	\$ 583.89
	144	Employee and Spouse	\$ 1,030.82	\$ 1,119.02	\$ 1,197.09
	187	Employee and Child	\$ 704.01	\$ 764.25	\$ 817.57
	145	Employee and Child(ren)	\$ 905.15	\$ 982.59	\$ 1,051.15
	70	Employee and Family	\$ 1,433.09	\$ 1,555.71	\$ 1,664.25
White	1332	Employee Only	\$ 446.91	\$ 485.15	\$ 518.99
	80	Employee and Spouse	\$ 916.30	\$ 994.71	\$ 1,064.10
	136	Employee and Child	\$ 625.81	\$ 679.35	\$ 726.75
	107	Employee and Child(ren)	\$ 804.62	\$ 873.47	\$ 934.41
	47	Employee and Family	\$ 1,273.93	\$ 1,382.93	\$ 1,479.42
Blue	285	Employee Only	\$ 384.67	\$ 417.58	\$ 446.72
	30	Employee and Spouse	\$ 788.48	\$ 855.95	\$ 915.66
	43	Employee and Child	\$ 538.42	\$ 584.49	\$ 625.26
	75	Employee and Child(ren)	\$ 692.25	\$ 751.48	\$ 803.91
	60	Employee and Family	\$ 1,096.15	\$ 1,189.94	\$ 1,272.96

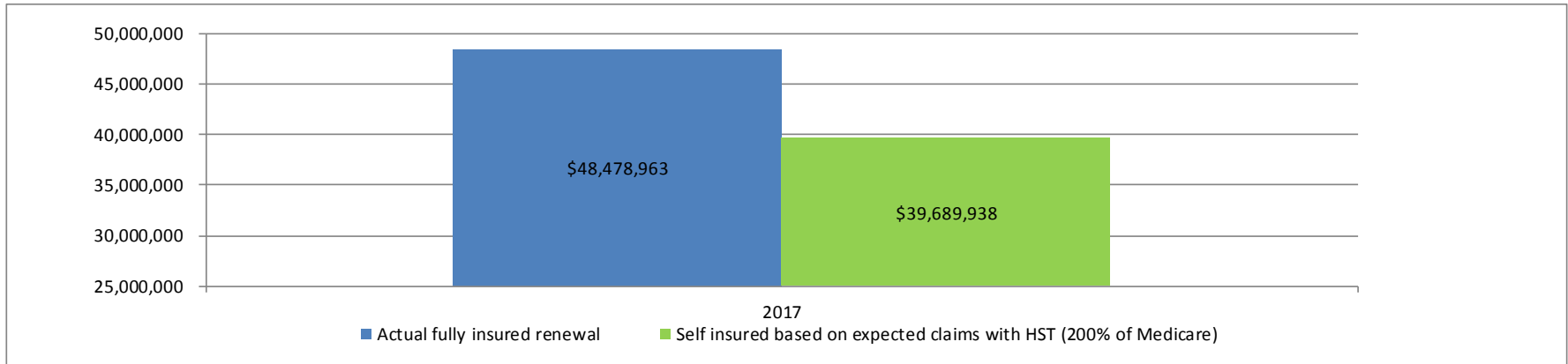
Total Monthly Cost	\$	2,916,776	\$	3,166,343	\$	3,387,252
Total Annual Cost	\$	35,001,312	\$	37,996,111	\$	40,647,023
Increase Above Current		-14%		-7%		0%

Medical & Pharmacy Cost Summary – Option 7

HST Hospital Referenced Based Pricing 200% (↓ 2.7%)

OKHEEI

BCBS Fully Insured vs. HST Self Funded (Hospital Referenced Based Pricing @ 200% Medicare) TPA - Loomis; Stop Loss - Swiss Re; PBM - CVS/Caremark
 2017 Fully Insured vs. Self Insured Cost



Actual fully insured renewal

	2017
Premium	\$48,478,963
Healthcare Reform Fees	Incl
Total	\$48,478,963
Enrollment	5,190
PEPY	\$9,341

Self insured based on expected claims with HST (200% of Medicare)

	2017
Admin	\$1,737,612
Stop loss	\$2,355,341
Healthcare Reform Fees	\$15,399
Estimated Reserves	\$3,270,945
Expected Claims	\$32,310,641
Total	\$39,689,938
Enrollment	5,190
PEPY	\$7,647

Estimated \$ savings based on expected cost vs. fully insured renewal premium	(\$8,789,025)
% savings from renewal	-18.1%
% change to current	-2.7%
<i>Estimated Maximum cost under self insured funding arrangement</i>	<i>\$46,152,066</i>
PEPY	\$8,892
<i>Maximum claims PEPY is 30% higher than the average claim PEPY from 2014 and 2015 of \$6,826</i>	

Medical & Pharmacy Cost Summary – Option 7

HST Hospital Referenced Based Pricing 200% (↓ 2.7%)

OKHEEI - Premium Equivalent Scenarios

BCBS Fully Insured vs. HST Self Funded (Hospital Referenced Based Pricing @ 200% Medicare) TPA - Loomis; Stop Loss - Swiss Re; PBM - CVS/Caremark

2017 Fully Insured vs. Self Insured Cost

			At 100% Expected	At 110% Expected	At 125% Expected
	Participation	Tiers	Monthly per unit Premium	Monthly per unit Premium	Monthly per unit Premium
Red	2449	Employee Only	\$ 570.14	\$ 618.93	\$ 662.96
	144	Employee and Spouse	\$ 1,168.91	\$ 1,268.92	\$ 1,359.20
	187	Employee and Child	\$ 798.32	\$ 866.62	\$ 928.28
	145	Employee and Child(ren)	\$ 1,026.39	\$ 1,114.22	\$ 1,193.49
	70	Employee and Family	\$ 1,625.06	\$ 1,764.10	\$ 1,889.62
White	1332	Employee Only	\$ 506.77	\$ 550.13	\$ 589.28
	80	Employee and Spouse	\$ 1,039.05	\$ 1,127.95	\$ 1,208.21
	136	Employee and Child	\$ 709.64	\$ 770.36	\$ 825.17
	107	Employee and Child(ren)	\$ 912.40	\$ 990.47	\$ 1,060.94
	47	Employee and Family	\$ 1,444.58	\$ 1,568.19	\$ 1,679.76
Blue	285	Employee Only	\$ 436.20	\$ 473.52	\$ 507.21
	30	Employee and Spouse	\$ 894.10	\$ 970.61	\$ 1,039.66
	43	Employee and Child	\$ 610.54	\$ 662.78	\$ 709.94
	75	Employee and Child(ren)	\$ 784.98	\$ 852.15	\$ 912.78
	60	Employee and Family	\$ 1,242.98	\$ 1,349.34	\$ 1,445.34

Total Monthly Cost	\$	3,307,495	\$	3,590,492	\$	3,845,955
Total Annual Cost	\$	39,689,938	\$	43,085,908	\$	46,151,460
Increase Above Current				-3%		6%
						13%



Dental Plan RFP Results

Dental RFP Vendor Market List

OKHEEI Dental Plan - Vendor Market List Renewal January 1, 2017	
Carrier	Status
BCBSOK	Incumbent - Quote Received
MetLife	Quote Received
Delta Dental	Quote Received
United Concordia	Quote Received - Uncompetitive
Assurant	DTQ - Uncompetitive

Dental Geo & Disruption Analysis

Geo Analysis

	BCBS	MetLife	Delta Dental
2 General Dentists in 10 miles	89.4%	87.2%	82.0%
1 Oral Surgeon in 20 miles	76.2%	61.2%	74.5%
1 Orthodontist in 25 miles	86.8%	61.2%	65.7%
1 Specialist in 20 miles	98.8%	61.2%	76.6%

Disruption Analysis

	BCBSOK	MetLife	Delta Dental Premier/PPO
Current Utilized Providers NOT in the Network	31.0%	41.0%	Premier - 8% PPO - 35%

Dental Planning

Dental	Estimated Impact to Current Premium	% Increase to Current	Funding Basis	Comments
BCBSOK Negotiated Renewal	\$0	0.0%	Fully Insured	No change to plan designs
1 BCBSOK Alternate Plan Designs	(\$128,538)	-3.8%	Fully Insured	Plan Design Changes Plan Design & Rates - Slide 29
1 Delta Dental	(\$320,905)	-9.5%	Fully Insured	PPO Network Only Includes Ortho on Low Plan 3 year guarantee Plan Designs & Rates - Slide 30
2 Delta Dental	(\$5,798)	-0.2%	Fully Insured	Addition of Premium Plan Network 3 year guarantee Plan Designs & Rates - Slide 30
3 Delta Dental	(\$159,109)	-4.7%	Fully Insured	Addition of Premium Plan Network & Third Preventive Only Plan 3 year guarantee Plan Designs & Rates - Slide 30
1 MetLife	(\$229,734)	-6.8%	Fully Insured	No changes to plan designs 1 year rate guarantee with 2nd year cap at 6% and 3rd year cap at 7% Plan Designs & Rates - Slide 31
2 MetLife	(\$111,151)	-3.3%	Fully Insured	No changes to plan designs 2 year rate guarantee with 3rd year cap at 7% Plan Designs & Rates - Slide 31
3 MetLife	(\$387,067)	-11.4%	Fully Insured	Low Plan plan changes 1 year rate guarantee with 2nd year cap at 6% and 3rd year cap at 7% Plan Designs & Rates - Slide 31
4 MetLife	(\$332,596)	-9.8%	Fully Insured	High Plan Paid at 99th R&C / Low Plan Annual Max \$750 1 year rate guarantee with 2nd year cap at 6% and 3rd year cap at 7% Plan Design & Rates - Slide 31

BCBSOK Dental Plan Options

BCBSOK CURRENT				BCBSOK NEGOTIATED RENEWAL		BCBSOK - OPTION I	
Services		BCBSOK - Current High Plan	BCBSOK - Current Low Plan	BCBSOK - Renewal High Plan	BCBSOK - Renewal Low Plan	BCBSOK High Plan	BCBSOK Low Plan
Type		DPPO	DPPO	DPPO	DPPO	DPPO	DPPO
Deductible (EE/Fam)		\$25/\$75	\$50/\$100	\$25/\$75	\$50/\$100	\$25/\$75	\$75/\$225
Waived for Preventive?		In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes
Preventive/Basic/Major		Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/60% Non-Network - 100/70/50%	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/60% Non-Network - 100/70/50%	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/0% Non-Network - 100/70/0%
Child Age Limit		26	26	26	26	26	26
Annual Maximum		\$2,000	\$1,000	\$2,000	\$1,000	\$2,000	\$750
Orthodontia							
Eligibility		to age 19	No Ortho	to age 19	No Ortho	to age 19	No Ortho
Waiting Period		12 months		None		None	
Coinsurance		50%		50%		50%	
Lifetime Maximum		No Maximum		No Maximum		\$10,000	
Sealants		Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16
X-rays		Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos
Endodontics/Periodontics		Basic	Basic	Basic	Basic	Basic	Basic
Periodontal/Oral Surgery		Basic	Basic	Basic	Basic	Basic	Basic
		High	Low	BCBS - Renewal High Option	BCBSOK - Renewal Low Plan	BCBSOK High Plan	BCBSOK Low Plan
Employee Only	3093	621	\$38.80	\$29.68	\$37.33	\$28.55	
Employee & Spouse	587	99	\$79.50	\$60.82	\$76.48	\$58.51	
Employee & Child	263	65	\$54.30	\$41.54	\$52.24	\$39.96	
Employee & Children	231	53	\$69.90	\$53.48	\$67.24	\$51.45	
Employee & Family	426	95	\$110.60	\$84.62	\$106.40	\$81.40	
Total enrollment	4600	933					
Monthly Total			\$244,218	\$38,026	\$234,953	\$36,579	
Annual Total			\$2,930,620	\$456,311	\$2,819,441	\$438,951	
% Change from Current					0.0%	-3.8%	
\$ Change from Current					\$0	-\$128,538	
Rate Guarantee				1 Year		1 Year	
Renewal Rate Cap not to exceed, could be less			No rate cap offered	No rate cap offered		No rate cap offered	

Delta Dental Plan Options 1 – 3

DELTA DENTAL - OPTION 1			DELTA DENTAL - OPTION 2		DELTA DENTAL - OPTION 3			
Service	Delta Dental High Plan		Delta Dental High Plan	Delta Dental Low Plan	Delta Dental High Plan	Delta Dental Low Plan	Delta Dental Preventive Plan	
Type	DPPO		Premier/DPPO	Premier/DPPO	Premier/DPPO	Premier/DPPO	DPPO	
Deductible (EE/Fam)	\$25/\$75		\$25/\$75	\$50/\$100	\$25/\$75	\$50/\$100	\$50/\$100	
Waived for Preventive?	In-Yes/Out-Yes		In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	
Preventive/Basic/Major	Network - 100/85/60% Non-Network - 100/70/50%		PPO Net - 100/85/60% Premier Net - 100/70/50% Non-Net - 100/70/50%	PPO Net - 100/75/60% Premier Net - 100/70/50% Non-Net - 100/70/50%	PPO Net - 100/85/60% Premier Net - 100/70/50% Non-Net - 100/70/50%	PPO Net - 100/75/60% Premier Net - 100/70/50% Non-Net - 100/70/50%	PPO Network Only - 100/80/0%	
Child Age Limit	26		26	26	26	26	26	
Annual Maximum	\$2,000		\$2,000	\$1,000	\$2,000	\$1,000	\$750	
Orthodontia								
Eligibility	to age 26		to age 26	No Ortho	to age 26	No Ortho	No Ortho	
Waiting Period	None		None		None			
Coinurance	50%		50%		50%			
Lifetime Maximum	No Maximum		No Maximum		No Maximum			
Sealants	Preventive to age 16		Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	
X-rays	Preventive Full Mouth 36 mos		Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	
Endodontics/Periodontics	Basic		Basic	Basic	Basic	Basic	Basic	
Periodontal/Oral Surgery	Basic		Basic	Basic	Basic	Basic	Basic	
Implants	Major		Major	Major	Major	Major	Major	
U&C Percentile	90th		90th	90th	90th	90th	90th	
	High	Low	Delta Dental High Plan	Delta Dental Low Plan	Delta Dental High Plan	Delta Dental Low Plan	Delta Dental Preventive Plan	
Employee Only	3093	621	\$35.10	\$24.10	\$39.00	\$25.22	\$36.86	
Employee & Spouse	587	99	\$70.18	\$48.20	\$77.98	\$50.44	\$73.70	
Employee & Child	263	65	\$50.88	\$40.50	\$56.54	\$46.66	\$54.30	
Employee & Children	231	53	\$65.26	\$52.20	\$72.52	\$58.02	\$70.20	
Employee & Family	426	95	\$103.66	\$84.10	\$115.18	\$83.24	\$110.70	
Total enrollment	4600	933						
Monthly Total	\$222,376		\$222,376	\$33,127	\$247,090	\$34,671	\$234,925	
Annual Total	\$2,668,507		\$2,668,507	\$397,518	\$2,965,081	\$416,051	\$2,819,102	
% Change from Current				-9.5%		-0.2%		
\$ Change from Current				-\$320,905		-\$5,798		
Rate Guarantee			3 years		3 years		3 years	
Renewal Rate Cap			No rate cap offered		No rate cap offered		No rate cap offered	
not to exceed, could be less								

MetLife Dental Plan Options 1 – 4

METLIFE - OPTION 1			METLIFE - OPTION 2		METLIFE - OPTION 3		METLIFE - OPTION 4	
Services	MetLife High Plan	MetLife Low Plan	MetLife High Plan	MetLife Low Plan	MetLife High Plan	MetLife Low Plan	MetLife High Plan	MetLife Low Plan
Type	DPPO	DPPO	DPPO	DPPO	DPPO	DPPO	DPPO	DPPO
	OON - 90th R&C	OON - 90th R&C	OON - 90th R&C	OON - 90th R&C	OON - 90th R&C	OON - 90th R&C	OON - 99th R&C	OON - MAC
Deductible (EE/Fam)	\$25/\$75	\$50/\$100	\$25/\$75	\$50/\$100	\$25/\$75	\$25/\$75	\$75/\$225	\$75/\$225
Waived for Preventive?	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes	In-Yes/Out-Yes
Preventive/Basic/Major	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/60% Non-Network - 100/70/50%	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/60% Non-Network - 100/70/50%	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/85/60% Non-Network - 100/70/50%	Network - 100/75/0% Non-Network - 100/70/0%	Network - 100/85/60% Non-Network - 100/70/50%
Child Age Limit	26	26	26	26	26	26	26	26
Annual Maximum	\$2,000	\$1,000	\$2,000	\$1,000	\$2,000	\$750	\$2,000	\$750
Does Preventive Count towards Maximum								
Orthodontia								
Eligibility	to age 19	No Ortho	to age 19	to age 19	to age 19	No Ortho	to age 19	No Ortho
Waiting Period	None		None		None		None	
Coinsurance	50%		50%		50%		50%	
Lifetime Maximum	No Maximum		No Maximum		No Maximum		No Maximum	
Sealants	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16	Preventive to age 16
X-rays	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos	Preventive Full Mouth 36 mos
Endodontics/Periodontics	Basic	Basic	Basic	Basic	Basic	Basic	Basic	Basic
Periodontal/Oral Surgery	Basic	Basic	Basic	Basic	Basic	Basic	Basic	Basic
	High Low	MetLife High Option	MetLife Low Plan	MetLife High Plan	MetLife Low Plan	MetLife High Plan	MetLife High Plan	MetLife Low Plan
Employee Only	3093 621	\$36.17	\$27.66	\$37.53	\$28.70	\$36.17	\$17.43	\$36.89
Employee & Spouse	587 99	\$74.11	\$56.70	\$76.89	\$58.82	\$74.11	\$35.72	\$75.59
Employee & Child	263 65	\$50.61	\$38.72	\$52.52	\$40.18	\$50.61	\$24.40	\$51.62
Employee & Children	231 53	\$65.15	\$49.85	\$67.60	\$51.72	\$65.15	\$31.41	\$66.45
Employee & Family	426 95	\$103.10	\$78.88	\$106.96	\$81.84	\$103.10	\$49.69	\$105.16
Total enrollment	4600 933							
Monthly Total		\$227,657	\$35,443	\$236,208	\$36,774	\$227,657	\$22,332	\$232,196
Annual Total		\$2,731,885	\$425,311	\$2,834,496	\$441,282	\$2,731,885	\$267,979	\$2,786,355
% Change from Current			-6.8%		-3.3%		-11.4%	
\$ Change from Current			-\$229,734		-\$111,151		-\$387,067	
Rate Guarantee		1 year		2 years		1 year		1 year
Renewal Rate Cap		2 year - 6% cap		3 year - 7% cap		2 year - 6% cap		2 year - 6% cap
not to exceed, could be less		3 year - 7% cap				3 year - 7% cap		3 year - 7% cap



Retiree Renewals

UHC Renewal

UHC Services	Current Rate	Renewal Rate	Difference
Senior Supplement	\$188.00 PEPM	\$193.64 PEPM	3%
Part D High Plan	\$156.00 PEPM	\$190.32 PEPM	22%
Part D Low Plan	\$55.00 PEPM	\$65.46 PEPM	19%

Summary of Medicare and Product Changes for 2017

	2016	2017
Deductible	\$360	\$400
Initial Coverage Limit	\$3,310	\$3,700
Standard Coverage Gap	Generic Drugs - 42% coverage Brand Drugs - 50% manufacture discount plus 5% plan coverage	Generic Drugs - 49% coverage Brand Drugs - 50% manufacture discount plus 10% plan coverage
Catastrophic Phase Begins	\$4,850 TrOOP	\$4,950 TrOOP
Standard Catastrophic Member Cost Share	The greater of \$2.95 or 5% coinsurance for generic drugs The greater of \$7.40 or 5% coinsurance for brand name drugs	The greater of \$3.30 or 5% coinsurance for generic drugs The greater of \$8.25 or 5% coinsurance for brand name drugs
Maximum Copayments		
Tier 1 Generics	\$15	\$15
Tier 2 Preferred Brand	\$47	\$47
Tier 3 Non-Preferred Brand	\$100	\$100
Tier 4 Specialty Drugs	\$100	\$100

Healthsmart Renewal

Healthsmart Services	Current Rate	Negotiated Renewal Rate	% Increase to Current
Retiree Administration	\$2.50 Per Retiree Per Month	\$2.55 Per Retiree Per Month	2%
Monthly Minimum for Retiree Services	\$100	None	
New School Set up fee - One time	\$100	\$100	
COBRA Administration	\$0.55 Per Active Employee Per Month HBS retains the 2% COBRA admin fee	\$0.55 Per Active Employee Per Month HBS retains the 2% COBRA admin fee	
COBRA Minimum Monthly	None	None	



Self Funding Implementation Timeline

Self-Funding Sample Implementation Timeline

(pg 1 of 2)

TIMING	Start Date	Due Date	Significant Steps in FI2SF Transition Process	Task Owner	Status
Week 1			Confirm Vendors and Final Program Details:	USI, Selected Vendors, Client	
			- Administrator (ASO/TPA)		
			- Provider Network(s) (e.g. Primary, Wrap & OOA)		
			- UR/LCM Vendor(s)		
			- Disease & Transplant Networks		
			- Wellness Benefit Provider(s)		
			- Prescription Benefit Manager(s)		
			- Managed Care Services		
			- Stop Loss Insurance Carrier(s)		
			- Other Service Providers		
			- Confirm FINAL Benefit Plan Design		
			- Confirm FINAL Rates and Terms		
			Execute (BAA) Business Associate Agreement(s) where necessary and appropriate	Vendor, Client & USI	
			Negotiate Terms of Banking Agreements	Vendor (TPA)	
			- Determine frequency of Administrators Cash-Call against the Client's Claim Account	USI, Client & Vendor	
			- Determine Claim Account Reserving Requirements	USI, Client & Vendor	
			- Negotiate terms of Specific Stop Loss reimbursement process	USI	
			Finalize COBRA Rates & Employee Contributions		
Week 2			DRAFT Enrollment Form to Client for review	USI	
			DRAFT Open Enrollment Communication Materials	USI	
			Request materials from Vendors		
			Comments and Red-Lined Communication Materials returned to USI	Client	

Self-Funding Sample Implementation Timeline

(pg 2 of 2)

TIMING	Start Date	Due Date	Significant Steps in FI2SF Transition Process	Task Owner	Status
Week 3			Circulate Communication Materials for review and Final Comment from Vendors	USI & Vendor	
			Finalize Communication Materials	USI	
			Feed Enrollment Form Data to USI or Vendor	Client	
			Feed COBRA Rates to COBRA vendor	USI	
			Review COBRA / Open Enrollment Communications	COBRA, USI & Client	
Week 4			Deliver Vendor materials to location(s)	Vendor	
			Deliver Enrollment forms to Client	USI	
			Deliver Open Enrollment Packets to Employees	Client	
Week 5			Open Enrollment Begins		
			COBRA Open Enrollment mailed out	COBRA	
Week 6			Open Enrollment Ends		
Week 7			Confirmation of FINAL Enrollment / Feed Enrollment Data to Vendors	Client	
			Collect Data for Confirmation Statements	Client	
Week 8			Deliver Confirmation Statements	USI	
			ID Cards delivered to membership	Vendor	
Week 9			New elections are effective	Client & Vendor	



Renewal Timeline

Renewal Timeline

Item	Service Item	Due Date	Comments
1	Initial Strategy Meeting	04/01/16	Complete
2	Gather Claims & Census Data for RFPs	04/19/16	Complete
3	Contribution modeling tool distributed	05/05/16	Complete
4	Medical RFP developed and distributed to carriers	04/30/16	Complete
5	Stop Loss RFP developed and distributed to carriers	05/06/16	Complete
6	Dental RFP developed and distributed to carriers	05/16/16	Complete
7	Medical Proposals due back to USI and carrier negotiations	05/20/16	Complete
8	Stop Loss Proposals due back to USI and carrier negotiations	05/20/16	Complete
9	Dental Proposals due back to USI and carrier negotiations	05/27/16	Complete
10	Renewal meeting - marketing results	06/10/16	Complete
11	Review renewal analysis and qualify quotes for consideration	06/30/16	Complete
12	Renewal meeting - funding decisions / dental selection	07/07/16	
13	Finalize contribution modeling	07/15/16	Date to be confirmed
14	Select renewal carriers/plans	07/30/16	
15	Final Decisions	08/04/16	Date to be confirmed
16	Carrier Implementation Calls & Paperwork	08/12/16	
17	Initiate OE timing and materials	09/02/16	
18	USI draft OE Communication materials and coordination with carrier for their materials	09/23/16	
19	Open Enrollment materials finalized and delivered to locations	09/30/16	
20	Open Enrollment Begins	10/03/16	Dates to be confirmed
21	Open Enrollment Ends	10/28/16	Dates to be confirmed
22	OE enrollment sent to new carrier	12/02/16	
23	ID Cards to employees	12/16/16	
24	Plan Anniversary, Go Live	01/01/17	



Appendix



Self Funding - Value Added Services

MyDecisions / ZeroCard / Compass Comparison

	MyDecision		Zero Card		Compass	
Transparency	<ul style="list-style-type: none"> Integrated transparency portal ranks providers on quality and cost in an intuitive green, yellow, red format. All bundles are \$0 out of pocket to members. Bundles include physician, anesthesia, facility, and may include pre or post care. Prices posted online. 	✓	<ul style="list-style-type: none"> Not a fully transparent program as fees are added to bundles when clients are invoiced. Provides bundled prices on website. 		<ul style="list-style-type: none"> Ranks provider cost by colors (red/orange/green). Rank providers by quality (Excellent, Good, Average, etc.). Requires one of their "Health Pros" to give the member pricing. 	✓
Advocacy	<ul style="list-style-type: none"> Proactive advocacy enables greater engagement, leading to better member experience and reduced medical spend. Coordinators perform high touch experience, providing decision support and education on available benefit options. Coordinators schedule surgeries and follow up to ensure a positive experience. 	✓	<ul style="list-style-type: none"> Provide a website, mobile application, and phone number for members to access the program. Representatives available to walk members through process. 	✓	<ul style="list-style-type: none"> "Health Pros" assist members with problem bill resolution, physician scheduling, cost and quality information, as well as prescription benefits management. Compass Pathways- Help identify other alternatives over immediate surgery. Does not monitor claims; is an "add-on" to a group's medical plan. Offers a problem bill resolution to review bills and EOBs on the consumer's behalf. 	✓
Utilization Management	<ul style="list-style-type: none"> HealthSmart's Utilization Management platform are integrated with our advocacy and bundled programs. High levels of engagement success based on early insights in to Pre-Certified episodes of care enable proactive outreach. Access to over 100 in-house registered nurses. 	✓	<ul style="list-style-type: none"> Does not perform Utilization Management. Passive model; no access to pre-cert. Lowers member engagement and program utilization. 		<ul style="list-style-type: none"> Does not perform Utilization Management. 	
Bundled Provider Access	<ul style="list-style-type: none"> Access to national footprint of bundled providers Team dedicated to increasing service access in your markets. 	✓	<ul style="list-style-type: none"> Access to Oklahoma providers only. No staff dedicated to program access build. 	✓	<ul style="list-style-type: none"> No bundled payment access. No staff dedicated to program access build. 	
Claims Administration	<ul style="list-style-type: none"> HealthSmart administers claims, including bundled services. Integrated processes prevent duplicate claim payments. 	✓	<ul style="list-style-type: none"> Does not administer claims. 		<ul style="list-style-type: none"> Does not administer claims. 	
Analytics	<ul style="list-style-type: none"> Enhanced analytics include true cost savings analysis based on historical utilization and monthly plan performance. Targeted insight in to plan performance on monthly basis. Average savings of 4-8% of total medical spend, and as high as 20% where bundled access and utilization is robust. 	✓	<ul style="list-style-type: none"> Without integrated UM and Claims Administration, no insight in to true cost of savings and "missed opportunities." 		<ul style="list-style-type: none"> Without integrated UM and Claims Administration, no insight in to true cost of savings and "missed opportunities." 	
Carrier/TPA	<ul style="list-style-type: none"> Healthsmart TPA 		<ul style="list-style-type: none"> Any TPA 		<ul style="list-style-type: none"> Any TPA 	
Pricing/ ROI	<ul style="list-style-type: none"> TBD / 5-8% reduction in medical cost 		<ul style="list-style-type: none"> TBD / No PEPM / % of Savings 		<ul style="list-style-type: none"> \$5.00 PEPM / 4.95 ROI 	

MedEncentives Program

The MedEncentive Program is a web-based system designed to improve health and healthcare in a manner that lowers healthcare costs by incorporating the following behavioral sciences:

1. Health Literacy - Studies have shown that one of the strongest determinants of life expectancy, wellbeing and healthcare utilization (costs) is health literacy. Other studies have shown that people are more prone to be adherent when they are empowered with the “how” and “why” (the knowledge-adherence response).
2. Doctor-Patient Relationship – Studies have found that patient adherence is positively influenced by physician involvement (the Hawthorne Effect), and that provider performance is positively influenced by health literate and discriminating patients (customer and image psychology).
3. Financial Incentives - The study of behavioral economics teaches that financial incentives work best when they are made shortly after a good deed, and on a frequency that conditions a desired behavior (Pavlovian conditioning).

By combining these behavioral sciences with human factors and systems engineering and web-technology, MedEncentive developed a system that has achieved impressive results over our 10 year history. Results include lower emergency room visits, less hospitalizations and lower overall costs producing a positive return on investment.

Self Funding Monthly Aggregate Accommodation Example

Month	Monthly Attachment	Accumulated Attachment	Monthly claims paid	Accumulated Claims paid	Accommodation Payment	Additional Funding	Notes
1	3,769,884	3,769,884	2,500,500	2,500,500			
2	3,769,884	7,539,768	3,165,000	5,665,500			
3	3,769,884	11,309,352	3,500,000	9,165,500			
4	3,769,884	15,079,536	4,000,000	13,165,500			
5	3,769,884	18,849,420	3,600,000	16,765,500			
6	3,769,884	22,619,304	6,500,000	23,265,500	646,196		Advance to OKHEEI
7	3,769,884	26,389,188	5,200,000	28,465,500	2,076,312		Advance to OKHEEI
8	3,769,884	30,159,072	2,000,000	30,465,500	306,428		Advance to OKHEEI
9	3,769,884	33,928,956	3,000,000	33,465,500		463,456	Repayment to Carrier
10	3,769,884	37,698,840	1,950,000	35,415,500		2,283,340	Repayment to Carrier
11	3,769,884	41,468,724	3,200,000	38,615,500		282,140	Repayment to Carrier
12	3,769,884	45,238,608	2,900,000	41,515,500			

Self Funding Q&A – Actual Client Similar to OKHEEI

Q&A Prior to Self-funding in 2015:

- 1) How do they plan to build/fund for reserves moving from fully insured and working with tight budgets? Our group has agreed to fund the trust account based on a Premium equivalent rates. The FI premiums were reflecting a 7% increase and our group has agreed to fund this amount. These monthly premiums will be placed into a trust and admin and claims will be pulled out by UHC. This 7% budgeted amount should allow for us to build about a \$3 million reserve the first year.
- 2) Risk tolerance for some of the smaller schools being able to cash flow a large claim up to the ISL? Did they agree to have a pool or some other approach to support this? Example, a school with 100 ee's may not be able to fund a \$200K claim, but a larger school could. One ISL level was put in place for all schools. It was set at \$350,000.
- 3) Are they establishing a trust, or will they be working from a joint banking account? We are establishing a trust.

Q&A one year later:

- 1) Have you seen the projected savings after year 1? We have had a very rough claim year. We have had more large claimants this year than ever before in our history. Even with this being said, we are projected to have reserves at the end of our second year in the amount of \$1.65 million. Not too bad with such a horrific claim year.
- 2) Looking back what would you have done different? The one thing we did not have in place is an Executive Director to oversee the trust activity. The board will decide later this year about adding this position.
- 3) Did you at any time find have funding issues?(i.e. Too much money going out in claims vs. premium coming in) We did not run into a Mid-year funding issues our first year because we funded as if we were still fully insured to help build initial reserves. This year the board elected to take an additional 4% increase again to continue building our reserves. We have also kept our stop-loss at \$350,000. We did experience significant growth again this year too. We added two new schools to SCEC effective 7-1-16 total new membership/EE's of about 625. With this new additional membership along with the 4% increase in premiums we hope to not take as big of an increase if any next year as long as our reserves continue to see an up-tick as projected.

Self Funding ACA Reporting Requirements



Confidentiality Statement and Disclosure

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Confidentiality Statement

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As is customary in the insurance industry, we may receive additional payments from insurance companies with whom we hold an agency contract. These payments are made within the rate structures filed with, accepted by and approved by the Texas Insurance Commissioner. These payments are generally not client specific, are not guaranteed, and can be based on several factors including the size, growth, retention, and/or profitability of our overall book of business with the insurance company. These agreements do not impair our objectivity nor deter us from our commitment to provide the best combination of service, price and benefits to our clients. In fact, these agreements are intended to compensate us for the many services we provide which create greater value to you and make doing business with us more efficient for the insurance company when compared to other agent relationships. Should you desire additional information regarding contingency compensation agreements, please contact us.

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It should be noted that this presentation is considered incomplete without the accompanied oral comments.