

2021 Benefit Medical, Pharmacy Plan and Premium Rate Options



Renewals for 2021

United Healthcare administrative services for 2021 with improved prescription rebating, and an increase in administrative fees from \$30.28 per member per month to \$31.19 per member per month.

United Healthcare Medicare Advantage Plan rates will decrease from \$257.55 to \$231.80. This will result in a decrease in premium for a 30-year, Medicare-eligible retiree of \$25.75 per month. In keeping with the practice for the last several years, staff recommends that the County's maximum contribution toward this benefit remain the same at \$203.12 for 2021.

No change in Vision, Dental, Life or Disability rates or plan terms.

Recommended Pharmacy Opportunities

Program	Description	Member Impact	Est. Annual Savings
Advantage Formulary	Highest value drugs placed on the lowest possible tier (most cost-effective therapeutic equivalents on lower copay tiers)	2,553	\$420,200 (combination of cost shifting members to higher copays, and driving members to more cost-effective prescriptions in lower tiers)
Medical Necessity	Evaluates the clinical appropriateness of a medication regarding condition and severity being treated	350	\$136,000
Notification	Physician authorization required to promote better member decisions	518	\$73,800

Advantage Formulary

Analysis based on 12 months of Guilford County prescription claims data:

- 85% of prescriptions (74,217) have no change; representing 74% of member utilizers (4,543)
- 15% of prescriptions (13,454) move to a higher copay tier; 2,553 member utilizers impacted
 - 57% of prescriptions move from Tier 1 (\$10) to Tier 2 (\$45)
 - 42% of prescriptions move from Tier 1 to Tier 3 (\$60)
 - 1% of prescriptions move from Tier 2 to Tier 3
 - Note: not all of the prescriptions in the analysis are ongoing maintenance medications. Example, 458 of the prescriptions studied were antibiotics
 - Members impacted by a higher copay will receive an advance letter from UHC on the change

Approximately 55% of United Healthcare's clients are on the Advantage Formulary, including all UHC's fully insured business and many self-funded clients, including City of Greensboro

Medical Necessity

Promotes safe and effective medication use and helps Guilford County and members save on pharmacy costs.

350 members impacted; estimated annual savings of \$136,000

Specific conditions must be met for a medication to be deemed medically necessary, including:

- Is the medication clinically appropriate?
- Is the medication appropriate for the diagnosis?
- Is the medication cost effective?

Prior Notification

518 members impacted; estimated annual savings of \$73,800

- The provider needs to provide diagnosis information to help determine if the prescription meets the plan benefit coverage and approved FDA requirements for medication and diagnosis.
- UHC streamlines process by a real-time check to automatically find a member's diagnosis in claims history.
- For a new diagnosis, the pharmacist can enter the prescriber-provided diagnosis code.

When evaluating drug costs, prior authorization programs are in place for drugs representing 40% of total drug costs but only impact less than 5% of all claims

Premium Development

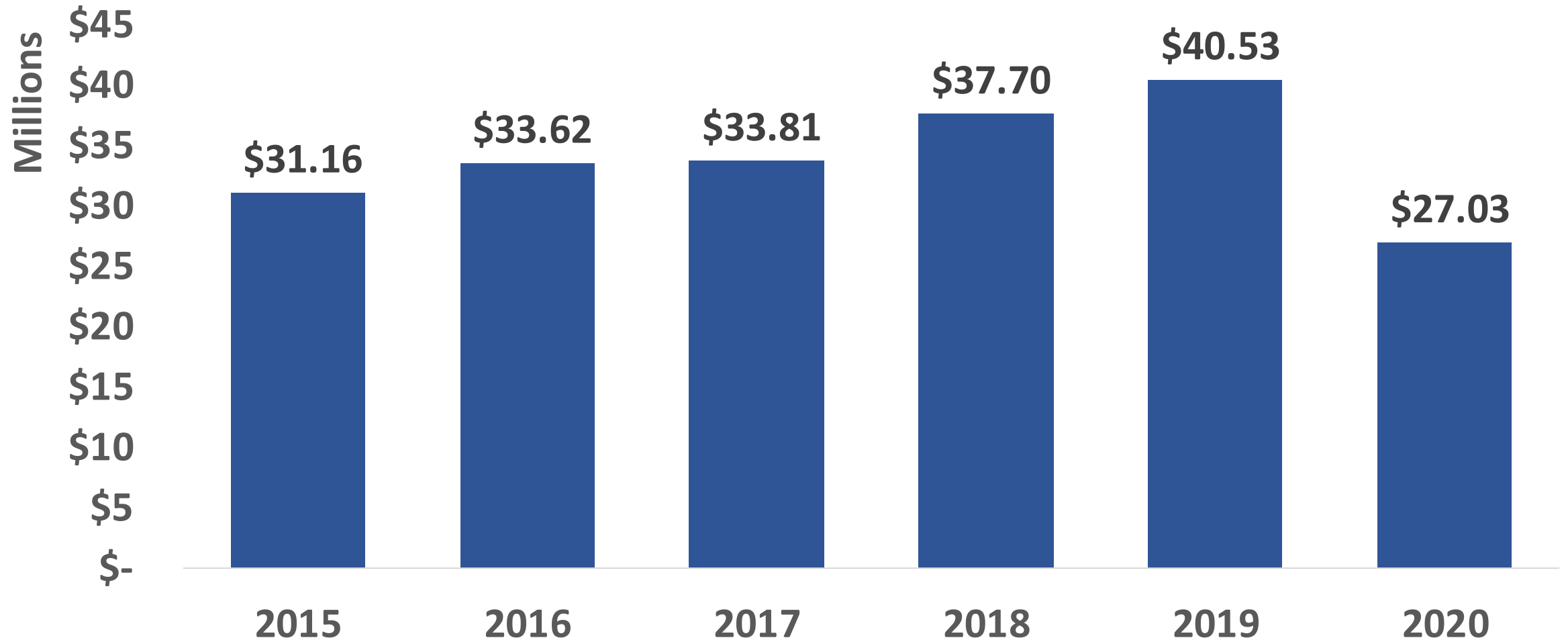
Plan revenues are:

- Employee and employer contributions
- Prescription drug rebates
- Stop loss reimbursements
- Plan subrogation

Expenses include:

- Covered claims costs for medical, surgical and prescription medications
- Administrative services
- Shared savings cost for out of network rate negotiations
- Stop loss premiums

Total Paid from Plan Net of Stop Loss Reimbursements



Budget Review Health Plan

	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Adopted	FY2021 Adopted
Expense	35,016,377	34,636,358	39,230,505	41,400,943	45,366,539
Charges for Service					
Employee & Retiree	5,216,180	5,305,881	5,623,894	5,911,505	6,464,458
Employer	28,784,413	29,083,135	29,278,150	28,151,171	38,902,081
Miscellaneous Revenues	110,789	205,881	278,615	100,000	149,828
Revenue	34,111,382	34,594,897	35,180,659	34,162,676	45,516,367
Gain / (Loss)	(904,995)	(41,461)	(4,049,846)	(7,238,267)	149,828

5-Year Rate History

	Employee Biweekly		Employee Monthly	
	2016	Today	2016	Today
Employee Only	\$15.97	\$15.97	\$34.60	\$34.60
Employee Spouse	\$97.71	\$132.00	\$211.70	\$286.00
Employee Child	\$67.08	\$77.00	\$145.30	\$166.83
Family	\$169.44	\$191.00	\$323.79	\$413.83

	County Biweekly		County Monthly	
	2016	Today	2016	Today
Employee Only	\$337.13	\$337.13	\$730.46	\$730.46
Employee Spouse	\$507.00	\$507.00	\$1,098.50	\$1,098.50
Employee Child	\$441.71	\$441.71	\$957.04	\$957.04
Family	\$588.61	\$588.61	\$1,275.33	\$1.275.33

	Total Biweekly		Total Monthly	
	2016	Today	2016	Today
Employee Only	\$353.10	\$353.10	\$765.06	\$765.06
Employee Spouse	\$604.71	\$639.00	\$1,310.20	\$1,384.50
Employee Child	\$508.79	\$518.71	\$1,102.34	\$1,123.87
Family	\$588.61	\$779.61	\$1,599.12	\$1,689.16

Issue:
Costs have increased significantly – revenues have not kept pace.

Enrollees	Coverage Type	Current Biweekly Employee Rates	Current Biweekly County Rates	Current Biweekly Total
1,342	Employee Only	\$15.97	\$337.13	\$353.10
326	Employee Spouse	\$132.00	\$507.00	\$639.00
593	Employee Child	\$77.00	\$441.71	\$518.71
496	Employee Family	\$191.00	\$588.61	\$779.61
Enrollees	Coverage Type	Current Monthly Employee Rates	Current Monthly County Rates	Current Monthly Total
1,342	Employee Only	\$34.60	\$730.46	\$765.06
326	Employee Spouse	\$286.00	\$1,098.50	\$1,384.50
593	Employee Child	\$166.83	\$957.04	\$1,123.87
496	Employee Family	\$413.83	\$1,275.33	\$1,689.16

Option One

- Keeps the overall plan contribution percentage to a combined 85% of total premium.
- Annual Employee = \$6,382,632 - \$531,886 increase
- Annual County = \$36,097,760 - \$3,008,147 increase

Option Two

- Hybrid tier structure that increases County contribution to an overall 86.1%
- Annual Employee = \$5,909,039 - \$492,420 increase
- Annual County = \$36,571,353 - \$3,047,613 increase

Option Three

- Brings dependent cost share, not including the employee-only contribution, to 65%
- Annual Employee = \$6,130,297 - \$510,858 increase
- Annual County = \$36,350,095 - \$3,029,175 increase

Option One – Keeps 85% of Premium

Enrollees	Coverage Type	Option One Biweekly Employee Rates	Option One Biweekly County Rates	Option One Biweekly Total	Employee Biweekly Increase	County Biweekly Increase
1,342	Employee Only	\$15.97	\$362.71	\$378.68	\$0.00	\$25.58
326	Employee Spouse	\$170.97	\$624.26	\$795.23	\$38.97	\$117.26
593	Employee Child	\$99.97	\$505.92	\$605.89	\$22.97	\$64.21
496	Employee Family	\$219.82	\$802.62	\$1,022.44	\$28.82	\$214.01
Enrollees	Coverage Type	Option One Monthly Employee Rates	Option One Monthly County Rates	Option One Monthly Total	Employee Monthly Increase	County Monthly Increase
1,342	Employee Only	\$34.60	\$785.88	\$820.48	\$0.00	\$55.42
326	Employee Spouse	\$370.45	\$1,352.56	\$1,723.01	\$84.44	\$254.06
593	Employee Child	\$216.61	\$1,096.15	\$1,312.76	\$49.77	\$139.11
496	Employee Family	\$476.29	\$1,739.00	\$2,215.29	\$62.45	\$463.67

Option Two - Hybrid Option – 86.1% of Premium

Enrollees	Coverage Type	Option Two Biweekly Employee Rates	Option Two Biweekly County Rates	Option Two Biweekly Total	Employee Biweekly Increase	County Biweekly Increase
1,342	Employee Only	\$15.97	\$362.71	\$378.68	\$0.00	\$25.58
326	Employee Spouse	\$148.15	\$647.08	\$795.23	\$16.15	\$140.08
593	Employee Child	\$88.54	\$517.35	\$605.89	\$11.54	\$75.64
496	Employee Family	\$211.77	\$810.67	\$1,022.44	\$20.77	\$222.06
Enrollees	Coverage Type	Option Two Monthly Employee Rates	Option Two Monthly County Rates	Option Two Monthly Total	Employee Monthly Increase	County Monthly Increase
1,342	Employee Only	\$34.60	\$785.55	\$820.15	\$0.00	\$55.09
326	Employee Spouse	\$321.00	\$1,402.00	\$1,723.00	\$35.00	\$303.50
593	Employee Child	\$191.83	\$1,120.93	\$1,312.76	\$25.00	\$163.89
496	Employee Family	\$458.83	\$1,756.46	\$2,215.29	\$45.00	\$481.13

Option Three - 95.8% Employee; 65% Dependent

Enrollees	Coverage Type	Option Three Biweekly Employee Rates	Option Three Biweekly County Rates	Option Three Biweekly Total	Employee Biweekly Increase	County Biweekly Increase
1,342	Employee Only	\$15.97	\$362.71	\$378.68	\$0.00	\$25.58
326	Employee Spouse	\$151.38	\$643.85	\$795.23	\$19.38	\$136.85
593	Employee Child	\$85.11	\$520.78	\$605.89	\$8.11	\$79.07
496	Employee Family	\$230.90	\$791.54	\$1,022.44	\$39.90	\$202.93
Enrollees	Coverage Type	Option Three Monthly Employee Rates	Option Three Monthly County Rates	Option Three Monthly Total	Employee Monthly Increase	County Monthly Increase
1,342	Employee Only	\$34.60	\$785.88	\$820.48	\$0.00	\$55.42
326	Employee Spouse	\$327.99	\$1,395.01	\$1,723.00	\$41.99	\$296.51
593	Employee Child	\$184.41	\$1,128.35	\$1,312.76	\$17.58	\$171.31
496	Employee Family	\$500.29	\$1,715.00	\$2,215.29	\$86.46	\$439.67