



I.M.P.A.C.T. Committee Meeting: PEBA Analysis

David Costa

November 16th, 2021



Gallagher

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Agenda

- Section I - Background Info & Eligibility
- Section II – CIGNA (current) vs PEBA – Active Employees & Pre 65 Retirees
- Section III - Humana (current) vs PEBA – Post 65 Retirees
- Section IV – PEBA Pros & Cons
- Section V - Appendix



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Section I - Background Information & Eligibility



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Background & Executive Summary

- Gallagher is one of the world's leading risk management & consulting firms and acts as a broker for many employers in helping them evaluate and purchase their insurance.
- Gallagher marketed RCG's Medical plans to CIGNA (incumbent), Aetna, Blue Cross South Carolina, BlueChoice and United Healthcare for an effective date of October 1, 2021. Choice was made to remain with CIGNA
- Currently RCG has a fully insured plan and historically the RCG HR team has done an outstanding job managing plans/costs. Loss Ratios / Large Claimant activity has spiked in the past 12 months to over 100% (claims are higher than premiums paid). Costs for Pre 65 retirees are significantly higher than premiums being paid
- Gallagher has also helped RCG analyze PEBA (SC State Health Plan) to understand the Pro's and Con's of joining the program specific to
 - Active Employees
 - Pre 65 Retirees
 - Post 65 Retirees
- **The presentation today will highlight Gallagher's findings and comparisons of the current benefits offered at RCG vs PEBA**





PEBA Retiree Eligibility – Optional Employers

Eligibility for retiree group insurance is not the same as eligibility for retirement. Determining retiree insurance eligibility is complicated, and only PEBA can make that determination. It is very important to contact PEBA before making final arrangements for retirement.

Employees hired into an insurance-eligible position

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility <i>Learn more about retirement eligibility at peba.sc.gov.</i>	At least five years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 or more years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer's discretion.

As long as the employee is eligible to retire under SCRS rules and the last five years have been consecutive, full-time, permanent with an insurance covered employer, the employee would be eligible for insurance.



PEBA & Grandfathered Status

- PEBA believes the State Health Plan is a “grandfathered health plan” under the Patient Protection and Affordable Care Act (the Affordable Care Act).
- As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted in 2010.
- Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing or have a cap on out of pocket costs.



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Section II – Active Employees & Pre 65 Retirees

Current Benefits & Est. Actuarial Value



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Benefit Summary	Buy Up		CIGNA Current (Fully Insured) Standard		HDHP	
	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
Calendar Year Deductible						
Individual	\$500	\$1,000	\$1,000	\$2,000	\$3,000	\$6,000
Family	\$1,000	\$2,000	\$2,000	\$4,000	\$6,000	\$12,000
Coinsurance Maximum						
Individual	N/A	N/A	N/A	N/A	N/A	N/A
Family	N/A	N/A	N/A	N/A	N/A	N/A
Out-of-Pocket Maximum						
Individual	\$4,000	\$8,000	\$5,500	\$11,000	\$6,000	\$12,000
Family	\$8,000	\$16,000	\$11,000	\$22,000	\$12,000	\$24,000
Routine Doctor Office Visits						
Primary Care	\$20 copay	70% after deductible	\$35 copay	70% after deductible	100% after deductible	70% after deductible
Specialist	\$35 copay	70% after deductible	\$45 copay	70% after deductible	100% after deductible	70% after deductible
Preventive Care	100% - No deductible	70% after deductible	100% - No deductible	70% after deductible	100% - No deductible	70% after deductible
Inpatient Hospital Services						
Per Admission Deductible	N/A	N/A	N/A	N/A	N/A	N/A
Facility Care	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible
Doctor Visits & Surgery	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible
Outpatient Hospital Services						
Surgery	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible
Diagnostic Lab & X-Rays	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible
Emergency Room						
Emergency Care	80% after deductible	80% after deductible	70% after deductible	70% after deductible	100% after deductible	100% after deductible
Urgent Care Centers	\$35 copay	\$35 copay	\$45 copay	\$45 copay	100% after deductible	100% after deductible
Prescription Drugs - Retail						
Generic	\$10		\$20		70% after Deductible	
Preferred Brand Name	\$35		\$50		60% after Deductible	
Non-Preferred Brand Name	\$55		\$75		50% after Deductible	
Specialty	\$55		70% (Min \$75 / Max \$150)		50% after Deductible	

Plan Actuarial Values:

Buy Up - ~87%

Standard - ~80%

HDHP* - ~77%

The actuarial value of a plan tells you what percentage of healthcare costs that health insurance plan is expected to pay for its beneficiaries. A plan with an actuarial value of **80%** is expected to pay approximately 80% of the healthcare costs of its beneficiaries

Current Rx Benefits



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Pharmacy Benefits			
	Buy Up Plan	Standard Plan	Choice Plan (In-Network / Out-of-Network)
IN-NETWORK COVERAGE ONLY - Dispense as Written**			
Retail (31-day supply)	\$10 copay - Tier I (Generic) \$35 copay - Tier II (Preferred Brand) \$55 copay - Tier III (Non-Preferred Brand and Specialty*)	\$20 copay - Tier I (Generic) \$50 copay - Tier II (Preferred Brand) \$75 copay - Tier III (Non-Preferred Brand) 30% coinsurance (\$75 min/ \$150 max) - Tier IV (Specialty*)	In-Network: 30% Tier I 40% Tier II 50% Tiers III & IV Out-of-Network: 50%
Mail Order - Cigna Home Delivery (93-day supply)	\$20 copay - Tier I (Generic) \$70 copay - Tier II (Preferred Brand) \$125 copay - Tier III (Non-Preferred Brand and Specialty*)	\$40 copay - Tier I (Generic) \$100 copay - Tier II (Preferred Brand) \$150 copay - Tier III (Non-Preferred Brand) 30% coinsurance (\$150 min/ \$300 max) - Tier IV (Specialty*)	In-Network: 30% Tier I 40% Tier II 50% Tiers III & IV Out-of-Network: Not Covered
Pharmacy Drug Formulary	Cigna Standard Prescription Drug List	Cigna Value Prescription Drug List	Cigna Value Prescription Drug List
Includes Step Therapy?	No	Yes	Yes

Standard Plan and Choice Plan both have more restrictive “Value” Prescription Drug List and also require Step Therapy compared to Buy Up Plan



*Specialty Rx must be purchased through Cigna Home Delivery (31-day supply)

**When patient requests brand drug, patient pays the generic copay plus the cost difference between the brand and generic drugs up to the cost of the brand drug.

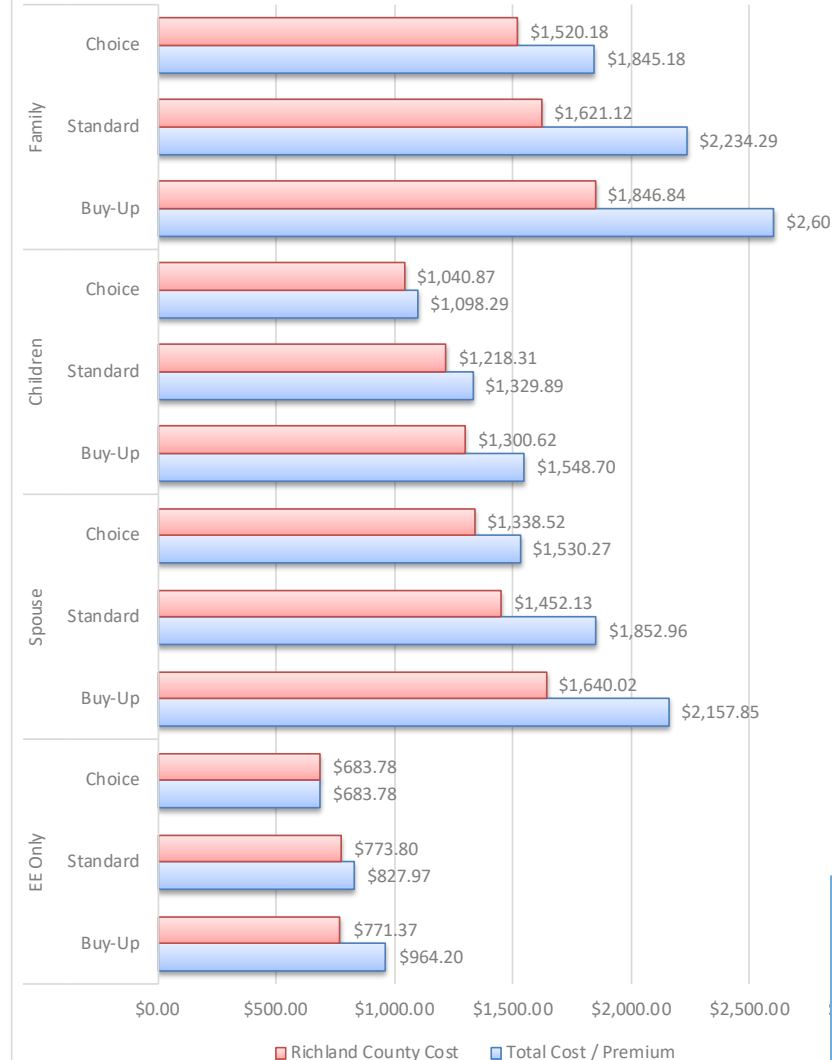
Current Premiums & Employee Contributions



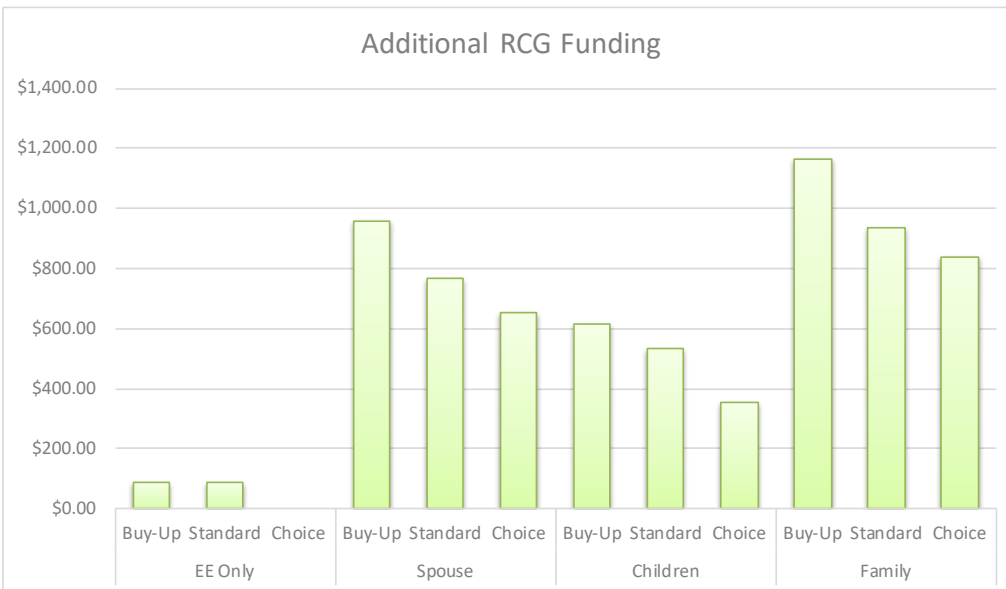
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	Buy-Up	Total Cost / Premium	Richland County Cost	EE Contribution	Additional RCG Funding
EE Only	Buy-Up	\$964.20	\$771.37	\$192.83	\$87.59
	Standard	\$827.97	\$773.80	\$54.17	\$90.02
	Choice	\$683.78	\$683.78	\$0.00	\$0.00
Spouse	Buy-Up	\$2,157.85	\$1,640.02	\$517.83	\$956.24
	Standard	\$1,852.96	\$1,452.13	\$400.83	\$768.35
	Choice	\$1,530.27	\$1,338.52	\$191.75	\$654.74
Children	Buy-Up	\$1,548.70	\$1,300.62	\$248.08	\$616.84
	Standard	\$1,329.89	\$1,218.31	\$111.58	\$534.53
	Choice	\$1,098.29	\$1,040.87	\$57.42	\$357.09
Family	Buy-Up	\$2,601.92	\$1,846.84	\$755.08	\$1,163.06
	Standard	\$2,234.29	\$1,621.12	\$613.17	\$937.34
	Choice	\$1,845.18	\$1,520.18	\$325.00	\$836.40

Employer Contribution vs Total Cost



Additional RCG Funding



Current Benefits vs PEBA



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Benefit Summary	CIGNA Current (Fully Insured)						PEBA			
	Buy Up		Standard		HDHP		Standard Plan		Savings Plan	
	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network	In-Network	Non-Network
Calendar Year Deductible										
Individual	\$500	\$1,000	\$1,000	\$2,000	\$3,000	\$6,000	\$490	\$490	\$3,600	\$3,600
Family	\$1,000	\$2,000	\$2,000	\$4,000	\$6,000	\$12,000	\$980	\$980	\$7,200	\$7,200
									Non Embedded Ded	
Coinsurance Maximum										
Individual	N/A	N/A	N/A	N/A	N/A	N/A	\$2,800	\$5,600	\$2,400	\$4,800
Family	N/A	N/A	N/A	N/A	N/A	N/A	\$5,600	\$11,200	\$4,800	\$9,600
Out-of-Pocket Maximum										
Individual	\$4,000	\$8,000	\$5,500	\$11,000	\$6,000	\$12,000	Unlimited	Unlimited	\$6,000	\$8,400
Family	\$8,000	\$16,000	\$11,000	\$22,000	\$12,000	\$24,000	Unlimited	Unlimited	\$12,000	\$16,800
Routine Doctor Office Visits										
Primary Care	\$20 copay	70% after deductible	\$35 copay	70% after deductible	100% after deductible	70% after deductible	\$14 + remaining ded & coin		80% after deductible	60% after deductible
Specialist	\$35 copay	70% after deductible	\$45 copay	70% after deductible	100% after deductible	70% after deductible	\$14 + remaining ded & coin		80% after deductible	60% after deductible
Preventive Care	100% - No deductible	70% after deductible	100% - No deductible	70% after deductible	100% - No deductible	70% after deductible	Wellness Schedule (Age Banding / Covered Years & Non Covered Years)		100% - No deductible	60% after deductible
Inpatient Hospital Services							Patient Centered Medical Home Discount - No Copay / Lower Coinsurance			
Per Admission Deductible	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Facility Care	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
Doctor Visits & Surgery	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible	80% after deductible	60% after deductible	80% after deductible	60% after deductible
Outpatient Hospital Services										
Surgery	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible	\$105 + remaining ded & coin		80% after deductible	60% after deductible
Diagnostic Lab & X-Rays	80% after deductible	70% after deductible	70% after deductible	60% after deductible	100% after deductible	70% after deductible	\$105 + remaining ded & coin		80% after deductible	60% after deductible
Emergency Room										
Emergency Care	80% after deductible	80% after deductible	70% after deductible	70% after deductible	100% after deductible	100% after deductible	\$175 + remaining ded & coin		80% after deductible	60% after deductible
Urgent Care Centers	\$35 copay	\$35 copay	\$45 copay	\$45 copay	100% after deductible	100% after deductible	\$14 + remaining ded & coin		80% after deductible	60% after deductible
Prescription Drugs - Retail							\$3000 Rx Copay Max			
Generic	\$10		\$20		70% after Deductible		\$9		80% after Deductible	
Preferred Brand Name	\$35		\$50		60% after Deductible		\$42		80% after Deductible	
Non-Preferred Brand Name	\$55		\$75		50% after Deductible		\$70		80% after Deductible	
Specialty	\$55		70% (Min \$75 / Max \$150)		50% after Deductible		\$70		80% after Deductible	



PEBA Plan Design Losses

- As permitted by the Affordable Care Act, a grandfathered health plan can preserve certain basic health coverage that was already in effect when that law was enacted. Being a grandfathered health plan means that your plan may not include certain consumer protections of the Affordable Care Act that apply to other plans, for example, the requirement for the provision of preventive health services without any cost sharing or include a true out of pocket maximum
- Standard Plan deductible looks low but office visits and other routine procedures will be subject to meeting deductible before any plan benefits paid.
- Standard Plan has no true out of pocket max. \$14 copays and other outpatient copays continue after deductible & coinsurance max. Rx copay max of \$3000 is unreachable.
- Standard Plan wellness visits limited to covered years based on the following schedule:
 - Ages 19-39, one visit every three years, Ages 40-49, one visit every two years, Ages 50 and up, one visit per year.
 - Eligible female members may use their well visit at their gynecologist or their primary care physician, but not both, in a covered year.
- Savings Plan requires coinsurance after deductible met (current plan is 100% except prescription drugs).
- Savings Plan does not come with employer seed money to a Health Savings Account (HSA)
- PEBA offers no cross accumulation of deductibles and coinsurance of In-Network & Out-of-Network benefits



CIGNA / PEBA Covered Services

Column1	CIGNA	SPD Page (Standard Plan)	PEBA	Plan of Benefits Page/Section
Ambulance	Yes	29	Yes	47-G
Ambulatory Surgical Centers	Yes	29	Yes	53-E
Anesthesia	Yes	29	Yes	56-C
Autism Spectrum Disorders	Not Covered	30	Yes	66
Behavioral Health Disorders - Inpatient	Yes	32	Yes	48-M
Behavioral Health Disorders - Outpatient / Professional	Yes	32	Yes	48-L
Blood Transfusions	Yes	29	Yes	46 - B
Chiropractic Services	Yes	35	Yes	45
Contraceptives	Yes	29	Yes	67
Cranial Band	Not Covered	34/46	Yes	66
Dental Care - Surgery	Yes	46	Yes	49-O
Diagnostic Services - Outpatient (X ray, labs)	Yes	29	Yes	58-A/B
DME - Therapeutic	Yes	33	Yes	46-E
Genetic Testing	Yes	30	Not Listed	Not Listed
Home Health Care	Yes	31	Yes	61
Hospice Care	Yes	31	Yes	59
Hospital Care - Inpatient	Yes	29	Yes	53-A/B
Hospital Care - Outpatient	Yes	29	Yes	53-C/D
Hospital Care - Physician	Yes	29	Yes	56-D
Hospital Care - Room, Board, Other	Yes	29	Yes	54G
Hospital Care - Surgery	Yes	29	Yes	55-A
Hospital Care - Surgical Assistant	Yes	29	Yes	56-B
Infertility Treatment	Not Covered	46	Yes	64
Medical Supplies	Yes	29	Yes	46-F
Nursing Care - Home	Yes	31	Yes	46 - D
Nursing Care - Hospital	Yes	29	Yes	46 - C
Obstetrical Care	Yes	21	Yes	57-G
Occupational Therapy /Physical Therapy	Yes	35	Yes	47-K
Organ Transplant	Yes	36	Yes	49-P / 58-A/B/C
Orthopedic braces/crutches	Yes	34	Yes	48-J
Physician Administered Specialty Drugs	Yes	37	Yes	67
Prescription Drugs	Yes	39	Yes	67
Preventive Care - Men (PSA)	Yes	29	Not Listed	Not Listed
Preventive Care - Woman (Mamograms, Cervical Cancer)	Yes	30	Yes	62
Preventive Screenings	Yes	29	Yes	66
Prosthetic Appliances	Yes	31	Yes	48-H
Chemo/Radiation Therapy (Cancer)	Yes	29	Yes	57-I
Rehabilitation Facility & Care	Yes	29	Yes	63
Skilled Nursing Facility	Yes	29	Yes	59
Speech Therapy - Rehabilitation	Yes	35	Yes	48-N
Telehealth/Telemedicine	Yes	30	Yes	52-Q/R
Tobacco Cessation Pharmaceuticals	Yes	45	Yes	69
Well Care (Child/Adult)	Yes	29	Yes	64/65

PEBA looks to have coverage/high coverage for Autism/ABA, Cranial Banding and Infertility Treatment.

PSA exams for men is not listed under PEBA but safe to say it is covered due to following USPSTF guidelines.



Current Employee Contribution vs PEBA

Health Insurance Coverage Costs Per Month Based on Coverage	CURRENT CIGNA PLAN			SC PEBA PLANS	
	Choice H S A	Standard 70/30	Buy-up 80/20	Savings H S A	Standard 80/20
Employee Only	\$0.00	\$54.17	\$192.83	\$9.70	\$97.68
Employee/Spouse	\$191.75	\$400.83	\$517.83	\$77.40	\$253.36
Employee Child(ren)	\$57.42	\$111.58	\$248.08	\$20.48	\$143.86
Family	\$325.00	\$613.17	\$755.08	\$113.00	\$306.56





State Health Plan versus national trends

Claims expenditure growth



	Public and private sector insurance plans ¹	State Health Plan ²
2016	6.9%	0.2%
2017	6.5%	2.4%
2018	7.1%	3.2%
2019	6.7%	2.3%
2020	6.6%	3.6% ³
5-year average (2016-2020)	6.8%	2.3%

- Target is to maintain net expenditure growth at least two points below benchmark.



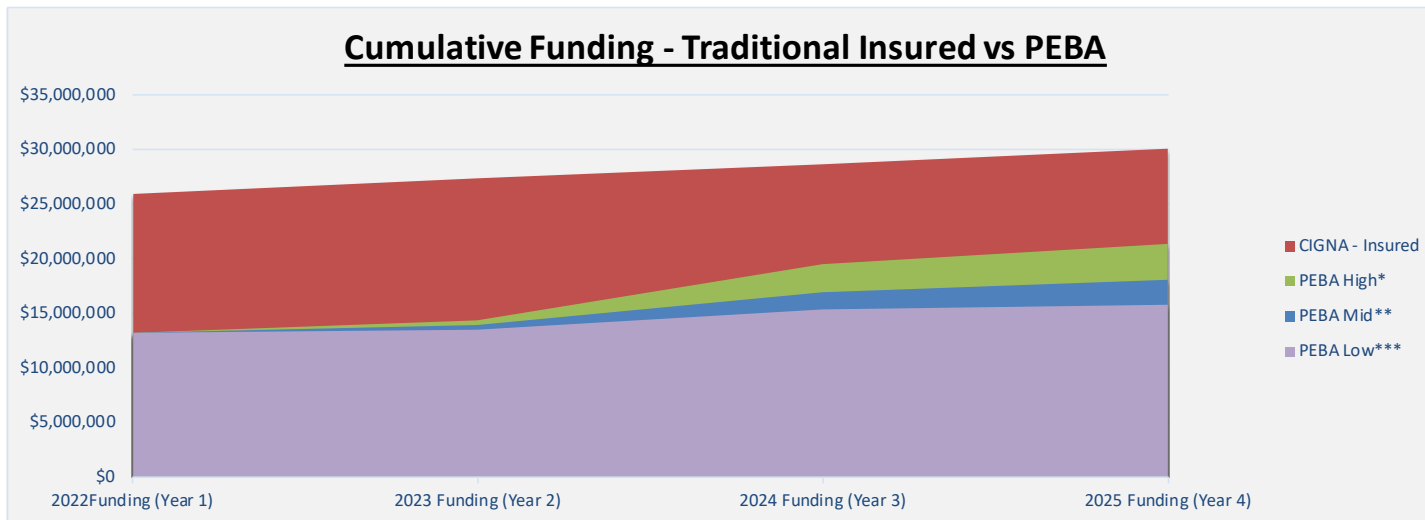
PEBA vs Fully Insured Total Cost Estimate – Low/Mid/High

	CIGNA - Insured	PEBA High*	PEBA Mid**	PEBA Low***
5 Year Trend	5.0%	9.0%	6.0%	3.0%
2022 Funding (Year 1)	\$26,000,000	\$13,159,730	\$13,159,730	\$13,159,730
2023 Funding (Year 2)	\$27,300,000	\$14,344,106	\$13,949,314	\$13,554,522
2024 Funding (Year 3)	\$28,665,000	\$19,543,844	\$17,004,214	\$15,357,273
2025 Funding (Year 4)	\$30,098,250	\$21,302,790	\$18,024,466	\$15,817,992
Total 4 Year Estimated Cost	\$112,063,250	\$68,350,470	\$62,137,724	\$57,889,517
4 Year Estimated Savings vs CIGNA	N/A	\$43,712,780	\$49,925,526	\$54,173,733

*9% Annual Increase with 25% Load Factor in 2024 & 2025

**6% Annual Increase with 15% Load Factor in 2024 & 2025

***3% Annual Increase with 10% Load Factor in 2024 & 2025



The High, Mid and Low scenarios assume different average annual increases and PEBA applied load factors after year two of program. Max load after year 2 is 50%



PEBA Cost Containment Highlights

- Provider reimbursement pricing policy with provider networks (inpatient and outpatient hospital settings, professional fee schedules and pharmacy pricing)
- Utilization review and management (precertification of inpatient cases and certain outpatient procedures, disease management of specified conditions, complex care management and chronic kidney disease management)
- Tobacco surcharge of \$40/contract/month for members with single coverage who use tobacco and \$60/contract/month for members with dependent coverage who use tobacco or cover a family member that does
- Prior authorization/step therapy requirements for specified medications, including “preferred step therapy” program to steer business to “front-line” generics
- Closed formulary — non-coverage of non-formulary products
- “Pay-the-difference” policy for brand drugs with generic equivalents
- Voluntary Data Sharing Agreement with Medicare (maintain current Medicare eligibility on all subscribers yielding significant cost savings)
- Pharmaceutical manufacturer rebates (for all health plans); the Plan received approximately \$293.10 million in rebates during the current fiscal year
- Narrow pharmacy networks for specialty drugs and for retail maintenance



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Section III – Post 65 Retirees



Education – Parts of Medicare

Medicare Part A – Hospital Insurance

Covers medically necessary inpatient care in a hospital or skilled nursing facility. It also helps cover some home healthcare and hospice care. This coverage is free to citizens who have paid into Medicare for more than 10 years. The Part A deductible for 2021 = \$1,484

Medicare Part B – Medical Insurance

Covers medically necessary providers' services, outpatient care and other medical services and supplies. Part B also helps cover some preventive services. The cost of Part B coverage varies by location but is around \$150 per month and the deductible for 2021 = \$203

Medicare Part C – Medicare Advantage Plans

Humana.

Available through private insurance companies, such as Humana. Part C helps cover everything medically necessary that Part A and Part B cover. You still have Medicare if you elect Medicare Part C coverage. You must be entitled to Medicare Part A and enrolled in Part B to be eligible for a Medicare Part C plan.

Medicare Supplement (Medigap) –

Designed to cover the “gaps” Medicare Part A & B do not cover such as deductibles, copayments and coinsurance. There are typically a range of options available and if someone signs up in initial enrollment period then coverage cannot be denied regardless of health status. Policies are standardized so that policies identified by the letter A-N offer the same benefits

Medicare Part D – Prescription Drug Coverage

Only available through private companies, such as Humana. Many Part C Medicare Advantage plans include Medicare Part D prescription drug coverage. Coverage costs vary based on a multiple of factors. In addition to the monthly premium, there may be an annual deductible as well as copayments or coinsurance each time a prescription is filled.

Medical Premiums & Employee Contributions

*from current RCG Medicare Retiree OE Guide




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Humana.

Type	Tier	Total Premium	RCG Portion	Retiree Portion	
Medicare retirees who retired before January 1, 2010 OR who retired after January 1, 2010 and who have at least 25 years of service	25+ Years - 100%	Retiree Only	\$149.63	\$149.63	\$0.00
		Retiree & Spouse (65 & older)	\$299.26	\$209.73	\$89.53
Medicare retirees who retired after January 1, 2010 and who have less than 25 years of service	20-24 Years - 75%	Retiree Only	\$149.63	\$112.22	\$37.41
		Retiree & Spouse (65 & older)	\$299.26	\$158.60	\$140.66
	15-19 Years - 50%	Retiree Only	\$149.63	\$74.82	\$74.81
		Retiree & Spouse (65 & older)	\$299.26	\$107.47	\$191.79
	10-14 Years - 25%	Retiree Only	\$149.63	\$37.41	\$112.22
		Retiree & Spouse (65 & older)	\$299.26	\$56.34	\$242.92
	1-9 Years - 0%	Retiree Only	\$149.63	\$0.00	\$149.63
		Retiree & Spouse (65 & older)	\$299.26	\$0.00	\$299.26

Humana vs PEBA Benefit Design

	Humana	 PEBA SC Retirement Systems and State Health Plan	
Plan Name	Richland County - 2021 Plan Year	Medicare Supplement Plan	Carve Out Plan (PEBA Standard Plan)
Plan Type	Medicare Advantage	Medicare Supplement Plan	Medicare Advantage / Carve-out
Annual Deductible	\$350 per individual per plan year	N/A - pays Medicare Part A (\$ 1,484) & B (\$203) Deductible	\$490 Single / \$980 Family
Annual Out of Pocket Max	\$2,000	N/A - pays Part A & B Deductible and Part B coinsurance of 20%	Unlimited (Copays continue after coinsurance maximum of \$2800 is met)
Outpatient Care and Services			
Ambulance	80% covered	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Ambulatory Surgical Center Services	80% after combined annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Durable Medical Equipment & Prosthetics	100% covered or 80% covered	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Emergency Care	100% after \$75 copayment; waived if admitted within 24 hours	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$175 copayment plus the remaining deductible. Then, you pay the copayment plus your coinsurance
Podiatry Services (Medicare covered)	80% after annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Hearing Exam (Medicare Covered)	100% after \$35 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	?
Hearing Exam (routine)	Not Covered	Not Covered	Not Covered
Hearing Aids	Not Covered	Not Covered	Not Covered
Hospital Inpatient	80% covered after annual deductible	N/A - pays Part A hospital deductible, coinsurance for days 61 through 150 and 100% covered beyond 150	\$490 Deductible then Coinsurance
Outpatient Rehabilitation (Medicare-covered therapies, Cardiac and pulmonary rehab)	100% covered after \$35 copay (\$30 copay for pulmonary therapy)	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Outpatient Hospital	80% after combined annual deductible or 100% after \$20 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$105 copayment plus the remaining deductible. Then, you pay the copayment plus your coinsurance
Renal Dialysis	100% after \$20 to \$30 copayment (100% for Renal Dialysis Training)	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Urgent Care	100% covered after \$20 - \$35 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	
Vision Services (Medicare Covered Exam)	100% covered after \$35 copayment		
Vision Services (Medicare- covered eyeglasses or contact lenses after cataract surgery)	100% covered after \$35 copayment		


Humana vs PEBA Benefit Design

	Humana.	 PEBA SC Retirement Systems and State Health Plan	Insurance Risk Management Consulting
Plan Name	Richland County - 2021 Plan Year	Medicare Supplement Plan	Carve Out Plan (PEBA Standard Plan)
Plan Type	Medicare Advantage	Medicare Supplement Plan	Medicare Advantage / Carve-out
Diagnostic Tests, Lab and Radiology Services, and X-Rays			
Diagnostic Radiology services (MRIs, CT Scans)	80% covered after annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Diagnostic tests and procedures	100% covered after \$0 - \$35 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Lab services	80% covered after combined annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Outpatient x-rays	100% covered after \$20 - \$35 copay	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Therapeutic radiology services	80% covered after combined annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance
Skilled Nursing Facility			
Days 1-20	100% covered after annual deductible	100% - pays coinsurance for days 21 through 100 and 100% of approved days beyond 100 if medically necessary. Limit of 60 days beyond 100 days per year	\$490 Deductible then Coinsurance up to 60 days
Days 21-100	80% covered per day		
Days 101+	Not Covered		
Home Health	80% covered after annual deductible	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$490 Deductible then Coinsurance up to 100 visits
Hospice	Covered under Original Medicare	Covered under Original Medicare	Covered under Original Medicare
Physician Visits & Preventive			
Primary Care Physician	\$20 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	\$14 copayment plus the remaining allowed until deductible met. Then \$14 copayment plus 20% coinsurance
Physician Specialist	\$35 copayment		
Immunizations & Screenings - Medicare covered	100% covered	100% covered	100% covered
Mental Health Care			
Mental Health (Inpatient - days 1-90 per benefit period)	80% covered after combined annual deductible per day	Inpatient: Plan pays Medicare deductible; \$371/day coinsurance for days 61-90; and \$742/day coinsurance for days 91-150. After 150 days approval required	\$490 Deductible then Coinsurance
Mental Health (Inpatient - days 91+ per benefit period)	Not Covered		
Mental Health / Substance Abuse (outpatient - individual)	100% covered after \$20 to \$35 copayment		
Mental Health / Substance Abuse (outpatient - group)	100% covered after \$10 to \$35 copayment	100% - pays Medicare Part A & Part B Deductible and Part B Coinsurance	

Humana vs PEBA Benefit Design



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	Humana	 PEBA <small>SC Retirement Systems and State Health Plan</small>	
Plan Name	Richland County - 2021 Plan Year	Medicare Supplement Plan	Carve Out Plan (PEBA Standard Plan)
Plan Type	Medicare Advantage	Medicare Supplement Plan	Medicare Advantage / Carve-out
Prescription Drugs			
Retail	30 Days / 90 Days	30 Days / 90 Days	30 Days / 90 Days
Tier 1 - Generic or Preferred Generic	\$10 / \$30	\$9 / \$22	\$9 / \$22
Tier 2 - Preferred Brand	\$35 / \$105	\$42 / \$105	\$42 / \$105
Tier 3 - Non-Preferred Brand	\$55 / \$165	\$70 / \$175	\$70 / \$175
Tier 4 - Specialty	\$75 / NA	?	?
Mail-Order	30 Days / 90 Days	30 Days / 90 Days	30 Days / 90 Days
Tier 1 - Generic or Preferred Generic	\$10 / \$20	\$9 / \$22	\$9 / \$22
Tier 2 - Preferred Brand	\$35 / \$80	\$42 / \$105	\$42 / \$105
Tier 3 - Non-Preferred Brand	\$55 / \$140	\$70 / \$175	\$70 / \$175
Tier 4 - Specialty	\$75 / NA	?	?
Other Notes			
Part D Gap Coverage	Not applicable	ESI Medicare Part D Plan - Up to \$3000 in prescription drug copayments	ESI Medicare Part D Plan - Up to \$3000 in prescription drug copayments
Coverage Overseas	Emergency Only - Out-of-Network: \$100 deductible, 80% coinsurance, \$25,000 Maximum Annual Benefit or 60 consecutive days, which is reached first. Limited to emergency Medicare-covered	No	Yes - BCBS Global Core program

PEBA Retiree Items to Consider:

- Items to Consider
 - If RCG participates in PEBA/State Health plan, it is for a minimum of 4 years and you cannot offer any benefit package that conflicts with the package already offered through PEBA (ie-cannot offer Humana Medicare Advantage)
 - PEBA requires the employer/RCG to pay the full amount of the premium and then collect and cost share amount from the retiree directly
 - **The PEBA retiree options are significantly more expensive vs the current Medicare Advantage plans and the cost to RCG will increase unless retirees are charged more of the cost. Cost of total premium for retirees is the same/comparable to active employees**
 - RCG can choose to fully fund, partially fund or not fund the retiree portion of coverage
 - Retirees can choose not to take the PEBA coverage and secure coverage on their own on the individual market at a cheaper rate (many retirees choose this option)
 - PEBA has more complex rules/rates based on the following:
 - Retiree eligible for Medicare, spouse eligible for Medicare
 - Retiree eligible for Medicare, spouse **not** eligible for Medicare
 - Retiree **not** eligible for Medicare, spouse eligible for Medicare
 - Retiree **not** eligible for Medicare, spouse **not** eligible for Medicare
 - Retiree **not** eligible for Medicare, spouse **not** eligible for Medicare, one or more children eligible for Medicare

Humana vs PEBA Cost



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Current - RCG Humana Medicare Advantage

Type		Tier	Total Premium	RCG Portion	Retiree Portion
Medicare retirees who retired before January 1, 2010 OR who retired after January 1, 2010 and who have at least 25 years of service	25+ Years - 100%	Retiree Only	\$149.63	\$149.63	\$0.00
		Retiree & Spouse (65 & older)	\$299.26	\$209.73	\$89.53
Medicare retirees who retired after January 1, 2010 and who have less than 25 years of service	20-24 Years - 75%	Retiree Only	\$149.63	\$112.22	\$37.41
		Retiree & Spouse (65 & older)	\$299.26	\$158.60	\$140.66
	15-19 Years - 50%	Retiree Only	\$149.63	\$74.82	\$74.81
		Retiree & Spouse (65 & older)	\$299.26	\$107.47	\$191.79
	10-14 Years - 25%	Retiree Only	\$149.63	\$37.41	\$112.22
		Retiree & Spouse (65 & older)	\$299.26	\$56.34	\$242.92
	1-9 Years - 0%	Retiree Only	\$149.63	\$0.00	\$149.63
		Retiree & Spouse (65 & older)	\$299.26	\$0.00	\$299.26

The PEBA retiree options are significantly more expensive vs the current Medicare Advantage plans and the cost to RCG will increase unless retirees are charged more of the cost. Cost of total premium for retirees is the same/comparable to active employees

PEBA Medicare Supplemental & Carve Out Plan

Type		Tier	Total Premium	RCG Portion	Retiree Portion	RCG Impact (25+ years)	Retiree Impact (25+ ye)
Medicare Supplemental	Non Funded	Retiree Only	\$500.38	\$0.00	\$500.38		
		Retiree & Spouse	\$1,051.04	\$0.00	\$1,051.04		
		Retiree & Children	\$761.92	\$0.00	\$761.92		
		Retiree & Family	\$1,305.28	\$0.00	\$1,305.28		
Medicare Supplemental	Funded	Retiree Only	\$500.38	\$402.70	\$97.68	\$253.07	\$97.68
		Retiree & Spouse	\$1,051.04	\$797.68	\$253.36	\$587.95	\$163.83
		Retiree & Children	\$761.92	\$618.06	\$143.86		
		Retiree & Family	\$1,305.28	\$998.72	\$306.56		
Carve Out Plan	Non Funded	Retiree Only	\$482.38	\$0.00	\$482.38		
		Retiree & Spouse	\$1,015.04	\$0.00	\$1,015.04		
		Retiree & Children	\$743.92	\$0.00	\$743.92		
		Retiree & Family	\$1,269.28	\$0.00	\$1,269.28		
Carve Out Plan	Funded	Retiree Only	\$482.38	\$402.70	\$79.68	\$253.07	\$79.68
		Retiree & Spouse	\$1,015.04	\$797.68	\$217.36	\$587.95	\$127.83
		Retiree & Children	\$743.92	\$618.06	\$125.86		
		Retiree & Family	\$1,269.28	\$998.72	\$270.56		



Optional Employers – Retiree Eligibility

Eligibility for retiree group insurance is not the same as eligibility for retirement. Determining retiree insurance eligibility is complicated, and only PEBA can make that determination. It is very important to contact PEBA before making final arrangements for retirement.

When reviewing the chart on the next page, keep these in mind:

- The retiree's last five years of employment must have been served consecutively in a full-time, insurance-eligible permanent position with an employer that participates in the State Health Plan.
- Changing jobs could affect retiree eligibility for funding.
- Earned service credit is time earned and established in one of the defined benefit pension plans PEBA administers. Earned service credit does not include any purchased service credit not considered earned service in the retirement plans (e.g., non-qualified service).
- If your employer does not participate in a PEBA-administered retirement plan, your eligibility is determined as if you were a member of the South Carolina Retirement System. This means one year of employment is equated to one year of earned service credit.



Optional Employers – Retiree Eligibility (cont.)

Eligibility for retiree group insurance is not the same as eligibility for retirement. Determining retiree insurance eligibility is complicated, and only PEBA can make that determination. It is very important to contact PEBA before making final arrangements for retirement.

Employees hired into an insurance-eligible position

Retirement status	Earned service credit with an employer participating in the State Health Plan	Responsibility for paying for premiums
Left employment after reaching service or disability retirement eligibility <i>Learn more about retirement eligibility at peba.sc.gov.</i>	At least five years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer’s discretion.
Left employment before reaching retirement eligibility	Less than 20 years	You are not eligible for retiree insurance coverage.
	20 or more years	Your portion of the premium, up to the full amount of the employee and employer share, is at your employer’s discretion.



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Section IV – PEBA Pros & Cons



Pros – PEBA vs CIGNA / Commercial

#1 – Active & Pre 65 Retiree Cost of Coverage

- See PEBA Cost Summary slides
- Before PEBA experience rate loads applied after year 2, total plan costs are ~40% to ~50% below current CIGNA plan pricing.
- After PEBA experience rate loads / worst case scenario, the savings are still significant compared to current.

#2 – Financial Stability

- See PEBA vs National Trends slide.
- Pooling/risk sharing spreads catastrophic claim risk over a larger population of employers/employees vs stand alone traditional plan.
- Referenced based reimbursement model leads to lower long term medical trends.

#3 - Economies of Scale / Efficient Processes & Administration

- Same common process for all PEBA members in terms of administering eligibility, benefits, etc.
- Funding/budget rates are known almost 10 months in advance vs 3-5 months for traditional fully insured or self-funded.
 - Optional employers are notified of rate loads in March of the year before they go into effect.

#4 - Common Design / Benefit Parity w other SC Government Entities

- Parity in financial burden and benefits offered with other local government / public sector competing employers.
 - Richland County would not be at a financial position where expenses per employee are much higher than other similar type employers.



PEBA Cons - Detail

#1 - Lower Medical benefits

- See Current Benefits vs PEBA slide.
- PEBA assumes grandfathered health plan status for the Standard Plan and not subject to PPACA mandates around wellness and other benefits.
- Copays w Deductibles & Coinsurance.
 - *Non-traditional wellness and cost share.*
 - *IN/OUT cross accumulation.*
 - *No true OOPM for Standard Plan.*
 - *No 100% coverage after deductible for savings plan.*

#2 - Network & Formulary Disruption

- Minor network disruption.
 - See Disruption Analysis slides in appendix.
- PEBA could not / would not provide a full drug list from Express Scripts to compare. There will always be formulary changes from carrier to carrier.
- *Retirees will be impacted the most due to longer term provider relationship and more drug needs.*

#3 - Loss of Plan Control

- Eligibility.
- Loss of Authority.
- Loss of Flexibility.
- Benefit Offerings.
 - *Medical, Dental, Life and DI are worse offerings vs today and RCG would be prohibited to add buy up offerings .*
- Plan Design.
- Plan Provisions.
- Carriers/Vendors.
- Employer / Employee Cost Share.
- Tobacco Surcharge not in place today with RCG.
- No employer funding of Health Savings Account

#4 - Lower Service & Support

- Call center vs dedicated employer contact.
- Relationship with service teams.
- Employee education, employee communication & enrollment support is 100% responsibility of RCG.
- Hard copy change forms and limited open enrollment
- No ability/flexibility for higher level buy up/advocacy services.



#5 - No Transparency or Reporting

- No claims data available to analyze and review.
- *Actual Costs vs Premium Costs*
- *Cost Drivers*
- *Utilization and Demographics*
- *Gaps in Care*
- *Saving & Steerage Opportunities*
- *ROI for clinic or wellness programs*

#6 - Long Term Commitment

- By law, on optional employer must participate in the program at least 4 years.
- *Must wait 4 years from termination date to re-enter PEBA.*
- Changes to existing dental coverage can only be made during open enrollment in odd numbered years.

#7 - Experience Rating / Load Factors

- Experience rating on health insurance premiums after 2 years.
- Load factors are capped at 50%.
- *Chances of 50% load are almost impossible based on law of large numbers/size of RCG-*



#8 – Cost Increase for Post 65 Retirees

- Humana Medicare Advantage Plan must be terminated and replaced with PEBA Medicare Supplement & Carve Out Plan
- Medicare Advantage plans are traditionally cheaper due to limited provider networks and other factors

# Ees	10%	15%	20%	25%	30%	35%	50%
25	28.5%	22.0%	16.7%	12.3%	8.8%	6.2%	1.9%
50	28.2%	20.9%	14.9%	10.3%	6.9%	4.4%	1.0%
100	26.9%	19.0%	12.8%	8.2%	5.1%	3.0%	0.5%
250	22.5%	13.4%	7.3%	3.7%	1.7%	0.8%	0.0%
500	18.6%	9.2%	4.1%	1.6%	0.6%	0.2%	0.0%
1,000	13.2%	4.7%	1.3%	0.3%	0.1%	0.0%	0.0%
2,000	6.3%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%
5,000	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



#9 - Advanced Deposit

- \$100K due to PEBA 120 days before effective date – will be applied to first month billing.
- PEBA also requires optional employers to remit a deposit of one months advance billing by July 15th each year.

#10 - Internal Learning Curve - Finance & Human Services

- New PEBA requirements compared to current procedures.
 - Rigid/ “take it or leave it”.
- Limited help from PEBA field services.
- Collecting premiums from retirees can be difficult depending of methods/systems in place today.
- Higher level of employee engagement with technology (system login / changes / updates).

#11 - Difficulty Entering & Leaving PEBA

- Will require a 3 month medical policy to get lined up with the January 1st plan year.
- If RCG decides to leave PEBA in the future, no information will be available for carriers to quote proposals
- Treated as a “virgin” group with higher rate loads when experience not available to underwrite.

#12 – Cost Shift to Healthier Employees

- Healthy employees will pay more of the burden in PEBA vs traditional non-grandfathered plans because of the need to meet the deductible for routine visits to see a PCP or Specialist.
- Rx copays with separate maximum.



#13 – Benefit Administration Technology Requirements

- Benefit Express will have issues connecting and working with PEBA.
- Possible options with Colonial and Ward Services, likely requiring new voluntary benefit offers to pay for services.
- Colonial and Ward can help communicate open enrollment and onboarding and communicate with PEBA. These 2 companies are the only “soft links” approved by PEBA at this time.
- If PEBA is chosen, suggest interviewing both entities.

#14 – No Outside Consultants / Brokers

- Must work with PEBA directly and cannot use the assistance of an outside broker / consultant to help in the management and servicing of the benefits plan.

#15 – No Wellness Dollars through PEBA

- To assist in RCG’s wellness needs, CIGNA currently offers a wellness fund in the amount of \$245,000
- Fund used today to defray the cost of Cigna designated and arranged health and wellness programs for employees (e.g., biometric screenings, flu shots, etc.) and to reward participation in wellness programs.
- Onsite Health Coach is large part of RCG Wellness Team
 - *Facilitates Training*
 - *Wellness Strategy*
 - *Create and Track Wellness Initiatives*
 - *Counseling & Coaching*



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Section V - Appendix



Patient Centered Medical Homes - PEBA

- The patient-centered medical home (PCMH) it is a way of providing health care that is becoming increasingly popular in South Carolina and across the nation. In a PCMH, a patient has a health care team that is typically led by a doctor and it may include nurses, a nutritionist, health educators, pharmacists and behavioral health specialists. The team makes referrals to other providers as needed.
- PCMH focus on coordinating care and preventing illnesses rather than waiting until an illness occurs and then treating it. The team helps the patient improve his health by working with him to set goals and to make a plan to meet them. This approach may be particularly beneficial to members with chronic illnesses, such as diabetes and high blood pressure.
- Typically, a PCMH offers same-day appointments whether the patient is sick or needs routine care. It may have extended hours, and team members may communicate online with patients.



Patient Centered Medical Homes - PEBA

- To encourage members to receive care at a BlueCross BlueShield of South Carolina-affiliated PCMH, the State Health Plan does not charge Standard Plan members the \$14 copayment for a physician office visit. After Savings Plan and Standard Plan subscribers meet their deductible, they will pay 10 percent coinsurance rather than 20 percent for care at a PCMH.

Current PCMH Utilization*



A full listing of PCMHs in Richland County is available on next page.

*data provided from CIGNA claims disruption file and isolates claims incurred with BCBS affiliated PCMHs for the last 12 months in both Richland & Lexington counties.



Richland & Lexington Counties – Patient Centered Medical Homes (PEBA/BCBS)

Richland

Albert Humphrey, M.D.
4100 N. Main St., Ste. 101
Columbia, SC 29203
803-754-0006

Atrium Ridge Internal Medicine
11 Atrium Ridge Court
Columbia, SC 29223
803-699-9992

Associates In Internal Medicine
2001 Laurel St., Ste. 300
Columbia, SC 29204
803-254-2786

Ballentine Family Medicine
1079 Dutch Fork Road
Irmo, SC 29063
803-749-8900

Blythewood Medical Associates
428 McNulty St., #2
Blythewood, SC 29016
803-754-8941

Carolina Pediatrics – Downtown
2113 Adams Grove Road, Ste. 101
Columbia, SC 29203
803-256-0531

Carolina Pediatrics – Irmo
690 Columbiana Drive, Ste. B
Columbia, SC 29212
803-376-2838

Colonia Family Practice & Ambulatory Care
4700 Forest Drive, Ste. 101
Columbia, SC 29206
803-256-1511

Eau Claire Internal Medicine
4605 Monticello Road, Bldg. A, #3
Columbia, SC 29203
803-754-0151

Five Points Pediatrics
1228 Harden St.
Columbia, SC 29204
803-748-7002

Gottlieb Internal Medicine
2601 Laurel St., Ste. 120
Columbia, SC 29204
803-254-7889

Hopkins Pediatrics & Family Medicine
9023 Garners Ferry Road
Hopkins, SC 29061
803-978-1848

Midlands Internal Medicine
115 Blarney Drive, Ste. 108
Columbia, SC 29223
803-462-9200

Northeast Family Practice
115 Blarney Drive, Ste. 209
Columbia, SC 29223
803-736-6262

Palmetto Health USC Family Medicine – Colonial
3209 Colonial Drive
Columbia, SC 29203
803-434-6113

Palmetto Health USC Family Medicine – Forest Acres
3600 Forest Drive, Ste. 300
Columbia, SC 29204
803-749-5101

Palmetto Health USC Geriatrics – Farrow
3010 Farrow Road, Ste. 300
Columbia, SC 29203
803-434-1210

Palmetto Health USC Medical Group Carolina Family Practice
1410 Blanding St., Ste. 102
Columbia, SC 29201
803-256-2500

Palmetto Health USC Medical Group Internal Medicine – Medical Park
2 Medical Park Road, Ste. 501
Columbia, SC 29203
803-545-5444

Palmetto Health USC Medical Group Primary Care
1301 Taylor St., Ste. 8A
Columbia, SC 29201
803-929-2955

Palmetto Primary Care Physicians
710 Rabon Road, Ste. 202
Columbia, SC 29203
803-636-2121

Palmetto Primary Care Physicians
3930 Devine St.
Columbia, SC 29205
803-227-5330

Palmetto Primary Care Physicians
710 Rabon Road, Ste. 203
Columbia, SC 29203
803-365-8670

Palmetto Primary Care Physicians
3700 Forest Drive, Ste. 200
Columbia, SC 29204
803-799-1922

Palmetto Primary Care Physicians
7430 College St.
Irmo, SC 29063
803-732-4001

Providence Columbia Medical Associates
2750 Laurel St., Ste. 303
Columbia, SC 29204
803-252-1953

Providence Family Medicine – Clemson Road
105 Professional Park Road
Columbia, SC 29229
803-227-8828

Providence Internal Medicine – Downtown
2601 Laurel St., Ste. 230
Columbia, SC 29204
803-227-5320

Providence Northeast Family Care
114 Gateway Corp. Blvd., Ste. 350
Columbia, SC 29203
803-365-8670

SC Pediatric Alliance
1749 Marshall St.
Columbia, SC 29203
803-252-1801

SC Pediatric Alliance
140 Park Central Drive
Columbia, SC 29203
803-779-4001

SC Pediatric Alliance
110 Summit Centre Drive
Columbia, SC 29229
803-744-9000

SC Pediatric Alliance
601 Clemson Road
Columbia, SC 29229
803-788-4886

SC Pediatric Alliance
300 Rice Meadow Way
Columbia, SC 29229
803-788-6360

SC Pediatric Alliance
7941 Broad River Road
Irmo, SC 29063
803-407-0704

SC Pediatric Alliance
7448 Broad River Road
Irmo, SC 29063
803-732-0140

SC Pediatric Alliance
206 Medical Circle
West Columbia, SC 29169
803-796-9200

Springwood Lake Primary Care
1721 Horseshoe Drive
Columbia, SC 29223
803-626-0600

South Hampton Family Practice
5900 Garners Ferry Road
Columbia, SC 29209
803-695-5450

USC Family Medicine
2 Medical Park Road, Ste. 203
Columbia, SC 29203
803-545-6200

USC Internal Medicine
1801 Sunset Drive
Columbia, SC 29203
803-434-4100

Waverly Family Practice
1228 Harden St., Ste. C
Columbia, SC 29204
803-748-1811

Waverly Women's Healthcare
1228 Harden St., Ste. B
Columbia, SC 29204
803-744-0540

Wellspring Family Medicine
110 Atrium Way
Columbia, SC 29223
803-865-9655

Lexington

Brookland-Cayce Medical Practice
1115 State St.
Cayce, SC 29033
803-939-0174

Cayce West Columbia Primary Care
407 N. Brown St.
West Columbia, SC 29169
803-995-8936

Lakeview Family Medicine
1316 N. Lake Drive
Lexington, SC 29072
803-358-1191

Markowitz & Associates
103 Saluda Ridge Court
W. Columbia, SC 29169
803-794-3320

Palmetto Pediatric & Adolescent Clinic – Lexington
1970 Augusta Highway
Lexington, SC 29072
803-358-2370

Palmetto Primary Care Physicians
7611 St. Andrews Road
Irmo, SC 29063
803-714-3300

Palmetto Primary Care Physicians
3220 Sunset Blvd., Ste. 101
West Columbia, SC 29169
803-791-5680

Parkridge Medical Associates
100 Palmetto Health Parkway, Ste. 220
Columbia, SC 29212
803-749-0693

Pelion Family Practice
8063 Edmund Highway
Pelion, SC 29123
803-894-3736

Providence Family Medicine – Lexington
2351 Augusta Hwy.
Lexington, SC 29072
803-359-2486

SC Pediatric Alliance
4568 Sunset Blvd.
Lexington, SC 29072
803-520-5144

SC Internal Medicine Associates & Rehabilitation
1 Wellness Blvd., Ste. 200
Irmo, SC 29063
803-749-1111

Senior Primary Care
100 Palmetto Health Parkway,
Ste. G-100
Columbia, SC 29212
803-907-7800

Waverly Women's Healthcare
338 E. Columbia Ave., Ste. B
Batesburg-Leesville, SC 29070
803-532-1580



Disruption Analysis - All

Aetna

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered		0%		0%
In-Network	94,598	99%	\$31,803,088	98%
Out-of-Network	932	1%	\$632,919	2%
Total	95,530	100%	\$32,436,008	100%

BCBSSC / Blue Choice

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	0	0%	\$0	0%
In-Network	94,601	99%	\$32,222,875	99%
Out-of-Network	929	1%	\$213,132	1%
Total	95,530	100%	\$32,436,008	100%

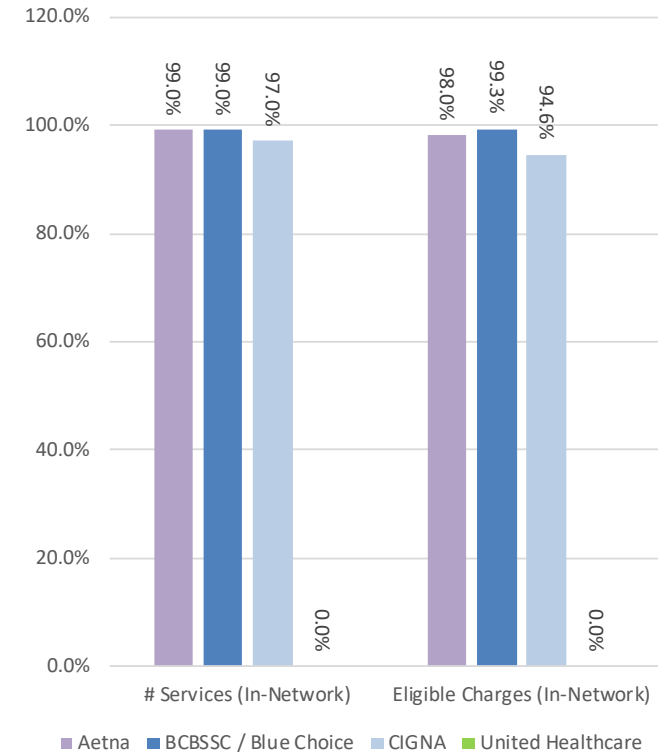
CIGNA

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	0	0%		0%
In-Network	92,682	97%	\$30,689,222	95%
Out-of-Network	2,848	3%	\$1,746,785	5%
Total	95,530	100%	\$32,436,008	100%

United Healthcare

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
In-Network	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
Out-of-Network	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
Total	0	#VALUE!	\$0	#VALUE!

Providers / Claims (In Network)



99% of services and claims are flowing through the BCBS and Aetna network currently and could mean additional claim savings with the network change.



Disruption Analysis – Retiree Only

Aetna

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	0	0%	\$0	0%
In-Network	7,494	100%	\$3,802,557	99%
Out-of-Network	33	0%	\$25,036	1%
Total	7,527	100%	\$3,827,593	100%



BCBSSC / Blue Choice

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	0	0%	\$0	0%
In-Network	7,438	99%	\$3,816,311	100%
Out-of-Network	89	1%	\$11,282	0%
Total	7,527	100%	\$3,827,593	100%



CIGNA

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	0	0%	\$0	0%
In-Network	7,332	97%	\$3,770,626	99%
Out-of-Network	195	3%	\$56,967	1%
Total	7,527	100%	\$3,827,593	100%

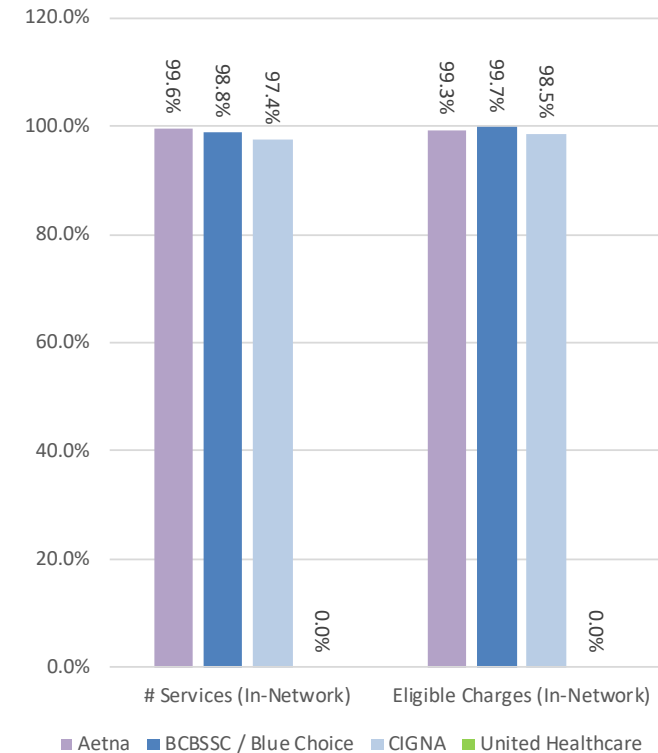


United Healthcare

	# Services	% of Services	Eligible Charges	% of Charges
Not Considered	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
In-Network	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
Out-of-Network	N/A (DTQ)	#VALUE!	N/A (DTQ)	#VALUE!
Total	0	#VALUE!	\$0	#VALUE!






Providers / Claims (In Network)

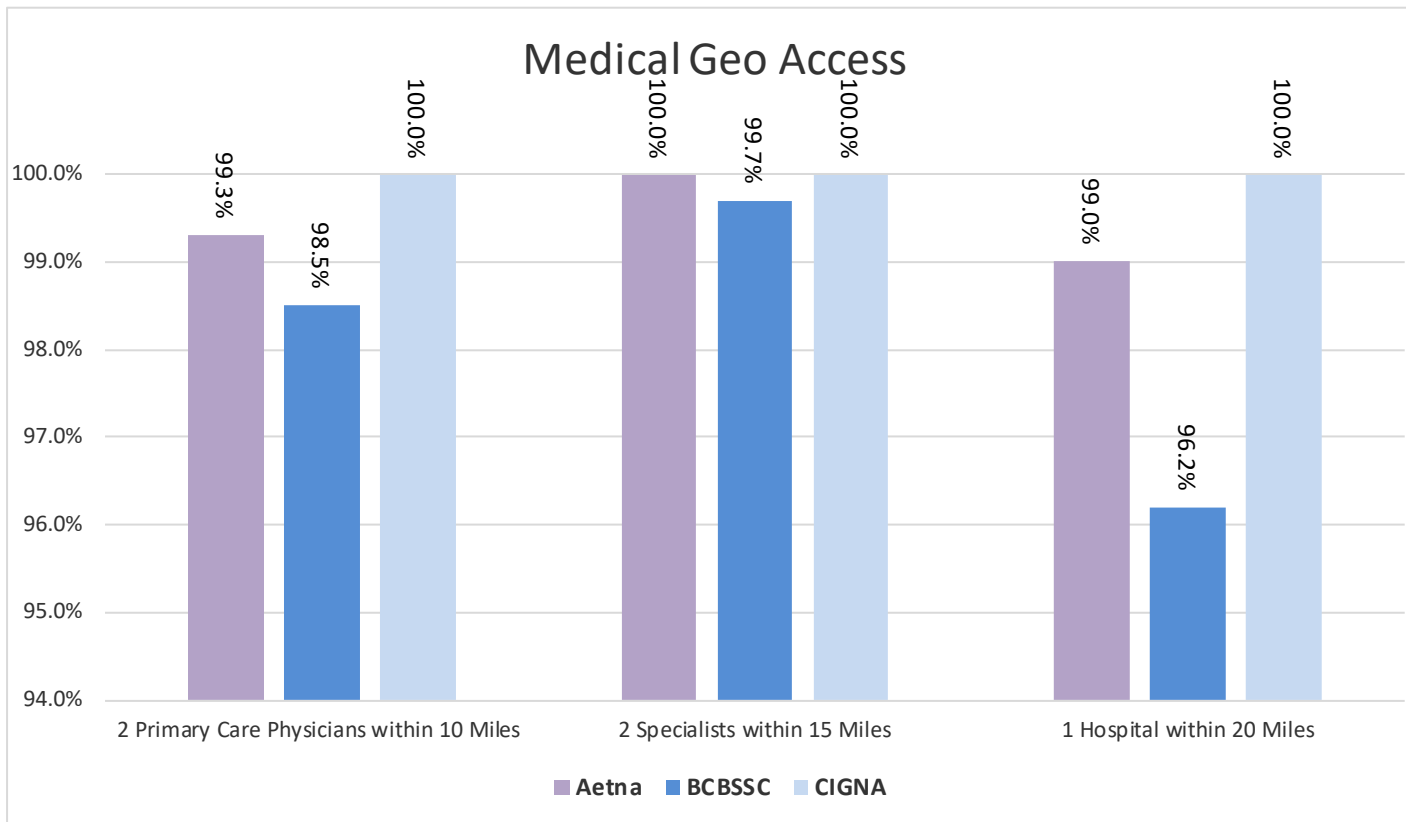


99-100% of services and claims are flowing through the BCBS and Aetna network currently and could mean additional claim savings with the network change.



Geo Access Analysis

Description	 Aetna	 BCBSSC	 CIGNA
2 Primary Care Physicians within 10 Miles	99.3%	98.5%	100.0%
2 Specialists within 15 Miles	100.0%	99.7%	100.0%
1 Hospital within 20 Miles	99.0%	96.2%	100.0%





Medical Plan Funding Continuum

Fully Insured Pooled

Fully Insured Self-Fund Ded.

Min. Premium or Refund

Self-Funded Bundled with Ins. Co.

Self-Funded Using TPA





Fully-Insured

Advantages & Considerations

Advantages

- **Predictable** to budget expense (set premium)
- **Transfer** all the risk to carrier
- Ease of administration (billing and HCR fees)
- Smaller groups with **poor risk and demographics** get to blend into the insurance company's "**manual rates**"

Considerations

- Less Flexibility in Plan Design
- Health Insurance Tax included
- Premium tax Included
- Limited Claims Data
- **Don't always get rewarded in good claim years**
- Smaller groups with good experience **don't want to be blended** with carriers



Self-Funding

Advantages & Considerations

Advantages

- Improved Cash Flow
- Control of Reserves
- Avoid Over Projection of Claims from carrier
- Control and Flexibility in Plan Design
- Lower Admin Fees
- Claims Transparency
- Benefit Immediately from Wellness Initiatives
- Lower Premium Taxes and ACA Fees

Considerations

- Less Predictable (Claims Fluctuation)
- Lasering of Large Claims
- Timing of Lock in Rates
- Plan Termination
- Budgeting for Claims Costs
- Administration is More Complex
- HIPAA Compliance
- Claims Litigation Fiduciary Responsibility



General Disclaimers

Coverage Disclaimer

This proposal is an outline of the coverages proposed by the carrier(s) based upon the information provided by your company. It does not include all the terms, coverages, exclusions, limitations, and conditions of the actual contract language. See the policies and contracts for actual language. This proposal is not a contract and offers no contractual obligation on behalf of GBS. Policy forms for your reference will be made available upon request.

Renewal / Financial Disclaimer

This analysis is for illustrative purposes only, and is not a proposal for coverage or a guarantee of future expenses, claims costs, managed care savings, etc. There are many variables that can affect future health care costs including utilization patterns, catastrophic claims, changes in plan design, health care trend increases, etc. This analysis does not amend, extend, or alter the coverage provided by the actual insurance policies and contracts. See your policy or contact us for specific information or further details in this regard.

Legal

The intent of this analysis is to provide you with general information regarding the status of, and/or potential concerns related to, your current employee benefits environment. It should not be construed as, nor is it intended to provide, legal advice. Laws may be complex and subject to change. This information is based on current interpretation of the law and is not guaranteed. Questions regarding specific issues should be addressed by legal counsel who specializes in this practice area.

Thank you!

David Costa
Contact: +1 704 971 2555
E-mail: David_Costa@AJG.com



Gallagher Benefit Services, Inc
4250 Congress St, Suite 200
Charlotte, North Carolina 28209
USA



Gallagher

Insurance | Risk Management | Consulting