



JIM GIBBONS  
Governor

JAMES R. WELLS, CPA  
Executive Officer

STATE OF NEVADA  
**PUBLIC EMPLOYEES' BENEFITS PROGRAM**

901 S. Stewart Street, Suite 1001  
Carson City, Nevada 89701  
Telephone (775) 684-7000 · (800) 326-5496  
Fax (775) 684-7028  
www.pebp.state.nv.us



RANDALL J. KIRNER, EdD  
Board Chairman

**AGENDA ITEM**

- Action Item
- Information Only

**Date:** September 2, 2010  
**Item Number:** IX a  
**Title:** Self-Funded Plan Utilization Report for the year ending June 30, 2010

**Summary**

This report addresses the following topics:

1. Executive Summary
2. Notes Regarding the Data
3. Demographics
4. Claims Summary
5. Drug Utilization
6. Surplus and Loss Summary
7. Costs by Tier and Age
8. Network Utilization and Cost Sharing
9. Claim Distribution by Paid Claim Amount
10. High Utilization – 12 months
11. Chronic Conditions and Wellness

**Report**

***Executive Summary***

This following summary is based on comparisons of the year ending June 30, 2010 to the year ending June 30, 2009, unless otherwise specified:

- Plan Year 2009 Four Month Extension – Much of the data contained in this report is impacted by the extension of Plan Year 2009 from June 30, 2009 to October 31, 2009. In a normal plan year, deductibles are reset on July 1<sup>st</sup> and more costs are

borne by the participant than during later months of the plan year. This year, in addition to normal medical inflation and significant growth in the retiree population, the deductible was not reset until November 1<sup>st</sup>, resulting in higher costs to the plan for the months of July - October.

It is estimated that the Plan Year 2009 extension cost the plan \$19.7 million. Participant rates, which are normally reset every July 1<sup>st</sup> to compensate for medical trend, were not reset until November 1<sup>st</sup>. This delayed reset in the rates cost an estimated \$18.8 million. Senate Bill 415 (2009) reduced employer subsidies effective July 1, 2009 costing \$7.2 million. These increased costs were offset by an estimated savings of \$6.3 million in claims costs due to the shortened Plan Year 2010, during which there were four fewer months for participants to meet their deductibles.

The above costs are only estimates. It is impossible to determine how consumer psychology affected these costs.

- Demographics – The following items demonstrate a shift in the demographics from the active employee and non-Medicare retiree categories to the Medicare retiree category. This will likely create a slight decrease to medical inflation, an increase to prescription drug inflation and an increase in prescription drug rebates and Retiree Drug Subsidy rebates.
  - Total self-funded enrollment continues to decrease (1.4%) with a decrease in both the self-funded active population (4.2%) and a decrease in the self-funded early retiree population (3.8%). Only the Medicare population continues to increase (8.5%), albeit at a slower pace than in previous years (self-funded Medicare retiree enrollment grew 16.9% from fiscal year 2008 to fiscal year 2009). Staff projects a continued decrease in total self-funded enrollment over the next quarter followed by stable enrollment through plan year 2011.
  - Due to the eligibility restrictions of SB544(2007), staff projects that self-funded Medicare retiree enrollment will continue to increase an average of 5.5% (5.1% increase, state; 6.0% increase, non-state) per year through 2015 while self-funded non-Medicare retiree enrollment will decrease an average of 7.6% (3.0% increase, state; 18.7% decrease, non-state) per year through 2015.
  - The average member age of the entire self-funded population increased from 44.9 to 45.3 years. However, the average age by active employee, non-Medicare retiree and Medicare retiree has remained stable. Therefore, the increase in age of the entire self-funded population is due to the migration of members from the non-Medicare group to the Medicare group.

- It appears that the plan design changes effective November 1, 2009 are beginning to offset the high cost of the plan year 2009 extension.
  - Per participant costs for medical claims increased 5.1% while prescription drug claims increased 6.1%. These rates of inflation are greatly reduced from the rates provided in utilization reports provided earlier in the year.
  - Total out of pocket costs (copayments, deductibles and coinsurance) increased 3.6% while plan costs increased 3.0%. However, deductibles paid by the participant increased 29.3% due to the \$725 deductible reset on November 1, 2009.
  - Dental costs decreased 3.8% on a per participant basis over the same period caused by a combination of a 66.9% increase in ineligible charges, a 14.1% increase in discounts and a 7.9% increase in third party amounts. In addition to the decrease in dental claims paid by the plan (3.6%), net participant dental out of pocket costs decreased 8.5%.
  - Generic drug utilization (generic scripts filled as a percent of all scripts) increased from 69.0% to 71.6% from the year ending June 30, 2009 to the year ending June 30, 2010. This generic utilization rate is among the highest in the nation. Due to the unavailability of generic equivalents for certain brand name drugs, the maximum generic utilization rate the plan could achieve for the year ending June 30, 2010 was 73.5%.
- Net inpatient claims increased 7.1% while outpatient claims increased 1.8%. During previous years, total dollar paid for outpatient claims increased at a higher rate than inpatient claims. In fiscal years 2007, 2008 and 2009, inpatient claims represented 37.3%, 35.0% and 33.4% of total paid medical claims. For fiscal year 2010, inpatient claims represented 34.7% of all paid medical claims. This recent increase in inpatient claims, which are typically more costly, will be monitored by staff.
- Medical claims paid in-network continue to increase while medical claims paid out-of-network continue to decrease resulting in a net in-network utilization rate of 94.5%. The percent of dental claims paid In-Network has increased to 93.2%.

### ***Notes Regarding the Data***

This utilization report was prepared using Medstat, a secure on-line data mining engine. UMR populates the database with PEBP claim data and provides PEBP access to the Medstat reporting tool. Detailed drug utilization information is prepared using CatalystLynx, a secure on-line data mining engine provided by Catalyst Rx.

Please note the following:

1. This report reflects only self-funded plan activity and does not include any fully insured benefit costs (e.g. HMOs) information.
2. Dollar amounts categorized into various demographic groups (tiers, division, etc.) are reported on a paid fiscal year to date basis from July 2009 to June 2010 and the corresponding period beginning 12 months earlier. The clinical reports for costs by chronic disease, major diagnostic category, hospital, clinical condition, wellness, etc., are reported on an incurred annual basis from April 2009 to March 2010 and the previous 12 month period. The lag time of three months allows for claim submission and payment to occur.
3. A "Participant" is defined as the primary insured. Per participant per month costs are labeled "PPPM". "Member" includes both the primary insured and all dependents. Per member per month costs are labeled "PMPM".
4. Enrollment figures will vary slightly (generally less than 1%) from other financial reports because Medstat reports include retroactive enrollment transactions. Other reports provided by PEBP staff use "snap-shots" of enrollment on the first of each month. Medstat tracks total dental membership (participant plus dependents) but does not track participants separately. Therefore, dental participant enrollment in this report is based on these "snap-shots."
5. Certain tables show categories labeled "~Missing." These categories indicate where data is missing for certain records, but the costs are included for completeness of reporting. In addition, dental data in Medstat for HMO participants is not tagged to specific tiers.
6. Unless otherwise noted, state and non-state claims are reported in aggregate.

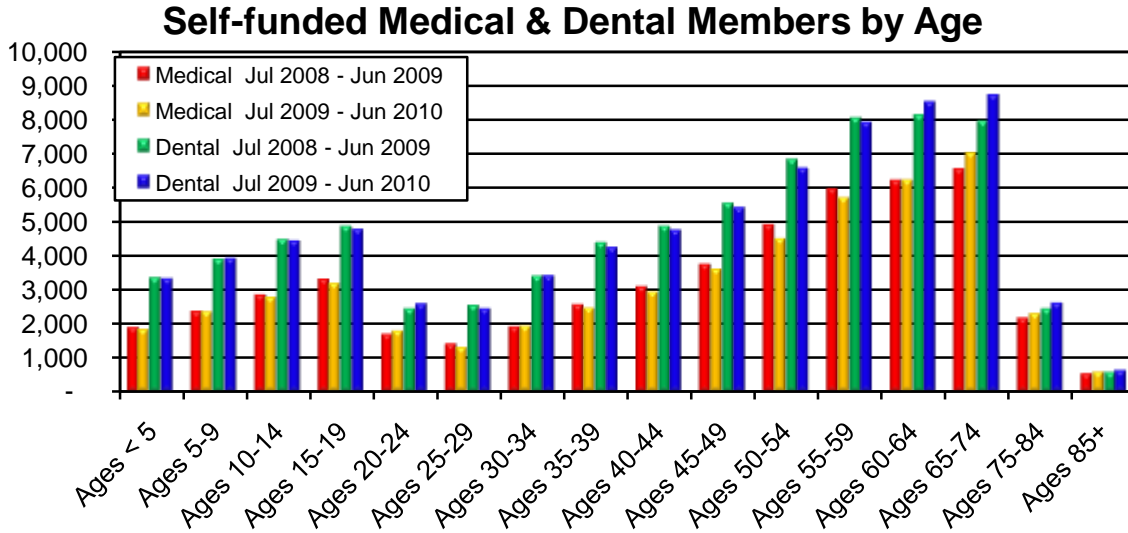
***Demographics***

The average self-funded medical plan participant enrollment decreased 1.4% from the year ending June 30, 2009 to the year ending June 30, 2010 while the dental plan enrollment grew by 0.2%. The average self-funded medical plan Medicare retiree enrollment grew 8.5% while early retiree enrollment decreased 3.8% and active employee enrollment decreased 4.2% during the same period. Additionally, the average age of all self-funded members increased 0.4 years to 45.3 years. Enrollment growth was 8.1% in the Northern HMO and 1.2% in the Southern HMO during the same periods.

<b>Self-Funded Average Monthly Enrollment</b>				
	<b>Jul 2008 - Jun 2009</b>	<b>Jul 2009 - Jun 2010</b>	<b>% Change</b>	<b>Jun 2010</b>
<b>Medical and Prescription</b>				
Employees Avg	31,011	30,579	-1.4%	30,444
Family Size Avg	1.64	1.64	0.1%	1.64
Members Avg	50,782	50,129	-1.3%	49,967
Member Months	609,382	601,547	-1.3%	
Member Age Avg	44.9	45.3	0.9%	45.3
<b>Dental</b>				
Employees Avg <sup>1</sup>	43,563	43,646	0.2%	43,943
Members Avg	73,386	73,539	0.2%	73,935
Member Months	880,626	882,462	0.2%	

<sup>1</sup> Employee dental counts are based on enrollment counts taken on the first of each month and do not include changes due to retro-activity

The following chart displays the average age distribution of all members in the self-funded plan for the years ending June 30, 2009 and June 30, 2010. Enrollment decreased 2.6% and 3.9% in the under age 50 and age 50 to 64 categories, respectively, and increased 7.2% in the over age 65 category.



**Claims Summary**

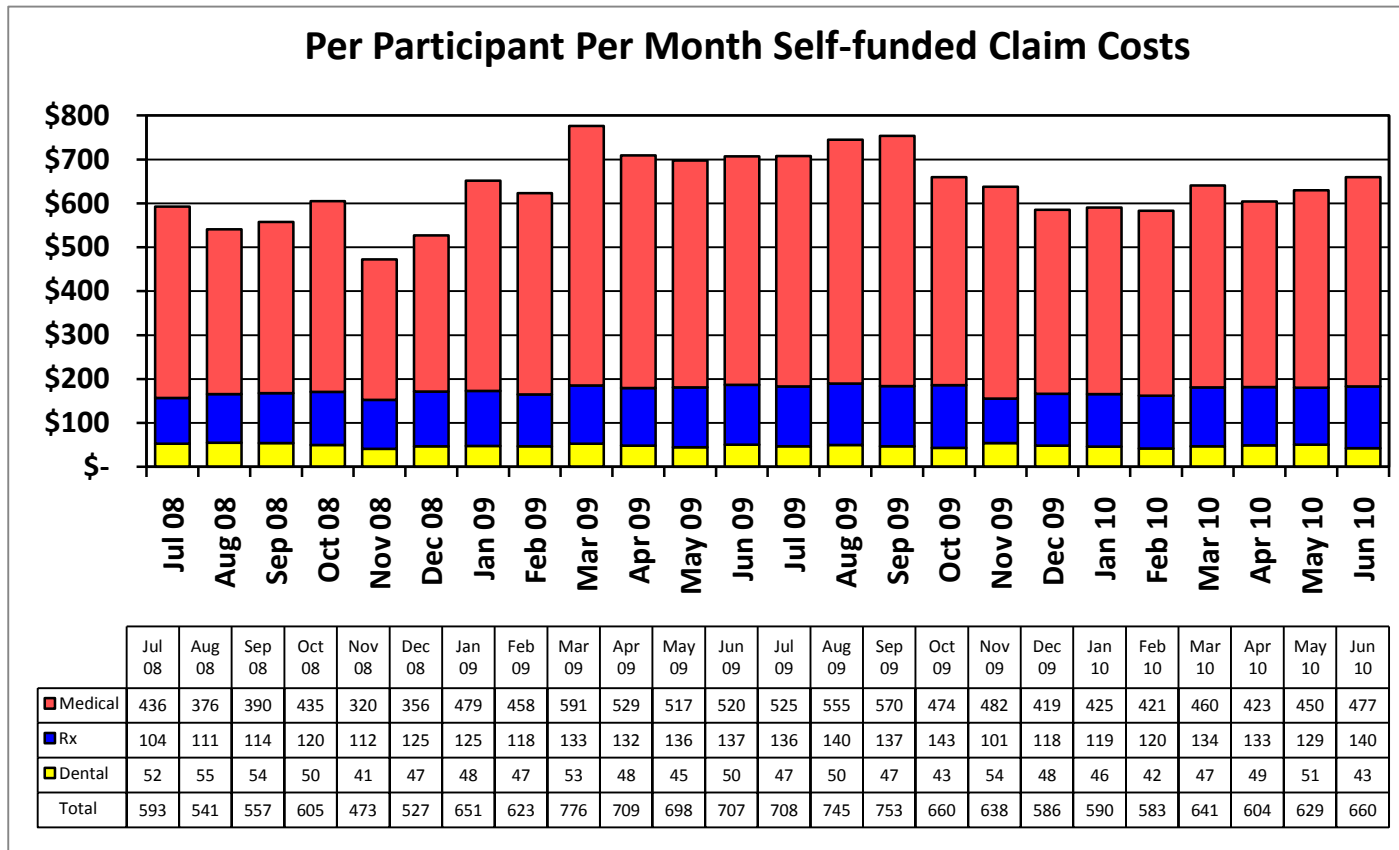
Total self-funded paid claim dollars grew \$7.2 million or 3.0% from the year ending June 30, 2009 to the year ending June 30, 2010. On a per participant basis, medical claims paid increased 5.1% while dental decreased 3.8% and prescription grew 6.1%.

Prescription costs reported here do not include rebates from Catalyst Rx or the Retiree Drug Subsidy Program. Prescription rebates are received by PEBP approximately nine to twelve months after they are earned.

<b>Self-Funded Net Paid Claims - Total (Paid Basis)</b>					
	<b>Jul 2008 - Jun 2009</b>		<b>Jul 2009 - Jun 2010</b>		<b>% Change</b>
Medical					
Inpatient	\$	55,881,506	\$	59,856,373	7.1%
Outpatient	\$	108,896,024	\$	110,905,045	1.8%
Medical - Other	\$	1,637,213	\$	1,659,156	1.3%
Total Medical	\$	166,414,743	\$	172,420,574	3.6%
Dental	\$	25,360,722	\$	24,445,444	-3.6%
Prescription	\$	45,029,146	\$	47,109,506	4.6%
Total	\$	236,804,611	\$	243,975,524	3.0%

<b>Self-Funded Net Paid Claims - Per Participant Per Month (Paid Basis)</b>					
	<b>Jul 2008 - Jun 2009</b>		<b>Jul 2009 - Jun 2010</b>		<b>% Change</b>
Medical	\$	447.19	\$	469.88	5.1%
Dental	\$	48.51	\$	46.67	-3.8%
Prescription	\$	121.00	\$	128.38	6.1%
Total	\$	616.71	\$	644.93	4.6%

The following graph shows the per participant per month self-funded claim costs by month for the 24 months ending June 2010. Data for the graph was compiled directly from the daily check register sent to PEBP by UMR and the monthly claim costs reported by Catalyst rather than from the Medstat reporting tool.





Self-funded cost increases can be divided into those attributable to inflation and utilization and increases due to enrollment. The breakdown of cost increases for each type of benefit (i.e. medical, dental, prescription) is shown below.

<b>Self-funded Cost Increase Factors (Paid Basis)</b>					
	<b>Jul 2008 - Jun 2009</b>	<b>Jul 2009 - Jun 2010</b>	<b>PPPM Change</b>	<b>Net Change</b>	<b>% Change</b>
<b>Enrollment</b>					
Medical & Prescription	31,011	30,579		(432)	-1.4%
Dental	43,563	43,646		83	0.2%
<b>Net Pay</b>					
Medical	\$ 166,414,743	\$ 172,420,574		\$ 6,005,831	3.6%
Dental	\$ 25,360,722	\$ 24,445,444		\$ (915,278)	-3.6%
Prescription	\$ 45,029,146	\$ 47,109,506		\$ 2,080,360	4.6%
	\$ 236,804,611	\$ 243,975,524		\$ 7,170,913	3.0%
<b>Cost Increase Attributable to Inflation &amp; Utilization</b>					
Medical PPPM	\$ 447.19	\$ 469.88	\$ 22.68	\$ 8,441,675	5.1%
Dental PPPM	\$ 48.51	\$ 46.67	\$ (1.84)	\$ (961,485)	-3.8%
Prescription PPPM	\$ 121.00	\$ 128.38	\$ 7.38	\$ 2,745,892	6.1%
	\$ 616.71	\$ 644.93	\$ 28.22	\$ 10,226,082	4.6%
<b>Cost Increase Attributable to Enrollment</b>					
Medical				\$ (2,435,844)	
Dental				\$ 46,207	
Prescription				\$ (665,532)	
				\$ (3,055,169)	

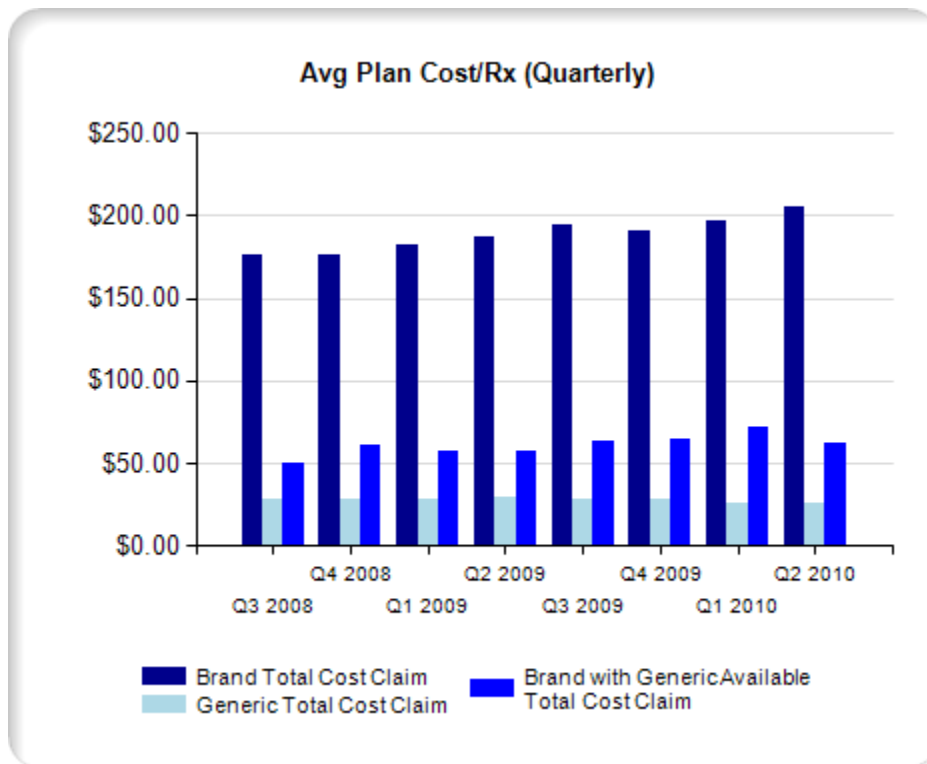
Both inpatient and outpatient claims have increased on a net pay basis 7.1% and 1.8%, respectively. On a per participant basis, claims increased 8.6% for inpatient and 3.3% for outpatient claims.

<b>Self-Funded Medical Utilization (Paid Basis)</b>					
	<b>Jul 2008 - Jun 2009</b>		<b>Jul 2009 - Jun 2010</b>		<b>% Change</b>
<b>Inpatient</b>					
Net Pay	\$	55,881,506	\$	59,856,373	7.1%
Net Pay PPPM		\$150.17		\$163.12	8.6%
Net Pay IP Acute Per Admit		\$12,230.58		\$13,375.73	9.4%
Net Pay IP Acute Per Day		\$2,529.95		\$2,887.43	14.1%
Admits Per 1000 Acute		90.0		89.3	-0.8%
Days Per 1000 Admit Acute		434.9		413.5	-4.9%
Days LOS Admit Acute		4.8		4.6	-4.2%
<b>Outpatient</b>					
Net Pay	\$	108,896,024	\$	110,905,045	1.8%
Net Pay PPPM		\$292.63		\$302.24	3.3%
Net Pay PPPM - Facility		\$125.85		\$133.36	6.0%
Net Pay PPPM - Office		\$107.41		\$102.48	-4.6%
Net Pay PPPM - Other		\$59.37		\$66.40	11.8%
Visits Per 1000 ER		170.8		177.6	4.0%
Services Per 1000 OP Lab		7,646.5		7,706.9	0.8%
Services Per 1000 OP Rad		3,026.5		2,876.8	-4.9%

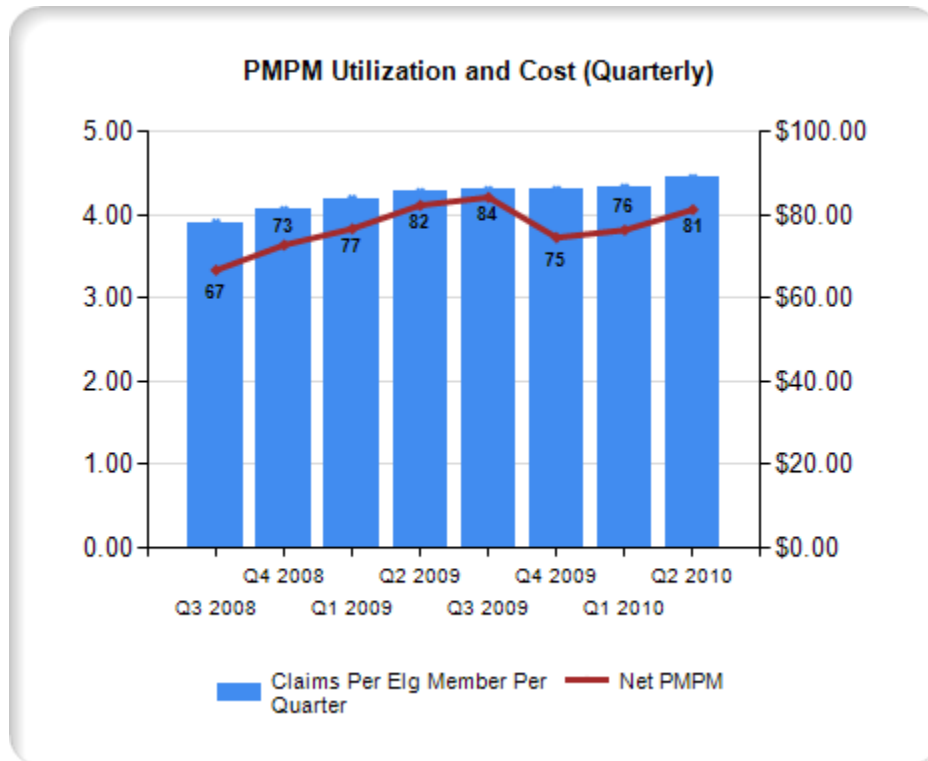
***Drug Utilization***

Drug utilization (number of members utilizing the PEBP pharmacy benefit as a percent of all PPO self-funded members) has increased from 45.6% to 47.3% from the year ending June 30, 2009 to the year ending June 30, 2010 causing an increase in total plan drug costs of \$2.1 million. The increase in utilization was partially offset by a 1.1% decrease in the average drug cost per claim.

Generic drug utilization (generic scripts filled as a percent of all scripts) increased from 69.0% to 71.6% from the year ending June 30, 2009 to the year ending June 30, 2010. This generic utilization rate is among the highest in the nation. Due to the unavailability of generic equivalents for certain brand name drugs, the maximum generic utilization rate the plan could achieve for the year ending June 30, 2010 was 73.5%. During that period, the total number of generic prescriptions filled increased 8.3% while the total cost of generic drugs to the plan and its participants increased only 1.6%. During the year ending June 30, 2010, generic drugs cost \$16.7 million out of \$63.1 million in total prescription drug costs paid by the plan and participants. The following table shows the average plan cost per prescription for brand drugs, generic drugs and brand drugs with generic equivalents for the eight quarters ending June 30, 2010.



The chart below shows a steady increase in the number of claims per eligible member for the last eight quarters. The decrease in the net PMPM costs in the 4<sup>th</sup> quarter of calendar year 2009 is due to a jump in generic utilization.



The cost of specialty drugs increased 14.5% from \$7.8 million to \$8.9 million from the year ending June 30, 2009 to the year ending June 30, 2010. During that period, the number of patients with 7 or more claims per month increased 7.4% to 2,345.

During the year ending June 30, 2010, the five most expensive drugs for the plan were Lipitor, Copaxone, Advair Diskus, Plavix and Omeprazole.

***Surplus and Loss Summary***

The following two tables show the revenues, expenses and surplus or loss associated with active employees, non-Medicare retirees and Medicare retirees in the self-funded plan for the fiscal year to date. The tables are split by state and non-state participants. The expenses are reported on a "paid claims" basis. The objective is to show a close approximation of the net surplus/loss generated by each major participant group. Development of the projected claims cost during the rate setting process each year will be based upon "incurred data" and will be weighted between PEBP plan experience and large payer experience as deemed appropriate by PEBP's actuary.

Employer subsidies and participant contributions are based on actual premiums fiscal year-to-date. The Medicare D subsidy is an estimate based on per participant receipts from July 2007 through March 2010. Medical, dental and prescription costs are the actual costs paid in each category. Life and admin expenses are based on the total costs to the program fiscal year-to-date divided among the applicable participants.

The plan year 2009 extension has decreased the surpluses and increased the losses shown below due to the delayed reset of the deductible.

**Self-funded Plan - State Participants**  
**7/1/2009 through 6/30/2010**

	Actives	Non-Medicare Retirees	Medicare Retirees			Total Retirees	Total
			Part A & B	Part B Only	Total		
<b>Revenue</b>							
Subsidy <sup>1</sup>	133,688,229.45	18,313,303.80	12,902,745.51	809,549.07	13,712,294.58	32,025,598.38	165,713,827.83
Participant Contribution	16,580,363.49	6,742,657.42	6,617,276.15	262,292.81	6,879,568.96	13,622,226.38	30,202,589.87
Medicare D Subsidy	-	-	1,943,830.46	109,203.96	2,053,034.42	2,053,034.42	2,053,034.42
<b>Total Revenue</b>	<b>\$ 150,268,592.94</b>	<b>\$ 25,055,961.22</b>	<b>\$ 21,463,852.12</b>	<b>\$ 1,181,045.84</b>	<b>\$ 22,644,897.96</b>	<b>\$ 47,700,859.18</b>	<b>\$ 197,969,452.12</b>
<b>Expenses</b>							
Medical - Hospital	33,548,345.55	10,633,294.44	1,718,434.87	788,032.49	2,506,467.36	13,139,761.80	46,688,107.35
Medical - All Other	63,780,114.49	15,764,125.94	5,727,376.34	299,861.43	6,027,237.77	21,791,363.71	85,571,478.20
Dental	9,885,599.20	1,403,291.06	1,817,408.47	105,190.55	1,922,599.02	3,325,890.08	13,211,489.28
Prescription	18,555,345.96	5,583,839.16	9,186,379.56	382,878.98	9,569,258.54	15,153,097.70	33,708,443.66
Life and AD&D	4,074,496.80	199,105.92	293,230.08	16,473.60	309,703.68	508,809.60	4,583,306.40
PPO Admin	6,031,070.83	987,111.74	1,453,753.13	81,671.52	1,535,424.66	2,522,536.40	8,553,607.23
PEBP Admin	1,959,877.21	320,775.18	472,416.54	26,540.26	498,956.80	819,731.98	2,779,609.19
<b>Total Expenses</b>	<b>\$ 137,834,850.05</b>	<b>\$ 34,891,543.44</b>	<b>\$ 20,668,999.00</b>	<b>\$ 1,700,648.83</b>	<b>\$ 22,369,647.82</b>	<b>\$ 57,261,191.26</b>	<b>\$ 195,096,041.31</b>
<b>Net Surplus / (Loss)</b>	<b>\$ 12,433,742.89</b>	<b>\$ (9,835,582.22)</b>	<b>\$ 794,853.13</b>	<b>\$ (519,602.99)</b>	<b>\$ 275,250.14</b>	<b>\$ (9,560,332.08)</b>	<b>\$ 2,873,410.81</b>
<b>Avg Monthly Enrollment</b>	16,246	2,659	3,916	220	4,136	6,795	23,041
<b>Revenue PPPM</b>	770.80	785.26	456.76	447.37	456.26	585.00	716.00
<b>Expenses PPPM</b>	707.02	1,093.50	439.84	644.19	450.71	702.25	705.61
<b>Net Surplus / (Loss) PPPM</b>	<b>\$ 63.78</b>	<b>\$ (308.24)</b>	<b>\$ 16.92</b>	<b>\$ (196.82)</b>	<b>\$ 5.55</b>	<b>\$ (117.25)</b>	<b>\$ 10.39</b>

<sup>1</sup> Subsidy includes both the employer subsidy and the supplemental subsidy.

**Self-funded Plan - Non-State Participants**  
**7/1/2009 through 6/30/2010**

	Actives	Non-Medicare Retirees	Medicare Retirees			Total Retirees	Total
			Part A & B	Part B Only	Total		
<b>Revenue</b>							
Subsidy <sup>1</sup>	167,779.51	27,658,678.82	15,187,437.12	741,403.13	15,928,840.25	43,587,519.07	43,755,298.58
Participant Contribution	3,941,643.44	15,216,033.63	2,278,589.23	49,311.52	2,327,900.75	17,543,934.38	21,485,577.82
Medicare D Subsidy	-	-	1,410,716.59	68,500.66	1,479,217.26	1,479,217.26	1,479,217.26
<b>Total Revenue</b>	<b>\$ 4,109,422.95</b>	<b>\$ 42,874,712.45</b>	<b>\$ 18,876,742.94</b>	<b>\$ 859,215.31</b>	<b>\$ 19,735,958.26</b>	<b>\$ 62,610,670.71</b>	<b>\$ 66,720,093.66</b>
<b>Expenses</b>							
Medical - Hospital	1,585,966.47	10,351,067.31	1,191,558.80	381,235.74	1,572,794.54	11,923,861.85	13,509,828.32
Medical - All Other	2,027,092.22	19,471,028.25	5,318,276.71	158,087.43	5,476,364.14	24,947,392.39	26,974,484.61
Dental	241,184.78	1,961,472.30	1,265,419.60	57,026.10	1,322,445.70	3,283,918.00	3,525,102.78
Prescription	372,537.71	7,348,955.86	6,731,407.40	242,893.40	6,974,300.80	14,323,256.66	14,695,794.37
Life and AD&D	101,323.20	299,744.64	212,808.96	10,333.44	223,142.40	522,887.04	624,210.24
PPO Admin	149,978.62	1,486,050.51	1,055,047.60	51,230.32	1,106,277.92	2,592,328.43	2,742,307.04
PEBP Admin	48,737.56	482,912.01	342,851.84	16,647.98	359,499.82	842,411.83	891,149.39
<b>Total Expenses</b>	<b>\$ 4,526,820.56</b>	<b>\$ 41,401,230.88</b>	<b>\$ 16,117,370.91</b>	<b>\$ 917,454.41</b>	<b>\$ 17,034,825.32</b>	<b>\$ 58,436,056.20</b>	<b>\$ 62,962,876.75</b>
<b>Net Surplus / (Loss)</b>	<b>\$ (417,397.61)</b>	<b>\$ 1,473,481.57</b>	<b>\$ 2,759,372.03</b>	<b>\$ (58,239.09)</b>	<b>\$ 2,701,132.94</b>	<b>\$ 4,174,614.51</b>	<b>\$ 3,757,216.90</b>
<b>Avg Monthly Enrollment</b>	404	4,003	2,842	138	2,980	6,983	7,387
<b>Revenue PPPM</b>	847.65	892.55	553.51	518.85	551.90	747.18	752.67
<b>Expenses PPPM</b>	933.75	861.88	472.59	554.02	476.37	697.36	710.29
<b>Net Surplus / (Loss) PPPM</b>	<b>\$ (86.10)</b>	<b>\$ 30.67</b>	<b>\$ 80.92</b>	<b>\$ (35.17)</b>	<b>\$ 75.53</b>	<b>\$ 49.82</b>	<b>\$ 42.38</b>

<sup>1</sup> Subsidy includes both the employer subsidy and the supplemental subsidy.

*Costs by Tier and Age*

Self-Funded Paid Claims By Coverage Tier (Paid Basis)									
	Jul 2008 - Jun 2009			Jul 2009 - Jun 2010			% Change		
	Net Pay	Participant Count	PPPM	Net Pay	Participant Count	PPPM	Net Pay	Participant Count	PPPM
<b>Medical</b>									
Participant Only	\$ 77,578,533	19,753	\$ 327.29	\$ 81,169,913	19,455	\$ 347.68	4.6%	-1.5%	6.2%
Participant + Spouse	\$ 41,825,772	4,695	\$ 742.38	\$ 44,000,222	4,572	\$ 801.99	5.2%	-2.6%	8.0%
Participant + Child(ren)	\$ 17,658,061	3,096	\$ 475.29	\$ 16,266,383	3,081	\$ 439.96	-7.9%	-0.5%	-7.4%
Participant + Family	\$ 29,326,307	3,467	\$ 704.89	\$ 30,961,501	3,470	\$ 743.55	5.6%	0.1%	5.5%
~Missing	\$ 26,070	-		\$ 22,555	1				
<b>Total</b>	<b>\$ 166,414,743</b>	<b>31,011</b>	<b>\$ 447.19</b>	<b>\$ 172,420,574</b>	<b>30,579</b>	<b>\$ 469.88</b>	<b>3.6%</b>	<b>-1.4%</b>	<b>5.1%</b>
<b>Dental</b>									
Participant Only	\$ 7,854,580	19,753	\$ 33.14	\$ 7,385,223	19,455	\$ 31.63	-6.0%	-1.5%	-4.6%
Participant + Spouse	\$ 3,785,387	4,695	\$ 67.19	\$ 3,495,879	4,572	\$ 63.72	-7.6%	-2.6%	-5.2%
Participant + Child(ren)	\$ 2,600,497	3,096	\$ 70.00	\$ 2,444,488	3,081	\$ 66.12	-6.0%	-0.5%	-5.5%
Participant + Family	\$ 4,061,142	3,467	\$ 97.61	\$ 4,030,092	3,470	\$ 96.78	-0.8%	0.1%	-0.9%
~Missing*	\$ 7,059,116	12,552	\$ 46.87	\$ 7,089,762	13,068	\$ 45.21	0.4%	4.1%	-3.5%
<b>Total</b>	<b>\$ 25,360,722</b>	<b>43,563</b>	<b>\$ 48.51</b>	<b>\$ 24,445,444</b>	<b>43,646</b>	<b>\$ 46.67</b>	<b>-3.6%</b>	<b>0.2%</b>	<b>-3.8%</b>
<b>Prescription</b>									
Participant Only	\$ 24,050,264	19,753	\$ 101.46	\$ 25,597,708	19,455	\$ 109.64	6.4%	-1.5%	8.1%
Participant + Spouse	\$ 12,508,393	4,695	\$ 222.02	\$ 12,656,297	4,572	\$ 230.68	1.2%	-2.6%	3.9%
Participant + Child(ren)	\$ 3,241,322	3,096	\$ 87.24	\$ 3,271,980	3,081	\$ 88.50	0.9%	-0.5%	1.4%
Participant + Family	\$ 5,226,248	3,467	\$ 125.62	\$ 5,582,401	3,470	\$ 134.06	6.8%	0.1%	6.7%
~Missing	\$ 2,919	-		\$ 1,120	1				
<b>Total</b>	<b>\$ 45,029,146</b>	<b>31,011</b>	<b>\$ 121.00</b>	<b>\$ 47,109,506</b>	<b>30,579</b>	<b>\$ 128.38</b>	<b>4.6%</b>	<b>-1.4%</b>	<b>6.1%</b>



Of the \$6.0 million increase in paid medical claims from the year ending June 30, 2009 to the year ending June 30, 2010 only the Participant plus Child(ren) tier had a decrease in the net paid amount and per participant amount.

Dental claims decreased across all tiers from the year ending June 30, 2009 to the year ending June 30, 2010, caused by a combination of a 66.9% increase in ineligible charges, a 14.1% increase in discounts and a 7.9% increase in third party amounts. It should be noted that Dental claims for HMO participants do not get tagged to a tier and are therefore included in the ~Missing category.

Of the \$2.1 million increase in paid prescription drug claims from the year ending June 30, 2009 to the year ending June 30, 2010, the Participant plus Child(ren) tier had the lowest claims growth. The Participant Only tier had the highest increases on a per participant basis (8.1%).

The following table is a summary of the claims paid by tier.

<b>Total Self-Funded Paid Claims By Coverage Tier (Paid Basis)</b>										
	<b>Jul 2008 - Jun 2009</b>		<b>Jul 2009 - Jun 2010</b>					<b>% Change</b>		
	<b>Net Pay</b>	<b>PPPM</b>	<b>Net Pay</b>	<b>Med PPPM</b>	<b>Dent PPPM</b>	<b>Rx PPPM</b>	<b>Net PPPM</b>	<b>Net Pay</b>	<b>PPPM</b>	
Participant Only	\$ 109,483,377	\$ 461.89	\$ 114,152,844	\$ 347.68	\$ 31.63	\$ 109.64	\$ 488.95	4.3%	5.9%	
Participant + Spouse	\$ 58,119,552	\$ 1,031.59	\$ 60,152,398	\$ 801.99	\$ 63.72	\$ 230.68	\$ 1,096.39	3.5%	6.3%	
Participant + Child(ren)	\$ 23,499,880	\$ 632.53	\$ 21,982,851	\$ 439.96	\$ 66.12	\$ 88.50	\$ 594.58	-6.5%	-6.0%	
Participant + Family	\$ 38,613,697	\$ 928.12	\$ 40,573,994	\$ 743.55	\$ 96.78	\$ 134.06	\$ 974.39	5.1%	5.0%	
~Missing	\$ 7,088,105		\$ 7,113,437							
<b>Total</b>	<b>\$ 236,804,611</b>	<b>\$ 616.71</b>	<b>\$ 243,975,524</b>	<b>\$ 469.88</b>	<b>\$ 46.67</b>	<b>\$ 128.38</b>	<b>\$ 644.93</b>	<b>3.0%</b>	<b>4.6%</b>	

From the year ending June 30, 2009 to the year ending June 30, 2010, medical claims paid on a PMPM basis decreased 0.5% for members under the age of 20, increased 2.7% for those between the ages of 20 and 49, and increased 8.8% for members between the ages of 50 and 64. The PMPM increases of members between the ages of 50 and 64, while smaller than some of the other groups, are more significant because of the higher average cost of \$492.24 PMPM.

<b>Self-Funded Paid Medical Claims By Age Group (Paid Basis)</b>										
	<b>Jul 2008 - Jun 2009</b>			<b>Jul 2009 - Jun 2010</b>			<b>% Change</b>			
	<b>Net Pay</b>	<b>Member Count</b>	<b>PMPM</b>	<b>Net Pay</b>	<b>Member Count</b>	<b>PMPM</b>	<b>Net Pay</b>	<b>Count</b>	<b>PMPM</b>	
Ages < 1	\$ 2,499,835	338	\$ 616.33	\$ 2,449,203	334	\$ 611.08	-2.0%	-1.2%	-0.9%	
Ages 1-4	\$ 1,843,810	1,532	\$ 100.29	\$ 1,280,371	1,481	\$ 72.04	-30.6%	-3.3%	-28.2%	
Ages 5-9	\$ 1,712,046	2,342	\$ 60.92	\$ 1,370,831	2,335	\$ 48.92	-19.9%	-0.3%	-19.7%	
Ages 10-14	\$ 3,279,516	2,827	\$ 96.67	\$ 3,067,607	2,756	\$ 92.76	-6.5%	-2.5%	-4.1%	
Ages 15-19	\$ 4,075,448	3,289	\$ 103.26	\$ 4,841,444	3,163	\$ 127.55	18.8%	-3.8%	23.5%	
Ages 20-24	\$ 2,984,440	1,677	\$ 148.30	\$ 3,616,962	1,769	\$ 170.39	21.2%	5.5%	14.9%	
Ages 25-29	\$ 2,501,557	1,391	\$ 149.87	\$ 2,514,599	1,289	\$ 162.57	0.5%	-7.3%	8.5%	
Ages 30-34	\$ 4,191,844	1,892	\$ 184.63	\$ 3,876,141	1,911	\$ 169.03	-7.5%	1.0%	-8.5%	
Ages 35-39	\$ 6,958,688	2,541	\$ 228.21	\$ 6,737,791	2,441	\$ 230.02	-3.2%	-3.9%	0.8%	
Ages 40-44	\$ 9,154,646	3,071	\$ 248.42	\$ 8,728,678	2,912	\$ 249.79	-4.7%	-5.2%	0.6%	
Ages 45-49	\$ 13,142,499	3,717	\$ 294.65	\$ 13,407,572	3,575	\$ 312.53	2.0%	-3.8%	6.1%	
Ages 50-54	\$ 21,058,493	4,877	\$ 359.83	\$ 20,117,813	4,477	\$ 374.47	-4.5%	-8.2%	4.1%	
Ages 55-59	\$ 33,399,618	5,940	\$ 468.57	\$ 33,867,437	5,669	\$ 497.85	1.4%	-4.6%	6.2%	
Ages 60-64	\$ 37,775,964	6,177	\$ 509.63	\$ 42,486,679	6,186	\$ 572.35	12.5%	0.1%	12.3%	
Ages 65+	\$ 21,836,224	9,170	\$ 198.44	\$ 24,057,446	9,831	\$ 203.93	10.2%	7.2%	2.8%	
~Missing	\$ 115	1		\$ -	-					
<b>Total</b>	<b>\$ 166,414,743</b>	<b>50,782</b>	<b>\$ 273.09</b>	<b>\$ 172,420,574</b>	<b>50,129</b>	<b>\$ 286.63</b>	<b>3.6%</b>	<b>-1.3%</b>	<b>5.0%</b>	

PMPM dental costs decreased fairly uniformly across most age categories.

Self-Funded Paid Dental Claims By Age Group (Paid Basis)									
	Jul 2008 - Jun 2009			Jul 2009 - Jun 2010			% Change		
	Net Pay	Member Count	PMPM	Net Pay	Member Count	PMPM	Net Pay	Member Count	PMPM
Ages < 1	\$ 1,245	620	\$ 0.17	\$ 761	601	\$ 0.11	-38.9%	-3.0%	-37.0%
Ages 1-4	\$ 371,984	2,717	\$ 11.41	\$ 374,852	2,681	\$ 11.65	0.8%	-1.3%	2.1%
Ages 5-9	\$ 1,184,347	3,880	\$ 25.44	\$ 1,153,725	3,880	\$ 24.78	-2.6%	0.0%	-2.6%
Ages 10-14	\$ 1,213,312	4,454	\$ 22.70	\$ 1,113,511	4,394	\$ 21.12	-8.2%	-1.3%	-7.0%
Ages 15-19	\$ 1,607,488	4,845	\$ 27.65	\$ 1,561,306	4,732	\$ 27.49	-2.9%	-2.3%	-0.6%
Ages 20-24	\$ 691,455	2,418	\$ 23.83	\$ 679,520	2,552	\$ 22.19	-1.7%	5.5%	-6.9%
Ages 25-29	\$ 767,467	2,523	\$ 25.35	\$ 755,532	2,412	\$ 26.10	-1.6%	-4.4%	3.0%
Ages 30-34	\$ 1,015,868	3,382	\$ 25.03	\$ 1,016,174	3,376	\$ 25.09	0.0%	-0.2%	0.2%
Ages 35-39	\$ 1,363,937	4,364	\$ 26.05	\$ 1,250,357	4,204	\$ 24.78	-8.3%	-3.7%	-4.8%
Ages 40-44	\$ 1,627,349	4,841	\$ 28.01	\$ 1,447,520	4,702	\$ 25.65	-11.1%	-2.9%	-8.4%
Ages 45-49	\$ 2,020,900	5,524	\$ 30.49	\$ 1,811,419	5,364	\$ 28.14	-10.4%	-2.9%	-7.7%
Ages 50-54	\$ 2,626,023	6,799	\$ 32.19	\$ 2,412,382	6,512	\$ 30.87	-8.1%	-4.2%	-4.1%
Ages 55-59	\$ 3,282,382	8,017	\$ 34.12	\$ 3,098,675	7,846	\$ 32.91	-5.6%	-2.1%	-3.5%
Ages 60-64	\$ 3,312,898	8,114	\$ 34.03	\$ 3,330,061	8,441	\$ 32.88	0.5%	4.0%	-3.4%
Ages 65+	\$ 4,274,067	10,888	\$ 32.71	\$ 4,439,649	11,843	\$ 31.24	3.9%	8.8%	-4.5%
~Missing	\$ -	1		\$ -	(1)				
Total	\$ 25,360,722	73,386	\$ 28.80	\$ 24,445,444	73,539	\$ 27.70	-3.6%	0.2%	-3.8%

PMPM prescription drug costs increased moderately across most age groups. The Retiree Drug Subsidy provided by CMS provides approximately \$32 per Medicare eligible member per month and is not included in these calculations.

<b>Self-Funded Paid Prescription Claims By Age Group (Paid Basis)</b>										
	<b>Jul 2008 - Jun 2009</b>			<b>Jul 2009 - Jun 2010</b>			<b>% Change</b>			
	<b>Net Pay</b>	<b>Member Count</b>	<b>PMPM</b>	<b>Net Pay</b>	<b>Member Count</b>	<b>PMPM</b>	<b>Net Pay</b>	<b>Member Count</b>	<b>PMPM</b>	
Ages < 1	\$ 78,653	338	\$ 19.39	\$ 95,601	334	\$ 23.85	21.5%	-1.2%	23.0%	
Ages 1-4	\$ 146,634	1,532	\$ 7.98	\$ 157,086	1,481	\$ 8.84	7.1%	-3.3%	10.8%	
Ages 5-9	\$ 269,009	2,342	\$ 9.57	\$ 274,385	2,335	\$ 9.79	2.0%	-0.3%	2.3%	
Ages 10-14	\$ 334,750	2,827	\$ 9.87	\$ 375,271	2,756	\$ 11.35	12.1%	-2.5%	15.0%	
Ages 15-19	\$ 698,890	3,289	\$ 17.71	\$ 753,945	3,163	\$ 19.86	7.9%	-3.8%	12.2%	
Ages 20-24	\$ 461,024	1,677	\$ 22.91	\$ 464,456	1,769	\$ 21.88	0.7%	5.5%	-4.5%	
Ages 25-29	\$ 379,621	1,391	\$ 22.74	\$ 325,859	1,289	\$ 21.07	-14.2%	-7.3%	-7.4%	
Ages 30-34	\$ 678,441	1,892	\$ 29.88	\$ 704,099	1,911	\$ 30.70	3.8%	1.0%	2.8%	
Ages 35-39	\$ 1,342,568	2,541	\$ 44.03	\$ 1,322,418	2,441	\$ 45.15	-1.5%	-3.9%	2.5%	
Ages 40-44	\$ 2,059,822	3,071	\$ 55.89	\$ 2,053,505	2,912	\$ 58.77	-0.3%	-5.2%	5.1%	
Ages 45-49	\$ 2,685,240	3,717	\$ 60.20	\$ 2,550,819	3,575	\$ 59.46	-5.0%	-3.8%	-1.2%	
Ages 50-54	\$ 4,678,354	4,877	\$ 79.94	\$ 4,366,321	4,477	\$ 81.27	-6.7%	-8.2%	1.7%	
Ages 55-59	\$ 7,323,481	5,940	\$ 102.74	\$ 7,145,314	5,669	\$ 105.03	-2.4%	-4.6%	2.2%	
Ages 60-64	\$ 8,453,852	6,177	\$ 114.05	\$ 9,345,760	6,186	\$ 125.90	10.6%	0.1%	10.4%	
Ages 65+	\$ 15,438,807	9,170	\$ 140.30	\$ 17,174,666	9,831	\$ 145.58	11.2%	7.2%	3.8%	
~Missing	\$ -	1		\$ 1	-					
<b>Total</b>	<b>\$ 45,029,146</b>	<b>50,782</b>	<b>\$ 73.89</b>	<b>\$ 47,109,506</b>	<b>50,129</b>	<b>\$ 78.31</b>	<b>4.6%</b>	<b>-1.3%</b>	<b>6.0%</b>	

The following summary table shows the significantly higher cost of children under age 1 and members between the ages of 55 and 64.

Total Self-Funded Paid Claims By Age Group (Paid Basis)									
	Jul 2008 - Jun 2009		Jul 2009 - Jun 2010					% Change	
	Net Pay	PMPM	Net Pay	Med PMPM	Dent PMPM	Rx PMPM	Net PMPM	Net Pay	PMPM
Ages < 1	\$ 2,579,733	\$ 635.89	\$ 2,545,565	\$ 611.08	\$ 0.11	\$ 23.85	\$ 635.04	-1.3%	-0.1%
Ages 1-4	\$ 2,362,428	\$ 119.68	\$ 1,812,309	\$ 72.04	\$ 11.65	\$ 8.84	\$ 92.54	-23.3%	-22.7%
Ages 5-9	\$ 3,165,402	\$ 95.93	\$ 2,798,941	\$ 48.92	\$ 24.78	\$ 9.79	\$ 83.49	-11.6%	-13.0%
Ages 10-14	\$ 4,827,578	\$ 129.24	\$ 4,556,389	\$ 92.76	\$ 21.12	\$ 11.35	\$ 125.22	-5.6%	-3.1%
Ages 15-19	\$ 6,381,826	\$ 148.62	\$ 7,156,695	\$ 127.55	\$ 27.49	\$ 19.86	\$ 174.91	12.1%	17.7%
Ages 20-24	\$ 4,136,919	\$ 195.04	\$ 4,760,938	\$ 170.39	\$ 22.19	\$ 21.88	\$ 214.46	15.1%	10.0%
Ages 25-29	\$ 3,648,645	\$ 197.96	\$ 3,595,990	\$ 162.57	\$ 26.10	\$ 21.07	\$ 209.73	-1.4%	5.9%
Ages 30-34	\$ 5,886,153	\$ 239.55	\$ 5,596,414	\$ 169.03	\$ 25.09	\$ 30.70	\$ 224.82	-4.9%	-6.1%
Ages 35-39	\$ 9,665,193	\$ 298.29	\$ 9,310,566	\$ 230.02	\$ 24.78	\$ 45.15	\$ 299.95	-3.7%	0.6%
Ages 40-44	\$ 12,841,817	\$ 332.32	\$ 12,229,703	\$ 249.79	\$ 25.65	\$ 58.77	\$ 334.21	-4.8%	0.6%
Ages 45-49	\$ 17,848,639	\$ 385.34	\$ 17,769,810	\$ 312.53	\$ 28.14	\$ 59.46	\$ 400.13	-0.4%	3.8%
Ages 50-54	\$ 28,362,870	\$ 471.95	\$ 26,896,516	\$ 374.47	\$ 30.87	\$ 81.27	\$ 486.61	-5.2%	3.1%
Ages 55-59	\$ 44,005,481	\$ 605.43	\$ 44,111,426	\$ 497.85	\$ 32.91	\$ 105.03	\$ 635.79	0.2%	5.0%
Ages 60-64	\$ 49,542,714	\$ 657.71	\$ 55,162,500	\$ 572.35	\$ 32.88	\$ 125.90	\$ 731.12	11.3%	11.2%
Ages 65+	\$ 41,549,098	\$ 371.45	\$ 45,671,761	\$ 203.93	\$ 31.24	\$ 145.58	\$ 380.75	9.9%	2.5%
~Missing	\$ 115		\$ 1						
Total	\$236,804,611	\$ 375.78	\$ 243,975,524	\$ 286.63	\$ 27.70	\$ 78.31	\$ 392.64	3.0%	4.5%

***Network Utilization and Cost Sharing***

The percent of medical claims paid In Network has increased 2.0% to 94.5%. The table below shows the breakdown by service type. Total claims paid out of network decreased 23.1% from the year ending June 30, 2009 to the year ending June 30, 2010.

The percent of dental claims paid In-Network has increased from 83.4% and 90.8% in the years ending June 30, 2008 and 2009 to 93.2% in the year ending June 30, 2010.

<b>Self-funded Network Utilization (Paid Basis)</b>					
	<b>Jul 2008 - Jun 2009</b>		<b>Jul 2009 - Jun 2010</b>		<b>Change</b>
<b>Total</b>					
Net Pay IP Acute	\$	55,881,506	\$	59,856,373	7.1%
Net Pay OP Fac Med	\$	46,833,476	\$	48,936,772	4.5%
Net Pay Office Med	\$	39,970,757	\$	37,606,022	-5.9%
Net Pay Other	\$	23,729,004	\$	26,021,408	9.7%
	\$	166,414,743	\$	172,420,575	3.6%
<b>Paid in Network</b>					
Net Pay IP Acute	\$	55,384,784	\$	59,470,406	7.4%
Net Pay OP Fac Med	\$	41,756,619	\$	45,674,952	9.4%
Net Pay Office Med	\$	35,001,608	\$	33,427,214	-4.5%
Net Pay Other	\$	22,041,195	\$	24,437,150	10.9%
	\$	154,184,206	\$	163,009,722	5.7%
<b>Paid out of Network</b>					
Net Pay IP Acute	\$	496,722	\$	385,967	-22.3%
Net Pay OP Fac Med	\$	5,076,857	\$	3,261,820	-35.8%
Net Pay Office Med	\$	4,969,149	\$	4,178,808	-15.9%
Net Pay Other	\$	1,687,809	\$	1,584,258	-6.1%
	\$	12,230,537	\$	9,410,853	-23.1%
<b>Percent of Total Paid In Network</b>					
Net Pay IP Acute		99.11%		99.36%	0.2%
Net Pay OP Fac Med		89.16%		93.33%	4.7%
Net Pay Office Med		87.57%		88.89%	1.5%
Net Pay Other		92.89%		93.91%	1.1%
		92.65%		94.54%	2.0%

Self-Funded Plan Utilization Report for the year ending June 30, 2010  
 September 2, 2010  
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This table shows the submitted medical charges, allowed amounts and participant out of pocket costs, split by state and non-state active employees and retirees and COBRA participants for the year ending June 30, 2010. Participants paid 8.9% of submitted medical charges through co-pays, deductibles and coinsurance. This compares to 9.3% paid by participants during the year ending June 30, 2009. This decrease is caused by a combination of a 14.4% increase in ineligible charges and a 16.5% increase in third party amounts. The plan paid 27.4% of the \$891.8 million in submitted charges. Ineligible charges accounted for 36.6% of submitted charges and network discounts subtracted another 22.5%. Payments by Medicare are included in the ineligible column.

Submitted Charges and Paid Amounts (Paid Basis) Jul 2009 - Jun 2010										
	Charge Submitted	Ineligible	Discount	Allowed	Third Party Amount	Net Payment	Total Out Of Pocket	Copayment	Deductible	Coinsurance
Total Dollar Amount										
State Actives	\$ 372,308,121	\$ 73,562,457	\$ 129,990,884	\$ 168,754,780	\$ 2,253,173	\$ 129,075,351	\$ 37,426,256	\$ 9,469,658	\$ 10,374,364	\$ 17,582,234
State Retirees	\$ 259,486,262	\$ 135,341,804	\$ 27,615,356	\$ 96,529,102	\$ 22,578,474	\$ 52,845,824	\$ 21,104,804	\$ 6,539,564	\$ 5,137,154	\$ 9,428,086
State Total	\$ 631,794,383	\$ 208,904,261	\$ 157,606,240	\$ 265,283,882	\$ 24,831,647	\$ 181,921,175	\$ 58,531,060	\$ 16,009,222	\$ 15,511,518	\$ 27,010,320
Non-State Actives	\$ 9,848,872	\$ 2,408,259	\$ 2,208,141	\$ 5,232,472	\$ 75,612	\$ 4,188,647	\$ 968,213	\$ 185,679	\$ 254,687	\$ 527,847
Non-State Retirees	\$ 240,051,133	\$ 112,494,897	\$ 37,482,396	\$ 90,073,840	\$ 16,394,485	\$ 54,117,004	\$ 19,562,351	\$ 5,843,571	\$ 4,837,725	\$ 8,881,055
Non-State Total	\$ 249,900,005	\$ 114,903,156	\$ 39,690,537	\$ 95,306,312	\$ 16,470,097	\$ 58,305,651	\$ 20,530,564	\$ 6,029,250	\$ 5,092,412	\$ 9,408,902
COBRA	\$ 401,836,773	\$ 98,605,129	\$ 123,776,869	\$ 179,454,775	\$ 8,458,668	\$ 131,552,869	\$ 39,443,238	\$ 10,282,279	\$ 10,785,016	\$ 18,375,943
Total	\$ 891,787,911	\$ 326,003,182	\$ 200,949,802	\$ 364,834,927	\$ 41,323,250	\$ 243,975,524	\$ 79,536,153	\$ 22,155,100	\$ 20,715,153	\$ 36,665,900
Percent of Submitted Charges										
State Actives	100.0%	19.8%	34.9%	45.3%	0.6%	34.7%	10.1%	2.5%	2.8%	4.7%
State Retirees	100.0%	52.2%	10.6%	37.2%	8.7%	20.4%	8.1%	2.5%	2.0%	3.6%
State Total	100.0%	33.1%	24.9%	42.0%	3.9%	28.8%	9.3%	2.5%	2.5%	4.3%
Non-State Actives	100.0%	24.5%	22.4%	53.1%	0.8%	42.5%	9.8%	1.9%	2.6%	5.4%
Non-State Retirees	100.0%	46.9%	15.6%	37.5%	6.8%	22.5%	8.1%	2.4%	2.0%	3.7%
Non-State Total	100.0%	46.0%	15.9%	38.1%	6.6%	23.3%	8.2%	2.4%	2.0%	3.8%
COBRA	100.0%	24.5%	30.8%	44.7%	2.1%	32.7%	9.8%	2.6%	2.7%	4.6%
Total	100.0%	36.6%	22.5%	40.9%	4.6%	27.4%	8.9%	2.5%	2.3%	4.1%

***Claim Distribution by Paid Claim Amount***

Claim distribution by paid claim amount was compiled directly from the daily check register sent to PEBP by UMR rather than from the Medstat reporting tool. Seventy-two percent of the claim dollars were paid out in 9.3% of the claims (claims over \$400). Forty-six claims in excess of \$100,000 were paid out during fiscal year 2010 for a total of \$8.6 million. The claim category with the largest total was the \$400 to \$1,000 claim category while the \$0 to \$100 claim category had a significantly larger number of claims.

Claim Distribution - Claims by Paid Claim Amount (Paid Basis) Jul 2009 - Jun 2010							
Claim Amount		Medical		Dental		Total	
Greater Than or Equal to	Less Than	Number of Claims	Cost	Number of Claims	Cost	Number of Claims	Cost
\$ 100,000.00		46	\$ 8,585,562	-	\$ -	46	\$ 8,585,562
\$ 40,000.00	\$ 100,000.00	254	\$ 14,546,470	-	\$ -	254	\$ 14,546,470
\$ 20,000.00	\$ 40,000.00	584	\$ 16,185,186	-	\$ -	584	\$ 16,185,186
\$ 10,000.00	\$ 20,000.00	1,215	\$ 16,752,952	-	\$ -	1,215	\$ 16,752,952
\$ 4,000.00	\$ 10,000.00	3,912	\$ 23,749,345	-	\$ -	3,912	\$ 23,749,345
\$ 2,000.00	\$ 4,000.00	6,775	\$ 19,005,493	9	\$ 18,000	6,784	\$ 19,023,493
\$ 1,000.00	\$ 2,000.00	12,413	\$ 16,889,379	2,107	\$ 2,659,870	14,520	\$ 19,549,249
\$ 400.00	\$ 1,000.00	29,850	\$ 18,241,248	11,936	\$ 7,130,177	41,786	\$ 25,371,426
\$ 200.00	\$ 400.00	45,960	\$ 12,628,485	13,916	\$ 3,958,969	59,876	\$ 16,587,454
\$ 100.00	\$ 200.00	87,940	\$ 12,270,433	48,423	\$ 6,924,103	136,363	\$ 19,194,535
\$ -	\$ 100.00	416,095	\$ 16,004,928	60,903	\$ 3,972,406	476,998	\$ 19,977,334
Average Claim		605,044	\$ 174,859,481	137,294	\$ 24,663,525	742,338	\$ 199,523,006
			\$ 289.00		\$ 179.64		\$ 268.78
Total			\$ 174,859,481		\$ 24,663,525		\$ 199,523,006
Less Voids, Refunds and Adjustments			\$ 2,438,907		\$ 218,081		\$ 2,656,988
Total Medical and Dental Claims Paid			\$ 172,420,574		\$ 24,445,444		\$ 196,866,018



### ***High Utilization – 12 Months***

The following four tables show:

- the most expensive Major Diagnostic Categories,
- the most expensive Clinical Conditions,
- the hospitals paid the most by the Program, and
- high Net Pay Claims.

All data for this report is on an incurred basis for the year ending March 31, 2010 except for the high Net Pay Claims which is reported on a paid basis for the year ending June 30, 2010.

#### Major Diagnostic Categories

- Musculoskeletal, circulatory and health status are the most expensive three categories accounting for 39% of total costs.
- The musculoskeletal, nervous and ears, nose and throat categories had net increases of \$2.0 million, \$1.2 million and \$1.1 million, respectively.
- The child birth, newborns and alcohol/drug use categories had the highest cost per patient at over \$2,700 per patient.
- The largest percent increases on a per patient basis were in the poisonings and alcohol/drug use categories while costs due to newborns and burns decreased by over 30%.

#### Clinical Conditions

The top 25 clinical conditions account for 56.8% of all clinical condition costs and cost 19.6% more on a per patient basis than the average of all 195 clinical conditions. Of the top 25 clinical conditions, the largest net dollar increases from the previous period were in the rheumatic fever/valvular disorders, conditions related to surgery and signs/symptoms/other conditions categories.

#### Hospitals

The top 25 hospitals that receive more money from PEBP for acute visits than any other hospital make up 78.3% of all acute costs. The top two, Renown Regional Medical Center and Carson Tahoe Hospital account for 28% of all acute costs. Stanford Hospital, University of California Davis Medical Center and University of California San Francisco Medical Center were paid the most on a per day-acute basis. This data should be used only to demonstrate to which hospitals large dollar amounts are going. Determining which hospitals cost more can only be found on an in-depth study of costs per diagnosis code.

#### Large Claims

The top 25 claims account for 6.99% of all medical claims for the year ending June 30, 2010 but only 0.05% of the total self-funded population.

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Self-funded Medical Claims Net Pay by Major Diagnostic Category (Incurred Basis)						
	Net Pay			Net Pay Per Patient		
	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	% Change	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	% Change
Musculoskeletal	\$ 31,316,592	\$ 33,315,269	6.4%	\$ 1,565.99	\$ 1,668.68	6.6%
Circulatory	\$ 18,179,750	\$ 18,067,225	-0.6%	\$ 1,186.82	\$ 1,161.06	-2.2%
Health Status	\$ 13,363,261	\$ 14,341,532	7.3%	\$ 400.72	\$ 432.49	7.9%
Digestive	\$ 13,623,262	\$ 14,329,605	5.2%	\$ 1,329.49	\$ 1,402.80	5.5%
Nervous	\$ 10,422,893	\$ 11,601,070	11.3%	\$ 1,529.63	\$ 1,677.42	9.7%
Skin, Breast	\$ 9,474,637	\$ 9,109,933	-3.8%	\$ 539.28	\$ 521.85	-3.2%
Kidney	\$ 8,213,036	\$ 9,106,176	10.9%	\$ 1,300.56	\$ 1,412.03	8.6%
Respiratory	\$ 9,389,410	\$ 7,954,632	-15.3%	\$ 904.22	\$ 720.85	-20.3%
Ear, Nose, Mouth & Throat	\$ 6,397,802	\$ 7,528,258	17.7%	\$ 370.76	\$ 414.21	11.7%
Metabolic	\$ 5,581,181	\$ 5,921,183	6.1%	\$ 345.82	\$ 363.89	5.2%
Eye	\$ 4,807,436	\$ 4,886,311	1.6%	\$ 242.24	\$ 243.99	0.7%
Female Reproductive	\$ 4,363,627	\$ 4,865,412	11.5%	\$ 823.64	\$ 917.48	11.4%
Myeloproliferative Diseases	\$ 5,937,739	\$ 4,619,266	-22.2%	\$ 3,326.46	\$ 2,531.10	-23.9%
Liver, Pancreas	\$ 4,109,945	\$ 3,842,730	-6.5%	\$ 2,447.85	\$ 2,230.26	-8.9%
Male Reproductive	\$ 3,281,349	\$ 3,621,123	10.4%	\$ 1,190.19	\$ 1,303.50	9.5%
Mental	\$ 3,325,644	\$ 3,601,156	8.3%	\$ 608.54	\$ 676.78	11.2%
Infections	\$ 2,292,338	\$ 3,373,371	47.2%	\$ 1,168.37	\$ 1,286.56	10.1%
Blood	\$ 2,358,500	\$ 2,503,270	6.1%	\$ 1,027.22	\$ 1,032.28	0.5%
Pregnancy, Childbirth	\$ 2,636,495	\$ 2,402,532	-8.9%	\$ 4,537.86	\$ 4,465.67	-1.6%
Injuries, Poisonings	\$ 1,871,553	\$ 2,318,086	23.9%	\$ 637.45	\$ 803.22	26.0%
Newborns	\$ 1,528,658	\$ 1,013,567	-33.7%	\$ 4,012.23	\$ 2,724.64	-32.1%
Alcohol/Drug Use	\$ 680,653	\$ 1,009,570	48.3%	\$ 2,896.40	\$ 3,631.55	25.4%
HIV Infections	\$ 56,392	\$ 39,407	-30.1%	\$ 1,658.59	\$ 1,231.48	-25.8%
Burns	\$ 24,017	\$ 17,001	-29.2%	\$ 296.50	\$ 202.39	-31.7%
All MDCs	\$ 163,236,170	\$ 169,387,685	3.8%	\$ 821.42	\$ 840.97	2.4%

Self-funded Medical Claims Net Pay by Clinical Condition (Incurred Basis)						
	Net Pay			Net Pay Per Patient		
	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	% Change	Apr 2008 - Mar 2009	Apr 2009 - Mar 2010	% Change
Signs/Symptoms/Oth Cond, NEC	\$ 8,828,340	\$ 9,710,664	10.0%	\$ 637.29	\$ 651.90	2.3%
Prevent/Admin Hlth Encounters	\$ 8,168,713	\$ 8,518,722	4.3%	\$ 278.85	\$ 293.65	5.3%
Osteoarthritis	\$ 7,839,328	\$ 8,159,830	4.1%	\$ 1,521.02	\$ 1,562.89	2.8%
Gastroint Disord, NEC	\$ 5,008,721	\$ 5,760,798	15.0%	\$ 755.81	\$ 863.04	14.2%
Spinal/Back Disord, Low Back	\$ 4,917,700	\$ 5,188,314	5.5%	\$ 795.49	\$ 831.73	4.6%
Arthropathies/Joint Disord NEC	\$ 4,892,525	\$ 5,017,781	2.6%	\$ 454.74	\$ 460.22	1.2%
Respiratory Disord, NEC	\$ 4,749,998	\$ 4,987,042	5.0%	\$ 694.75	\$ 714.89	2.9%
Renal Function Failure	\$ 4,449,281	\$ 4,959,010	11.5%	\$ 5,940.29	\$ 5,648.07	-4.9%
Condition Rel to Tx - Med/Surg	\$ 3,669,228	\$ 4,695,481	28.0%	\$ 4,306.61	\$ 4,791.31	11.3%
Coronary Artery Disease	\$ 3,894,118	\$ 3,989,277	2.4%	\$ 1,734.57	\$ 1,777.75	2.5%
Cancer - Breast	\$ 3,251,523	\$ 3,392,191	4.3%	\$ 4,760.65	\$ 4,685.35	-1.6%
Spinal/Back Disord, Ex Low	\$ 2,700,634	\$ 3,237,596	19.9%	\$ 525.72	\$ 633.46	20.5%
Cancer - Prostate	\$ 2,706,343	\$ 2,887,801	6.7%	\$ 2,592.28	\$ 2,790.15	7.6%
Cardiovasc Disord, NEC	\$ 2,708,228	\$ 2,735,481	1.0%	\$ 619.17	\$ 615.41	-0.6%
Eye Disorders, NEC	\$ 2,616,682	\$ 2,630,441	0.5%	\$ 156.71	\$ 159.91	2.0%
Neurological Disorders, NEC	\$ 2,008,132	\$ 2,437,331	21.4%	\$ 934.01	\$ 1,045.17	11.9%
Infections, NEC	\$ 1,818,922	\$ 2,419,193	33.0%	\$ 522.83	\$ 631.81	20.8%
Chemotherapy Encounters	\$ 2,968,672	\$ 2,220,076	-25.2%	\$ 18,212.71	\$ 13,059.27	-28.3%
Fracture/Disloc - Upper Extrem	\$ 1,584,807	\$ 2,143,563	35.3%	\$ 1,011.36	\$ 1,404.69	38.9%
ENT Disorders, NEC	\$ 1,907,686	\$ 2,056,756	7.8%	\$ 264.26	\$ 279.30	5.7%
Cerebrovascular Disease	\$ 2,437,508	\$ 1,987,997	-18.4%	\$ 1,981.71	\$ 1,569.06	-20.8%
Rheumatic Fever/Valvular Dis	\$ 669,670	\$ 1,945,119	190.5%	\$ 560.39	\$ 1,412.58	152.1%
Cardiac Arrhythmias	\$ 2,308,237	\$ 1,937,312	-16.1%	\$ 1,259.95	\$ 961.92	-23.7%
Injury - Knee	\$ 1,674,893	\$ 1,836,323	9.6%	\$ 1,714.32	\$ 1,860.51	8.5%
Cancer - Nonspecified	\$ 1,719,710	\$ 1,801,099	4.7%	\$ 2,355.77	\$ 2,324.00	-1.3%
Top 25 Clinical Conditions	\$ 89,499,599	\$ 96,655,198	8.0%	\$ 683.05	\$ 724.41	6.1%
All Clinical Conditions (195)	\$ 163,532,547	\$ 170,153,165	4.0%	\$ 593.50	\$ 605.91	2.1%
Top Conditions as Pct of All	54.7%	56.8%		115.1%	119.6%	

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Self-funded Top Hospitals by Net Pay Acute (Incurred Basis)							
	Apr 2008 - Mar 2009 Net Pay	Apr 2009 - Mar 2010					
		Net Pay	As a % of All Hospitals	Admits - Acute	Length of Stay per Admit	Net Pay per Admit - Acute	Net Pay per Day - Acute
Renown Regional Medical Center	\$ 10,611,426	\$ 10,511,873	18.4%	976	4.2	\$ 10,770	\$ 2,589
Carson Tahoe Regional Medical Center	\$ 4,940,360	\$ 5,279,659	9.2%	539	3.9	\$ 9,795	\$ 2,505
Sunrise Hospital And Medical Center	\$ 2,821,988	\$ 2,539,538	4.4%	213	4.7	\$ 11,923	\$ 2,559
St Rose Dominican Hospital - Rose De Lima	\$ 2,180,557	\$ 2,347,347	4.1%	283	3.7	\$ 8,295	\$ 2,266
Ricks,Daniel,J,Md	\$ 1,402,974	\$ 1,926,415	3.4%	146	3.6	\$ 13,195	\$ 3,717
Sierra Surgery And Imaging	\$ 1,636,106	\$ 1,731,899	3.0%	85	2.6	\$ 20,375	\$ 7,990
Stanford Hospital	\$ 920,087	\$ 1,670,439	2.9%	11	7.4	\$ 151,858	\$ 20,633
Valley Health Center	\$ 1,368,050	\$ 1,604,175	2.8%	192	5.2	\$ 8,355	\$ 1,622
University Medical Center Of Southern Nevada	\$ 1,810,570	\$ 1,560,269	2.7%	83	6.1	\$ 18,798	\$ 3,107
University Of California Davis Medical Center	\$ 1,105,784	\$ 1,560,172	2.7%	11	8.1	\$ 141,834	\$ 17,532
Phc Inc - Elko	\$ 923,740	\$ 1,491,500	2.6%	123	3.7	\$ 12,126	\$ 3,277
Mountainview Hospital	\$ 1,732,875	\$ 1,376,915	2.4%	192	4.8	\$ 7,171	\$ 1,488
Univ Of California San Francisco Medical Center	\$ 2,311,125	\$ 1,247,265	2.2%	25	3.2	\$ 49,891	\$ 15,398
Spring Valley Hospital Medical Center	\$ 834,921	\$ 963,842	1.7%	93	3.9	\$ 10,364	\$ 2,685
Southern Hills Hospital And Medical Center	\$ 695,040	\$ 907,773	1.6%	68	4.8	\$ 13,350	\$ 2,770
Valley Hospital Medical Center	\$ 2,048,702	\$ 1,857,084	3.3%	209	8.5	\$ 8,886	\$ 1,050
Valley Health System Llc	\$ 415,056	\$ 862,433	1.5%	102	4.2	\$ 8,455	\$ 1,994
Craig Hospital	\$ 76,763	\$ 849,346	1.5%	2	130.0	\$ 424,673	\$ 3,267
St Rose Dominican San Mar	\$ 833,200	\$ 815,025	1.4%	79	3.2	\$ 10,317	\$ 3,275
Mayo Clinic Hospital	\$ 740,777	\$ 733,104	1.3%	25	5.4	\$ 29,324	\$ 5,471
University Health Care	\$ 1,558,880	\$ 630,805	1.1%	33	4.7	\$ 19,115	\$ 4,041
William Bee Ririe Hospital	\$ 787,770	\$ 621,815	1.1%	57	2.4	\$ 10,909	\$ 4,564
Cedars Sinai Medical Center	\$ 79,684	\$ 584,899	1.0%	9	5.9	\$ 64,989	\$ 11,034
Saint Marys Regional Medical Center	\$ 312,923	\$ 548,402	1.0%	33	6.3	\$ 16,618	\$ 2,638
Desert Springs Hospital	\$ 557,668	\$ 499,878	0.9%	75	4.0	\$ 6,665	\$ 1,654
Top 25 Hospitals		\$ 44,721,873	78.3%	3,664	4.3	\$ 12,206	\$ 2,867
All Other Hospitals		\$ 12,408,145	21.7%	860	6.2	\$ 14,428	\$ 2,318
All Hospitals		\$ 57,130,018	100.0%	4,524	4.5	\$ 12,628	\$ 2,779
Top Hospitals as Pct of All Hospitals			78.3%		81.0%		

<b>Self-funded Medical - Highest 25 Net Pay Claims (Paid Basis) Jul 2009 - Jun 2010</b>				
<b>Relationship to Participant</b>	<b>Gender</b>	<b>Age Group</b>	<b>High Cost Diagnosis</b>	<b>Paid</b>
Employee/Self	Male	Ages 20-24	Intracerebral Hemorrhage	\$ 914,628
Employee/Self	Female	Ages 60-64	End Stage Renal Disease	\$ 816,648
Employee/Self	Male	Ages 35-39	Cl Skl Base Fx-Prol Coma	\$ 579,587
Spouse/Partner	Male	Ages 55-59	Act Myl Leuk w Rmsion	\$ 569,796
Spouse/Partner	Female	Ages 40-44	End Stage Renal Disease	\$ 555,364
Employee/Self	Female	Ages 55-59	Unknown Dx Cd 209	\$ 553,450
Employee/Self	Female	Ages 45-49	Quadrplg C1-C4, Complete	\$ 526,738
Spouse/Partner	Female	Ages 35-39	Gram-Neg Septicemia NEC	\$ 472,078
Child/Other Dependent	Female	Ages 10-14	Brain Laceration NEC	\$ 467,851
Spouse/Partner	Male	Ages 50-54	End Stage Renal Disease	\$ 466,970
Employee/Self	Male	Ages 60-64	Aortic Valve Disorder	\$ 464,452
Employee/Self	Male	Ages 60-64	Acute Renal Failure NOS	\$ 443,509
Employee/Self	Male	Ages 60-64	End Stage Renal Disease	\$ 439,408
Employee/Self	Female	Ages 60-64	Hemoperitoneum	\$ 438,353
Employee/Self	Female	Ages 60-64	~Missing	\$ 437,905
Employee/Self	Male	Ages 65-74	Mitral Valve Disorder	\$ 435,393
Employee/Self	Male	Ages 60-64	Idiopathic Scoliosis	\$ 433,904
Employee/Self	Male	Ages 55-59	Psymotr Epil wo Int Epi	\$ 411,213
Employee/Self	Male	Ages 50-54	Other Postop Infection	\$ 396,973
Child/Other Dependent	Female	Ages 15-17	Mal Neo Cerebellum NOS	\$ 391,969
Employee/Self	Female	Ages 55-59	Antineoplastic Chemo Enc	\$ 378,738
Employee/Self	Male	Ages 55-59	Malig Neo Testis NEC	\$ 372,327
Employee/Self	Male	Ages 55-59	End Stage Renal Disease	\$ 371,229
Spouse/Partner	Female	Ages 50-54	Hyp Kid NOS w Cr Kid V	\$ 362,780
Employee/Self	Female	Ages 40-44	Rehabilitation Proc NEC	\$ 354,435
Top 25 Patients		25		\$ 12,055,700
All Members		50,129		\$ 172,420,575
Top Patients as Pct of All Members		0.05%		6.99%

***Chronic Conditions and Wellness***

Chronic conditions account for 12.28% of all clinical conditions and 21.04% of all admits acute. The largest dollar increases were in the bipolar disorder, osteoarthritis and hypertension categories. The osteoarthritis and coronary artery disease categories remain the top two chronic conditions.

<b>Self-Funded Net Pay Medical by Top Chronic Conditions (Incurred Basis)</b>				
	<b>Apr 2008 - Mar 2009</b>	<b>Apr 2009 - Mar 2010</b>	<b>% Change</b>	
Asthma	\$410,085	\$556,193	35.6%	
Chronic Obstruc Pulm Dis(COPD)	\$543,128	\$564,242	3.9%	
Congestive Heart Failure	\$718,163	\$526,396	-26.7%	
Coronary Artery Disease	\$3,894,118	\$3,989,277	2.4%	
Diabetes	\$1,762,513	\$1,305,733	-25.9%	
HIV Infection	\$56,844	\$40,065	-29.5%	
Hypertension, Essential	\$1,252,483	\$1,511,954	20.7%	
Mental Hlth - Anxiety Disorder	\$238,861	\$231,060	-3.3%	
Mental Hlth - Bipolar Disorder	\$326,264	\$689,296	111.3%	
Mental Hlth - Depression	\$1,676,809	\$1,782,833	6.3%	
Overweight/Obesity	\$1,213,590	\$1,060,011	-12.7%	
Osteoarthritis	\$7,839,328	\$8,159,830	4.1%	
Rheumatoid Arthritis	\$468,874	\$472,709	0.8%	
	\$20,401,060	\$20,889,599	2.4%	
<b>Summary (Apr 2009 - Mar 2010)</b>	<b>Net Pay Med</b>	<b>Admits Acute</b>	<b>Visits OP Fac Med</b>	<b>Visits Office Med</b>
Chronic Conditions	\$20,889,599	952	6,287	72,770
All Clinical Conditions	\$170,153,165	4,524	57,611	450,088
Chronic Conditions as Percent of All Clinical Conditions	12.28%	21.04%	10.91%	16.17%

Of the five wellness screenings listed below, the number of screenings has decreased 1.3% while the screening rate decreased 0.8%. Both the number of screenings and the screening rates have decreased for all listed measures except the well child visits per 1000.

Self-funded Wellness Utilization (Incurred Basis)							
Measures	Apr 2008 - Mar 2009		Apr 2009 - Mar 2010			% Change	
	Screenings Completed	Rates	Screenings Completed	Rates	Bench mark	Screenings Completed	Rates
Cervical Cancer	7,402	43.3%	7,089	42.4%	44.6%	-4.2%	-1.0%
Cholesterol	12,969	40.4%	12,894	39.7%	41.7%	-0.6%	-0.7%
Colon Cancer	4,621	18.8%	4,590	18.2%	19.2%	-0.7%	-0.6%
Mammogram	7,601	49.6%	7,571	49.2%	45.8%	-0.4%	-0.4%
PSA	4,841	50.7%	4,805	50.1%		-0.7%	-0.6%
Total	37,434	37.9%	36,949	37.2%		-1.3%	-0.8%
	<b>Visits</b>	<b>Visits per 1000</b>	<b>Visits</b>	<b>Visits per 1000</b>	<b>Visits per 1000</b>	<b>Visits</b>	<b>Visits per 1000</b>
Visits Well Baby	2,184	4,804	2,064	4,570	4,640	-5.5%	-4.9%
Visits Well Child	1,027	591	1,003	604	-	-2.3%	2.3%

**Recommendations**

None.