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NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

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AGENDA ITEM

[X] Action Item
[ ] Information Only

Date: October 26, 2017

Item Number: 3.2.2.

Title: Self-Funded Plan Utilization Report for the plan year 2017 period ending June 30, 2017

This report addresses medical, dental, prescription drug and HRA utilization for the period ending June 30, 2017. Included are:

- Executive Summary – provides a utilization overview.
- HealthSCOPE Utilization Report – provides graphical supporting details for the information included in the Executive Summary.
- Express Scripts Utilization Report – provides details supporting the prescription drug information included in the Executive Summary.
- Health Plan of Nevada Utilization – see Appendix B for plan year 2017 utilization data
- Hometown Health Plan – see Appendix C for plan year 2017 utilization data

Executive Summary

OVERALL

The Consumer Driven Health Plan (CDHP) experienced an overall increase of 1.0% for the year ending June 30, 2017 ($122.5 million in PY17 and $121.3 million in PY 16) however on a per participant per month (PPPM) basis the plan experienced a 3.2 % decrease when compared to Plan Year 2016 ($451 PPPM in 2017 and $466 PPPM in 2016).

- Population increased:
  - 4.2% for primary participants
  - 4.7% for primary participants plus dependents (members)
- 95.9% of all medical spend dollars went to in-network providers with an average discount of 63.0%
- Inpatient admits per 1,000 members decreased 5.4% from Plan Year 2016
- There were 178 High Cost Claimants accounting for 28.8% of the total plan paid as of June 30, 2017.
  - 9.0% decrease in High Cost Claimants per 1,000 members
  - 3.2% decrease in average High Cost Claimant paid
- Emergency Room paid per visit decreased 2.7% from Plan Year 2016
- Emergency Room visits per 1,000 decreased by 0.6%
- Urgent Care visits per 1,000 decreased by 4.3%
- Top three highest cost clinical classifications include:
  - Neoplasms ($17.3 million)
  - Diseases of the Musculoskeletal System and Connective Tissue ($15.9 million)
  - Diseases of the Circulatory System ($12.1 million)

The table below depicts total costs for medical, dental and prescription drugs.

Self-Funded Net Paid Claims - Total			
	July 2015 - Jun 2016	**July 2016 - Jun 2017**	**% Change**
Medical			
Inpatient	$43,853,721.00	$44,399,339.00	1.2%
Outpatient	$77,474,085.00	$78,092,809.00	0.8%
Total Medical	$121,327,806.00	$122,492,148.00	1.0%
Dental	$23,097,581.00	$23,901,175.00	3.5%
Prescription	$26,484,368.60	$28,835,680.65	8.9%
Total	$170,909,755.60	$175,229,003.65	2.5%

Self-Funded Net Paid Claims - Per Participant Per Month			
	July 2015 - Jun 2016	**July 2016 - Jun 2017**	**% Change**
Medical	$465.80	$451.11	-3.2%
Dental	$50.40	$50.75	0.7%
Prescription	$101.68	$106.19	4.4%
Total	$617.88	$608.05	-1.6%

DRUG UTILIZATION

Drug utilization (number of members utilizing the PEBP pharmacy benefit as a percentage of all CDHP self-funded members) is approximately 69.2% or 28,292 of 40,906 members for the period ending June 30, 2017.

Total prescription drug costs increased by $1.9 million (4.9%) from the period ending June 30, 2017, when compare to the period ending June 30, 2016. This reflects the increased plan paid ($2.4 million) while the participant paid decreased ($0.5 million).

Generic drug utilization (generic scripts filled as a percent of all scripts) reflects an increase of approximately 2.3% for the period ending June 30, 2017. However the generic effective rate decreased by 0.5% (99.0% in plan year 2016 versus 98.5% in 2017).

GROUP SPECIFIC UTILIZATION

STATE EMPLOYEES

State Employees on the CDHP experienced an overall decrease in experience for the year ending June 30, 2017 compared to the same period in Plan Year 2016

- Participation increased by 5.9%
- Overall plan costs reflect an increase of 2.8%:
    - Primary participants experienced a 2.9% decrease
    - Primary participants plus dependents experienced a 2.7% decrease
- There were 90 High Cost Claimants – a decrease of 14.3% compared to the same period in Plan Year 2016
    - 19.9% decrease in High Cost Claimants per 1,000 members
    - 7.2% decrease in average High Cost Claim paid
- Facility Inpatient costs decreased by 5.4%
- Facility Outpatient costs increased by 4.5%
- Emergency Room visits per 1,000 decreased by 0.7%
- Urgent Care visits per 1,000 decreased by 3.8%

State Employees had an average of 34,196 eligible members and account for 62.2% of the total plan cost for prescription drugs. The following provides drug utilization for the period ending June 30, 2017

- 69.3% of eligible members utilized the prescription drug benefit
- The generic fill rate was 85.7%
- Plan Cost on a PMPM basis was $43.72

STATE RETIREES

State Retirees on the CDHP experienced and overall decrease in experience for the year ending June 30, 2017 when compared to the same period in Plan Year 2016.

- Participation increased by 1.0%
- Overall plan costs reflect a decrease of 7.0%:
    - Primary participants experienced a 8.0% decrease over Plan year 2016
    - Primary participants plus dependents experienced a 9.4% decrease over Plan Year 2016
- There were 61 High Cost Claimants – a increase of 8.9% over Plan Year 2016
    - 6.0% increase in High Cost Claimants per 1,000 members
    - 1.8% decrease in average High Cost Claimant paid
- Facility Inpatient costs decreased by 1.0%
- Facility Outpatient costs decreased by 16.1%
- Emergency Room visits per 1,000 decreased by 6.2%
- Urgent Care visits per 1,000 decreased by 10.6%

State Retirees had an average of 4,727 eligible members and account for 29.9% of the total plan cost for prescription drugs. The following provides drug utilization for the period ending June 30, 2017

- 84.1% of eligible members utilized the prescription drug benefit
- The generic fill rate was 85.3%
- Plan Cost on a PMPM basis was $152.03

NON-STATE RETIREES

The Non-State Retirees on the CDHP experienced an overall increase for the year ending June 30, 2017 when compared to the same period in Plan Year 2016

- Participation decreased by 12.5%
- Overall plan costs reflects an increase of 6.3%:
    - Primary participants experienced a 21.4% increase over Plan year 2016
    - Primary participants plus dependents experienced an increase of 20.3% over Plan Year 2016
- There were 27 High Cost Claimants – an increase of 12.5% over Plan Year 2016
    - 27.1% increase in High Cost Claimants per 1,000 members
    - 5.9% increase in average High Cost Claimant paid
- Facility Inpatient costs increased by 46.4%
- Facility Outpatient costs increased by 6.8%
- Emergency Room visits per 1,000 increased by 46.8%

- Urgent Care visits per 1,000 decreased by 0.5%

Non-State Retirees had an average of 1,101 eligible members and account for 7.7% of the total plan cost for prescription drugs. The following provides drug utilization for the period ending June 30, 2017

- 89.9% of eligible members utilized the prescription drug benefit
- The generic fill rate was 85.8%
- Plan Cost on a PMPM basis was $168.55

PREVENTIVE SERVICES

PEBP participants receiving standard preventive services reflect a low compliance rate for Plan Year 2017:

Preventive Activity	Compliance %
• Preventive Office Visit:	35.7%
• Cholesterol Screening:	38.7%
• Cervical Cancer Screening (Females 21-29)	45.5%
• Cervical Cancer Screening (Females 30-65)	51.3%
• Breast Cancer Screening (Females 40+)	54.0%
• PSA (Prostate-specific antigen) Screening (Males 50+)	33.2%
• Colorectal Screening (All 50+)	50.0%

HEALTH REIMBURSEMENT ARRANGEMENT

The table below provides a list of CDHP HRA account balances as of June 30, 2017.

HRA Account Balances as of June 30, 2017			
$Range	**# Accounts**	**Total Account Balance**	**Average Account Balance**
0	1,949	$ -	$ -
$.01 - $500.00	2,921	$ 387,069.40	$ 132.51
$500.01 - $1,000	1,273	$ 1,232,030.77	$ 967.82
$1,000.01 - $1,500	1,194	$ 2,047,672.00	$ 1,714.97
$1,500.01 - $2,000	604	$ 1,430,395.08	$ 2,368.20
$2,000.01 - $2,500	512	$ 1,342,127.75	$ 2,621.34
$2,500.01 - $3,000	321	$ 1,122,148.14	$ 3,495.79
$3,000.01 - $3,500	263	$ 1,065,488.13	$ 4,051.29
$3,500.01 - $4,000	224	$ 981,120.33	$ 4,380.00
$4,000.01 - $4,500	177	$ 928,178.45	$ 5,243.95
$4,500.01 - $5,000	181	$ 1,086,283.32	$ 6,001.57
$5,000.01 +	**960**	**$ 6,983,415.06**	**$ 7,274.39**
Total	**10,579**	**$ 18,605,928.43**	**$ 1,758.76**

CONCLUSION

The information in this report provides plan experience for the Consumer Driven Health Plan for Plan Year 2017. The Consumer Driven Health Plan experienced another good year, and reflects an overall decrease in utilization and costs. For HMO utilization and cost data please see the reports provided in Appendix B and C.

PEBP staff and its partners continues to monitor data, research options and implement measures to provide both cost savings to the plan while also providing the care our participants require.

Appendix

Index of Tables
HealthSCOPE – Utilization Review for PEBP
July 1, 2016 – June 30, 2017

PREVENTIVE SERVICES