



Town of Shrewsbury

MASSACHUSETTS 01545-5398

September 10, 2013

To: Insurance Advisory Committee (IAC)
From: Daniel J. Morgado
Re: WSHG Board Meeting

The WSHG Board considered/acted upon the following today:

1. Enrollment (attached) in the WSHG stood at 7,661 actives and 4,330 retirees involving 21,000± members .
2. I have enclosed the funding rate analysis summaries for FY 2013 and FY 2014. For FY 2013, we lost \$1,466,601 with the funding ratio being 101.3%. Fallon came in at 95.7%.
3. I have enclosed the Excess Stop-Loss Reports for FY 2013 and FY 2014.
4. The Medex III (status quo) rate was projected out at \$435.40/month an increase of \$11.40/month (2.6%). Since the WSHG Board adopted Group Medicare Part D plans for whenever possible effective January 1, 2014, the Medex II with Medicare Part D (Blue Medicare R_X) rate is \$311.63 which is a reduction of \$112.37/month (-26.5%). The \$311.63 rate was adopted.
5. The Tufts Senior rates were approved at \$252/month (HMO Prime – now \$240) and \$320/month (Medicare Supplement with PDP Plus – now \$332).
6. The Fallon Senior rate was approved at \$278/month which is a \$1.00/month decrease. Certain co-pays were increased by \$5. This avoided a rate increase to \$307/month and increase of \$28/month. This saves a Shrewsbury retiree \$84 for the year less the additional \$5 co-pay for x number of visits. The breakeven point is 16.8 visits. Drug co-pays are not affected.
7. We reviewed the process of moving the Medex/Managed Blue for Seniors and Harvard Pilgrim members from the My Medication Advisor program to the Group Medicare Part D program. I have attached the various materials provided. I note that the Blue Cross material is hard to read and will try to get a better copy. There will be more to follow on this matter.

The Board will meet again on October 1st to finish with the 2014 Senior Plan rates.

Please advise me directly with any questions.

Cc Union/Association Presidents
Thomas Gregory
Carolyn Marcotte
Barbara Malone
Liam Hurley

WEST SUBURBAN HEALTH GROUP

ENROLLMENTS on 8/12/13

21,000 ±
members

Active Employee Health Plans	Individual	Family	Total
HPHC EPO - Legacy	48	32	80
HPHC EPO - Rate Saver	1,746	2,409	4,155
HPHC EPO - Benchmark	1	2	3
HPHC PPO	53	6	59
Total HPHC	1,848	2,449	4,297
Tufts EPO - Legacy	28	8	36
Tufts EPO - Rate Saver (Navigator)	564	771	1,335
Tufts EPO - Benchmark (Navigator)	0	0	0
Tufts POS	1	1	2
Total Tufts	593	780	1,373
Network Blue EPO - Legacy	24	6	30
Blue Options EPO - Rate Saver	382	435	817
Blue Options EPO - Benchmark	5	8	13
Total BCBS	411	449	860
Fallon SelectCare - Legacy	5	0	5
Fallon DirectCare - Legacy	0	1	1
Fallon SelectCare - Rate Saver	362	540	902
Fallon DirectCare - Rate Saver	100	121	221
Fallon SelectCare - Benchmark	0	1	1
Fallon DirectCare - Benchmark	1	0	1
Total Fallon	468	663	1,131
Total for all active employee plans	3,320	4,341	7,661

Medicare Plans	Individual
BCBS Medex	1,361
HPHC Medicare Enhance	1,158
Tufts Medicare Prime Supplement	761
Managed Blue for Seniors	250
Fallon Senior Plan	176
Tufts Medicare Preferred HMO	624
Total for all Medicare plans	4,330

**GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP**

August, 2013

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/13 - 6/30/14
(Analysis for 1-mos., 7/13)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

<u>HEALTH PLAN</u>	<u>Estimated Funding (rates x enrollments)</u>	<u>Estimated Plan * NET Costs</u>		<u>Estimated Funding Surplus/(Shortfall)</u>
Harvard Pilgrim EPO	\$ 108,705	\$ 139,671	128.5%	\$ (30,966)
Harvard Pilgrim Rate Saver/Benchmark	4,950,434	5,614,746	113.4%	\$ (664,312)
Harvard Pilgrim PPO	119,556	102,034	85.3%	\$ 17,522
BCBS Network Blue	42,811	58,883	137.5%	\$ (16,072)
BCBS Network Blue Rate Saver/Benchmark	1,000,242	1,028,203	102.8%	\$ (27,961)
Fallon EPO Legacy	-	1,227	#DIV/0!	\$ (1,227)
Fallon EPO Rate Saver	1,213,857	1,217,828	100.3%	\$ (3,971)
Fallon EPO Benchmark	1,897	1,794	94.5%	\$ 103
Tufts EPO	-	-	#DIV/0!	\$ -
Tufts Rate Saver	-	-	#DIV/0!	\$ -
Tufts POS/Navigator Benchmark	-	-	#DIV/0!	\$ -
HPHC Medicare Enhance	433,566	407,515	94.0%	\$ 26,051
BCBS Medex	575,368	495,709	86.2%	\$ 79,659
	\$ 8,446,436	\$ 9,067,609		\$ (621,173)

% COSTS/FUNDING:

107.4%

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07-08
\$2,709,600.85
FINAL

FY09
\$1,411,545.85
FINAL

FY10
\$1,375,702.09
FINAL

CY11**
\$2,056,645.42
FINAL

CY12
\$1,073,107.85
TO DATE

CY13
\$462,594.94
TO DATE

**Includes 7/1/10-12/31/10
\$655,536.02
1/1/11-12/31/11
\$1,357,259.41

NOTES:

* NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
** Plan year changed from fiscal year to calendar year on 1/1/2011.

**GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP**

July, 2013

FUNDING RATE ANALYSIS BY PLAN - Policy Year 7/1/12 - 6/30/13

(Analysis for 12-mos., 7/12 - 6/13)

FUNDING ANALYSIS SUMMARY FOR SELF-FUNDED HEALTH PLANS

<u>HEALTH PLAN</u>	<u>Estimated Funding (rates x enrollments)</u>	<u>Estimated Plan * NET Costs</u>		<u>Estimated Funding Surplus/(Shortfall)</u>
Harvard Pilgrim EPO	\$ 2,670,116	\$ 3,733,238	139.8%	\$ (1,063,122)
Harvard Pilgrim Rate Saver	54,232,975	54,000,717	99.6%	\$ 232,258
Harvard Pilgrim PPO	1,618,311	1,760,257	108.8%	\$ (141,946)
Harvard Pilgrim HMO Benchmark (new)	17,700	6,906	39.0%	\$ 10,794
BCBS Network Blue	1,113,214	1,944,220	174.6%	\$ (831,006)
BCBS Network Blue Rate Saver	11,105,259	11,707,996	105.4%	\$ (602,737)
Fallon EPO- Legacy + Rate Saver	13,891,230	13,292,875	95.7%	\$ 598,355
Fallon EPO Benchmark (new)	5,001	3,246	64.9%	\$ 1,755
Tufts EPO	1,126,240	1,746,919	155.1%	\$ (620,679)
Tufts Rate Saver	18,994,678	19,325,474	101.7%	\$ (330,796)
Tufts POS/Navigator Benchmark	112,953	141,953	125.7%	\$ (29,000)
HPHC Medicare Enhance	4,777,640	4,087,870	85.6%	\$ 689,770
BCBS Medex	6,890,200	6,270,446	91.0%	\$ 619,754
	\$ 116,555,517	\$ 118,022,118		\$ (1,466,601)

% COSTS/FUNDING: 101.3%

Retiree Drug Subsidy payments to date based on Plan Year Incurred:

FY07	FY08	FY09	FY10	CY11**	CY12	CY13
\$1,355,815.47	\$1,353,785.38	\$1,411,545.85	\$1,375,702.09	\$2,056,645.42	\$917,334.47	\$353,817.95
FINAL	FINAL	FINAL	FINAL	FINAL	TO DATE	TO DATE

NOTES:

* NET Costs include paid claims, carrier administration, reinsurance premium, and reinsurance reimbursements.
Other "Program Costs" such as GBS Management fee, GBS COBRA fee, WSHG Treasurer and Assistant Treasurer fees, Claims Audit fee, and legal and miscellaneous costs are not included in the above analysis.
** Plan year changed from fiscal year to calendar year on 1/1/2011.

**Includes 7/1/10-12/31/10
\$655,536.02
1/1/11-12/31/11
\$1,357,259.41

WEST SUBURBAN HEALTH GROUP
Report of Excess Stop-Loss Claims

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
 REINSURANCE CARRIER: Blue Cross Blue Shield
 POLICY DATES: 07/01/11 - 06/30/12
 PAID DATES: 07/01/11- 06/30/13
 STOP LOSS DEDUCTIBLE: \$300,000
Excess Claims

PAID THROUGH JUNE 2013

Carrier	Dep#	Previous Month Total Claims	Additions/Deletions	Updated Total Paid Claims	Policy Year Deductible	Excess Amt	Claims Applied to Agg. Spec. Prem.		Previously Reported Reimbursements	New Reimbursements	Total Reimbursements	Outstanding Reimbursements	Plan	ICD9 Code	Notes
								(\$500,000)							
HPHC	0	\$ 447,414.70	\$ -	\$ 447,414.70	\$ 300,000.00	\$ 147,414.70	\$ 146,840.00	\$ 575.65	\$ -	\$ 575.65	\$ (0.95)	HPHRS	44102		
THP	1	\$ 473,498.64	\$ -	\$ 473,498.64	\$ 300,000.00	\$ 173,498.64	\$ 161,700.00	\$ 11,799.11	\$ -	\$ 11,799.11	\$ (0.47)	TERS	99689	fy10 excess	
HPHC	0	\$ 384,533.86	\$ -	\$ 384,533.86	\$ 300,000.00	\$ 84,533.86	\$ 84,242.60	\$ 291.26	\$ -	\$ 291.26	\$ -	HPHRS	20500	deceased 01/11/12	
HPHC	1	\$ 331,693.15	\$ -	\$ 331,693.15	\$ 300,000.00	\$ 31,693.15	\$ 31,693.15	\$ -	\$ -	\$ -	\$ -	HEPO	1623	deceased 1/22/12	
THP	0	\$ 307,723.36	\$ -	\$ 307,723.36	\$ 300,000.00	\$ 7,723.36	\$ 5,875.57	\$ 1,847.79	\$ -	\$ 1,847.79	\$ (0.00)	TERS		deceased 1/24/12	
THP	1	\$ 346,345.10	\$ -	\$ 346,345.10	\$ 300,000.00	\$ 46,345.10	\$ -	\$ 44,603.72	\$ -	\$ 44,603.72	\$ 1,741.38	TEPO RS	5845	deceased 3/9/12	
HPHC	0	\$ 442,436.69	\$ -	\$ 442,436.69	\$ 300,000.00	\$ 142,436.69	\$ -	\$ 142,436.69	\$ -	\$ 142,436.69	\$ -	HPHRS	201.98	fy06 & fy07 excess, fy	
HPHC	0	\$371,935.13	\$ -	\$ 371,935.13	\$ 300,000.00	\$ 71,935.13	\$ 11,167.00	\$ 61,238.85	\$ -	\$ 61,238.85	\$ (470.72)	HP EPO RS	1972	deceased 5/28/12	
HPHC	1	\$ 365,261.89	\$ -	\$ 365,261.89	\$ 300,000.00	\$ 65,261.89	\$ 58,482.00	\$ 6,779.47	\$ -	\$ 6,779.47	\$ 0.42	HP EPO RS	1729	deceased 12/20/12	
THP	2	\$ 300,641.54	\$ -	\$ 300,641.54	\$ 300,000.00	\$ 641.54	\$ -	\$ -	\$ -	\$ -	\$ 641.54	TEPO RS	28261	fy09 50%, fy11 excess	
		<u>\$ 3,771,484.06</u>	<u>\$ -</u>	<u>\$ 3,771,484.06</u>		<u>\$ 771,484.06</u>	<u>\$ 500,000.32</u>	<u>\$ 269,572.54</u>	<u>\$ -</u>	<u>\$ 269,572.54</u>	<u>\$ 1,911.20</u>				
							<u>\$ (500,000.00)</u>				<u>\$ 0.32</u>				
							<u>\$ 0.32</u>				<u>\$ 1,911.52</u>				

10 claimants

WEST SUBURBAN HEALTH GROUP
Report of Claims at 50%+

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
 REINSURANCE CARRIER: Blue Cross Blue Shield
 POLICY DATES: 07/01/11 - 06/30/12
 PAID DATES: 07/01/11- 06/30/13
 STOP LOSS DEDUCTIBLE: \$300,000

PAID THROUGH JUNE 2013

Claims last updated 08/15/13

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Plan Type	ICD9 Code	
FCHP	4	\$ 244,835.78	\$ 4,582.85	\$ 249,418.63	FSR	e956	fy11 50%
HPHC	0	\$ 187,671.24	\$ -	\$ 187,671.24	HP EPO RS	1510	
HPHC	1	\$ 271,268.35	\$ -	\$ 271,268.35	HP EPO RS	55321	fy06, fy11 excess, fy10 50%
HPHC	0	\$ 219,195.07	\$ -	\$ 219,195.07	HP EPO RS	99666	
THP	3	\$ 176,021.18	\$ -	\$ 176,021.18	TEPO	56489	
BCBS	1	\$ 291,997.10	\$ -	\$ 291,997.10	NWB	203	
HPHC	1	\$ 157,617.55	\$ -	\$ 157,617.55	HP EPO RS	4412	
HPHC	1	\$ 165,797.67	\$ -	\$ 165,797.67	HP EPO RS	deceased 2/5/12	
HPHC	2	\$ 209,528.38	\$ (413.97)	\$ 209,114.41	HP EPO RS	5559	
HPHC	1	\$ 217,022.26	\$ (482.46)	\$ 216,539.80	HP EPO RS	2252	
HPHC	3	\$ 275,995.30	\$ (7,134.19)	\$ 268,861.11	HP EPO RS	deceased 5/12/12	fy10 excess; fy11 50%
HPHC	0	\$ 269,316.68	\$ -	\$ 269,316.68	HP EPO RS	deceased 1/27/13	
BCBS	1	\$ 213,162.93	\$ -	\$ 213,162.93	NWB RS	162.9	
HPHC	1	\$ 172,583.87	\$ -	\$ 172,583.87	HP EPO RS	1913	fy06, fy08, fy11 50%
HPHC	0	\$ 222,781.50	\$ -	\$ 222,781.50	HP EPO	27949	fy10 50%
BCBS	0	\$ 155,459.90	\$ -	\$ 155,459.90	NWB RS	1540	
HPHC	0	\$ 193,302.60	\$ -	\$ 193,302.60	HP EPO RS	23875	
FCHP	1	\$ 283,239.92	\$ -	\$ 283,239.92	EPO SC RS	191.9	
BCBS	0	\$ 154,096.48	\$ -	\$ 154,096.48	NWB	141	
BCBS	0	\$ 166,064.28	\$ -	\$ 166,064.28	NWB	340	fy09, fy10 & fy11 50%
THP	3	\$ 151,837.98	\$ -	\$ 151,837.98	TEPO RS		
FCHP	1	\$ 150,295.14	\$ -	\$ 150,295.14	FSR	596.1	fy11 50%
HPHC	0	\$ 189,906.50	\$ -	\$ 189,906.50	HP EPO	413	
HPHC	0	\$ 162,366.12	\$ -	\$ 162,366.12	HP EPO RS	v5812	
THP	1	\$ 243,320.52	\$ -	\$ 243,320.52	TEPO RS	8054	Medicare Advantage 1-1-13
THP	2	\$ 167,074.29	\$ -	\$ 167,074.29	TEPO	37601	
THP	1	\$ 154,588.46	\$ -	\$ 154,588.46	TEPO RS	8600	
HPHC	1	\$ 192,096.73	\$ -	\$ 192,096.73	HP EPO RS	4241	
HPHC	0	\$ 236,359.79	\$ (2,232.36)	\$ 234,127.43	HP EPO RS	99931	
FCHP	0	\$ 146,360.02	\$ -	\$ 146,360.02	FCHP SC RS		fy10 50%
		\$ 6,041,163.59	\$ (5,680.13)	\$ 6,035,483.46			

30 claimants

WEST SUBURBAN HEALTH GROUP
Report of Excess Stop-Loss Claims

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
 REINSURANCE CARRIER: Blue Cross Blue Shield
 POLICY DATES: 07/01/12 - 06/30/13
 PAID DATES: 07/01/12- 06/30/14
 STOP LOSS DEDUCTIBLE: \$300,000
 Excess Claims

PAID THROUGH JULY 2013

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Policy Year Deductible	Excess Amt	Claims Applied to Agg. Spec. Prem.	Previously Reported Reimbursements	New Reimbursements	Total Reimbursements	Outstanding Reimbursements	Plan	ICD9 Code	Notes
							(\$500,000)							
FCHP	1	\$ 624,357.41	\$ 109,952.59	\$ 734,310.00	\$ 300,000.00	\$ 434,310.00	\$ 432,842.00	\$ -	\$ -	\$ -	\$ 1,468.00	FEPO RS	191.9	fy12 50%
HPHC	0	\$ 321,314.07	\$ 23,734.93	\$ 345,049.00	\$ 300,000.00	\$ 45,049.00	\$ 45,049.00	\$ -	\$ -	\$ -	\$ -	HP PPO	1912	deceased 5/9/13
HPHC	1	\$ 280,837.20	\$ 48,342.80	\$ 329,180.00	\$ 300,000.00	\$ 29,180.00	\$ -	\$ -	\$ -	\$ -	\$ 29,180.00	HP EPO RS	42823	fy06, fy11 excess, / fy10, fy11 50%
HPHC	0	\$ 254,812.53	\$ 135,439.47	\$ 390,252.00	\$ 300,000.00	\$ 90,252.00	\$ -	\$ -	\$ -	\$ -	\$ 90,252.00	HP EPO RS	5722	deceased 8/29/13
		<u>\$ 945,671.48</u>	<u>\$ 133,687.52</u>	<u>\$ 1,798,791.00</u>		<u>\$ 598,791.00</u>	<u>\$ 477,891.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,900.00</u>			
							<u>\$ (500,000.00)</u>				<u>\$ (22,109.00)</u>			
							<u>\$ (22,109.00)</u>				<u>\$ 98,791.00</u>			

4 claimants

WEST SUBURBAN HEALTH GROUP
Report of Claims at 50%+

ACCOUNT NAME: WEST SUBURBAN HEALTH GROUP
 REINSURANCE CARRIER: Blue Cross Blue Shield
 POLICY DATES: 07/01/12 - 06/30/13
 PAID DATES: 07/01/12- 06/30/14
 STOP LOSS DEDUCTIBLE: \$300,000

PAID THROUGH JULY 2013

Claims last updated 08/15/13

Carrier	Dep#	Previous Month Total Claims	Additions/ Deletions	Updated Total Paid Claims	Plan Type	ICD9 Code	
BCBS	0	\$ 292,983.57	\$ -	\$ 292,983.57	NWB RS		deceased 11/19/12
THP	0	\$ 220,286.04	\$ (3,648.49)	\$ 216,637.55	TERS	1505	fy06 excess
HPHC	0	\$ 226,617.73	\$ 328.81	\$ 226,946.54	HP EPO RS	4241	fy12 excess
HPHC	0	\$ 198,755.40	\$ 16,931.33	\$ 215,686.73	HP EPO RS	20200	fy12 50%
HPHC	0	\$ 227,679.21	\$ 43,267.61	\$ 270,946.82	HP EPO RS	20190	fy06,07,12 excess, / fy08 50
HPHC	1	\$ 239,314.29	\$ -	\$ 239,314.29	HP EPO RS	41071	
HPHC	1	\$ 154,658.97	\$ -	\$ 154,658.97	HP EPO RS	3570	
BCBS	1	\$ 218,690.85	\$ 19,002.12	\$ 237,692.97	NWB RS	162.9	fy12 50%
HPHC	0	\$ 243,935.12	\$ -	\$ 243,935.12	HP EPO RS		deceased 1/27/13 fy12 50%
HPHC	2	\$ 168,517.60	\$ 2,101.77	\$ 170,619.37	HP EPO RS	7423	
HPHC	0	\$ 171,419.72	\$ 1,906.27	\$ 173,325.99	HP EPO RS	56983	
HPHC	0	\$ 195,733.95	\$ 4,313.83	\$ 200,047.78	HP EPO RS	v5811	
THP	0	\$ 212,266.79	\$ 11,972.56	\$ 224,239.35	TERS	416.9	
THP	2	\$ 183,642.24	\$ 36,813.97	\$ 220,456.21	TERS	282.60	fy09 50% / fy11, fy12 exce:
THP	0	\$ 231,678.07	\$ 54,523.97	\$ 286,202.04	TERS	03842	fy10 50%
BCBS	0	\$ 168,532.81	\$ 3,819.43	\$ 172,352.24	NWB RS	4160	
HPHC	0	\$ 157,892.96	\$ 23,442.49	\$ 181,335.45	HP EPO RS	7852	fy12 50%
THP	2	\$ 185,521.17	\$ 185,521.17	\$ 185,521.17	TERS	41071	
THP	1	\$ 155,662.85	\$ 155,662.85	\$ 155,662.85	TERS	28731	
THP	0	\$ 164,497.67	\$ 164,497.67	\$ 164,497.67	TERS	1744	fy03, fy11 - 50%
THP	0	\$ 178,669.75	\$ 178,669.75	\$ 178,669.75	TERS	v5789	
FCHP	0	\$ 166,629.62	\$ 166,629.62	\$ 166,629.62	FCHP SC RS	198.81	
FCHP	0	\$ 193,278.88	\$ 193,278.88	\$ 193,278.88	FCHP SC RS	401	
FCHP	4	\$ 153,979.67	\$ 153,979.67	\$ 153,979.67	FCHP SC RS	555.9	fy11, fy12 -50%
FCHP	0	\$ 222,503.38	\$ 222,503.38	\$ 222,503.38	FCHP SC RS	157.3	
THP	0	\$ 163,340.07	\$ 163,340.07	\$ 163,340.07	TERS	5789	
BCBS	1	\$ 179,520.64	\$ 179,520.64	\$ 179,520.64	NWB RS		
HPHC	1	\$ 154,036.83	\$ 154,036.83	\$ 154,036.83	HP EPO RS	1749	
HPHC	0	\$ 220,932.91	\$ 220,932.91	\$ 220,932.91	HP EPO RS	3559	fy10, fy12 -50%
HPHC	0	\$ 151,979.71	\$ 151,979.71	\$ 151,979.71	HP EPO RS	42732	
HPHC	1	\$ 154,398.75	\$ 154,398.75	\$ 154,398.75	HP EPO RS	26881	
HPHC	0	\$ 185,603.45	\$ 185,603.45	\$ 185,603.45	HP EPO RS	41041	
HPHC	0	\$ 153,147.11	\$ 153,147.11	\$ 153,147.11	HP EPO RS	1749	
HPHC	0	\$ 171,264.97	\$ 171,264.97	\$ 171,264.97	HP EPO RS	99674	
FCHP	0	\$ 212,546.07	\$ 212,546.07	\$ 212,546.07	FCHP SC RS		fy10, fy11 - 50%
		\$ 3,512,605.32	\$ 3,382,289.17	\$ 6,894,894.49			

35 claimants

WEST SUBURBAN HEALTH GROUP

Senior Plan Rates effective January 1, 2013 - December 31, 2013

<u>Senior Plans</u>	<u>CY13 Monthly Rate</u>	<u>Percent Incrs/Decrs</u>	<u>Financial Arrangement</u>	<u>Eligible for MMA RX program *</u>
BCBS Medex	\$424	0.0%	Self-funded	yes
HPHC Medicare Enhance	\$378	0.0%	Self-funded	yes
	<u>CY13 Monthly Rate</u>		<u>Financial Arrangement</u>	<u>Eligible for MMA RX program *</u>
Managed Blue for Seniors	\$402	0.0%	Fully Insured	no
Fallon Senior Plan	\$279	4.5%	Fully Insured	no
Tufts Medicare Plus Supplement	\$332	4.7%	Fully Insured	no
Tufts Medicare Preferred HMO	\$240	6.2%	Fully Insured	no

**MMA = My Medication Advisor alternative prescription buying program*

West Suburban Health Group

BCBS Medex CY14 Rate Projections

Group Benefits Strategies

September 9, 2013

**GROUP BENEFITS STRATEGIES
WEST SUBURBAN HEALTH GROUP**

BCBS MEDEX ANTICIPATED CLAIMS AND PROJECTED RATES FOR CALENDAR YEAR 2014

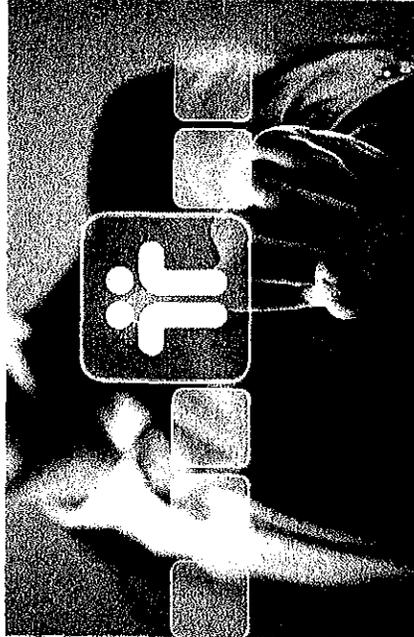
MEDEX 3 STATUS QUO RENEWAL	5/11 - 4/12	5/12 - 4/13
Medex Medical Cost/Contract:	\$ 150.90	\$ 162.51
Trended thru 12/2014 (4% annualized for 32/20 mos.)	\$ 167.86	\$ 173.69
Weights used:	30%	70%
Weighted MEDICAL CLAIMS /Contract:	\$ 171.94	GBS projected Medical claims
Medex RX Cost/Contract:	\$ 205.97	\$ 199.71
Trended thru 12/2014 (8% annualized for 32/20 mos.)	\$ 254.76	\$ 228.09
Weights used:	30%	70%
Weighted RX CLAIMS /Contract:	\$ 236.09	
Total trended weighted MED. & RX CLAIMS /Contract:	\$ 408.04	
BCBS Proposed Administrative Fee (0% increase):	23.34	
GBS fee for CY14:	4.02	
Status quo recommended renewal rate	\$ 435.40	

→ 424 current
 2.7% increase over current rate

MEDEX 2 with MEDICARE PART D* RENEWAL		
BCBS EXPECTED MEDICAL CLAIMS /mo. CY14:	\$ 171.97	
BCBS Proposed Administrative Fee (0% increase):	23.34	
MEDICARE PART D/Blue Medicare RX [FULLY INSURED]	112.30	
GBS fee for CY14:	4.02	
MEDEX w Part D Proposed Rate/mo. for CY14	\$ 311.63	-26.5% change from current rate
Savings from moving to Medex with Part D plan:	\$ 123.77	
Current (CY13) rate:	\$ 424.00	

Proposed Level Monthly Deposit for Medex 2 (Medica)l: \$ 265,000

* BCBS's Medicare Part D plan is referred to as "Blue Medicare RX".



2014 Tufts Health Plan Retiree Plans

West Suburban Health Group

Fred Winer Account Manager- September 2013

TUFTS  Health Plan

Tufts Medicare Preferred Rates

	2013	2014
HMO Prime Rx	\$240	\$252
Medicare Supplement w PDP Plus	\$332	\$320

Tufts Medicare Preferred HMO Prime

- New Out of Network Vision Benefit for 2014
- Currently each member has an annual \$150 allowance to purchase eyeglasses or contacts at an EyeMed provider.
- Starting January 1 2014, members can get up to \$90 reimbursement when using any eyewear provider.

Upcoming Medicare Advantage HMO Marketplace Changes for 2014

- Effective January 1st, 2014, the Reliant Medical Group has chosen to partner exclusively with one Medicare Advantage HMO plan, the Tufts Health Plan Medicare Preferred HMO
- Reliant Medical Group will no longer accept the Fallon Senior HMO plan
- Reliant Medical Group will continue to accept all supplement plans

2014 Tufts Health Plan Part D Plans

- CMS has made adjustments to Part D plan coverage effective 1/1/14
- Decreased dollar amounts throughout stages of coverage
- **Initial Coverage Stage** \$2,970 to \$2,850
- **Catastrophic Coverage** \$4,750 to \$4,550
- Drug copays once retiree reaches catastrophic coverage
 - Generic prescriptions \$2.65 to \$2.55 per prescription
 - Brand name prescriptions \$6.60 to \$6.35 per prescription

New Hearing Aid Benefit Enhancement

- Tufts Medicare Preferred is now contracting with Hearing Care Solutions (HCS) to provide discounts on hearing aid products and services
- TMP HMO members will continue to receive their \$500 every 3 year benefit along with this program
- Members discounts include:
 - Free hearing aid evaluation
 - Discounts on hearing aids
 - 1 year supply of batteries
 - 3 year warranty on hearing aids



4279

Fallon Senior Plan Premier HMO (SP)
Medicare benefits plan & rate agreement
West Suburban Health Group (RWa0) in-force

Benefit Plan Year: January 1 through December 31, 2014 **Premium:** \$307 per member / month

Plan Start Date _____

Federal Tax ID: _____

Benefit	Member Cost
Office Visit	\$10 PCP / \$20 Specialist
Inpatient hospital care	\$0 each admission
Skilled nursing facility	\$0 copayment for days 1 -100 each admission
Emergency care	\$50 each visit (waived if admitted)
Urgently needed care	\$10 per visit
Outpatient Surgery	\$75 per service
Ambulance	\$0 per service
Lab & Imaging Services	\$0 copayment
Vision & Hearing	\$20 copayment for one routine vision screening. \$0 copayment for one routine hearing screening. Up to \$150 per CY for eyewear. Up to \$500 for purchase of hearing aid every 36 months.
Healthy Extras	<ul style="list-style-type: none"> • SilverSneakers® Program - Paid mbrshp at contracted facilities • Weight Watchers® - Paid registration & 13 weeks of visits per CY • Preventive Dental
Outpatient prescription drugs For drugs covered by Part D, members will pay standard copays until their yearly out-of-pocket costs reach \$4,550, and then they will pay the greater of 5% coinsurance or \$2.55 for generics or drugs that are treated like generics and \$6.35 for all other drugs. For drugs not normally covered by Part D, members will pay standard copays the entire year.	Retail (up to 30 days) Tier 1 \$10 Tier 2 \$25 Tier 3 \$45 Mail-order (up to 90 days) Tier 1 \$20 Tier 2 \$50 Tier 3 \$90

This document illustrates a brief outline of benefits & services available with this Medicare Advantage group HMO plan. Details about specific benefits & coverage limitations are found in the plan Summary of Benefits. Eligibility and participation must meet CMS enrollment and termination requirements. Signature on this health plan agreement or receipt by FCHP of the first new plan premium payment from the organization acknowledges the following: Acceptance of the Plan's Administrative Guidelines accompanying this agreement; that the sponsoring organization meets Massachusetts Department of Consumer Affairs and Business Regulation requirements as a valid business; will allow FCHP to share the organization's Federal Employer ID number with appropriate federal and state agencies; the organization complies with federal regulations pertaining to the use of Medicare coverage for active employees and dependents. Refer to the Plan's administrative guidelines for other operational details related to this Medicare Advantage Group Plan. Plan designs are subject to change each January 1st. Fallon Community Health Plan is a health plan with a Medicare contract.

Print Name _____ Signature _____ Date _____

Street Address _____ Mailing Address _____

Your organization type is: dba, LLP, LLC, Inc, other, _____

Does your organization designate an annual open enrollment period for this product? YES or NO
 If YES, when? _____

Broker/Agency: _____



Option \$279

**Fallon Senior Plan Premier HMO (SP)
Medicare benefits plan & rate agreement
West Suburban Health Group (RWi0) alt 1**

Benefit Plan Year: January 1 through December 31, 2014 **Premium:** \$278 per member / month

Plan Start Date _____ **Federal Tax ID:** _____

Benefit	Member Cost
Office Visit	\$15 PCP / \$25 Specialist
Inpatient hospital care	\$0 each admission
Skilled nursing facility	\$0 copayment for days 1 -100 each admission
Emergency care	\$50 each visit (waived if admitted)
Urgently needed care	\$15 per visit
Outpatient Surgery	\$75 per service
Ambulance	\$0 per service
Vision & Hearing	\$25 copayment for one routine vision screening. \$0 copayment for one routine hearing screening. Up to \$150 per CY for eyewear. Up to \$500 for purchase of hearing aid every 36 months.
Healthy Extras	* <i>SilverSneakers</i> [®] Program - Paid membership at contracted facilities * <i>Weight Watchers</i> [®] - Paid registration and 13 weeks of visits per CY * <i>Preventive Dental</i>
Outpatient prescription drugs For drugs covered by Part D, members will pay standard copays until their yearly out-of-pocket costs reach \$4,550, and then they will pay the greater of 5% coinsurance or \$2.55 for generics or drugs that are treated like generics and \$6.35 for all other drugs. For drugs not normally covered by Part D, members will pay standard copays the entire year.	Retail (up to 30 days) Tier 1 \$10 Tier 2 \$25 Tier 3 \$45 Mail-order (up to 90 days) Tier 1 \$20 Tier 2 \$50 Tier 3 \$90

This document illustrates a brief outline of benefits & services available with this Medicare Advantage group HMO plan. Details about specific benefits & coverage limitations are found in the plan Summary of Benefits. Eligibility and participation must meet CMS enrollment and termination requirements. Signature on this health plan agreement or receipt by FCHP of the first new plan premium payment from the organization acknowledges the following: acceptance of the Plan's Administrative Guidelines accompanying this agreement; that the sponsoring organization meets Massachusetts Department of Consumer Affairs and Business Regulation requirements as a valid business; will allow FCHP to share the organization's Federal Employer ID number with appropriate federal and state agencies; the organization complies with federal regulations pertaining to the use of Medicare coverage for active employees and dependents. Please refer to the Plan's administrative guidelines for other operational details related to this Medicare Advantage Group Plan. Plan designs are subject to change each January 1st. Fallon Community Health Plan is a health plan with a Medicare contract.

Print Name _____ Signature _____ Date _____

Street Address _____ Mailing Address _____

Your organization type is: dba, LLP, LLC, Inc, other, _____

Does your organization designate an annual open enrollment period for this product? YES or NO
If YES, when? _____

Broker Agency: _____

WSHG: MMA and GHG Transition Plan

(retirees moving to EGWP January 2014)

Groups affected: members enrolled in MMA (international buying program/ASP) and/or GHG Diabetes Rewards Program. Preliminary numbers based on the most recent claims data against the current membership for the period 8/1/12 – 7/31/13.

Program	Plan Type	% of Fills	# of Members	% of Members who are Participating	Cost
CanaRx	BCBS	15.68%	104	13.52%	\$253,452.90
	HPHC	14.50%	93	12%	\$223,758.90
Total		30.18%	197		\$477,211.80
ASP	BCBS	9.20%	19	12.84%	\$3,404.41
	HPHC	20.59%	26	17.57%	\$5,539.83
Total		29.79%	45		\$8,944.24
Diabetes	BCBS	8%	20	8.66%	\$38,574.68
	HPHC	14%	31	13.42%	\$100,057.99
Total		21.98%	51		\$138,632.67
Grand Total					\$624,788.71

Abacus Targeted Member Communication (all enrollees):

- Letter from Abacus to all participants in Diabetes and MMA programs informing members about the termination of the programs (September/October). Letter to be approved by WSHG. Elements of the message:
 - Program termination date
 - Provide instructions for how to obtain medications through the end of 2013 and for those members with active mail order scripts into the first quarter of 2014.
 - Confirm members should be directed to their Benefits Office if they have questions about their new plan.

Mail Order Scripts: CanaRx, ASP, and Diabetes: New mail order scripts will be allowed through December 2013. Members will be informed that the “new” scripts filled in December will only provide the first three months of fills. All mail order scripts will terminate in the first quarter of 2014, depending on the fill date (for example, if a prescription is filled in November of 2013, the member will receive a 90-day supply through February of 2014). Members will need to obtain a new prescription from their doctors at that point.

Retail Scripts: All \$0 co-payment for retail scripts (diabetes and ASP) will terminate December 31 of 2013. Prescriptions will remain active but members will have to use their new pharmacy ID cards.

- Other – Targeted mailings to members enrolled in the Diabetes program (reminders, congratulatory messages, warning letters) will terminate on November 30, 2013.

CanaRx Communication - MMA Mail Order Scripts

- Abacus will work with CanaRx to develop a communication plan for all members who will receive their last prescription in October, November, and December.

Catamaran Communication – ASP and Diabetes Program Scripts

- Abacus will work with Catamaran to develop a communication plan for all members who will receive their last mail order prescription in October, November, and December.
- All \$0 co-payment for retail scripts (diabetes and ASP) will terminate December 31 of 2013. Prescriptions will remain active but members will have to use their new pharmacy ID cards.

Program Promotion

- **New Member Promotion:**

- MMA – Abacus ceased promotion to retirees with the August MMA medication list.
- Diabetes and ASP – Abacus ceased promotion to retirees, effective August 30, 2013.

- **General Promotion**

- HR materials/Posters/flyers need to be withdrawn and replaced by December, 2013. New materials will reflect only the eligible groups. New flyers/hand-outs to be provided by Abacus.
- City/Town website materials need to be updated to reflect only eligible groups. Replacement materials will be provided by Abacus.
- Changes to both MMA and GHG websites will be made by Abacus effective January 1, 2013.

- **On-site Events**

Abacus will prepare FAQ for members providing instruction on how to proceed for January 2014 based on their program/prescription status.



MY MEDICATION[®]
A D V I S O R

September 2013

Dear :

We are writing to inform you that effective December 31, 2013 the **myMedicationAdvisor[®]** Program will be discontinued for Medex and Medicare Enhance members of the West Suburban Health Group, the municipal joint purchase group through which your employer purchases health benefits. As a member of the West Suburban Health Group, you will have access to full pharmacy coverage through your health plan's Medicare Part D prescription drug plan which will go into effect on January 1, 2014.

If you currently receive medications through CanaRx and have an active prescription on file with CanaRx, you will receive your last shipment of medication on schedule, before December 31, 2013 or shortly thereafter. **No new prescriptions or refills will be processed after December 31.**

What do you need to do?

You will need to contact your physician to obtain a new prescription for those medications you currently receive from CanaRx so that you can obtain your medication(s) through your health plan's prescription drug program. You can either order your medications through your health plan's Medicare Part D mail order program or obtain them through the retail pharmacy network.

We have enjoyed serving you in the **myMedicationAdvisor** Program and are happy to support you during this transition period. If you have questions about your current prescription or shipment, please contact our HelpLine at (877) 467-3113. If you have questions about enhancements to your pharmacy plan under Medicare Part D, please contact your Benefits Manager at your local City or Town.

Yours in good health,

Cynthia Hughes
Supervisor, HelpLine Services



September 2013

Dear _____ :

We are writing to inform you that effective December 31, 2013 the *myMedicationAdvisor*[®] Program, including the Alternative Savings Program, will be discontinued for members participating in the West Suburban Health Group's Medex and Medicare Enhance plans. As a member of the West Suburban Health Group, the municipal joint purchase group through which your employer purchases health benefits, you will have access to full pharmacy coverage through your health plan's Medicare Part D prescription drug plan, which will be in effect on January 1, 2014.

Mail Order Participants - What do you need to do?

If you currently receive medications through mail order as part of the ASP Program, your last mail order shipment of medication will occur on schedule, before December 31, 2013 or shortly thereafter. **No new prescriptions or refills will be processed after December 31.** You will need to obtain a new prescription from your doctor so that you can obtain your medication through your health plan's Medicare Part D prescription drug plan.

Retail Participants - What do you need to do?

If you are receiving your prescription through a retail pharmacy as part of the Alternative Savings Program, you will no longer be able to use our programs' \$0 copay card(s) after December 31, 2013. If you still have refills available on your prescription, in order to process your co-payment you will simply need to use your health plan's Medicare Part D card which you will receive prior to January 1, 2014.

We have enjoyed serving you in our programs. In addition, we are happy to support you during this transition period. If you have questions about your current prescription or shipment, please contact our HelpLine at (877) 467-3113. If you have questions about enhancements to your pharmacy plan under Medicare Part D, please contact your Benefits Manager at your local City or Town.

Yours in good health,

Cynthia Hughes
Supervisor, HelpLine Services

Good Health Gateway®

Managing your health has its own Rewards. Plus, we'll give you a few more.

September 2013

Dear _____ :

We are writing to inform you that effective December 31, 2013 the **Good Health Gateway®** Diabetes Rewards Program, administered by Abacus Health Solutions, will be discontinued for members participating in the West Suburban Health Group's Medex and Medicare Enhance plans. As a member of the West Suburban Health Group, the municipal joint purchase group through which your employer purchases health benefits, you will continue to have access to full pharmacy coverage through your health plan's Medicare Part D prescription drug plan, which will go into effect on January 1, 2014.

Mail Order Participants - What do you need to do?

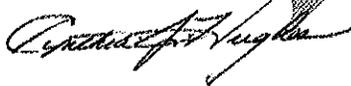
If you currently receive medications through mail order, your last mail order shipment of medication will occur on schedule, before December 31, 2013 or shortly thereafter. **No new prescriptions or refills will be processed after December 31.** You will need to obtain a new prescription from your doctor so that after December 31, 2013 you can obtain your medication through your health plan's Medicare Part D prescription drug plan.

Retail Participants - What do you need to do?

If you are receiving your prescription through a retail pharmacy, you will no longer be able to use your WSHG Rx Rewards card(s) after December 31, 2013. If you still have refills available on your prescription, in order to process your copayment you will simply need to use your health plan's Medicare Part D card which you will receive prior to January 1, 2014.

We have enjoyed serving you in our programs. In addition, we are happy to support you during this transition period. If you have questions about your current prescription, please contact our HelpLine at (800) 643-8028. If you have questions about enhancements to your pharmacy plan under Medicare Part D, please contact your Benefits Manager at your local City or Town.

Yours in good health,



Cynthia Hughes
Supervisor, HelpLine Services



West Suburban Health Group
Medex and Managed Blue for
Seniors
Medicare Part D
January 2014

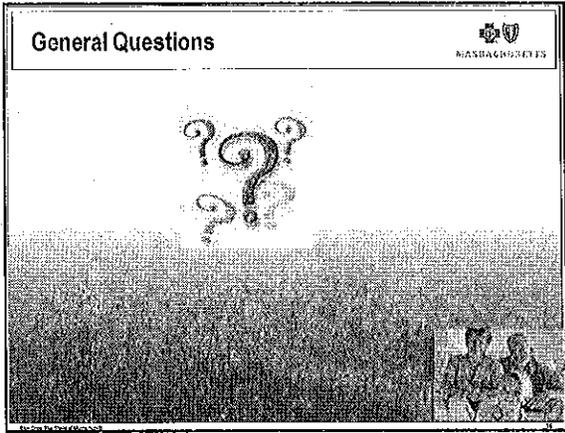
Agenda

Welcome
Change RX component of Medex and Managed Blue for Seniors 1-1-14
Medicare Part D prescription plan-new pharmacy program managed by CVS/
Caremark
How retirees are impacted



What is the change for 1-1-14?

Premiums will be reduced for your retiree health/RX plan.
 The prescription drug plan will change from Express Scripts to CVS/Caremark Medicare Part D plan effective 1-1-14. The RX plan is called Blue Medicare RX. The list of covered drugs is unique to this plan and offers slightly from Medex and Managed Blue for Seniors covered list of drugs.
 Retail/Mail Service will be managed by CVS/Caremark. Members using mail order will use CVS/Caremark Mail Service effective 1-1-14.
 Now Medex & Managed Blue for Seniors ID cards will be issued. A second card, Blue Medicare RX, will be issued as well. You will now have two cards, one card for medical and a different card to show your local pharmacist.





First Health® Part D
from Coventry Health Care



West Suburban Health Group

Harvard Pilgrim Health Care Medicare Enhance

in partnership with

Coventry Health Care



Harvard Pilgrim
Health Care

Bill Hickey
September 10, 2013

This Morning's Topics



First Health® Part D
from Coventry Health Care

- Coventry – who are they?
- Plan Design
- Formulary
- The Member Experience

First Health Part D



What is First Health Part D?

Coventry's product name for a stand-alone
Prescription Drug Plan (PDP)
approved for people with Medicare



Coventry Health Care, Inc.
Medicare Headquarters: Bethesda, MD



-
- National managed health care company; operates health plans (under various local/regional names), insurance companies, network rental and workers' compensation services companies.
 - Serves more than 5.3 million members nationally across all products
 - Medicare membership of 1.78 million (as of May 2013*).

Sources: Publicly published CMS report 'Monthly Enrollment by Contract – May 2013' (Can be accessed from www.cms.gov).

Experience



Experience in managing medication coverage, whose services meet your retiree's needs and that gives you comfort in knowing that their questions and concerns will be addressed promptly and professionally.

- ☑ Nearly 2 million Medicare members nationwide including over 1.5 million beneficiaries enrolled in our Part D plans.
- ☑ Member satisfaction survey results report:
Part D plans meet and exceed member's expectations
The majority of our members gave a high rating to their overall and are likely to re-enroll and recommend it to others.



First Health Part D Drug Program



- Program began January 1, 2006.
- Available to all people with Medicare.
- Coverage provided by private companies.
- Drug Plans are approved by Medicare.
- Extra help available to those who need it most.
- Part D plans must cover at least the Medicare standard coverage.

Network and Convenience



A good Prescription Drug Plan will only work for your members if they can pick up the medications they need close to home.

- Large network of more than 60,000 participating pharmacies that are convenient and provide you access throughout the U.S.
- Mail-order options to help your members save time and money, with medications delivered right to their door.

WSHG Plan Design

First Health Part D



- Copayment Structure Remains the Same

	<u>Tier 1</u>	<u>Tier 2</u>	<u>Tier 3</u>
30 Day Retail	\$5.00	\$10.00	\$25.00
90 Day Mail / Retail	\$10.00	\$20.00	\$75.00

Formulary



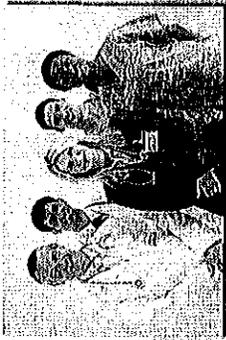
- Prescription utilization management begins with the development of a list of drugs called a Formulary. This drug list is developed by a group of practicing pharmacists and physicians, including experts in the care of the elderly, using the most current medical literature and treatment protocols as their guide.
- The intent of this medication list and utilization management parameters is to promote the use of cost effective therapies, where appropriate. These utilization measures are part of best practice standards commonly used by managed care organizations today.
- By promoting safe and effective use of medications consistent with current standards of care and manufacturer's guidelines, Coventry is able to keep premiums at an affordable price for members and save overall program costs.



Formulary



- Drugs are selected based upon widely accepted treatment guidelines.
- Formularies must be based a classification system which provides access to a broad range of widely used medications.
- Minimum requirement that at least two drugs in each drug category or class are included.
- Formulary placement decisions take into consideration safety, efficacy and cost.
- CMS expects that formularies contain all or substantially all drugs within six key therapeutic classes.



Member Experience

Servicing The Member



First Health® Part D
from Coventry Health Care

ID Cards and New Member Kits

- ID Cards will be mailed to the member's home within 2 to 3 weeks of the date the enrollment is received.
- New member kits will be mailed within 10 days of verification of eligibility by CMS. The new member kit contains:
 - Welcome letter
 - Evidence of Coverage (gives members detailed information about the plan's policies, procedures and benefits)
 - Formulary drug list
- Newsletters to help members learn how to use their plan, including education on specific health-related topics.



Harvard Pilgrim
Health Care

12

Member Resources



Customer Service is open:

- 24 hours/day, 7days/ week.
- Telephone number on back of ID card.
- Website: www.coventry-medicare.com

Information:

- Explanation of Benefits (EOB) when the member has activity.

The Value of Partnership with Coventry Health Care!



First Health® Part D
from Coventry Health Care

- Fortune 500 company with over 1.6 million beneficiaries enrolled in our Part D plans.
- Available in all 50 states.
- More than 60,000 participating pharmacies providing convenient access throughout the U.S.
- Broad formulary of covered brand and generic drugs.
- Mail-order option to help members save time and money.



**Harvard Pilgrim
Health Care**

14



Questions?

