
SHERRILL MORGAN

2019 KY Government Benefits Survey

Sponsored by KPHRA

Specializing in KY Governments



















AND OVER 75 OVER GOVERNMENTS



Survey Team

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Survey Data Available By:

- State/ Region
- Selected Cities / Counties
- Employer Size
- Employer Type

Comparison of Survey Benefits, Sample

	Entity A	Entity B	Entity C
Employee Deductible	$500	$750	$1,500
Family Deductible	$1,000	$1,500	$3,000
Coinsurance	80% / 20%	70% / 30%	80% / 20%
Office Visits	$20	$30	$40
Emergency Room Visit	$75	$100	$150
Employee Out of Pocket Max (includes deductible)	$1,500	$1,500	$2,000
Family Out of Pocket Max (includes deductible)	$3,000	$3,000	$4,000
Prescriptions	$10 / $25 / $40	$10 / $30 / $50	$20 / $40 / $60

Note: To Receive Side by Side Data Must be a Survey Participant

Explanation of Survey

- 62 Plan Sponsors
- 87 Plans
- Over 11,000 Employees
  - Survey data reported through October 25, 2019
  - Plan information not adjusted for HRA, HSA, or Flex Reimbursements but calculated separately
  - Rounding used

Plan Sponsor Information

SF VS. FI

STATE PLAN

CO-PAYS

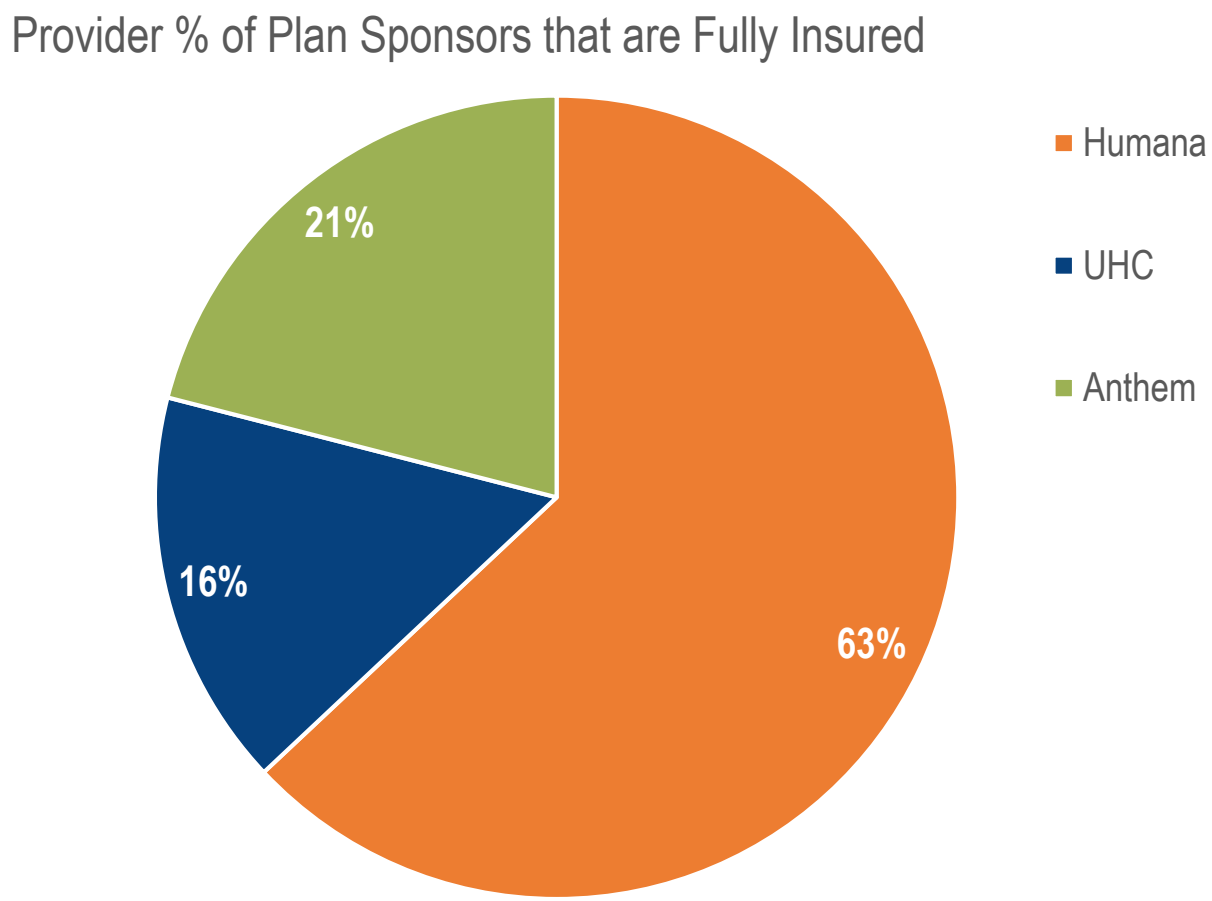
Self Funded vs. Fully Insured

- Plan sponsors with 100 or More Employees:
  - 89% of plans are Self Funded
    (excluding state plan)

State of Kentucky Plan Sponsors

- 2019 - 5% are through the state of Kentucky
- 2018 – 3%
- 2017 – 6%
- 2016 – 4%
- 2009 – 12%

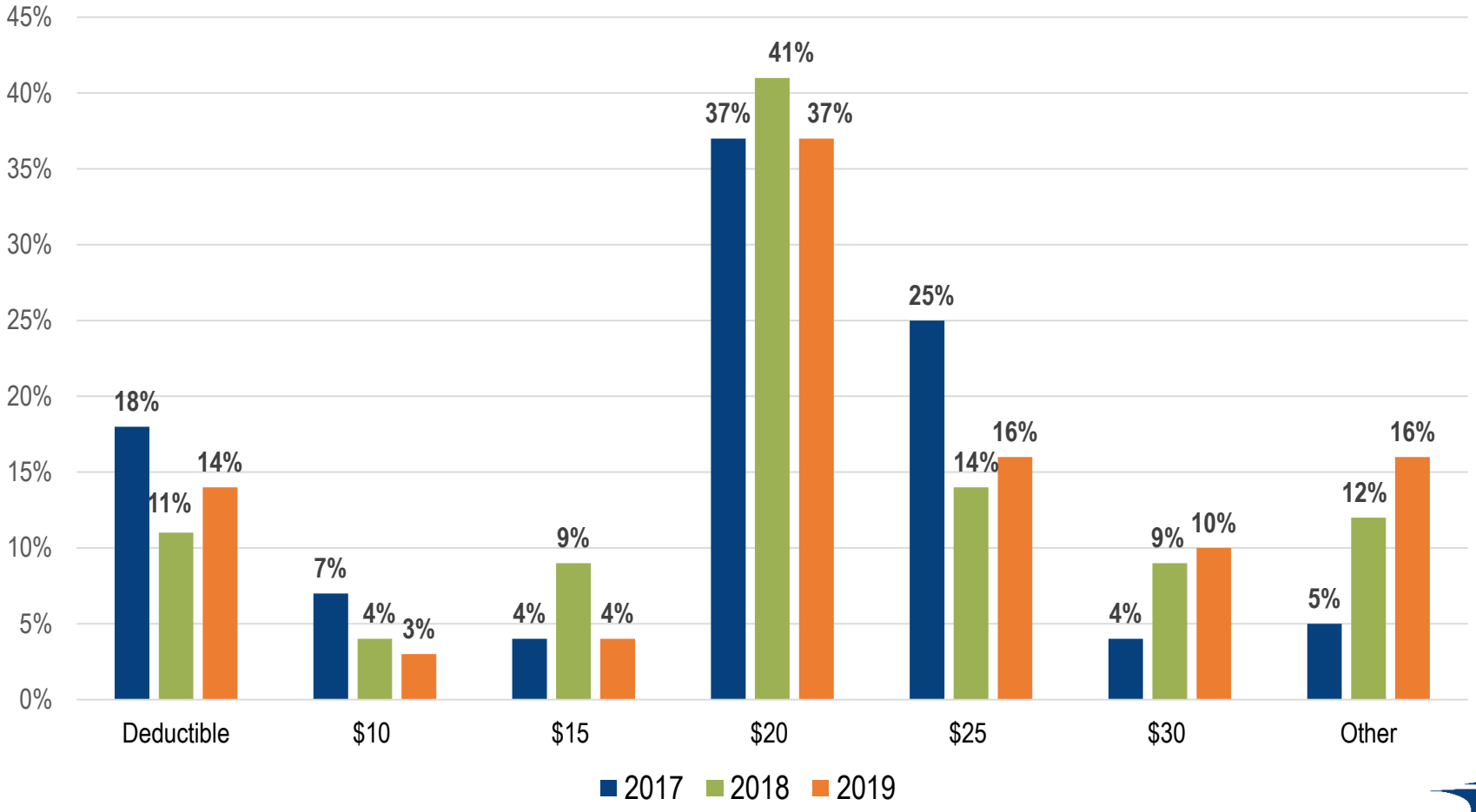
2019 Fully Insured Plans



Plans Offering Both In & Out of Network Benefits

- 74% of plans offered both In and Out of Network Benefits

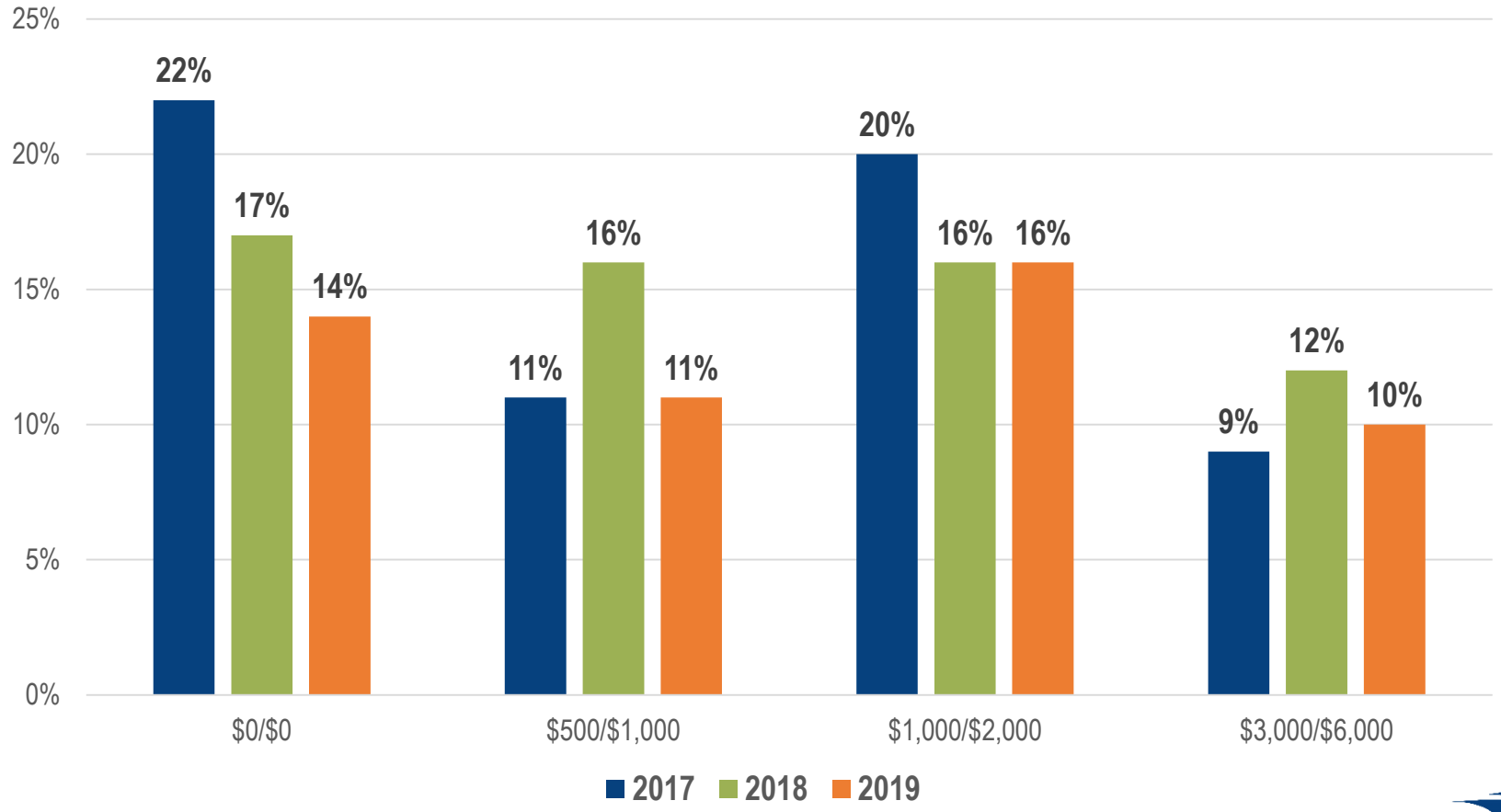
PCP Office Copays



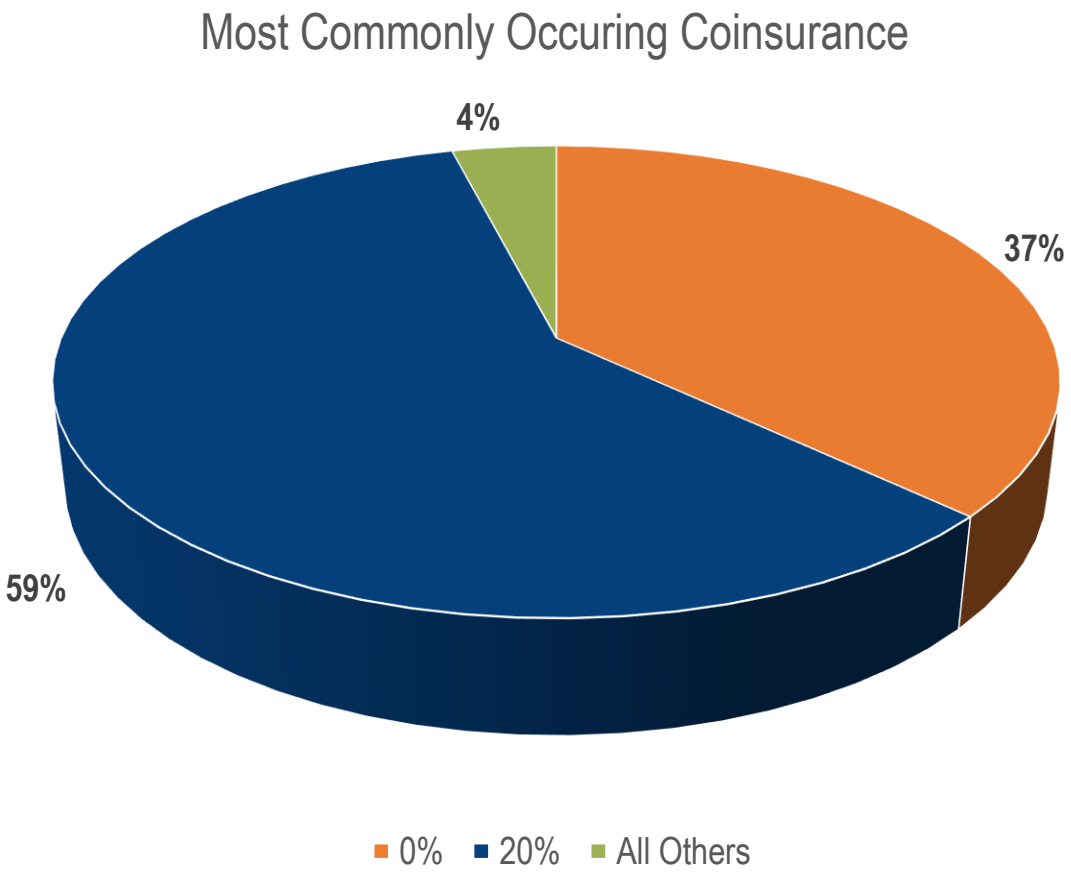
Average Specialist Office Copay Difference: $13

Percent with Higher Specialist Office Copays: 60%

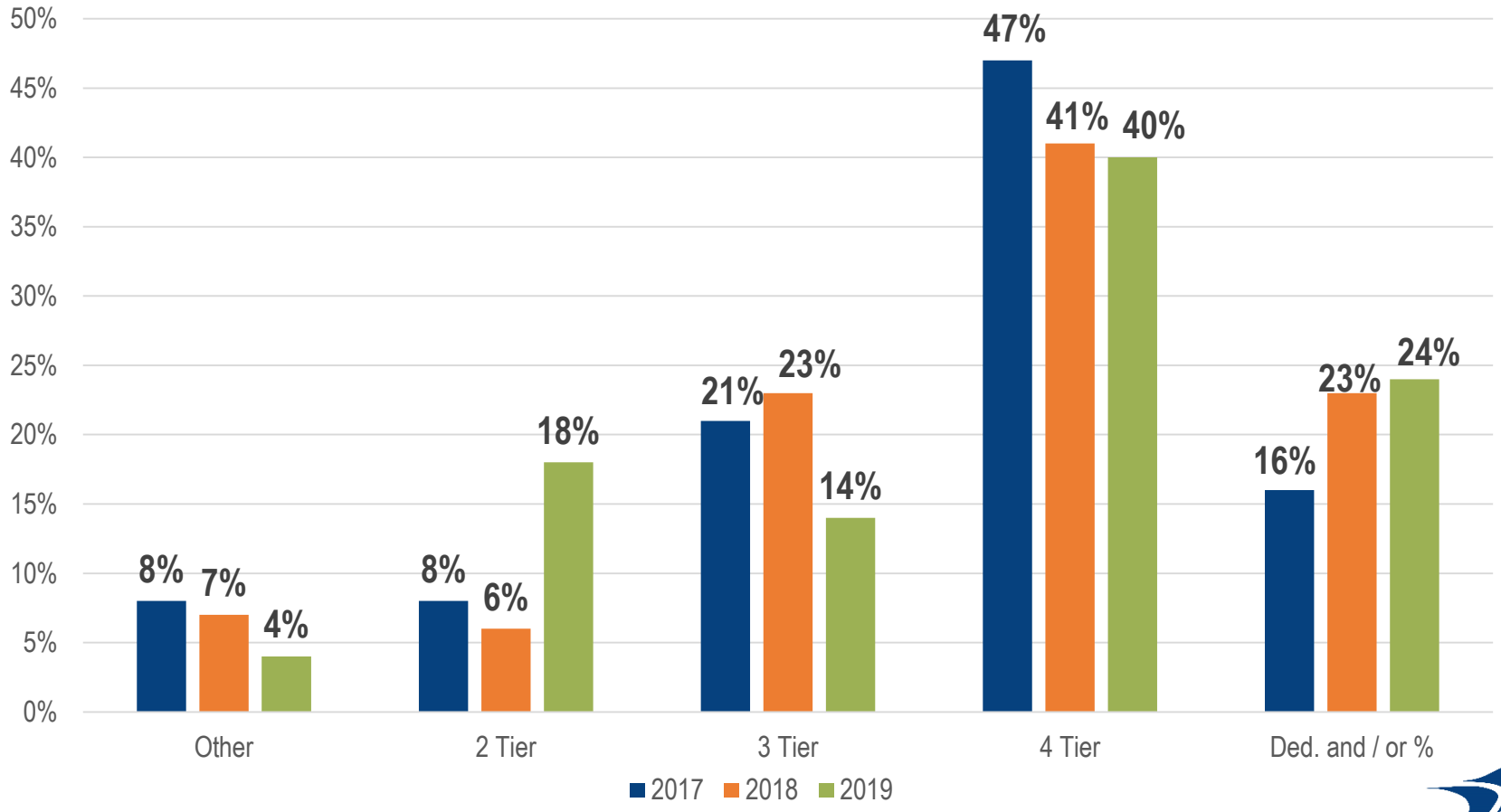
Most Commonly Occurring Single / Family Deductibles



Coinsurance

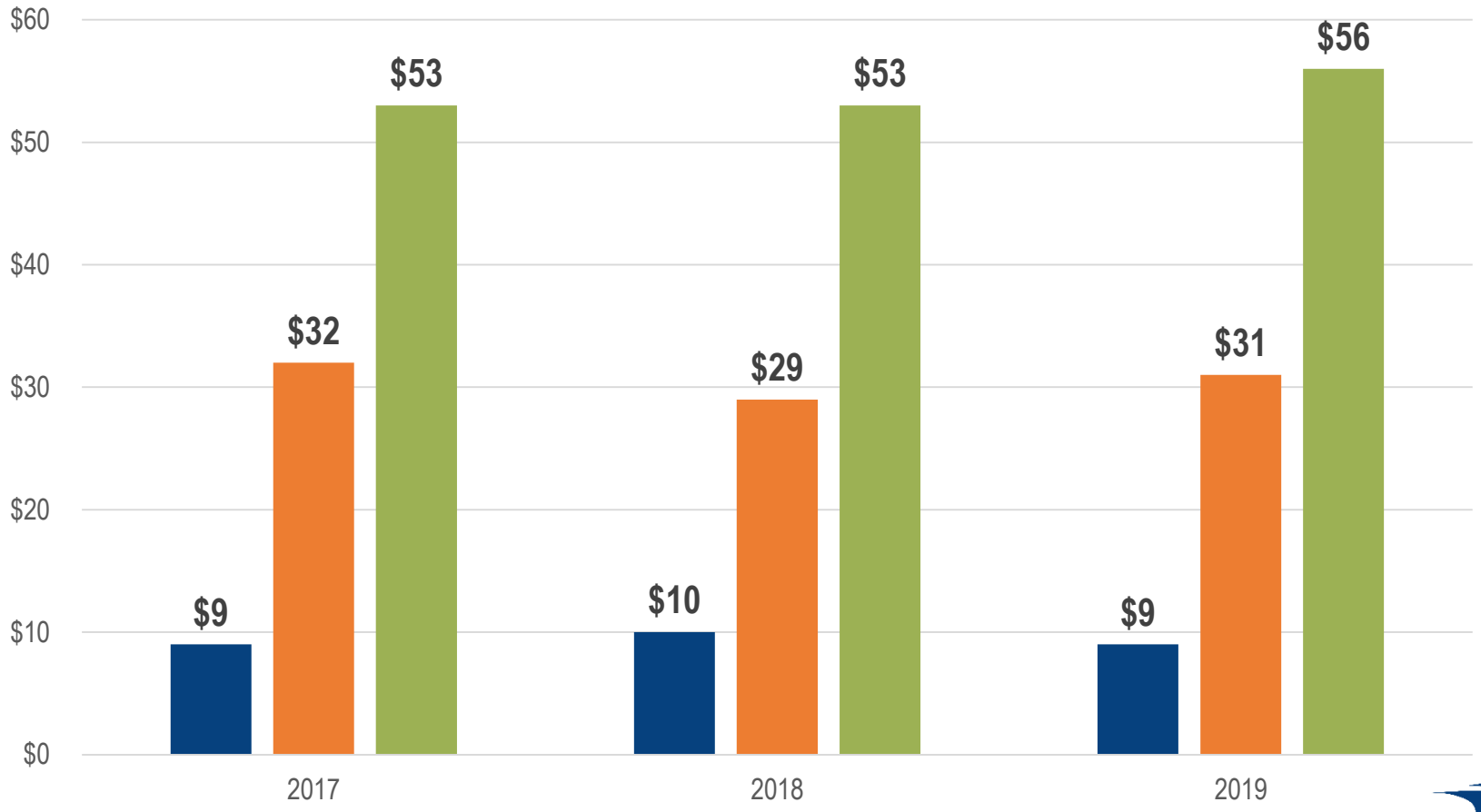


Type of Prescription Benefits



The most common copay and / or % structure is: $ 0 / $30 / $75 / 25%

Prescription Benefits Average Copay 3 Tier



Spousal Waiver Policies

- 29% of plan sponsors require spouses who have other coverage available to take that coverage as primary coverage

2018 Survey reported 30% of plan sponsors have spousal waiver policies

Tobacco Use Penalty

- **19%** of plan sponsors have a financial penalty for tobacco use

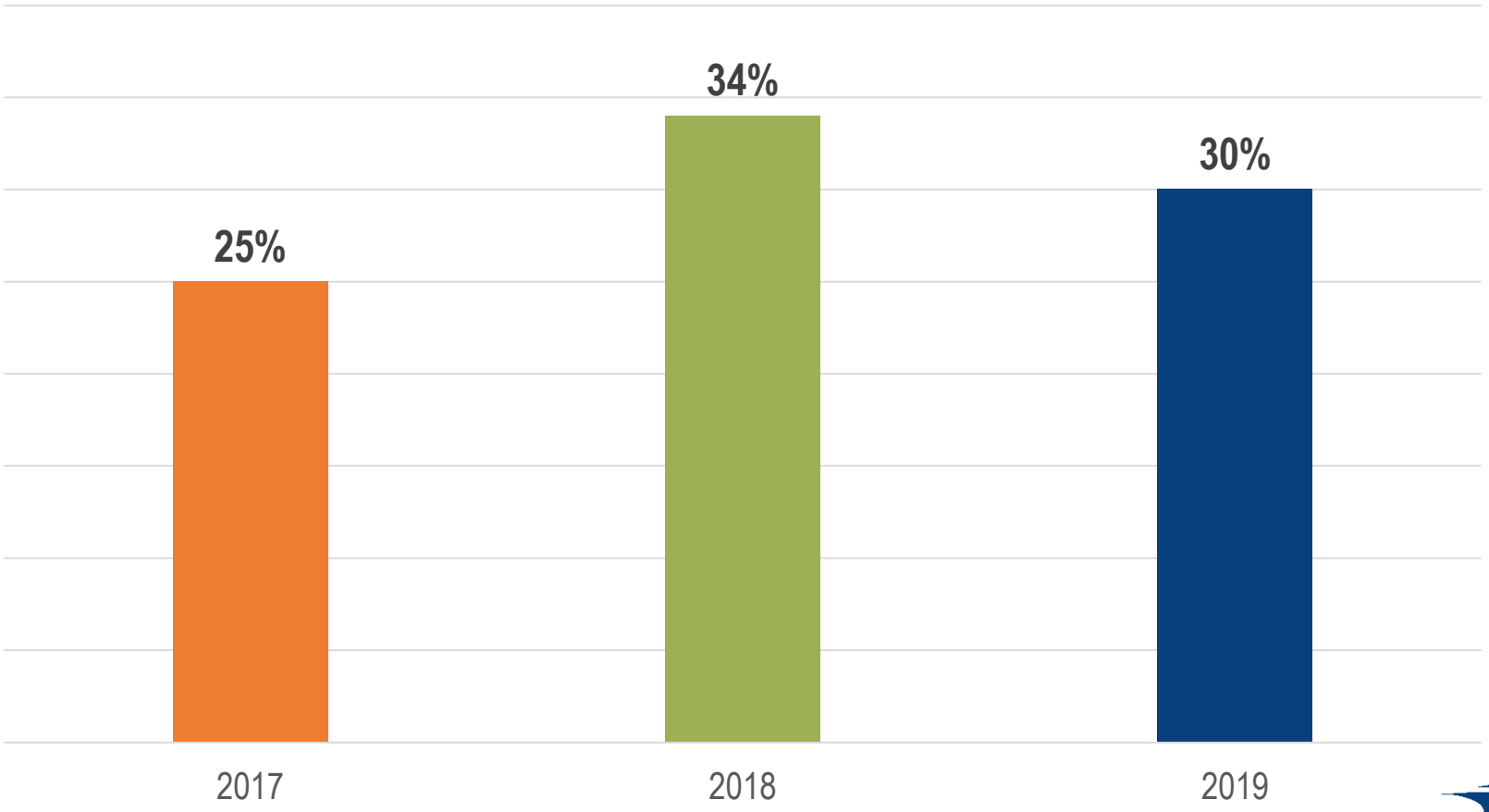
2018 Survey reported 20% of plan sponsors have tobacco use penalties

Consumer Driven Plan Options

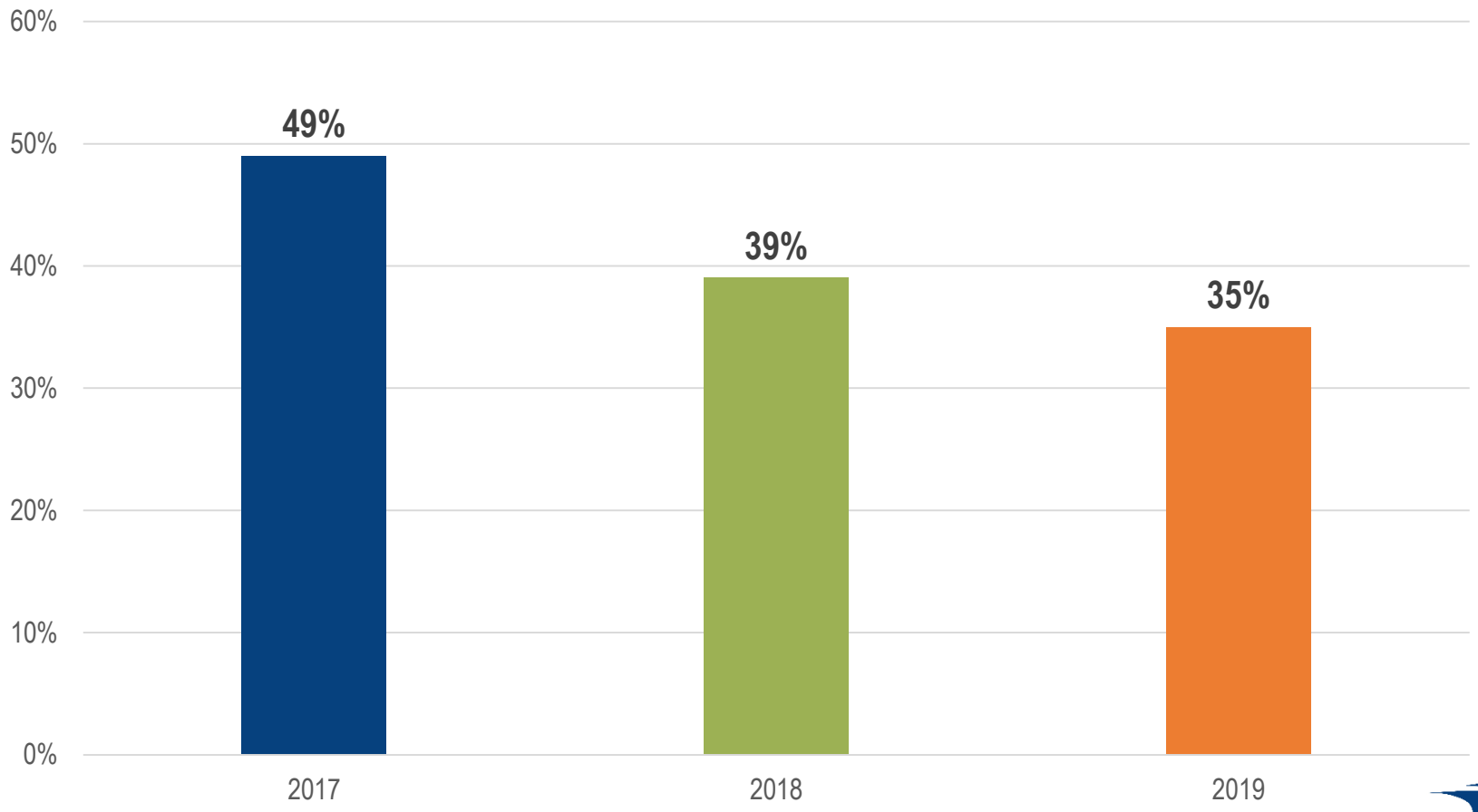
EMPLOYEE'S PLAN ELECTION –

HRA – WELLNESS PROGRAMS

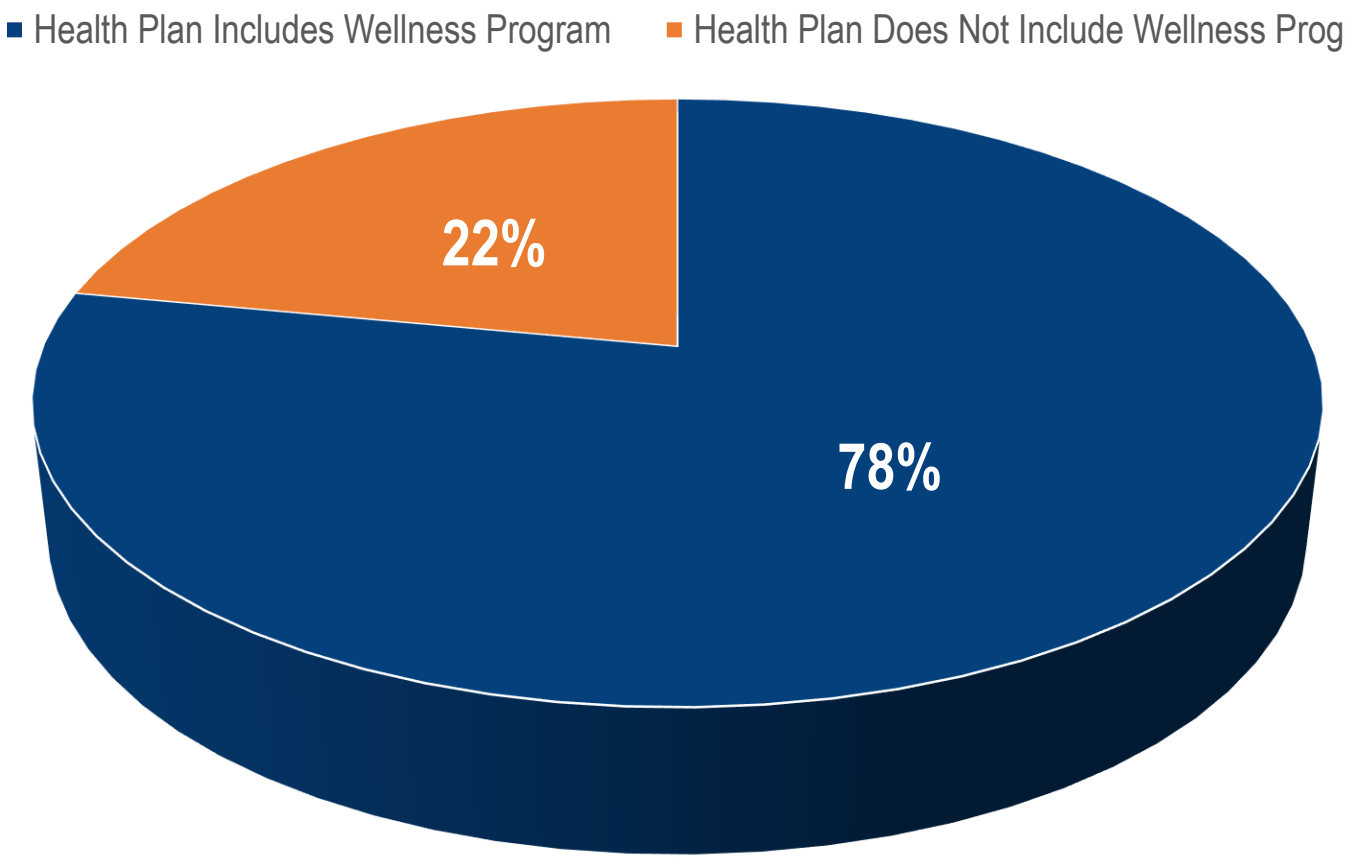
Plan Sponsors Offering Multiple Plans



HRA Utilization



Plan Sponsors Offering Wellness Programs



* Of those Plan Sponsors that offer a wellness program, **84%** offer financial incentives for participation

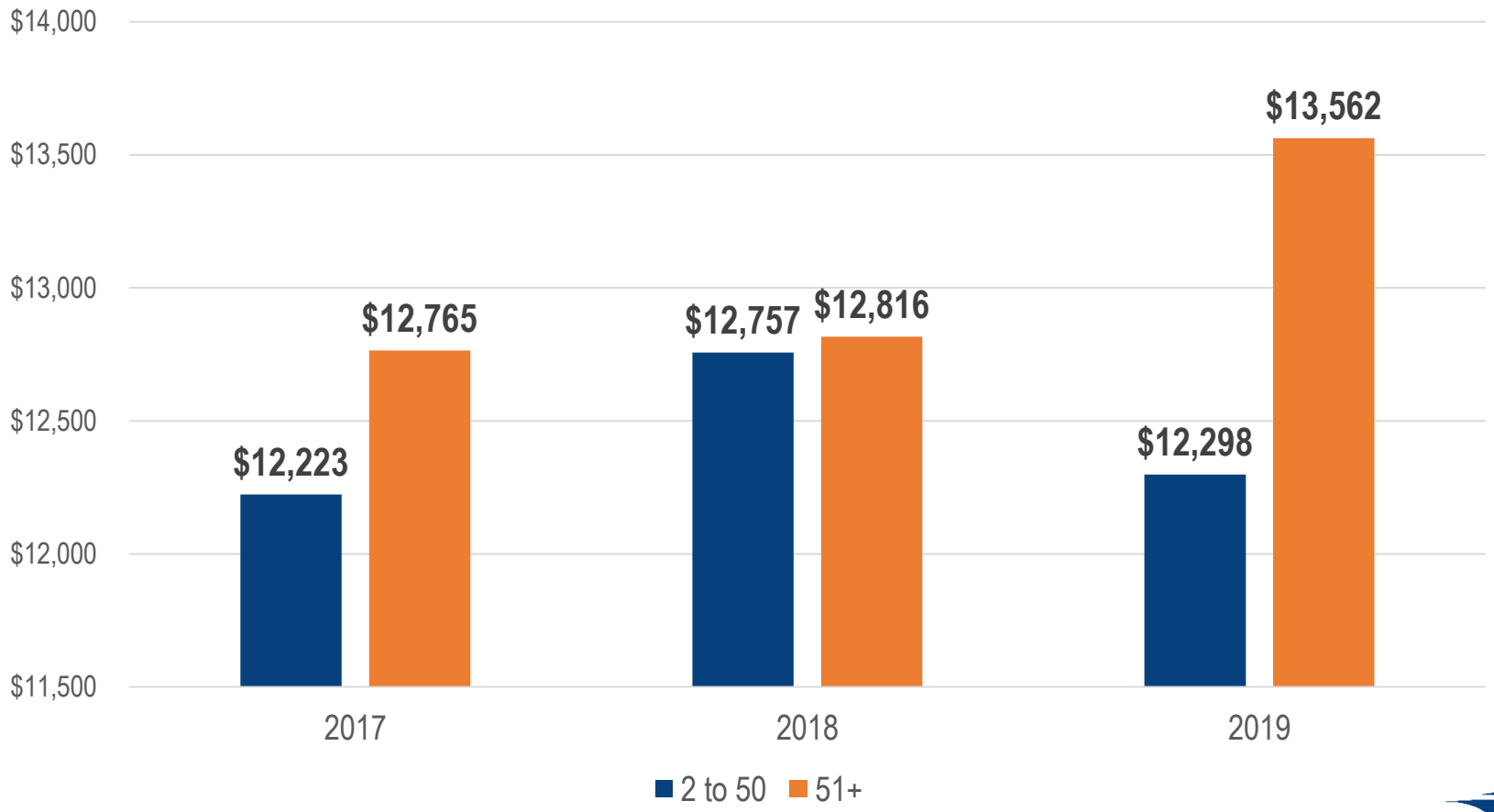
Employee Health Centers

- **19%** of plan sponsors offer an on-site or near site employee health and wellness center

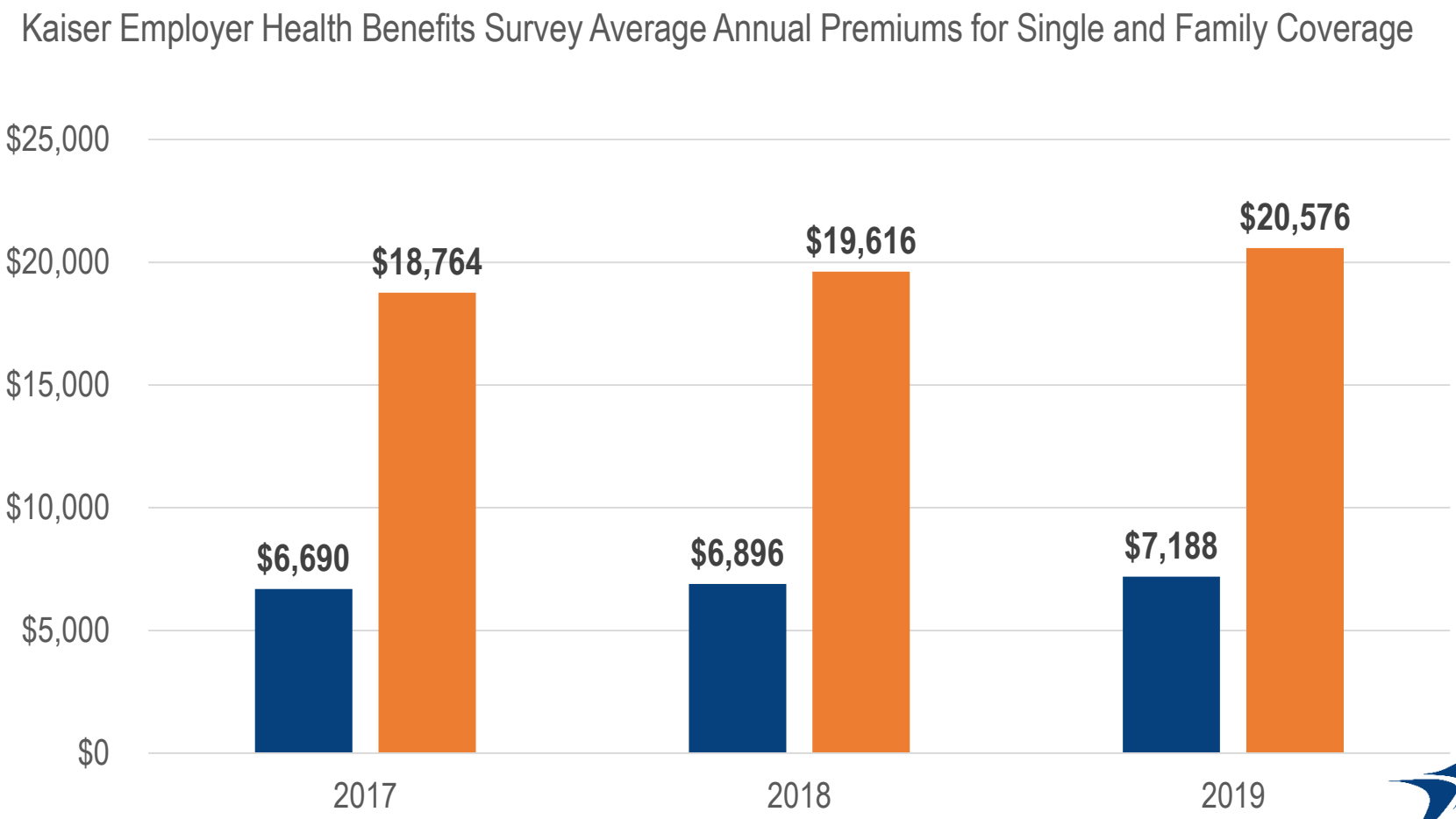
Cost Shifting or Sharing

EMPLOYEE CONTRIBUTION

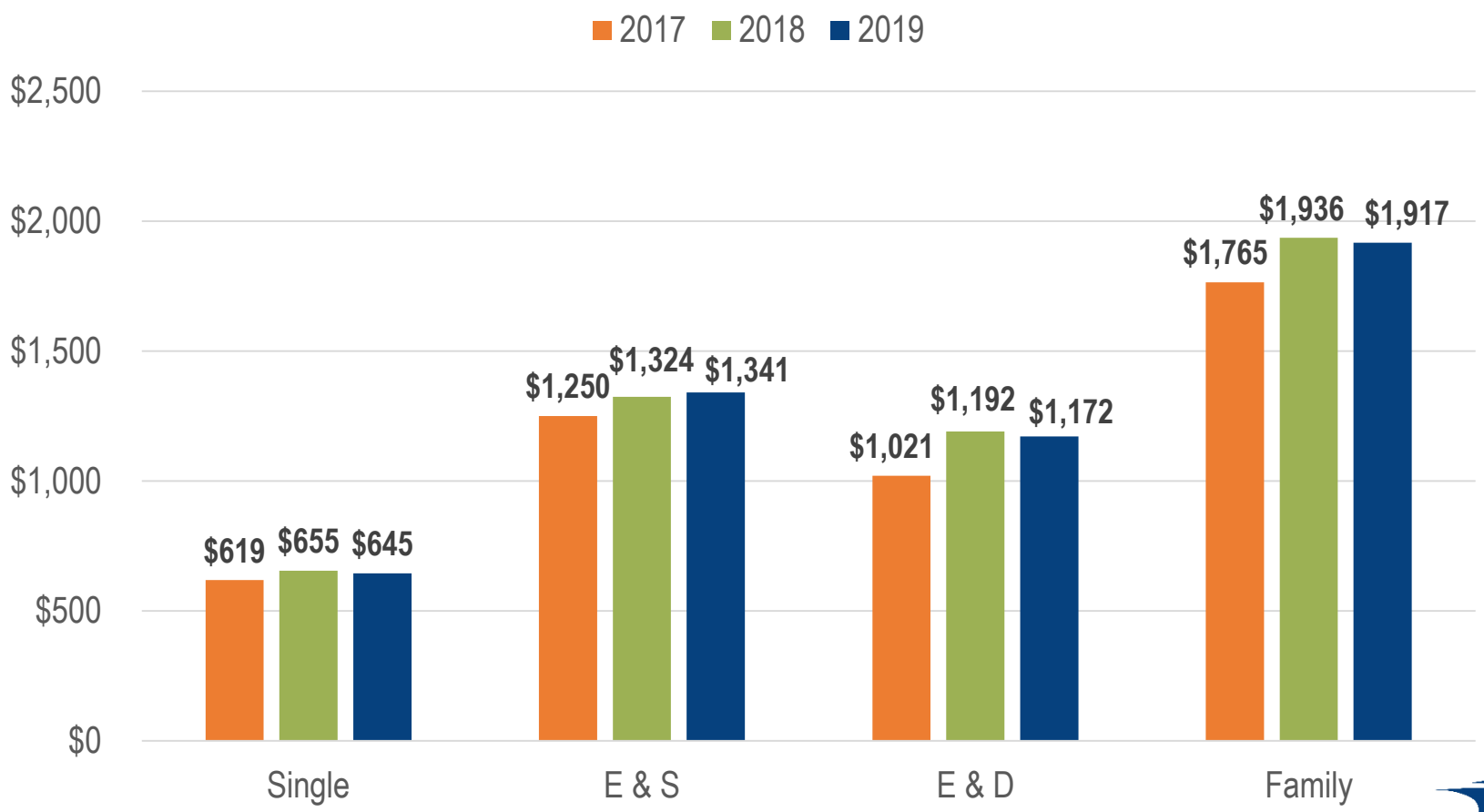
Annual Unit Cost Comparison By Size and Total Population



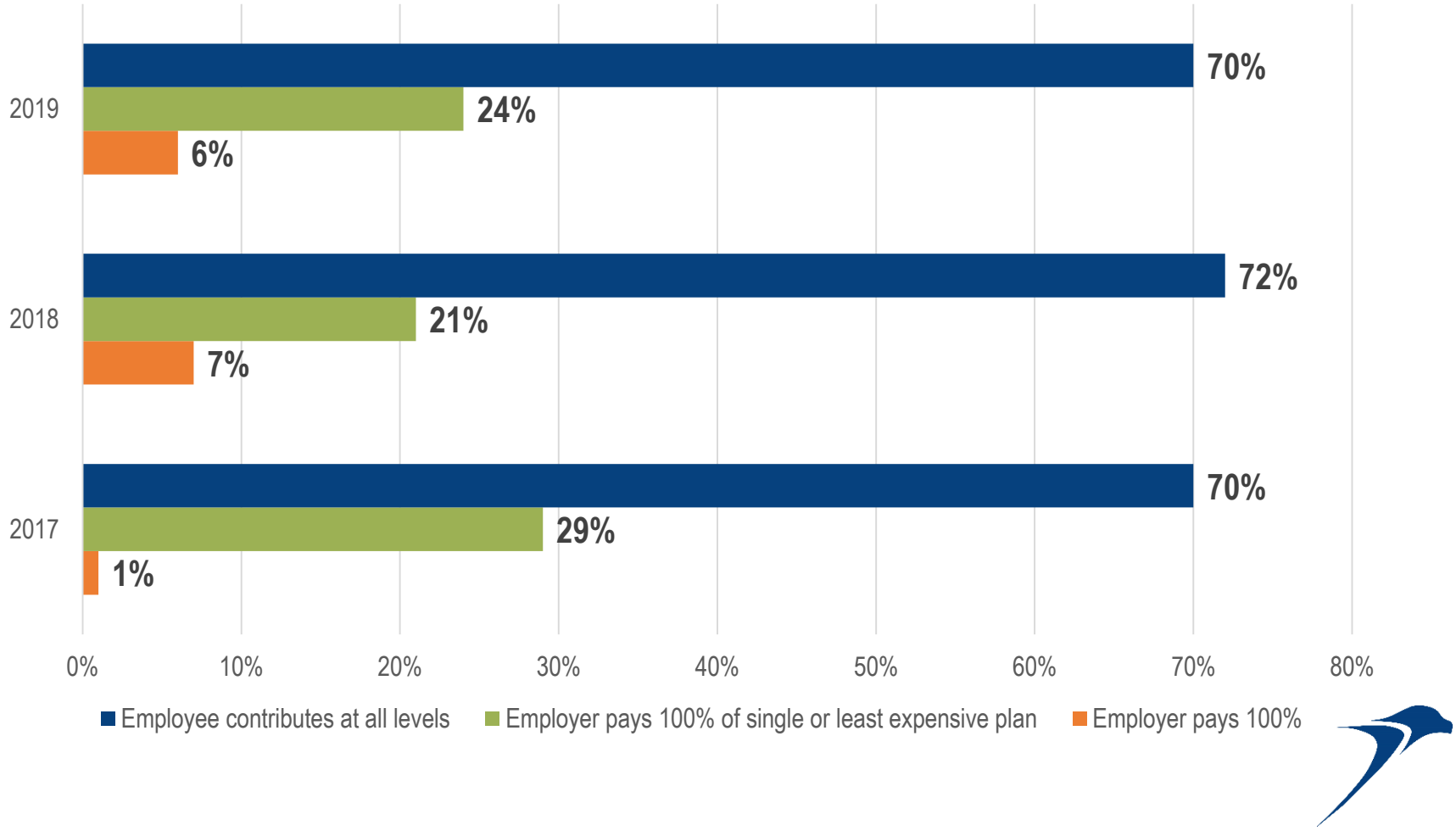
National Data Comparison



Four Tiered Monthly Premiums



Plan Sponsor Contribution



Employee Cost-Sharing*

- For those groups that charge employees premium, those premiums represent **9%** of total plan costs

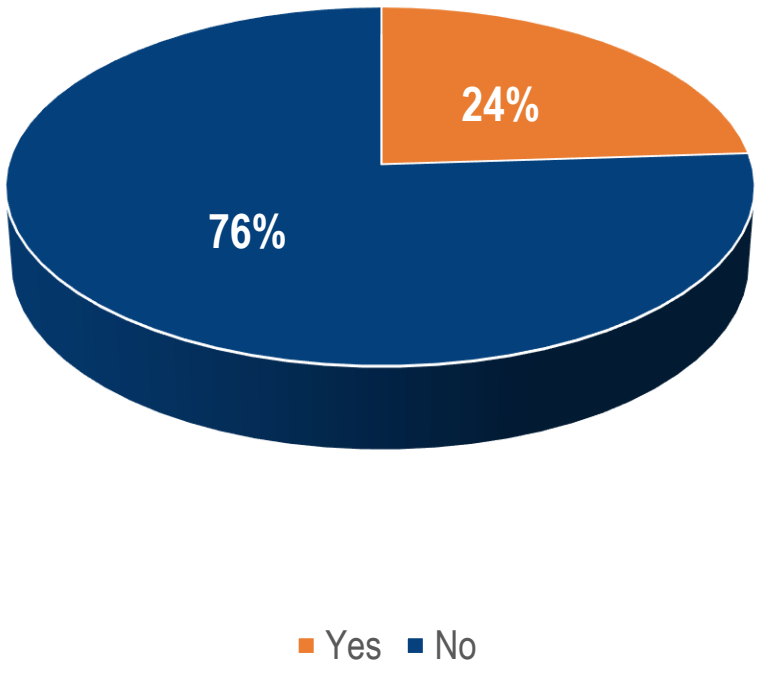
*In 2018, it was 11% of total plan costs
*Does not include other forms of cost-sharing, such as deductibles, coinsurance, copays, etc.

Health Risk Assessment Blood Draws

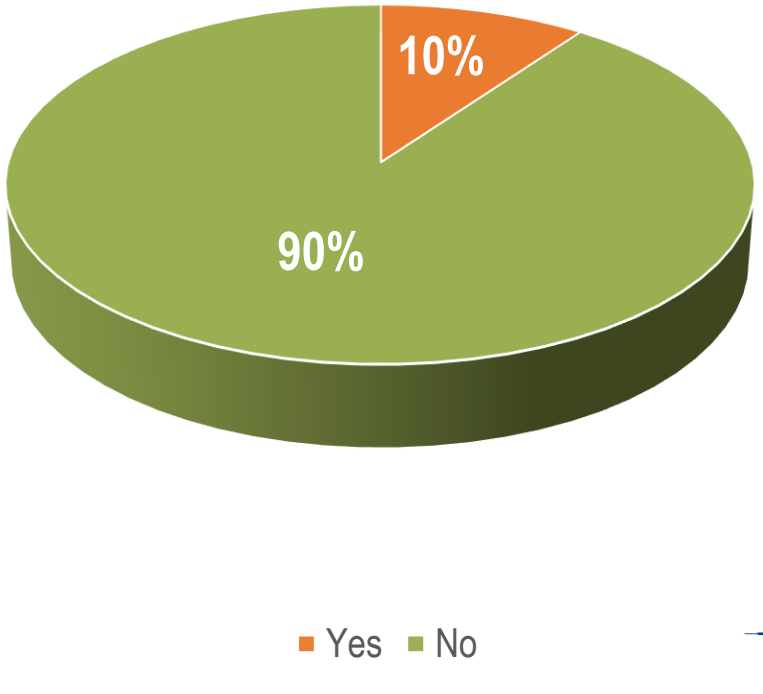
- **34%** of Plan Sponsors Offer Health Risk Assessment Blood Draws

Trends Over the Last Year

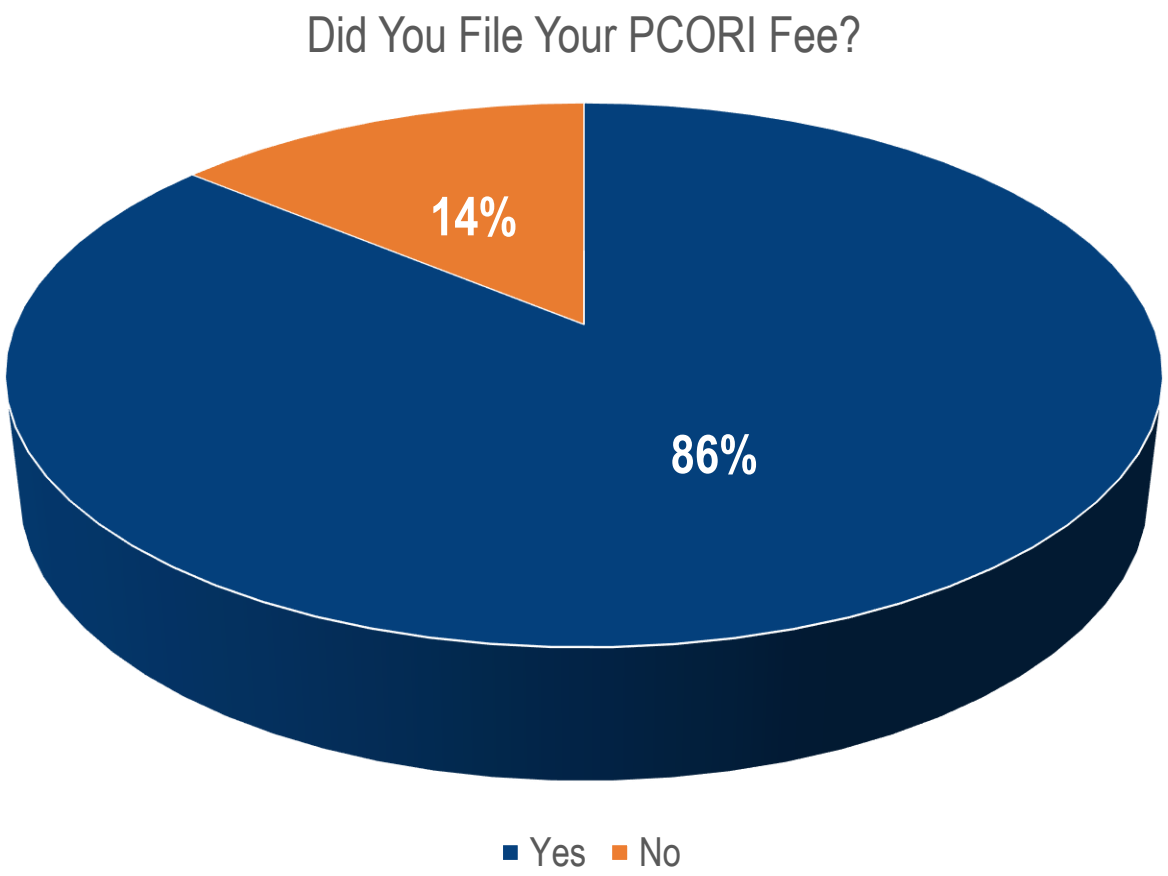
Changes in network / carrier / employee contribution



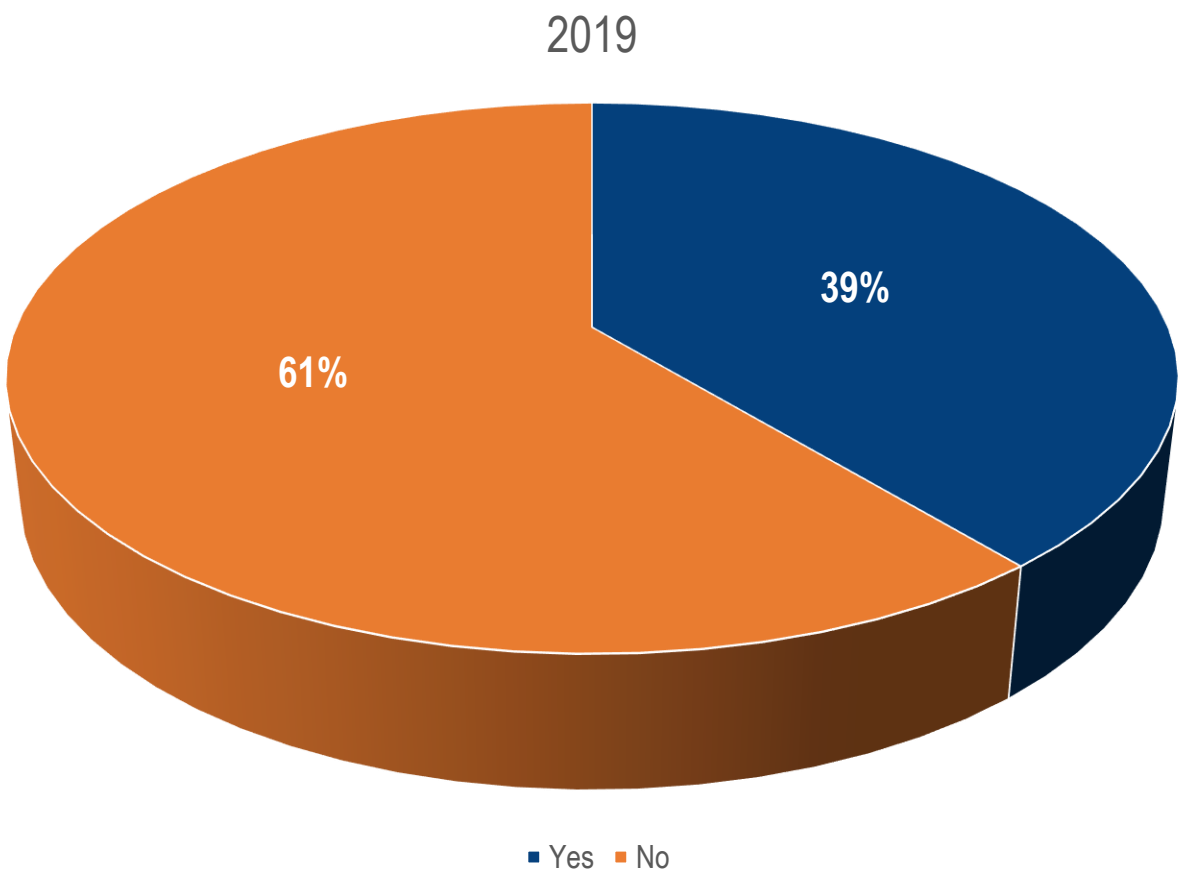
Changes in copay / coinsurance / deductibles



PCORI / Transitional Reinsurance Fee



New Trend: Paying Claims Based on Medicare Rates



Where do we go from here?

- Retrospective look needed
  - How it was previously
  - How we got to where we are at
  - Where does it likely lead us



What would you like to see in the next survey

- More Contribution analysis?
- Suggestions?
- Survey information on ancillary benefits
  - Dental
  - Life
  - Vision
  - Disability



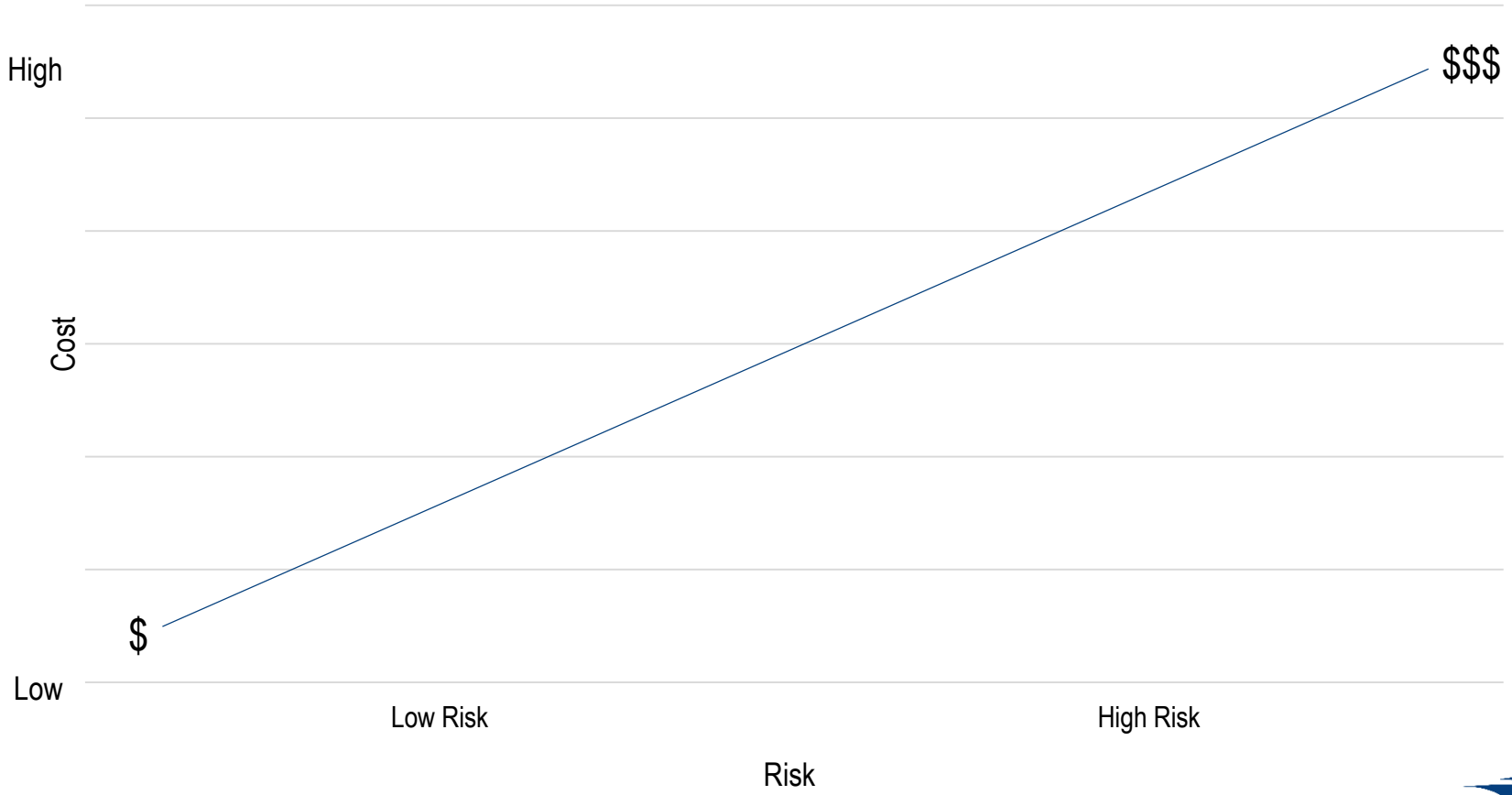
WARNING!!

Opinion Based Projections Ahead

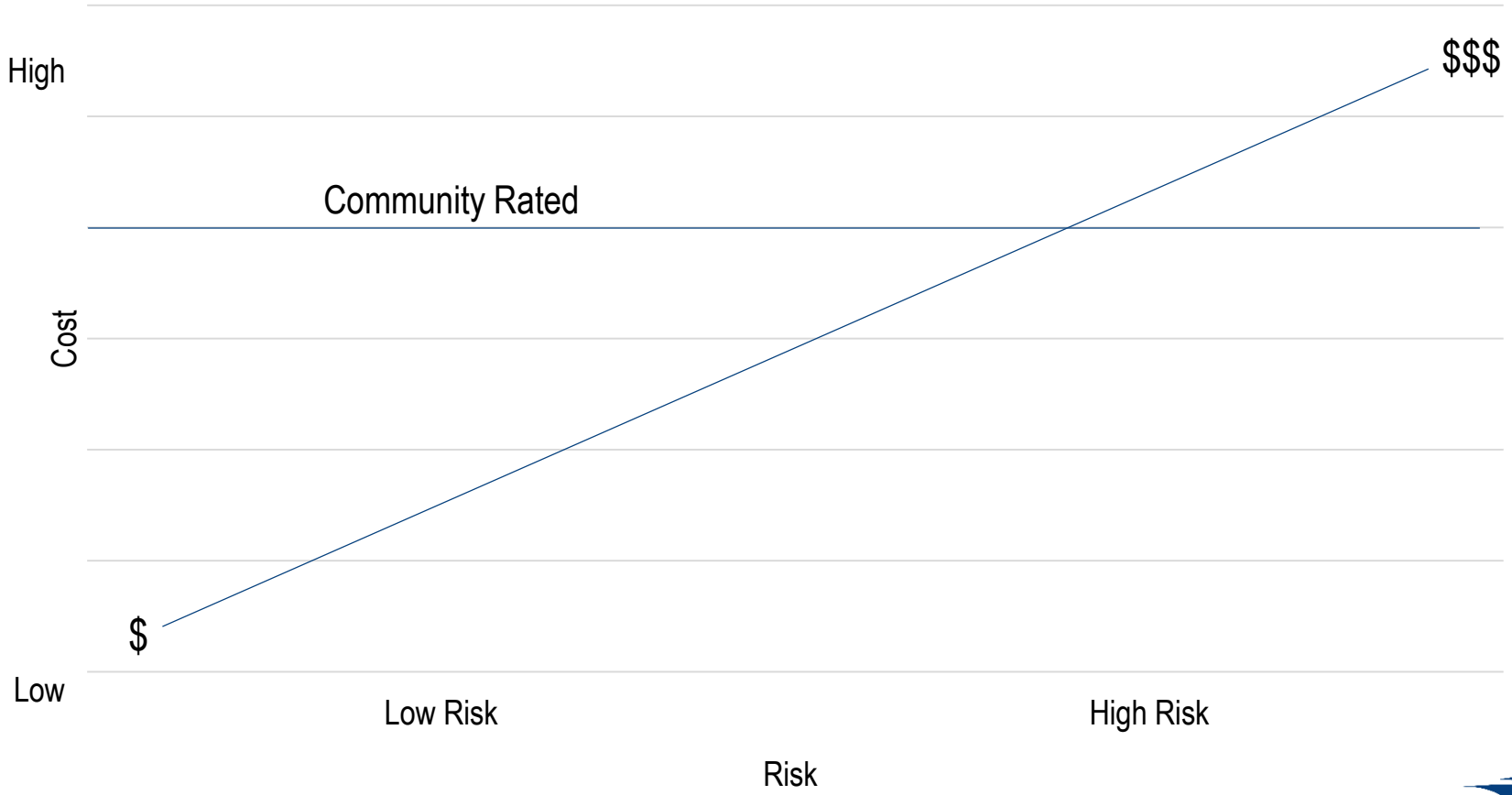
Small Group 2-50 employees- Pre-ACA

- Groups rated on
  - SIC code
  - Location
  - Demographics
  - Risk associated with the group

Pre-ACA (continued)



Community Rated Implemented



Three types of plans existing with ACA implementation

- “If you like your plan, you can keep your plan” (Grand Fathered Plans)
- Transitional relief (Grand Mothered plans)
  - Insurance companies now more flexible in the interpretation of the rules
  - Continues to be extended
- Community Rated
  - SIC code
  - Location
  - Demographics
  - **Risk not taken into account**

Community Rated

- Initial entrants were the unhealthy groups
- New groups also went into the pool
- Plan was to have Grand Mothered Groups go in

Grandmothered vs. Community Rated

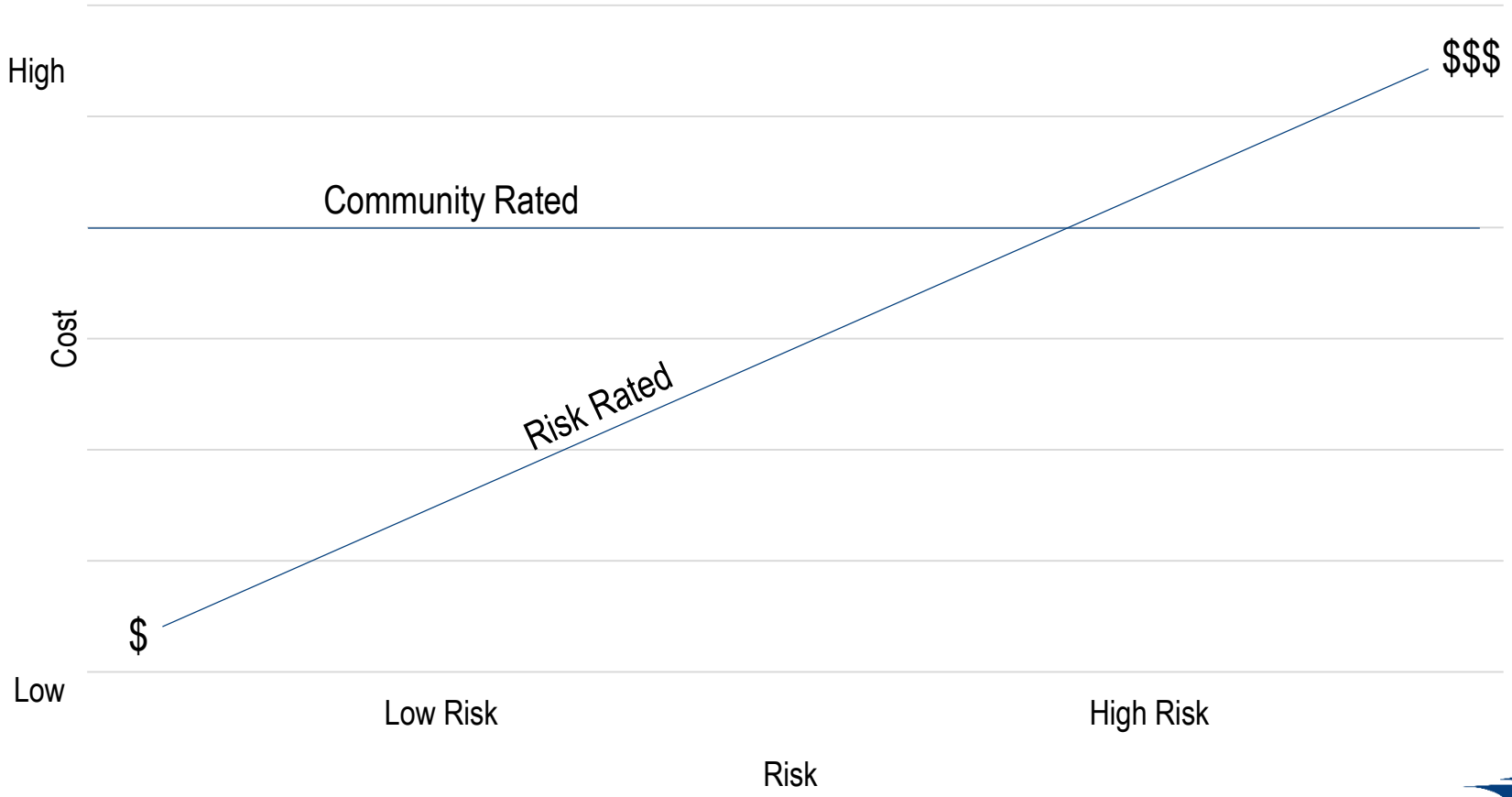
	Anthem	Current Anthem	ACA Option Anthem
		Blue Access 6.0	Blue Access Gold
	In Network Benefits	Option 57 Rx 7	2T8H
	Deductible per calendar year	$1500/$4500	$1000/$3000
	Co-insurance	deduct + 20%	20%
	Max Indv. Out of Pocket, Includes ded.	$3,000	$5,000
	Max Family Out of Pocket, Includes ded.	$6,000	$10,000
11	SINGLE	$316.70	$767.03
8	EMPLOYEE & SPOUSE	$728.40	$1,534.06
0	EMPLOYEE & CHILD(REN)	$585.89	$1,419.01
3	FAMILY	$1,013.43	$2,186.04
22			
	Monthly Admin fee		
	Estimated Monthly Premium	$12,351.19	$27,267.93
	Percentage Change from current		**120.77%**

Risk Rated Options

- Level Funded
- Association groups
- Pools

- All allow risk to be taken into account

Where we are right now- Community and Risk Rated



Where are we going?



Risk Rated Options Continue to Expand

- Anthem Chamber Advantage plan
- United HealthCare

Questions?

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