

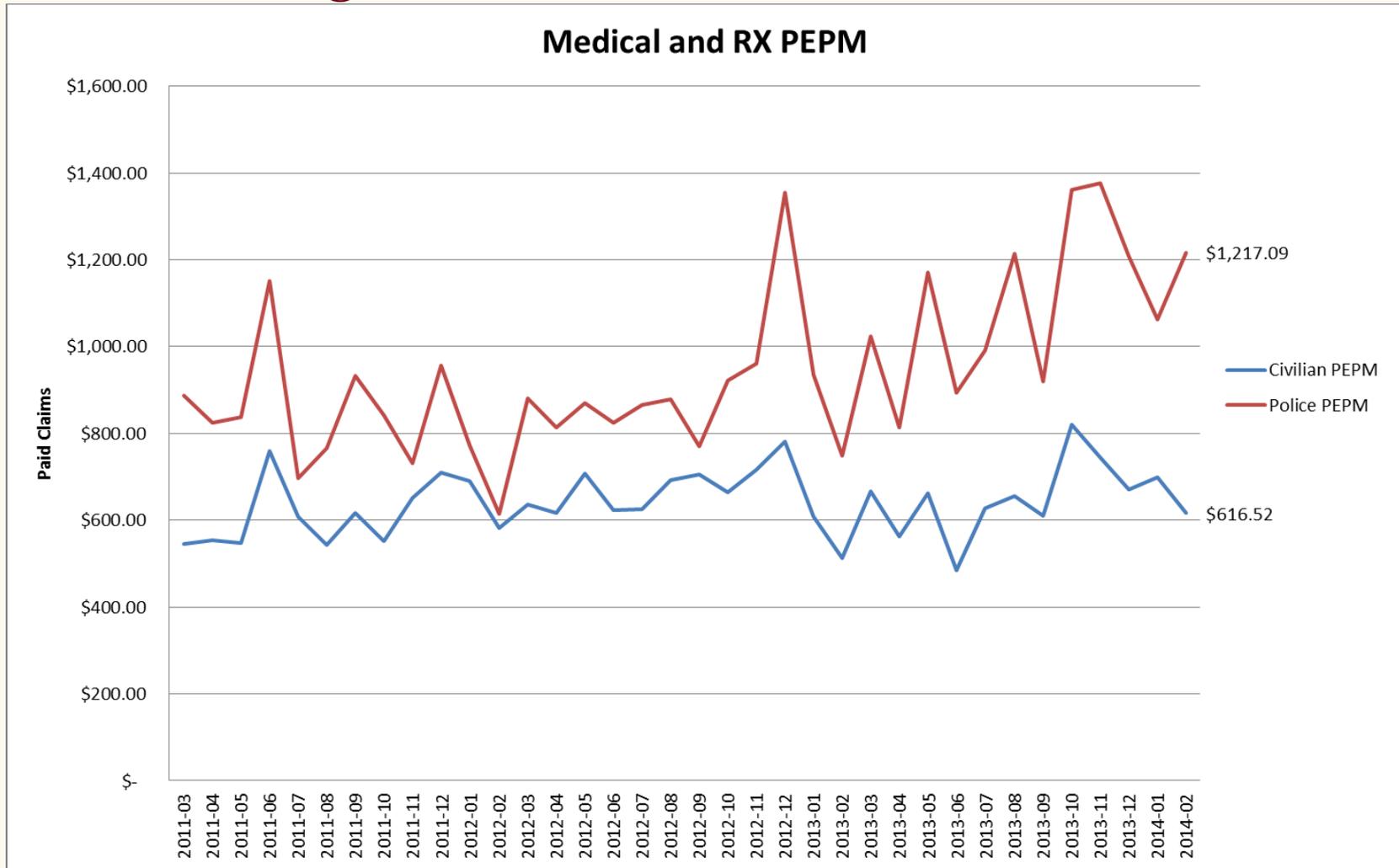
City of San Antonio Police Health Plan Performance



April 29th, 2014



Average Police Per Employee Per Month Costs are almost 2x greater than Civilian as of 2-2014



Health Benefits Membership

	Civilian*	Police
Employees	5,727	2,281
Spouse	2,028	1,603
Children	4,776	3,531
Total	12,531	7,415
Average Dependents per Employee	1.2	2.3

Peer City Employee to Dependent Ratios	Civilian	Police
Average of TX Peer Cities (Austin, Dallas, Houston, El Paso, Corpus, Fort Worth)	1.1	1.1
National Norm	1.2 Dependents per Employee	

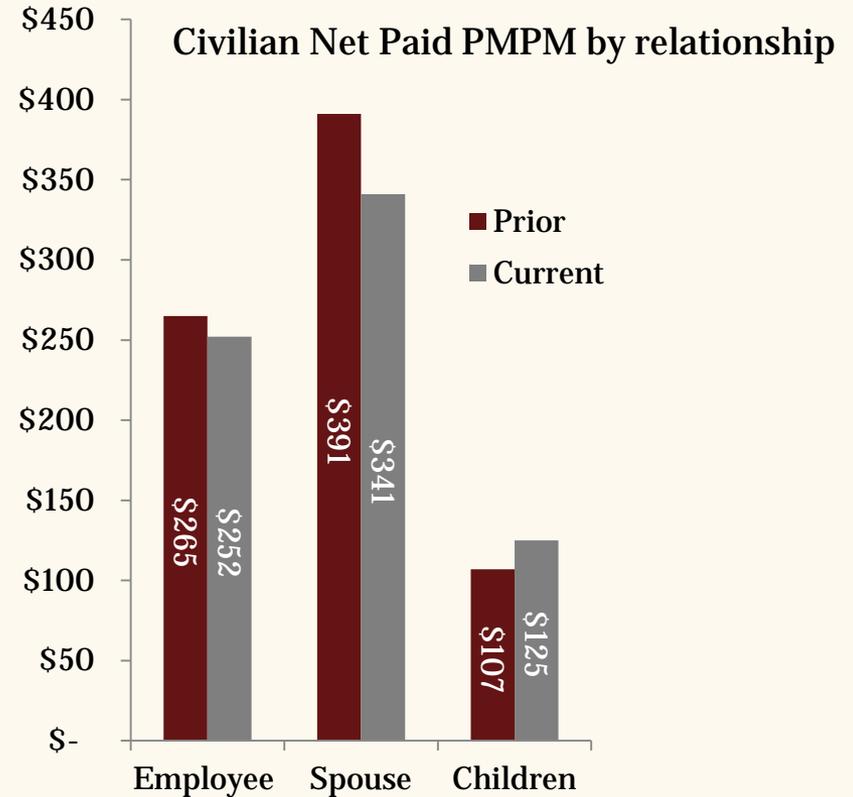
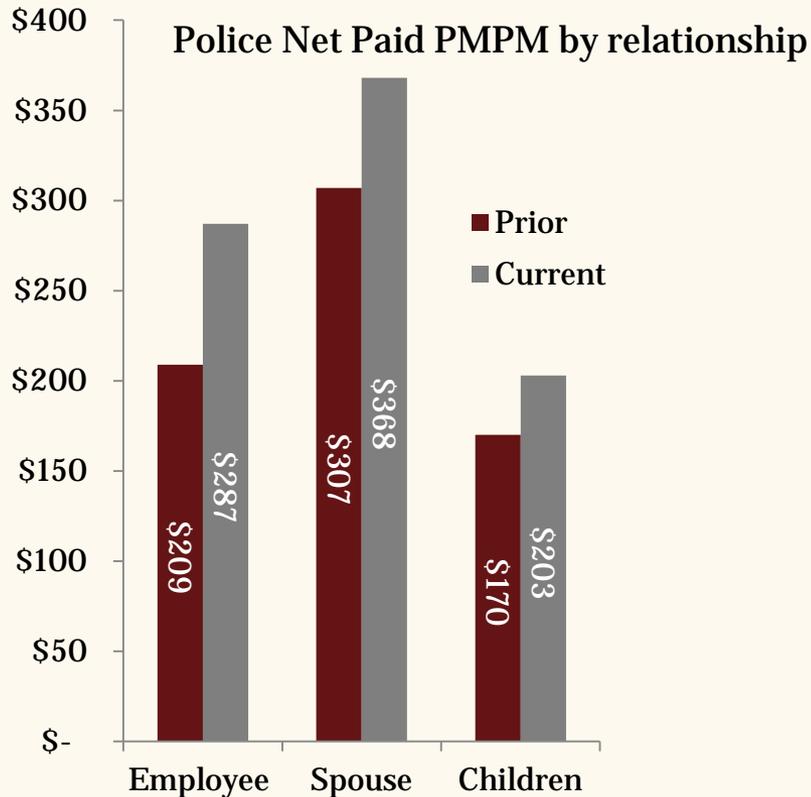
Current annual Police trend is 26% above the average Civilian trend

Net Paid Medical/Rx PEPM	Civilian	Police
4/2013-3/2014	\$625.99	\$1,116.03
4/2012-3/2013	\$658.11	\$925.32
4/2011-3/2012	\$617.49	\$842.94
2 year change	-5%	21%
Average Trend	1%	15%

Average Medical Cost per Claimant	4/2013-3/2014
Civilian	\$2,844
Police	\$3,522

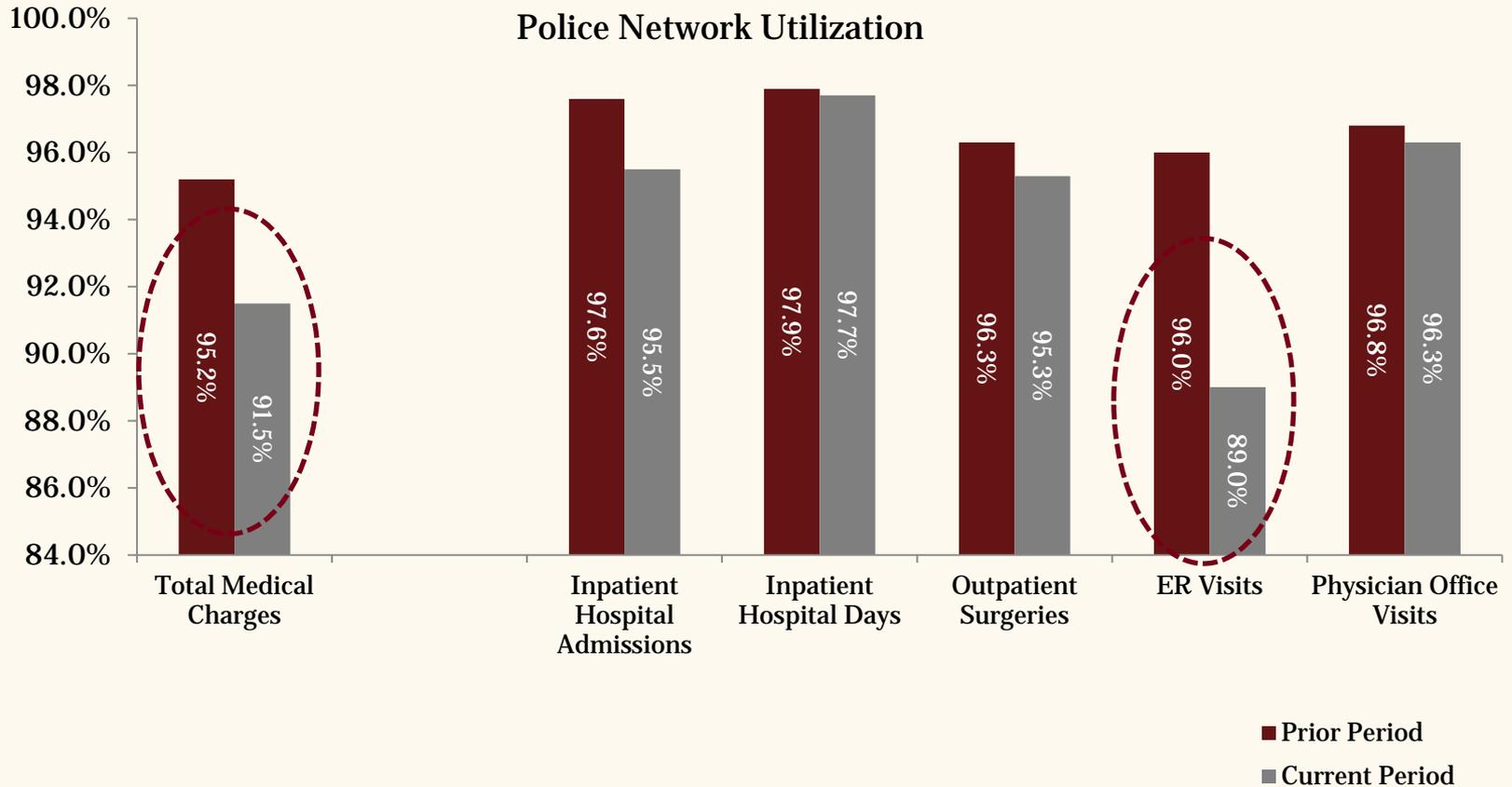
The average Police claimant costs the City 24% more than the average Civilian claimant

Children on the Police plans represent a 63% greater cost to the City than Children on the Civilian plans



Trend		
Relationship	Police	Civilian
Employee	37%	-5.1%
Spouse	20.1%	-12.8%
Children	19.9%	16.6%

Close to 4 point Network deterioration results in approximately a \$1.3M increase to claims



\$1.2M Potential Savings in Emergency Room Redirection Opportunity

Outpatient Utilization

Measure	Police	Civilian	Market Comparison	National
Emergency Room Net Paid PMPM	\$23.08	\$13.63	\$18.46	\$17.98
Net Paid per Visit	\$1,809	\$872	\$1,234	\$1,140
ER Visits per 1,000	184	188	179	184
ER Redirection Opportunity	59%	54%	NA	NA
Primary Care Visits Per Member Per Year	1.8	1.9	2.2	2.25
Average Net Paid per Primary Care Visit	\$57	\$56	\$58	\$74

Healthcare Plans: Deductible and Out-Of-Pocket

	Civilian Health Care Plans			Public Safety
	Consumer Choice	New Value	Premier	Police
	Annual Employee Deductibles			
In-Network Individual	\$1,250	\$1,250	\$500	\$250
In-Network Family	\$2,500	\$2,500	\$1,000	\$500
Out-of Network Individual	\$2,500	\$2,500	\$1,000	\$500
Out-of Network Family	\$5,000	\$5,000	\$2,000	\$1,000
	Annual Employee Out-of Pocket			
In-Network Individual	\$4,000	\$3,000	\$1,200	\$600
In-Network Family	\$8,000	\$6,000	\$2,400	\$1,500
Out-of Network Individual	\$8,000	\$6,000	\$2,400	\$1,200
Out-of Network Family	\$16,000	\$12,000	\$4,800	\$3,000

2014 Healthcare Premiums

	Civilian Health Care Plans			Public Safety
	Consumer Choice* Pre-09/Post-09	New Value Pre-09/Post-09	Premier Pre-09/Post-09	Police
	Employee Monthly Premiums			
Employee Only	\$0/\$0	\$40/\$83	\$214/\$299	\$0
Employee + Child	\$16/\$32	\$105/\$194	\$437/\$587	\$0
Employee + Spouse	\$46/\$92	\$196/\$308	\$597/\$768	\$0
Employee + Family	\$65/\$130	\$265/\$414	\$817/\$1,065	\$0

*City contributes \$500 Employee/\$1,000 Family in HSA dollars for the Consumer Choice option

Average Uniform Healthcare Contributions: Peer City Comparisons

2013-2014	Employee only Uniform premium	Family Uniform premium
San Antonio	\$0	\$0
Houston	\$58	\$345
Ft. Worth	\$77	\$598
Austin	\$5	\$486
Corpus Christi	\$0	\$252
El Paso	\$178	\$496
Dallas	\$53	\$494
TX 6 Cities Peer Average	\$62	\$445

Average of Plans: Peer City Comparisons

	Averages					
Peer City	Houston	Austin	Fort Worth	City of San Antonio Police	El Paso Public Safety	Corpus Christi Public Safety
In-Network Deductible						
Individual	\$ 700	\$ 500	\$1,067	\$ 250	\$650	\$ -
Family	\$1,433	\$ 1,500	\$ 2,633	\$500	\$1,625	\$200
In-Network Out-of Pocket						
Individual	\$3,500	\$3,250	\$3,250	\$ 600	\$1,500	\$ -
Family	\$7,000	\$5,000	\$3,250	\$1,500	NA	\$500

Total Share of Employee Healthcare Costs

Civilian

Total Plan Premium costs	Average Claim Cost per Employee	Average Employee Premium Contribution	Average Employee Out-of-Pocket Costs	Total Average Annual Healthcare Expense per Employee	Total Employee Share of Healthcare Costs
CY2013	\$8,084	\$1,185	\$1,670	\$2,855	32%
CY2012	\$8,597	\$1,345	\$1,378	\$2,723	32%
CY2011	\$7,585	\$1,294	\$1,342	\$2,636	35%

Police

Total Plan Premium costs	Average Claim Cost per Employee	Average Employee Premium Contribution	Average Employee Out-of-Pocket Costs	Total Average Annual Healthcare Expense per Employee	Total Employee Share of Healthcare Costs
CY2013	\$13,126	\$0	\$1,228	\$1,228	9%
CY2012	\$10,931	\$0	\$1,162	\$1,162	11%
CY2011	\$10,408	\$0	\$1,130	\$1,130	11%

AON Hewitt

- o Average Annual Premium contribution per Employee = \$2,303; Average Per Employee annual Out of Pocket costs = \$2,239
- o Total average healthcare expense per Employee per year = \$4,542 = 43% of total (Premium plus total Out of Pocket; deductibles, copays)

MHBT Book of Business (Private and Public combined/local market)

- o Average Annual Premium contribution per Employee = \$2,270; Average Per Employee annual Out of Pocket costs = \$1,600
- o Total average healthcare expense per Employee per year = \$3,870 = 36% of total (Premium plus total Out of Pocket; deductibles, copays)

City of Corpus Christi Public Safety Employees contribute 37% of their total annual Healthcare costs.

City of Austin Public Safety Employees contribute 36% of their total annual Healthcare costs.

Plan Design Alternative Savings

Scenario	Reduction in Claims Range ¹	Employee Premium Contributions	Total Savings Range ²
Move Police to Current Civilian plans	\$4.32M-\$5.76M	\$4.24M	\$8.56-\$10M
Move Police to Current Civilian plans drop Premier	\$5.76M-\$7.20M	\$3.89M	\$9.65-\$11.09M

1.Range reflects 15%-20% savings estimate off CY2013 claims of \$28.8M
 2. Savings are estimates. Actual savings will vary based on enrollment.

- Estimate City will need to contribute approximately \$800K towards employee's HSA's, depending on enrollment in CDHP. \$500Ee/\$1,000Family.

Cadillac Tax Implications

The Police and Premier plans will both be subject to the Cadillac Tax by 2018 assuming no changes are made to plan design

Cadillac Tax potential to Police plan assuming 12% trend, general inflation, and current plan design

Calendar Year	Premium		Annual Excise Tax
	EE	Family	
2018	\$12,218	\$27,537	\$319,644
2019	\$13,685	\$30,841	\$2,399,281
2020	\$15,327	\$34,542	\$4,789,712
2021	\$17,166	\$38,687	\$7,530,071
2022	\$19,226	\$43,329	\$10,664,240
2023	\$21,533	\$48,529	\$14,241,427
2024	\$24,117	\$54,352	\$18,316,800

Cadillac Tax potential to Premier plan assuming 10% trend, adding Police employees, general inflation, and current plan design

Calendar Year	Premium		Annual Excise Tax
	EE	Family	
2018	\$17,667	\$41,903	\$13,349,039
2019	\$19,434	\$46,093	\$16,406,061
2020	\$21,377	\$50,703	\$19,820,448
2021	\$23,515	\$55,773	\$23,629,487
2022	\$25,866	\$61,350	\$27,874,240
2023	\$28,453	\$67,485	\$32,599,923
2024	\$31,298	\$74,234	\$37,856,321

2014 CBA Police Plan Scenarios

- **Single Employee**

- In good health
- Low healthcare need

- **Last year:**

- Annual physical
- 1 doctor visit

	2014		
	Consumer Choice	New Value	Premier
Annual Premium Costs	\$0	\$480	\$2,568
Costs for Services/Procedures	\$59	\$30	\$30
Prescription Costs	\$0	\$0	\$0
Total Cost to employee	\$59	\$510	\$2,598
HSA Contributions from CoSA	(\$500)		
Total Out of Pocket for Employee	(\$441)	\$510	\$2,598

2014 CBA Police Plan Scenarios

- **Married mother of 2**

- Employee diagnosed with Breast Cancer
- Husband with Diabetes

- **Last year:**

- 4 Annual physicals for each family member
- 6 combined doctor visits
- 1 specialist visit
- 1 emergency room visit
- Hospital/Chemo services
- Lab work for diabetes
- 1 generic medication
- Diabetes medication

Annual Premium Costs

Costs for Services/Procedures

Prescription Costs

Total Cost to employee

HSA Contributions from CoSA

Total Out of Pocket for Employee

	2014		
	Consumer Choice	New Value	Premier
Annual Premium Costs	\$780	\$3,180	\$9,804
Costs for Services/Procedures	\$5,490	\$4,278	\$3,035
Prescription Costs	\$525	\$430	\$430
Total Cost to employee	\$6,795	\$7,888	\$13,269
HSA Contributions from CoSA	(\$1,000)		
Total Out of Pocket for Employee	\$5,795	\$7,888	\$13,269

2014 CBA Police Plan Scenarios

- **Married father of two**

- Father living with high blood pressure
- Child with Asthma

- **Last year:**

- 4 Annual physicals for each family member
- 6 combined doctor visits
- 1 urgent care visit
- 1 generic medication
- Blood pressure medication
- Asthma medication

		2014		
		Consumer Choice	New Value	Premier
Annual Premium Costs		\$780	\$3,180	\$9,804
Costs for Services/Procedures		\$457	\$230	\$230
Prescription Costs		\$345	\$178	\$178
Total Cost to employee		\$1,582	\$3,588	\$10,212
HSA Contributions from CoSA		(\$1,000)		
Total Out of Pocket for Employee		\$582	\$3,588	\$10,212