Boyd

April 28, 2009

The City of Memphis
Healthcare Committee Meeting

Agenda

- Roll Call
- Opening
- Benefits Update
- Flexible Spending Accounts
- Quarterly Reporting
  - 2009 Experience through 1st Quarter
  - Large Claims experience
- Committee Vacancies
- Caremark
- Questions

Benefits Update

Healthcare Update

Flexible Spending Accounts

- **Open Enrollment – May 5 – May 15, 2009**

  $5000 can be applied to each account – Health and Dependent

- **Determine what amounts works for your needs**

  Use it or lose it applies

  2.5 month Grace period into new plan year

  Enrollment: both locations and at fsa.memphistn.gov

- **Debit Cards, claims forms or direct deposit can be used**

- **Special Enrollment effective 7/1/09 through 12/31/09**

Healthcare Update

2009 Tax Stimulus

- **The American Recovery and Reinvestment Act 2009**

  COBRA :Premium Subsidy

  Effective 3/1/09

  Second Chance election for employees involuntarily terminated or declined coverage from 9/1/08 – 12/31/09

  Subsidy of 65% paid by City

  Employee pays 35%

Healthcare Update

2009 Tax Stimulus

Children's Health Insurance Program (CHIP)

- Effective April 1, 2009
- Purpose to provide affordable healthcare coverage for children either through the State's plan or the City's plan for children
- The children's premium can be reimbursed by the State
- Must provide special open enrollment for change in family status for participant to enroll into the employers plan or the Medicaid or state health plan
- Cover Tennessee is the State of Tennessee's plan.

Healthcare Update

Medicare Report

Medicare Status	Retirees	Spouses
No Medicare	747	262
Medicare A & B	1,510	655
Medicare A Only	315	120
Medicare B Only	5	1
Total Medicare	1,830	776

Satellite Report

	Quarter	Annual Total
Office Visits	286	1874
Police/Fire Recruits New Hire Orientations	31	260
Employment Visits	170	1476

Financial Report – 1st Quarter 2009 Experience

Financial Report
2009 Experience – Basic Plan
1st Quarter

	Basic Plan			
	Active	Retiree		Total
2008 (through 1st Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$524.39	$235.63	$779.26	$517.71
PEPM Rx Claims	$135.39	$362.55	$149.89	$221.86
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50
Total PEPM Cost	$693.28	$631.67	$962.65	$773.07
Enrollment				
Employees/Retirees	761	1,021	1,081	2,863
Members (includes dependents)	1,541	1,412	1,913	4,866
Total - through 1st Quarter	$1,582,061	$1,934,188	$3,122,836	$6,639,085
Budgeted Amount	$653	$653	$653	$5,603,766
Variance	($41)	$21	($310)	($1,035,319)
2009 (through 1st Qtr.)				
PEPM Medical claims	$508.87	$164.57	$674.10	$433.12
PEPM Rx Claims	$128.43	$361.70	$153.18	$228.07
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18
Total PEPM Cost	$672.48	$561.45	$862.46	$696.36
Enrollment				
Employees/Retirees	677	1,026	931	2,634
Members (includes dependents)	1,350	1,445	1,588	4,383
Total - through 1st Quarter	$1,365,132	$1,728,696	$2,408,846	$5,502,674
Budgeted Amount	$640	$675	$638	$5,161,189
Variance	($32)	$114	($224)	($341,485)
PEPM Change from end of Q1 2008				
Medical	-2.96%	-30.16%	-13.49%	-16.34%
Rx	-5.14%	-0.23%	2.19%	2.80%
Total	-3.00%	-11.12%	-10.41%	-9.92%

Financial Report
2009 Experience – Premier Plan
1st Quarter

	Premier Plan			
	Active	Retiree		Total
2008 (through 1st Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$436.44	$299.52	$840.93	$496.38
PEPM Rx Claims	$100.82	$401.17	$188.95	$134.43
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50
Total PEPM Cost	$570.76	$734.19	$1,063.38	$664.31
Enrollment				
Employees/Retirees	5,358	434	1,180	6,972
Members (includes dependents)	14,171	610	2,321	17,101
Total - through 1st Quarter	$9,173,845	$955,914	$3,764,381	$13,894,141
Budgeted Amount	$808	$808	$808	$16,901,118
Variance	$237	$74	($255)	$3,006,977
2009 (through 1st Qtr.)				
PEPM Medical claims	$487.60	$366.64	$887.46	$541.97
PEPM Rx Claims	$103.23	$383.58	$235.69	$143.60
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18
Total PEPM Cost	$626.00	$785.39	$1,158.33	$720.75
Enrollment				
Employees/Retirees	5,756	520	1,170	7,446
Members (includes dependents)	14,924	745	2,368	18,037
Total - through 1st Quarter	$10,810,429	$1,224,428	$4,064,563	$16,099,421
Budgeted Amount	$813	$955	$895	$18,660,789
Variance	$187	$169	($263)	$2,561,368
PEPM Change from end of Q1 2008				
Medical	11.72%	22.41%	5.53%	9.18%
Rx	2.39%	-4.38%	24.73%	6.82%
Total	9.68%	6.97%	8.93%	8.50%

Financial Report
2009 Experience – Total
1st Quarter

	Total				
	Active	Retiree		Total	Expense through Q1
2008 (through 1st Qtr.)		Medicare	No Medicare		
PEPM Medical claims	$447.38	$254.69	$811.44	$502.59	$14,827,894
PEPM Rx Claims	$105.12	$374.07	$170.27	$159.88	$4,716,981
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50	$988,351
Total PEPM Cost	$585.99	$662.26	$1,015.21	$695.97	
Enrollment					
Employees/Retirees	6,118	1,455	2,261	9,834	9,834
Members (includes dependents)	15,712	2,022	4,234	21,967	21,967
Total - through 1st Quarter	$10,755,906	$2,890,102	$6,887,218	$20,533,226	$20,533,226
Budgeted Amount	$765	$765	$765	$765	$22,584,149
Variance	$179	$103	($250)	$70	$2,050,924
2009 (through 1st Qtr.)					
PEPM Medical claims	$489.83	$232.49	$792.90	$513.52	$15,528,460
PEPM Rx Claims	$105.88	$369.05	$199.12	$165.67	$5,009,827
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18	$1,063,808
Total PEPM Cost	$630.89	$636.72	$1,027.20	$714.38	
Enrollment					
Employees/Retirees	6,433	1,546	2,101	10,080	10,080
Members (includes dependents)	16,274	2,191	3,955	22,420	22,420
Total - through 1st Quarter	$12,175,561	$2,953,124	$6,473,410	$21,602,095	$21,602,095
Budgeted Amount	$794	$828	$723	$790	$23,899,957
Variance	$163	$192	($305)	$76	$2,297,862
PEPM Change from end of Q1 2008					
Medical	9.49%	-8.72%	-2.28%	2.18%	4.72%
Rx	0.72%	-1.34%	16.94%	3.62%	6.21%
Total	7.66%	-3.86%	1.18%	2.64%	5.21%

Large Claims Experience
2009 v. 2008

- 2009 Large Claims Experience through March 2009
  - 5 claimants exceeding $100,000 (2 Active Employees, 3 Retired Employees)
  - Total on 5 claimants: $795,887
  - No (0) claimants exceeding $250,000
- 2008 Large Claims Experience through March 2008
  - 8 claimants exceeding $100,000 (3 Active Employees, 2 Retired Employees, 3 Spouses)
  - Total on 8 claimants: $1,179,340
  - No (0) claimants exceeding $250,000

Questions?