February 2, 2010

The City of Memphis
Healthcare Committee Meeting

Agenda

- Roll Call
- Opening
- Benefits Update
- Quarterly Reporting
  - 2009 Experience through 1st Quarter
  - Large Claims Experience
- Impact of GASB 43 and 45 on Health Insurance and OPEB Fund
- 2011 Funding Rates
- Committee Vacancies
- Questions
- Appendix

Healthcare Up-date

Healthcare Update

Satellite Report

Orientations - Police - 90

New Hire – 53

Office Contacts – 2323

Medicare Report

	Retirees - 750	Spouses 269
No Medicare		
Medicare A & B	1594	700
Medicare A	346	132
Medicare B	7	2
Total	**1947**	**834**

Healthcare Update

Healthcare Mandates 2010

- ADA – Hearing Aides, Mental Health, Substance Abuse
- SPD changes will be communicated

Systems Problems

- Dependents terminated on 12-31 2009 and 1-31-2010 due to a refund/ rollover assignment for year-end retirees.
- Dental and vision assignments were not received by UHC and caused new elections to be terminated.
- All errors were manually corrected and rules applied to prevent reoccurrence.

Caremark Changes:

Specialty Drugs, ADHD narcolepsy, pain medications and Cos-II inhibitors

Financial Report
4th Quarter 2009 Experience

Financial Report
2009 Experience – Basic Plan
4th Quarter

	Basic Plan			
	Active	Retiree		Total
2008 (through 4th Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$493.38	$228.09	$746.68	$492.63
PEPM Rx Claims	$142.82	$375.69	$165.90	$235.18
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50
Total PEPM Cost	$669.70	$637.29	$946.08	$761.31
Enrollment				
Employees/Retirees	748	1,008	1,048	2,804
Members (includes dependents)	1,448	1,397	1,841	4,686
Total - through 4th Quarter	$6,013,205	$7,711,167	$11,895,072	$25,619,444
Budgeted Amount	$650	$650	$650	$21,866,384
Variance	($20)	$12	($296)	($3,753,061)
2009 (through 4th Qtr.)				
PEPM Medical claims	$559.46	$248.94	$792.17	$516.21
PEPM Rx Claims	$153.00	$384.85	$166.81	$250.18
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18
Total PEPM Cost	$747.64	$668.97	$994.16	$801.57
Enrollment				
Employees/Retirees	646	1,007	874	2,527
Members (includes dependents)	1,283	1,409	1,513	4,205
Total - through 4th Quarter	$5,792,732	$8,084,507	$10,428,755	$24,305,993
Budgeted Amount	$636	$638	$675	$19,727,985
Variance	($111)	($31)	($319)	($4,578,008)
PEPM Change from end of Q4 2008				
Medical	13.39%	9.14%	6.09%	4.79%
Rx	7.13%	2.44%	0.55%	6.38%
Total	11.64%	4.97%	5.08%	5.29%

Financial Report
2009 Experience – Premier Plan
4th Quarter

	Premier Plan			
	Active	Retiree		Total
2008 (through 4th Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$493.55	$312.39	$830.11	$539.08
PEPM Rx Claims	$107.40	$393.57	$207.17	$142.43
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50
Total PEPM Cost	$634.45	$739.46	$1,070.78	$715.01
Enrollment				
Employees/Retirees	5,519	456	1,218	7,193
Members (includes dependents)	14,512	638	2,414	17,564
Total - through 4th Quarter	$42,018,287	$4,043,394	$15,655,875	$61,717,556
Budgeted Amount	$808	$808	$808	$69,751,556
Variance	$174	$69	($263)	$8,034,000
2009 (through 4th Qtr.)				
PEPM Medical claims	$563.45	$342.90	$1,060.22	$626.24
PEPM Rx Claims	$111.91	$412.03	$231.62	$153.04
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18
Total PEPM Cost	$710.55	$790.11	$1,327.02	$814.46
Enrollment				
Employees/Retirees	5,877	564	1,218	7,659
Members (includes dependents)	15,146	798	2,459	18,402
Total - through 4th Quarter	$50,111,912	$5,343,532	$19,399,719	$74,855,163
Budgeted Amount	$813	$895	$955	$77,313,490
Variance	$102	$105	($373)	$2,458,327
PEPM Change from end of Q4 2008				
Medical	14.16%	9.77%	27.72%	16.17%
Rx	4.21%	4.69%	11.80%	7.45%
Total	11.99%	6.85%	23.93%	13.91%

Financial Report
2009 Experience – Total
4th Quarter

	Total				
	Active	Retiree		Total	Expense through Q3
2008 (through 4th Qtr.)		Medicare	No Medicare		
PEPM Medical claims	$493.53	$254.33	$791.53	$526.05	$63,110,090
PEPM Rx Claims	$111.63	$381.26	$188.09	$168.44	$20,207,949
PEPM Claims Administration	$33.50	$33.50	$33.50	$33.50	$4,018,962
Total PEPM Cost	$638.66	$669.09	$1,013.13	$728.00	
Enrollment					
Employees/Retirees	6,267	1,464	2,266	9,997	9,997
Members (includes dependents)	15,961	2,035	4,255	22,250	22,250
Total - through 4th Quarter	$48,031,492	$11,754,561	$27,550,947	$87,337,000	$87,337,000
Budgeted Amount	$764	$764	$764	$764	$91,702,582
Variance	$126	$95	($249)	$36	$4,365,582
2009 (through 4th Qtr.)					
PEPM Medical claims	$563.06	$282.66	$948.23	$598.94	$73,209,497
PEPM Rx Claims	$115.98	$394.60	$204.55	$177.14	$21,651,573
PEPM Claims Administration	$35.18	$35.18	$35.18	$35.18	$4,300,087
Total PEPM Cost	$714.22	$712.44	$1,187.96	$811.26	
Enrollment					
Employees/Retirees	6,523	1,571	2,092	10,186	10,186
Members (includes dependents)	16,429	2,207	3,971	22,607	22,607
Total - through 4th Quarter	$55,904,644	$13,428,039	$29,828,474	$99,161,156	$99,161,156
Budgeted Amount	$793	$723	$828	$790	$96,561,167
Variance	$79	$10	($359)	($21)	($2,599,990)
PEPM Change from end of Q4 2008					
Medical	14.09%	11.14%	19.80%	13.86%	16.00%
Rx	3.90%	3.50%	8.75%	5.16%	7.14%
Total	11.83%	6.48%	17.26%	11.44%	13.54%

Large Claims Experience
2009 v. 2008

- 2009 Large Claims Experience through December 2009
  - 59 claimants exceeding $100,000 (19 Active Employees, 26 Retired Employees, 13 Spouses, 1 Child)
  - Total on 59 claimants: $10,594,219
  - Ten (10) claimants exceeding $250,000
- 2008 Large Claims Experience through December 2008
  - 59 claimants exceeding $100,000 (13 Active Employees, 27 Retired Employees, 14 Spouses, 5 Children)
  - Total on 59 claimants: $9,715,197
  - Six (6) claimants exceeding $250,000