April 25, 2011

The City of Memphis
Healthcare Committee Meeting

Agenda

- Roll Call
- Opening
- Benefits Up-date
- Quarterly Reporting
  - 2011 Experience through 1st Quarter
  - Large Claims experience
  - Other Administrative Experience
  - Historical Health Plan Experience
  - Recommended Premium Rates
- Health Care Reform – Immediate impacts
- Year-end report – Caremark
- Year-end Report – United Healthcare
- Medicare Buyback Presentation
- Committee Vacancies
- Next Meeting Date
- Questions

BENEFITS UP-DATE

- Medical RFP
  - CIGNA, United Healthcare, Aetna, BCBS, Humana submitted bids
  - Intent to Award was extended to CIGNA
  - Presently we are in the protest stage
  - The out come will be presented as soon as results are completed

Medicare Status	**Retirees**	**Spouses**
Medicare A & B	1403	688
Medicare A Only	374	152
Medicare B	9	3
No Medicare	562	255
Total	1786	843

Satellite Activity	Benefits -533	Employment	675

Financial Report
1st Quarter 2011 Experience

Financial Report
2011 Experience – Basic Plan
1st Quarter

	Basic Plan			
	Active	Retiree		Total
2010 (through 1st Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$611.25	$279.94	$610.89	$474.02
PEPM Rx Claims	$150.06	$366.70	$169.97	$246.30
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08
Total PEPM Cost	$800.39	$685.72	$819.94	$759.41
Enrollment				
Employees/Retirees	619	1,004	803	2,425
Members (includes dependents)	1,228	1,405	1,418	4,050
Total - through 1st Quarter	$1,486,328	$2,064,699	$1,974,409	$5,525,436
Budgeted Amount	$616	$637	$629	$4,577,786
Variance	($184)	($49)	($191)	($947,650)
2011 (through 1st Qtr.)				
PEPM Medical claims	$561.02	$278.37	$746.23	$491.44
PEPM Rx Claims	$137.00	$361.86	$180.57	$250.09
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08
Total PEPM Cost	$737.10	$679.31	$965.87	$780.60
Enrollment				
Employees/Retirees	574	1,007	685	2,266
Members (includes dependents)	1,121	1,406	1,219	3,746
Total - through 1st Quarter	$1,269,290	$2,052,192	$1,985,836	$5,307,318
Budgeted Amount	$703	$697	$711	$4,780,284
Variance	($34)	$18	($255)	($527,034)
PEPM Change from end of Q1 2010				
Medical	-8.22%	-0.56%	22.15%	3.67%
Rx	-8.71%	-1.32%	6.24%	1.54%
Total	-7.91%	-0.93%	17.80%	2.79%

Financial Report
2011 Experience – Premier Plan
1st Quarter

	Premier Plan			
	Active	Retiree		Total
2010 (through 1st Qtr.)		Medicare	No Medicare	
PEPM Medical claims	$577.73	$320.63	$1,136.56	$646.00
PEPM Rx Claims	$100.39	$395.29	$212.19	$141.06
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08
Total PEPM Cost	$717.20	$755.00	$1,387.83	$826.14
Enrollment				
Employees/Retirees	6,005	613	1,242	7,861
Members (includes dependents)	15,476	869	2,519	18,863
Total - through 1st Quarter	$12,921,067	$1,388,443	$5,172,449	$19,481,959
Budgeted Amount	$822	$925	$970	$20,125,703
Variance	$105	$170	($418)	$643,744
2011 (through 1st Qtr.)				
PEPM Medical claims	$608.09	$445.86	$845.64	$631.25
PEPM Rx Claims	$107.46	$371.56	$204.16	$146.02
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08
Total PEPM Cost	$754.63	$856.50	$1,088.88	$816.36
Enrollment				
Employees/Retirees	6,125	717	1,282	8,124
Members (includes dependents)	15,883	1,027	2,613	19,522
Total - through 1st Quarter	$13,866,369	$1,842,332	$4,186,739	$19,895,439
Budgeted Amount	$972	$1,100	$1,133	$24,575,109
Variance	$217	$243	$44	$4,679,670
PEPM Change from end of Q1 2010				
Medical	5.26%	39.06%	-25.60%	-2.28%
Rx	7.04%	-6.00%	-3.79%	3.52%
Total	5.22%	13.44%	-21.54%	-1.18%

Financial Report
2011 Experience – Total
1st Quarter

	Total				
	Active	Retiree		Total	Expense through Q1
2010 (through 1st Qtr.)		Medicare	No Medicare		
PEPM Medical claims	$580.86	$295.36	$930.23	$605.45	$18,682,914
PEPM Rx Claims	$105.03	$377.54	$195.62	$165.87	$5,118,550
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08	$1,205,931
Total PEPM Cost	$724.97	$711.99	$1,164.93	$810.40	
Enrollment					
Employees/Retirees	6,624	1,617	2,045	10,286	10,286
Members (includes dependents)	16,704	2,273	3,936	22,913	22,913
Total - through 1st Quarter	$14,407,395	$3,453,142	$7,146,858	$25,007,395	$25,007,395
Budgeted Amount	$803	$746	$836	$801	$24,703,490
Variance	$78	$34	($329)	($10)	($303,905)
2011 (through 1st Qtr.)					
PEPM Medical claims	$604.06	$348.03	$811.00	$600.76	$18,725,550
PEPM Rx Claims	$109.99	$365.89	$195.94	$168.72	$5,259,084
PEPM Claims Administration	$39.08	$39.08	$39.08	$39.08	$1,218,124
Total PEPM Cost	$753.13	$753.00	$1,046.02	$808.56	
Enrollment					
Employees/Retirees	6,699	1,724	1,967	10,390	10,390
Members (includes dependents)	17,004	2,433	3,832	23,269	23,269
Total - through 1st Quarter	$15,135,659	$3,894,524	$6,172,575	$25,202,757	$25,202,757
Budgeted Amount	$949	$865	$986	$942	$29,355,393
Variance	$195	$112	($60)	$133	$4,152,635
PEPM Change from end of Q1 2010					
Medical	3.99%	17.83%	-12.82%	-0.78%	0.23%
Rx	4.72%	-3.09%	0.16%	1.72%	2.75%
Total	3.88%	5.76%	-10.21%	-0.23%	0.78%

Large Claims Experience
2011 v. 2010

- 2011 Large Claims Experience through March 2011
  - 8 claimants exceeding $100,000 (3 Active Employees, 2 Retired Employees, 1 Spouse and 2 Children)
  - Large Claims paid by plan
    - Active Premier $ 560,011
    - Active Basic $ 137,805
    - Retired Premier $ 249,254
    - Retired Basic $ 148,982
  - Two claimants are enrolled in the Basic plan and six are enrolled in the Premier plan
  - Total on 8 claimants: $1,096,052
  - No (0) claimants exceeding $250,000
- 2010 Large Claims Experience through March 2010
  - 9 claimants exceeding $100,000 (3 Active Employees, 3 Retired Employees, 3 Spouses)
  - Large Claims paid by plan
    - Active Premier $ 795,780
    - Retired Premier $ 684,525
  - All nine claimants are enrolled in the Premier plan
  - Total on 9 claimants: $1,480,305
  - No (0) claimants exceeding $250,000

Health Care Reform