

UNM Medical Plan FY 2020 Strategy



HUMAN
RESOURCES

FY 2020 Preliminary Cost Projections

Eric Weinstein, Aon

FY 2020 Preliminary Cost Projection

- FY '20 rates are projected to be 7% higher than current rates
 - Combination of annual trend rates of 5.5% medical / 7.5% pharmacy and above average claims for the most recent 12 months ending October 2018
 - A revised preliminary projection will be calculated in late January with claims through December 2018
- UNM generally experiences renewals +/- 3% of the annual trend rate of approximately 6%
- Since FY '10 premiums have increased an average of 2.9% per year with very few plan design changes compared to a national average of 4.7% annually



Status Quo Monthly Contributions

Monthly Contributions

>\$35k (80/20)			\$35k-\$50k (70/30)			\$50k+ (60/40)		
FY 19			FY 19			FY 19		
UNMTH	BCBS	PHP	UNMTH	BCBS	PHP	UNMTH	BCBS	PHP
\$98	\$101	\$128	\$147	\$152	\$192	\$196	\$202	\$256
\$201	\$207	\$263	\$301	\$311	\$395	\$402	\$414	\$526
\$181	\$187	\$237	\$272	\$281	\$356	\$362	\$374	\$475
\$285	\$294	\$373	\$428	\$441	\$560	\$570	\$588	\$746

Monthly Contributions

>\$35k (80/20)			\$35k-\$50k (70/30)			\$50k+ (60/40)		
FY 20			FY 20			FY 20		
UNMTH	BCBS	PHP	UNMTH	BCBS	PHP	UNMTH	BCBS	PHP
\$105	\$108	\$137	\$157	\$162	\$206	\$209	\$216	\$274
\$215	\$221	\$281	\$322	\$332	\$422	\$430	\$443	\$563
\$194	\$200	\$254	\$291	\$300	\$381	\$388	\$400	\$508
\$305	\$314	\$399	\$458	\$472	\$599	\$610	\$629	\$798

- Assumes a 7% increase to all plans and all tiers
- Assumes no plan design changes

Monthly Employee Contribution Change

Monthly Contribution Impact

	>\$35k (80/20) FY 20 vs. FY 19			\$35k-\$50k (70/30) FY 20 vs. FY 19			\$50k+ (60/40) FY 20 vs. FY 19		
	UNMTH	BCBS	PHP	UNMTH	BCBS	PHP	UNMTH	BCBS	PHP
Employee Only	\$7	\$7	\$9	\$10	\$11	\$14	\$13	\$14	\$18
Employee + Spouse	\$14	\$14	\$18	\$21	\$22	\$28	\$28	\$29	\$37
Employee + Child(ren)	\$13	\$13	\$17	\$19	\$20	\$25	\$26	\$26	\$33
Employee + Family	\$20	\$21	\$26	\$30	\$31	\$39	\$40	\$41	\$52

Assumes a 7% increase to all plans/tiers and no plan design changes

FY 2020 Medical Plan Options Proposal

Joey Evans, Director, University Benefits

FY 2020 Objectives

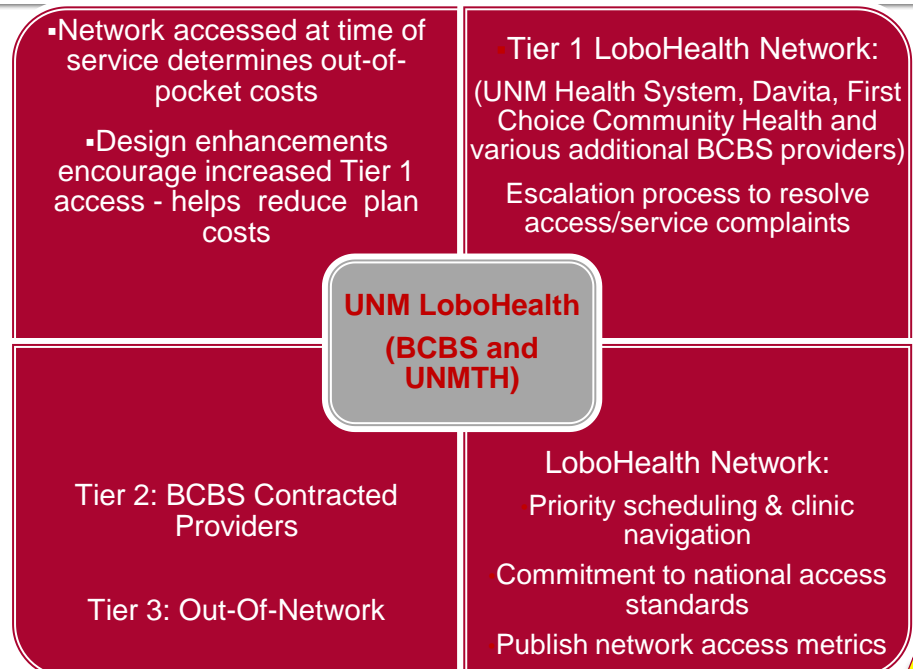
7% increase projected based on
FY 2019 experience



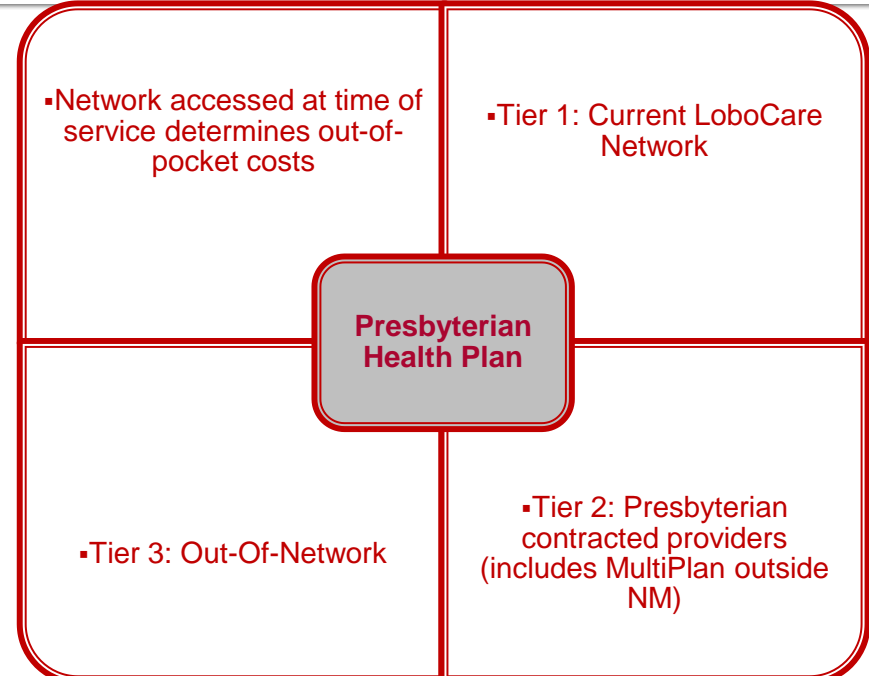
■ FY 2020 Objectives: Create foundation to “Bend the Trend” going forward:

- Combine current UNM Team Health (UNMTH) and BCBS populations into one plan.
- Proposed Name: UNM LoboHealth
- Increase utilization of Tier 1 network within UNM LoboHealth and provide the framework for sustainable benefits in the future.
- Continue to provide choice for how UNM employees and dependents receive their health care.
- Provide a simplified and financially predictable benefit structure for UNM LoboHealth Network.
- Reduce administrative redundancy.

FY 2020 Proposed Medical Plan Choices



No approval required to access care outside of Tier 1



Plan design will remain the same as current

FY 2020 Proposal: UNM LoboHealth

NETWORK STRUCTURE

- Current UNMTH network will be Tier 1 for combined population
 - Includes UNM Health System, Davita, First Choice Community Health and various additional BCBS providers
 - Additional BCBS providers primarily include Lab and X-ray, Medical Supplies, Mental Health, Rehab/PT, Fertility
- LoboHealth Network plan design enhancements to encourage increased Tier 1 access
 - Increased utilization of LoboHealth Network helps to reduce overall plan costs

NETWORK COMMITMENTS

- UNM LoboHealth network to provide priority scheduling and clinic navigation for Tier 1
 - Commitment to access standards to meet national standards
 - Increase marketing and accessibility of LoboCare Clinic
 - Publish network access metrics on predetermined frequency including length to appointment, number of patients referred outside Tier 1 and other metrics
- Escalation process with BCBS, UNMTH and UNM Benefits to resolve access/service complaints

FY 2020 Proposed Plan design

Plan Design Major Categories	FY 2019 UNM Team Health		FY 2019 BCBS		FY 2020 Combined	
Number of Employees	1,313		4,117		5,430	
Total Lives Covered	2,450		7,900		10,350	
Percent of Claims in Tier 1	~85%		~50%		Projected ~63%	
Deductible- Individual/Family(Only Applicable to Coinsurance)	\$600/\$1,200		\$600/\$1,200		\$600/\$1,200	
OOP Max-Individual/Family (Includes Tier I and Tier II cost share and combined with Rx cost share)	\$3,000/\$6,000		\$3,000/\$6,000		\$3,000/\$6,000	
Approval Required to access Tier II Providers	Approval from UNMTH (Benefit Certification) Required for Tier II. If not obtained, Cost Share is at Tier III (Out of Network)		Choice-Cost Share is based on network chosen at time of service. No Approval required		Choice-Cost Share is based on network chosen at time of service. No Approval required	
Customer Service	UNMTH with warm transfer to BCBS		BCBS		BCBS with warm transfer to UNMTH UNMTH provide UNMTH network and clinic priority scheduling	
Plan Cost Share	Tier I Cost Share	Tier II Cost Share	Tier I Cost Share	Tier II Cost Share	Tier I Cost Share PROPOSED	Tier II Cost Share PROPOSED
PCP Visit	\$25	\$30	\$25	\$30	\$10	\$30
Specialist Visit	\$35	\$45	\$35	\$45	\$20	\$45
Complex Diagnostic (MRI, CT, PET, Nuclear Med	10%	30%	15%	25%	\$150	25%
Outpatient Procedures	10%	30%	15%	25%	\$250	25%
Inpatient	10%	30%	15%	25%	\$500	25%

FY 2020 Proposed Plan design Examples

Health Care Service	FY 2019 UNM Team Health Network Out-Of-Pocket Costs	FY 2020 LoboHealth Network Out-Of-Pocket Costs
Hospitalization for Delivery of a baby	\$600 Deductible + \$640 coinsurance = approximately \$1,240 assuming delivery total cost of \$7,000	\$500 Co-pay Out-Of-Pocket savings of approximately \$740
MRI	\$600 Deductible + \$40 coinsurance = \$640 assuming total cost of \$1,000	\$150 Co-pay Out-Of-Pocket savings of approximately \$490
Outpatient Knee Surgery	\$600 Deductible + \$340 coinsurance = \$940 assuming total costs of \$4,000	\$250 Co-pay Out-Of-Pocket savings of approximately \$690
Four PCP Visits	$\$25 \times 4 = \100	$\$10 \times 4 = \40 Out-Of-Pocket savings of approximately \$60
Two Specialist Visits	$\$35 \times 2 = \70	$\$20 \times 2 = \40 Out-Of-Pocket savings of approximately \$30

Monthly Employee Differential from Status Quo and Proposed Change

Monthly Contribution Differential Between Options

	>\$35k (80/20)		\$35k-\$50k (70/30)		\$50k+ (60/40)	
	FY 20		FY 20		FY 20	
	UNMTH	BCBS	UNMTH	BCBS	UNMTH	BCBS
Employee Only	\$2	-\$1	\$4	-\$1	\$6	-\$1
Employee + Spouse	\$5	-\$1	\$8	-\$2	\$10	-\$3
Employee + Child(ren)	\$5	-\$1	\$7	-\$2	\$10	-\$2
Employee + Family	\$8	-\$1	\$11	-\$3	\$16	-\$3

Proposed Monthly Contributions

Monthly Contributions

	>\$35k (80/20) FY 19		\$35k-\$50k (70/30) FY 19		\$50k+ (60/40) FY 19	
	UNMTH	BCBS	UNMTH	BCBS	UNMTH	BCBS
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Employee + Spouse	\$201	\$207	\$301	\$311	\$402	\$414
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Monthly Contributions

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	UNM LoboHealth		UNM LoboHealth		UNM LoboHealth	
Employee Only	\$107		\$161		\$215	
Employee + Spouse	\$220		\$330		\$440	
Employee + Child(ren)	\$199		\$298		\$398	
Employee + Family	\$313		\$469		\$626	