

AASBO
PEEHIP Training

May 4, 2016
 Orange Beach, AL

Agenda

1. PEEHIP overview and funding strategy
2. Plan changes effective 10/1/2016 and 1/1/2017
3. Wellness Program review
4. 3-1 Rule and the Employer Portal
5. New employee procedures
6. New reporting requirements from ACA

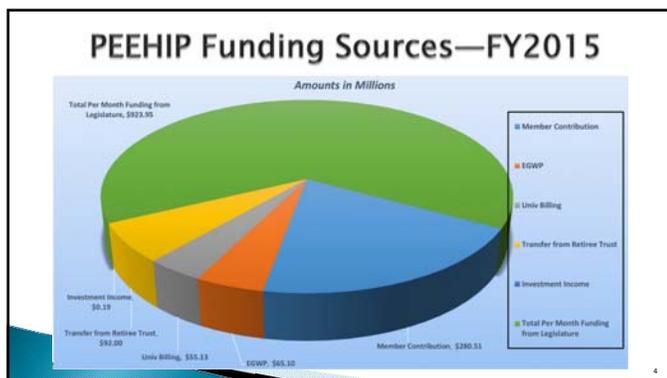
PEEHIP Overview and Funding Strategy

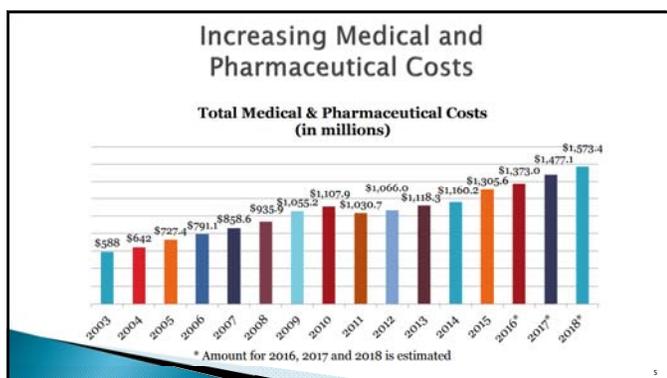
Overview:

- Over the past few years, PEEHIP has faced sharp increases in healthcare costs, creating large budget shortfalls. Healthcare costs have risen to around \$1.3 **Billion** per year
- Long-term plan changes had to be made to address these shortfalls on a continuing basis so that they do not continue to become larger as healthcare costs continue to increase

Funding Strategy:

- The AL State Legislature significantly increased PEEHIP's funding for FY2017
- Many programs are in place to reduce costs including the *Team Up for Health* Wellness Program, pharmacy utilization management programs, the Coordination of Benefits (COB) program, the Dependent Eligibility Verification Audit (DEVA), and the upcoming Medicare Advantage benefit effective 1/1/2017 which will improve Medicare-eligible members' benefits while also reducing costs
 - These programs were implemented to reduce the financial impact on PEEHIP members on addressing the overall PEEHIP funding gap
- Premium rate changes will work in addition to these other successful actions and programs to improve the long-term financial health of the plan and continue to offer strong benefits

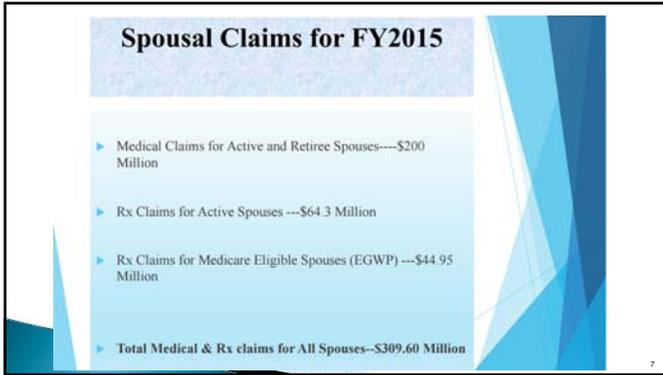




PEEHIP Projection 2016–2018

PEEHIP is facing increased costs in the future due to several factors:

- Increased utilization of Affordable Care Act mandates
- Increasing numbers of retirees
- Increasing numbers of dependents
- Challenging claims trends with new drugs coming to market daily and increasing cost of generics, brands and specialty medications
- Challenging Medical trend particularly due in part to new methodology for reimbursing hospitals coupled with overall increased medical utilization



October 2016 Plan Year Premium Rate Changes

Premiums:

- Single coverage: premiums will increase \$15 per month for all active and retired contracts to a new premium of \$30
- Family coverage: premiums will increase \$30 per month for all active and retired contracts to a new premium of \$207

Spousal Surcharge:

- The additional surcharge for spousal coverage will increase \$50 per month for active and non-Medicare retired members. The new spousal surcharge will be \$100 per month
- The surcharge for Medicare members will increase \$10 per month, to \$30
- Spousal surcharges do not apply to those members with spouses who are independently eligible for PEEHIP

October 2016 Plan Year Premium Rate Changes

Sliding Scale:

- Only applicable to those who retired on or after 10/1/2005
- Based on years of service and the cost of the insurance program
- Age and Subsidy component may also apply for members who retired on or after 1/1/2012.
- The plan year beginning October 2016 is the last year of the 5 year phase in

COBRA/LOA:

- COBRA and LOA rates are calculated each year as a component of healthcare cost. These rates including their changes from prior year are shown on the following slide

Surviving Dependent Rates:

- Surviving dependents are able to continue the PEEHIP coverage they have at the time of the subscriber's death, but must pay the full cost of the monthly premium
- Surviving rates including their changes from prior year are shown on the following slide

COBRA, LOA & Surviving Spouse Monthly Premiums

COBRA and Leave of Absence	FY 2016	FY 2017	Increase (Decrease)
Individual	\$444	\$460	\$16
Family	1,131	1,171	40
Supplemental	164	152	(12)

Surviving Spouse	FY 2016	FY 2017	Increase (Decrease)
SS < 65	\$740	\$816	\$76
SS < 65, Dependent <	987	1,028	41
SS < 65, Dependent >	1,033	1,067	34
SS > 65	425	430	5
SS > 65, Dependent <	679	720	41
SS > 65, Dependent >	725	759	34

10

October 2016 Plan Year Premium Rate Changes

Member Class	FY2016 Rates (Effective October 2015)	FY2017 Rates (Effective October 2016)
Active single	\$ 15	\$ 30
Active family	\$ 177	\$ 207
Active family with spouse	\$ 202	\$ 307
Retired single non-Medicare	\$ 151	\$ 166
Retired family all non-Medicare	\$ 391	\$ 421
Retired family all non-Medicare with spouse	\$ 416	\$ 521
Retired family non-Medicare with Medicare dependent	\$ 250	\$ 280
Retired family non-Medicare with Medicare spouse	\$ 260	\$ 310
Retired single Medicare	\$ 10	\$ 25
Retired family Medicare with non-Medicare dependent	\$ 250	\$ 280
Retired family Medicare with non-Medicare spouse	\$ 275	\$ 380
Retired family all Medicare	\$ 109	\$ 139
Retired family with spouse all Medicare	\$ 119	\$ 169
Active and non-Medicare spousal surcharge	\$ 25	\$ 100
Retired Medicare spousal surcharge	\$ 10	\$ 30

Note: Spousal surcharges were previously set at \$75 and \$25 to be phased in over 3 years. Effective 10/1/2016, the phase in was accelerated, plus \$25 and \$5, respectively.

11

October 2016 Plan Year Premium Rates

Cancer, Indemnity, and Vision	Single or Family	\$38 per plan
Dental	Single	\$38
Dental	Family	\$50

Tobacco Premium		Wellness Premium	
Member	\$ 50	Member	\$ 50
Spouse	\$ 50	Spouse	\$ 50

No changes in these premiums

12

PEEHIP Overview and Funding Strategy

Additional Information:

- PEEHIP's Federal Poverty Level Discount (FPL) program is available and underutilized. This program reduces the PEEHIP premium by a percentage based on a member's household income in comparison to Federally-set thresholds
- Removing a spouse from coverage will save \$100 per month in premiums for active employees and non-Medicare-eligible retirees
- With the new premium rates, PEEHIP members are charged roughly 7% of the projected claim cost for single coverage per year, and 27% the projected cost of family (with spouse) coverage per year

13

Southern States Premium Comparison Paid by Employees* (per month)

	PEEHIP	Florida	Texas	Tennessee
Employee only	\$15	\$50	\$389	\$118.50
Family without Spouse	\$177	\$180	\$767	\$177.74
Family with Spouse	\$202	\$180	\$1,296	\$308.09

	Georgia	Louisiana	South Carolina	Mississippi (H)
Employee only	\$170.68	\$163.32	\$97.68	\$38
Family without Spouse	\$308.22	\$235.08	\$143.86	\$193
Family with Spouse	\$552.71	\$568.48	\$306.56	\$685

- * 2016 Premiums.
- * Amounts are net of any Tobacco, Wellness, or Spousal premiums (if applicable)
- (H) - Denotes Mississippi Legacy Employee, hired on or after 1/1/2006

14

Outpatient Mental Health Benefit

- ▶ Enhance the Outpatient Mental Health Benefits to allow active and non-Medicare retirees and covered dependents to use the Blue Choice Network providers.
- ▶ Providers include psychiatrists, clinical psychologists, and masters level therapists, such as counselors and social workers, LPC and LCSW.
- ▶ Members would pay \$50 copay per visit with no Major Medical deductible and no balance billing.
- ▶ 12 visit limit per year.

15

What can PEEHIP members do to help control costs?

- **New and expensive prescription medications are the primary cause for rising claim costs. Ask your doctor and pharmacist about the medications you are taking to see if any lower cost alternatives such as generics are available.** See the PEEHIP January and April *Advisor* newsletters
- Take advantage of the PEEHIP *Team Up for Health* Wellness Program to **achieve better health and reduce both your out-of-pocket costs and the costs of potentially avoidable healthcare spending by the plan.**
- Obtain a primary care physician and seek care from them when appropriate instead of an ER or Urgent Care facility.

16

NEW – Medicare Advantage Benefit

Effective January 1, 2017, Medicare Advantage is for Medicare-eligible members covered on a retiree contract

UnitedHealthcare will be PEEHIP’s Medicare Advantage Prescription Drug Plan (MAPDP) partner.

- With a **Medicare Advantage Plan** (Part C) plan, you get all of your **Part A** (Hospital Insurance) and **Part B** (Medical Insurance) coverage, and **Part D** (prescription drug coverage), in one convenient plan.
- **IMPORTANT:** You must be enrolled in Part A and Part B to have coverage with PEEHIP through this MAPDP plan.

17

NEW – Medicare Advantage Benefit

Advantages of MAPDP offered by **UnitedHealthcare:**

- House calls
- Health risk assessments
- Preventive care reminders
- Screening exams and Immunization reminders
- Nurseline
- Diabetes Outreach
- Disease and Care Management
- Birthday emails
- Silver Sneakers

18

NEW – Medicare Advantage Benefit

Under MAPDP, what happens if you need to go to the doctor?

If your doctor is an in-network provider:

- Pay your copay just like before

If your doctor is non-network but accepts Medicare assignment:

- Pay your copay just like before

If your doctor has opted out of Medicare entirely, i.e. a Concierge doctor:

- PEEHIP does not cover concierge, no change in this due to MAPDP

If your doctor is non-network and does NOT accept Medicare assignment:

- Pay your copay just like before

19

Medicare Enrollment

- Medicare eligibility can be due to disability or starting the first of the month a member turns 65
- **Are you Medicare-eligible and considering retiring?**
 - **Effective your date of retirement, you must have Part A and B to have adequate coverage**
- Medicare Part B – An employee must enroll to be effective the date he or she retires. Enroll 2–3 months prior to retirement.
- A Medicare-eligible (ME) spouse covered on an active contract must also enroll in Part B effective the date the subscriber retires.
- **A ME active member covered on a PEEHIP retiree contract must be enrolled in Parts A and B.**
- Retirees approaching age 65, must contact their local SS office 2–3 months prior to turning age 65 unless they are already drawing social security benefits.
- This will apply for MAPDP beginning 1/1/2017

20

Wellness Program Review

What PEEHIP members are saying:

- ▶ This program is a "lifeline that bridges the gap with the doctor."
- ▶ Member stated that this
- ▶ is a "phenomenal program."
- ▶ "I have learned so much just by visiting the website
- ▶ (MyActiveHealth)."
- ▶ The health screening "changed my life!"

Numerous accounts of members:

- Losing weight
- Lowering A1C
- Quitting smoking
- Making dietary changes
- Increasing physical activities
- Improved member-physician relationships

21

Wellness Program Review

- Who is Required to Participate?
 - **Required if enrolled in PEEHIP BCBS hospital/medical plan (group #14000) and:**
 - Active members and their covered spouses
 - Non-Medicare-eligible retirees
 - Covered non-Medicare-eligible spouses of retirees
 - COBRA, Leave of Absence, Surviving Spouses
 - **NOT required to participate:**
 - Medicare-eligible retirees
 - Medicare-eligible spouses on retired contracts
 - Children
 - Members who are only enrolled in VIVA, Optional Plans, Supplemental Medical - (Must be enrolled in group #14000 hospital/medical plan to be required to participate)

22

Wellness Program Review

- Earn a Waiver of the Monthly Wellness Premium
- \$50 monthly wellness premium applied separately to subscribers and spouses effective October 1 who do not participate or complete their annual wellness program requirements by August 31 each year
 - PEEHIP does not want anyone to incur the additional \$50 monthly wellness premium
 - Wellness premium can be removed prospectively during the plan year after requirements completed

23

Wellness Program Review

1. **Complete a Wellness Screening**
 - One screening available every year restarting every August 1. For screenings obtained at your doctor, only 1 is covered per **calendar year**.
 2. **Complete the Health Questionnaire**
 - Yearly restart date is October 1
 - Health Questionnaire (HQ) available online at www.MyActiveHealth.com/PEEHIP
 - Telephonic HQ available at 855.294.6580
- ***Newly enrolled members and spouses** with coverage effective 6/2 - 8/31 have until August 31st of the following year to complete requirements.

24

Wellness Program Review

3. Participate in Wellness Coaching/Disease Management

- Yearly restart date is October 1 and minimum requirement is 1 phone call or 100 heartbeat units of online coaching credit unless otherwise noted*
- ActiveHealth Certified Wellness Coach works to reduce health risk and coach members to manage weight, get moving, manage stress, eat healthier & more
- ActiveHealth Nurse Coach helps with self examination, adherence to medication, knowing when to seek treatment, etc.
- The 5 Chronic disease states identified for disease management are asthma, diabetes, coronary artery disease, congestive heart failure, COPD

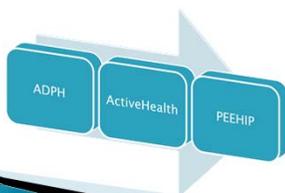
*Some PEEHIP members will be identified as candidates for a higher level of care than regular Disease Management. These members will be required to complete at least 4 telephonic Health Coaching calls before August 31, 2016 in order to earn the wellness premium waiver.

- ActiveHealth nurses and coaches will contact candidates or can be reached at 855.294.6580 from 8:00am - 8:00pm, Monday-Friday; 8:00am - 1:00pm, Saturdays

25

Wellness Program Review

- Wellness screening forms travel from doctor's offices or from the schools to ADPH, then to ActiveHealth
- Screenings through each Wednesday are sent to ActiveHealth the following Thursday
- ActiveHealth uploads screenings and sends the completion stats to PEEHIP the following Monday or Tuesday
- The total processing time is 5 - 13 days depending on if the screening missed the weekly cut-off



26

Wellness Program Review

- Onsite Team (from L to R)
 - Lisa Hoffman, Onsite Coach
 - Tilusha Adams, Wellness Director
 - Lindsey Lee, Onsite Coach
 - Derek Pirtle (not pictured), Onsite Coach



27

2015-2016 Completion Statistics

Program Engagement

Engagement since inception

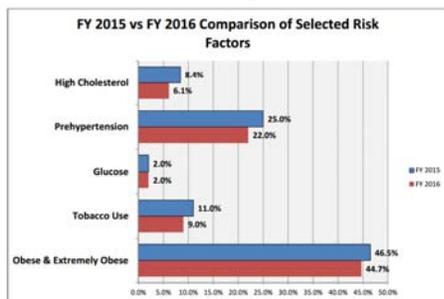
98% of population* engaged since 1/1/2015
 149,793 eligible members
 524,127 program engagements since 1/1/2015
 Members engaged in an average of 3.5 programs

Wellness Program Activity Completion As of 4/30/2016:

Activity	Completed	%	Goal
Wellness Screening	95,303	64%	149,793
Health Questionnaire	69,399	46%	149,793
Health Coaching*	18,457	32%	57,736
Total Overall Complete	49,349	33%	149,793

*8,042 members required to complete 4 coaching calls
 - 5,414 have completed at least 1 of 4 required calls

Wellness Program Review



29

Wellness Program Review

Is the health of the PEEHIP population improving? YES!

- 98% engagement of members which has led to all clinical outcomes currently outperforming the clinical targets and helping members earn incentives
 - 21 of 29 population measures showed improvement from prior to current period. Improvement ranged from 1% - 36%, averaging 4.8% net improvement.
 - These promising preliminary outcomes will optimistically lead to bigger ROI
- Care Consideration compliance at high level, especially compared to ActiveHealth Book of Business
 - Compliance with Care Considerations means a member has taken action to improving their health
- Lifestyle Risk Reduction already at 1%
 - These results thus far only include 1/3 of the PEEHIP population, and should show further reduction as we continue to acquire member data
 - Successful wellness program that spans across all modalities have assisted in this reduction

30

Wellness Program Review

Gap-in-care letter compliance

Severity Level	PEEHIP Compliance Rate	Book of Business Compliance Rate
Urgent	61.9%	58.3%
Important	43.9%	28.7%
Notable	31.3%	21.4%
TOTAL	40.0%	27.7%

Lifestyle Risk Reduction at 1% already with just 1/3 of the population results



Top Risk Factor Reductions

Risk Factors	Risk Reduction
Cholesterol	17%
Stress	10%
Life Satisfaction	9%
Blood Pressure	7%

31

Wellness Program Upcoming

- ▶ For the plan year beginning 10/1/2016, no changes to earning the monthly wellness premium waiver have been made.
 - Online group coaching with an ActiveHealth wellness coach moderator may be an additional option to complete Health Coaching
 - PEEHIP and ActiveHealth will dedicate more attention to chronic diseases to assist members more substantively toward better health and condition management

32

PEEHIP 3-1 Rule

- ◆ Full-Time Active Employee
- ◆ In pay status at least ½ the **working days** of the month (16th of month)
- ◆ For every 3 months worked, accrue/earn 1 additional month of coverage
- ◆ Applies to September - September
- ◆ Works the same for 9, 10, 11, and 12 month employees
- ◆ Applies when employment status changes (FMLA/LOA/term)
- ◆ If hired back before extra months are exhausted
 - ◆ Coverage stays the same
 - ◆ Not treated as a new employee
 - ◆ Must use Open Enrollment to make coverage changes

33

Scenario 1

A 9-month employee has worked for your system for 10 years. They learn their husband's job will require them to relocate out of state so they resign effective **January 8**.

Employer Portal Action:

- ◆ Termination
- ◆ Voluntary
- ◆ January 9 – reflects January 8 is their last working day

Worked: 4 = Sept through Dec
Accrues: 1 = Jan

Employer contributions invoiced through: **January**

34

Scenario 2

A 10-month employee was hired on **September 21**. They are offered a position in the private sector and resign effective **April 14**.

Employer Portal Action:

- ◆ Termination
- ◆ Voluntary
- ◆ April 15 – date keyed into Employer Portal

Worked: 6 = Oct through Mar
Accrues: 2 = Apr and May

Employer contributions invoiced through: **May**

35

Scenario 3

A bus driver was hired on **October 5**. They discover that driving a public school bus is not what they expected and resign effective **December 9**.

Employer Portal Action:

- ◆ Termination
- ◆ Voluntary
- ◆ **December 16** – allows employee to earn December

Worked: 3 = Oct through Dec
Accrues: 1 = Jan

Employer contributions invoiced through: **January**

36

Scenario 4

A 12-month employee is hired September 8. Their position is non-renewed effective **July 22**.

Employer Portal Action:

- ◆ Termination
- ◆ Involuntary
- ◆ July 23 - date keyed into Employer Portal

Worked: 11 = Sep through July
 Accrues: 3 = Aug and Sep ONLY (Oct N/A)

Employer contributions invoiced through: **September**

37

Employer Portal

- ◆ The employer's notification to PEEHIP of an employee's employment status or eligibility for coverage.
PEEHIP cannot decide portal dates
- ◆ Entries must be done in a timely manner to allow the maximum enrollment period of **30 days**.
- ◆ Names, SSN's, DOB, addresses must be accurate.
Name should match Social Security card
- ◆ The portal uses the 16th of the month in determining if an employer contribution is due for that month.
- ◆ Invoices reflect portal entries.

38

FMLA and LOA

An employee goes on FMLA (unpaid status) in March and is unable to return before the school year ends.

Status	Reason	Effective Date	End Date
Hired	New	01/07/2008	03/16/2014
FMLA		03/17/2014	05/29/2014
Hired	New	05/30/2014	08/09/2015
FMLA		08/10/2015	11/02/2015
Leave of Absence		11/03/2015	

The portal will accurately apply the 3-1 Rule.

39

Late Hires

Employees hired late in the school year should be "terminated" in the portal and "hired" back when the new year begins.

Employee Status

Status	Reason	Effective Date	End Date
Hired	New	01/26/2011	05/27/2011
Terminated	Involuntary	05/28/2011	08/15/2011
Hired	New	08/16/2011	

The portal will accurately apply the 3-1 Rule.

40

Terminations and Retirements

- ◆ Terminations: Enter **30 days** ahead
- ◆ Retirements: Enter **60 days** ahead

COBRA notices are mailed the following business day.

41

New Employee Enrollment

New employees **MUST** enroll within **30 days** of date of hire.

- Enroll through PEEHIP's Member Online Services website
- Be sure to reach a confirmation page



42

Enrollment through Member Online Services (MOS) Required for all New Hires

- Help Links**
- Log In
 - Address Changes
- PEEHIP:**
- Current Coverages
 - New Employees
 - Open Enrollment
 - GLE

First Time User?
Register for a User ID and Password?

Register Now

Member Login
Members Who Are Registered

User ID

Password

Forgot Password? Forgot User ID? Login

Forgot User ID & Password? (Reset Account)
Need a PID? (Request PID Letter)

<https://mso.rsa-al.gov>

43

PEEHIP Coverage Options

- PEEHIP Basic Hospital Medical Plan Group #14000
- OR**
- VIVA Health Plan (HMO)
 - Supplemental Medical Plan*
 - Optional Coverage Plans*

** No cost coverage only if not enrolled in a PEEHIP hosp/med plan (review details)*

44

Effective Dates of Coverage



Date of hire
First of the month following date of hire

OR

October 1 (if hired during Open Enrollment)

*Family coverage can begin 60 days from the date of hire but **MUST** be requested within 30 days of the date of hire.*

45

Other Enrollment Periods

Open Enrollment: July 1 – September 10 (72 days)

- Online enrollment deadline: September 10
- Paper enrollment deadline: August 31
- Flex enrollment deadline: September 30

All Open Enrollment changes/enrollments become effective: October 1

Qualifying Life Events (QLE's)

Enrollment must be submitted to PEEHIP within 45 days of a QLE

Examples of a QLE:

- Birth of a child
- Adoption/Legal custody of a child
- Marriage/divorce (of subscriber)
- Medicaid/Medicare entitlement
- Spouse/dependent loss of coverage (eligibility)
- NEW** - Spouse's OE different from PEEHIP's OE

46

PEEHIP Supplemental Medical

- The Supplemental Medical plan is a supplement to other primary coverage.
- Does not pay the cost of services excluded by the other primary plan.
- Covers the copayment, deductible, and/or coinsurance of the other primary insurance plan.
- **Members with deductibles greater than \$1450 (single) or \$2700 (family) are not eligible for PEEHIP Supplemental Medical.**
- Other members who are ineligible for PEEHIP's Supplemental Plan:
 - Medicare-eligible retirees
 - PEEHIP VIVA members
 - Members covered by the State Employees' Insurance Board (SEIB) or a Local Government Board (LGB)
 - Members covered by Medicare, All Kids, Tricare, or Champus
 - Members covered by an exchange plan

47

PEEHIP Flex Spending Accounts (FSA)

- **Health Care FSA** (Health FSA) maximum contribution \$2,550
- **Dependent Care FSA** (DCA) maximum contribution \$5,000
- Are schools complying with this requirement?
 - Some schools offer their own Flex plan in addition to PEEHIP's flex plan
 - Does your payroll software catch any excess contributions and add the excess back?
- If an employer permits salary reduction contributions to exceed this limit, the health FSA will not be considered a qualified benefit, and the cafeteria plan will lose its tax-advantaged status
- Exception - if a member has a second non-PEEHIP participating employer, he/she can enroll in that other employer's Flex plan for the annual max amount as well as the PEEHIP Flex plan for the annual max amount.

48

FORM 1095 - C -- Employer

- This form was completed and mailed by the employer for employees who are determined to be full time at least one month in the calendar year being reported.
- Each year, it should be mailed to each employee by their employer.

Part I Employee		Applicable Large Employer Member (Employer)			
1 Name of employee	2 Social security number (SSN)	7 Name of employer	8 Employer identification number (EIN)		
3 Street address (including apartment no.)		9 Street address (including room or suite no.)		10 Contact telephone number	
4 City or town	5 State or province	6 Country and ZIP or foreign postal code	11 City or town	12 State or province	13 Country and ZIP or foreign postal code

49

FORM 1095 - B -- PEEHIP

- As the plan sponsor, PEEHIP completed and mailed this form for all covered members

50

PEEHIP Advisor

The PEEHIP ADVISOR includes important information!

- Please make sure your address, phone numbers and email addresses are updated with RSA/PEEHIP so that you receive important information

The PEEHIP ADVISOR is a part of the RSA ADVISOR.



51
