

Gilsbar



LHS Employee Benefit Trust

Summary of Results:

- ❑ Medical PMPM is Currently 37% Higher Than July 2014's Plan Year
 - Currently have 10 members greater than \$50,000 in claims cost through February
 - Before 2015 plan did not exceed 6 members with claims greater than \$50,000

- ❑ Rx PMPM is Currently 64% Higher Than July 2014's Plan Year
 - Brand spend for July 2014 – June 2015 was \$490,000 or \$45 PMPM
 - Brand Spend for July 2015 – June 2016 was \$690,000 or \$68 PMPM
 - Brand Spend for July 2016 – Feb 2017 is \$785,000 or \$83 PMPM

- ❑ Enrollment Decrease Since 2012
 - Member counts have decreased every year
 - Decrease from 950 member lives in 2012 to 790 in 2017 (17% Decrease)

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Medical Plan Review:

By Issued Plan Year – With Clinic Cost

1	Claims and Reinsurance Fees					7	8	9	10	11	12	13
	2	3	4	5	6							
Plan Year July 1 through June 30	Medical Claims Only	Rx Claims Only	Fixed Cost	Issued in Excess of Agg Att Point	Issued in excess of spec ded	(2+3+4+5+6) Net Plan Costs	EE Contributions	(7+8) ER Group Costs	% Inc	Spec. level	Lasered	# of claims above spec
July 11 - June 12	2,492,312	606,423	1,774,282	0	(262,246)	4,610,771	(688,587)	3,922,184		125,000	0	CY 1 / PY 0
July 12 - June 13	3,059,755	628,895	1,834,731	0	(146,074)	5,377,307	(728,040)	4,649,267	19%	130,000	0	CY 5 / PY 0
July 13 - June 14	2,404,555	556,389	1,837,715	0	0	4,798,659	(702,420)	4,096,239	-12%	130,000	0	CY 0 / PY 1
July 14 - June 15	2,353,456	630,492	1,620,690	0	(221,699)	4,382,939	(657,996)	3,724,943	-9%	130,000	0	CY 2 / PY 0
July 15 - June 16	2,996,257	835,757	2,074,098	0	(41,261)	5,864,851	(666,552)	5,198,299	40%	130,000	0	CY 1 / PY 2
July 16 - Feb 17	1,886,517	613,064	1,367,140	0	0	3,866,721	(516,736)	3,349,985		130,000	0	CY 1 / PY 1

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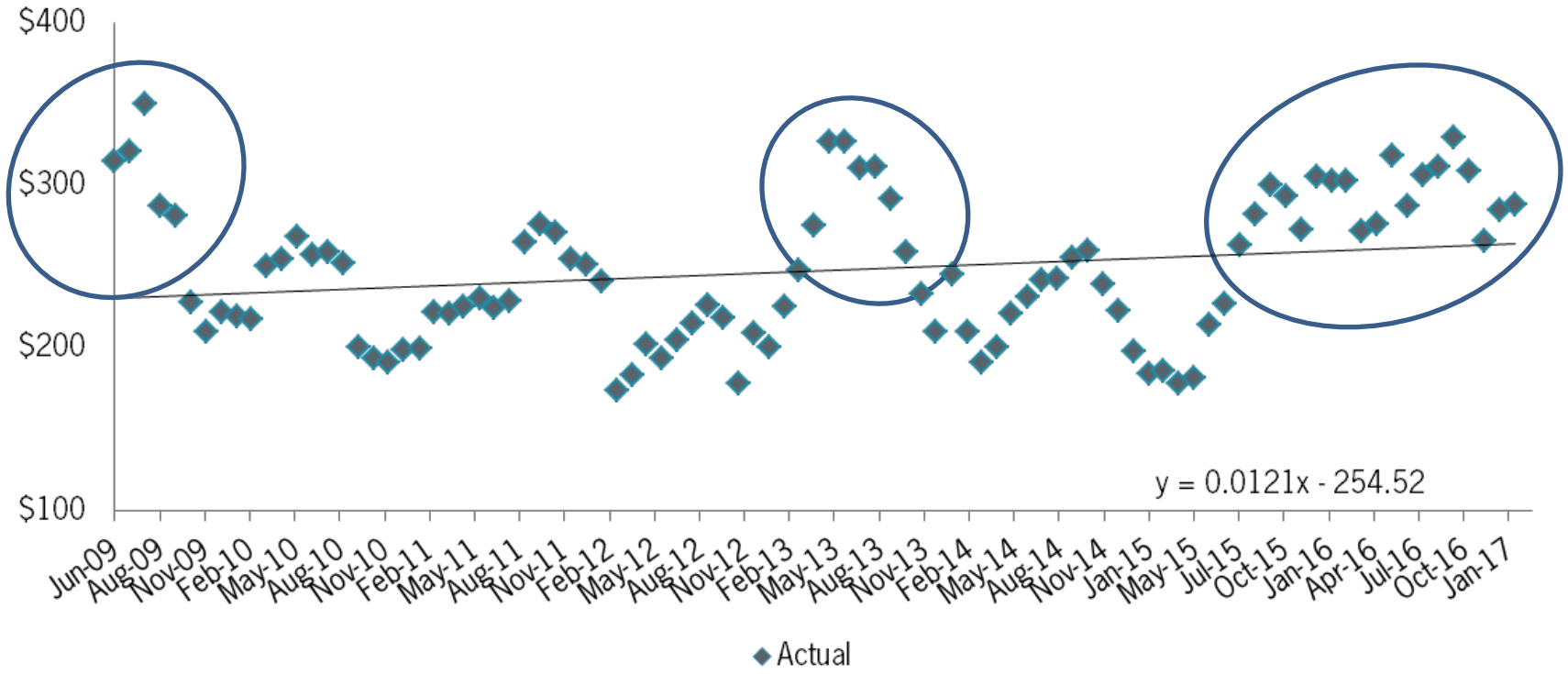
Medical Plan Review:

By Issued Plan Year PMPM – With Clinic Cost

Claims and Reinsurance Fees									
1	2	3	4	5	6	7	8	9	10
Plan Year July 1 through June 30	Medical Claims Only	Rx Claims Only	Fixed Cost	Issued in Excess of Agg Att Point	Issued in excess of spec ded	(2+3+4+5+6) Net Plan Costs	EE Contributions	(7+8) ER Group Costs	% Inc
July 11 - June 12	224	54	159	0	(24)	414	(62)	352	
July 12 - June 13	268	55	161	0	(13)	471	(64)	407	16%
July 13 - June 14	221	51	169	0	0	440	(64)	376	-8%
July 14 - June 15	218	59	150	0	(21)	407	(61)	346	-8%
July 15 - June 16	295	82	205	0	(4)	578	(66)	513	48%
July 16 - Feb 17	298	97	216	0	0	610	(82)	529	3%

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Gross Medical Trend:
Issued Plan Year



* Trend has been calculated based on 6-month rolling average

Annualized Trend = 2%

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Gross Medical Claims Analysis

By Bucket Size

Issued July - February

Claims Bucket Size	Jul 14 - Feb 15		Jul 15 - Feb 16		Jul 16 - Feb 17	
	# of Members	PMPM	# of Members	PMPM	# of Members	PMPM
>50000	4*	\$14,201	8	\$8,540	10	\$11,637
40000-50000	0	\$0	6	\$5,368	4	\$5,591
30000-40000	3	\$3,949	6	\$4,369	3	\$4,134
20000-30000	5	\$2,989	9	\$3,239	6	\$3,002
10000-20000	19	\$1,692	19	\$1,878	16	\$1,755
0-10000	867	\$72	797	\$75	753	\$51
Total	898	\$199	845	\$298	792	\$298
Total Claims > \$20,000	\$668,782		\$1,247,164		\$1,353,196	
Total Gross Medical Claims	\$1,428,328		\$2,012,640		\$1,886,517	
Claims > \$20,000 as % of Total	47%		62%		72%	

* 1 large claimant of \$226k - removed PMPM drops to \$8,275

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Gross Medical Claims Analysis

Top Claimants

Issued Plan Year

July 2016 - Feb 2017

PIDDEPSEQ	Benefit Paid	% of Total	Top Provider	Diagnosis Description
25950006030	\$162,149	9%	Havasu Regional MC	Breast Cancer
25950014230	\$122,110	6%	Havasu Regional MC	Gastroenteritis
25950003680	\$108,930	6%	VHS of Arrowhead	Heart Complication
25950013781	\$105,733	6%	Havasu Regional MC	Septicemia/ Diabetic Comp.
25950004070	\$97,071	5%	Havasu Regional MC	Stomach Complications

15 - 16

PIDDEPSEQ	Benefit Paid	% of Total	Top Provider	Diagnosis Description
25950002630	\$171,463	6%	Havasu Regional MC	Breast Cancer
25950005451	\$109,443	4%	Havasu Regional MC	Brain Hemorrhage
25950006221	\$85,795	3%	St Josph Hospital & MC	Neuralgia Neuritis
25950001120	\$81,092	3%	Havasu Regional MC	Calculus of Kidney
25950004191	\$79,952	3%	Havasu Regional MC	Heart Complication

14 - 15

PIDDEPSEQ	Benefit Paid	% of Total	Top Provider	Diagnosis Description
25950006040	\$257,070	11%	Banner Good Samaritan MC	Cerebral Aneurysm
25950002770	\$224,630	10%	Havasu Regional MC	Lung Cancer
25950008440	\$77,963	3%	Havasu Regional MC	Esophageal Cancer
25950009290	\$68,457	3%	St Josph Hospital & MC	Spondylosisthesis
25950003840	\$53,800	2%	Banner Good Samaritan MC	Uterine Cancer

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EE/ER Cost Share:

Incurred Calendar Year

Employee Share	2013	2014	2015	2016
Ded + Copays + Coins	\$548,046	\$520,222	\$498,370	\$557,975
Rx Copays	\$90,467	\$77,834	\$67,053	\$60,554
EE Contributions	\$729,216	\$735,252	\$679,812	\$690,558
Total Employee Cost	\$1,367,729	\$1,333,308	\$1,245,235	\$1,309,087
PMPM	\$122	\$123	\$119	\$134
Employer Share	2013	2014	2015	2016
Fixed Costs	\$1,862,623	\$1,621,786	\$2,078,348	\$1,867,698
Plan Med Paid Claims	\$3,027,648	\$2,376,362	\$2,653,741	\$2,564,536
Rx Plan Costs	\$588,537	\$594,000	\$707,130	\$848,956
Claims in Excess of Spec Deductible (Medical)	(\$111,542)	(\$129,846)	(\$117,128)	(\$116,623)
Total Employer Costs	\$5,367,267	\$4,462,302	\$5,322,091	\$5,164,567
PMPM	\$480	\$413	\$508	\$529
EE Share as % of Covered and Fixed	23%	26%	21%	23%
ER Share as % of Covered and Fixed	77%	74%	79%	77%

# of Employees	565	542	534	499
# of Members	931	900	873	813

EE/ER Cost Share without Clinic Cost:

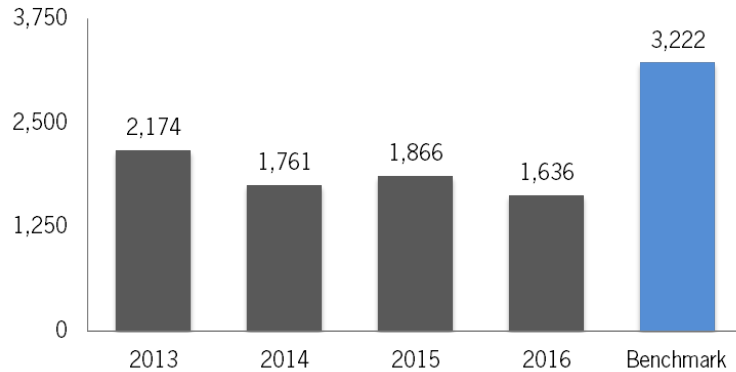
EE Share as % of Covered and Fixed	27%	30%	26%	27%
ER Share as % of Covered and Fixed	73%	70%	74%	73%

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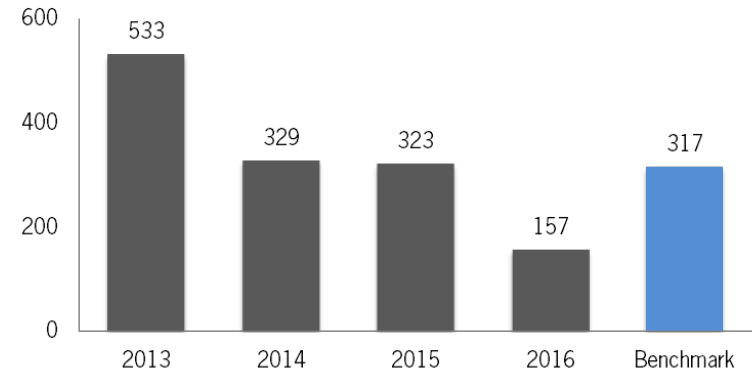
Utilization Per 1,000 Members Analysis

Incurred Calendar Year

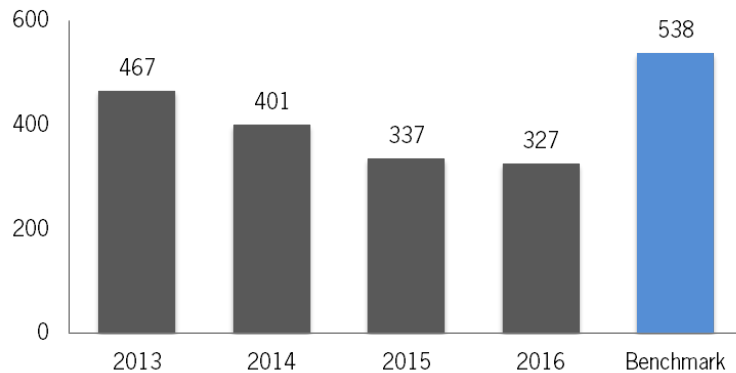
Office Visits



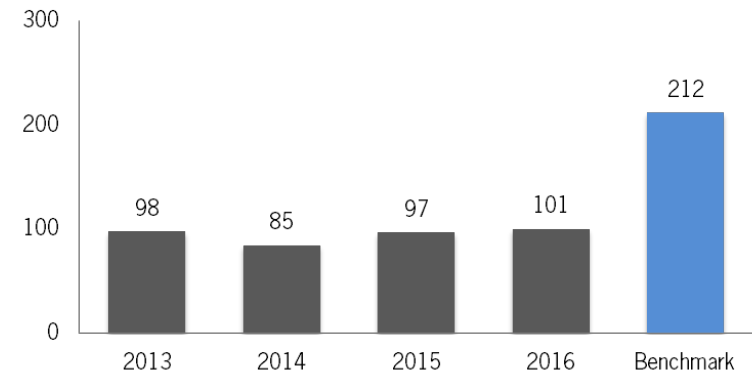
Inpatient Hospital



Routine Wellness Office Visits



Emergency Hospital



Office Visits does not include Cerner Data

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Pareto Analysis

Issued Plan Year

July 2015 – June 2016

Bucket	Number of Members	Issued Dollars	Issued Dollars as % of Total	% Total Members	Benchmark - Issued Dollars as % Total	Benchmark - % Total Members
> 15000	54	\$2,165,313	72%	7%	63%	5%
12500-15000	9	\$123,624	4%	1%	4%	1%
10000-12500	7	\$79,423	3%	1%	4%	1%
7500-10000	14	\$120,158	4%	2%	5%	2%
5000-7500	29	\$174,648	6%	4%	6%	4%
2500-5000	33	\$125,782	4%	4%	8%	8%
0-2500	646	207,310	7%	82%	11%	80%
Total	792	\$2,996,257	100%	100%	100%	100%

LHS Employee Benefit Trust Considerations

Plan Management

Benefit Design

- Deductible
- Coinsurance
- Out of Pocket Max
- Steerage
- Prescription Benefit

Contribution Strategy

- More cost shifting via premium (EE/ER) + dependent
 - EE's contribution up 45% in 5 years
- Eligibility for spouses
- >70% of companies increased ee share
- Dependent Audit

Vendor Management

- PBM
- PPO Network
- Stop Loss
- EAP/BH
- Wellness

Health Management

Integrated Wellness Program

- Healthy At Risk
- Healthier Workforce – Promotes less presenteeism
- Slow the progression to chronic and acute
- Build objectives for fair allocation of premium discounts

Enhanced Chronic Care Management

- Remote Diabetic Monitoring
- Incent participation / engagement
- Wellness / Participation Bucks

Build Engagement Platform of Communication

- Tie it to future risk / cost drivers
- Reward good behavior
- Close meaningful gaps in care
 - Pick gaps relative to future cost / risk drivers
 - Set base line and goals

Award Winning Culture

it matters to us, our employees and our customers

- **Best Places to Work** – Modern Healthcare magazine
- **Best Places to Work** – Business Insurance
- **Outstanding Employer** – Louisiana State Nurses Association
- **Fastest Growing Privately Held Companies list** – Inc. 5000
- **Best Innovation Stimulating Consumer Engagement**
Consumer Health World National Workforce Economics Summit
- **Employer Healthcare & Benefits Congress**
ROI...schmaROI – Taking Wellness Discussions to Another Level
- **National SHRM**
Creating a Culture of Health Will Curb Expense & Position A Company to Earn “Best Place to Work” Honors Presentation
- **HR Florida Conference & Expo**
ROI...schmaROI – Taking Wellness Discussions to Another Level

