

Legislative Finance Committee

September 30, 2016
State Capitol - Room 102
Helena, MT

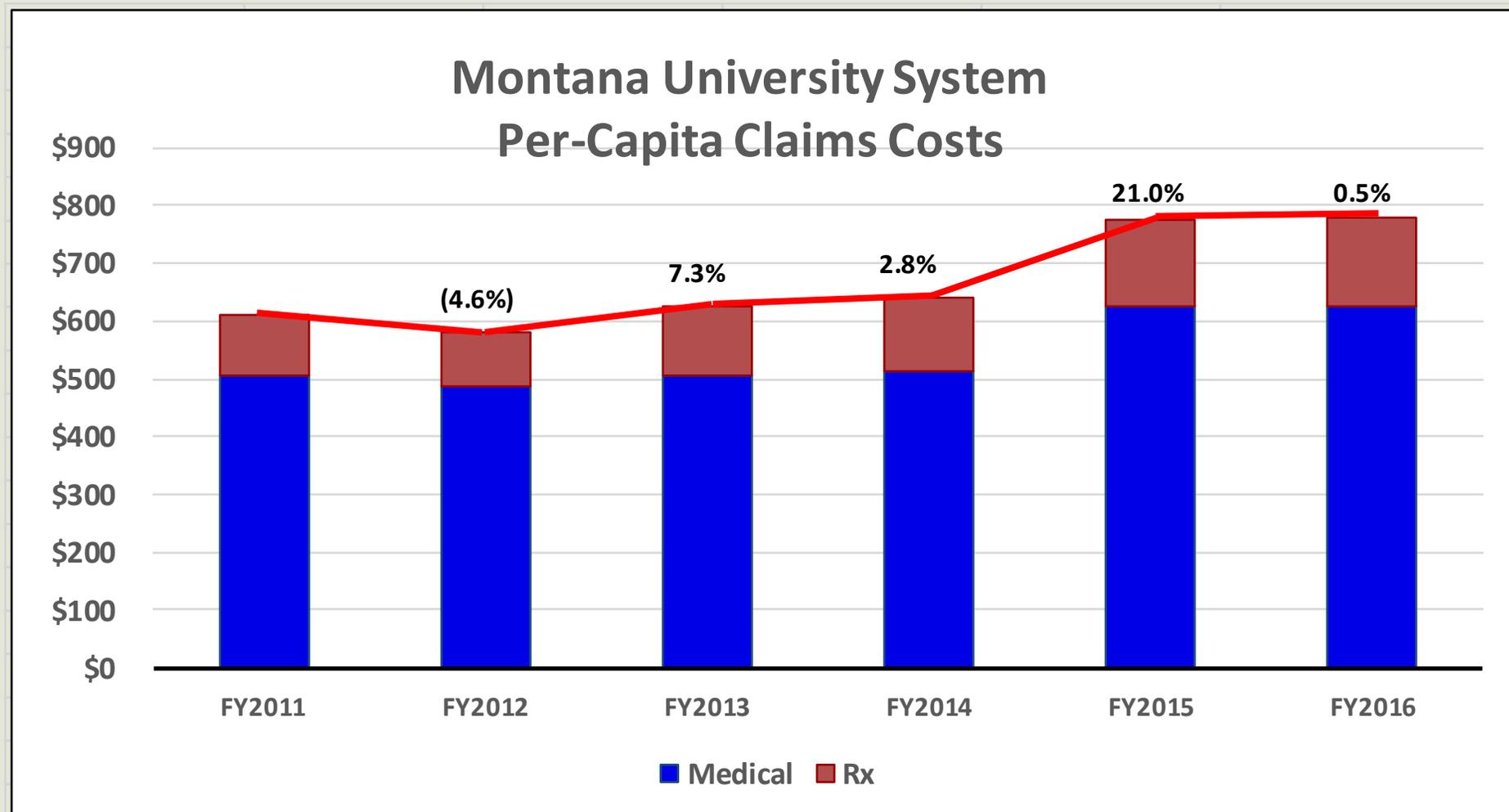
Health Insurance Update and Cost Containment
Montana University System Group Benefit Plan

MUS GROUP BENEFIT PLAN FINANCIAL UPDATE

Comparison of Medical, Rx and Dental Monthly Per-Capita Claims Costs

Benefit	Jul 10 -	Jul 11 -	Jul 12 -	Jul 13 -	Jul 14 -	Jul 15 -
	Jun 11	Jun 12	Jun 13	Jun 14	Jun 15	Jun 16
Medical	\$506.31	\$485.17	\$505.94	\$511.54	\$624.72	\$625.36
Rx (Net*)	<u>\$103.36</u>	<u>\$96.35</u>	<u>\$117.98</u>	<u>\$129.91</u>	<u>\$151.59</u>	<u>\$154.74</u>
Combined	\$609.67	\$581.52	\$623.91	\$641.45	\$776.32	\$780.11
Trend		Percent Change				
Medical		(4.2%)	4.3%	1.1%	22.1%	0.1%
Rx (Net*)		(6.8%)	22.4%	10.1%	16.7%	2.1%
Combined		(4.6%)	7.3%	2.8%	21.0%	0.5%
Dental	\$52.77	\$51.59	\$49.27	\$54.60	\$56.60	\$56.10
Dental Trend		(2.2%)	(4.5%)	10.8%	3.7%	(0.9%)

MUS GROUP BENEFIT PLAN FINANCIAL UPDATE

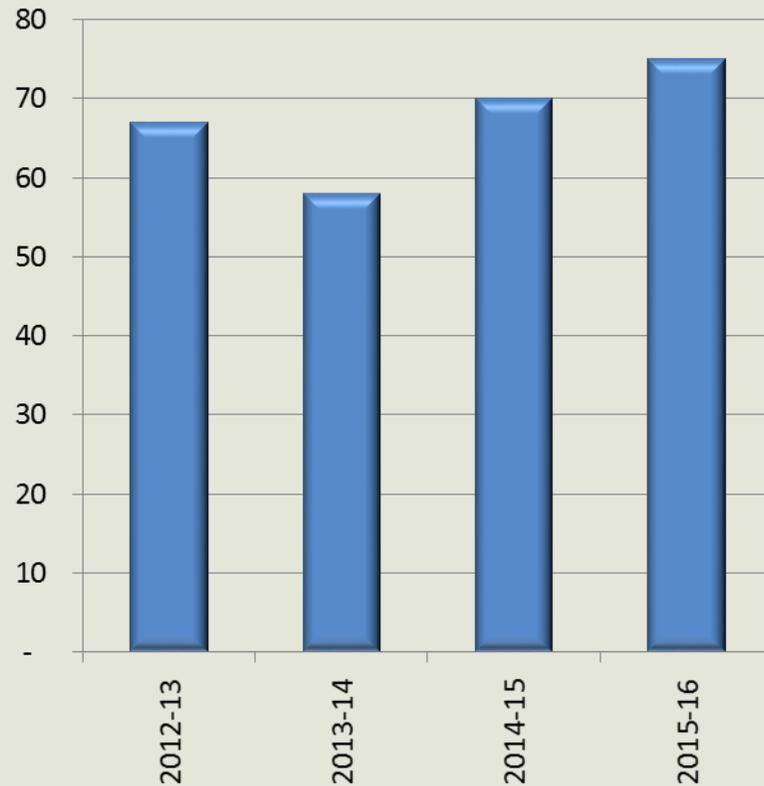


MUS GROUP BENEFIT PLAN FINANCIAL UPDATE

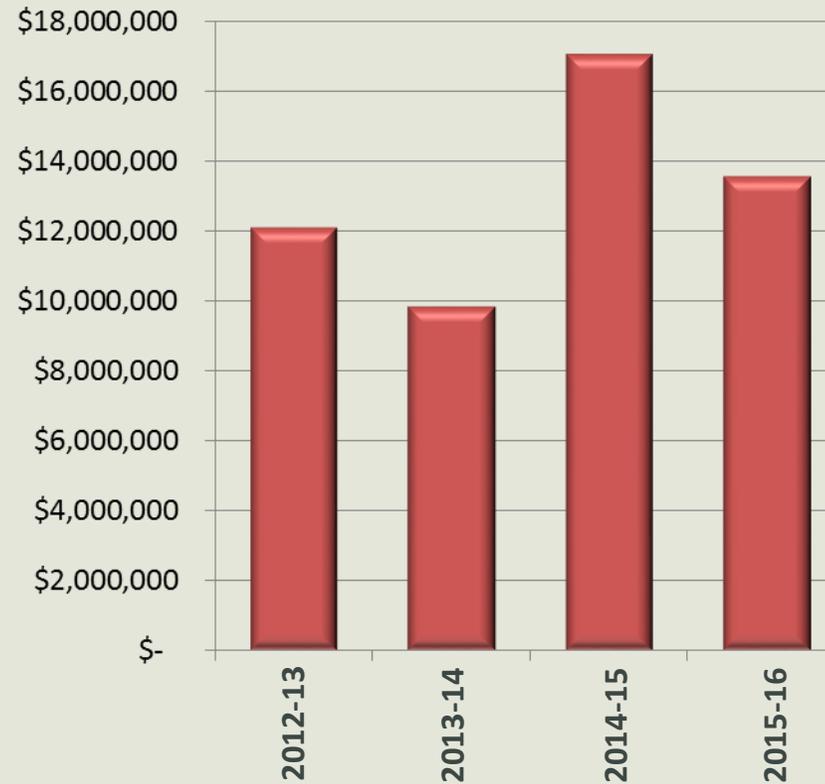
- Reason for increase in FY2015
 - ✓ Shock Claims – Three claims exceeded \$1M
 - ✓ Increases to Hospital Costs

MUS GROUP BENEFIT PLAN FINANCIAL UPDATE

Claimants (>\$100,000)

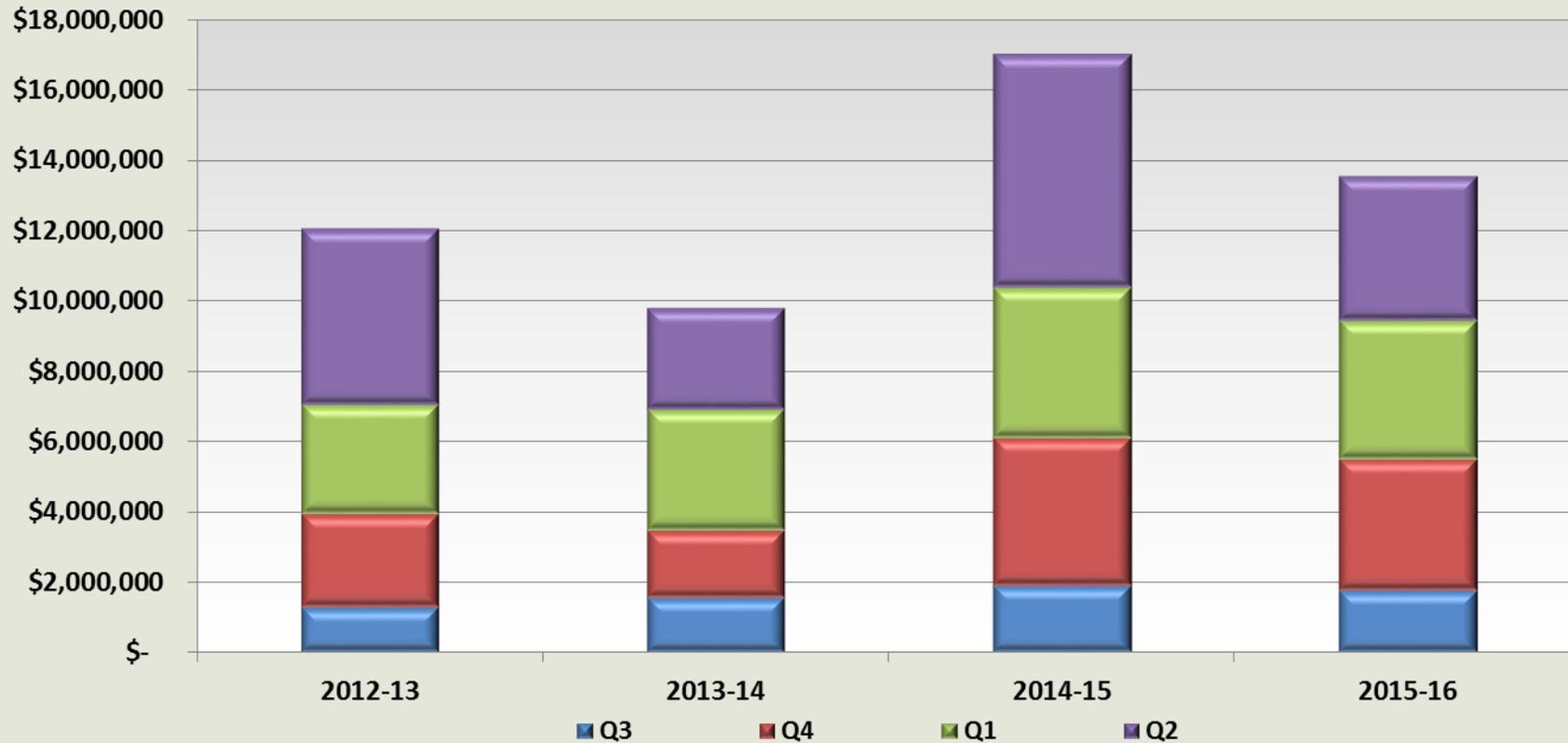


Paid Claims

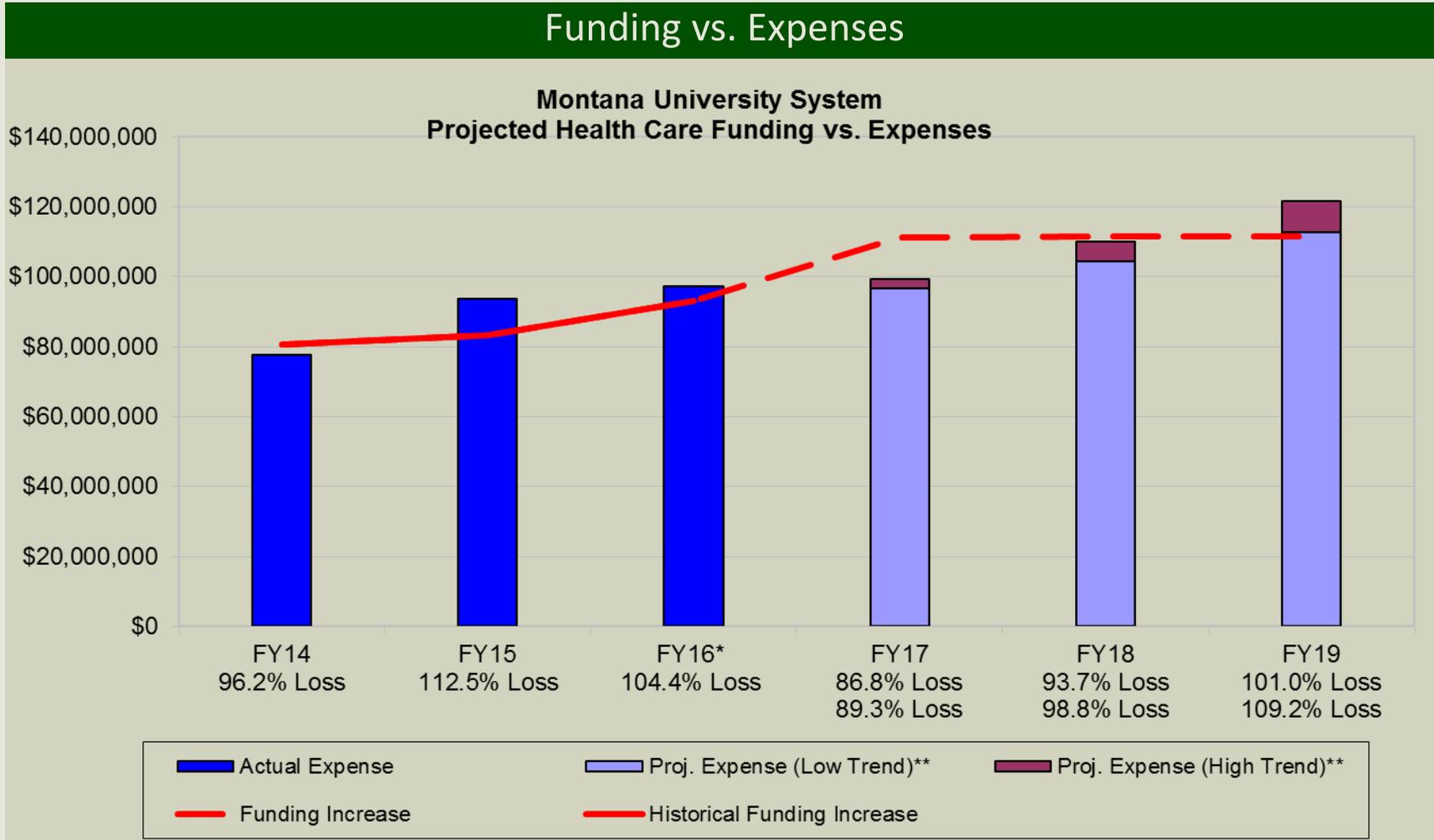


MUS GROUP BENEFIT PLAN FINANCIAL UPDATE

Paid Claims for Large Claimants by Quarter



MUS GROUP BENEFIT PLAN FINANCIAL UPDATE



MUS GROUP BENEFIT PLAN COST CONTAINMENT INITIATIVES

Reinsurance

- Invitation for Bid submitted
- BCS will provide reinsurance for first time in more than 20 years
- Specific stop-loss level of \$1,000,000 per member annually (no aggregate stop-loss)

MUS GROUP BENEFIT PLAN COST CONTAINMENT INITIATIVES

Health Care Costs = # Units X Cost per Unit

- Medical Claims
 - ✓ Number of Units
 - ✓ Cost per Unit
- Pharmacy

INTRODUCING THE Blue OptionsSM Network

PEOPLE.
HEALTH.
VALUE.

10

Pricing
Transparency

Fixed
Compensation

Value Based
Care

Provider
Partnerships

Tiered
network

Steerage to
High Value
Care

Employee
Engagement

Population
Health
Management



BlueCross BlueShield
of Montana

QUESTIONS?

Connie Welsh, Director of Benefits
Montana University System
(406) 444-0614
cwelsh@montana.edu