

*Proposed changes to plan options, benefit designs, healthy activities, premiums & credits referenced in this presentation are subject to approval by the Board of Trustees*



## Proposed 2016 Benefit Design Changes

### ***Board of Trustees Meeting***

January 23, 2015

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*A Division of the Department of State Treasurer*

# Presentation Overview

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- Strategy and Vision
- Proposed Benefit Design Changes
- Engaging Members
- Impact on Actuarial Forecast
- Member Cost Sharing Scenarios
- Discussion
- Appendix

*This presentation is primarily focused on plan options for Active Employees and Non-Medicare Retirees due to timing of Medicare Advantage rate renewals.*

# State Health Plan Mission and Guiding Principles

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## Mission

Our mission is to improve the health and health care of North Carolina teachers, state employees, retirees, and their dependents, in a financially sustainable manner, thereby serving as a model to the people of North Carolina for improving their health and well-being.

## Elements of the Strategic Plan & Guiding Principles

- Ensure Access to Quality Care
- Expand Value-Based Design Elements
- Improve Affordability
- Improve Members' Health
- Incent Member Engagement
- Maintain Financial Stability
- Promote Health Literacy
- Provide Member Choice

# Wellness Benefit Design: Premium Credits and Incentives

## 2014 & 2015: Where We Have Been

- Encouraged member engagement through incentives and rewards:
  - Reduced premium for completing healthy activities
  - Reduced copays or additional health reimbursement account (HRA) funds for visiting member's selected primary care provider (PCP) or a Blue Options Designated specialist or hospital
  - Waived deductible for certain chronic disease medications in the Consumer-Directed Health Plan (CDHP)

## 2016 & 2017: Where We Are Going

- Continue or increase incentives and rewards from previous years
- Offer new programs and incentives to further reduce cost share for members diagnosed with asthma, COPD, diabetes, cardiovascular disease
- Promote programs to support healthy lifestyles and offer incentives to complete fitness, nutrition or other healthy milestones

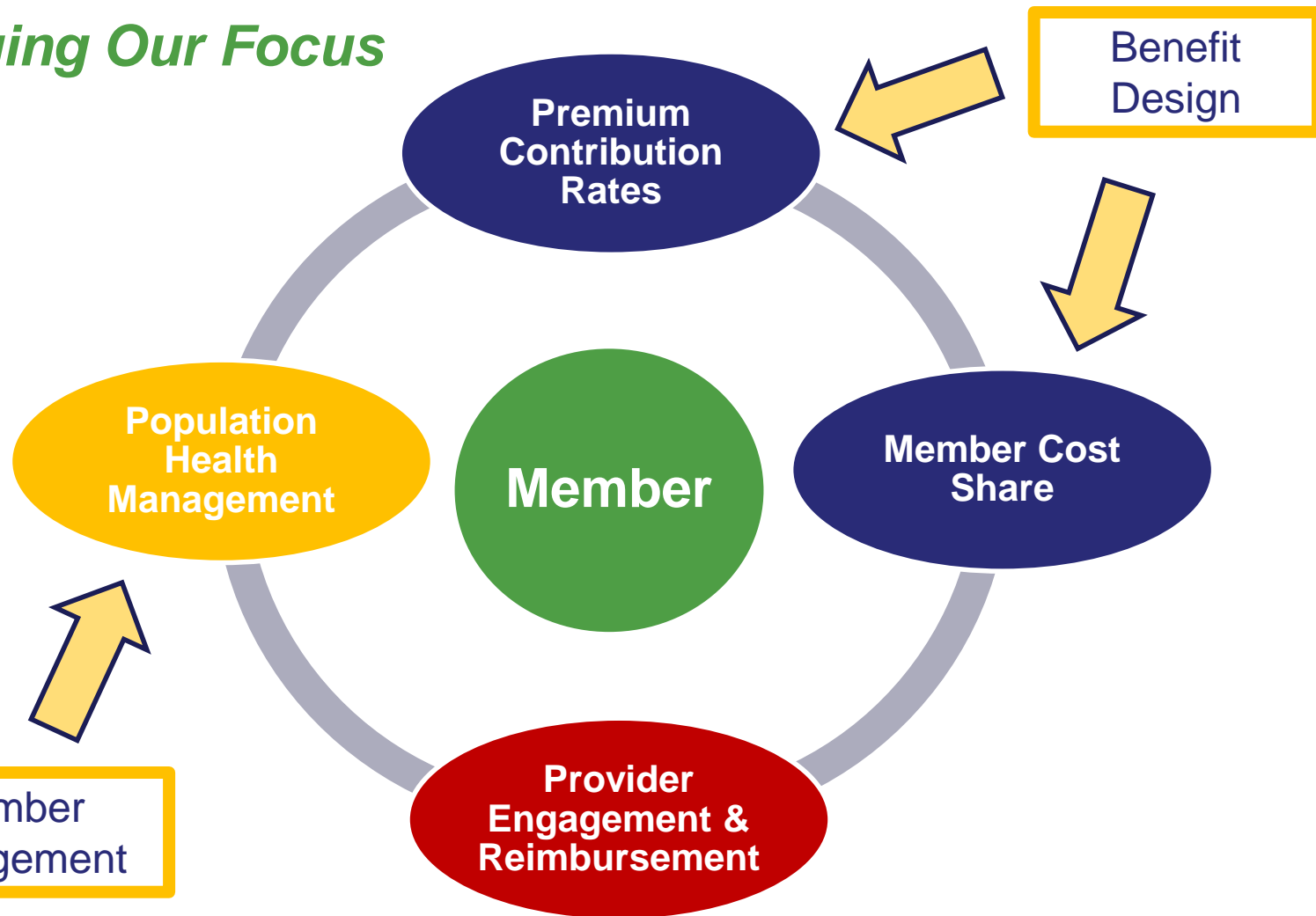
# Value-Based Insurance Design (VBID) Concept

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- Contracted with Value-Based Insurance Design (VBID) experts to help incorporate value-based design elements into plan options
- Focuses on how health care dollars are spent:  
*From “How Much” to “How Well”*
- Lower member cost share for services that have high clinical value
  - Office visits or medications for members with a chronic disease covered at a reduced cost share
- Increased cost share for services that have low clinical value
  - Non-evidence based or wasteful services, such as expensive testing for low back pain, would have a higher member cost share

# Financing the Health Benefit & Bending the Cost Curve

## Changing Our Focus



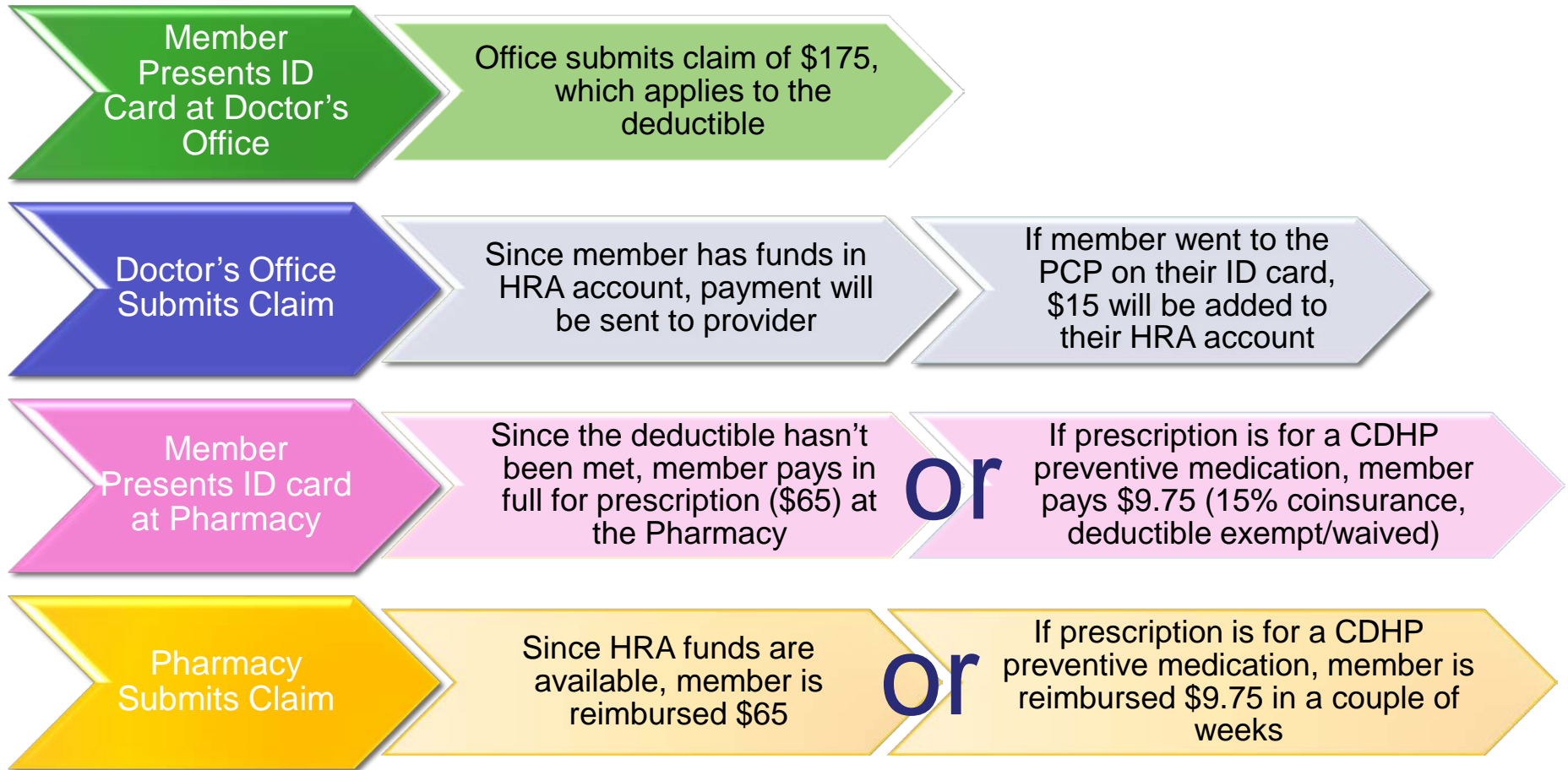
# The Value of the Consumer-Directed Health Plan

## Consumer-Directed Health Plan (CDHP) with HRA Features

- 85/15 Coinsurance
  - \$1,500 Deductible (employee only)
  - \$500 in Health Reimbursement Account (HRA) funds to help offset the deductible
  - \$0 premium by completing wellness activities
  - Additional HRA funds for visiting certain providers
  - \$0 ACA Preventive Services
  - \$0 ACA Preventive Medications
  - CDHP Preventive Medication List (\$0 deductible)
  - Maximum Out-of-Pocket includes medical and pharmacy expenses
- CDHP is already the richest plan option
  - 16% difference in relative value of richest plan (CDHP) and least rich plan (Traditional 70/30)
  - **Proposing enhancements to the CDHP** by incorporating more value-based benefit design elements to lower the member cost share for certain services



# How the Consumer-Directed Health Plan Works



| Member Deductible    |         | w/ CDHP Rx |
|----------------------|---------|------------|
| Beginning Deductible | \$1,500 | \$1,500    |
| Office Visit         | (\$175) | (\$175)    |
| Rx                   | (\$65)  | n/a        |
| Remaining Deductible | \$1,260 | \$1,325    |

| HRA Balance       |         | w/ CDHP Rx |
|-------------------|---------|------------|
| Beginning Balance | \$500   | \$500      |
| Office Visit      | (\$175) | (\$175)    |
| PCP Credit        | \$15    | \$15       |
| Rx                | (\$65)  | (\$9.75)   |
| Remaining Balance | \$275   | \$330.25   |



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# Proposed Benefit Design Changes

# Summary of Proposed Benefit Design Changes

| Consumer-Directed Health Plan (CDHP) with HRA   | Enhanced 80/20 Plan   | Traditional 70/30 Plan   |
|---|---|--|
| <ul style="list-style-type: none"> <li>• Increase premium approximately \$40 with the opportunity to earn it down to \$0</li> <li>• Modify healthy activities to earn premium credits</li> <li>• Increase HRA contribution by \$100 to help offset member cost share</li> <li>• Increase out-of-pocket max by \$500</li> <li>• Establish Health Engagement Program to earn additional contributions to HRA:               <ul style="list-style-type: none"> <li>• Increase credits for PCP visits and use of Blue Options Designated Providers</li> <li>• Target members with chronic conditions</li> <li>• Healthy lifestyle program for all members</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Increase premium approximately \$40 with the opportunity to earn it down to approximately \$15</li> <li>• Modify healthy activities to earn premium credits</li> <li>• Increase Tier 5 (non-preferred specialty medications) pharmacy coinsurance maximum</li> </ul> | <p><i>Active Employees Only</i></p> <ul style="list-style-type: none"> <li>• Establish a \$60 premium with the opportunity to earn it down to approximately \$20</li> <li>• Establish healthy activity to earn premium credit:               <ul style="list-style-type: none"> <li>• Tobacco attestation</li> </ul> </li> </ul> <p><i>Active Employees and Retirees</i></p> <ul style="list-style-type: none"> <li>• Increase member cost share               <ul style="list-style-type: none"> <li>• copays, deductible, coinsurance max, and pharmacy out-of-pocket max</li> </ul> </li> </ul> |

*Premium amounts referenced on this slide are estimates and subject to change pending final benefit design, actuarial forecast and Board approval*

# Rationale for CDHP Benefit Recommendation

| Proposed Change  | Rationale  | Strategic Plan Elements Addressed   |
|--|--|---|
| Increase Premiums, Employee Only Premium can be Earned Down to Zero  | <ul style="list-style-type: none"> <li>The Board's original Wellness Design strategy assumed increases in premiums over time to coincide with increases in premium credits.</li> <li>The Board, employees and other stakeholders have expressed a strong desire in maintaining a premium-free plan option.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Improve Affordability</li> <li>Provide Member Choice</li> <li>Maintain Financial Stability</li> </ul>  |
| Modify Healthy Activities and Premium Credits  | <ul style="list-style-type: none"> <li>The Board's original Wellness Design strategy assumed increases in premium credits and the evolution of healthy activities over time.</li> <li>Provides a significant financial reward for employees/non-Medicare retirees who complete all wellness activities.</li> <li>The progression of activities establishes a process for improving members' health through increased engagement.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Promote Health Literacy</li> <li>Improve Members' Health</li> <li>Provide Member Choice</li> <li>Maintain Financial Stability</li> </ul>   |
| Increase Out-of-Pocket (OOP) Maximum<br>Increase Annual Contribution to HRA<br>Increase Opportunities to Earn Additional HRA Funds<br>Implement Health Engagement/Secondary Prevention Program | <ul style="list-style-type: none"> <li>To ensure financial stability of the benefit plans over the long term the Plan must be willing to increase member cost share to keep pace with medical inflation and cost increases, but also do so in a strategic manner.</li> <li>The CDHP will still have the lowest out-of-pocket maximum and additional HRA funds will be provided to help offset the OOP increase.</li> <li>The OOP maximum has not changed in two years and unused HRA balances remaining at year-end carry over to the next plan year.</li> <li>Members will earn higher HRA credit amounts for PCP visits and utilizing Blue Options Designated providers to incent engagement with their PCP and use of high quality, low cost providers.</li> <li>Members with chronic conditions can earn additional HRA credits for engaging in secondary prevention, adhering to their medications, and engaging with the Plan to help offset the cost of managing their condition.</li> <li>Members can earn HRA credits for participating in healthy lifestyle programs.</li> </ul> | <ul style="list-style-type: none"> <li>Maintain Financial Stability</li> <li>Incent Member Engagement</li> <li>Promote Health Literacy</li> <li>Expand Value-Based Design Elements</li> <li>Improve Affordability</li> <li>Improve Members' Health</li> <li>Ensure Access to Quality Care</li> <li>Provide Member Choice</li> </ul> |

# Rationale for Enhanced 80/20 Benefit Recommendation

| Proposed Change  | Rationale  | Strategic Plan Elements Addressed   |
|--|--|---|
| Increase Premiums, Employee Only Premium can be Earned Down          | <ul style="list-style-type: none"> <li>The Board's original Wellness Design strategy assumed increases in premiums over time to coincide with increases in premium credits.</li> <li>Premiums will continue to increase as indicated by actuarial forecasts, consistent with the recent approach to the Enhanced 80/20 plan.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Improve Affordability</li> <li>Provide Member Choice</li> <li>Maintain Financial Stability</li> </ul>  |
| Modify Healthy Activities and Premium Credits                        | <ul style="list-style-type: none"> <li>The Board's original Wellness Design strategy assumed increases in premium credits and the evolution of healthy activities over time.</li> <li>Provides a significant financial reward for employees/non-Medicare retirees who complete all wellness activities.</li> <li>The progression of activities establishes a process for improving members' health through increased engagement.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Promote Health Literacy</li> <li>Improve Members' Health</li> <li>Provide Member Choice</li> <li>Maintain Financial Stability</li> </ul>                                 |
| No Changes to Medical Cost Sharing                                   | <ul style="list-style-type: none"> <li>Maintaining the current benefit structure provides members with a familiar option while continuing to incent engagement with their selected PCP and utilization of Blue Options Designated providers.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Promote Health Literacy</li> <li>Improve Affordability</li> <li>Improve Members' Health</li> <li>Ensure Access to Quality Care</li> <li>Provide Member Choice</li> </ul> |
| Increase Tier 5 Pharmacy Copay (non-preferred specialty medications) | <ul style="list-style-type: none"> <li>Specialty pharmacy is the fastest growing cost for the State Health Plan.</li> <li>The Board originally approved a higher coinsurance maximum for Tier 5 medications, but the amount was later reduced to maintain Grandfather status under the Affordable Care Act.</li> <li>The increase is allowable under the ACA and is consistent with the Plan's original strategy.</li> <li>Incent members to use Tier 4 medications and help manage the long-term pharmacy trend.</li> </ul> | <ul style="list-style-type: none"> <li>Maintain Financial Stability</li> <li>Promote Health Literacy</li> </ul>   |

# Rationale for Traditional 70/30 Benefit Recommendation

| Proposed Change  | Rationale   | Strategic Plan Elements Addressed   |
|--|---|---|
| <i>Active Employees Only</i><br>Establish a Premium for Employee Only Coverage that can be Earned Down | <ul style="list-style-type: none"> <li>To ensure financial stability of the benefit plans over the long term the Plan must be willing to increase member cost share to keep pace with medical inflation and cost increases, but also do so in a strategic manner.</li> <li>Allows the Plan to maintain a “low engagement” option for members who prefer to not to engage with the Plan.</li> <li>Provides a financial incentive to consider selecting a richer benefit option that includes incentives to improve health and reduce out of pocket costs.</li> </ul> | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Provide Member Choice</li> <li>Promote Health Literacy</li> <li>Maintain Financial Stability</li> </ul>                                  |
| <i>Active Employees Only</i><br>Establish Tobacco Attestation Premium Credit                           | <ul style="list-style-type: none"> <li>Increased costs associated with tobacco use are well-documented.</li> <li>Consistent with the Plan’s strategy to improve members’ health through incentives, promotes consistency across plans by requiring some level of engagement in all benefit options, and expands and reinforces the philosophy that on-going engagement across all plan options is necessary to achieve the Plan’s strategic priorities.</li> </ul>  | <ul style="list-style-type: none"> <li>Incent Member Engagement</li> <li>Promote Health Literacy</li> <li>Improve Members’ Health</li> <li>Provide Member Choice</li> <li>Maintain Financial Stability</li> </ul> |
| Increase Member Cost Share for Medical and Pharmacy Services   | <ul style="list-style-type: none"> <li>To ensure financial stability of the benefit plans over the long term the Plan must be willing to increase member cost share to keep pace with medical inflation and cost increases, but also do so in a strategic manner.</li> <li>Provides a financial incentive to consider selecting a richer benefit option that includes lower out-of-pocket costs and incentives to improve health and further reduce out-of-pocket costs.</li> </ul>   | <ul style="list-style-type: none"> <li>Provide Member Choice</li> <li>Promote Health Literacy</li> <li>Maintain Financial Stability</li> </ul>  |

# Proposed Plan Design Changes

|   | 70/30<br>Current                      | 70/30<br>2016 Proposed                        | 80/20<br>Current /Proposed  | CDHP<br>Current  | CDHP<br>Proposed   |
|---|---------------------------------------|---|---|--|--|
| Annual Contribution to Health Reimbursement Account (HRA) | N/A                                   | N/A   | N/A   | \$500 Individual<br>\$1,500 Family   | <b>\$600 Individual<br/>\$1,800 Family</b>   |
| Annual Deductible   | \$933 Individual<br>\$2,799 Family    | <b>\$1,054 Individual<br/>\$3,162 Family</b>  | \$700 Individual<br>\$2,100 Family  | \$1,500 Individual<br>\$4,500 Family   | \$1,500 Individual<br>\$4,500 Family   |
| Coinsurance Maximum                                       | \$3,793 Individual<br>\$11,379 Family | <b>\$4,282 Individual<br/>\$12,846 Family</b> | \$3,210 Individual<br>\$9,630 Family  | N/A  | N/A  |
| Out-of-Pocket (OOP) Maximum                               | N/A                                   | N/A   | N/A   | \$3,000 Individual<br>\$9,000 Family   | <b>\$3,500 Individual<br/>\$10,500 Family</b>  |
| Pharmacy Out-of-Pocket Maximum                            | \$2,500                               | <b>\$3,294</b>                                | \$2,500   | Included in OOP  | Included in OOP  |
| Preventive Care   | \$35 PCP<br>\$81 Specialist           | <b>\$39 PCP<br/>\$92 Specialist</b>           | \$0 ACA Services  | \$0 ACA Services   | \$0 ACA Services   |
| PCP Visit   | \$35                                  | <b>\$39</b>                                   | \$30 for primary doctor;<br>\$15 if you use PCP on ID card  | 15% after deductible;<br>\$15 added to HRA if you use PCP on ID                          | <b>15% after deductible;<br/>\$25 added to HRA if you use PCP on ID</b>                          |
| Specialist Visit  | \$81                                  | <b>\$92</b>                                   | \$70 for specialist;<br>\$60 if you use Blue Options Designated specialist                            | 15% after deductible;<br>\$10 added to HRA if you use Blue Options Designated specialist | <b>15% after deductible;<br/>\$20 added to HRA if you use Blue Options Designated specialist</b> |
| Urgent Care   | \$87                                  | <b>\$98</b>                                   | \$87  | 15% after deductible   | 15% after deductible   |
| Chiro/PT/OT   | \$64                                  | <b>\$72</b>                                   | \$52  | 15% after deductible   | 15% after deductible   |
| Emergency Care  | \$291, then 30% after deductible      | <b>\$329, then 30% after deductible</b>       | \$233, then 20% after deductible  | 15% after deductible   | 15% after deductible   |
| Inpatient Hospital  | \$291, then 30% after deductible      | <b>\$329, then 30% after deductible</b>       | \$233 copay, then 20% after deductible; copay not applied if you use Blue Options Designated hospital | 15% after deductible;<br>\$50 added to HRA if you use Blue Options Designated hospital   | <b>15% after deductible;<br/>\$200 added to HRA if you use Blue Options Designated hospital</b>  |

# Proposed Plan Design Changes

|                             | 70/30<br>Current | 70/30<br>2016 Proposed | 80/20<br>Current | 80/20<br>2016 Proposed | CDHP<br>Current   | CDHP<br>2016 Proposed   |
|-----------------------------|------------------|------------------------|------------------|------------------------|---|---|
| Pharmacy Benefit            |                  |                        |                  |                        |   |   |
| Tier 1                      | \$12             | <b>\$15</b>            | \$12             | \$12                   | 15% after deductible for in network benefits, 35% after deductible out of network | 15% after deductible for in network benefits, 35% after deductible out of network |
| Tier 2                      | \$40             | <b>\$46</b>            | \$40             | \$40                   |   |   |
| Tier 3                      | \$64             | <b>\$72</b>            | \$64             | \$64                   |   |   |
| Tier 4                      | 25% up to \$100  | 25% up to \$100        | 25% up to \$100  | 25% up to \$100        |   |   |
| Tier 5                      | 25% up to \$125  | <b>25% up to \$132</b> | 25% up to \$125  | <b>25% up to \$132</b> |   |   |
| OOP                         | \$2,500 Rx Only  | <b>\$3,294 Rx Only</b> | \$2,500 Rx Only  | \$2,500 Rx Only        | Integrated with Medical   | Integrated with Medical   |
| ACA Preventive Medications  | No               | No                     | Covered 100%     | Covered 100%           | Covered 100%  | Covered 100%  |
| CDHP Preventive Medications | N/A              | N/A                    | N/A              | N/A                    | Waive deductible, 15% coinsurance only  | Waive deductible, 15% coinsurance only  |
| Grandfather Status          | Grandfathered    | Grandfathered          | Grandfathered    | Grandfathered          | Non-Grandfathered   | Non-Grandfathered   |

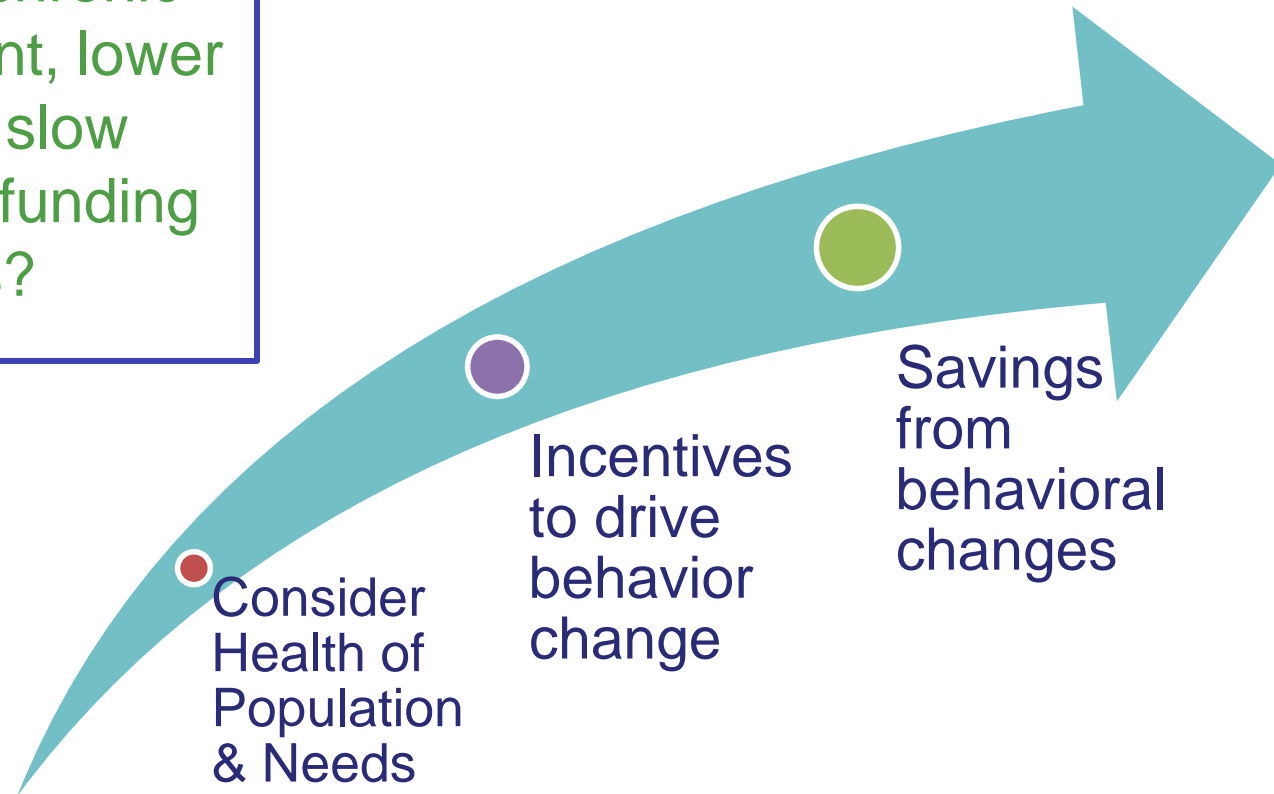


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# Engaging Members

# Health Engagement Program

How can benefit design elements be used to promote healthy lifestyles, chronic disease management, lower cost trends, and slow increases in future funding requirements?



# Health Engagement Program

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## All Members Enrolled in CDHP

*Create and promote awareness and engagement with Plan benefit and resources*

- Promote and incent healthy lifestyle choices
- Earn HRA funds for completion of milestone activities
  - Nutrition, fitness and other wellness program offerings

# Health Engagement Program

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## CDHP Members with Chronic Conditions

*Improve management of members with certain chronic conditions by promoting and incenting engagement*

- Target members with the following chronic conditions:
  - Diabetes
  - Asthma/COPD
  - Cardiovascular diseases (Hypertension, Hyperlipidemia, Coronary Artery Disease and Congestive Heart Failure)
- Earn HRA funds for completion of milestone activities
  - Engagement with a health coach twice in a 12 month period (high risk members follow guidance of health coach for additional engagement)
  - Completion of Health Assessment and submission of biometric measures
  - Completion of clinical care requirements recommended for each condition

# Proposed Healthy Activities & Premium Credits

2016

| Healthy Activity                                | CDHP | Enhanced<br>80/20 | Traditional<br>70/30 |
|---|------|-------------------|----------------------|
| Non-Tobacco User or QuitlineNC Enrollment       | \$40 | \$40              | \$40                 |
| PCP Selection and PCMH Module                   | \$20 | \$25              | N/A                  |
| Health Assessment with Self-reported Biometrics | \$20 | \$25              | N/A                  |
| Total Credits Available                         | \$80 | \$90              | \$40                 |

2017

| Healthy Activity                                    | CDHP | Enhanced<br>80/20 | Traditional<br>70/30 |
|---|------|-------------------|----------------------|
| Non-Tobacco User or QuitlineNC Enrollment           | \$40 | \$40              | \$40                 |
| PCMH Selection                                      | \$20 | \$25              | N/A                  |
| Health Assessment with Provider-reported Biometrics | \$20 | \$25              | N/A                  |
| Total Credits Available                             | \$80 | \$90              | \$40                 |

2018

| Healthy Activity                          | CDHP  | Enhanced<br>80/20 | Traditional<br>70/30 |
|---|-------|-------------------|----------------------|
| Non-Tobacco User or QuitlineNC Enrollment | \$60  | \$60              | \$60                 |
| PCMH Selection                            | TBD   | TBD               | N/A                  |
| Health Engagement Program                 | TBD   | TBD               | N/A                  |
| Other Activity(ies)                       | TBD   | TBD               | N/A                  |
| Total Credits Available                   | \$120 | \$130             | \$60                 |

*Changes to healthy activities, premiums & credits are subject to approval by the Board of Trustees*

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# Impact on Actuarial Forecast

# Baseline Model – Status Quo

## Major Plan Design Features

- Plan benefits do not change from current design
- Wellness premiums remain at \$40, same premium credits available
- Traditional 70/30 Plan employee premium stays at \$0 with no wellness premiums and credits
- No changes in member cost-sharing

## Projected Member Impact

- Membership remains relatively stable
- Engagement opportunities and incentives do not change
- Members electing Traditional 70/30 Plan can continue to be non-engaged without further consequences

## Financial Impact

- 2016 and 2017 premium increases of 5.05%
- General Funds Needed: \$50.2m in FY 2015-16; \$152.5m in FY 2016-17



# 2013 Board Approved Wellness Design

## Major Plan Design Features

- Wellness Design expanded to Traditional 70/30 Plan
  - 100% coverage of preventive services
  - Wellness premium structure and credits for Active Employees
- Wellness premiums and credits increase by \$40 in Enhanced 80/20 Plan and CDHP
- Traditional 70/30 Plan employee premium can be earned down to \$0
- No changes in member cost-sharing

## Projected Member Impact

- Members migrate out of the Traditional 70/30 Plan
- Greater member engagement generated through overlay of the wellness design on the Traditional 70/30 Plan

## Financial Impact

- 2016 and 2017 premium increases of 5.05%
- General Funds Needed: \$50.2m in FY 2015-16; \$152.7m in FY 2016-17

# Staff Recommendation

## Major Plan Design Features

- Smoker surcharge/credit of \$40 added to the Traditional 70/30 Plan for Active Employees
- Base employee premium of \$20 added to the Traditional 70/30 Plan
- Wellness premiums and credits increase by \$40 in Enhanced 80/20 Plan and CDHP
- Increase member cost-sharing in the Traditional 70/30 Plan
- Increase out of pocket maximum in CDHP, but HRA starting balance is also increased and members have additional engagement opportunities

## Projected Member Impact

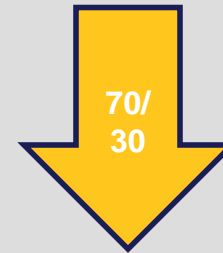
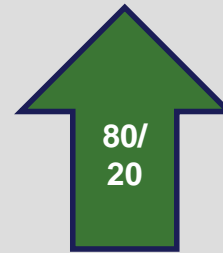
- Members migrate out of the Traditional 70/30 Plan; many enroll in CDHP
- Greater member engagement generated through the value differential

## Financial Impact

- 2016 and 2017 premium increases of 4.53%
- General Funds Needed: \$45.0m in FY 2015-16; \$136.5m in FY 2016-17

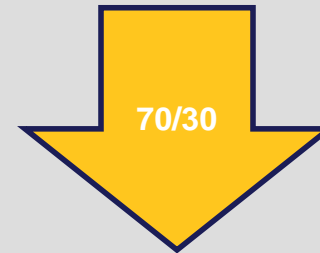
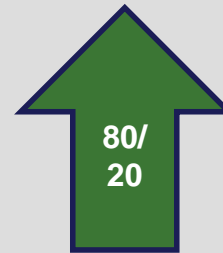
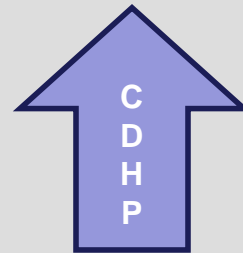
# Projected Member Migration: Projected Changes in Membership

**Baseline:**  
Very modest movement



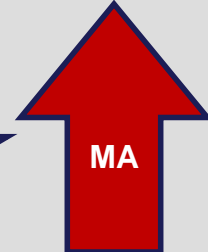
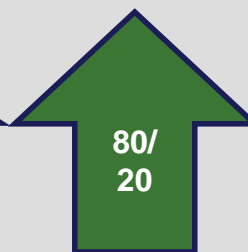
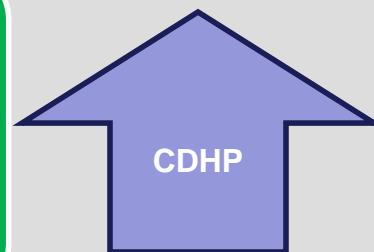
**2013 Board Wellness Design:**

Some movement expected among Active Employees



**Staff Recommendation:**

More significant movement out of 70/30 and into CDHP and Medicare Advantage



Wider arrows indicate projection of greater movement

# Major Cost and Savings Drivers

## Staff Recommendation

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### Cost Drivers

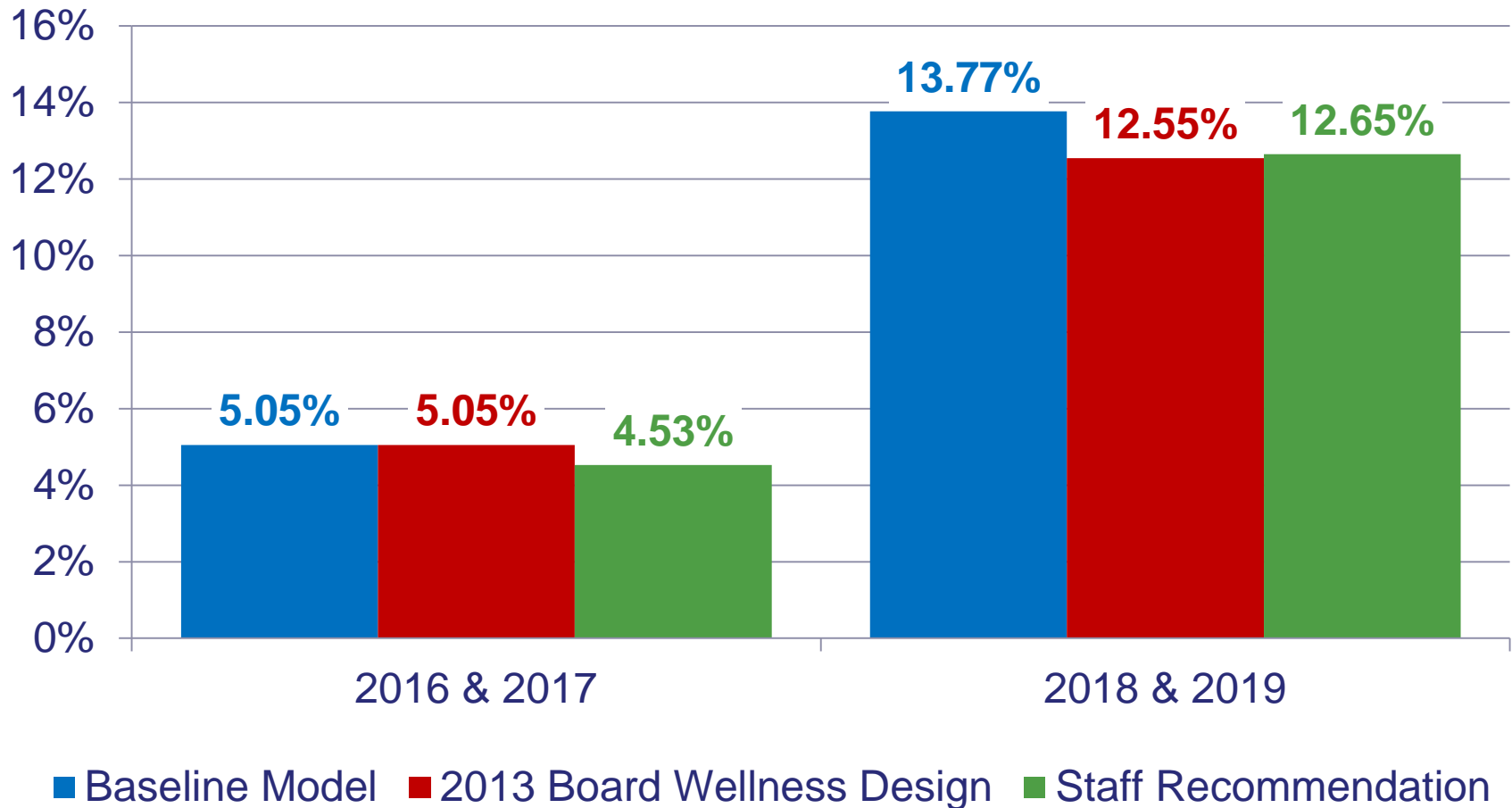
- Richer CDHP plan design (approximately 2.7% richer)
- Movement away from Traditional 70/30 Plan to Enhanced 80/20 and CDHP plan options, which provide richer benefits to members (i.e. the Plan pays a higher percentage of total claims costs under those options)

### Savings Drivers

- Increased member cost-sharing in Traditional 70/30 Plan
- Movement of Medicare members away from Traditional 70/30 Plan and to Medicare Advantage plans
- Potential behavior changes when moving to the CDHP
- Increased premium receipts from members who do not complete healthy activities/earn premium credits
- Members are healthier, more engaged, and better informed consumers who purchase more value-based health care services

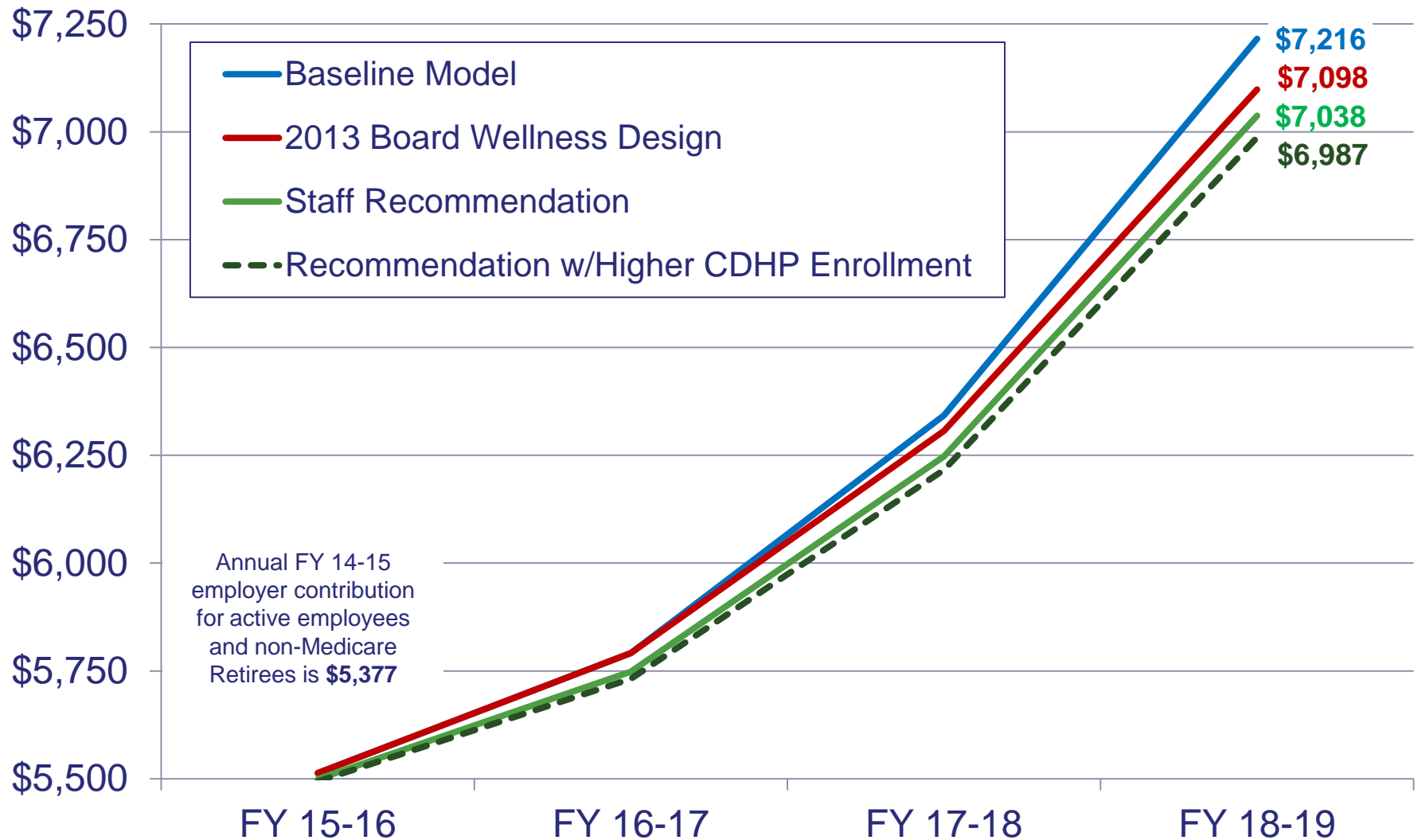
# Annual Premium Increases

## January 1<sup>st</sup> of Each Year



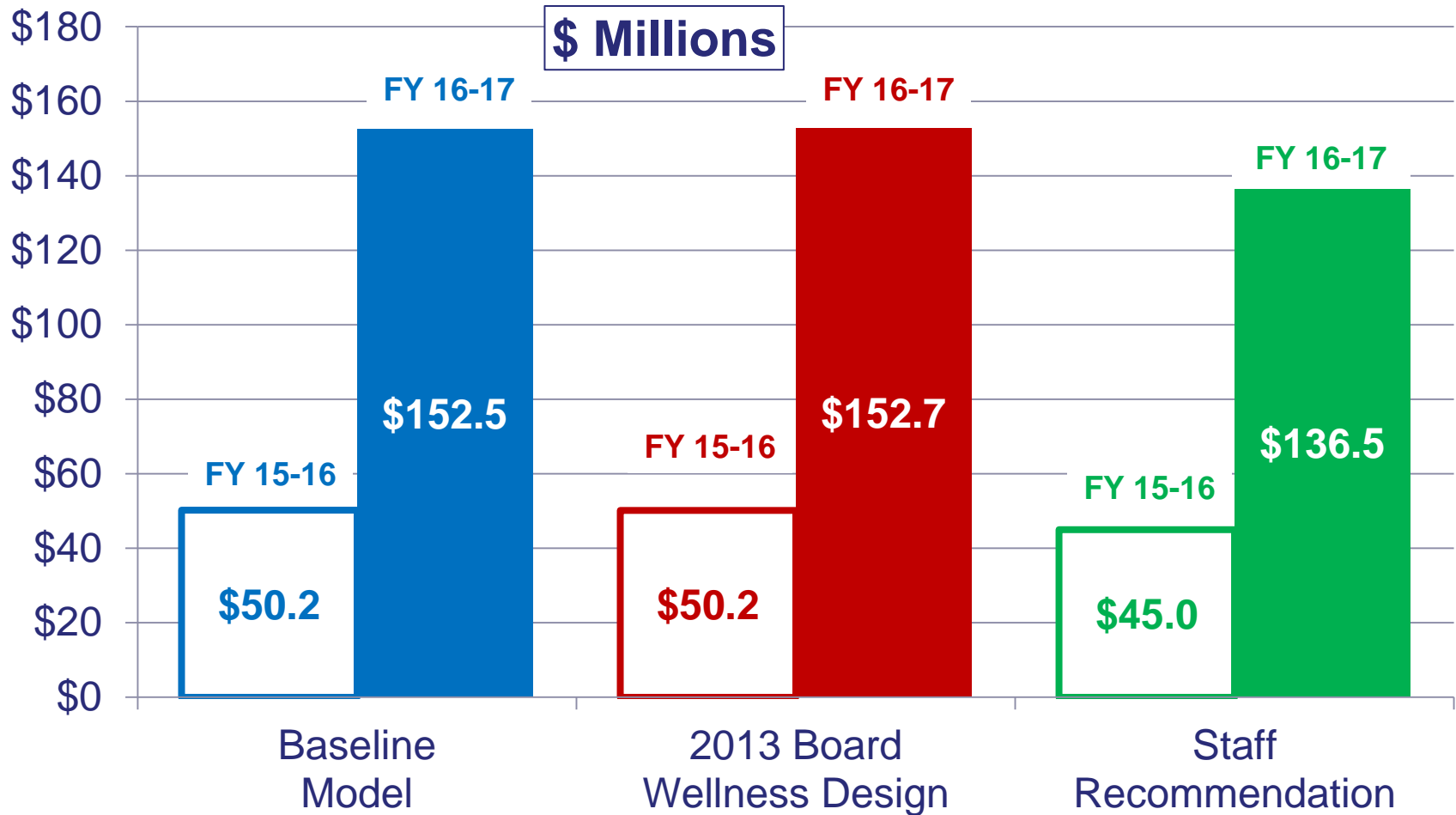
# Annual Employer Contributions

## Active Employees and Non-Medicare Retirees



# General Fund Increases

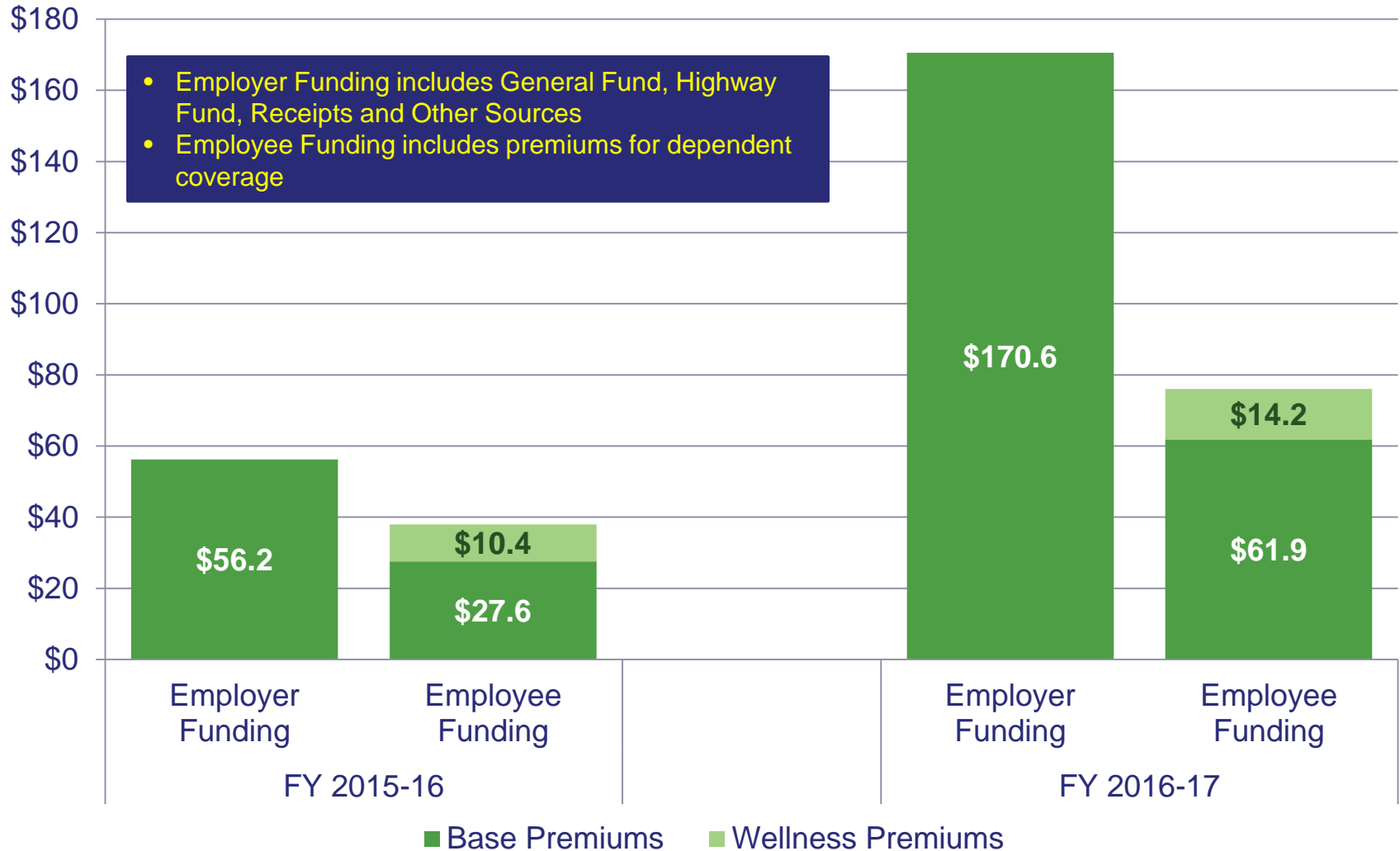
## 2015-2017 Fiscal Biennium





# Projected Increases in Employer and Employee Contributions

## Staff Recommendation



# Wellness Premium Credits – Consumer Directed Health Plan

## *Active Employee/Non-Medicare Retiree Only Coverage*

| Wellness Design   | 2014        | 2015        | 2016        | 2017        |
|---|-------------|-------------|-------------|-------------|
| Estimated Employee/Retiree Premium  | \$40        | \$40        | \$80        | \$80        |
| Monthly Earnable Premium Credits  | 2014        | 2015        | 2016        | 2017        |
| <b>Healthy Activity #1:</b><br>Non-Tobacco User or QuitlineNC Enrollment    | \$20        | \$20        | \$40        | \$40        |
| <b>Healthy Activity #2:</b><br>Choose PCP, complete PCMH Module/Select PCMH | \$10        | \$10        | \$20        | \$20        |
| <b>Healthy Activity #3:</b><br>Personal Health Assessment w/ Biometrics     | \$10        | \$10        | \$20        | \$20        |
| <b>Total Available Monthly Premium Credits</b>                              | <b>\$40</b> | <b>\$40</b> | <b>\$80</b> | <b>\$80</b> |
| <b>Net Employee/Retiree Premium With All Credits</b>                        | <b>\$0</b>  | <b>\$0</b>  | <b>\$0</b>  | <b>\$0</b>  |

*Premium and credit amounts referenced on this slide are estimates and subject to change pending final benefit design, actuarial forecast and Board approval*

# Wellness Premium Credits – Enhanced 80/20 Plan

## Active Employee/Non-Medicare Retiree Only Coverage

| Wellness Design   | 2014           | 2015           | 2016           | 2017           |
|---|----------------|----------------|----------------|----------------|
| Estimated Employee/Retiree Premium  | \$63.56        | \$63.56        | \$104.64       | \$105.76       |
| Monthly Earnable Premium Credits  | 2014           | 2015           | 2016           | 2017           |
| <b>Healthy Activity #1:</b><br>Non-Tobacco User or QuitlineNC Enrollment    | \$20           | \$20           | \$40           | \$40           |
| <b>Healthy Activity #2:</b><br>Choose PCP, complete PCMH Module/Select PCMH | \$15           | \$15           | \$25           | \$25           |
| <b>Healthy Activity #3:</b><br>Personal Health Assessment w/ Biometrics     | \$15           | \$15           | \$25           | \$25           |
| <b>Total Available Monthly Premium Credits</b>                              | <b>\$50</b>    | <b>\$50</b>    | <b>\$90</b>    | <b>\$90</b>    |
| <b>Net Employee/Retiree Premium With All Credits</b>                        | <b>\$13.56</b> | <b>\$13.56</b> | <b>\$14.64</b> | <b>\$15.76</b> |

*Premium and credit amounts referenced on this slide are estimates and subject to change pending final benefit design, actuarial forecast and Board approval*

# Wellness Premium Credits – Traditional 70/30 Plan

## Active Employee Coverage Only

| Wellness Design   | 2014   | 2015   | 2016    | 2017    |
|---|--------|--------|---------|---------|
| Estimated Employee Premium  | \$0.00 | \$0.00 | \$60.00 | \$60.92 |
| Monthly Earnable Premium Credits                                  | 2014   | 2015   | 2016    | 2017    |
| Healthy Activity #1:<br>Non-Tobacco User or QuitlineNC Enrollment | \$0    | \$0    | \$40    | \$40    |
| Total Available Monthly Premium Credits                           | \$0    | \$0    | \$40    | \$40    |
| Net Employee Premium With All Credits                             | \$0.00 | \$0.00 | \$20.00 | \$20.92 |

*Premium and credit amounts referenced on this slide are estimates and subject to change pending final benefit design, actuarial forecast and Board approval*

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# Member Cost Share Scenarios

## Active Employees

# Member Scenarios – Meet Holly

A State Health Plan member with two children covered on her plan trying to decide which plan is right for her and her family.

- As an active employee, she has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A typical year of medical and pharmacy services for Holly and her children might include the following:
  - 3 Preventive Care Visits with PCP
  - 2 Additional Primary Care Visits
  - 1 Specialist Visit
  - 2 Urgent Care Visits
  - 1 Monthly Maintenance Prescription (Tier 1, ACA Preventive Medication)
  - 1 Tier 1 Prescription

“As we enter the Annual Enrollment period for 2016, how much will I have to pay under each plan option?”



# Holly's Projected Health Care Costs for 2016

| Annual Member Costs              | Traditional<br>70/30 Plan | Enhanced<br>80/20 Plan | CDHP           |
|----------------------------------|---------------------------|------------------------|----------------|
| <b>If Holly's "Engaged"*</b>     |                           |                        |                |
| Premium Payments                 | \$2,825                   | \$3,617                | \$2,326        |
| Out-of-Pocket Costs              | \$680                     | \$276                  | \$0**          |
| <b>Engaged Member Total</b>      | <b>\$3,505</b>            | <b>\$3,893</b>         | <b>\$2,326</b> |
| <b>If Holly's "Non-Engaged"*</b> |                           |                        |                |
| Premium Payments                 | \$3,305                   | \$4,697                | \$3,286        |
| Out-of-Pocket Costs              | \$680                     | \$316                  | \$0**          |
| <b>Non-Engaged Member Total</b>  | <b>\$3,985</b>            | <b>\$5,013</b>         | <b>\$3,286</b> |

Holly's  
lowest-cost  
option



- The CDHP has lower dependent premiums, and Holly's projected 2016 out-of-pocket costs are less than the initial CDHP starting balance of \$1,800. The CDHP is Holly's best option.
- A willingness to engage in healthy activities and to use selected PCPs and Blue Options Designated providers reduces member out-of-pocket costs in the CDHP and Enhanced 80/20.

\*An "engaged member" has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A "non-engaged member" has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.

\*\*Holly's HRA will cover all of her out-of-pocket expenses, and Holly will have an estimated \$1,125 in her HRA to use in 2017 if she is engaged or approximately \$980 if she is not.



# Member Scenario Cost Detail – Active Employee Holly

|                                    |    | Traditional<br>70/30   |              |                        |              | Enhanced<br>80/20      |              |                        |              | Consumer-Directed<br>Health Plan |              |                        |              |
|------------------------------------|----|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|----------------------------------|--------------|------------------------|--------------|
|                                    |    | Non-Engaged            |              | Engaged                |              | Non-Engaged            |              | Engaged                |              | Non-Engaged                      |              | Engaged                |              |
|                                    | #  | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost           | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| Medical Services                   |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Preventive Visits with PCP         | 3  | \$39                   | \$117        | \$39                   | \$117        | \$0                    | \$0          | \$0                    | \$0          | \$0                              | \$0          | \$0                    | \$0          |
| Primary Care Visits                | 2  | \$39                   | \$78         | \$39                   | \$78         | \$30                   | \$60         | \$15                   | \$30         | \$140                            | \$280        | \$140                  | \$280        |
| Specialist Visit                   | 1  | \$92                   | \$92         | \$92                   | \$92         | \$70                   | \$70         | \$60                   | \$60         | \$200                            | \$200        | \$200                  | \$200        |
| Urgent Care Visit                  | 2  | \$99                   | \$198        | \$99                   | \$198        | \$87                   | \$174        | \$87                   | \$174        | \$150                            | \$300        | \$150                  | \$300        |
| Drugs                              |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| ACA Preventive Drugs (Tier 1)      | 12 | \$15                   | \$180        | \$15                   | \$180        | \$0                    | \$0          | \$0                    | \$0          | \$0                              | \$0          | \$0                    | \$0          |
| Tier 1 Prescription                | 1  | \$15                   | \$15         | \$15                   | \$15         | \$12                   | \$12         | \$12                   | \$12         | \$40                             | \$40         | \$40                   | \$40         |
| Total (before considering HRA)     |    |                        | \$680        |                        | \$680        |                        | \$316        |                        | \$276        |                                  | \$820        |                        | \$820        |
| HRA Funds Provided by SHP          |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Starting Balance                   |    |                        |              |                        |              |                        |              |                        |              | \$1,800                          |              | \$1,800                |              |
| HRA Incentive Dollars              |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Identified PCP                     |    |                        |              |                        |              |                        |              |                        |              | \$0                              |              | \$125                  |              |
| Blue Options Designated Specialist |    |                        |              |                        |              |                        |              |                        |              | \$0                              |              | \$20                   |              |
| Blue Options Designated Hospital   |    |                        |              |                        |              |                        |              |                        |              | \$0                              |              | \$0                    |              |
| Engagement Activities              |    |                        |              |                        |              |                        |              |                        |              | \$0                              |              | \$0                    |              |
| Total HRA Dollars to Use           |    |                        |              |                        |              |                        |              |                        |              | \$1,800                          |              | \$1,945                |              |
|                                    |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Member Cost-sharing with HRA       |    | \$680                  |              | \$680                  |              | \$316                  |              | \$276                  |              | \$0                              |              | \$0                    |              |
| HRA Balance for Use in 2017        |    | --                     |              | --                     |              | --                     |              | --                     |              | \$980                            |              | \$1,125                |              |
| Annual Premium                     |    | \$3,305                |              | \$2,825                |              | \$4,697                |              | \$3,617                |              | \$3,286                          |              | \$2,326                |              |
| Total Member Cost                  |    | \$3,985                |              | \$3,505                |              | \$5,013                |              | \$3,893                |              | \$3,286                          |              | \$2,326                |              |

Red numbers in the Unit Copay/Cost column indicate a copayment amount.

Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

# Member Scenarios – Meet Pete

A State Health Plan member with employee-only coverage who visits doctors regularly and is trying to decide which plan is right for him.

- As an active employee, he has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A year of medical and pharmacy services for Pete might include:
  - 1 Preventive Care Visit with PCP
  - 3 Additional Primary Care Visits
  - 2 Specialist Visits
  - 2 Chiropractor Visits
  - 1 Urgent Care Visit
  - 4 Tier 1 Prescriptions
  - 2 Tier 2 Prescriptions

“I don’t have any major conditions, but I do get sick and visit the doctor more often than I used to. I’m trying to determine how much I will have to pay under each plan option.”



# Pete's Projected Health Care Costs for 2016

| Annual Member Costs              | Traditional<br>70/30 Plan | Enhanced<br>80/20 Plan | CDHP           |
|----------------------------------|---------------------------|------------------------|----------------|
| <b>If Pete is “Engaged”*</b>     |                           |                        |                |
| Premium Payments                 | \$240                     | \$180                  | \$0            |
| Out-of-Pocket Costs              | \$735                     | \$484                  | \$720          |
| <b>Engaged Member Total</b>      | <b>\$975</b>              | <b>\$664</b>           | <b>\$720</b>   |
| <b>If Pete is “Non-Engaged”*</b> |                           |                        |                |
| Premium Payments                 | \$720                     | \$1,260                | \$960          |
| Out-of-Pocket Costs              | \$735                     | \$549                  | \$860          |
| <b>Non-Engaged Member Total</b>  | <b>\$1,455</b>            | <b>\$1,809</b>         | <b>\$1,820</b> |

Pete's  
lowest-cost  
option

- Because he uses a relatively large number of services that are subject to copays in the 70/30 and 80/20 plans, Pete does best in the Enhanced 80/20 Plan if he is engaged, or the Traditional 70/30 if he is non-engaged.
- The year of services described for Pete would approach the \$1,500 deductible in the CDHP, so one major health event would likely make the CDHP a lower-cost option for him due to the lower coinsurance and the combined medical and pharmacy out-of-pocket maximum.

\*An “engaged member” has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A “non-engaged member” has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.

# Member Scenario Cost Detail – Active Employee Pete

|                                       |   | Traditional<br>70/30   |                |                        |              | Enhanced<br>80/20      |                |                        |              | Consumer-Directed<br>Health Plan |                |                        |              |
|---------------------------------------|---|------------------------|----------------|------------------------|--------------|------------------------|----------------|------------------------|--------------|----------------------------------|----------------|------------------------|--------------|
|                                       |   | Non-Engaged            |                | Engaged                |              | Non-Engaged            |                | Engaged                |              | Non-Engaged                      |                | Engaged                |              |
|                                       | # | Unit<br>Copay/<br>Cost | Mbr<br>Total   | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total   | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost           | Mbr<br>Total   | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| <b>Medical Services</b>               |   |                        |                |                        |              |                        |                |                        |              |                                  |                |                        |              |
| Preventive Visits with PCP            | 1 | \$39                   | \$39           | \$39                   | \$39         | \$0                    | \$0            | \$0                    | \$0          | \$0                              | \$0            | \$0                    | \$0          |
| Primary Care Visits                   | 3 | \$39                   | \$117          | \$39                   | \$117        | \$30                   | \$90           | \$15                   | \$45         | \$140                            | \$420          | \$140                  | \$420        |
| Specialist Visits                     | 2 | \$92                   | \$184          | \$92                   | \$184        | \$70                   | \$140          | \$60                   | \$120        | \$200                            | \$400          | \$200                  | \$400        |
| Mid-Level Office Visits               | 2 | \$72                   | \$144          | \$72                   | \$144        | \$52                   | \$104          | \$52                   | \$104        | \$85                             | \$170          | \$85                   | \$170        |
| Urgent Care Visit                     | 1 | \$99                   | \$99           | \$99                   | \$99         | \$87                   | \$87           | \$87                   | \$87         | \$150                            | \$150          | \$150                  | \$150        |
| <b>Drugs</b>                          |   |                        |                |                        |              |                        |                |                        |              |                                  |                |                        |              |
| Tier 1 Prescriptions                  | 4 | \$15                   | \$60           | \$15                   | \$60         | \$12                   | \$48           | \$12                   | \$48         | \$40                             | \$160          | \$40                   | \$160        |
| Tier 2 Prescriptions                  | 2 | \$46                   | \$92           | \$46                   | \$92         | \$40                   | \$80           | \$40                   | \$80         | \$80                             | \$160          | \$80                   | \$160        |
| <b>Total (before considering HRA)</b> |   |                        | \$735          |                        | \$735        |                        | \$549          |                        | \$452        |                                  | \$1,460        |                        | \$1,460      |
| <b>HRA Funds Provided by SHP</b>      |   |                        |                |                        |              |                        |                |                        |              |                                  |                |                        |              |
| Starting Balance                      |   |                        |                |                        |              |                        |                |                        |              |                                  | \$600          |                        | \$600        |
| HRA Incentive Dollars                 |   |                        |                |                        |              |                        |                |                        |              |                                  |                |                        |              |
| Identified PCP                        |   |                        |                |                        |              |                        |                |                        |              |                                  | \$0            |                        | \$100        |
| Blue Options Designated Specialist    |   |                        |                |                        |              |                        |                |                        |              |                                  | \$0            |                        | \$40         |
| Blue Designated Options Hospital      |   |                        |                |                        |              |                        |                |                        |              |                                  | \$0            |                        | \$0          |
| Engagement Activities                 |   |                        |                |                        |              |                        |                |                        |              |                                  | \$0            |                        | \$0          |
| <b>Total HRA Dollars to Use</b>       |   |                        |                |                        |              |                        |                |                        |              |                                  | \$600          |                        | \$740        |
| Member Cost-sharing with HRA          |   |                        | \$735          |                        | \$735        |                        | \$549          |                        | \$484        |                                  | \$860          |                        | \$720        |
| HRA Balance for Use in 2017           |   |                        | --             |                        | --           |                        | --             |                        | --           |                                  | \$0            |                        | \$0          |
| Annual Premium                        |   |                        | \$720          |                        | \$240        |                        | \$1,260        |                        | \$180        |                                  | \$960          |                        | \$0          |
| <b>Total Member Cost</b>              |   |                        | <b>\$1,455</b> |                        | <b>\$975</b> |                        | <b>\$1,809</b> |                        | <b>\$664</b> |                                  | <b>\$1,820</b> |                        | <b>\$720</b> |

Red numbers in the Unit Copay/Cost column indicate a copayment amount.

Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

# Member Scenarios – Meet Bentley

A State Health Plan member with employee-only coverage who has been diagnosed with diabetes and is trying to decide which plan is right for his chronic condition.

- As an active employee, he has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A year of medical and pharmacy services for Bentley might include:
  - 1 Preventive Care Visit with PCP
  - 4 Additional Primary Care Visits
  - 3 Specialist Visits
  - 1 Inpatient Hospitalization
  - 2 Monthly Maintenance Prescriptions (Tier 1)\*
  - 1 Monthly Maintenance Prescription (Tier 2)\*
  - 1 Tier 1 Prescription

"I was recently diagnosed with diabetes, so I'm trying to determine how much I will have to pay under each plan option."



\* Maintenance Prescriptions assumed to be on CDHP Preventive Medications List



# Bentley's Projected Health Care Costs for 2016

| Annual Member Costs                 | Traditional 70/30 Plan | Enhanced 80/20 Plan | CDHP           | Bentley's lowest-cost option<br>↙ |
|-------------------------------------|------------------------|---------------------|----------------|-----------------------------------|
| <b>If Bentley is "Engaged"*</b>     |                        |                     |                |                                   |
| Premium Payments                    | \$240                  | \$180               | \$0            |                                   |
| Out-of-Pocket Costs                 | \$5,844                | \$3,900             | \$2,298        |                                   |
| <b>Engaged Member Total</b>         | <b>\$6,084</b>         | <b>\$4,080</b>      | <b>\$2,298</b> |                                   |
| <b>If Bentley is "Non-Engaged"*</b> |                        |                     |                |                                   |
| Premium Payments                    | \$720                  | \$1,260             | \$960          |                                   |
| Out-of-Pocket Costs                 | \$7,068                | \$5,253             | \$2,900        |                                   |
| <b>Non-Engaged Member Total</b>     | <b>\$7,788</b>         | <b>\$6,513</b>      | <b>\$3,860</b> |                                   |

- Because he is a high utilizer, Bentley will come close to the CDHP out-of-pocket maximum of \$3,500 (He will reach the out-of-pocket maximum if he is non-engaged).
- Engaging with a health coach to manage his condition and using Blue Options Designated providers and his selected PCP could earn nearly \$600 in additional HRA incentive funds, reducing Bentley's true out-of-pocket costs. (Using Blue Options Designated providers reduces member out-of-pocket costs in all the plan options.)
- Although there are fewer healthy activities to complete when enrolling in the Traditional 70/30 Plan, it would be a poor option for Bentley because of the high out-of-pocket costs.

\*An "engaged member" has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A "non-engaged member" has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.

# Member Scenario Cost Detail – Active Employee Bentley

|                                       |    | Traditional<br>70/30   |              |                        |              | Enhanced<br>80/20      |              |                        |              | Consumer-Directed<br>Health Plan* |              |                        |              |
|---------------------------------------|----|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|-----------------------------------|--------------|------------------------|--------------|
|                                       |    | Non-Engaged            |              | Engaged                |              | Non-Engaged            |              | Engaged                |              | Non-Engaged                       |              | Engaged                |              |
|                                       | #  | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost            | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| <b>Medical Services</b>               |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Preventive Visits with PCP            | 1  | \$39                   | \$39         | \$39                   | \$39         | \$0                    | \$0          | \$0                    | \$0          | \$0                               | \$0          | \$0                    | \$0          |
| Primary Care Visits                   | 4  | \$39                   | \$156        | \$39                   | \$156        | \$30                   | \$120        | \$15                   | \$60         | \$140                             | \$280        | \$140                  | \$322        |
| Specialist Visit                      | 3  | \$92                   | \$276        | \$92                   | \$276        | \$70                   | \$210        | \$60                   | \$180        | \$200                             | \$200        | \$200                  | \$260        |
| Inpatient Hospital Admission          | 1  | \$19,000               | \$5,670      | \$11,600               | \$4,446      | \$19,000               | \$4,143      | \$11,600               | \$2,880      | \$19,000                          | \$2,884      | \$11,600               | \$2,573      |
| <b>Drugs</b>                          |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Maintenance Drugs (Tier 1)            | 24 | \$15                   | \$360        | \$15                   | \$360        | \$12                   | \$288        | \$12                   | \$288        | \$40                              | \$48         | \$40                   | \$144        |
| Tier 1 Prescription                   | 1  | \$15                   | \$15         | \$15                   | \$15         | \$12                   | \$12         | \$12                   | \$12         | \$40                              | \$40         | \$40                   | \$40         |
| Maintenance Drugs (Tier 2)            | 12 | \$46                   | \$552        | \$46                   | \$552        | \$40                   | \$480        | \$40                   | \$480        | \$80                              | \$48         | \$80                   | \$144        |
| <b>Total (before considering HRA)</b> |    |                        | \$7,068      |                        | \$5,844      |                        | \$5,253      |                        | \$3,900      |                                   | \$3,500      |                        | \$3,483      |
| <b>HRA Funds Provided by SHP</b>      |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Starting Balance                      |    |                        |              |                        |              |                        |              |                        |              |                                   | \$600        |                        | \$600        |
| HRA Incentive Dollars                 |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Identified PCP                        |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$125        |
| Blue Options Specialist               |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$60         |
| Blue Options Hospital                 |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$200        |
| Engagement Activities                 |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$200        |
| <b>Total HRA Dollars to Use</b>       |    |                        |              |                        |              |                        |              |                        |              |                                   | \$600        |                        | \$1,185      |
| Member Cost-sharing with HRA          |    |                        | \$7,068      |                        | \$5,844      |                        | \$5,253      |                        | \$3,900      |                                   | \$2,900      |                        | \$2,298      |
| HRA Balance for Use in 2017           |    |                        | --           |                        | --           |                        | --           |                        | --           |                                   | \$0          |                        | \$0          |
| Annual Premium                        |    |                        | \$720        |                        | \$240        |                        | \$1,260      |                        | \$180        |                                   | \$960        |                        | \$0          |
| <b>Total Member Cost</b>              |    |                        | \$7,788      |                        | \$6,084      |                        | \$6,513      |                        | \$4,080      |                                   | \$3,860      |                        | \$2,298      |

Red numbers in the Unit Copay/Cost column indicate a copayment amount. Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

\*CDHP costs by service depend on the timing of services and costs. The numbers in the chart assume a specific ordering of services until the deductible and out-of-pocket maximum are reached.

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# Member Cost Share Scenarios

## Non-Medicare Retirees



# Member Scenarios – Meet Holly

“As we enter the Annual Enrollment period for 2016, how much will I have to pay under each plan option?”

A retired State Health Plan member with two children covered on her plan trying to decide which plan is right for her and her family.

- As an early retiree, she has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A typical year of medical and pharmacy services for Holly and her children might include the following:
  - 3 Preventive Care Visits with PCP
  - 2 Additional Primary Care Visits
  - 1 Specialist Visit
  - 2 Urgent Care Visits
  - 1 Monthly Maintenance Prescription (Tier 1, ACA Preventive Medication)
  - 1 Tier 1 Prescription



# Retired Holly's Projected Health Care Costs for 2016

| Annual Member Costs              | Traditional<br>70/30 Plan | Enhanced<br>80/20 Plan | CDHP           |
|----------------------------------|---------------------------|------------------------|----------------|
| <b>If Holly's "Engaged"*</b>     |                           |                        |                |
| Premium Payments                 | \$2,585                   | \$3,617                | \$2,326        |
| Out-of-Pocket Costs              | \$680                     | \$276                  | \$0**          |
| <b>Engaged Member Total</b>      | <b>\$3,265</b>            | <b>\$3,893</b>         | <b>\$2,326</b> |
| <b>If Holly's "Non-Engaged"*</b> |                           |                        |                |
| Premium Payments                 | \$2,585                   | \$4,697                | \$3,286        |
| Out-of-Pocket Costs              | \$680                     | \$316                  | \$0**          |
| <b>Non-Engaged Member Total</b>  | <b>\$3,265</b>            | <b>\$5,013</b>         | <b>\$3,286</b> |

Holly's  
lowest-cost  
option



- The CDHP has lower dependent premiums, and Holly's projected 2016 out-of-pocket costs are less than the initial CDHP starting balance of \$1,800. The CDHP is Holly's best option.
- A willingness to engage in healthy activities and to use selected PCPs and Blue Options Designated providers reduces member out-of-pocket costs in the CDHP and Enhanced 80/20.

\*An "engaged member" has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A "non-engaged member" has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.

\*\*Holly's HRA will cover all of her out-of-pocket expenses, and Holly will have an estimated \$1,125 in her HRA to use in 2017 if she is engaged or approximately \$980 if she is not.

# Member Scenario Cost Detail – Non-Medicare Retiree Holly

|                                       |    | Traditional<br>70/30   |              |                        |              | Enhanced<br>80/20      |              |                        |              | Consumer-Directed<br>Health Plan |              |                        |              |
|---------------------------------------|----|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|----------------------------------|--------------|------------------------|--------------|
|                                       |    | Non-Engaged            |              | Engaged                |              | Non-Engaged            |              | Engaged                |              | Non-Engaged                      |              | Engaged                |              |
|                                       | #  | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost           | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| <b>Medical Services</b>               |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Preventive Visits with PCP            | 3  | \$39                   | \$117        | \$39                   | \$117        | \$0                    | \$0          | \$0                    | \$0          | \$0                              | \$0          | \$0                    | \$0          |
| Primary Care Visits                   | 2  | \$39                   | \$78         | \$39                   | \$78         | \$30                   | \$60         | \$15                   | \$30         | \$140                            | \$280        | \$140                  | \$280        |
| Specialist Visit                      | 1  | \$92                   | \$92         | \$92                   | \$92         | \$70                   | \$70         | \$60                   | \$60         | \$200                            | \$200        | \$200                  | \$200        |
| Urgent Care Visit                     | 2  | \$99                   | \$198        | \$99                   | \$198        | \$87                   | \$174        | \$87                   | \$174        | \$150                            | \$300        | \$150                  | \$300        |
| <b>Drugs</b>                          |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| ACA Preventive Drugs (Tier 1)         | 12 | \$15                   | \$180        | \$15                   | \$180        | \$0                    | \$0          | \$0                    | \$0          | \$0                              | \$0          | \$0                    | \$0          |
| Tier 1 Prescription                   | 1  | \$15                   | \$15         | \$15                   | \$15         | \$12                   | \$12         | \$12                   | \$12         | \$40                             | \$40         | \$40                   | \$40         |
| <b>Total (before considering HRA)</b> |    |                        | \$680        |                        | \$680        |                        | \$316        |                        | \$276        |                                  | \$820        |                        | \$820        |
| <b>HRA Funds Provided by SHP</b>      |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Starting Balance                      |    |                        |              |                        |              |                        |              |                        |              |                                  | \$1,800      |                        | \$1,800      |
| HRA Incentive Dollars                 |    |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Identified PCP                        |    |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$125        |
| Blue Options Designated Specialist    |    |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$20         |
| Blue Options Designated Hospital      |    |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$0          |
| Engagement Activities                 |    |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$0          |
| <b>Total HRA Dollars to Use</b>       |    |                        |              |                        |              |                        |              |                        |              |                                  | \$1,800      |                        | \$1,945      |
| Member Cost-sharing with HRA          |    |                        | \$680        |                        | \$680        |                        | \$316        |                        | \$276        |                                  | \$0          |                        | \$0          |
| HRA Balance for Use in 2017           |    |                        | --           |                        | --           |                        | --           |                        | --           |                                  | \$980        |                        | \$1,125      |
| Annual Premium                        |    |                        | \$2,585      |                        | \$2,585      |                        | \$4,697      |                        | \$3,617      |                                  | \$3,286      |                        | \$2,326      |
| <b>Total Member Cost</b>              |    |                        | \$3,265      |                        | \$3,265      |                        | \$5,013      |                        | \$3,893      |                                  | \$3,286      |                        | \$2,326      |

Red numbers in the Unit Copay/Cost column indicate a copayment amount.

Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

# Member Scenarios – Meet Pete

A State Health Plan member with retiree-only coverage who visits doctors regularly and is trying to decide which plan is right for him.

- As an early retiree, he has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A year of medical and pharmacy services for Pete might include:
  - 1 Preventive Care Visit with PCP
  - 3 Additional Primary Care Visits
  - 2 Specialist Visits
  - 2 Chiropractor Visits
  - 1 Urgent Care Visit
  - 4 Tier 1 Prescriptions
  - 2 Tier 2 Prescriptions

"I don't have any major conditions, but I do get sick and visit the doctor more often than I used to. I'm trying to determine how much I will have to pay under each plan option."



# Retired Pete's Projected Health Care Costs for 2016

| Annual Member Costs              | Traditional<br>70/30 Plan | Enhanced<br>80/20 Plan | CDHP           |
|----------------------------------|---------------------------|------------------------|----------------|
| <b>If Pete is “Engaged”*</b>     |                           |                        |                |
| Premium Payments                 | \$0                       | \$180                  | \$0            |
| Out-of-Pocket Costs              | \$735                     | \$484                  | \$720          |
| <b>Engaged Member Total</b>      | <b>\$735</b>              | <b>\$664</b>           | <b>\$720</b>   |
| <b>If Pete is “Non-Engaged”*</b> |                           |                        |                |
| Premium Payments                 | \$0                       | \$1,260                | \$960          |
| Out-of-Pocket Costs              | \$735                     | \$549                  | \$860          |
| <b>Non-Engaged Member Total</b>  | <b>\$735</b>              | <b>\$1,809</b>         | <b>\$1,820</b> |

Pete's  
lowest-cost  
option

- Because he uses a relatively large number of services that are subject to copays in the 70/30 and 80/20 plans, Pete does best in the Enhanced 80/20 Plan if he is engaged, or the Traditional 70/30 if he is non-engaged.
- The year of services described for Pete would approach the \$1,500 deductible in the CDHP, so one major health event would likely make the CDHP a lower-cost option for him due to the lower coinsurance and the combined medical and pharmacy out-of-pocket maximum.

\*An “engaged member” has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A “non-engaged member” has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.



# Member Scenario Cost Detail – Non-Medicare Retiree Pete

|                                       |   | Traditional<br>70/30   |              |                        |              | Enhanced<br>80/20      |              |                        |              | Consumer-Directed<br>Health Plan |              |                        |              |
|---------------------------------------|---|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|----------------------------------|--------------|------------------------|--------------|
|                                       |   | Non-Engaged            |              | Engaged                |              | Non-Engaged            |              | Engaged                |              | Non-Engaged                      |              | Engaged                |              |
|                                       | # | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost           | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| <b>Medical Services</b>               |   |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Preventive Visits with PCP            | 1 | \$39                   | \$39         | \$39                   | \$39         | \$0                    | \$0          | \$0                    | \$0          | \$0                              | \$0          | \$0                    | \$0          |
| Primary Care Visits                   | 3 | \$39                   | \$117        | \$39                   | \$117        | \$30                   | \$90         | \$15                   | \$45         | \$140                            | \$420        | \$140                  | \$420        |
| Specialist Visits                     | 2 | \$92                   | \$184        | \$92                   | \$184        | \$70                   | \$140        | \$60                   | \$120        | \$200                            | \$400        | \$200                  | \$400        |
| Mid-Level Office Visits               | 2 | \$72                   | \$144        | \$72                   | \$144        | \$52                   | \$104        | \$52                   | \$104        | \$85                             | \$170        | \$85                   | \$170        |
| Urgent Care Visit                     | 1 | \$99                   | \$99         | \$99                   | \$99         | \$87                   | \$87         | \$87                   | \$87         | \$150                            | \$150        | \$150                  | \$150        |
| <b>Drugs</b>                          |   |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Tier 1 Prescriptions                  | 4 | \$15                   | \$60         | \$15                   | \$60         | \$12                   | \$48         | \$12                   | \$48         | \$40                             | \$160        | \$40                   | \$160        |
| Tier 2 Prescriptions                  | 2 | \$46                   | \$92         | \$46                   | \$92         | \$40                   | \$80         | \$40                   | \$80         | \$80                             | \$160        | \$80                   | \$160        |
| <b>Total (before considering HRA)</b> |   |                        | \$735        |                        | \$735        |                        | \$549        |                        | \$452        |                                  | \$1,460      |                        | \$1,460      |
| <b>HRA Funds Provided by SHP</b>      |   |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Starting Balance                      |   |                        |              |                        |              |                        |              |                        |              |                                  | \$600        |                        | \$600        |
| HRA Incentive Dollars                 |   |                        |              |                        |              |                        |              |                        |              |                                  |              |                        |              |
| Identified PCP                        |   |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$100        |
| Blue Options Designated Specialist    |   |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$40         |
| Blue Options Designated Hospital      |   |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$0          |
| Engagement Activities                 |   |                        |              |                        |              |                        |              |                        |              |                                  | \$0          |                        | \$0          |
| <b>Total HRA Dollars to Use</b>       |   |                        |              |                        |              |                        |              |                        |              |                                  | \$600        |                        | \$740        |
| Member Cost-sharing with HRA          |   |                        | \$735        |                        | \$735        |                        | \$549        |                        | \$484        |                                  | \$860        |                        | \$720        |
| HRA Balance for Use in 2017           |   |                        | --           |                        | --           |                        | --           |                        | --           |                                  | \$0          |                        | \$0          |
| Annual Premium                        |   |                        | \$0          |                        | \$0          |                        | \$1,260      |                        | \$180        |                                  | \$960        |                        | \$0          |
| <b>Total Member Cost</b>              |   |                        | \$735        |                        | \$735        |                        | \$1,809      |                        | \$664        |                                  | \$1,820      |                        | \$720        |

Red numbers in the Unit Copay/Cost column indicate a copayment amount.

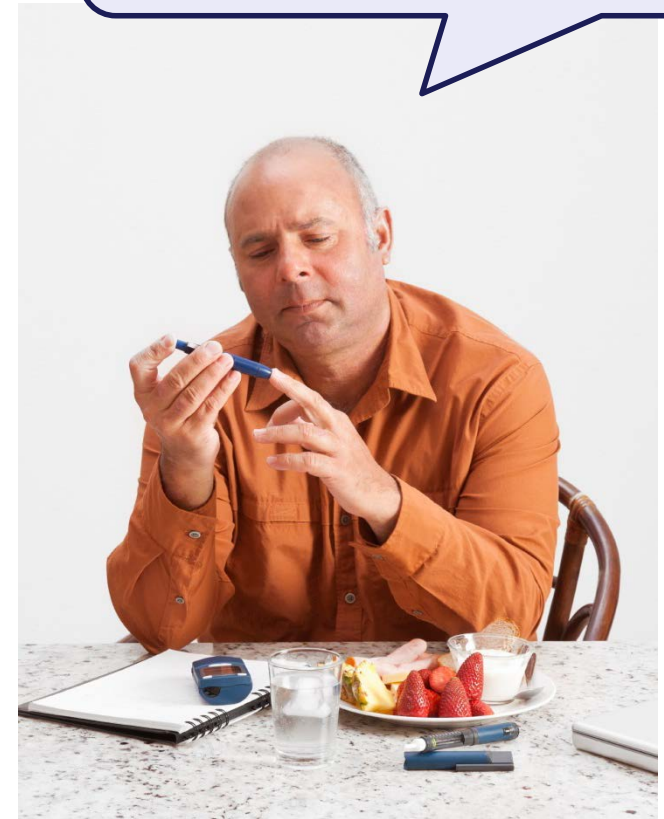
Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

# Member Scenarios – Meet Bentley

A State Health Plan member with retiree-only coverage who has been diagnosed with diabetes and is trying to decide which plan is right for his chronic condition.

- As an early retiree, he has three plan options:
  - Consumer-Directed Health Plan
  - Enhanced 80/20 Plan
  - Traditional 70/30 Plan
- A year of medical and pharmacy services for Bentley might include:
  - 1 Preventive Care Visit with PCP
  - 4 Additional Primary Care Visits
  - 3 Specialist Visits
  - 1 Inpatient Hospitalization
  - 2 Monthly Maintenance Prescriptions (Tier 1)\*
  - 1 Monthly Maintenance Prescription (Tier 2)\*
  - 1 Tier 1 Prescription

“I was recently diagnosed with diabetes, so I’m trying to determine how much I will have to pay under each plan option.”



\* Maintenance Prescriptions assumed to be on CDHP Preventive Medications List

# Retired Bentley's Projected Health Care Costs for 2016

| Annual Member Costs                  | Traditional<br>70/30 Plan | Enhanced<br>80/20 Plan | CDHP           | Bentley's<br>lowest-cost<br>option<br>↙ |
|--------------------------------------|---------------------------|------------------------|----------------|---|
| <b>If Bentley is “Engaged”**</b>     |                           |                        |                |   |
| Premium Payments                     | \$0                       | \$180                  | \$0            |   |
| Out-of-Pocket Costs                  | \$5,844                   | \$3,900                | \$2,298        |   |
| <b>Engaged Member Total</b>          | <b>\$5,844</b>            | <b>\$4,080</b>         | <b>\$2,298</b> |   |
| <b>If Bentley is “Non-Engaged”**</b> |                           |                        |                |   |
| Premium Payments                     | \$0                       | \$1,260                | \$960          |   |
| Out-of-Pocket Costs                  | \$7,068                   | \$5,253                | \$2,900        |   |
| <b>Non-Engaged Member Total</b>      | <b>\$7,068</b>            | <b>\$6,513</b>         | <b>\$3,860</b> |   |

- Because he is a high utilizer, Bentley will come close to the CDHP out-of-pocket maximum of \$3,500 (He will reach the out-of-pocket maximum if he is non-engaged).
- Engaging with a health coach to manage his condition and using Blue Options Designated providers and his selected PCP could earn nearly \$600 in additional HRA incentive funds, reducing Bentley’s true out-of-pocket costs. (Using Blue Options Designated providers reduces member out-of-pocket costs in all the plan options.)
- Although there are fewer healthy activities to complete when enrolling in the Traditional 70/30 Plan, it would be a poor option for Bentley because of the high out-of-pocket costs.

\*An “engaged member” has completed all wellness activities to receive premium credits and uses their selected PCP and Blue Options Designated providers. A “non-engaged member” has earned no premium credits and does not use a selected PCP or Blue Options Designated providers.



# Member Scenario Cost Detail – Non-Medicare Retiree Bentley

|                                       |    | Traditional<br>70/30   |              |                        |              | Enhanced<br>80/20      |              |                        |              | Consumer-Directed<br>Health Plan* |              |                        |              |
|---------------------------------------|----|------------------------|--------------|------------------------|--------------|------------------------|--------------|------------------------|--------------|-----------------------------------|--------------|------------------------|--------------|
|                                       |    | Non-Engaged            |              | Engaged                |              | Non-Engaged            |              | Engaged                |              | Non-Engaged                       |              | Engaged                |              |
|                                       | #  | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total | Unit<br>Copay/<br>Cost            | Mbr<br>Total | Unit<br>Copay/<br>Cost | Mbr<br>Total |
| <b>Medical Services</b>               |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Preventive Visits with PCP            | 1  | \$39                   | \$39         | \$39                   | \$39         | \$0                    | \$0          | \$0                    | \$0          | \$0                               | \$0          | \$0                    | \$0          |
| Primary Care Visits                   | 4  | \$39                   | \$156        | \$39                   | \$156        | \$30                   | \$120        | \$15                   | \$60         | \$140                             | \$280        | \$140                  | \$322        |
| Specialist Visit                      | 3  | \$92                   | \$276        | \$92                   | \$276        | \$70                   | \$210        | \$60                   | \$180        | \$200                             | \$200        | \$200                  | \$260        |
| Inpatient Hospital Admission          | 1  | \$19,000               | \$5,670      | \$11,600               | \$4,446      | \$19,000               | \$4,143      | \$11,600               | \$2,880      | \$19,000                          | \$2,884      | \$11,600               | \$2,573      |
| <b>Drugs</b>                          |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Maintenance Drugs (Tier 1)            | 24 | \$15                   | \$360        | \$15                   | \$360        | \$12                   | \$288        | \$12                   | \$288        | \$40                              | \$48         | \$40                   | \$144        |
| Tier 1 Prescription                   | 1  | \$15                   | \$15         | \$15                   | \$15         | \$12                   | \$12         | \$12                   | \$12         | \$40                              | \$40         | \$40                   | \$40         |
| Maintenance Drugs (Tier 2)            | 12 | \$46                   | \$552        | \$46                   | \$552        | \$40                   | \$480        | \$40                   | \$480        | \$80                              | \$48         | \$80                   | \$144        |
| <b>Total (before considering HRA)</b> |    |                        | \$7,068      |                        | \$5,844      |                        | \$5,253      |                        | \$3,900      |                                   | \$3,500      |                        | \$3,483      |
| <b>HRA Funds Provided by SHP</b>      |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Starting Balance                      |    |                        |              |                        |              |                        |              |                        |              |                                   | \$600        |                        | \$600        |
| HRA Incentive Dollars                 |    |                        |              |                        |              |                        |              |                        |              |                                   |              |                        |              |
| Identified PCP                        |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$125        |
| Blue Options Designated Specialist    |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$60         |
| Blue Options Designated Hospital      |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$200        |
| Engagement Activities                 |    |                        |              |                        |              |                        |              |                        |              |                                   | \$0          |                        | \$200        |
| <b>Total HRA Dollars to Use</b>       |    |                        |              |                        |              |                        |              |                        |              |                                   | \$600        |                        | \$1,185      |
| Member Cost-sharing with HRA          |    |                        | \$7,068      |                        | \$5,844      |                        | \$5,253      |                        | \$3,900      |                                   | \$2,900      |                        | \$2,298      |
| HRA Balance for Use in 2017           |    |                        | --           |                        | --           |                        | --           |                        | --           |                                   | \$0          |                        | \$0          |
| Annual Premium                        |    |                        | \$0          |                        | \$0          |                        | \$1,260      |                        | \$180        |                                   | \$960        |                        | \$0          |
| <b>Total Member Cost</b>              |    |                        | \$7,068      |                        | \$5,844      |                        | \$6,513      |                        | \$4,080      |                                   | \$3,860      |                        | \$2,298      |

Red numbers in the Unit Copay/Cost column indicate a copayment amount. Green numbers in the Unit Copay/Cost column indicate estimated actual allowed cost for a service that could be subject to copay (in 70/30 and 80/20), deductible, and/or coinsurance.

\*CDHP costs by service depend on the timing of services and costs. The numbers in the chart assume a specific ordering of services until the deductible and out-of-pocket maximum are reached.

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# Questions, Comments and Discussion

- To ensure adequate time for implementation the Board will be asked to approve benefit design changes at its next meeting:

February 11, 2015, 2:00 to 5:00 pm



# Appendix



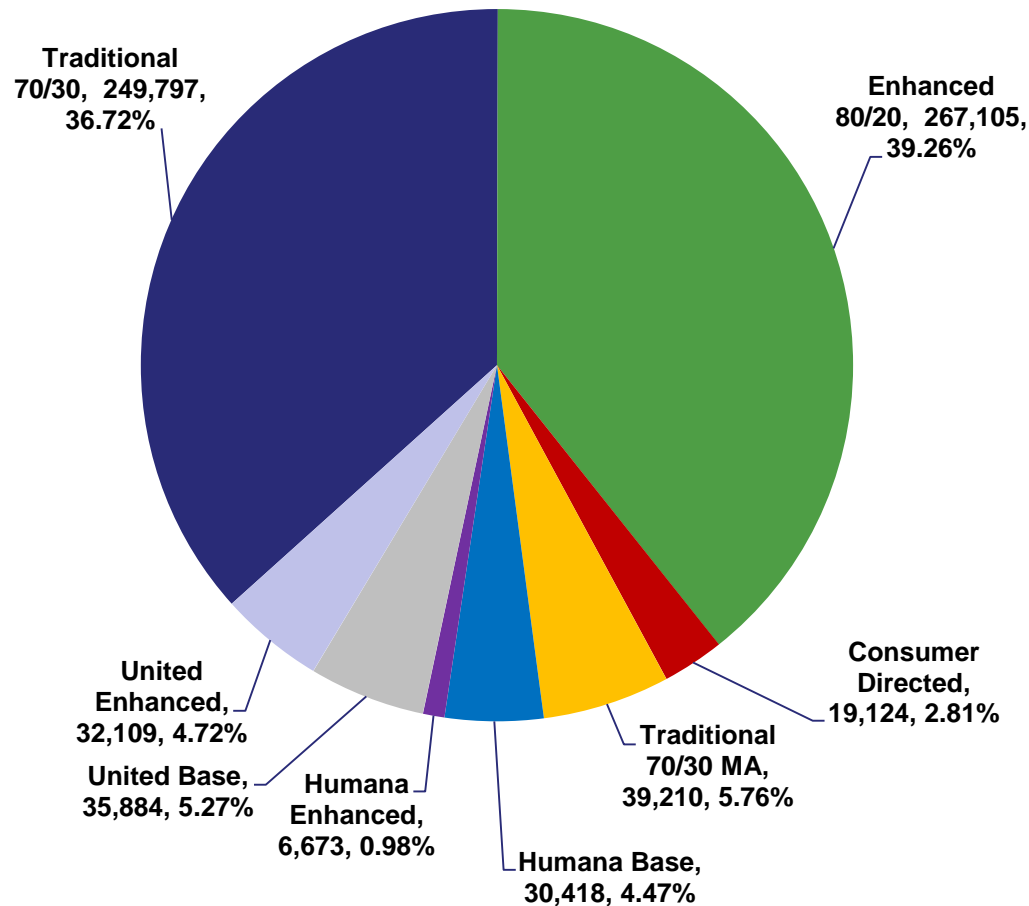
1. Membership
2. Plan Richness
3. Overall Benefit Value
4. Definitions

[www.shpnc.org](http://www.shpnc.org)

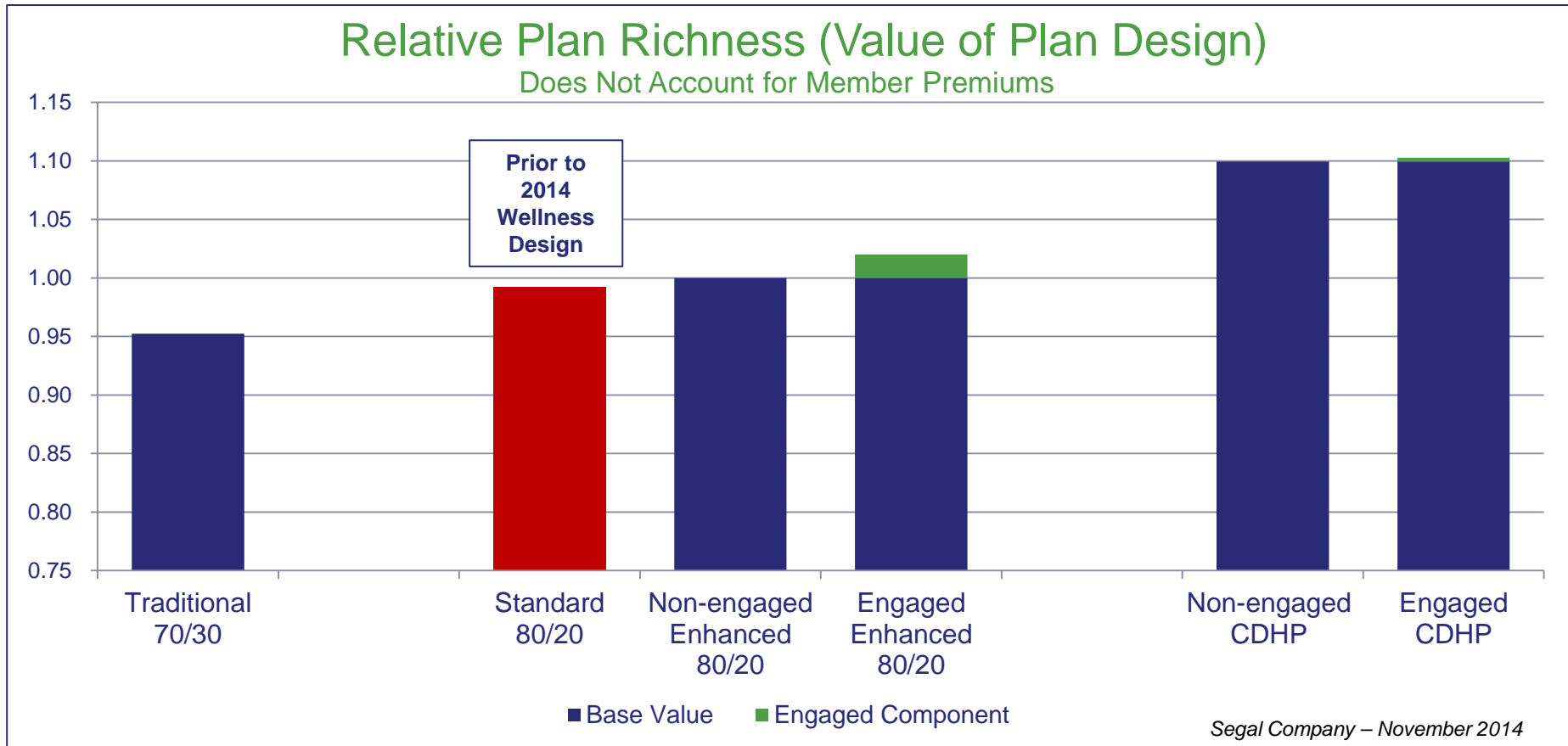
[www.nctreasurer.com](http://www.nctreasurer.com)

# Average Membership by Plan

October to December 2014



# Engaged Employees/Retirees Earn Richer Plan

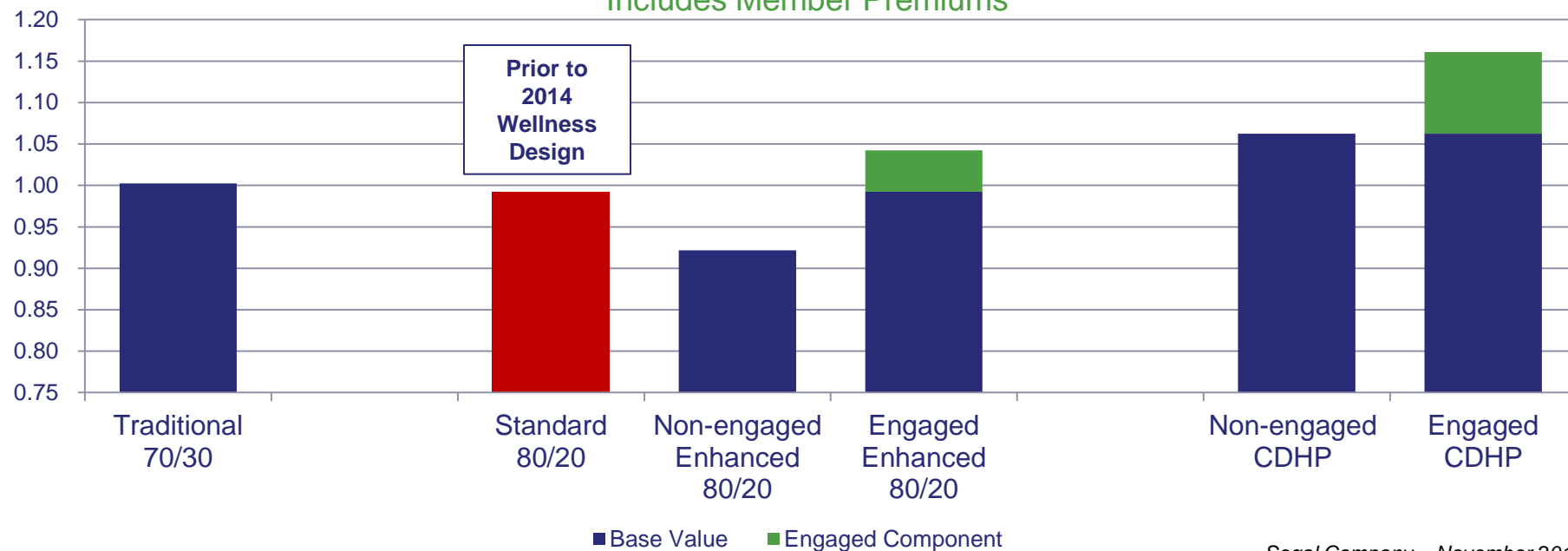


- 16% difference in relative value of richest plan (CDHP) and least rich plan (Traditional 70/30)
- Relative difference in value between 70/30 and non-engaged 80/20 is 5%
- Engaged 80/20 and CDHP members earn higher value coverage

# Engaged Employees/Retirees Receive the Richest Overall Benefit

## Overall Relative Benefit Value - Individual Coverage

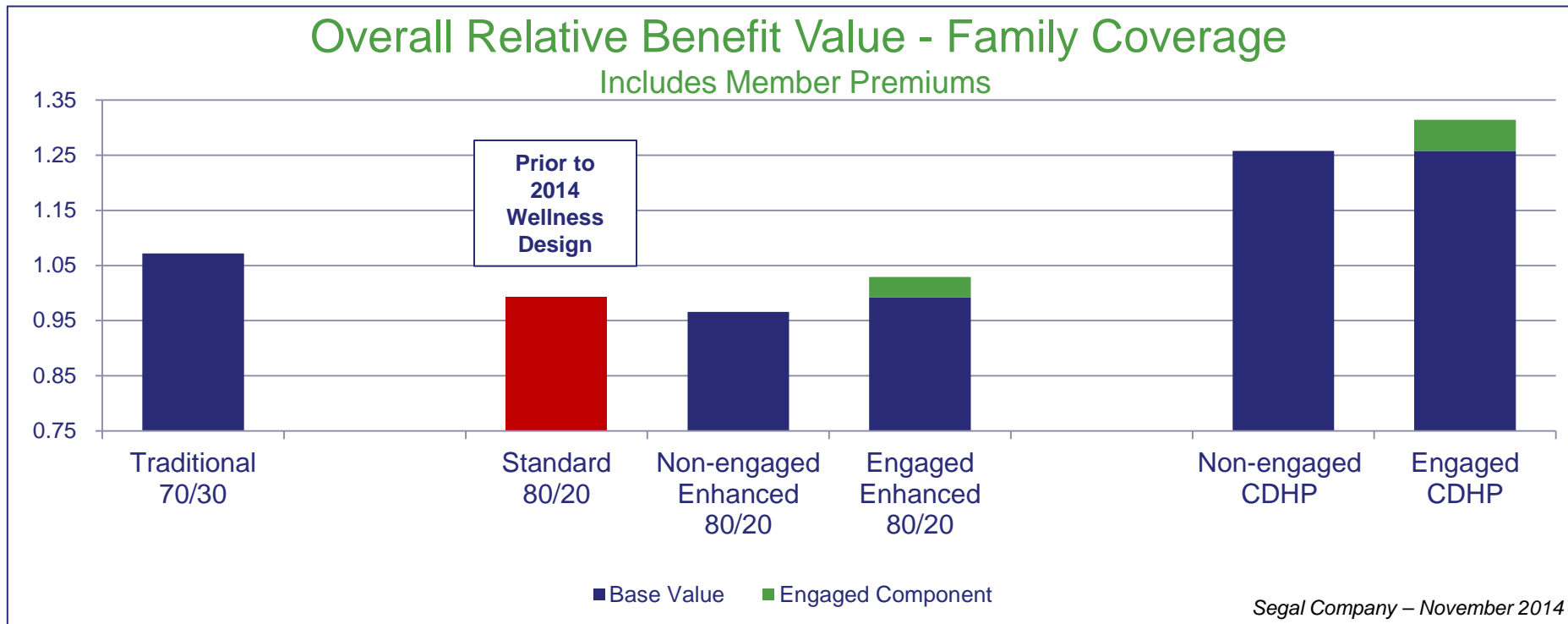
Includes Member Premiums



Segal Company – November 2014

- Current benefit plans offer richer benefit options than the former Standard 80/20 plan
- Members have the opportunity to significantly increase the value of their benefit by completing healthy activities, earning premium credits and using their selected PCP and Blue Options Designated providers
- Taking wellness credits and incentives into account, an engaged CDHP member receives a 26% richer overall benefit than a non-engaged Enhanced 80/20 member
- For members who do not want to engage, the CDHP and Traditional 70/30 plans offer the best value

# Engaged Families *May* Receive the Richest Overall Benefit



- Current benefit plans offer richer benefit options than the former Standard 80/20 plan
- Engaged employees/retirees and dependents have the opportunity to significantly increase the value of their benefit
- An engaged CDHP family receives a 36% richer overall benefit than a non-engaged Enhanced 80/20 family
- The Traditional 70/30 plan provides better overall value for families than the Enhanced 80/20 plan regardless of engagement level

# Definitions

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- **Premium** – The amount paid to the Plan for coverage under a benefit plan.
- **Cost share or out-of-pocket costs** – The portion of medical and pharmacy bills the member is responsible for when receiving care.
- **Copays** – A fixed dollar amount that is due and payable by the member at the time a covered service is provided.
- **Deductible** – The specified dollar amount that the member must incur for covered services each benefit period before the Plan will pay. The Deductible does not include copayments, coinsurance, charges in excess of the allowed amount, amounts exceeding any maximum, or expenses for non-covered services.
- **Coinsurance** – The sharing of charges by the Plan and the member for covered services received by a member after the deductible is met, usually stated as a percentage of the allowed amount.
- **Consumer-Directed Health Plan** – This plan covers Affordable Care Act (ACA) preventive services and medications at 100%. Generally a member must meet the deductible under the Plan before the Plan will pay its share of medical expense; however, for certain chronic disease medications the deductible is waived. This plan is paired with a health reimbursement account to assist members in paying costs. There are no copays with this plan. This is an 85/15 coinsurance plan.