

## Response to Questions on the FY 2018 Budget

**Request By:** Supervisor Foust

**Question:** Please provide a detailed comparison between the County and FCPS in terms of health care costs including differences between the programs, utilization rates, etc.

**Response:** **Plan Design**

The table below provides details regarding the in-network benefits of each plan offered by Fairfax County and the Fairfax County Public Schools.

<b>Fairfax County</b>					
	<i>Self-Insured</i>				<i>Fully-Insured</i>
	<b>Cigna Co-Pay</b>	<b>Cigna 90% Coinsurance</b>	<b>Cigna 80% Coinsurance</b>	<b>Cigna MyChoice CDHP with HSA</b>	<b>Kaiser HMO</b>
<b>Primary Care</b>	\$25	10%	20%	10%	\$10
<b>Specialist</b>	\$50	10%	20%	10%	\$10
<b>HSA Fund</b>	-	-	-	\$585 Ind. \$1,170 Fam.	-
<b>Annual Deductible<sup>1</sup></b>	\$0	\$100 Ind. \$200 Fam.	\$250 Ind. \$500 Fam.	\$1,300 Ind. \$2,600 Fam.	\$0
<b>Annual Out-of-Pocket Limit</b>	\$2,000 Ind. \$4,000 Fam.	\$1,500 Ind. \$3,000 Fam.	\$2,000 Ind. \$4,000 Fam.	\$4,000 Ind. \$8,000 Fam.	\$3,500 Ind. \$9,400 Fam.
<b>Emergency Room</b>	\$150	\$150	\$150	10%	\$150
<b>Urgent Care</b>	\$50	\$50	\$50	10%	\$10
<b>Prescription Drug (30-day supply)</b>	\$7 Generic 20% Pref. 30% Non-Pref.	\$7 Generic 20% Pref. 30% Non-Pref.	\$7 Generic 20% Pref. 30% Non-Pref.	\$4 Generic 20% Pref. 35% Non-Pref.	\$10 Generic \$20 Pref. \$35 Non-Pref.
<b>Prescription Drug Deductible</b>	\$50 Ind. \$100 Fam.	\$50 Ind. \$100 Fam.	\$50 Ind. \$100 Fam.	Included in Medical	\$0
<b>Prescription Drug Out-of-Pocket Limit</b>	\$1,500 Ind. \$3,000 Fam.	\$1,500 Ind. \$3,000 Fam.	\$1,500 Ind. \$3,000 Fam.	Included in Medical	Included in Medical

<b>Fairfax County Public Schools</b>			
	<i>Self-Insured</i>		<i>Fully-Insured</i>
	<b>Aetna/Innovation Health</b>	<b>CareFirst BlueChoice</b>	<b>Kaiser HMO</b>
<b>Primary Care</b>	\$20	\$20	\$20
<b>Specialist</b>	\$20	\$40	\$40
<b>HSA Fund</b>	-	-	-
<b>Annual Deductible<sup>1</sup></b>	\$250 Ind. \$500 Fam.	\$250 Ind. \$500 Fam.	\$0
<b>Annual Out-of-Pocket Limit</b>	\$1,000 Ind. \$2,000 Fam.	\$2,000 Ind. \$4,000 Fam.	\$3,500 Ind. \$9,400 Fam.
<b>Emergency Room</b>	10% after \$150 copay	10% after \$150 copay	\$150
<b>Urgent Care</b>	10%	\$40	\$20
<b>Prescription Drug (30-day supply)</b>	\$7 Generic 20% Brand (max \$50)	\$7 Generic 20% Brand (max \$50)	\$15 Generic \$25 Pref. \$40 Non-Pref.
<b>Prescription Drug Deductible</b>	\$0	\$0	\$0
<b>Prescription Drug Out-of-Pocket Limit</b>	\$1,500 Ind. \$3,000 Fam.	\$1,500 Ind. \$3,000 Fam.	Included in Medical

<sup>1</sup> Deductible applied to all medical services; must be satisfied before copays/coinsurance applies.

**Premiums**

The premium increases in each of these plans over the past three years is provided below.

	<b>Plan</b>	<b>January 2015</b>	<b>January 2016</b>	<b>January 2017<sup>1</sup></b>	<b>3-year Average</b>
<b>Fairfax County</b>	Cigna Co-Pay Plan <sup>2</sup>	8.0%	7.0%	7.4%	7.5%
	Cigna 90% Coinsurance Plan	5.5%	4.0%	7.2%	5.6%
	Cigna 80% Coinsurance Plan	5.5%	7.0%	0.0%	4.2%
	Cigna MyChoice CDHP with HSA <sup>3</sup>	N/A	N/A	0.0%	0.0%
	Kaiser HMO	5.6%	0.0%	0.4%	2.0%
<b>Fairfax County Public Schools</b>	Aetna/Innovation Health Plan	0.0%	6.1%	3.9%	3.3%
	CareFirst BlueChoice Advantage Plan	0.0%	10.1%	3.3%	4.5%
	Kaiser HMO	0.0%	3.0%	-2.7%	0.1%

<sup>1</sup> January 2017 premium increases for Fairfax County plans represent the increase in the employee share of premium for family coverage.

<sup>2</sup> The Cigna Co-Pay Plan was closed to new enrollees effective January 2017.

<sup>3</sup> The Cigna MyChoice CDHP with HSA was introduced in January 2016.

Both the County and FCPS provide an employer cost share to full-time, active employees. The County cost share of the premium up to the total premium cost of the Cigna 80% Coinsurance Plan is equal to 85 percent for individual coverage and 75 percent for family coverage. The employee pays a greater share of any premium in excess of the total premium cost of the Cigna 80% Coinsurance Plan. For employees in authorized/budgeted positions (or those considered full-time employees by the Affordable Care Act), FCPS provides an employer cost share that is equal to 85 percent of the premium for individual coverage and 75 percent for family coverage. FCPS also provides a spousal discount for families in which both spouses are employed by FCPS, with an employer cost share of 80 percent of the premium.

The table below shows the annual employee and employer share of premium for family coverage under each of the County and FCPS health plans. Direct comparison between plans is difficult, as the plans differ on a variety of factors including deductibles, co-pays, co-insurance, prior authorization requirements, and coverage for certain treatments and services. In addition, the premiums for each plan are impacted by the demographics (average age/gender ratios and employee/dependent ratios) and experience of the population subscribing to that plan (e.g. a plan with lower premiums but higher out-of-pocket costs may be more attractive to employees with lower healthcare system utilization). However, the premiums for the self-insured plans generally fall within the same range between the County and FCPS. The County’s Cigna Co-Pay Plan is the outlier among the self-insured plans, due to plan design features as well as the utilization trends of the plan’s participants. It should be noted that the Co-Pay Plan has been closed to new enrollment effective January 2017. The County and FCPS fully-insured Kaiser HMO plans have similar premium levels, though the County premium is slightly higher due in part to the lower co-pay structure of the County plan.

		<b>CY 2017 Annual Share of Premium (Family)</b>	
<b>Plan</b>		<b>Employee</b>	<b>Employer</b>
<b>Fairfax County</b>	Cigna Co-Pay Plan	\$7,412	\$21,988
	Cigna 90% Coinsurance Plan	\$6,026	\$17,939
	Cigna 80% Coinsurance Plan	\$4,237	\$12,712
	Cigna MyChoice CDHP with HSA <sup>1</sup>	\$4,027	\$12,081
	Kaiser HMO	\$5,022	\$15,004
<b>Fairfax County Public Schools</b>	Aetna/Innovation Health Plan	\$5,324	\$15,971
	CareFirst BlueChoice Advantage Plan	\$4,234	\$12,702
	Kaiser HMO	\$4,503	\$13,510

<sup>1</sup> Premium amounts shown do not include Health Savings Account (HSA) contributions.

### Utilization

The following tables provide statistics relative to the utilization of the health plans of each entity.

	<b>Fairfax County (7/1/2015-6/30/2016)</b>	<b>Fairfax County Public Schools (Plan Year 2016)</b>
<b>Employees</b>		
Total Insured	10,505	21,727
Total Waived Insurance	2,677	6,779
<b>Retirees</b>		
Total Insured	3,891	7,424
Total Waived Insurance <sup>1</sup>	6,981	10,003
<b>Average Employee Age</b>	46.8	44.5
<b>Estimated Actuarial Value<sup>2</sup></b>	81-93%	86-90%
<b>Self-Insured Plans<sup>3</sup></b>		
Medical Spend PMPY	\$5,606	\$4,690
Medical Increase over Prior Year	6.5%	1.2%
Main Driver of Medical Trend	13.3% increase in catastrophic claims	4.3% increase in high-cost claimants
Pharmacy Spend PMPY	\$1,523	\$1,477
Pharmacy Increase over Prior Year	7.3%	7.5%
Main Driver of Pharmacy Trend	18.2% increase in specialty drugs	Inflation trend (7.5% non-specialty and 16.7% specialty)

<sup>1</sup> Estimated based on current data available.

<sup>2</sup> Estimated actuarial value represents the percent of allowed expenses paid by the plan through employee and employer premiums. The remainder is paid by the participant in the form of deductibles, copays and coinsurance.

<sup>3</sup> Includes active employees and non-Medicare retirees. Data reflects plan costs, participant expenses excluded.

<b>Top 10 Medical Conditions</b> <i>(as a percent of total spend)<sup>1</sup></i>	
<b>Fairfax County</b> <b>(7/1/2015-6/30/2016)</b>	<b>Fairfax County Public Schools</b> <b>(Plan Year 2016)</b>
Musculoskeletal conditions	Musculoskeletal conditions
Cancer	Digestive/gastrointestinal disorders
General medical diagnosis	Cancer
Circulatory	Cardiac
Gastrointestinal	Non-specific illness
Neurological	Neurology
Pregnancy	Mental health
Ear, nose, throat	Obstetrics/gynecology
Internal/external injury	Rheumatology
Endocrinal/nutritional/metabolic	Infectious disease

<sup>1</sup> Estimated based on current data available.

<b>Top 10 Drugs</b> <i>(based on plan cost)</i>	
<b>Fairfax County</b> <b>(7/1/2015-6/30/2016)</b>	<b>Fairfax County Public Schools</b> <b>(Plan Year 2016)</b>
Humira	Compound medications
Tecfidera	Humira
Enbrel	Enbrel
Gilenya	Tecfidera
Firazyr	Gilenya
Harvoni	Copaxone
Crestor	Aripiprazole
Aripiprazole	Gonal-F
Glumetza	Metformin HCL
Avair Diskus	Xyrem