

Lifespan Health – Self Funded Health Plan

OHIC Presentation

May 19, 2015

Background

- Self funded in 2002
- Over 14,000 employees – 78% female (over 4,000 in unions)
 - 25,000 covered lives in all plans
 - 2,200 lives covered by union plan
- \$140 million annual total spend
 - Employees contribute about 20% on average
- Average 3.55% increase in working premiums per year since 2006

Self Funded for Health Insurance

- Company assumes full risk for medical/pharmacy claims
 - May utilize stop loss coverage for high cost claims
- Utilize third party administrator (TPA) and other vendors to:
 - Manage provider network/rates
 - Process provider claims
 - Customer service
 - Care and disease management
 - Health promotion
 - Pharmacy benefits
 - Consulting and Actuary services
 - Medical and pharmacy claim data
- Analyze plan's claim data to manage the plan and develop strategies and programs

Lifespan Health Initiatives and Programs

- \$600 surcharge for Tobacco users – Based on American Cancer Society recommendations
- Tiered Network (medical)
 - Modest copays, very limited deductibles (1 plan)
 - Tier 1 - \$0 or \$15
 - Tier 2 - \$30 to \$500
 - Applies to Hospitals (I/P & O/P), Ambulatory Surgery, Pharmacy, Labs, Diagnostic Imaging, Durable Medical Equipment, Specialist Physicians
 - Primary care – all Tier 1

Lifespan Health Initiatives and Programs

- Pharmacy
 - Modest co-pays \$7,\$25, \$40, \$75 (TPA network)
- Lifespan pharmacy
 - RIH and TMH based pharmacy to support care at discharge and employee prescriptions
 - Lower co-pay for employees if prescriptions obtained through Lifespan Pharmacy
 - \$3.50/\$12.50/\$20.00/\$35.00
 - Over 20% of prescription volume through

Lifespan Health Initiatives and Programs

- Lifespan Healthy Rewards
 - \$300 incentive per employee/spouse for
 - Primary care MD visit/documentation
 - BMI <30 or 5% weight loss
 - Non-tobacco user
 - Weight loss programs
 - Based on Lifespan Behavioral Medicine Research – Rena Wing, PhD
 - Bariatric and other weight loss surgery
 - Eliminated 6 month wait
 - Tobacco cessation

Lifespan Health Initiatives and Programs

- Employee & Occupational Health Services
 - Offices at all hospital sites (RIH includes two MDs)
 - Management of Workers' Compensation and LOA/FMLA programs
 - Employee Health – vaccinations, screenings, TB tests, pre-employment screening
 - Walk in care (MD and Nurse)
 - Working Healthy – Health Promotion
 - Manager/health educator, exercise physiologist, nutritionist, secretary

Lifespan Health Initiatives and Programs

- Future plans
 - Diabetes Health Plan – incentive plan aligned with provider services through the creation of a diabetes health action plan – based out of EOHS
 - Phase two – Cardiac Health Plan
 - Plan design updates intended to encourage primary care relationship and use of Lifespan network providers and services
 - Bio-metric screenings through Lifespan Lab locations