

MISSOURI EDUCATORS
UNIFIED HEALTH PLAN

MEUHP

FOR SCHOOLS, BY SCHOOLS™
www.meuhp.com

2020-2021 Renewal Meeting

March 2020

Updated 2/28/2020

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Current Financial Status	
Cash on Hand, February 28, 2020	\$4,702,585.84
RX Rebates earned, but not received	\$900,000.00
Remaining Monthly Assessments	\$275,000.00
Total Assets	\$5,877,585.84

After ending the month of December at \$4,107,896.95, we saw a decline in balances in January to \$3,629,361.91 due to December claims that were paid in January. December is normally a heavy claim month due to members having procedures completed while they are off from work and in many cases, deductibles have been met late in the calendar year.

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Renewal Summary		
Current Plan Year Anticipated Revenues		
Annualized Premium	\$	49,500,000.00
RX Rebates	\$	2,400,000.00
Monthly Assessment	\$	1,100,000.00
Total	\$	53,000,000.00

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Renewal Summary Continued			
Admin Fee Increase (3% est.)	\$	45,374.28	0.09%
Stop Loss Increase	\$	152,301.60	0.31%
Curable Genetic Drugs	\$	113,133.24	0.23%
Trend	\$	4,950,000.00	10.00%
Adjustment for Tier Movement	\$	(407,000.00)	-0.80%
Additional for Reserves	\$	1,445,400.00	2.92%
FTJ Fee Reduction	\$	(123,000.00)	-0.25%
Total Annualized Premium	\$	55,676,209.12	12.50%
Plus Expected RX Rebates	\$	2,400,000.00	
Total Projected Revenue	\$	58,076,209.12	
Increase in Revenue	\$	5,076,209.12	

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MEUHP BOARD Additional Renewal Information 2020-2021 Plan Year

- No voluntary plan changes
- Only change mandated by ACA HSA2700 to HSA2800
- **New genetic drug benefit –** provides MEUHP affordable access to two new life changing but very expensive gene therapy drugs
 - Luxturna; when used to treat those with an inherited form of progressive blindness
 - Zolgensma; when used to treat children under 2 years old with spinal muscular atrophy
 - Complete Cure!
 - Expense is spread among Cigna’s entire book of business

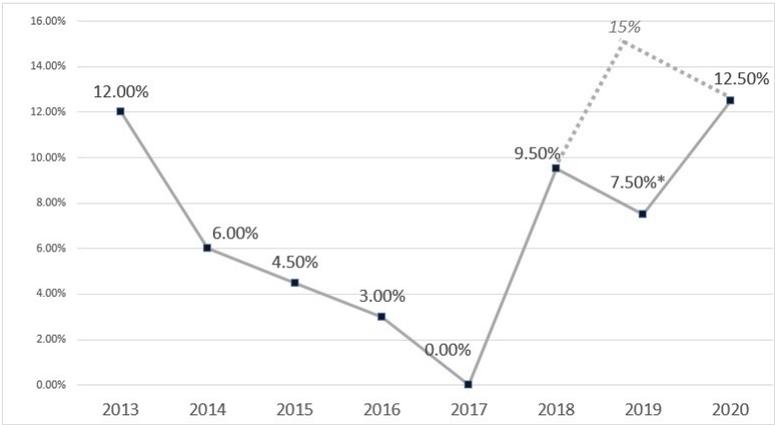
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Renewal Increase on Plan Premiums Before Open Enrollment Member Plan Changes



Year	Renewal Increase (%)
2013	12.00%
2014	6.00%
2015	4.50%
2016	3.00%
2017	0.00%
2018	9.50%
2019	7.50%*
2020	12.50%

*July 1, 2019 renewal also included a 7.5% assessment to members covered between 7-1-2018 through 12-31-2018.

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RESERVES: Two Pieces Needed

- Incurred but not paid (IBNP)
 - Covers run-out liability
 - Required to hold by law

- Loss Adjustment Reserve
 - Covers cost of paying IBNP
 - Occurs if change of carrier



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MEUHP Rating Methodology

J. Michael Crooks – FSA, MAAA

- Independent actuary for MEUHP since 2013
- 34 years experience

MEUHP Wants to Achieve Four Goals

1. **Cover future expected costs**
2. Stability and fairness (Bad luck spread across everyone)
3. Transparent rating formula
4. Rates aligned with costs



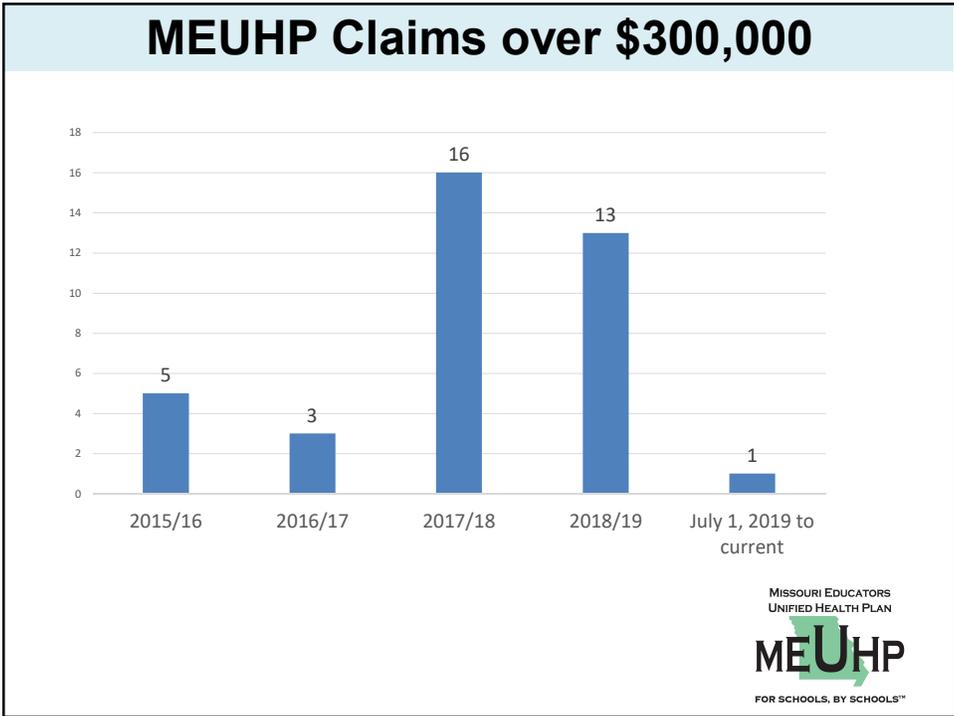
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MEUHP BOARD
Approved Renewal Highlights
2020-2021 Plan Year

- Preventive Rx continued at no cost to HSA members
- \$200,000 in District Wellness Funds
- Wellness Incentives for employees & spouses
- New \$250 incentive for using Cigna Centers of Excellence
- Plan Expenses remain very low
- Non-Profit, Self-Funded Plan For Schools, By Schools™
- MEUHP receiving all drug Rebates from Cigna – over \$2.6 million prior plan year

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2019-20 MEUHP Claims Trends

- Improvement
- Normalization of large claims
- Pharmacy trend is still an issue
 - Driven primarily by specialty drugs
 - Net trend expected to be lower
 - ✓ Increased rebate revenue



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\$15.3M Total Pharmacy Spend

\$13.2M Paid by MEUHP

2018-19 Plan Year

- Top 3 Therapeutic Classes:
 - Anti-Inflam Disease Modifiers (18% of costs)
 - Hypoglycemics (12% of costs)
 - Antineoplastics (10% of costs)



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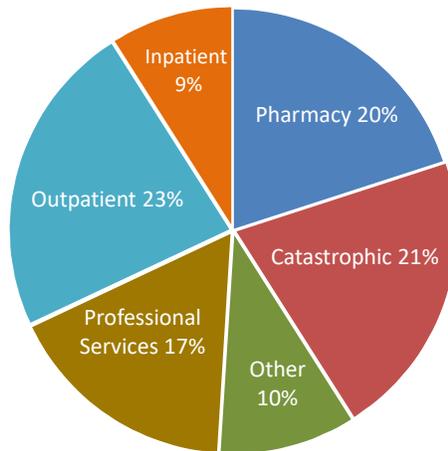
Cancer prevalence and cost by cancer type 2018-19 Plan Year

Condition	# of Members	Prevalence	Cancer Cost Per Patient	Total Plan Spend
Dermatology	154	1.2%	\$4,578	\$705,075
Breast	125	1.0%	\$20,868	\$2,608,523
Neoplastic Disease	48	0.4%	\$40,945	\$1,965,378
Conditions-Male	36	0.3%	\$25,300	\$910,795
Conditions-Female	28	0.2%	\$8,962	\$250,941
Disease/Thyroid	18	0.1%	\$9,179	\$165,225
Gastro-Neoplasms	14	0.1%	\$23,627	\$330,783
Rectum	13	0.1%	\$33,797	\$439,363
Ben/Malig Neopl CNS	9	0.1%	\$38,229	\$344,060
Other	29	0.2%	\$50,141	\$1,454,081
Total	447	3.5%	\$20,524	\$9,174,225

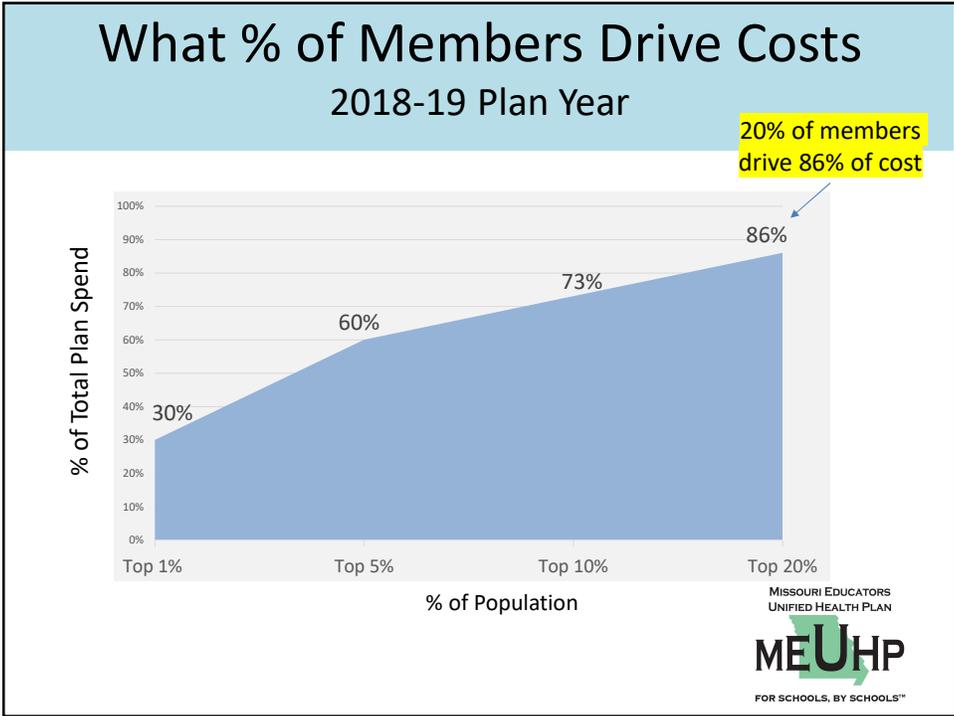


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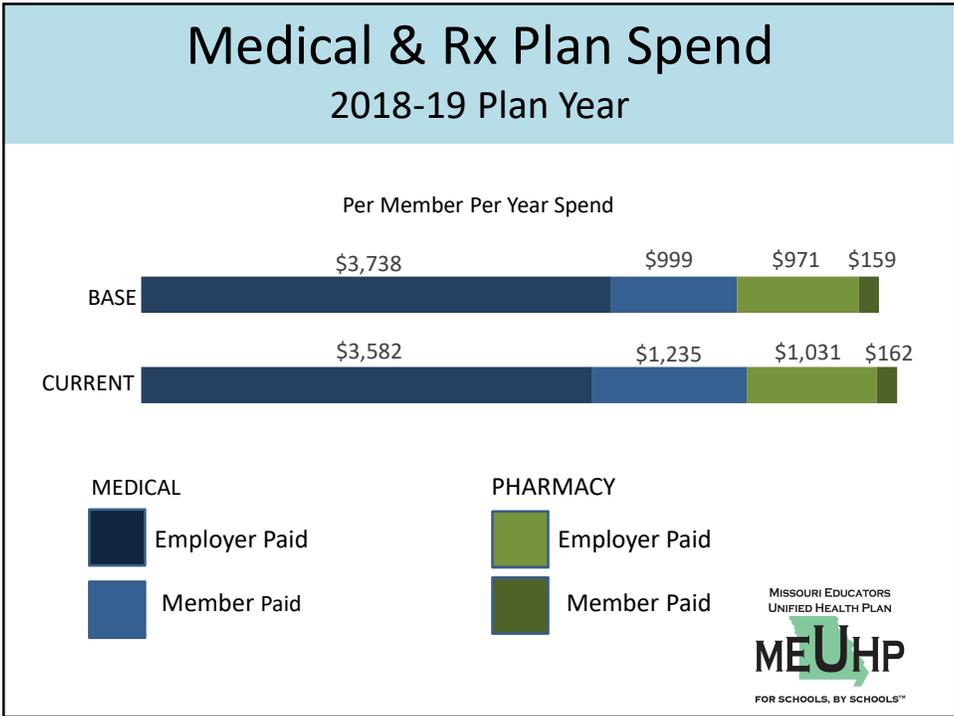
% Spend by Medical Category 2018-19 Plan Year



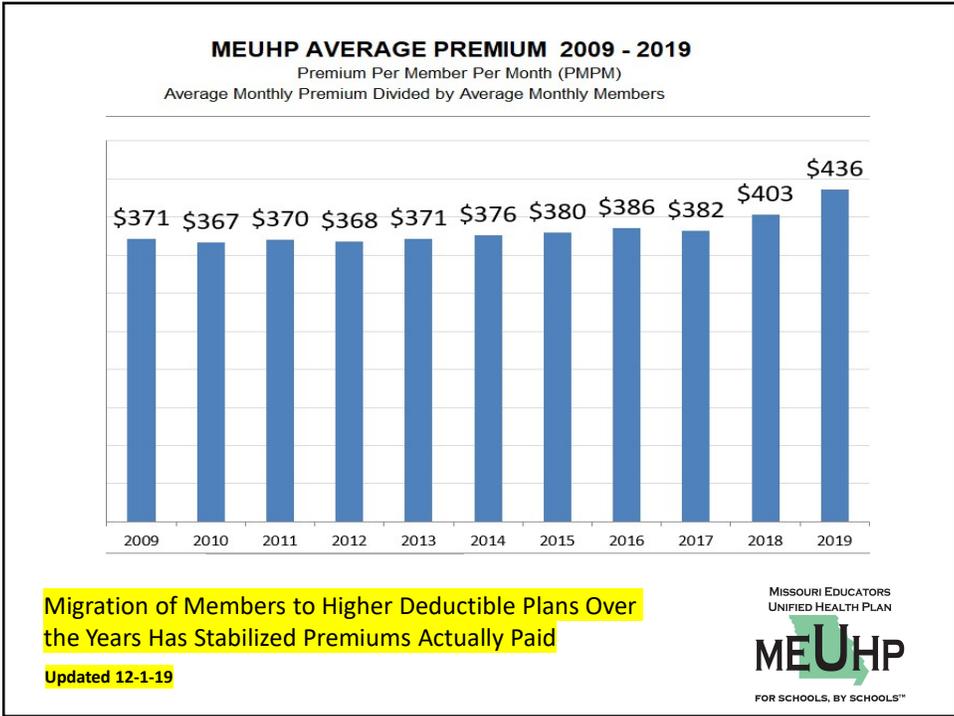
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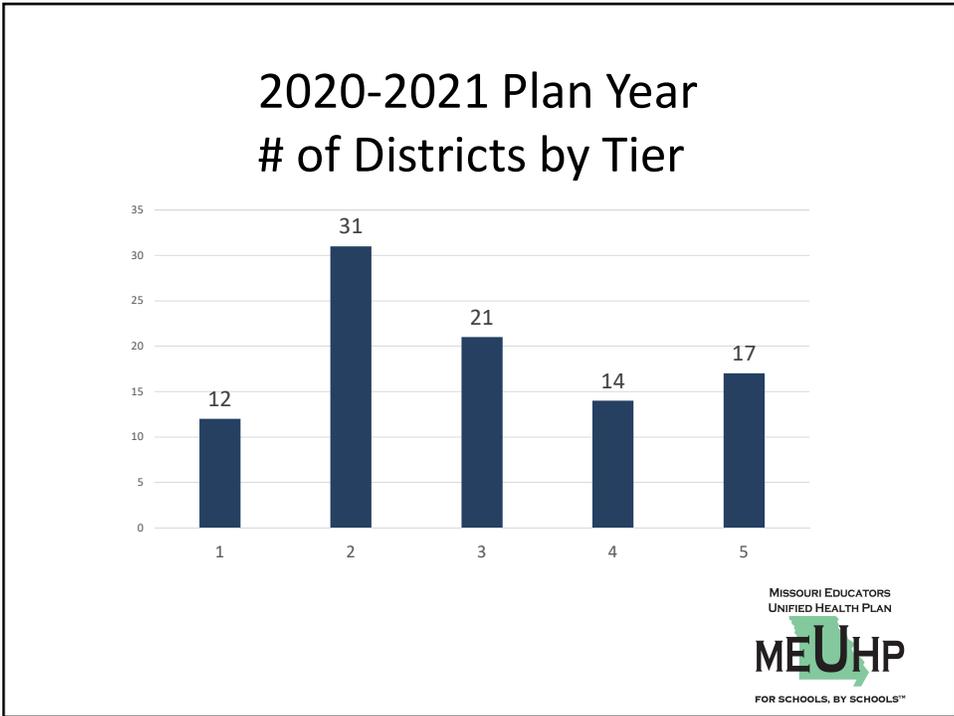
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MEUHP's Best In Class for all Missouri School District Health Plans

- HSA participation >80% = savings to members
- Wellness incentives and members services
- Preventive Rx for all HSA participants
- Employee Assistance Program (EAP) – included
- Low total administrative expenses < 10%
- > 90% of premiums dedicated to member benefits

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MEUHP's Best In Class, continued

- Transparency with fair rate tier structure
- Member elected board
- Salaried executive director
- Payroll supervisor support and enrollment services
- Field services and customer service
- **95 School Districts and 9,600 Members (1-1-20)**

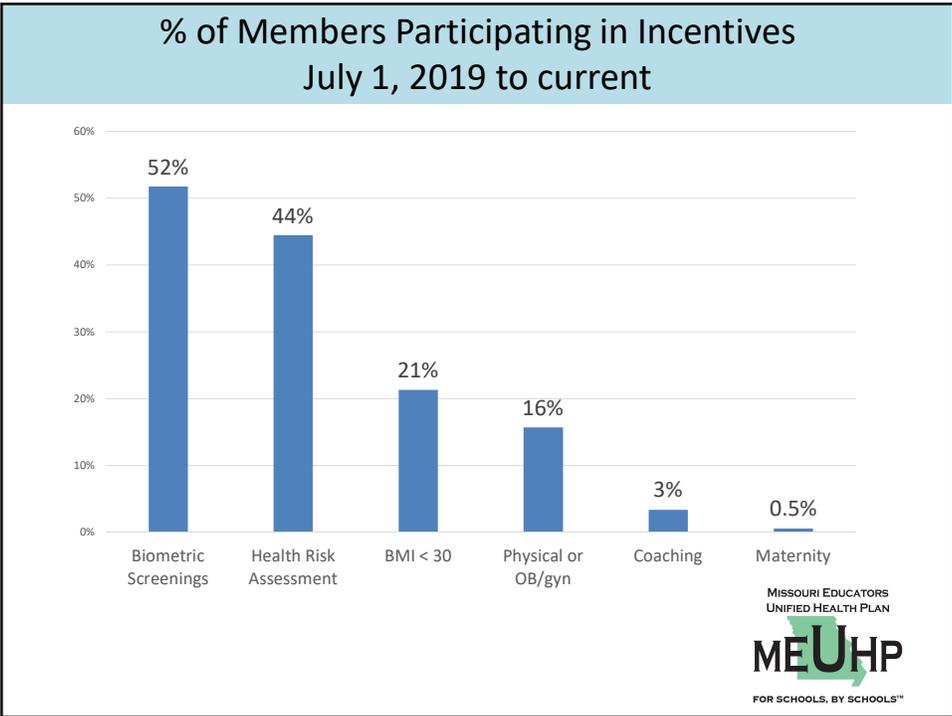
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Investing in Members

- Member incentives and health improvement
- District biometric & wellness events - 73% of districts
- District employee education
- Annual well visits & Flu shots
- Employee Assistance Program
- HSA Preventive Rx benefits at \$0 for members for over 240 generic and brand name drugs
(Preventive Rx benefit estimated at 4% of premium of HSA plans)



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Member Incentives Earned Since July 1, 2019	
\$444,050 (updated 2-20-20)	
Health Risk Assessment	\$80,350
Biometric Screening	\$187,900
OBGYN/Physical	\$83,475
BMI <30	\$75,350
Coaching	\$11,800
Maternity	\$5,175



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FROM MEUHP ADMINISTRATORS:

“The convenience, the health information they gather, and the fact our staff can earn money for just 15 minutes of their time are all great factors why the on-site screening is a no-brainer for our district”

“We had a fantastic biometric screening today. I heard employees talking about their numbers, goals and plans for the year.”



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FROM MEUHP MEMBERS:

“With the focus on education, wellness and prevention, I feel like MEUHP **really cares about their members** and strives to help them be healthier.”

“Thank you for this contest, as well as every Contest. Each one has provided **more motivation for me** and brought about some changes.”



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Adding new Districts to the MEUHP

Under 100 - Medical Underwriting / EZ apps

Over 100 – Claims experience and census

- Underwriting reviews / makes recommendation
- If approved for tier placement, Executive Director takes to the MEUHP Board
- If Board approves, offer is made to District
- If District accepts, vote is taken by Region Districts



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Membership requirements

- Board must pay **at least 80%** of the lowest cost plan offered
- **75% of eligible employees** must enroll in the plan



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Renewal Exhibits Notes

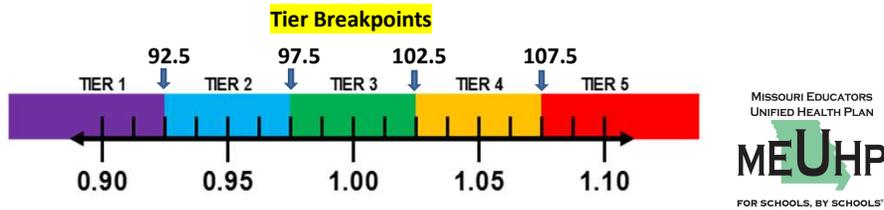
- No tier movement up if District's unadjusted net loss ratio is less than or equal to **their criteria for current tier**
- No tier movement down if District's unadjusted net loss ratio is greater than or equal **their criteria for the lower tier**
- Tier movement limited to one up or down
- Districts with less than 12 months of credible experience cannot change tiers (new districts joining mid plan year)
- % share of pooled claims is based upon % of premium



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Tiers – Why Does MEUHP Use Them?

- Districts with truly higher or lower costs will pay more appropriate rate (all insurance involves subsidization)
- Maximum +/-10% still spreads risk for all
- If subsidization viewed as unfair, people will become unhappy and leave



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Renewal Exhibits Provided to All Districts

XYZ School District



- Rating tier based on each District's performance using the actuarial formula – which includes credit of ½ of last year's assessment.
- Large claim pooling set at \$50,000 to level out bad luck. Pooling and subsidization are a part of insurance. Some years you win on pooling and some you don't—it's a stability feature.
- Credibility weighting by # of members covered in District with 1000 members being fully credible – i.e.: the smaller the District – the lower or higher the loss ratio needed to move a tier.

Your Renewal Exhibit will be in your Renewal Folder



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**It's Your Plan – Your Future – We Appreciate Serving You!
Please Let us Know if We Can Assist.**

Executive Director: Ken Cook

President: Stan Stratton, Dunklin R-V
Vice President: Eric Allen, Alton R-IV
Treasurer: John French, Lewis County C-1

2019-2020 Board Members

Term Expires

Northwest:	Karma Coleman, Tarkio R-I	2021
Northeast:	John French, Lewis County C-1	2021
West Central:	Terry Mayfield, Drexel R-IV	2020
Central:	Open	2021
Southeast:	Adam Friga, Oran R-3	2022
South Central:	Eric Allen, Alton R-IV	2022
Southwest:	John Dern, Junction Hill C-12	2020
St. Louis:	Stan Stratton, Dunklin R-V	2021
Kansas City:	Jaret Tomlinson, Excelsior Springs 40	2020

Thank You

