

Health Plans Dashboard

Q3 2015 Dashboard Summary Report
A review of Inpatient, Outpatient and RX trends
For Early Retirees

April 14, 2016

Prepared by HSS

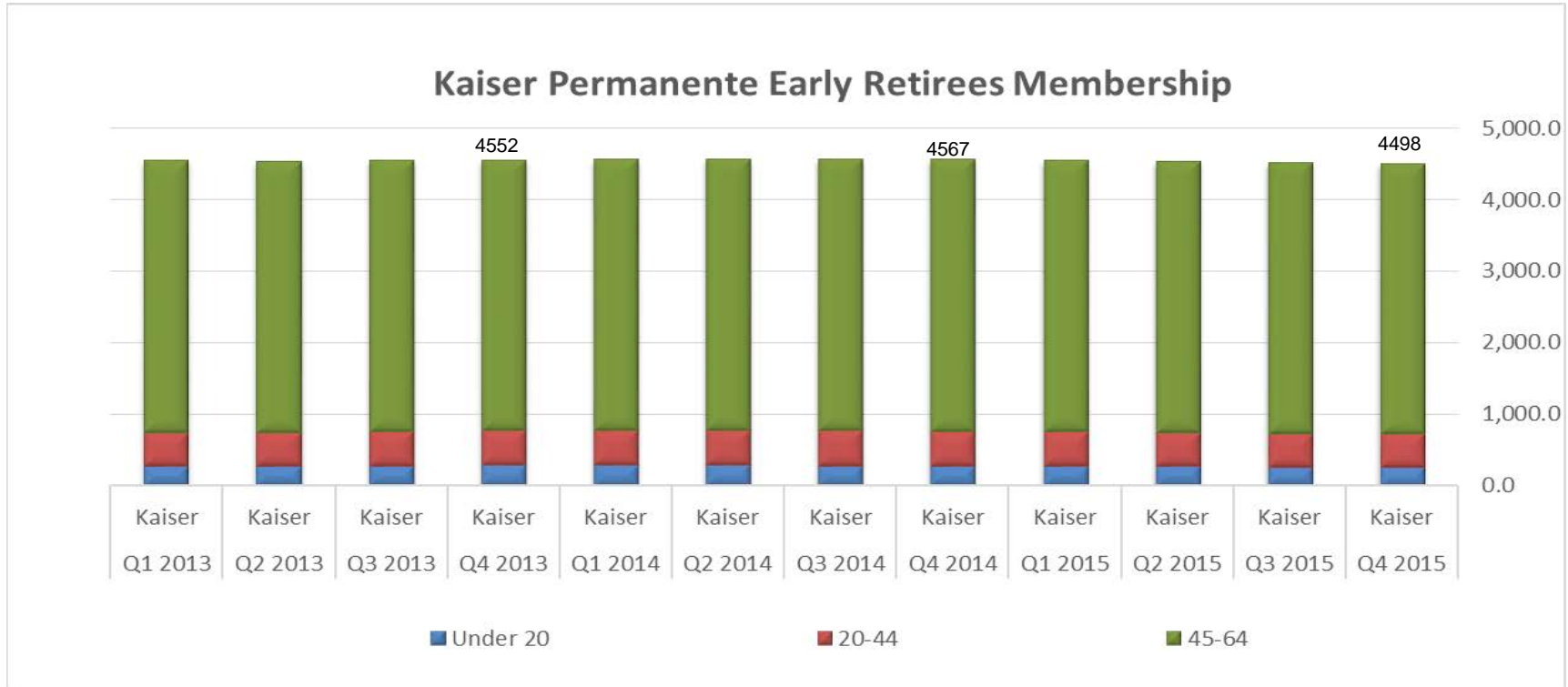
Introduction

This report details the inpatient, outpatient and pharmacy utilization and cost trends across Blue Shield, Kaiser Permanente, and City Plan for the early retiree population through Q3 2015

This insight into the health plans' performance has been primarily sourced from the All Payer Claims Database (APCD) and completes another step in the transition from vendor reports. Some data continues to be sourced from vendor reports. Specifically Blue Shield cost measures are sourced from vendor reports since financials from Sutter claims are not provided at a detail claim level for the APCD

Historically, dashboards were presented to the Health Service Board one health plan at a time at various intervals. This report integrates performance across all health plans at one time

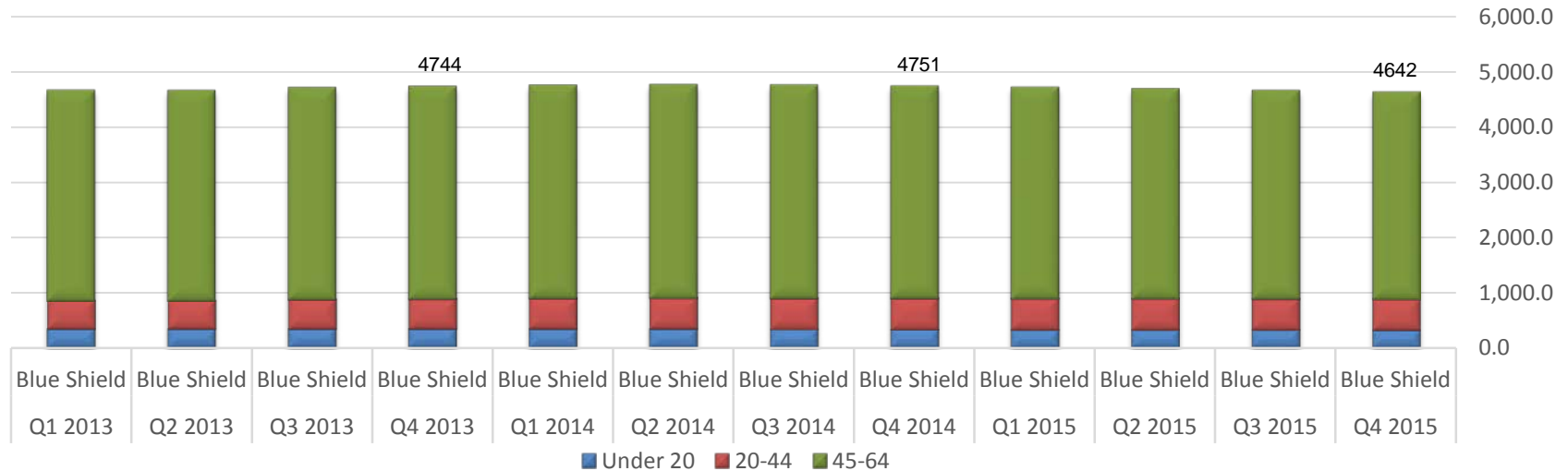
Health Plan Early Retirees: Membership



- Kaiser Permanente early retirees comprise 45.3% of the total early retiree population
- The current contract size is 1.68 and has remained between 1.6 and 1.7 since 2007

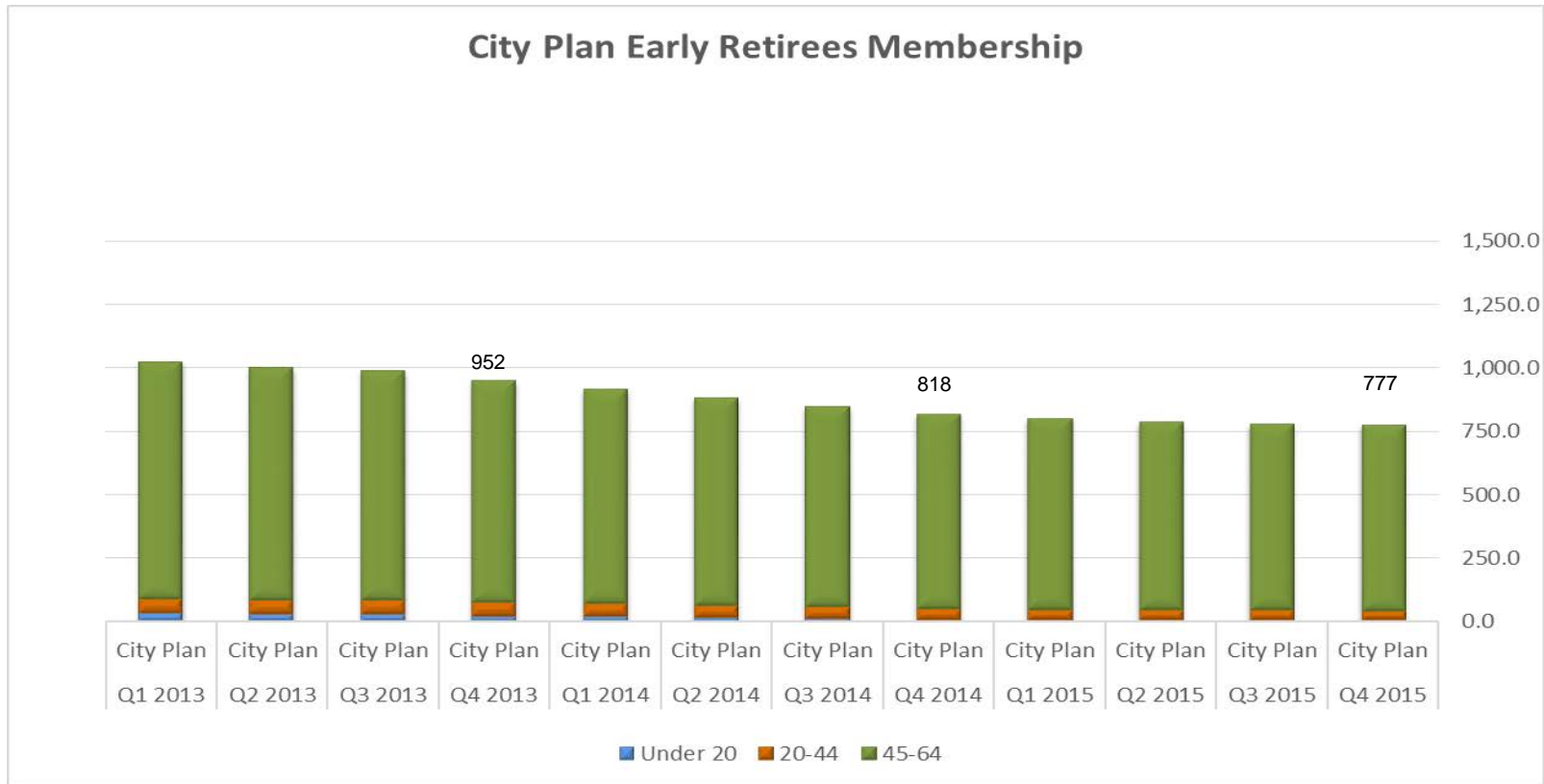
Health Plan Early Retirees: Membership

Blue Shield Early Retirees Membership



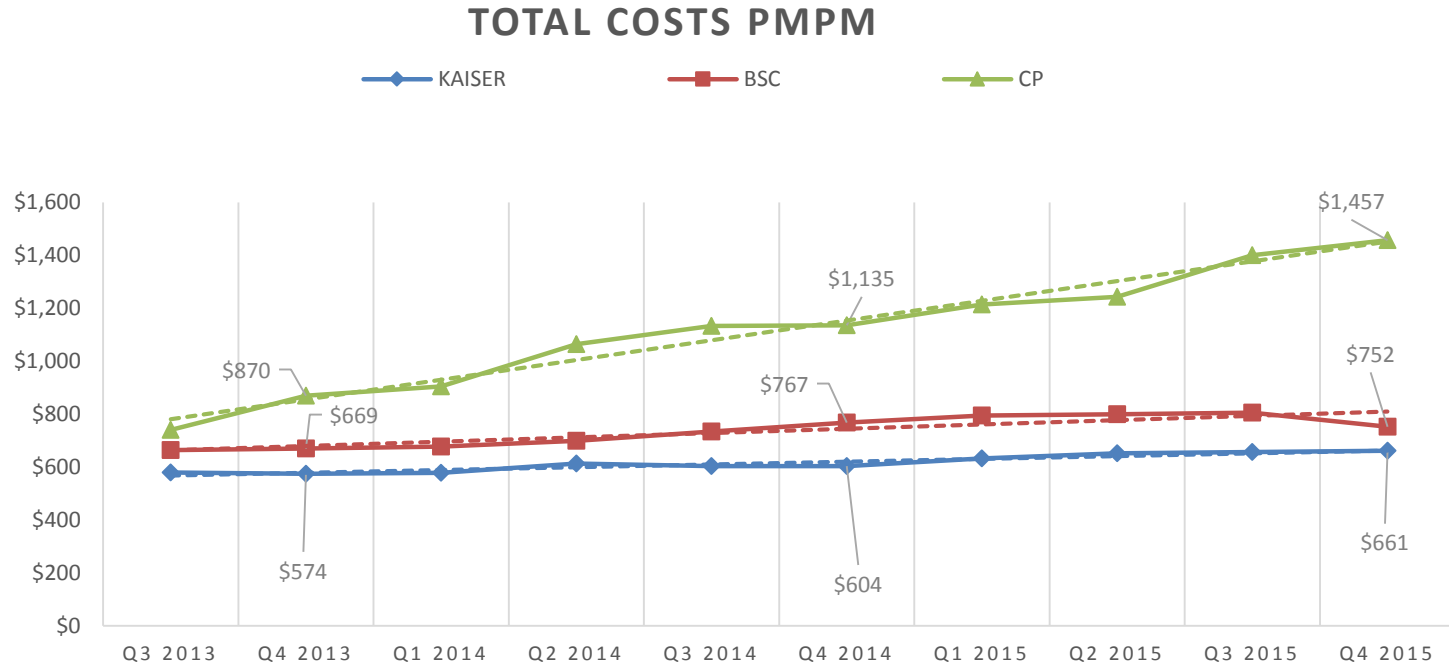
- Blue Shield early retirees comprise 46.8% of the total early retiree population
- Enrollment by coverage tier has remained consistent over time

Health Plan Early Retirees: Membership



- City Plan early retiree membership continues to decrease, down another 5% from a year ago
- Overall across all three health plans, the number of early retirees has been decreasing

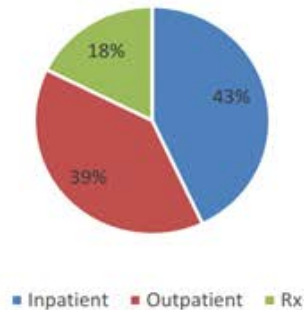
Health Plan Early Retirees: Total Costs PMPM



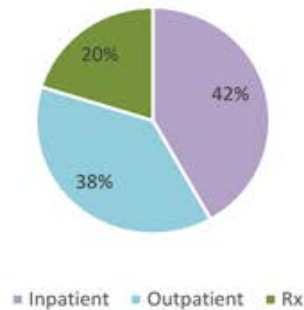
- Total costs PMPM are trending upwards with City Plan experiencing the higher trend almost doubling since Q3 2013
- In the last two years, Blue Shield PMPM has increased by 21% and Kaiser Permanente’s PMPM has increased by 13.3%

Health Plan Early Retirees: Cost Composition

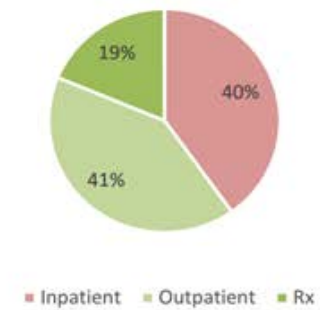
KP - Q3 2015 Cost Composition



CP - Q3 2015 Cost Composition

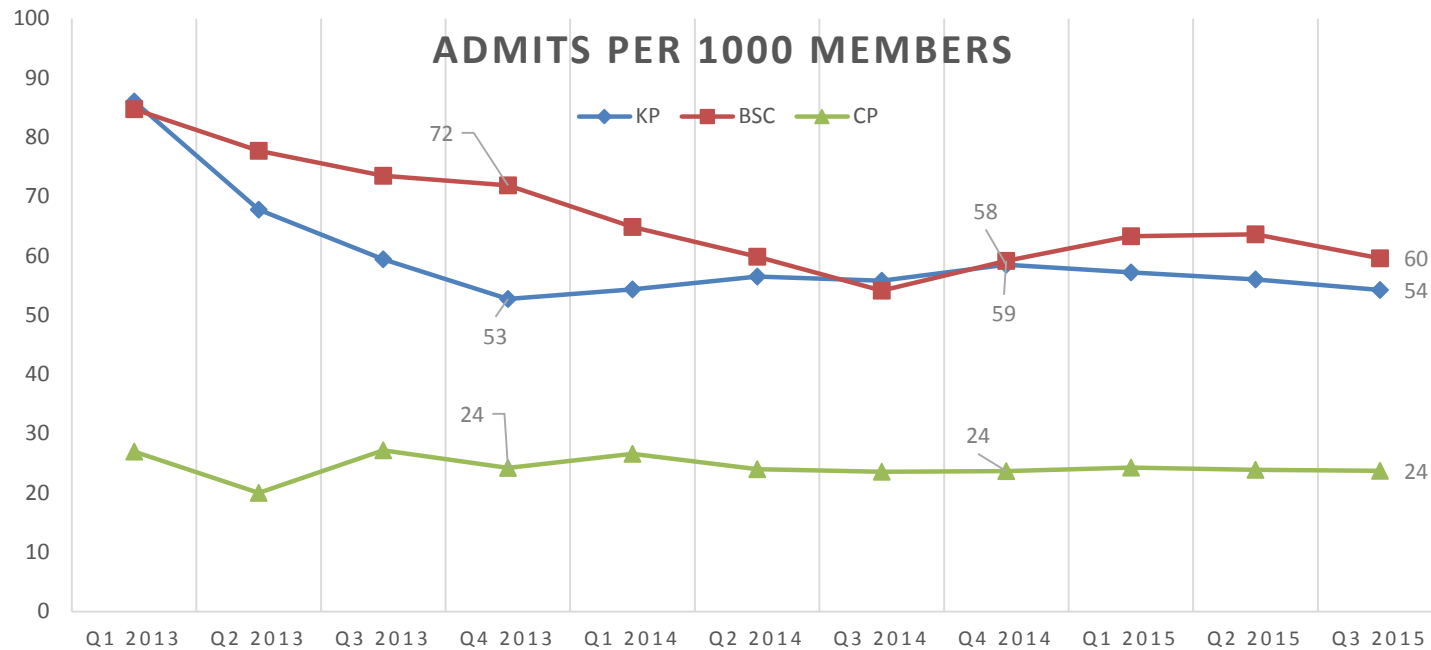


BSC - Q3 2015 Cost Composition



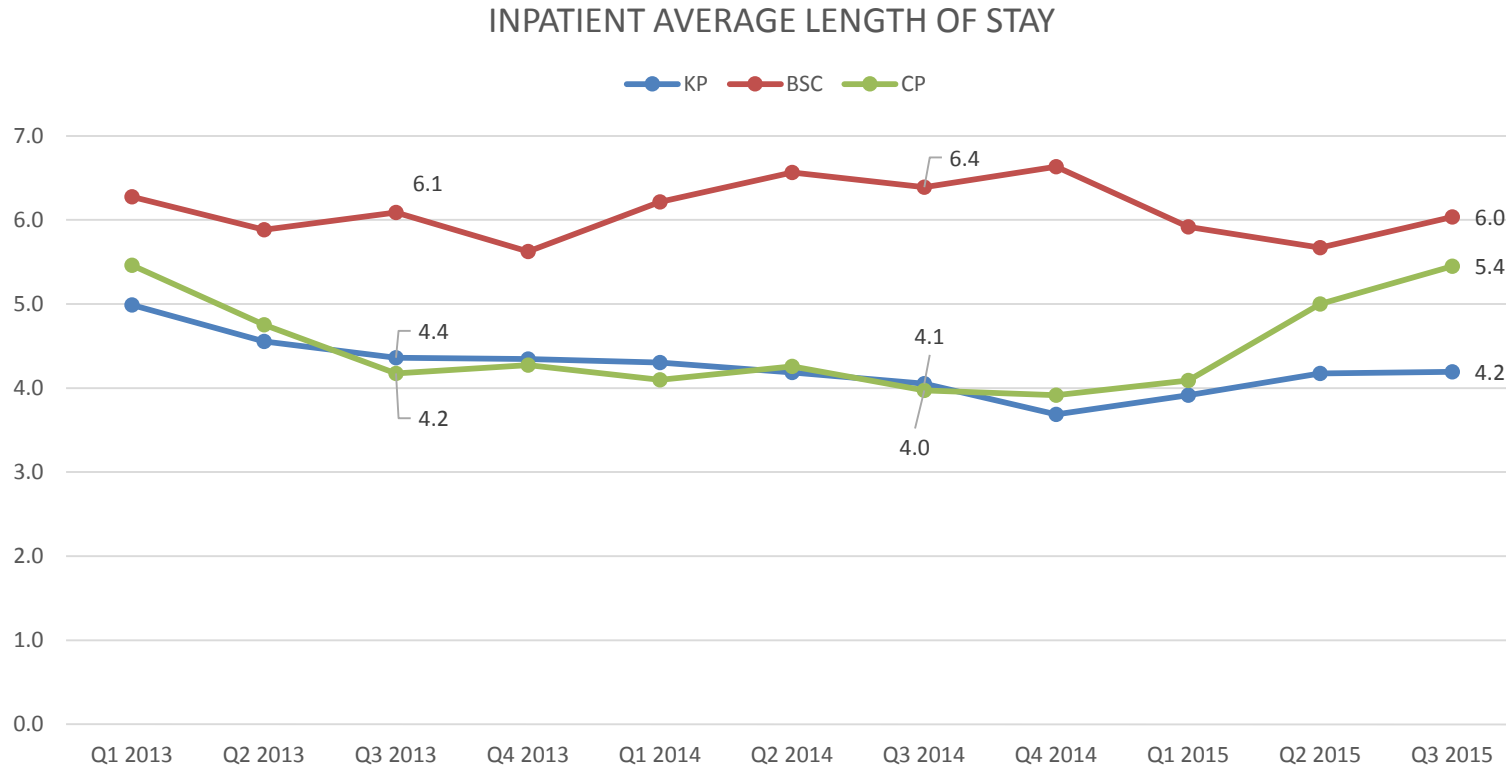
- The percentage of pharmacy component of the PMPM costs for Blue Shield and Kaiser Permanente reflect a 14 and 16 percent increase respectively over Q3 2014
- The Other category was not included in this composition.

Health Plan Early Retirees: Admits Per 1000 Members



- City Plan admissions have remained flat
- Blue Shield and Kaiser Permanente admissions per 1000 while considerably lower from 2 years prior have experienced some increase in the past year

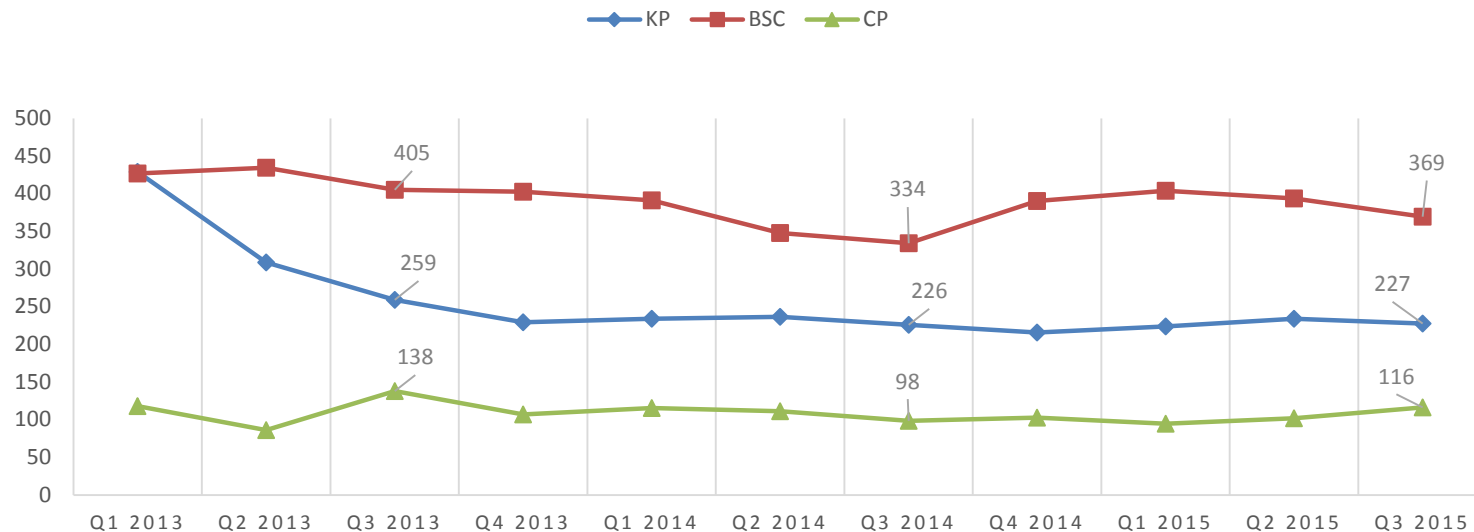
Health Plan Early Retirees: Inpatient Average Length of Stay



- Blue Shield patients are consistently in the hospital longer than the other health plans, almost 2 days longer than Kaiser Permanente

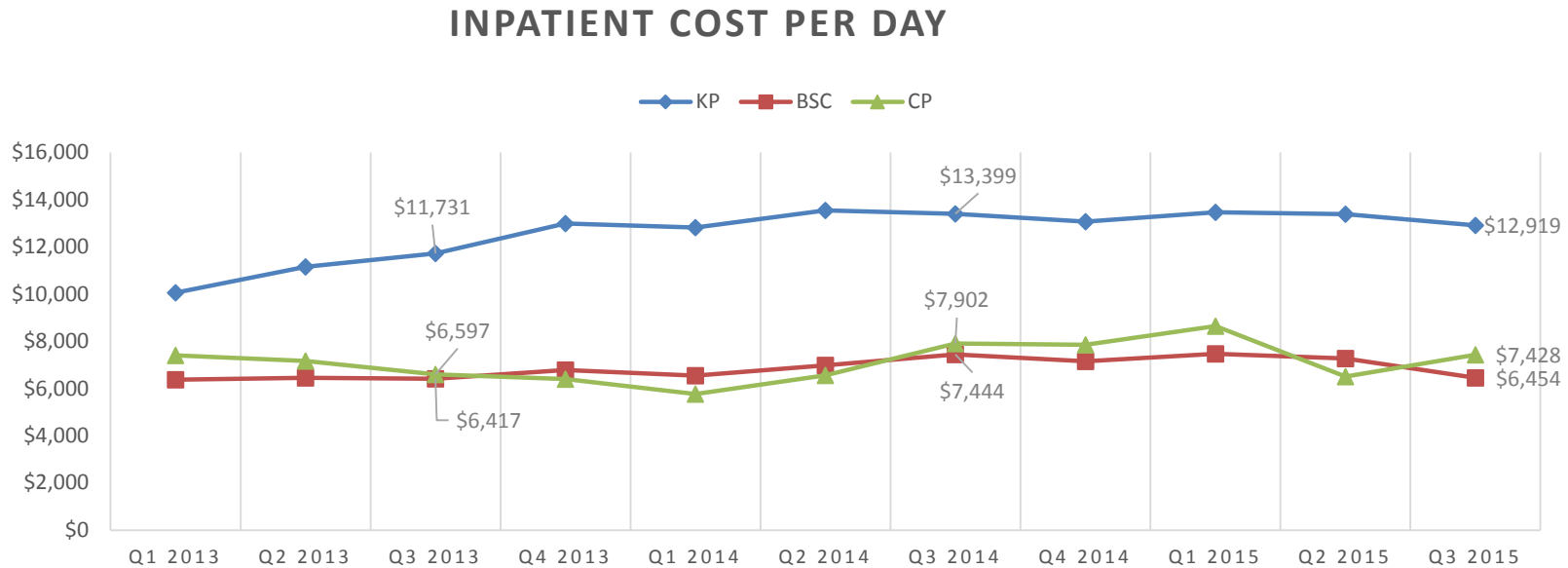
Health Plan Early Retirees: Inpatient Days per 1000 Members

INPATIENT DAYS PER 1000 MEMBERS



- Overall in the last two years, inpatient days per 1000 members has decreased across all health plans
- In the past year, Kaiser's inpatient days per 1000 have remained flat but both City Plan and Blue Shield's inpatient days per 1000 have increased

Health Plan Early Retirees: Inpatient Cost per Day

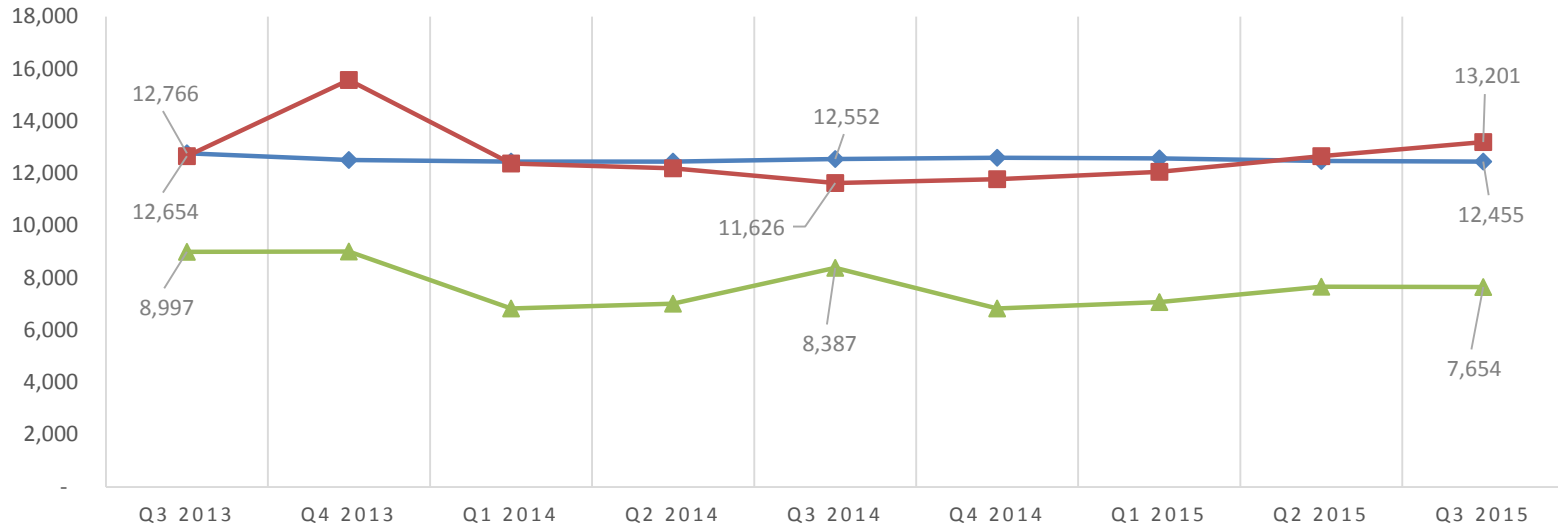


- Kaiser Permanente’s inpatient cost per day is higher than other health plans
- Kaiser has a length of stay that is close to 2 days less than Blue Shield and 1.2 days less than City Plan. Discharging members earlier results in a potential for greater savings

Health Plan Early Retirees: Outpatient Procedures Per 1000

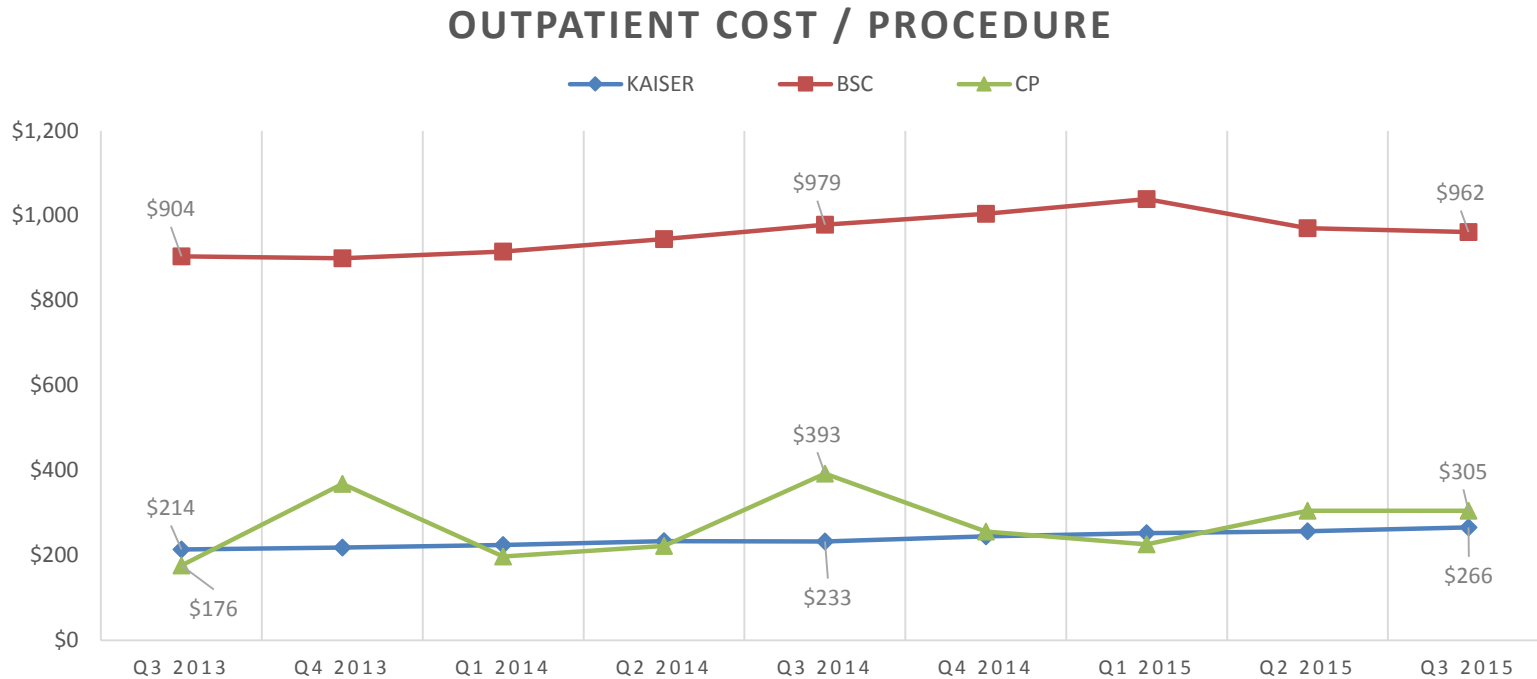
PROCEDURES PER 1000

KAISER BSC CP



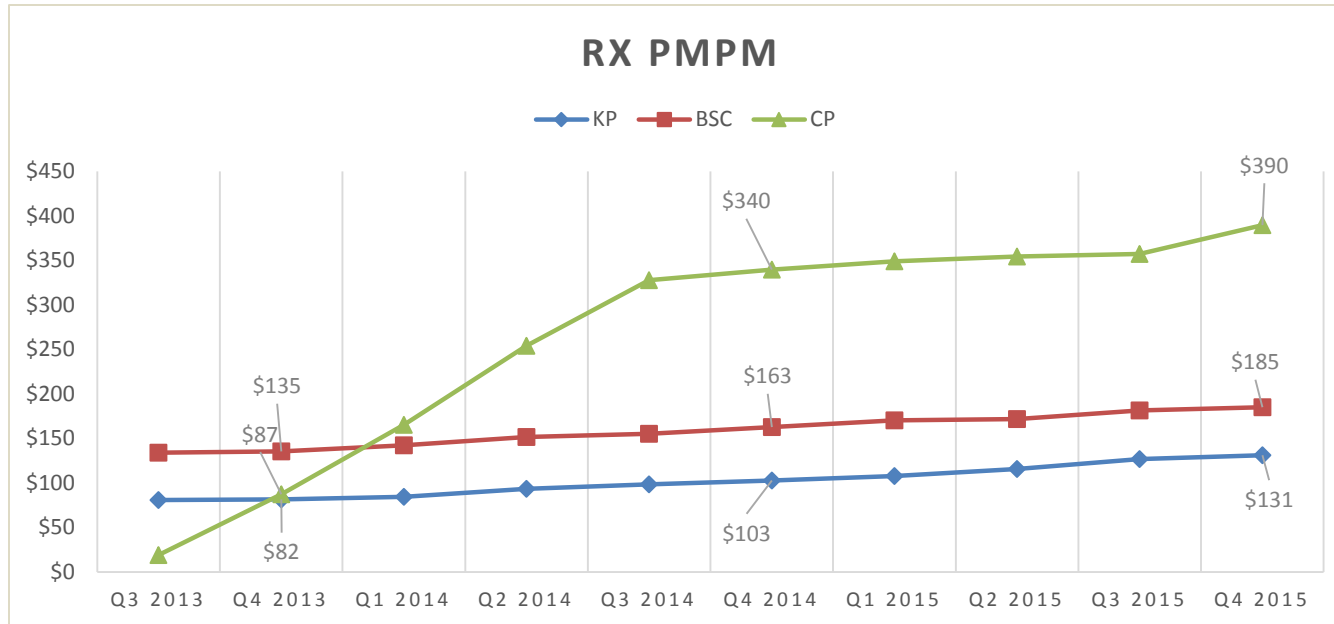
- The procedures per 1000 aggregates emergency room, surgical, medical, laboratory, radiology, office visit and other procedures such as physical and occupational therapies.

Health Plan Early Retirees: Outpatient Cost Per Procedure



- Blue Shield's outpatient cost per procedure is more than 3 times higher than the other health plans

Health Plan Early Retirees: Rx PMPM



Q3 2015 Total Scripts:

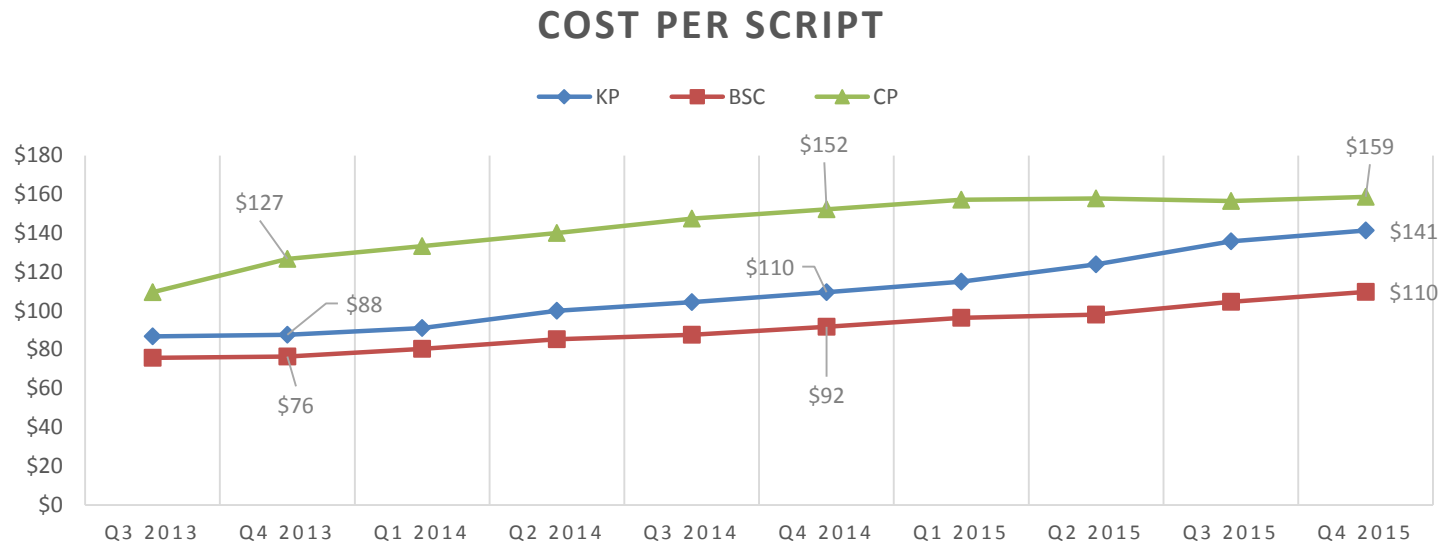
Blue Shield: 97,200

City Plan: 21,361

Kaiser: 50,641

- Overall PMPM pharmaceutical costs have been trending upwards which is consistent with industry trends
- Blue Shield members received 49% more prescriptions in the year ending Q3 2015 than Kaiser members

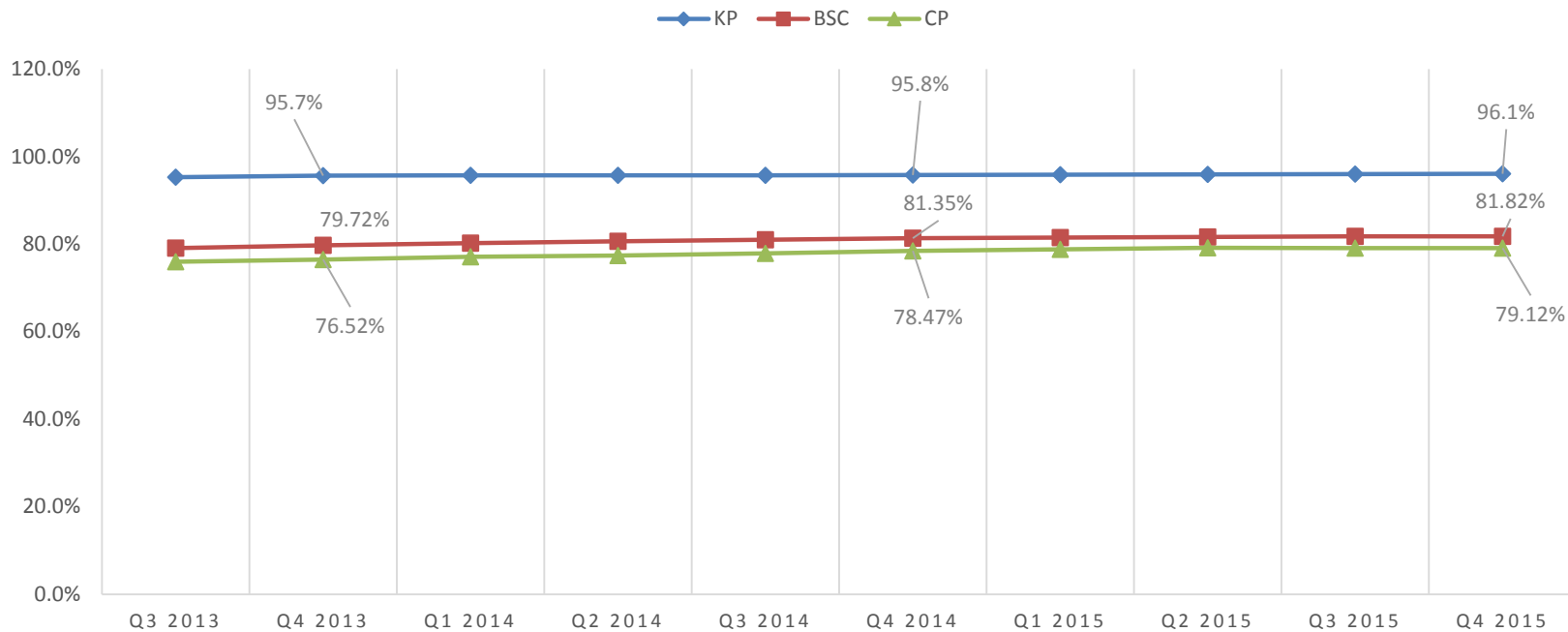
Health Plan Early Retirees: Cost Per Script



- Cost per script continues to trend upwards
- Specialty medications and consolidation of generic producers is driving this trend

Health Plan Early Retirees: Dispensing Rate for Generic Drugs

GENERIC DISPENSING RATE



- The generic dispensing rate across all three health plans has remained relatively flat

APPENDIX

Glossary

- APCD – All payer claims database
- Fee for Service – Payment is made each time service is rendered
- Formulary Compliance – Adhering to prescription formulary drugs that have been selected and approved for their safety, quality and cost effectiveness
- Generic Dispensing Rate – Measures the number of drugs dispensed as generic divided by the total number of drugs dispensed
- Inpatient – Admittance to a hospital or clinic for treatment that requires at least one overnight stay
- Loss Ratio – The total amount of dollars paid out in claims divided by the amount collected in premiums
- Members – A person enrolled in and eligible for benefits under a health care plan
- Member Share – The portion of health care costs (copayments, deductibles, and coinsurance) for which the member enrolled in a health plan is responsible

- Outpatient – Admittance to a hospital or clinic for treatment that does not require an overnight stay. This includes emergency room visits, dialysis, group therapy at the facility setting, lab work, observation room, surgeries, radiology and medical supplies and services
- PMPM – Per member per month
- Professional Procedures – All services not provided in an inpatient setting
- Specialty Drug – High-cost injectable, infused, oral, or inhaled drugs that generally require special storage or handling and close monitoring of the patient’s drug therapy
- Total Paid Claims – Total dollar amount paid for services and costs from health care providers and facilities submitted to the insured for payment
- Utilization – The extent to which an insured group uses a particular health care service in a specified period, typically expressed as the number of services user per year per 100 or per 1000 persons