



City of Houston
HUMAN RESOURCES

Sustaining the Health of City of Houston Employees: What Is The Value?

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Benefits Division Overview

**Jane E. Cheeks,
HR Director**

\$387,765
FTEs 49,5

**Benefits
Administration**

\$4,653
FTEs 28.5

- Administer and Analyze City sponsored benefits by utilizing a customer focused approach for employees, retirees, and their dependents.

**Employee
Assistance
Program**

\$655
FTEs 3.0

- Offer confidential assessment, referral and short-term counseling to employees with personal concerns that may adversely affect work performance.

Communications

\$843
FTEs 8.0

- Communicate to employees their roles in the organization and the importance of providing excellent customer service.

**Benefits
Financial
Reporting**

\$1,683
FTEs 10.0

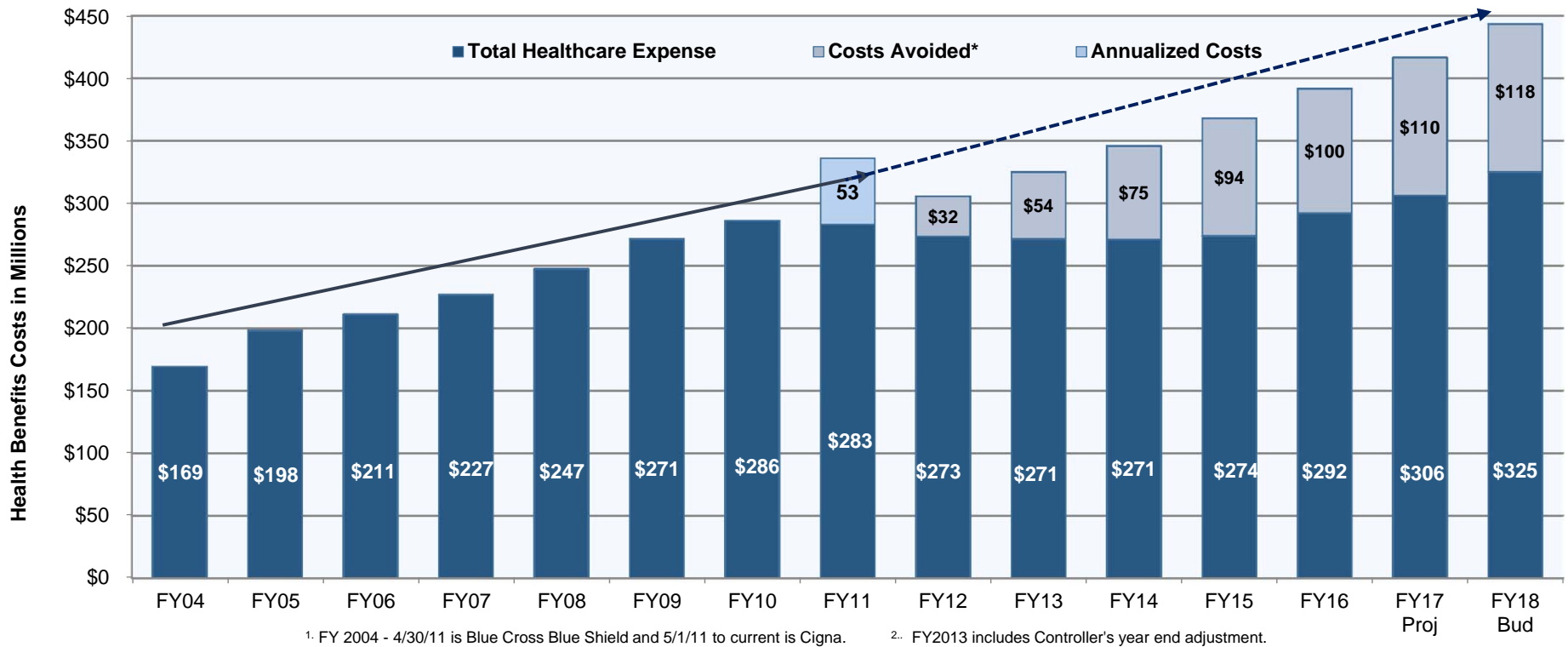
- Assist in the design, maintenance and interpretation of management reports on operational and financial matters.

**Health Benefits
Plans**

\$379,931
FTEs 0.0

- Medical, Dental Life & Vision

Costs Avoided: Fully-Insured vs. Self-Insured



Population and Costs At-A-Glance

| Members | All Plans | CDHP | OAPIN | LMTD |
|------------------------------|---------------|--------------|--------------|---------------|
| Average Number of Employees* | 24,185 | 2,458 | 3,781 | 18,011 |
| Average Employee Age | 47.2 | | | |
| Average Number of Members** | 53,736 | 5,119 | 7,832 | 40,869 |
| Average Member Age | 34.7 | 35.8 | 35.8 | 34.6 |
| Percent of Population Male | 52.0% | | | |
| Percent of Population Female | 48.0% | | | |
| Total Cost | | | | |
| Plan Spend | \$154,320,165 | \$14,590,203 | \$33,587,519 | \$105,865,431 |
| Plan Spend PMPM | \$479 | \$475 | \$715 | \$432 |

Notes: * = inclusive of Retirees (3,680)

** = inclusive of Retirees and their families (5,682)

Plan Spend = costs to date

Sustaining Health of *Our* Employees

1. Rates in Limited Plan kept flat
2. No increase in co-pays, co-insurance and deductibles.
3. Increased out-of-pocket maximum
4. Broader pharmacy access with retail stores for both 30 and 90 day prescriptions
5. Fund Reserve was not used to supplement benefit rates

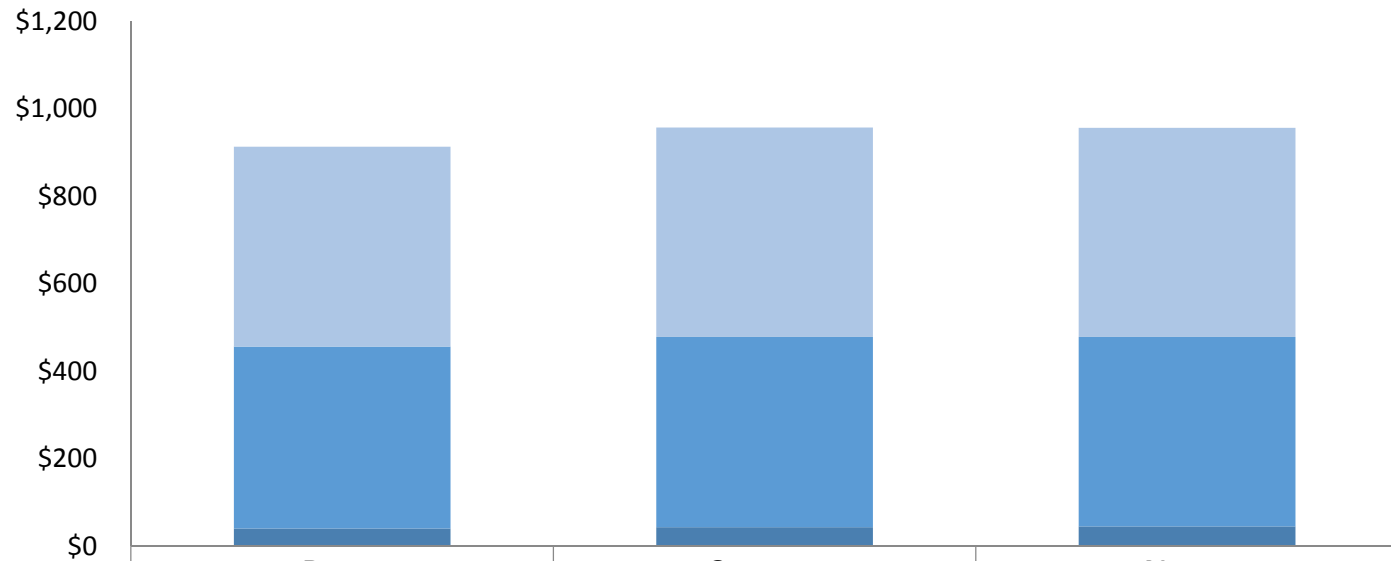


Benefits At-A-Glance

| ACTIVES | | RETIREES | |
|--|---|------------------------------|------------------------------|
| Paid/Subsidized by the City | Paid By Employees | Paid/Subsidized by the City | Paid by Retirees |
| Medical Insurance | Medical Insurance | Medical Insurance | Medical Insurance |
| Basic Life Insurance | Dental Insurance | Medicare Advantage (5 plans) | Medicare Advantage (5 plans) |
| Long Term Disability | Vision Insurance | | Dental Insurance |
| Commuter Benefits (i.e. Parking, Metro, Van Pools) | Voluntary Life Insurance (Employees, Spouse, Child) | | Vision Insurance |
| Employee Assistance Program | Supplemental Insurance (Hospital, Accidental, Cancer) | | Life Insurance |
| | Dependent Care Reimbursement | | |
| | Healthcare Flexible Spending Accounts | | |
| | Direct Pay Program | | |
| | Deferred Compensation | | |

Actives Plan Costs and Trends

Claims Paid Through January 2017



| | Base | Current | Norm |
|------------------|-------|---------|-------|
| Plan Spend PMPM | \$457 | \$479 | \$478 |
| Paid Amount PMPM | \$416 | \$435 | \$433 |
| Cost Share PMPM | \$40 | \$43 | \$45 |

Members Distribution:

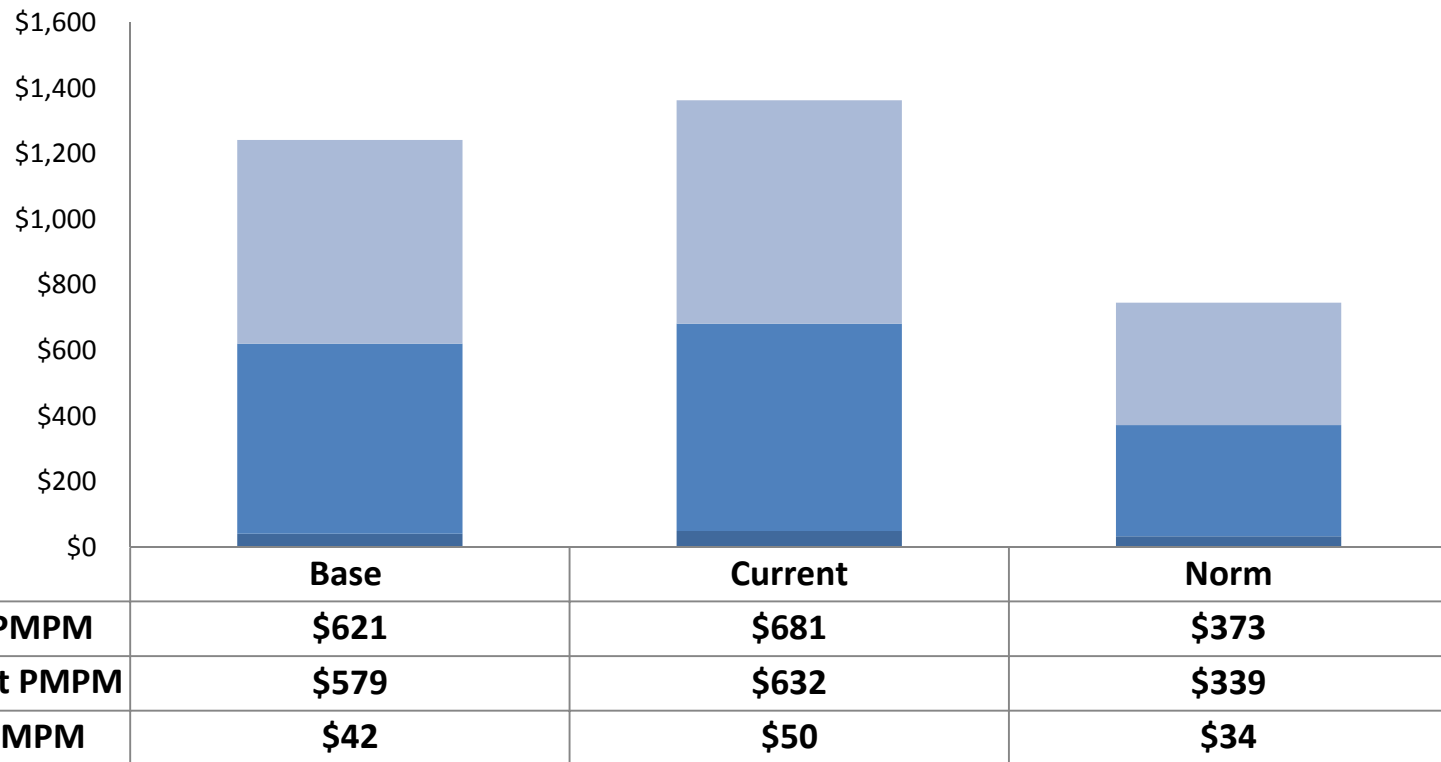
- Average Number of Employees: 24,185
- Average Number of Members: 53,736

Cost Trends:

- Plan Spend: \$154,320,165
- Plan Spend PMPM: \$479
- Plan Spend PMPM (non-cat): \$346

Under 65 Plan Costs and Trends

Claims Paid Through January 2017



Members Distribution:

- Average Number of Employees: 3,680
- Average Number of Members: 5,682

Cost Trends:

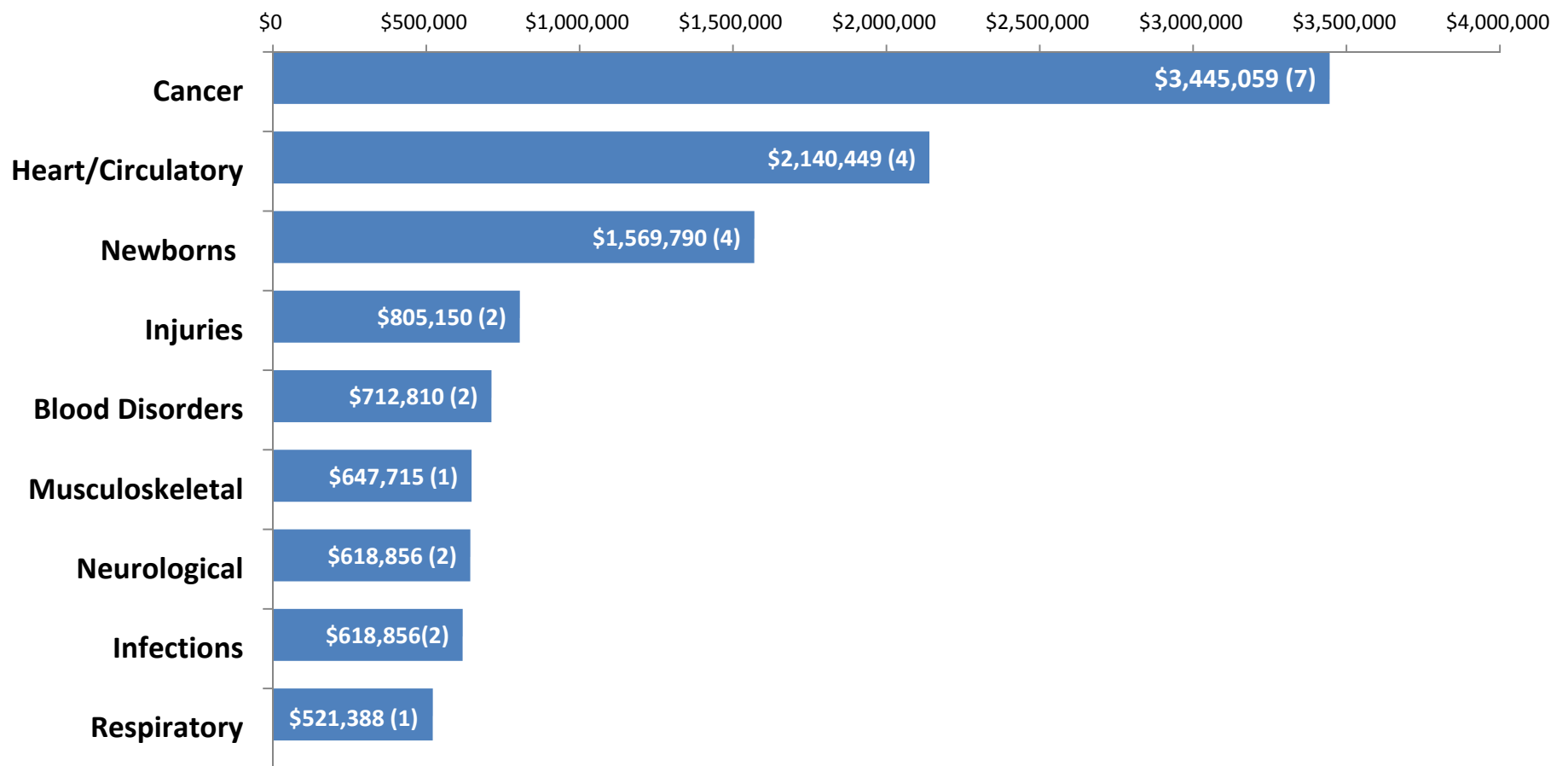
- Plan Spend: \$23,221,622
- Plan Spend PMPM: \$ 681

Pharmacy Cost Drivers

| Drug | Conditions | Current Plan Spend | Members | Claims | Costs Per Claim |
|------------------|----------------------|--------------------|---------|--------|-----------------|
| Humira Pen (SRx) | RA/Psoriasis/Chron's | \$1,371,903 | 63 | 277 | \$4,953 |
| Harvoni (SRx) | Hepatitis A/B/C | \$962,714 | 19 | 45 | \$21,394 |
| Avastin | Cancer | \$849,406 | 33 | 135 | \$6,292 |
| Enbrel(SRx) | RA/Psoriasis/Chron's | \$827,322 | 42 | 196 | \$4,221 |
| Yervoy | Cancer | \$584,209 | 2 | 6 | \$97,368 |

Specialty Pharmacy is driving trends by 1.4% of total plan cost!

Catastrophic Cost Drivers



Catastrophic Conditions are driving cost trends by 1.9%!

Wellness At-A-Glance

| Focus Area | Purpose | Engagements |
|------------------------------|---|---|
| Awareness | Awareness topics and activities are based on review of data – top medical conditions, top spend, etc. in order to increase awareness related to health conditions and prevention | <ul style="list-style-type: none"> • Health Assessment • Monthly Awareness Events (“Wellness on Wheels”) • Take Charge – Electronic Newsletter |
| Environment | Environmental initiatives encourage employees to be healthy by providing a physical reminder within their environment | <ul style="list-style-type: none"> • Blood Pressure Kiosks • Take the Stairs Challenges |
| Behavior Modification | Behavior Modification programs aim to help employees and families prevent disease, manage chronic conditions and improve their overall health; programs focus on improved nutrition, increased physical activity and improved chronic disease management (through lifestyle modifications and medication adherence) | <ul style="list-style-type: none"> • Fitbit Challenges • Diabetes Self-Management Education • City Fit – Fitness Classes • Weight Management • Stress and Resiliency • Lifestyle Management Programs • Wellness Engagement |



A Win-Win

A positive performance in our medical plans is the result of employees engaging in wellness programs!

- Generic medicine utilization at 90%
- Steerable ER rates decreased by 26%
- Age appropriate preventative screening normalized at 42%
- Health Assessment completion rate:
 - 89% for Actives
 - 72% for Retirees

Contract Solicitations in FY18

| | SAP/Contract Number | Contract Description | Start Date | End Date | ITB or RFP 2017-18 | Start Date | City Council Approval Date |
|---|---------------------|---|------------|-----------|--------------------|------------|----------------------------|
| Cigna Life and Health Insurance Company | 4600012470 | Health Benefits & Prescription Drug Programs Administrative Services Only for City of Houston's Employees, Retirees, and their Dependents. | 5/1/2014 | 4/30/2019 | Yes | 7/2017 | 12/2018 |
| Superior Vision (Block Vision of Texas) | C75221 | Vision Insurance for City Employees | 5/1/2013 | 4/30/2018 | Yes | 4/2017 | 12/2017 |
| ComPsych Corporation | 4600011965 | Employee Assistance Program (EAP) Services for City Employees, Retirees and their Dependents | 5/1/2013 | 4/30/2018 | Yes | 4/2017 | 12/2017 |
| Dearborn Life Insurance | 4600012313 | Basic and Voluntary Life Insurance for City Employees, Retirees and their Dependents | 10/1/2013 | 9/30/2018 | Yes | 4/2017 | 6/2018 |



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Open Discussion!

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