

June 4, 2009

Alderman Michael Murphy, Chairman
City of Milwaukee Common Council Finance and Personnel Committee
200 East Wells Street, Room 205
Milwaukee, WI 53202

File No:100203 Contract with UHC Choice for 2011

Dear Alderman Murphy:

The City of Milwaukee Department of Employee Relations and the DER Review Team is recommending that the City enter into a one-year contract with UnitedHealthcare for the UHC Choice Plan for insured health maintenance organization benefits for 2011.

The City did a request for proposal for either health maintenance organization (HMO) plans or for exclusive provider organization (EPO) plans. The City received one response from a HMO plan, UHC, and four responses from EPO plans including UHC, Anthem, Humana and WPS. A HMO plan offers an employer specific benefits at a specific amount per month with the insurance company taking any risks. An EPO plan offers an employer specific benefits (often the same as an HMO) with the opportunity to hire a third-party to pay the bills for an administrative fee with the employer taking any risks. These EPO plans are referred to as self-funded plans. The City's basic plan is self-funded.

The City review team reviewed the option of an insured plan versus a self-funded plan. The review team recommends the City continue to contract with UHC for an insured HMO based on the likely avoided costs to the City. UHC has provided 2011 rates that are rebalanced for active, pre-Medicare retirees and Medicare retirees. The active rates will increase 11.6%, the pre-Medicare retirees will increase by 55% and the Medicare retirees will decrease by 15.6% for an overall rate change of 17.05%.

The review team considered that the options prepared by Willis that indicate an EPO plan could cost the City between 15% and 26% in increased costs depending upon the data used to make the projection. The most recent numbers indicate the higher costs for the City. Among the four EPO plans UHC had the lowest projected three-year cost.

A resolution and a fiscal note are attached to this file. In addition a report from Willis of Wisconsin the City's benefits consultant that includes four appendices – rate renewal, renewal calculation, loss ratio and EPO cost comparison.

Please contact me at mbrady@milwaukee.gov or at 286-2317 if you have any questions or comments regarding this file.

Sincerely,

Michael Brady
Employee Benefits

CC: Maria Monteagudo, DER
Troy Hamblin, DER

City Of Milwaukee

Benefits Team Recommendation Regarding 2011 Contract for HMO

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- Appendix B – 2011 UHC Renewal Calculation
- Appendix C – Premium vs. Claims Incurred (Loss Ratio)
- Appendix D – EPO Cost Comparison

EXECUTIVE SUMMARY

What is the Recommendation of the Benefits Team?

HMO Plans

As a result of a request for proposal (RFP) process and evaluations, the Benefits Team recommends the following for the HMO plan:

Enter into a one-year contract for 2011 with UnitedHealthcare (UHC). UHC is the incumbent HMO. The UHC proposal is the only compliant, i.e., insured HMO, proposal.

Who Was on the Benefits Team?

The City staff members on the Benefits Team were:

- **Michael Brady** – Director Employee Benefits, Department of Employee Relations
- **Aaron Cadle** – Legislative Fiscal Analyst, Common Council City Clerk, Fiscal Review Section
- **James Michalski, CPA**, – Auditing Manager, Office of the Comptroller
- **Renee Joos** – Special Assistant, Budget Office
- **Nicole Fleck**, Labor Relations Representative, Department of Employee Relations

Assisting the City team were the following individuals:

- **Douglas Ley**, Senior Vice President, Willis
- **Clete Anderson**, Vice President, Willis

The City retained the services of Willis to assist in the following:

- Assist in the preparation of the RFP,
- assist the Benefits Team in evaluating the carrier responses and making recommendations,
- conduct financial analyses, and
- draft this final report.

How Did the Benefits Team Reach This Recommendation?

HMO Selection Process

Found below is a brief history of the City's HMO program.

Before 2003 Multiple HMOs offered (managed competition)

2003 Broad and narrow network HMOs only with Compcare (Anthem today) offered lower cost to the City than managed competition model

2007 Broad and narrow network HMOs only with Humana (narrow network much broader)

2008 Broad network only with UHC, only UHC and Humana quote, UHC increase 6% for all groups, Humana increase 19%

2009 UHC and City agree to 10% increase for all groups for not putting out to bid, 10% increase leaves rates still lower than Humana's 2008 rate proposal

2010 20.4% UHC rate renewal for all groups, UHC only carrier to quote

2011 UHC rebalanced the rates for 2011 resulting in a 11.6% increase for actives, 55% increase for pre-Medicare retirees, and a 15.6% decrease for Medicare retirees or an overall increase of 17.05%. UHC is the only carrier to quote.

The City goal for healthcare is to keep the cost as affordable as possible to the City while providing employees "choice." The City currently offers a broad network HMO through UHC, and a Basic Plan administered by Anthem.

Because the number of HMOs available in Southeast Wisconsin is limited and the City has had contracts with them in the past, an abbreviated RFP focusing on the premium rates was e-mailed to the following companies.

- Anthem
- Humana
- UnitedHealthcare (UHC)
- WPS

Respondents were asked to provide quotes for a lower cost, narrow network HMO as well as a higher cost, broad network HMO. None of the vendors had a lower cost narrow network. Respondents were asked to provide quotes assuming they would not be the only HMO offered. The only vendor to respond to the HMO required they be the only HMO. Respondents were asked to assume prescription drugs would be carved out on a self insured basis.

The respondents were also asked to provide quotes for an Exclusive Provider Organization (EPO). The EPO would have benefits identical to the HMO, but the program would be self insured rather than insured as is the case with the HMO. Some of the City's existing collective bargaining agreements require that the benefits must be provided through an insured HMO. However, EPO proposals were sought in the event that either the HMO proposal received would be deemed uncompetitively priced, or no vendor would provide an HMO proposal.

Proposals were received from Anthem, Humana, UHC and WPS. UHC provided a broad network HMO proposal and an EPO proposal. Anthem, Humana and WPS only provided EPO proposals.

UHC offered to renew the HMO contract with rebalanced rate that accurately reflect the actual costs for active employees, pre-Medicare retirees and Medicare retirees. The active rates would increase 11.6%, the pre-Medicare retiree rates would increase 55% and the Medicare retiree rates would be reduced by 15.6%. The UHC rate calculation calls for a 17.05% overall increase. A summary of the rates and annualized premiums can be found in Appendix A.

The team determined that its analysis must address whether the rebalanced rates and the overall increase from UHC were reasonable and competitive, or whether one of the EPO proposals would provide a convincing expectation of savings versus the added risk of a self insured plan.

The team determined that the UHC proposal was reasonable and competitive. A summary of the analysis and conclusions follows.

Found in Appendix B is the HMO rate renewal calculation illustrating the assumptions and methodology that went into UHC's overall rate renewal. Two fundamental components of the projection are the annual health care trend which is the expected increase in health care costs, and total retention charge which is the cost UHC charges to administer the HMO program. The rebalancing accurately reflects the projected costs of the three groups.

Below is a comparison of the UHC renewal calculation with an EPO assuming the same 12.51% annual trend rate. The retention/expense charges for a self insured EPO were estimated at 7.4%, which includes expected expenses as well as a two percentage point load for the value of the insurance protection provided by the insured plan that would be lost.

Cost Projection Comparison

Experience Period Used	4/1/09 - 3/31/10 UHC	4/1/09 - 3/31/10 EPO	10/1/09 - 3/31/10 EPO	1/1/10 - 3/31/10 EPO
Annual Trend	12.51%	12.51%	12.51%	12.51%
Current Claims	\$385.42	\$385.42	\$408.06	\$430.87
Total Trend	22.9%	22.9%	19.33%	17.59%
Trended Claims	\$473.66	\$473.66	\$486.95	\$506.65
Pooling	\$3.38	\$3.38	\$3.38	\$3.38
Total Claims	\$477.04	\$477.04	\$490.33	\$510.03
Retention	14.6%	7.4%	7.4%	7.4%
Calculated Total Premium	\$558.88	\$515.16	\$574.16	\$597.22
Calculated Increase	24.79%	15.02%	28.20%	33.35%
Renewal Offered	\$524.25	\$515.16	\$574.16	\$597.22
Current Premium	\$447.87	\$447.87	\$447.87	\$447.87
Suggested Increase	17.05%	15.02%	21.0%	26.15%

UHC used an annual **trend factor** of 12.51%. No one knows what trend will be next year, but historical evidence would indicate that going much lower than the 12.51% would not be prudent and does not include the random claim fluctuation that can come with a self insured plan.

The other primary factor is the **retention charge**, the amount of each premium dollar UHC says it needs for non-claim related expenses, such as administration and premium taxes. UHC used 14.6% as the percent of each premium dollar it needs to cover its expenses.

The UHC calculation using these factors produced a Calculated Increase of 24.79%. UHC reduced it to 17.05% overall increase without written explanation. UHC indicated that the reduction came from reduced retention rather than reduced trend, suggesting that UHC believes that its trend factor is accurate and is accepting reduced administration fees. The 17.05% increase implies that UHC is accepting retention of roughly 7%. This amount is virtually the same as the self insured plan administration retention.

Last year UHC's 2010 rate proposal followed this same pattern, calculating a 35.64% rate increase then cutting the actual offer to 20.4%.

The analysis then looked at the projected cost of an EPO program. The EPO cost estimates were done on three bases; using the same time period of the claims for the projection as UHC used, 4/1/09 – 3/31/10, the claims experience since October 1, 2009, and since January 1, 2010. Here are the results.

If one uses the last 12 months of experience, the EPO shows a projected total cost that is 15.02% higher than current premium rates but 2% lower than the 17.05% HMO overall rate increase as shown in column two above.

However, If one uses increasingly more recent claims experience for the City's HMO plan the projected cost of a self insured EPO plan gets progressively higher for 2011, 21.0% higher than current rates using the last six months and 26.15% higher using the most recent 3 months as shown in columns three and four above.

One needs to be careful when using time periods less than a year to project plan costs because the volatility of results grows while the credibility of those same results diminishes. However, looking at the projected costs using these different time periods leads one to two conclusions; claims experience in the HMO appears to be deteriorating, and in most scenarios the EPO is projected to cost more than the HMO.

Each percentage point is worth almost a million dollars. At the bottom end of the range the EPO might save \$2 million dollars over the insured HMO. At the top end it might cost \$16 million more. In other words, the insured HMO is much more likely to cost the City less in 2011 than a self insured EPO.

Another means for assessing the value of an insured HMO is to look at historical experience versus premiums paid to determine with hindsight whether the City would have been better off self insured.

Found in the Appendix C are the premium and incurred claims on the UHC policy since 4/1/2008. In 2009 the City paid \$83,279,131 in premiums and UHC incurred \$83,357,644 of claims. Adding an estimated EPO administration expense of \$3,500,000, one can conclude that the City would have spent over \$3.5 million more in 2009 if it had been self insured.

Emerging claims experience suggests that the decision last year to accept UHC's 20.4% rate increase for 2010, versus changing to self insurance, was the right choice. There is value to the City of the insured program.

The vendors were asked if they would offer a cap on their 2012 HMO rate increase. UHC declined.

The combination of these factors led the Team to conclude that switching to an EPO with UHC would likely cost the City more than the HMO in 2011.

The last piece of the analysis was to assess whether an EPO with Anthem, Humana or WPS would provide a convincing expectation of reducing cost more than the UHC EPO and enough to justify dropping the insured rates for the risk of claims fluctuation of a self insured plans.

Found in Appendix D is an analysis of the respective administration fees and network discounts quoted for a self insured EPO program.

Annual EPO administration fees could run anywhere from about \$2.1 million to \$4.4 million depending on the vendor selected, the range of service chosen and the year. However, the biggest differential among the bidders is the magnitude of provider network discounts, not the fees. Based on expected 2011 claims of \$96.5 million, each percentage point of network discount differential is worth \$965,000, increasing each year with trend.

Among the four EPO offers, UHC was projected to have the lowest overall cost if the City would choose to switch to an EPO type model in 2011. Thus, changing administrators and networks would not reduce the cost of the health care program.

The team acknowledges the fact that in the year that a self insured EPO is adopted there would be a one-time cash flow "break" since run out claims, claims incurred in the prior year but paid in the subsequent year, will be covered by the HMO policy. This break would result in roughly a one month reduction in claims paid in the first year. From an accounting perspective there would be no reduction because a reserve equal to any reduction would need to be set up recognizing that the City has accepted and must pay the run out should it ever want to return to an insured plan should one be available. Also note that while claims paid in the first year would be reduced, in the second year, assuming 10% trend, would increase 20% by returning to a full twelve months of claims. This one time break is available whenever the plan goes self insured, but is best taken when other circumstances are more favorable.

The UHC HMO proposal was determined to be reasonable given the expected claim cost of the program in 2011. Plus, none of the EPO proposals provided a convincing expectation of savings versus the insured HMO rates or the added risk of claim fluctuation of a self insured program. There is value to the City of the financial protection provided by insured rates.

Changing to an EPO might well happen, but 2011 is not the year to do it. For all these reasons the Team recommends renewing the HMO contract with UHC for 2011.

Appendices

- Appendix A – 2011 UHC HMO Rate Renewal
- Appendix B – 2011 UHC Renewal Calculation
- Appendix C – Premium vs. Claims Incurred (Loss Ratio)
- Appendix D – EPO Cost Comparison

CITY OF MILWAUKEE FISCAL NOTE

A) DATE June 18, 2010FILE NUMBER: 100203Original Fiscal Note ☒ Substitute ☐SUBJECT: Authorizes the City to execute a one year contract with UHC for insured HMO health insurance plan from January 1, 2011 through December 31, 2011.B) SUBMITTED BY (Name/title/dept./ext.): Michael Brady, Director of Employee Benefits, DER, 2317

C) CHECK ONE: ☒ ADOPTION OF THIS FILE AUTHORIZES EXPENDITURES
☐ ADOPTION OF THIS FILE DOES NOT AUTHORIZE EXPENDITURES; FURTHER COMMON COUNCIL ACTION NEEDED. LIST ANTICIPATED COSTS IN SECTION G BELOW.
☐ NOT APPLICABLE/NO FISCAL IMPACT.

D) CHARGE TO: ☐ DEPARTMENT ACCOUNT(DA) ☐ CONTINGENT FUND (CF)
☐ CAPITAL PROJECTS FUND (CPF) ☒ SPECIAL PURPOSE ACCOUNTS (SPA)
☐ PERM. IMPROVEMENT FUNDS (PIF) ☐ GRANT & AID ACCOUNTS (G & AA)
☐ OTHER (SPECIFY)

E) PURPOSE	SPECIFY TYPE/USE	ACCOUNT	EXPENDITURE	REVENUE	SAVINGS
SALARIES/WAGES:					
SUPPLIES:					
MATERIALS:					
NEW EQUIPMENT:					
EQUIPMENT REPAIR:					
OTHER:	Health Maintenance Organizations (HMO)	0001 0165 S140 006100	\$121,800,000		
TOTALS					

F) FOR EXPENDITURES AND REVENUES WHICH WILL OCCUR ON AN **ANNUAL** BASIS OVER SEVERAL YEARS CHECK THE APPROPRIATE BOX BELOW AND THEN LIST EACH ITEM AND DOLLAR AMOUNT **SEPARATELY**.

<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	
<input type="checkbox"/> 1-3 YEARS	<input type="checkbox"/> 3-5 YEARS	

G) LIST ANY ANTICIPATED FUTURE COSTS THIS PROJECT WILL REQUIRE FOR COMPLETION:

H) COMPUTATIONS USED IN ARRIVING AT FISCAL ESTIMATE:

The vendor will be paid a percentage of the savings.

PLEASE LIST ANY COMMENTS ON REVERSE SIDE AND CHECK HERE ☐

UnitedHealthcare
Financial Exhibits - Medical

Customer Name: City of Milwaukee
 Medical Policy: 712481
 Renewal Date: January 1, 2011

Renewal rates effective: 1/1/11 to 12/31/11

Historical Information	Current Period	Prior Period	Blended
Beginning of Experience Period	4/1/2009	Not Applicable	
End of Experience Period	3/31/2010		
Medical Incurred Claims	\$86,217,862		
Rx Incurred Claims	\$0		
Member Months	222,774		
Experience Rating PMPM			
A Incurred Medical Claims PMPM	\$387.02		
B Pooled Claims Over \$500,000	\$1.60		
C Adjusted Medical Claims (A - B)	\$385.42		
D Incurred Rx Claims PMPM	\$0.00		
E Total Incurred Claims (C + D)	\$385.42		
F Trend Factor 21 mos	1.229		
G Plan Change Adjustment	1.000		
H Trended/Adjusted Claims (E * F * G)	\$473.66		
I Claim Period Weighting	100%		\$473.66
J Adjustment for Membership Shift			1.000
K Pooling charge for \$500,000			\$3.38
L Expected claims (I * J + K)			\$477.04
<u>Retention:</u>			
M Administration			12.8%
N Commission			0.0%
O Premium tax			1.8%
P Willis Qtrly Rptng / Ad Hoc			0.04%
Q Total retention (M + N + O + P)			14.6%
R Experience Premium PMPM [L / (1 - Q)]			\$558.88
Manual Rating PMPM			
S Manual Premium PMPM (unadjusted)			\$517.79
T Age/Sex Adjustment			1.068
U Other Adjustment			1.000
V Manual Premium PMPM (S * T * U)			\$553.38
Renewal Action			
	Calculated Premium	Credibility Factor	
W Experience Rating	\$558.88	x 100.0%	\$558.88
X Manual Rating	\$553.38	x 0.0%	\$0.00
Y Initial Calculated Renewal Premium PMPM (W + X)			\$558.88
Z Other Adjustment			1.000
AA Final Calculated Renewal Premium PMPM (Y x Z)			\$558.88
AB Current Premium PMPM			\$447.87
AC Calculated Renewal Action (AA / AB) - 1			24.79%
AD Suggested Renewal Action (current plan)			17.05%
AE Prospective Plan Change			1.000
AF Final Renewal Action ((1 + AD) * AE) - 1			17.05%
Current Subscribers	7,311	Final Renewal Premium PMPM	\$524.25
Current Members	18,412	Final Renewal Monthly Premium	\$9,652,404
		Final Renewal Annual Premium	\$115,828,850

Final renewal monthly/annual premiums are calculated using current enrollment
 Rates and benefits are subject to regulatory and home office approval

5/20/2010 10:56

City of Milwaukee
Rates if Your Insured HMO is the Only HMO Option Offered
Rates Effective January 1st 2011
Drug benefit is carved out

Rate	Broad Network	Narrow Network
Active Rates		
Single	\$596.86	Na
Family	\$1629.83	Na
Retiree Rates		
(1) Single without Medicare	\$841.41	Na
(3) Family without Medicare	\$2298.14	Na
(4) One with Medicare	\$369.41	Na
(5) Two with Medicare	\$738.79	Na
(6) One with Medicare & One without Medicare	\$838.83	Na
(7) One with Medicare, One without Medicare & Dependent children	\$1183.07	Na
(8) Two with Medicare & Dependent children	\$1082.92	Na
(9) One without Medicare & Dependent children	\$2353.36	Na
(10) One with Medicare & Dependent children	\$1183.07	Na

“With Medicare” means having both parts of Medicare, Hospital (Part A) and Medical (Part B)

Describe any caps you are willing to offer on rate increases in 2012 or 2013.

These are medical rates only without the carved out prescription drug plan

The rates for retirees do not reflect the City contribution or the costs of the drug plan.

City of Milwaukee

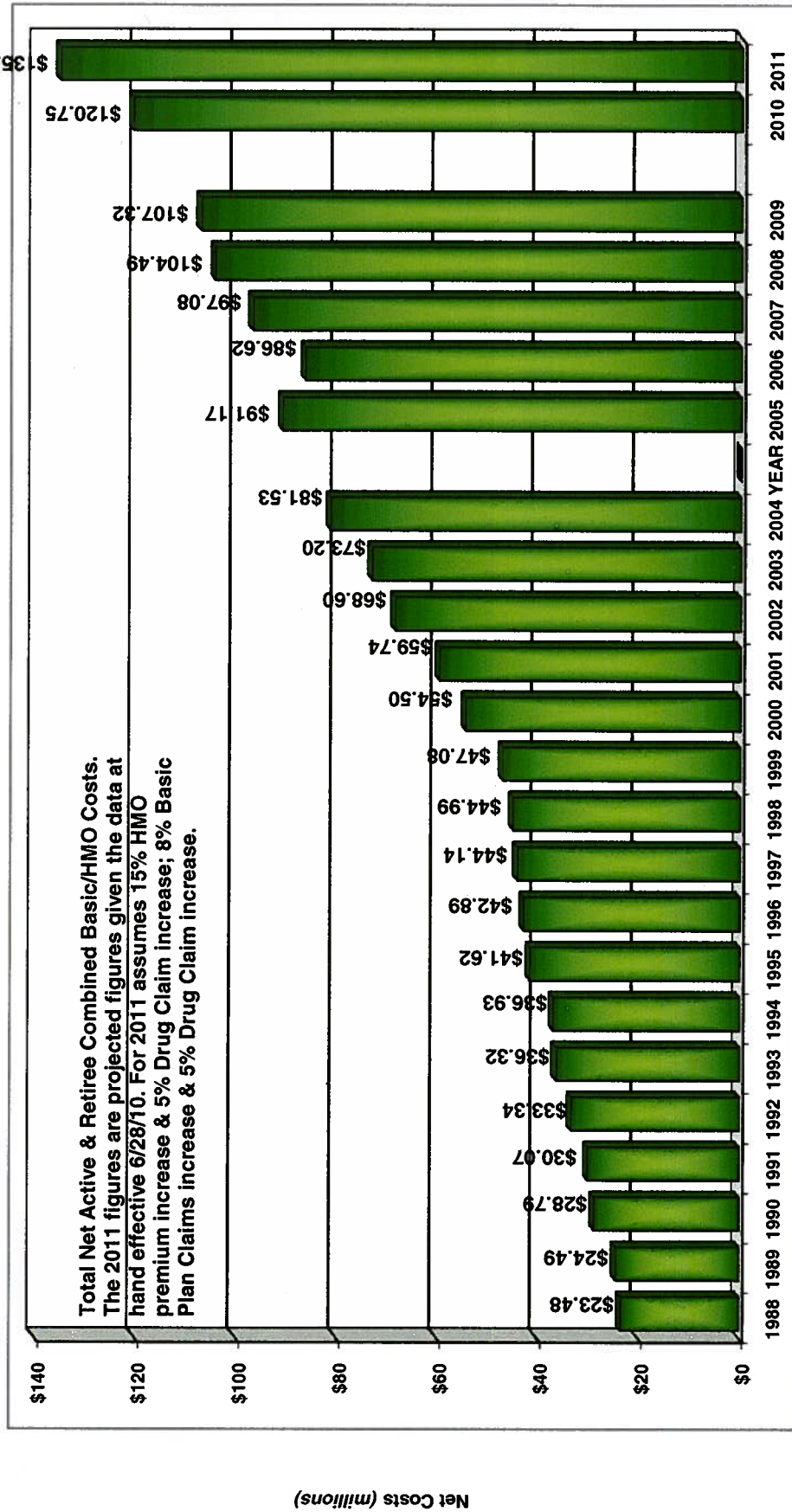
Self Insured EPO
Cost Comparison

Claims		UHC		WPS		Humana		Anthem
				PC	Statewide	HPN	HMO Premier	
2011	Inpatient Hospital	\$28,950,000	30%	\$30,960,417	\$33,523,698	\$28,095,573	\$30,508,073	\$37,665,156
	Outpatient Hospital	\$28,950,000	30%	\$36,875,362	\$40,135,227	\$33,136,983	\$37,623,037	\$43,969,308
	Physician	\$38,600,000	40%	\$36,858,720	\$51,907,661	\$39,300,403	\$42,646,774	\$48,537,944
	Total	\$96,500,000	100%	\$104,694,498	\$125,568,586	\$100,532,960	\$110,777,884	\$130,172,408
2012	Inpatient Hospital	\$31,845,000		\$34,056,458	\$36,876,068	\$30,905,130	\$33,558,880	\$41,431,672
	Outpatient Hospital	\$31,845,000		\$40,562,898	\$44,148,750	\$36,450,682	\$41,385,341	\$48,366,239
	Physician	\$42,460,000		\$40,544,592	\$57,098,427	\$43,230,444	\$46,911,452	\$53,391,738
	Total	\$106,150,000		\$115,163,948	\$138,123,245	\$110,586,256	\$121,855,673	\$143,189,648
2013	Inpatient Hospital	\$35,029,500		\$37,462,104	\$40,563,674	\$33,995,643	\$36,914,768	\$45,574,839
	Outpatient Hospital	\$35,029,500		\$44,619,188	\$48,563,625	\$40,095,750	\$45,523,875	\$53,202,863
	Physician	\$46,706,000		\$44,599,051	\$62,808,270	\$47,553,488	\$51,602,597	\$58,730,912
	Total	\$116,765,000		\$126,680,343	\$151,935,570	\$121,644,881	\$134,041,240	\$157,508,613
Totals	Inpatient Hospital	\$85,824,500		\$102,478,979	\$110,963,440	\$92,996,346	\$100,981,721	\$124,671,667
	Outpatient Hospital	\$85,824,500		\$122,057,447	\$132,847,602	\$109,683,415	\$124,532,253	\$145,538,409
	Physician	\$127,766,000		\$122,002,362	\$171,814,359	\$130,084,335	\$141,160,823	\$160,660,593
	Total	\$319,415,000		\$346,538,788	\$415,625,401	\$332,764,096	\$366,674,797	\$430,870,669
Administration Fee								
Administration Fee		UHC		WPS		Humana		Anthem
				PC	Statewide	HPN	HMO Premier	
2011		\$38.95		\$17.50	\$17.50	\$28.37	\$26.66	\$52.62
2012		\$41.85		\$17.85	\$17.85	\$29.18	\$27.32	\$55.25
2013		\$43.94		\$18.15	\$18.15	\$30.04	\$27.98	\$58.01
UM								
2011		\$0.00		\$3.00	\$3.00	\$3.55	\$3.55	\$0.00
2012		\$0.00		\$3.04	\$3.04	\$3.65	\$3.65	\$0.00
2013		\$0.00		\$3.15	\$3.15	\$3.75	\$3.75	\$0.00
DM								
2011		\$0.00		\$3.85	\$3.85	\$2.85	\$2.65	\$0.00
2012		\$0.00		\$3.85	\$3.85	\$2.75	\$2.75	\$0.00
2013		\$0.00		\$3.85	\$3.85	\$2.85	\$2.85	\$0.00
Annualized								
2011		\$3,281,148		\$2,051,244	\$2,051,244	\$2,912,317	\$2,768,126	\$4,432,709
2012		\$3,525,444		\$2,084,098	\$2,084,098	\$2,997,400	\$2,840,573	\$4,654,260
2013		\$3,701,506		\$2,118,636	\$2,118,636	\$3,086,694	\$2,913,019	\$4,886,762
Total		\$10,508,098		\$6,253,978	\$6,253,978	\$8,996,411	\$8,521,718	\$13,973,731
Combined Claims and Administration								
2011		\$99,781,148		\$106,745,742	\$127,617,830	\$103,445,277	\$113,546,011	\$134,605,116
2012		\$109,675,444		\$117,248,045	\$140,207,343	\$113,583,655	\$124,696,246	\$147,843,908
2013		\$120,466,506		\$128,798,979	\$154,054,206	\$124,731,575	\$136,954,259	\$162,395,376
Total		\$329,923,098		\$352,792,766	\$421,879,379	\$341,760,507	\$375,196,515	\$444,844,401

Cash Flow Savings in 2011 of an EPO

All of the claim figures above are "mature" amounts. If the City were to switch to an EPO it would receive a cash flow "break" in the first year since 2010 run out claims, claims incurred in 2010 but paid in 2011, would be covered by the UHC HMO plan. That break would be worth roughly \$9 million. Note that claims for 2012 would grow by the \$9 million plus trend, so large paid claim increase would occur in 2012. On an accrual basis there is no reduction for the change because the \$9 million becomes a liability on the City's balance sheet.

COMBINED NET HEALTH CARE COSTS 1988-2011



COMBINED NET HEALTH CARE COST

year net A/R HMO/Bas % change total enrollment pm/py

2005	\$	91,171,205	11,426	\$	7,979	
2006	\$	86,620,970	-4.99%	11,024	\$	7,857
2007	\$	97,079,082	12.07%	10,904	\$	8,903
2008	\$	104,492,643	7.64%	10,722	\$	9,828
2009	\$	107,321,656	2.71%	10,731	\$	9,785

2010	\$	120,751,001	12.51%	10,271	\$	11,756
2011	\$	135,275,492	12.03%	10,271	\$	13,171

@8% Trend

2012	\$	146,100,000	8.00%	10,271	\$	14,225
2013	\$	157,800,000	8.01%	10,271	\$	15,364
2014	\$	170,400,000	7.98%	10,271	\$	16,590
2015	\$	184,000,000	7.98%	10,271	\$	17,915

@5% Trend

2012	\$	142,000,000	4.97%	10,271	\$	13,825
2013	\$	149,100,000	5.00%	10,271	\$	14,517
2014	\$	156,600,000	5.03%	10,271	\$	15,247
2015	\$	164,400,000	4.98%	10,271	\$	16,006

Difference

2012	\$	4,100,000	10,271	\$	399
2013	\$	8,700,000	10,271	\$	847
2014	\$	13,800,000	10,271	\$	1,344
2015	\$	19,600,000	10,271	\$	1,908

NET EHCB COST PROJECTIONS

