



Health & Human Services Committee

**Tuesday, February 15, 2011
1:00 PM
Morris Hall (17 HOB)**

**Dean Cannon
Speaker**

**Robert C. "Rob" Schenck
Chair**

Committee Meeting Notice

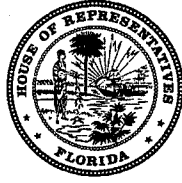
HOUSE OF REPRESENTATIVES

Health & Human Services Committee

Start Date and Time: Tuesday, February 15, 2011 01:00 pm
End Date and Time: Tuesday, February 15, 2011 04:00 pm
Location: Morris Hall (17 HOB)
Duration: 3.00 hrs

Workshop on State Employees Health Insurance Program

NOTICE FINALIZED on 02/08/2011 16:02 by Iseminger.Bobbye



The Florida House of Representatives

Health & Human Services Committee

Dean Cannon
Speaker

Robert C. "Rob" Schenk
Chair

A G E N D A

February 15, 2011

1:00 p.m. – 4:00 p.m.

Morris Hall

Workshop on State Employees Health Insurance Program

- Devon M. Herrick, Ph.D. - National Center for Policy Analysis
- Michele LeVecque, Principal, Health and Productivity and Scot Marcotte, Principal, Talent and HR Solutions - Buck Consultants
- Gina Ciccio, Vice President, Client Management - Aetna
- Brian McNeil, Senior Client Manager - Cigna
- Mike Eastlack, Director, Large Employer Sales - Benefitfocus
- Dick Klima, Senior Vice President, Health & Welfare, Public Sector and Ann Gebhard, Vice President, Health & Welfare - Aon Hewitt

CIGNA

Capabilities Discussion

for

State of Florida House of Representatives

Health & Human Services Committee

February 15, 2011

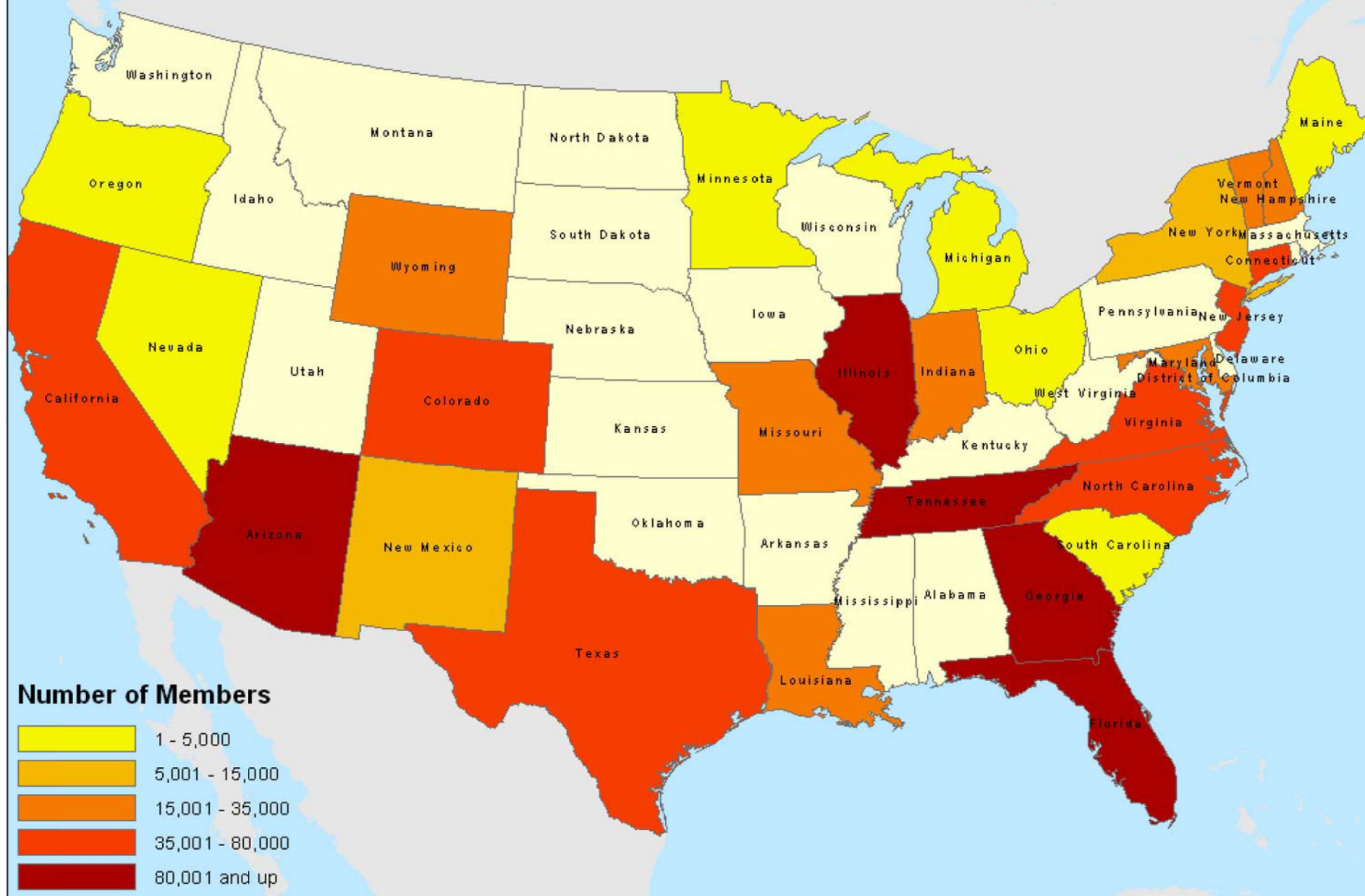


CIGNA Highlights

- Over 125 years of stability, reliability and service
- 1 in 6 Americans covered by an employee benefits plan is covered by a CIGNA product. 11.7M medical members, 18.3M Behavioral Health, 10.6M Dental, 6.2M Pharmacy... also 7.5M International.
- 1.5M members within the Government & Education sector nationwide (over 240,000 in FL alone).
- National network of more than 550,000 physicians, 6,400 hospitals (60,095 physicians and 262 hospitals within FL alone).
- Top rankings for paying claims – We rank in the top tier among health insurers nationwide for paying claims, according to providers in the 2009 annual PayerView survey. Prompt, accurate, and efficient claims payments allow our customers and their doctors to focus on improving health.
- NCQA Wellness and Health Promotion Accreditation – Among the first organizations to earn agency's new quality rating for our health and wellness programs
- Better HEDIS® quality results than our closest national competitors for 7 years in a row
- J.D. Power Outstanding Customer Service Experience – All CIGNA HealthCare call centers are certified by J.D. Power and Associates for providing “An Outstanding customer Service Experience” for the fourth consecutive year.
- Live 24/7/365 Customer Service – We are the only national health service company to offer weekend, holiday and overnight customer service hours for our medical, dental and pharmacy plans
- CIGNA's systems capabilities and our benefits modularity allows for additional flexibility and customization of multiple benefit plan designs.
- Implementation process that consistently results in high customer satisfaction results.



CIGNA Government & Education Segment Members by State



CIGNA in Florida – Government Clients

- State of Florida
- Brevard County Government & School District
- Broward Community College
- City of Boca Raton
- City of Bradenton
- City of Casselberry
- City of Clearwater
- City of Clermont
- City of Coral Springs
- City of Delray Beach
- City of Fort Pierce
- City of Jacksonville Beach
- City of Kissimmee
- City of Lake Mary
- City of Largo
- City of Miami
- City of Naples
- City of Riviera Beach
- City of Sarasota
- City of St. Cloud
- City of Sunrise
- City of Titusville
- City of Port Orange
- City of West Palm Beach
- Charlotte County
- Glades County School
- Gov't of the USVI
- Hillsborough Area Regional Transit
- Hillsborough Community College
- Highlands County Schools
- Highlands County Sheriff
- Kissimmee Utility Authority
- Lee County Electric Cooperative
- Lee County Sheriff
- Miami-Dade County Schools
- Orange County Public Schools
- Osceola County Government
- Osceola School District
- Palm Beach Property Appraiser
- Palm Beach Sheriffs Office
- Palm Beach County Board of Commissioners
- Pinellas County Board of Commissioners
- South Florida Water Management
- Valencia Community College
- Waste Management Holdings
- West Palm Beach Firefighters



CIGNA Suite of Solutions

Medical

Pharmacy

Behavioral

EAP

Dental

Life & Disability

International

Voluntary

Disease Mgmt

Stop Loss

Medicare

Onsite Health



CIGNA Medical Products

Medical

- PPO, POS, HMO, HDHP with HRA or HSA
- All Funding arrangements – Fully Insured; Minimum Premium; Self-Funded
- CIGNA's 4-year CDHP study showed 14% savings in year 1 growing to a cumulative savings of 26% through year 4 (versus traditional PPO plans).
- CIGNA includes Health Coaching via phone/web for all members enrolled in a fund-based CDHP plan.



A Wave of Disease is Coming

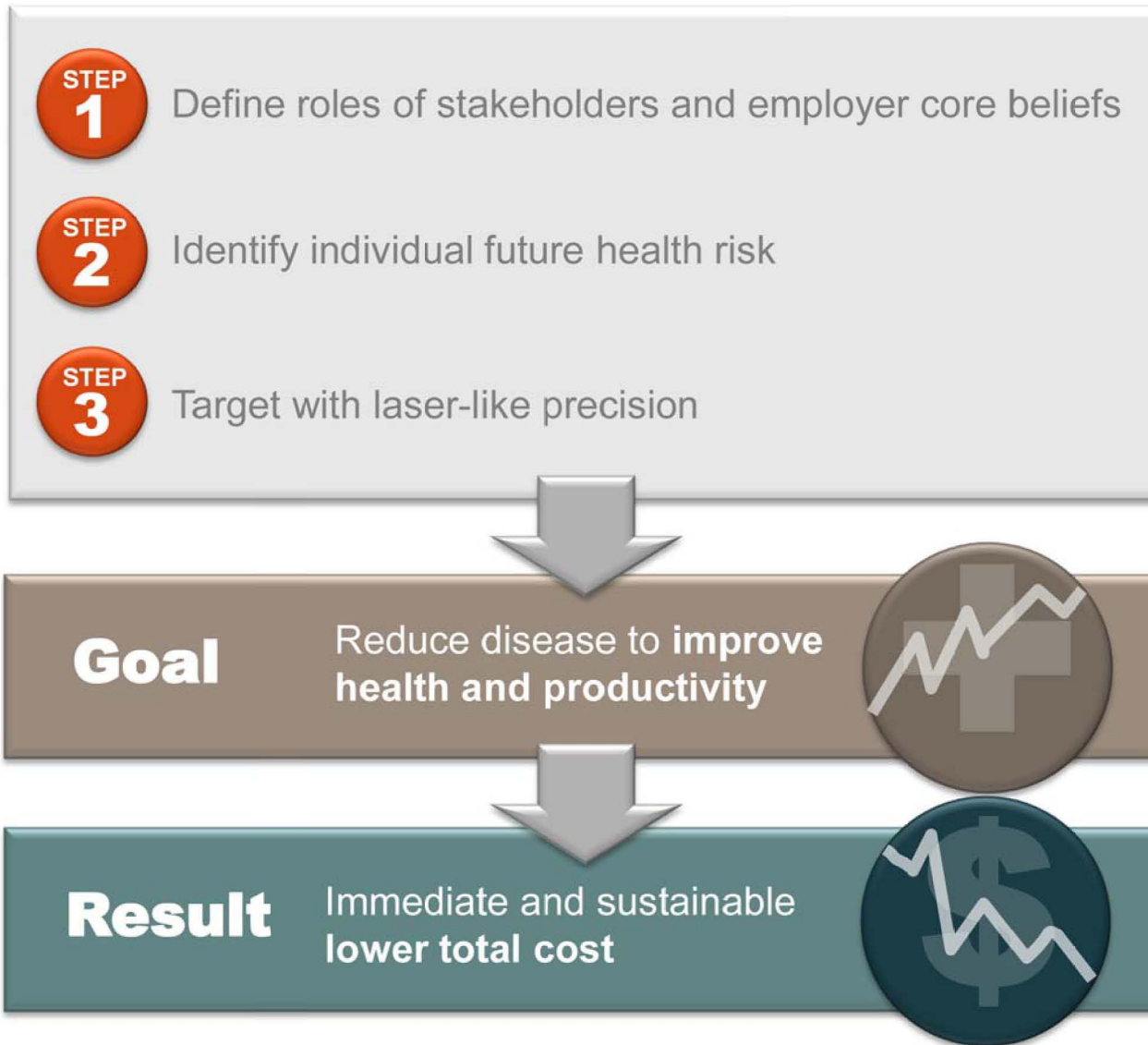
improving health

is the only sustainable way to reduce cost
and improve productivity

Our programs measurably reduce the
production of and
destruction from disease

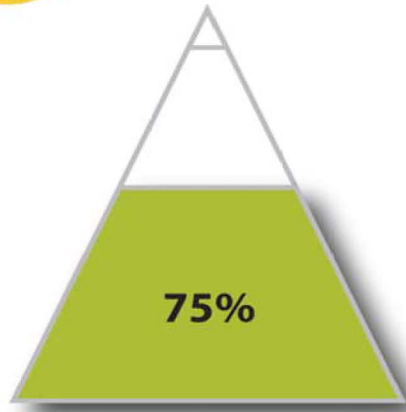


CIGNA's 3-Step Approach



STEP 3

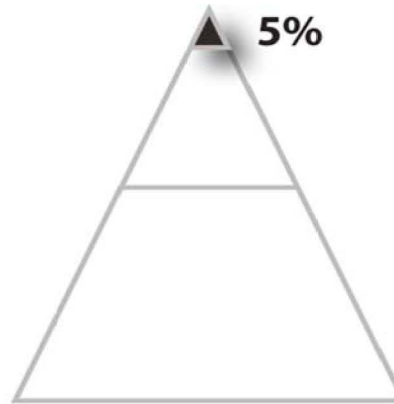
Apply Target Programs



75%

**Health Risk Assessment
Online Health Risk Coaching
Gaps in Care Alerts
Preventive Care Reminders**

Health Advisor*
Onsite Biometric Screening
Onsite Flu Vaccinations
Lifestyle Behavior Modification:
– Weight
– Smoking**
– Stress**
EAP & Work/Life Balance
Mental Health/Substance Abuse
High-Risk Maternity
Identification**



5%

**CIGNA Care Networks®
Centers of Excellence
Case Management
Transplant Management
Disability Coordination
24-Hour Nurse Line**

Preference Sensitive Care*
Cancer Care Support
Program**
High-Risk Maternity**



20%

**CIGNA Care Networks
Readmission Prevention
Gaps in Care Alerts**

Disease Management**
Cancer Care Support Program**
High-Risk Maternity**

* Included with CDHP
** Included with Fully Insured Non-Par with CBA



Why Reducing Risk Matters



- Fewer smokers **\$ 1,623**
- Fewer heart attacks **\$ 5,176¹**
- Employees who reverse their risk for Metabolic Syndrome **\$ 3,200**
- Employees bringing BMI to a healthy range and losing 25 pounds **\$ 576**
- Employees having cardiovascular diseases and bringing their stress under control **\$ 1,353**

Potential Savings Per Individual Health Improvement

High Risk individuals are **2.5 times** more costly than Low Risk; Medium Risk individuals are **1.5 times** more costly than Low Risk. On average **33%** are high or medium risk.



Decision Support Tools

Quick and easy access . . . when it's convenient for you

- myCIGNA.com (Rx pricing tool, Hospital comparison tool, Risk assessments, etc.)
- 1.800.CIGNA24 (with Interactive Voice Response)
- CIGNA HealthCare 24-hour Nurse LineSM
- CIGNAaccess.com (employer reporting; eligibility; banking)
- Online enrollment (including plan design comparison tools)

The screenshot displays the myCIGNA.com website interface. At the top, the CIGNA.com logo is on the left, and a promotional banner on the right asks, "Have you considered the Value and Convenience of Mail-Order Prescriptions? Read More". Below the logo, there are navigation tabs for "Finances" and "Health Care", and links for "My Profile" and "Site Help". A "Log out" link is in the top right corner.

The main content area is personalized for a user named Jane, with a "Welcome Jane" message and the date "November 30, 2002". A "Customize this page: Choose Content" link is also present.

The page is divided into several sections:

- Your Secure Message Center:** Notifies the user of 3 new messages with a link to "View your new messages!!".
- Health Information Line:** Offers assistance for health questions or concerns, mentioning a 24-hour nurse line.
- My Medical Plan:** Provides "Summary Plan Information" for Jane Public, an employee. It lists the effective date as 01/01/2002 and the product as PPO. A table below details deductibles and copayments for in-network and out-of-network services.
- Provider Directory:** Includes a "Provider Search" link and a logo for "MediM".
- Prescription Center:** Promotes "Mail-Order Prescriptions from CIGNA Tel-Drug" and offers a link to "View links and more with delivery right to your door".

	In-Network	Out-of-Network
Deductibles		
Individual	\$100	\$400
Family	\$400	000
Copayments	In-Network	Out-of-Network
Office Visit	\$15	25%
Specialty Office Visit	\$30	25%
Emergency Room	\$100	25%
Out-of-Pocket Limit	\$500	25%



...so why CIGNA?

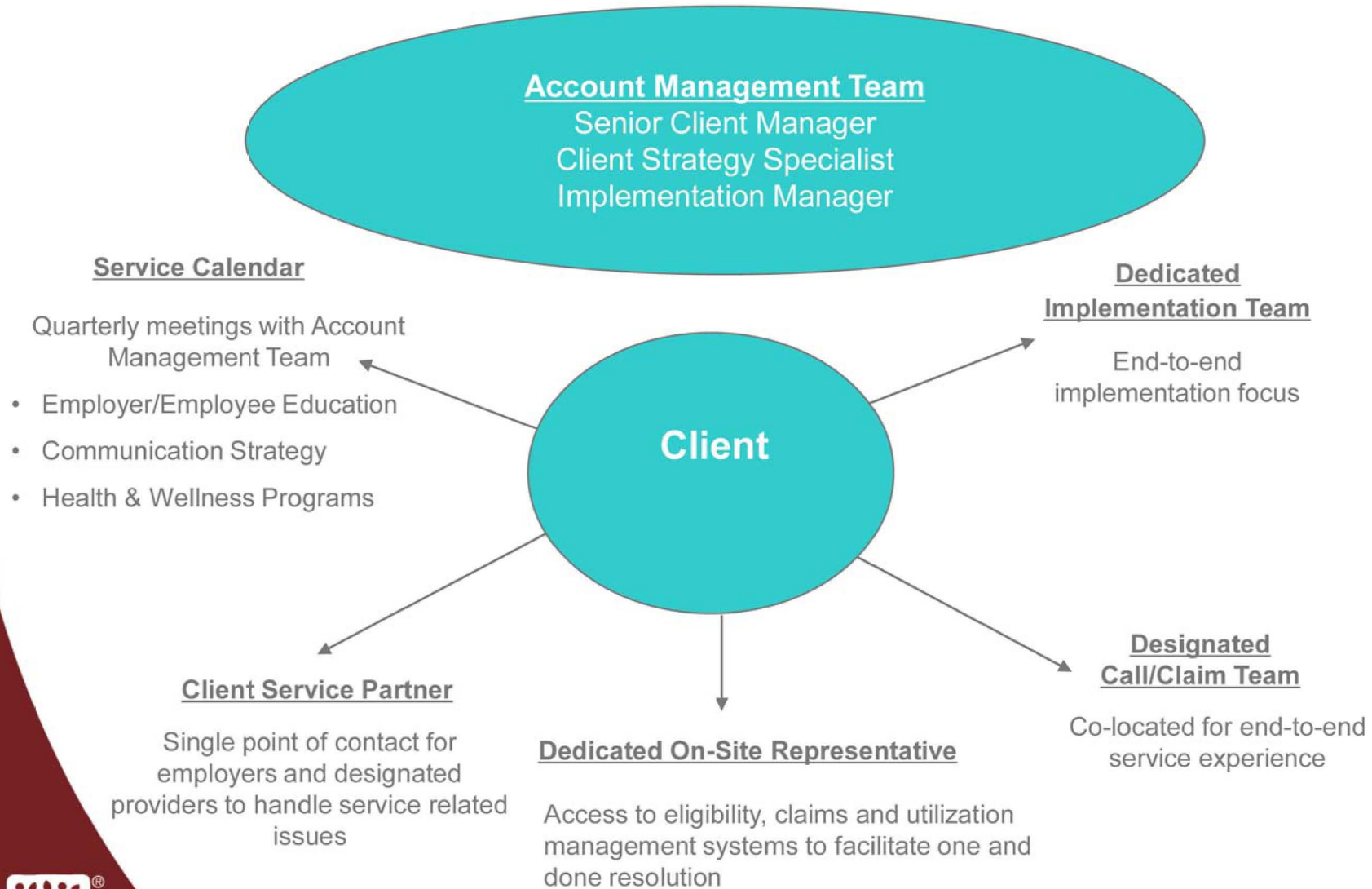
- *We help individuals reduce the production of -- and destruction from -- disease.*
- **Strong preventive care results.**
- *Outstanding customer service innovation.*
- *Anytime service -- 24/7/365 -- We're here to make health care simple.*
- *Top rankings for paying prompt, accurate claims.*
- *Easy access to information to make better health care decisions.*
- *Broad access to quality doctors and facilities.*
- **Wide range of plan design and plan funding alternatives.**



APPENDIX



Service Partnership Model



A broad array of funding options



- Insured plan
- Predictable expenses that are easy to budget
- Rates are set prospectively & guaranteed

- Insured plan
- Opportunity to participate in the claim experience
- Fixed monthly premium costs

- Insured plan
- Cash flow advantages – fund claims as they are paid
- Premium tax savings
- Option to hold reserves

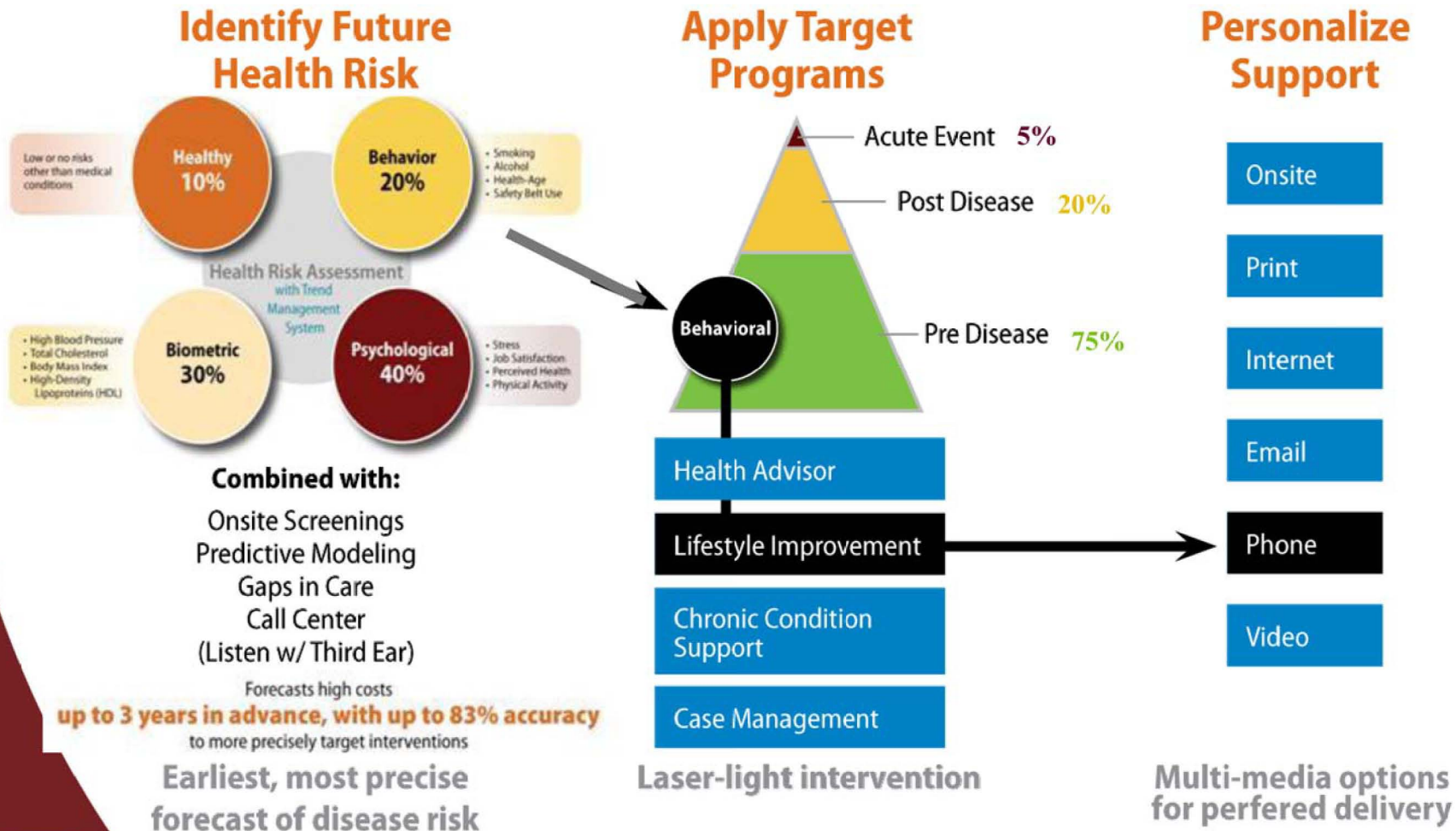
- Benefits of self-funding
- Protection against excessive claims

- Maximum cash flow
- Minimal mandates & taxes
- No insurance



CIGNA Health Advocacy: Act to Avoid

Precise Approach Reduces Disease; Up to 11% Medical Cost Savings



Reporting Capabilities

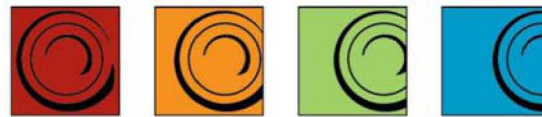
Financial Reporting (monthly)	➔	Claims experience, claims in excess, claim lag
Healthcare Trend & Cost Reports (quarterly)	➔	Utilization - Static PDF Reports
CIGNA Express (quarterly)	➔	Utilization - Interactive
Banking Reports (daily, weekly, monthly)	➔	Financial Reporting
WellAware Disease Management	➔	Participation, Prevalence & Outcomes
myCIGNA.com (monthly)	➔	Utilization
24-Hour Health Information Line (quarterly)	➔	Utilization
Teammate Services Call Tracking Reports	➔	Utilization
Risk Profile Report (semi-annual)	➔	Utilization
Consultative Analytical Package (annual)	➔	Utilization



Only CIGNA is Always Available

- CIGNA is the only health service company to offer customer service 24 hours a day, 7 days a week, 365 days a year – including weekends and holidays
- Surpassed million call mark less than eight months after implementing 24/7/365 service; that's one million customers who got the help they needed when they need it
- Round-the-clock availability satisfies one of the top 5 attributes that drive customer loyalty: Surprising the Customer





BENEFITFOCUS[®]

All Your Benefits. One Place.[™]

State Employees Health Insurance Program

Presentation to the Health & Human Services Committee
February 15, 2011



What We Do

Benefitfocus provides employers, insurance carriers and consumers a single Web-based platform to shop, enroll, manage and exchange benefit information.

The Benefitfocus® Platform

As of February 7, 2011

11,192,146 consumers

329,328 employers

59,077 agents

3,036 carrier representatives

703 data exchange links

Quick Facts

Headcount: 550

Founded: 2000

Headquarters: Charleston, SC

Software as a Service Delivery Model

The Benefitfocus® Platform is delivered through a Software as a Service (SaaS) model. We host, monitor and manage our multi-tenant technology. With multiple releases each year, Benefitfocus responds quickly to industry changes, new legislation and the evolving business needs of our clients.



Defined Contribution Plan

- Benefitfocus would provide a single platform for the plan
- Multiple providers and products could be supported
- Decision Support tools allow employees to choose best plan
- Focus on education and employee engagement
- Integration of wellness initiatives and incentives



Decision Support Tools

- Side-by-side comparison of plan features and costs
- Multiple vendors and plans can be presented
- Utilization data used to provide total costs for each plan
- Videos help to explain plan options and features



Employee Education & Engagement

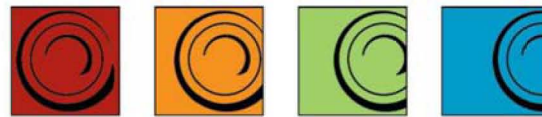
- Communications portal utilizes advanced design elements
- All benefit programs and content provided on one website
- Support of value-based benefit design features
- Video explains plan features and provides consistent message



Wellness & Incentives

- Personal Health Assessment included in the Platform
- All wellness programs and initiatives on a single platform
- Integration of incentives in communications and enrollment
- Value-based features are managed and integrated on platform





BENEFITFOCUS[®]

All Your Benefits. One Place.[™]

State Employees Health Insurance Program

Presentation to the Health & Human Services Committee
February 15, 2011



The Road Ahead

Aon Hewitt Presentation
to the State of Florida
House HHS Committee

February 15, 2011



Aon Hewitt

Agenda

- Health Care Management Framework
- Improve Health & Outcomes
- Reduce Unnecessary Expense
- Engage Participants
- Promote Intelligent Decisions
- Next Steps

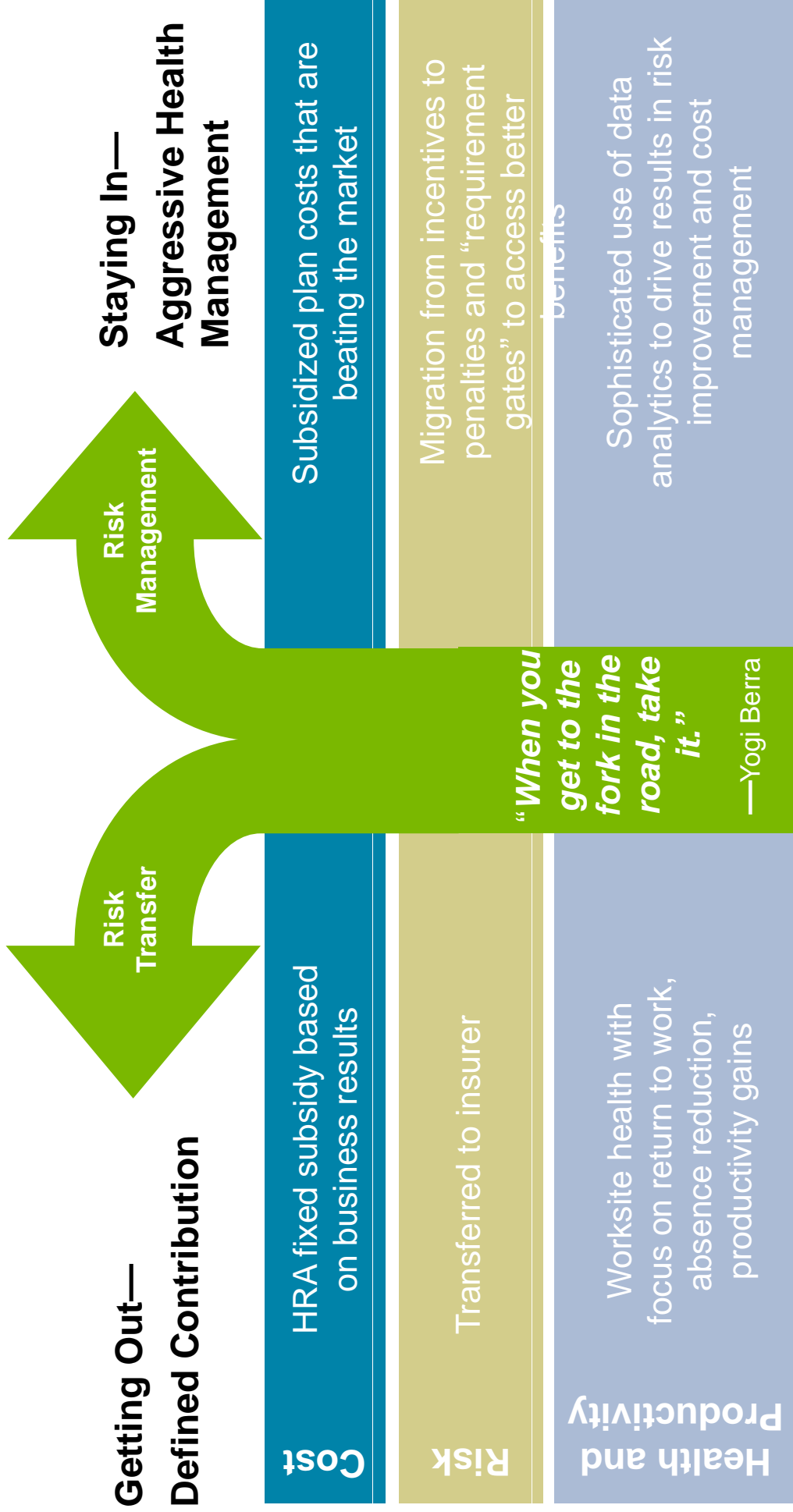


Who You Will Meet Today

- Ted Patchet – Account Executive
State of Florida Relationship Manager
- Dick Klima – Senior Vice President
Health & Welfare – Public Sector
- Ann Gebhard – Vice President
Health & Welfare



The Road Ahead - A Major Decision Point for Employers



Health Care Management Framework

Improve Health & Outcomes

- Promote Healthy Lifestyles
- Manage Care Effectively
- Focus on Provider Quality
- Improve Health Care Literacy

Reduce Unnecessary Expense

- Steer to most cost-effective providers
- Leverage right care setting
- Encourage lower-cost Rx alternatives

Participant/ Patient

Engage Participants

- Practical levers
- Financial levers
- Emotional levers

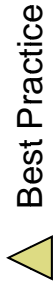
Promote Intelligent Decisions

- Influence Behaviors Through Plan Design
- Encourage Choice Making With Contributions
- Manage Eligibility



Manage Care Effectively

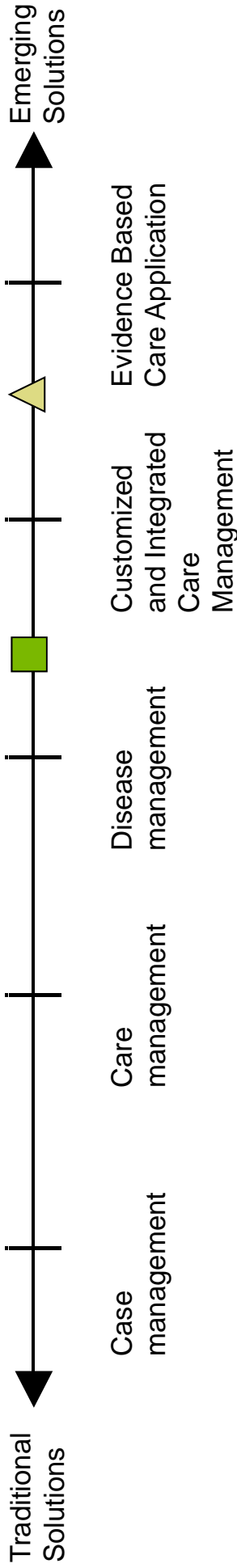
Improve Health & Outcomes



Best Practice



Typical Employer



Potential Approaches

- Evidence-based care:
 - Gaps in Care monitoring and communications
 - Predictive modeling and assessments
 - Medical step therapy
 - MedIncentive
 - Integrate Active Health with Care Home concept
 - Second opinion program
- Provider Effectiveness
 - Network integration and transparency
 - Technology Connections
- Fully-integrated and required Electronic Medical Records
 - Palm device secure communication conduit



Gaps in Care Monitoring

- Data is aggregated and fed into a central system which
 - Standardizes the data
 - Applies evidence-based rules
 - Identifies actionable items and communicates to patient, provider, and third parties
- This can be supported with communication conduit
- Potential cost impact varies by location

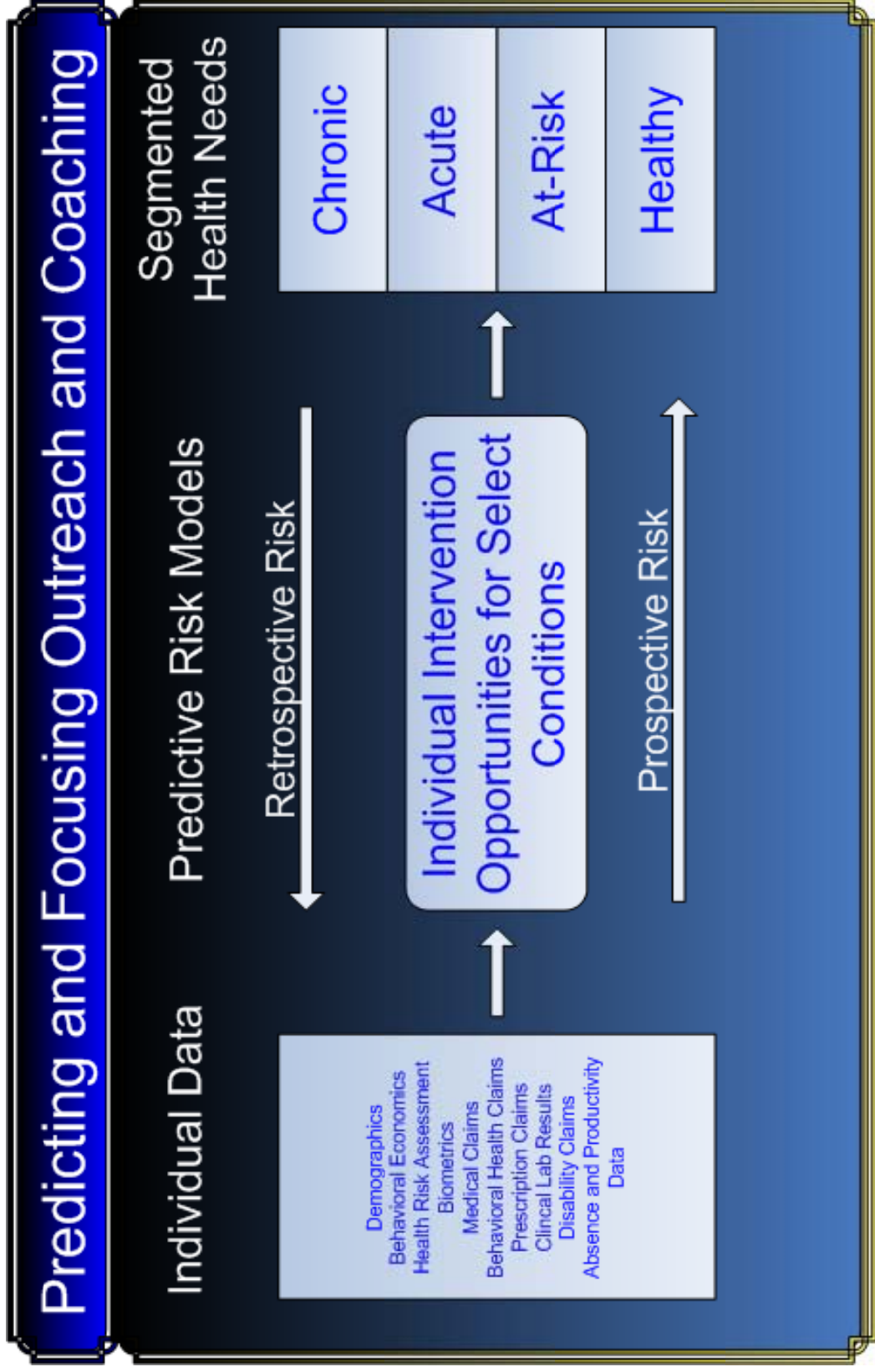
At a Glance	
Opportunities Addressed	<ul style="list-style-type: none"> • Improve health and outcomes • Promote intelligent decisions • Engage participants
Participant Impact	Moderate
Cost Impact	Low - Moderate
Infrastructure Impact	Moderate
Statewide/Regional / Local	Statewide

Considerations

- Current vendors do this in some form but in differing ways
- This would layer on top of health plans with a single vendor



Predictive Modeling and Assessments



Medical Step Therapy

- Create incentives to encourage use of more efficacious procedures or services first before using the more expensive
- Focus on procedures and treatments with strong evidence that less invasive/costly therapies are appropriate for most situations
 - Diagnostics (X-ray, CAT scan, MRI, PET scan)
 - Non-emergency acute care (Retail clinic, PCP, Urgent care, Emergency room)
 - Back pain (physical therapy and ergonomics, medication, surgery)
 - Delivery (normal, C-section)
- Requires strong coordination with health plans and on-going education with employees



At a Glance

Opportunities Addressed

- Reduce unnecessary expense
- Promote intelligent decisions

Participant Impact

High

Cost Impact

Moderate

Infrastructure Impact

Moderate

Statewide/Regional/Local

Statewide

Considerations

- Consider for high-cost radiology and back pain

Medical Incentive

- Rewards patient and physician for following evidence-based guidelines
 - Copay rebate or HRA contribution
 - Additional payment for physician
- Focus on three areas:
 - “Information Therapy” for education and treatment of certain conditions
 - Rx compliance
 - Health Risk Assessment follow through

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none"> • Improve health and outcomes • Promote intelligent decisions • Engage participants
Participant Impact	Low
Cost Impact	Upfront cost, longer term ROI
Infrastructure Impact	Moderate
Statewide/Regional/Local	Statewide

Considerations

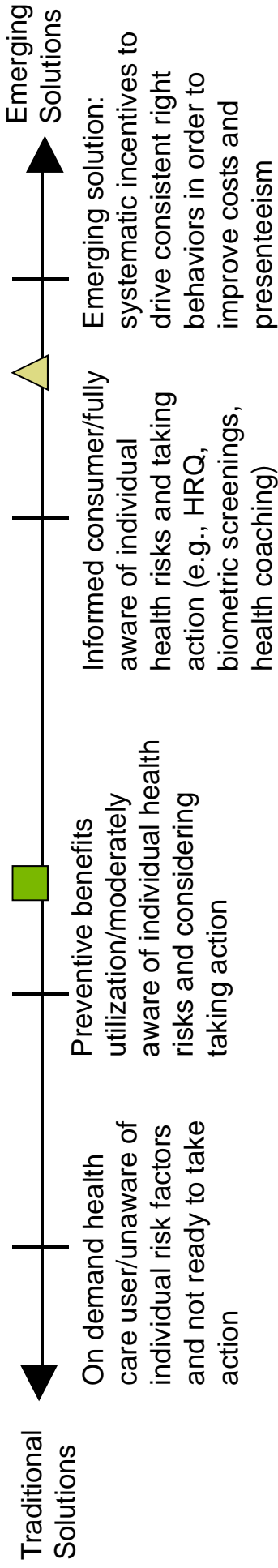
- ROI may be longer term
- Consider pilot with CDHP plan



Promote Healthy Lifestyles

Improve Health & Outcomes

▲ Best Practice
■ Typical Employer



Potential Approaches

- Additional incentives:
 - Requirements/incentives to follow through on Health Risk Questionnaire (HRQ) and coaching
 - Year-round physical activity
 - Biometric results
 - Personal Wellness Scorecard “score”
- Wellness apps on Palm
- Leverage health centers for screenings (mobile mammograms, etc.)
- Health Center as “health home”



Contributions Based On Biometric Results

Potential Approaches

- Full set of measures
 - Body mass
 - Blood pressure
 - Cholesterol
 - Blood Glucose
 - Would need to be fasting
- Targeted measure(s)
 - Body mass impacts other measures
- Improvements in scores

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none">• Improve health and outcomes• Promote intelligent decisions
Participant Impact	Moderate to High
Cost Impact	Moderate to High
Infrastructure Impact	High
Statewide/Regional/Local	Statewide

Considerations

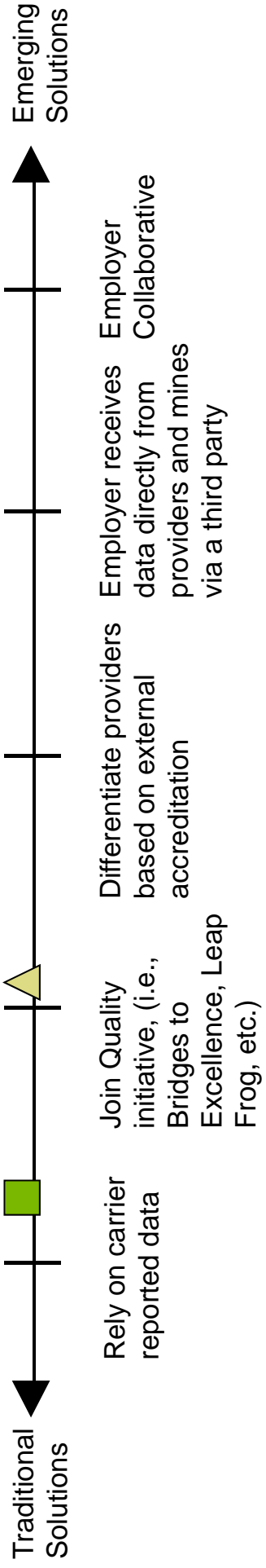
- Potential engagement impact, as employees are already skeptical
- Will need to start process earlier if basing on results or improvements in scores
- Labor relations implications



Focus on Provider Quality

Improve Health & Outcomes

▲ Best Practice
■ Typical Employer



Potential Approaches

- Third party second opinion and referral system
- Leverage carrier training dollars to partner on quality of care for rural area
- NCQA-certified providers
- Very-preferred providers: Innovent, Diabetes America,
- Accountable Care Organizations
- Additional steerage to Centers Of Excellence providers
- CEO Cancer Gold Standard Accreditation



Accountable Care Organizations

Utilize health plan networks and services to initiate relationships with ACO's to deliver high quality, comprehensive care management at a lower cost through comprehensive care management utilizing evidence-based practices, technology and quality measurement with rewards for performance

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none"> • Improve health and outcomes • Reduce unnecessary expense • Engage participants
Participant Impact	Moderate
Cost Impact	TBD, based on location
Infrastructure Impact	High
Statewide/Regional/Local	Local

Considerations

- Pilot opportunities with health plan partners
- Work with health plans to expand current capabilities into pilot opportunities for larger locations



Centers Of Excellence Steerage

Potential Services

- Cardiac Surgery
- Hip Surgery
- Knee Surgery
- Back Surgery
- Diabetes
- Dialysis

Consider benefit enhancement, rather than limitation

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none"> • Improve health and outcomes • Reduce unnecessary expense • Promote intelligent decisions
Participant Impact	Moderate
Cost Impact	Low
Infrastructure Impact	Moderate
Statewide/Regional/ Local	Statewide

Considerations

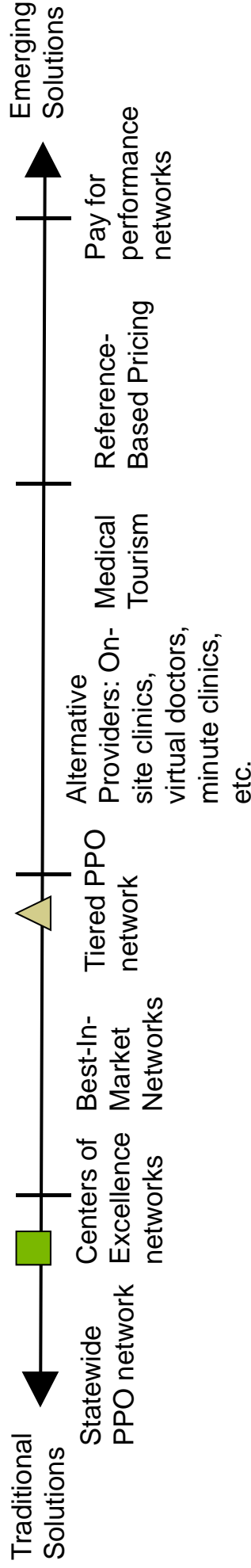
- Inconsistent availability across vendors
- Could pilot an enhanced benefit approach current carriers
- Local provider backlash



Steer to Most Cost-Effective Providers

Reduce Unnecessary Expense

▲ Best Practice
■ Typical Employer



Potential Approaches

- Tiered Networks
 - Narrower networks
 - Direct contracting
 - Targeted steerage: Radiology, Lab
- Alternative providers
 - Additional on-site locations
 - Virtual doctor
 - Minute clinics
- Domestic medical tourism
- Reference-based pricing



Direct Contacting

- Potential Areas of Focus
 - Deeper discounts
 - Targeted services
 - Cardiac, back or knee surgery
 - Care Coordination
 - Medical Home
 - Technology pilot Electronic Medical Record (EMR)
 - Condition Management
 - Preferred Access

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none"> • Reduce unnecessary expense • Engage participants
Participant Impact	Medium
Cost Impact	TBD
Infrastructure Impact	High
Statewide/Regional/Local	Local

Considerations

- Technology pilot
- Preferred access
- Provider implications



Reference-Based Pricing

Set a reference price for a procedure, group of procedures, service and/or group of services in a defined location. That price is based on the "medically appropriate" reimbursement. If a defined procedure or service exceeds the reference cost, members are responsible for the difference.

Consider "commodity" service, where quality is not a factor.



At a Glance

Opportunities Addressed	<ul style="list-style-type: none">• Reduce unnecessary expense• Promote intelligent decisions
Participant Impact	High
Cost Impact	Low to Moderate
Infrastructure Impact	High
Statewide/Regional/Local	Statewide and/or Regional

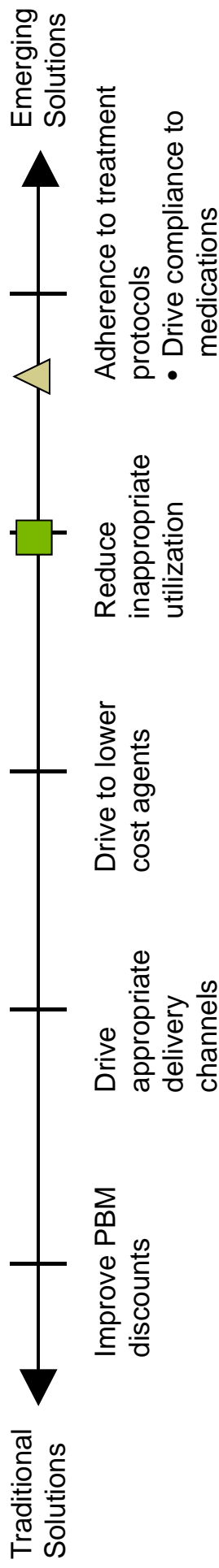
Considerations

- Identify additional areas of opportunity like:
 - Bariatric surgery
 - Fertility services
 - Lab and/or imaging
 - Dialysis

Encourage Lower-Cost Rx Alternatives

Reduce Unnecessary Expense

▲ Best Practice
■ Typical Employer



Potential Approaches

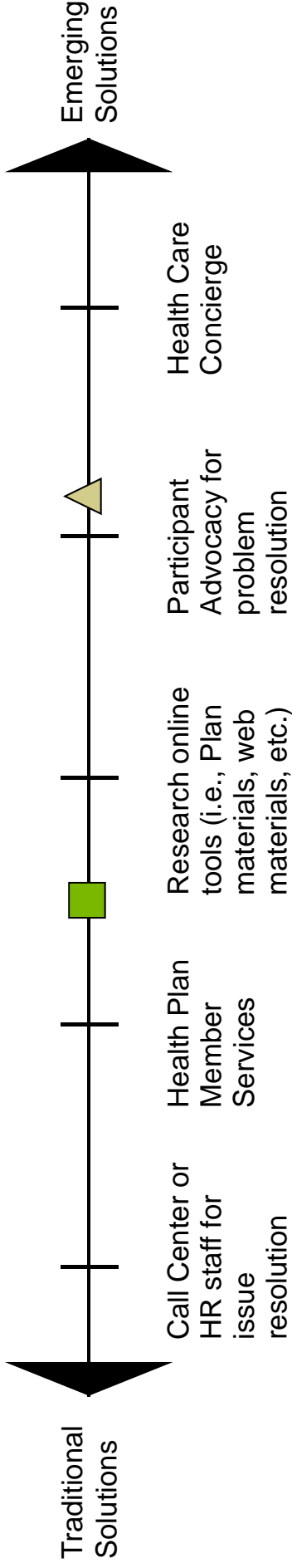
- Narrower Rx network
- Tiered Rx network
- Rx negotiations/bid
- Carve out specialty Rx
- Initiatives to improve compliance
- Pharmacist as health coach, condition management



Advocacy

Engage Participants

▲ Best Practice
■ Typical Employer



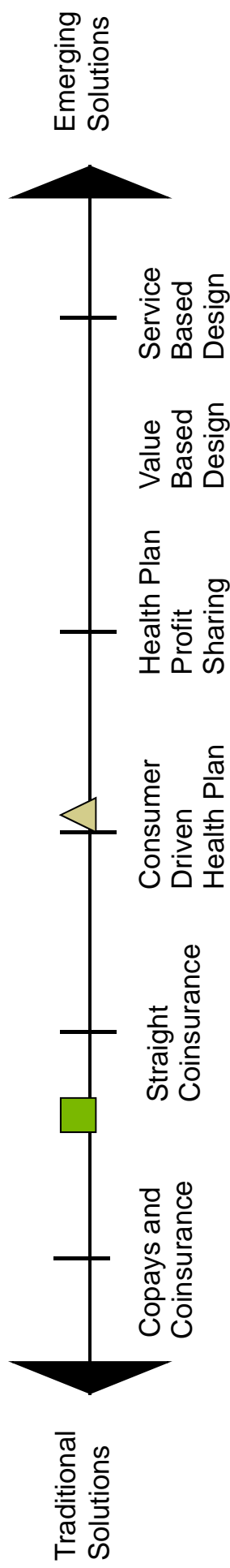
Potential Approaches

- Health Care Concierge



Influence Behaviors Through Plan Design

Promote Intelligent Decisions



Potential Approaches

- Eliminate copays
- CDHP total replacement
- Value-based design
- Service-based design



Service-Based Design

Sample Approach

- Tier 1: 100% coverage for high-value care
 - Preventive
 - Management of chronic conditions
- Tier 2: 90% or 80% coverage for all services that are not Tier 1 or 3
- Tier 3: Higher deductible, coinsurance or OOP for preference-sensitive care
 - Upper redoscopy
 - Advanced imaging (MRI, CT, PET)
 - Spine surgery
 - Orthopedic

At a Glance	
Opportunities Addressed	<ul style="list-style-type: none">• Reduce unnecessary expense• Promote intelligent decisions
Participant Impact	High
Cost Impact	TBD
Infrastructure Impact	High
Statewide/Regional / Local	Statewide

Considerations

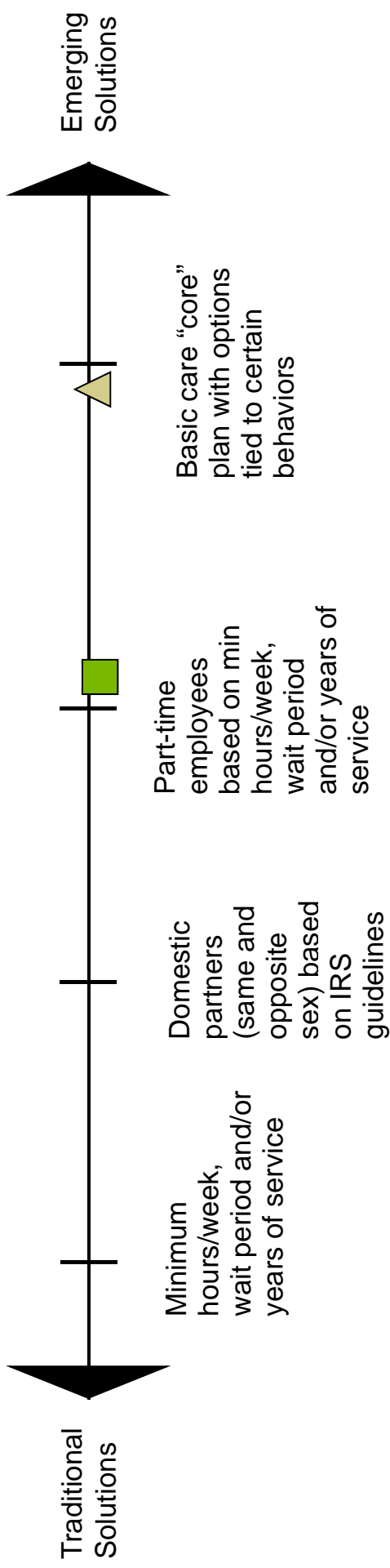
- Approach is in pilot phase with five health plans in Oregon



Manage Eligibility

Promote Intelligent Decisions

▲ Best Practice
■ Typical Employer



Potential Approaches

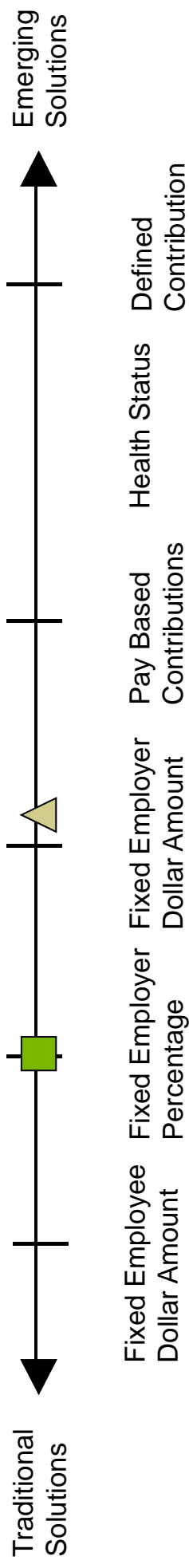
- Basic care "core" plan with "Build Your Own (BYO) options tied to certain behaviors



Encourage Choice Making With Contributions

Promote
Intelligent
Decisions

▲ Best Practice
■ Typical Employer

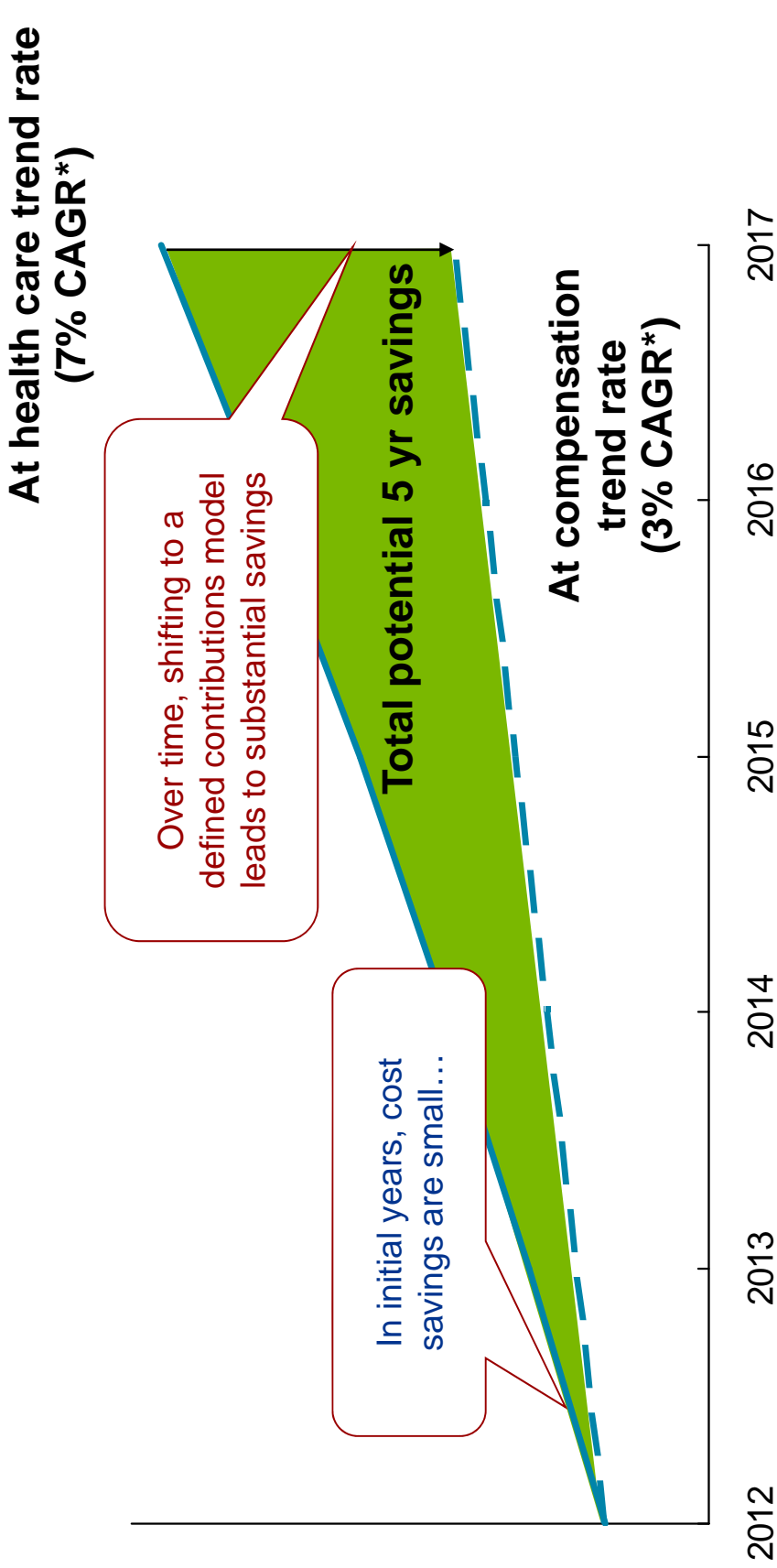


Potential Approaches

- Reduce or eliminate dependent subsidy
- Per unit dependent subsidy
- Pay-based contributions
- Contributions based on biometric results
- Defined Contribution – Total rewards structure



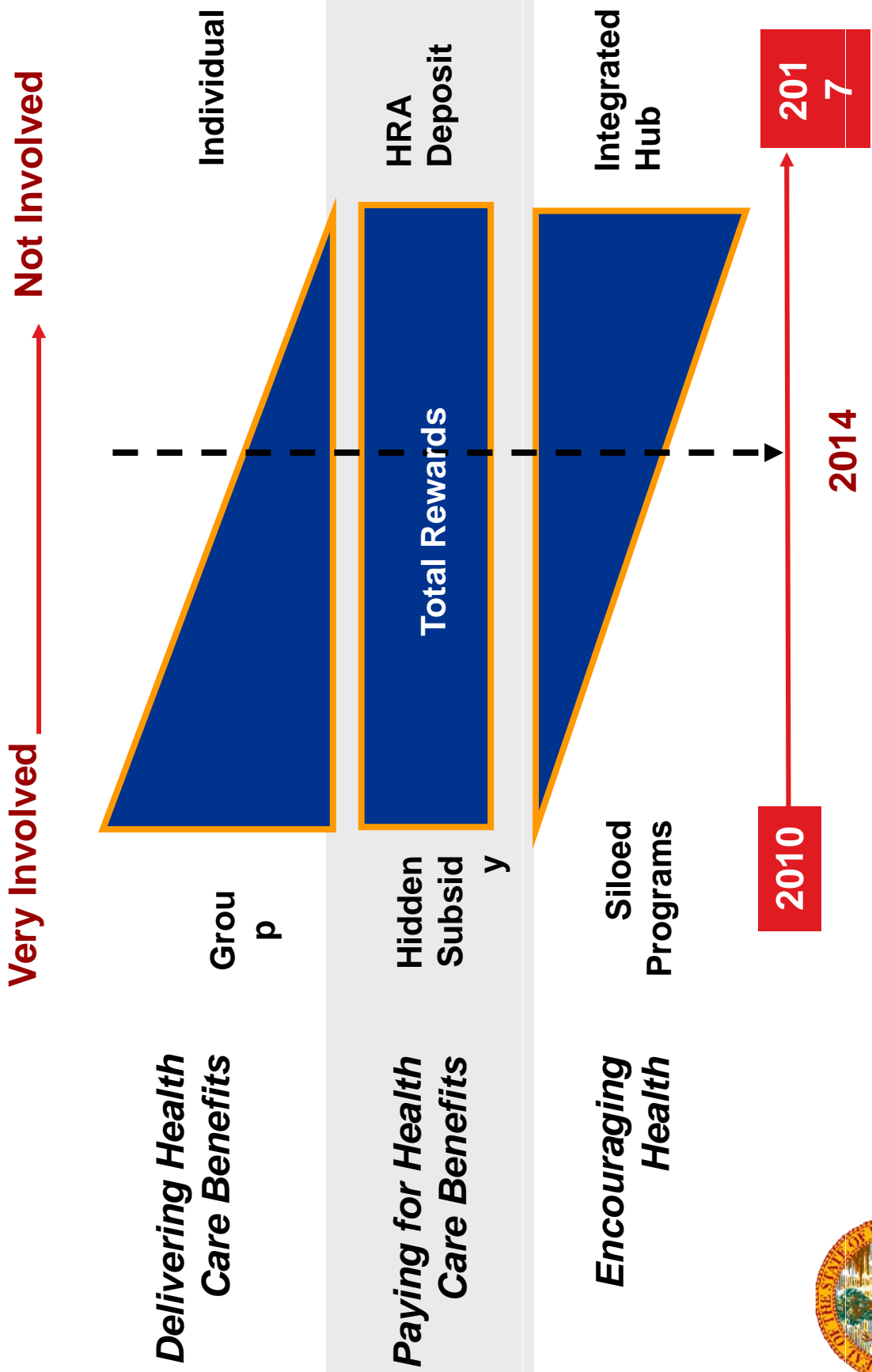
A Defined Contribution Structure allows employers to get off the health care trend curve in favor of a compensation-based rate of increase



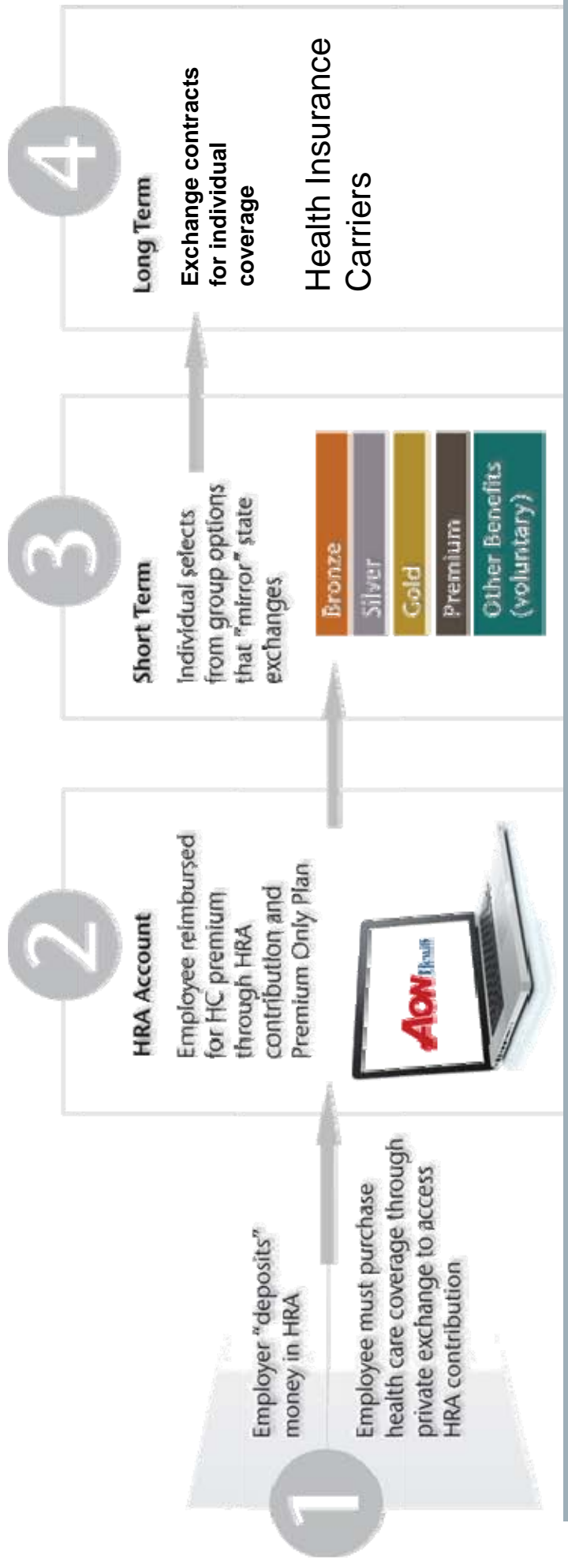
* CAGR – Compound Annual Growth Rate



The Multi Carrier Exchange



The Corporate Exchange Concept—Overview



Key Features

- Allows employees to choose from a variety of carriers and plan types
- Employees are flexible to use the HRA dollars in the best suited health product; roll-over unused balances to next year
- Market competition in "retail" channel dampens trend
- Upon termination, HRA dollars revert to the employer
- As transition to individual market occurs, employer exchange "pool" would have better risk and less variability than state-based exchanges



The Corporate Exchange Concept

