
City of Clearwater

Employee Health Center Review

July 2010 – December 2013

Presentation Overview

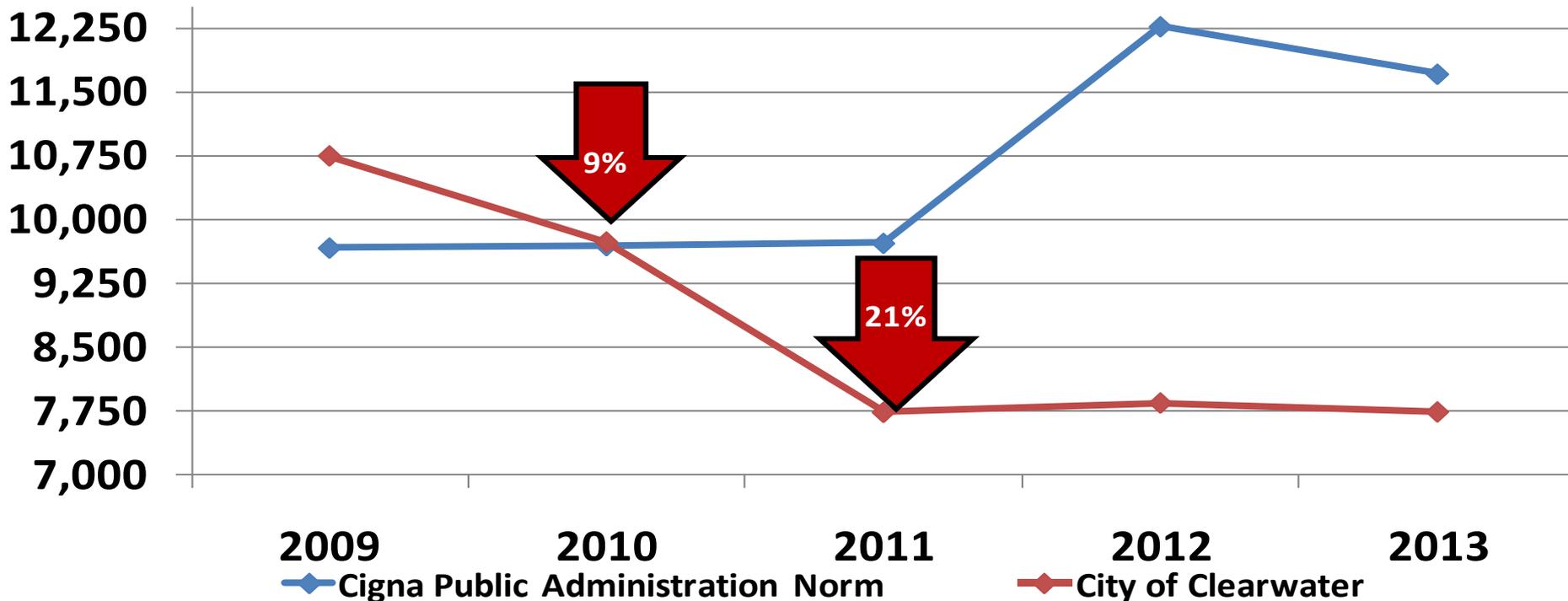
Health Center & Cigna Plan Utilization

- 1. Office Visit Utilization**
- 2. Pharmacy Utilization**
- 3. Medical Plan Claims**
- 4. Catastrophic Claims**
- 5. What would our costs be without the Employee Health Center?**

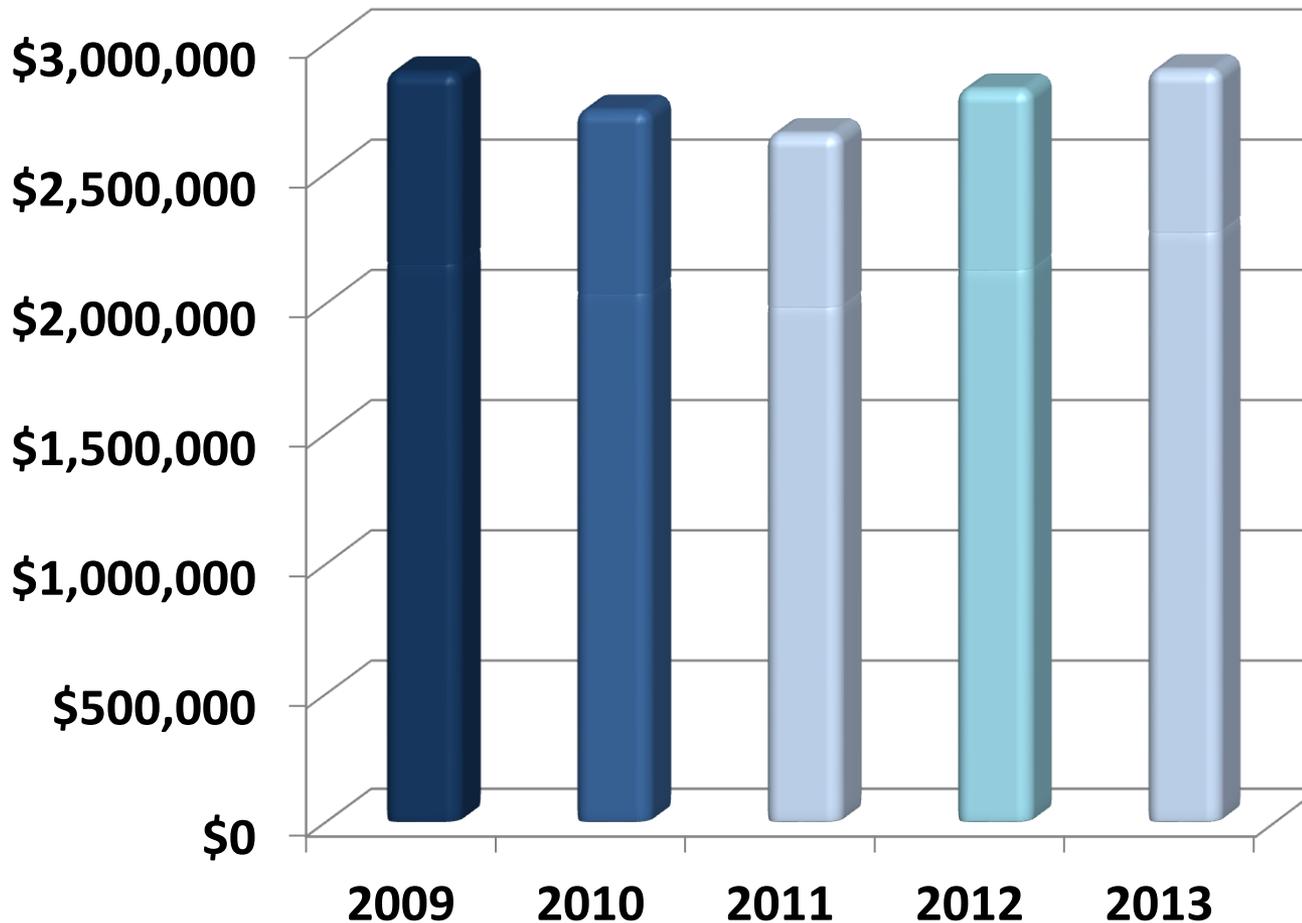
CIGNA – Office Visit Utilization

- Cigna Primary Care visits have **decreased 50%** since 2009
- Cigna Specialist visits **decreased 3%** from 2009-2012
- In 2013 Specialist Visits increased 14% due to catastrophic claims

Total Office Visits – City of Clearwater vs. Cigna Norm



CIGNA - Pharmacy Costs

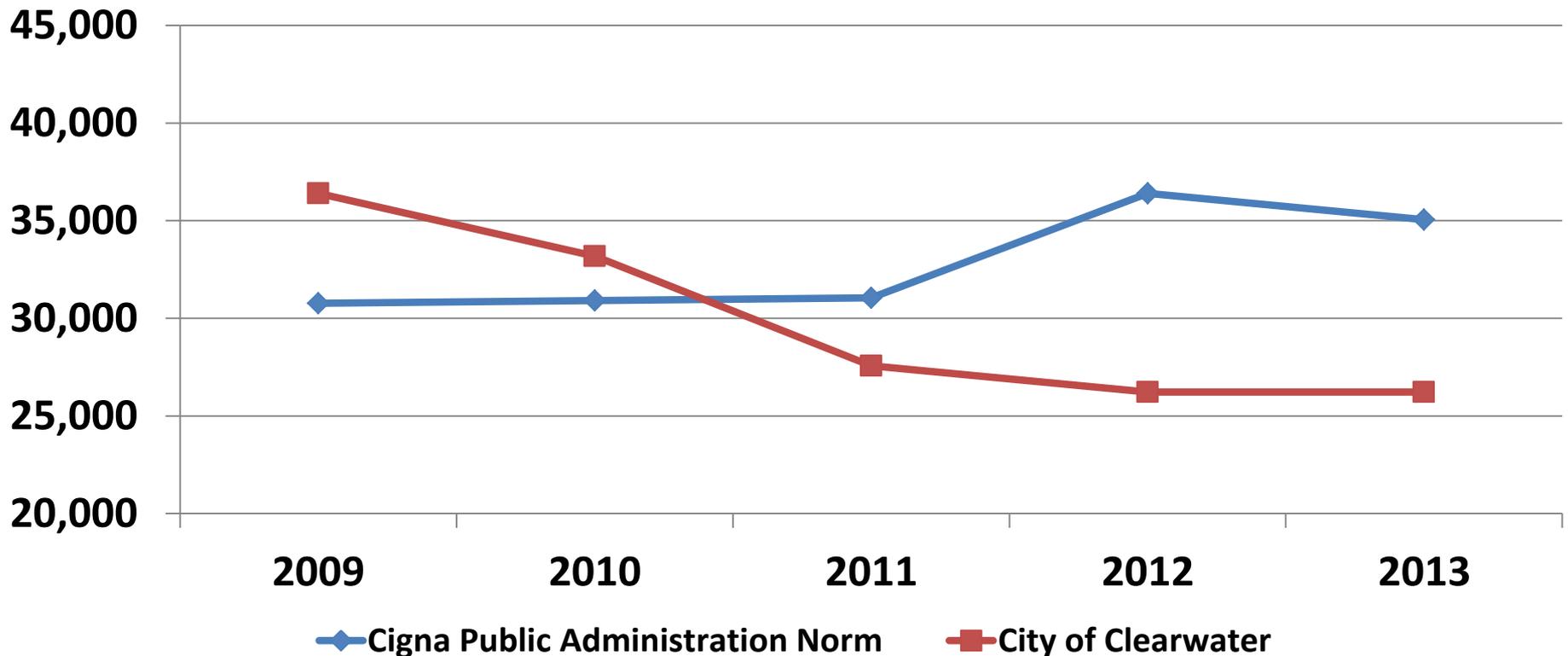


Pharmacy costs have remained flat over the past 6 years, despite increasing costs due to medical inflation and increased cost for specialty medications.

CIGNA – Pharmacy Utilization

- Medications dispensed through the medical plan have **decreased 28%**, or over 10,000 prescriptions per year since 2009

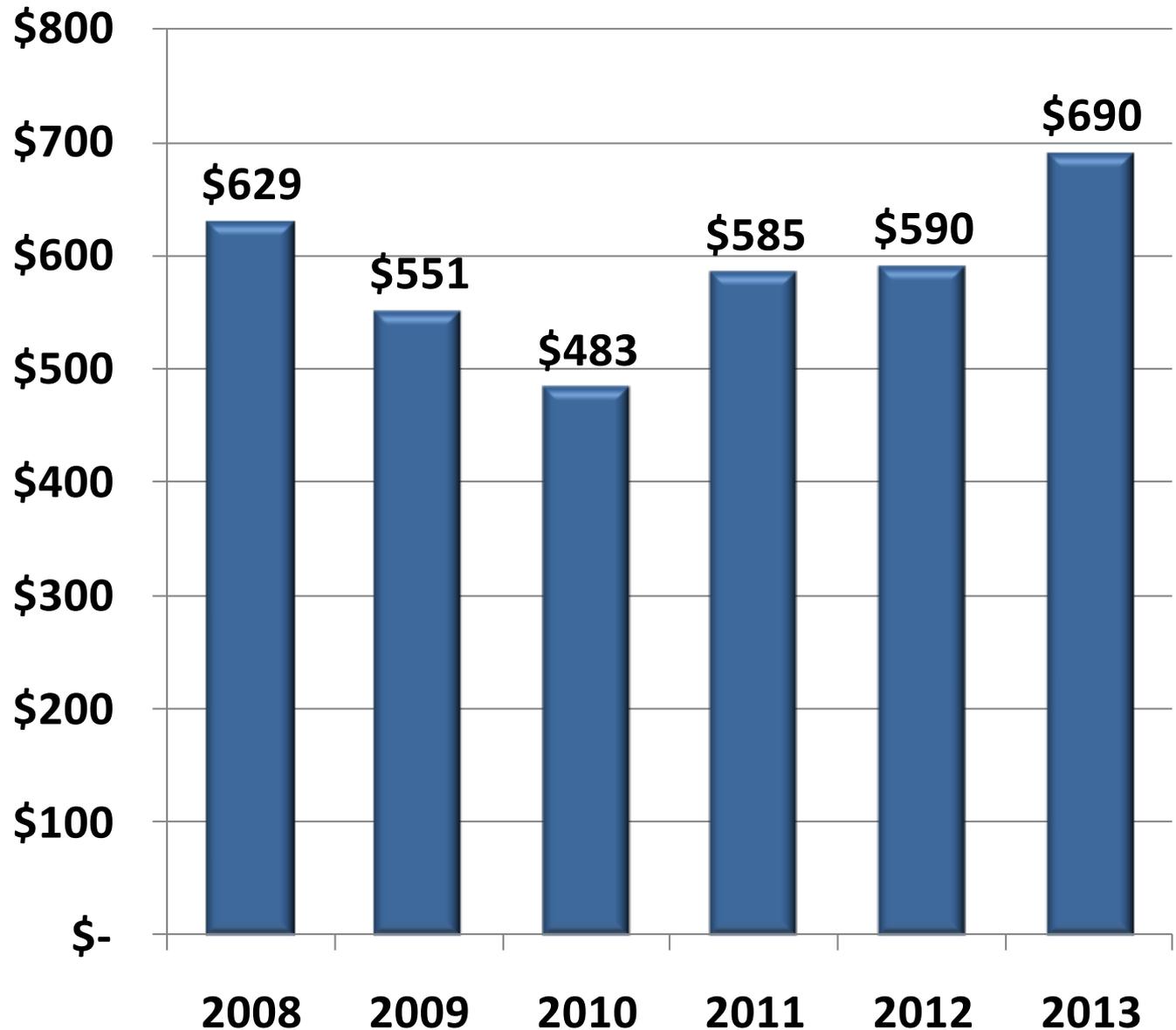
Medications Dispensed – City of Clearwater vs. Cigna Norm



Medical Plan Claims Per Employee Per Month

Since 2008:
PEPM claims
costs have
averaged a
4% increase
per year.

Florida trend
has shown
average
increases
of 8% - 11%
per year.



Catastrophic Claims (>\$50,000)

The number of catastrophic claims:
increased 21% from 2012 to 2013

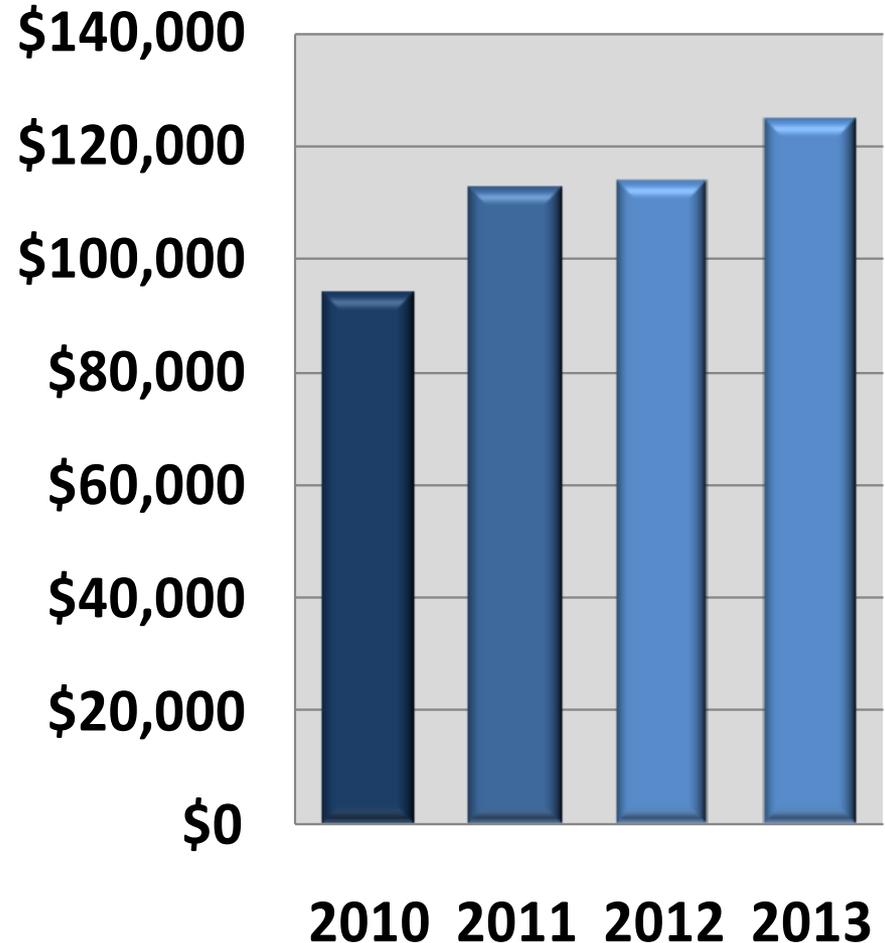
Neoplasms (cancer) was the highest category by overall plan spend, followed by musculoskeletal.

The number of neoplasm claimants increased 37% and total spend increased by 57% (\$550,988).

The average cost of a claim:

- **Increased 1.2% from 2011 to 2012**
- **Increased 9.4% from 2012 to 2013**

Average Catastrophic Claim Cost



Why are our costs increasing?

2013 Catastrophic Claims (>\$50,000)

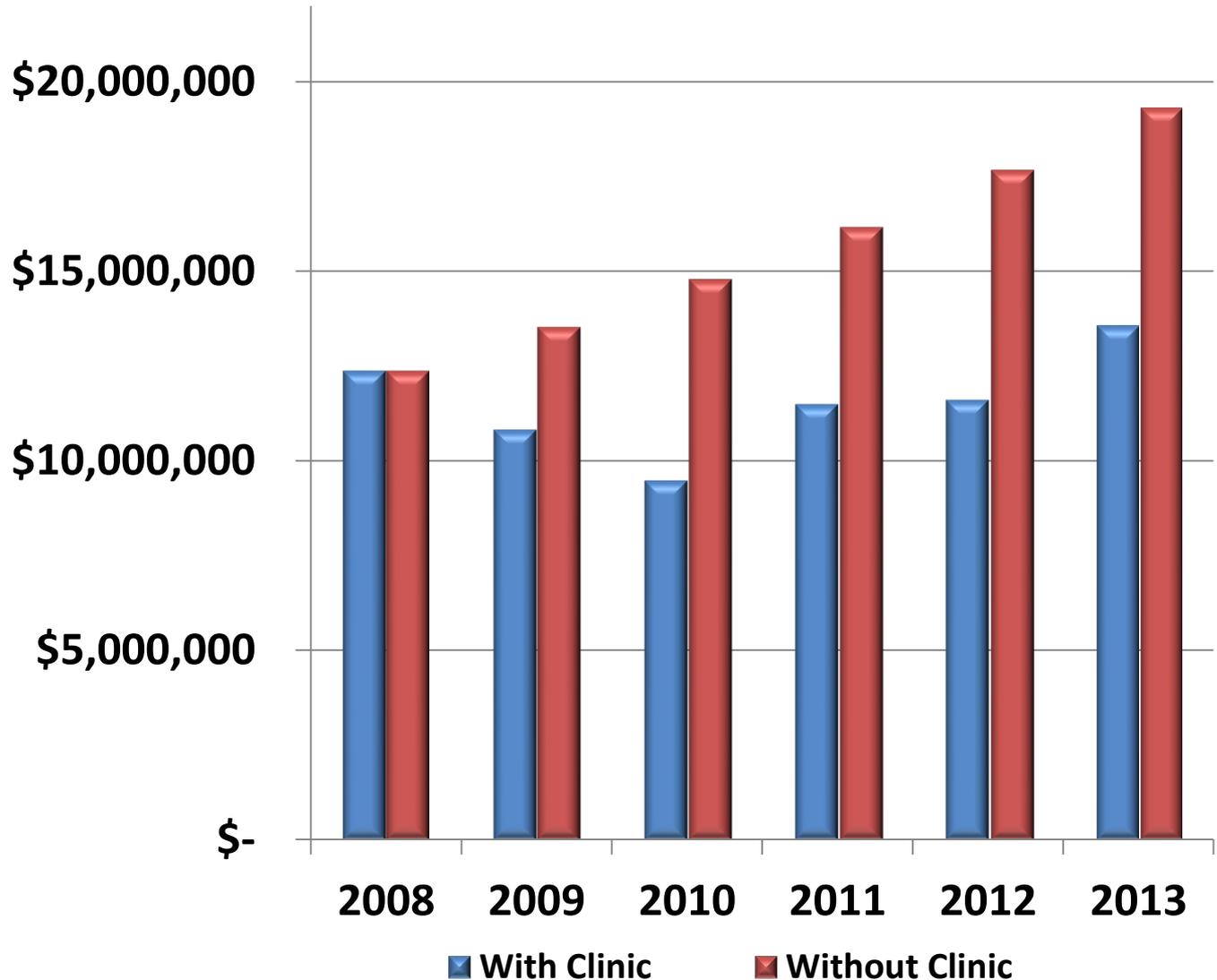
Of the top catastrophic claims, there were

- 8 Cancers (\$1.2m in cost)
- 5 Neurological and Circulatory Issues (\$598k in cost)
- 4 Musculoskeletal (\$574k in cost)

Many of these issues cannot be prevented or treated in the Health Center, but the Health Center can facilitate early detection to help reduce future risks and large claims for certain conditions.

What Would Our Costs Be Without the Clinic

Based on average medical inflation of over 9%, without the Health Center our claims costs would be 47% higher.



Cost Avoidance (July 2010-Dec 2013)

	EHC Utilization	Average CIGNA Plan Cost	Claims Avoidance	Total EHC Cost*	Net ROI
Office Visits	36,954	\$217	\$8,019,018	\$4,572,951	1.8 : 1
Rx	21,632	\$82	\$1,773,824	\$524,898	3.4 : 1
<i>Subtotal</i>			<i>\$9,792,842</i>	<i>\$5,097,849</i>	<i>1.9 : 1</i>
Employee Savings	36,954 @ \$40 21,632 @ \$30		\$2,127,120		
Total Savings			\$11,919,962	\$5,097,849	2.3 : 1

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