



MEMORANDUM

TO: Health Care Commission
 Duane Goossen, Chair
 Steve Dechant
 Sandy Praeger
 Nancy Ruoff
 John Staton

FROM: Doug Farmer

DATE: May 10, 2010

SUBJECT: **Medical Plan Design**

The State Employee Health Plan (SEHP) currently offers three (3) plan designs. Each plan has a unique design and unique member cost sharing features. Exhibit A (attached) summarizes the 2010 network-only cost sharing features of each plan. Plans B and C both contain higher medical out-of-pocket requirements than the current Plan A, and both have smaller enrollments.

As we have discussed at the last several Health Care Commission (HCC) meetings, to maintain the financial stability of the program, plan design and/or rate changes will need to occur for next year. Staff has provided the Health Care Commission (HCC) the following changes for consideration for Plan Year 2011.

The following additions to the State Employee Health Plan have been suggested for Plan Year 2011:

Plan	Benefit Change	Additional Plan Cost
A, B & C	Coverage of Orthognathic Surgery - Currently Covered to Age 18 Cost to extend coverage to ages 19-26	\$100,000
A, B & C	Dependant Coverage to Age 26 – Currently dependants are covered to age 23	\$1,250,000
A, B & C	Autism Spectrum Disorder Cost to administer	\$4,200,000
C	Adding a Limited Benefit FSA for Dental and Vision Cost to administer	\$10,200

Coverage modifications for consideration include:

Plan	Benefit Changes	Dollar Impact of Each Change
A	Increase Office Visit Copay \$5	\$2,100,000
A	Increase the Deductible Per Member/Member & Dependant(s): 1. \$200/\$400 2. \$300/\$600 3. \$400/\$800 4. \$500/\$1,000	1. \$1,920,000 2. \$5,750,000 3. \$9,850,000 4. \$12,770,000
A	Add an Additional Deductible for Family Memberships: 1. \$200/\$400/\$600 2. \$300/\$600/\$900 3. \$400/\$800/\$1,200 4. \$500/\$1,000/\$1,500	1. \$3,830,000 2. \$7,980,000 3. \$11,810,000 4. \$15,330,000
A	Increase Member Coinsurance: 1. 25% Coinsurance 2. 30% Coinsurance 3. 35% Coinsurance 4. 40% Coinsurance	1. \$1,600,000 2. \$3,510,000 3. \$4,790,000 4. \$6,390,000
A	Increase the Coinsurance Maximum Per Member/Member & Dependant(s): 1. \$1,400/\$2,800 2. \$1,500/\$3,000	1. \$1,920,000 2. \$2,870,000
B	Add a Deductible: 1. \$100/\$200 2. \$150/\$300 3. \$200/\$400 4. \$250/\$500 5. \$300/\$600	1. \$190,000 2. \$300,000 3. \$360,000 4. \$450,000 5. \$530,000
B	Increase the Coinsurance: 1. 35% Coinsurance 2. 40% Coinsurance 3. 45% Coinsurance 4. 50% Coinsurance	1. \$190,000 2. \$400,000 3. \$550,000 4. \$740,000
B	Increase the Coinsurance Maximum Per Member/Member & Dependant(s): 1. \$2,500/\$5,000 2. \$3,000/\$6,000 3. \$3,500/\$7,000 4. \$4,000/\$8,000	1. \$170,000 2. \$450,000 3. \$640,000 4. \$830,000
B	Increase Office Visit Copay \$5	\$168,536

We are prepared to model any additional options the HCC may wish to see before making a decision on the plan designs. If the commissioners have specific requests prior to the HCC meeting, please forward them to my attention and we will have them available so that the HCC can make a decision at the May 27, 2010, meeting.