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J. Scott Day, Commissioner
Steve Dechant, Commissioner
Sandy Praeger, Commissioner
Nancy Ruoff, Commissioner
Dennis R. Taylor, Chair

Kansas State Employees Health Care Commission

Sam Brownback, Governor

Kansas State Employees Health Care Commission
September 19, 2012 Minutes
LSOB, Room 106, 900 SW Jackson, Topeka, Kansas

CALL TO ORDER

The Kansas State Employees Health Care Commission (HCC) meeting was called to order on September 19, 2012 at 1:30 p.m. in the Landon State Office Building, Room 106, 900 SW Jackson, Topeka, Kansas. The following persons were present in person: Commissioners Nancy Ruoff and J. Scott Day. Commissioners Dennis R. Taylor (Chairman) and Steve Dechant were present by way of conference call. Shelley H. King from the Department of Administration, Office of Chief Counsel, and Mike Michael from the Division of Health Care Finance (HCF) within the Kansas Department of Health and Environment (KDHE) were also in attendance.

AGENDA:

1. Approval of Minutes

Chairman Taylor asked for approval of the June 11, 2012 minutes.

IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY COMMISSIONER RUOFF TO APPROVE THE MINUTES OF JUNE 11, 2012. MOTION PASSED 4-0.

2. Approval of Medicare Advantage Plan Contract

The current Medicare Advantage (MA) contracts with Coventry and Humana are scheduled to expire December 31, 2012. A request for proposal (RFP) for a fully insured Medicare Advantage PPO Plan was released April 12, 2012; the RFP closed on May 31, 2012.

Medicare Advantage plans are sometimes referred to as Medicare Part C. Medicare Advantage plans provide all of the Medicare Part A hospital insurance, and Part B medical insurance and members can select the Part D prescription drug plan. Similar to other types of PPO plans, retirees do not have to choose a primary care physician and are not required to have a referral to see a specialist. The MA's are fully insured products and the direct bill members pay 100% of the premium. Current enrollment in the MA plans is 753 contracts and 673 of those have selected the MA drug plan and 80 of those members have selected the SilverScript Part D prescription drug plan.

We received two bid responses to the RFP and negotiations were held with both bidders. After negotiations, staff reviewed the vendors' responses with a focus on acceptance and understanding of the State's requirements for vendors, the proposed premiums and rate caps, the vendors' flexibility, their capabilities to provide accurate, timely and quality

customer service and claims processing. Bidders were asked to provide rates for the current plan design and alternative plan designs for review. A review showed that the alternative plan designs provided lower premium rates for the member, but increased their out-of-pocket maximum and initial cost share for the services. The plan design options and proposed rate cap information from both bidders are attached. (See Attachments 2a, 2b1, 2b2.) The proposed premium for the current plan design with an annual out of pocket max of $1,000 from United Health Care is $209.26 per member per month with the Part D and $122.69 per member per month for the medical portion only. The proposed premium for the current plan design with an annual pocket max of $1,000 from Coventry is $161.00 per member per month with the Part D and $113.10 per member per month for the medical portion only. The current premium is $139.00 with the MA Part D and $75 for the medical portion only. In the Coventry report several things are driving this increase. Total claims increased 15.5% from 2010 to 2011 while revenues increased only 1.4% during the same period. There were twice as many large claims over $50,000 in 2011 compared to 2010 and pharmacy increased 7.2% from 2010 to 2011 and enrollment only increased 14%.

Based on the information gathered in the responses and during negotiating meetings, the State Employee Health Plan (SEHP) staff recommends that Coventry Health Care be awarded a three-year contract to provide the Medicare Part C Advantage plan with the current plan design.

Discussion followed.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER RUOFF TO AWARD A THREE YEAR CONTRACT TO COVENTRY HEALTH CARE TO PROVIDE THE MEDICARE PART C ADVANTAGE PLAN. MOTION PASSED 4-0.

3. SILVERSCRIPT PART D PREMIUM

SilverScript is a fully insured Part D product that provides prescription benefits for Medicare eligible members. This plan offers an expanded formulary, no front end deductible and coverage through the donut hole for both generic and brand name drugs at the same co-insurance amount and co-insurance max. There are over 8,500 members enrolled in a Medicare plan with approximately 4,300 members enrolled in the SilverScript D program. A summary of the plan year 2013 SilverScript benefits program is attached. For plan year 2013 the true out of pocket level needed to enter the catastrophic coverage level will increase $50 to $4,750 and this is set my CMS. The only other change is in the catastrophic level where the member cost share, which currently is the greater of 5% or $2.60 for generics, will increase five-cents to $2.65 and the brands, which is the greater of 5% or $6.50 will increase 10-cents to $6.60. Retiree members pay the full amount of the premium and the current rate is $163 per member per month, the proposed renewal rate for plan year 2013 is $148 per member per month. Despite an increase in utilization, the premiums are going down. This should be a one-time effect since going forward we will have a new baseline and the drug trend is expected to continue to increase each year. The new guidance from CMS on how to treat the coverage gap discount program is what caused the premiums to decrease. (See attachment 3.1.)

SEHP staff recommended approval of the Plan Year 2013 SilverScript rate of $148 per member per month.

Discussion followed.

IT WAS MOVED BY COMMISSIONER DAY AND SECONDED BY COMMISSIONER RUOFF TO APPROVE THE 2013 SILVERSCRIPT RATES OF $148 PER MEMBER PER MONTH FOR PLAN YEAR 2013. MOTION PASSED 4-0.

4. HealthQuest Rewards Plan Year 2012 Program

This is a program where employees can earn a premium incentive discount for the following plan year by participating in various wellness activities to earn credits. The program was available to employees from October 1, 2011 through July 31, 2012 and employees needed to earn 20 credits to receive the incentive for Plan Year 2013. The credits were reduced from 30 to 20 credits for the first year since the program was new and not available for the full 12 months. The number of credits will stay at 30. We had 31,903 employees complete at least 20 credits which is 75%. Our active state employee population had a completion rate of 76% and our non-state employee groups had a completion rate of 74.5%. We had projected 60% last year when we presented the program; that was exceeded by about 15% this first year. Attached are slides showing the increased participations in the various programs offered and the program impact. (See Attachment 4.) Update to the current year's program – as of September 14th there are 191 employees that have already earned the 30 credits and will receive the incentive discounts for Plan Year 2014; 925 employees have completed the Health Assessment Questionnaire and there are 35,923, or 84% of the employees, who have registered an account on the portal; and 2,163 employees have made their non-tobacco user declaration. Employees are aware and are becoming engaged.

Discussion followed; no action is needed.

5. Finance Report

Statement of Operations is attached. (See attachment 5.)

6. Discussion Items

New Plan C information – two webinars have been offered with a third next week. SEHP staff predicts an increase in enrollment. Packets should go out in approximately three weeks.

No action needed.

Next HCC Meeting

Next meeting is scheduled for December 10, 2012 at 1:30 p.m. in the Landon State Office Building, Room 106.

Adjournment – 2:00 p.m.

IT WAS MOVED BY COMMISSIONER DECHANT AND SECONDED BY COMMISSIONER RUOFF TO ADJOURN THE MEETING. MOTION PASSED 4-0.

COVENTRY
Health Care of Kansas, Inc.
Advantra

June 12, 2012

Advantra Premium Quote for State of Kansas

For an Effective Date of January 1, 2013

Premium Rates

Advantra PPO Medical Only	***$113.10***	***per Member per Month***
Optional Part D	***$47.90***	***per Member per Month***
Combined Advantra PPO + Part D	***$161.00***	***per Member per Month***

Plan Option Highlights

For more detail, refer to the Summary Plan Descriptions

Medical

Product	PPO
Deductible	$0
Out of Pocket Max	$1,000
Out of Network Benefit	20% Coinsurance
Inpatient Hospital	$150/Day (Days 1-5)
Skilled Nursing Facility	$0/Day (Days 1-7); $50/Day (Days 8-100)
PCP/Specialist Visits	$10/$25 Copay
Outpatient Services/Surgery	$150/Visit
Fitness Benefit	Included
Hearing/Vision/Dental	Enhanced

Prescription Drug

Deductible	$0
Tier Structure	$5/$30/$60/33%
Retail 90-Day Supply	2x Copay for 90 Day Supply; Tier 4 Drugs N/A (30-Day Retail Only)
Gap Coverage (> $2,970 Total Drug Spend)	Tier 1 Coverage Only
Catastropic Coverage (> $4,750 Member Out of Pocket)	Greater of: $2.65 Generic or Multi-Source Pfd Brand; $6.60 Other -or- 5% Coinsurance
Mail Order	2x Copay for 90 Day Supply; Tier 4 Drugs Not Available via Mail order

Rating Assumptions

The Plan Year is 1/1/2013 - 12/31/2013.

Quote is valid only for members in CHC Kansas Advantra service area

Quoted rates do not include broker commission

All rates assume that the effective date of the plan is the first day of the plan year noted above. If different, we reserve the right to adjust the quoted rates.

Quoted rates assume no significant changes in competing carrier(s), benefit structure, and/or or contribution levels for competing benefit plan options.

Attachment 2a

COVENTRY
Health Care of Kansas, Inc.
Advantra

June 11, 2012

Advantra Premium Quote for State of Kansas

For an Effective Date of January 1, 2013

Premium Rates

Advantra PPO Medical Only	***$101.73***	***per Member per Month***
Optional Part D	***$45.27***	***per Member per Month***
Combined Advantra PPO + Part D	***$147.00***	***per Member per Month***

Plan Option Highlights

For more detail, refer to the Summary Plan Descriptions

Medical

Product	PPO
Deductible	$0
Out of Pocket Max	$2,000
Out of Network Benefit	20% Coinsurance
Inpatient Hospital	$150/Day (Days 1-5)
Skilled Nursing Facility	$0/Day (Days 1-7); $50/Day (Days 8-100)
PCP/Specialist Visits	$10/$25 Copay
Outpatient Services/Surgery	$150/Visit
Fitness Benefit	Included
Hearing/Vision/Dental	Enhanced

Prescription Drug

Deductible	$0
Tier Structure	$5/$35/$70/33%
Retail 90-Day Supply	2x Copay for 90 Day Supply; Tier 4 Drugs N/A (30-Day Retail Only)
Gap Coverage (> $2,970 Total Drug Spend)	Tier 1 Coverage Only
Catastropic Coverage (> $4,750 Member Out of Pocket)	Greater of: $2.65 Generic or Multi-Source Pfd Brand; $6.60 Other -or- 5% Coinsurance
Mail Order	2x Copay for 90 Day Supply; Tier 4 Drugs Not Available via Mail order

Rating Assumptions

The Plan Year is 1/1/2013 - 12/31/2013.

Quote is valid only for members in CHC Kansas Advantra service area

Quoted rates do not include broker commission

All rates assume that the effective date of the plan is the first day of the plan year noted above. If different, we reserve the right to adjust the quoted rates.

Quoted rates assume no significant changes in competing carrier(s), benefit structure, and/or or contribution levels for competing benefit plan options.

UnitedHealthcare Group Retiree
Medicare Advantage - National PPO
Group name: State of Kansas
Preliminary Rates for 1/1/2013 - 12/31/2013

UnitedHealthcare

Rates are Per Member Per Month (PMPM)		Option 1	Option 2	Option 3	Option 4
Quoted Service Area	Membership Quoted	Plan Designed to match Coventry Plan	Plan Designed to match Humana Plan	UHC Alternate Plan 1 with PDP to match Coventry Plan	UHC Alternate Plan 2 with PDP to match Coventry Plan
National	677	$209.26	$166.39	$130.69	$155.05

Stipulations National PPO

- This is a preliminary quote effective 1/1/2013 - 12/31/2013. The situs state is Kansas.
- To ensure proper claim adjudication effective 1/1/2013, it is imperative that we have final 1/1/2013 plan design decisions from employers as soon as possible. Final decisions received after 10/20/2012 could be problematic in terms of claim adjudication on 1/1/2013.
- These rates are quoted assuming our offering is alongside of another offering/another carrier.
- This quote assumes that the employer pay 0% of the premium, on average.
- An Employer signature is required on a statement of contribution structure prior to open enrollment.
- The UHC plan must be offered to all eligibles in our service areas.
- Quote assumes $0.00 PMPM commission level.
- 0 Pre-65 Medicare eligible disabled are included.
- Our proposal offers a second year rate cap for 1/1/14 -12/31/14. The rate cap (increase) would be $40.00 pmpm plus the insurers fee (annual fee assessed to and paid by United under Section 9010 of the Patient Protection and Affordable Care Act ("PPACA").)

  Our proposal offers a third year rate cap for 1/1/15 -12/31/15. The rate cap (increase) would be $50.00 pmpm plus the insurers fee (annual fee assessed to and paid by United under Section 9010 of the Patient Protection and Affordable Care Act ("PPACA").)

Prepared Exclusively For: STATE OF KANSAS

Product: National PPO Custom

Effective Date: 1/1/2013 Through 12/21/3013

This is a highlight of benefits only and is Not all inclusive of the Plan's benefits, services, limitations or exclusions.

BENEFITS AND COVERAGE OPTION 1 - Plan Designed to match Coventry Plan	In-Network Services	Out-of-Network Services
Annual Deductible		
Annual Deductible In-Network		
Annual Deductible Out-of-Network		
Annual Deductible Combined for In and Out-of-Network		
Out-of-Pocket Maximum		
Annual Out-of-Pocket Maximum In-Network	$1,000	
Annual Out-of-Pocket Max Out-of-Network		$1,000
Annual Out-of-Pocket Max Combined for In and Out-of-Network	Y	
Physician Services		
Primary Care Physician	$10	$10
Specialist	$25	$25
Emergency Department Services		
Includes Worldwide Coverage	$50	$50
Urgently Needed Care		
Urgently Needed Care (Contracted Providers) Cost Share	$30	$30
Urgently Needed Care (with Non-Contracted Providers) Cost Share	$30	$30
Ambulance Services	$100	$100
Inpatient Hospital Care		
Per Day or Per Admit	Per Day	Per Day
Copayment per Day - Day 1 through 5	$150	$150
Copayment per Day - Day 6 through 999	$0	$0
Skilled Nursing Facility Care		
Copayment per Day - Day 1 through 7	$0	$0
Copayment per Day - Day 8 through 100	$50	$50
Inpatient Mental Health Care		
Per Day or Per Admit Cost Share	Per Day	Per Day
Copayment per Day - Day 1 through 5	$150	$150
Copayment per Day - Day 6 through 190	$0	$0
Transplant		
Transplants - Cost Share (Related to Travel and Lodging)	$0	$0
Home Healthcare Agency		
Home Care Visits	$0	$0
Outpatient Services (including observation, medical and surgical care)		
Outpatient Hospital Services	$150	$150
Physical/Speech/Occupational Therapy	$0	$0
Outpatient X-ray Services	$0	$0
Clinical Laboratory Services	$0	$0
Chiropractic Visit (Medicare-covered)	$20	$20
Podiatry Visit (Medicare-covered)	$15	$15
Blood first 3 pints	$0	$0
Bone Mass Measurements	$0	$0
Colorectal Screening Exams	$0	$0
Annual Screening Mammograms	$0	$0
Pap Smears and Pelvic Exams	$0	$0
Annual Prostate Cancer Screening Exams	$0	$0
Cardiovascular Screenings (Medicare-Covered)	$0	$0
Physical Exams		
Annual Wellness Exam (Physical Exam) and One-time Welcome-to-Medicare Exam. (Medicare-covered)	$0	$0
Immunizations		
(Flu, Pneumococcal, Pneumonia, and Hepatitis B Vaccines)	$0	$0
Durable Medical Equipment		
Durable Medical Equipment	20%	20%
Medical Supplies, Including Diabetic	$0	$0
Vision Services		
Eye Exam (Medicare-covered)	$0	$0
Routine Eye Exam refraction every 12 months	$25	$25
Routine Eyeglasses Allowance	$70	$70
Routine Contact Lenses Allowance	$105	$105
Routine Eyeware Period in Months	every 24 months	every 24 months
Hearing Services		
Routine Hearing Exam - every 12 months	$0	$0
Hearing Aid Allowance - includes Digital hearing aids	$500	$500
Benefit per ear or combined	Combined	Combined
# of Hearing Aids	999	999
Hearing Aid period in years	36	36

Product: National PPO Custom		
Part B Drugs		
Part B drugs - Immunosuppressives, oral chemotherapy, anti-nausea, inhalation solutions, outpatient injectables	20%	20%
Outpatient Prescription Drugs		
Part D Gap Coverage	Tier 1 Only	
Part D Retail		
Tier 1 Drugs	$5	
Tier 2 Drugs	$30	
Tier 3 Drugs	$60	
Tier 4 Drugs	33%	
Part D Mail Service		
Tier 1 Drugs	$10	
Tier 2 Drugs	$60	
Tier 3 Drugs	$120	
Tier 4 Drugs	33%	
Wellness Programs		
Fitness	SilverSneakers	Not Included
Caregiver	Standard	Not Included
NurseLine	Included	Not Included
Treatment Decision Support	Included	Not Included
Access Support	Included	Not Included
Disease Management - Chronic Heart Failure (CHF)	Included	Not Included
Disease Management - Coronary Artery Disease (CAD)/Diabetes	Included	Not Included
Disease Management - End Stage Renal Disease (ESRD)	Included	Not Included
Personal Health Management Program	Included	Not Included
Advanced Illness Care Management	Included	Not Included

* Inpatient Hospital copayments are charged on a per admission or daily basis. Original Medicare hospital benefit periods do Not apply. For Inpatient Hospital, you are covered for an unlimited number of days as long as the hospital stay is medically necessary and authorized by UnitedHealthcare or contracting providers. When you are admitted to an Inpatient Hospital and then subsequently transferred to another Inpatient Hospital, you pay the copayment charged for the first hospital admission. You do Not pay a copayment for the second hospital admission; the copayment is waived.

SecureHorizons® Medicare Advantage plans are offered by United HealthCare Insurance Company and its affiliated companies, Medicare Advantage Organizations with a Medicare contract. Limitations, copayments and coinsurance may apply. Benefits may vary by employer group.

Prepared Exclusively For: STATE OF KANSAS

Product: National PPO Custom

Effective Date: 1/1/2013 Through 12/21/3013

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BENEFITS AND COVERAGE OPTION 2 - Plan Designed to match Humana Plan	In-Network Services	Out-of-Network Services
Annual Deductible		
Annual Deductible In-Network	$100	
Annual Deductible Out-of-Network		$100
Annual Deductible Combined for In and Out-of-Network	Y	
Out-of-Pocket Maximum		
Annual Out-of-Pocket Maximum In-Network	$3,000	
Annual Out-of-Pocket Max Out-of-Network		$3,000
Annual Out-of-Pocket Max Combined for In and Out-of-Network	Y	
Physician Services		
Primary Care Physician	$10	$10
Specialist	$35	$35
Emergency Department Services		
Includes Worldwide Coverage	$65	$65
Urgently Needed Care		
Urgently Needed Care (Contracted Providers) Cost Share	$35	$35
Urgently Needed Care (with Non-Contracted Providers) Cost Share	$35	$35
Ambulance Services	$100	$100
Inpatient Hospital Care		
Per Day or Per Admit	Per Day	Per Day
Copayment per Day - Day 1 through 5	$165	$165
Copayment per Day - Day 6 through 999	$0	$0
Skilled Nursing Facility Care		
Copayment per Day - Day 1 through 10	$0	$0
Copayment per Day - Day 11 through 100	$100	$100
Inpatient Mental Health Care		
Per Day or Per Admit Cost Share	Per Day	Per Day
Copayment per Day - Day 1 through 5	$165	$165
Copayment per Day - Day 6 through 190	$0	$0
Transplant		
Transplants - Cost Share (Related to Travel and Lodging)	$0	$0
Home Healthcare Agency		
Home Care Visits	$0	$0
Outpatient Services (including observation, medical and surgical care)		
Outpatient Hospital Services	$100	$100
Physical/Speech/Occupational Therapy	$35	$35
Outpatient X-ray Services	$0	$0
Clinical Laboratory Services	$0	$0
Chiropractic Visit (Medicare-covered)	$20	$20
Podiatry Visit (Medicare-covered)	$35	$35
Blood first 3 pints	$0	$0
Bone Mass Measurements	$0	$0
Colorectal Screening Exams	$0	$0
Annual Screening Mammograms	$0	$0
Pap Smears and Pelvic Exams	$0	$0
Annual Prostate Cancer Screening Exams	$0	$0
Cardiovascular Screenings (Medicare-Covered)	$0	$0
Physical Exams		
Annual Wellness Exam (Physical Exam) and One-time Welcome-to-Medicare Exam. (Medicare-covered)	$0	$0
Immunizations		
(Flu, Pneumococcal, Pneumonia, and Hepatitis B Vaccines)	$0	$0
Durable Medical Equipment		
Durable Medical Equipment	20%	20%
Medical Supplies, Including Diabetic	$0	$0
Vision Services		
Eye Exam (Medicare-covered)	$35	$35
Routine Eye Exam refraction every 12 months	$35	$35
Routine Eyeglasses Allowance	$70	$70
Routine Contact Lenses Allowance	$105	$105
Routine Eyeware Period in Months	every 24 months	every 24 months
Hearing Services		
Routine Hearing Exam - every 12 months	$0	$0
Hearing Aid Allowance - includes Digital hearing aids	$500	$500
Benefit per ear or combined	Combined	Combined
# of Hearing Aids	999	999
Hearing Aid period in years	36	36

Product: National PPO Custom		
Part B Drugs		
Part B drugs - Immunosuppressives, oral chemotherapy, anti-nausea, inhalation solutions, outpatient injectables	20%	20%
Outpatient Prescription Drugs		
Part D Gap Coverage	Tier 1 Only	
Part D Retail		
Tier 1 Drugs	$5	
Tier 2 Drugs	$30	
Tier 3 Drugs	$60	
Tier 4 Drugs	33%	
Part D Mail Service		
Tier 1 Drugs	$10	
Tier 2 Drugs	$60	
Tier 3 Drugs	$120	
Tier 4 Drugs	33%	
Wellness Programs		
Fitness	SilverSneakers	Not Included
Caregiver	Standard	Not Included
NurseLine	Included	Not Included
Treatment Decision Support	Included	Not Included
Access Support	Included	Not Included
Disease Management - Chronic Heart Failure (CHF)	Included	Not Included
Disease Management - Coronary Artery Disease (CAD)/Diabetes	Included	Not Included
Disease Management - End Stage Renal Disease (ESRD)	Included	Not Included
Personal Health Management Program	Included	Not Included
Advanced Illness Care Management	Included	Not Included

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Prepared Exclusively For: STATE OF KANSAS

Product: National PPO Custom

Effective Date: 1/1/2013 Through 12/21/3013

This is a highlight of benefits only and is Not all inclusive of the Plan's benefits, services, limitations or exclusions.

BENEFITS AND COVERAGE OPTION 3 - UHC Alternative Plan 1 with PDP to match Coventry Plan	In-Network Services	Out-of-Network Services
Annual Deductible		
Annual Deductible In-Network	$250	
Annual Deductible Out-of-Network		
Annual Deductible Combined for In and Out-of-Network		
Out-of-Pocket Maximum		
Annual Out-of-Pocket Maximum In-Network	$6,700	
Annual Out-of-Pocket Max Out-of-Network		$6,700
Annual Out-of-Pocket Max Combined for In and Out-of-Network	Y	
Physician Services		
Primary Care Physician	$20	$20
Specialist	$30	$30
Emergency Department Services		
Includes Worldwide Coverage	$65	$65
Urgently Needed Care		
Urgently Needed Care (Contracted Providers) Cost Share	$35	$35
Urgently Needed Care (with Non-Contracted Providers) Cost Share	$35	$35
Ambulance Services	20%	20%
Inpatient Hospital Care		
Per Day or Per Admit	Per Day	Per Day
Copayment per Day - Day 1 through 7	$230	$230
Copayment per Day - Day 8 through 999	$0	$0
Skilled Nursing Facility Care		
Copayment per Day - Day 1 through 20	$50	$50
Copayment per Day - Day 21 through 100	$146	$146
Inpatient Mental Health Care		
Per Day or Per Admit Cost Share	Per Day	Per Day
Copayment per Day - Day 1 through 7	$230	$230
Copayment per Day - Day 8 through 190	$0	$0
Transplant		
Transplants - Cost Share (Related to Travel and Lodging)	$0	$0
Home Healthcare Agency		
Home Care Visits	$0	$0
Outpatient Services (including observation, medical and surgical care)		
Outpatient Hospital Services	20%	20%
Physical/Speech/Occupational Therapy	20%	20%
Outpatient X-ray Services	20%	20%
Clinical Laboratory Services	20%	20%
Chiropractic Visit (Medicare-covered)	$20	$20
Podiatry Visit (Medicare-covered)	$30	$30
Blood first 3 pints	$0	$0
Bone Mass Measurements	$0	$0
Colorectal Screening Exams	$0	$0
Annual Screening Mammograms	$0	$0
Pap Smears and Pelvic Exams	$0	$0
Annual Prostate Cancer Screening Exams	$0	$0
Cardiovascular Screenings (Medicare-Covered)	$0	$0
Physical Exams		
Annual Wellness Exam (Physical Exam) and One-time Welcome-to-Medicare Exam.	$0	$0
Immunizations		
(Flu, Pneumococcal, Pneumonia, and Hepatitis B Vaccines)	$0	$0
Durable Medical Equipment		
Durable Medical Equipment	20%	20%
Medical Supplies, Including Diabetic	20%	20%
Vision Services		
Eye Exam (Medicare-covered)	$30	$30
Routine Eye Exam refraction every 12 months	$30	$30
Routine Eyeglasses Allowance	$70	$70
Routine Contact Lenses Allowance	$105	$105
Routine Eyeware Period in Months	every 24 months	every 24 months
Hearing Services		
Routine Hearing Exam - every 12 months	$0	$0
Hearing Aid Allowance - includes Digital hearing aids	$500	$500
Benefit per ear or combined	Combined	Combined
# of Hearing Aids	999	999
Hearing Aid period in years	36	36

Product: National PPO Custom		
Part B Drugs		
Part B drugs - Immunosuppressives, oral chemotherapy, anti-nausea, inhalation solutions, outpatient injectables	20%	20%
Outpatient Prescription Drugs		
Part D Gap Coverage	Tier 1 Only	
Part D Retail		
Tier 1 Drugs	$5	
Tier 2 Drugs	$30	
Tier 3 Drugs	$60	
Tier 4 Drugs	33%	
Part D Mail Service		
Tier 1 Drugs	$10	
Tier 2 Drugs	$60	
Tier 3 Drugs	$120	
Tier 4 Drugs	33%	
Wellness Programs		
Fitness	SilverSneakers	Not Included
Caregiver	Standard	Not Included
NurseLine	Included	Not Included
Treatment Decision Support	Included	Not Included
Access Support	Included	Not Included
Disease Management - Chronic Heart Failure (CHF)	Included	Not Included
Disease Management - Coronary Artery Disease (CAD)/Diabetes	Included	Not Included
Disease Management - End Stage Renal Disease (ESRD)	Included	Not Included
Personal Health Management Program	Included	Not Included
Advanced Illness Care Management	Included	Not Included

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SecureHorizons® Medicare Advantage plans are offered by United HealthCare Insurance Company and its affiliated companies, Medicare Advantage Organizations with a Medicare contract. Limitations, copayments and coinsurance may apply. Benefits may vary by employer group.

Prepared Exclusively For: STATE OF KANSAS

Product: National PPO Custom

Effective Date: 1/1/2013 Through 12/21/3013

This is a highlight of benefits only and is Not all inclusive of the Plan's benefits, services, limitations or exclusions.

BENEFITS AND COVERAGE OPTION 4 - UHC Alternative Plan 2 and PDP to match Coventry Plan	In-Network Services	Out-of-Network Services
Annual Deductible		
Annual Deductible In-Network	$250	
Annual Deductible Out-of-Network		
Annual Deductible Combined for In and Out-of-Network		
Out-of-Pocket Maximum		
Annual Out-of-Pocket Maximum In-Network	$3,000	
Annual Out-of-Pocket Max Out-of-Network		$3,000
Annual Out-of-Pocket Max Combined for In and Out-of-Network	Y	
Physician Services		
Primary Care Physician	$20	$20
Specialist	$30	$30
Emergency Department Services		
Includes Worldwide Coverage	$65	$65
Urgently Needed Care		
Urgently Needed Care (Contracted Providers) Cost Share	$35	$35
Urgently Needed Care (with Non-Contracted Providers) Cost Share	$35	$35
Ambulance Services	20%	20%
Inpatient Hospital Care		
Per Day or Per Admit	Per Day	Per Day
Copayment per Day - Day 1 through 7	$230	$230
Copayment per Day - Day 8 through 999	$0	$0
Skilled Nursing Facility Care		
Copayment per Day - Day 1 through 20	$50	$50
Copayment per Day - Day 21 through 100	$146	$146
Inpatient Mental Health Care		
Per Day or Per Admit Cost Share	Per Day	Per Day
Copayment per Day - Day 1 through 7	$230	$230
Copayment per Day - Day 8 through 190	$0	$0
Transplant		
Transplants - Cost Share (Related to Travel and Lodging Only)	$0	$0
Home Healthcare Agency		
Home Care Visits	$0	$0
Outpatient Services (including observation, medical and surgical care)		
Outpatient Hospital Services	20%	20%
Physical/Speech/Occupational Therapy	20%	20%
Outpatient X-ray Services	20%	20%
Clinical Laboratory Services	20%	20%
Chiropractic Visit (Medicare-covered)	$20	$20
Podiatry Visit (Medicare-covered)	$30	$30
Blood first 3 pints	$0	$0
Bone Mass Measurements	$0	$0
Colorectal Screening Exams	$0	$0
Annual Screening Mammograms	$0	$0
Pap Smears and Pelvic Exams	$0	$0
Annual Prostate Cancer Screening Exams	$0	$0
Cardiovascular Screenings (Medicare-Covered)	$0	$0
Physical Exams		
Annual Wellness Exam (Physical Exam) and One-time Welcome-to-Medicare Exam.	$0	$0
Immunizations		
(Flu, Pneumococcal, Pneumonia, and Hepatitis B Vaccines)	$0	$0
Durable Medical Equipment		
Durable Medical Equipment	20%	20%
Medical Supplies, Including Diabetic	20%	20%
Vision Services		
Eye Exam (Medicare-covered)	$30	$30
Routine Eye Exam refraction every 12 months	$30	$30
Routine Eyeglasses Allowance	$70	$70
Routine Contact Lenses Allowance	$105	$105
Routine Eyeware Period in Months	every 24 months	every 24 months
Hearing Services		
Routine Hearing Exam - every 12 months	$0	$0
Hearing Aid Allowance - includes Digital hearing aids	$500	$500
Benefit per ear or combined	Combined	Combined
# of Hearing Aids	999	999
Hearing Aid period in years	36	36

Product: National PPO Custom		
Part B Drugs		
Part B drugs - Immunosuppressives, oral chemotherapy, anti-nausea, inhalation solutions, outpatient injectables	20%	20%
Outpatient Prescription Drugs		
Part D Gap Coverage	Tier 1 Only	
Part D Retail		
Tier 1 Drugs	$5	
Tier 2 Drugs	$30	
Tier 3 Drugs	$60	
Tier 4 Drugs	33%	
Part D Mail Service		
Tier 1 Drugs	$10	
Tier 2 Drugs	$60	
Tier 3 Drugs	$120	
Tier 4 Drugs	33%	
Wellness Programs		
Fitness	SilverSneakers	Not Included
Caregiver	Standard	Not Included
NurseLine	Included	Not Included
Treatment Decision Support	Included	Not Included
Access Support	Included	Not Included
Disease Management - Chronic Heart Failure (CHF)	Included	Not Included
Disease Management - Coronary Artery Disease (CAD)/Diabetes	Included	Not Included
Disease Management - End Stage Renal Disease (ESRD)	Included	Not Included
Personal Health Management Program	Included	Not Included
Advanced Illness Care Management	Included	Not Included

* Inpatient Hospital copayments are charged on a per admission or daily basis. Original Medicare hospital benefit periods do Not apply. For Inpatient Hospital, you are covered for an unlimited number of days as long as the hospital stay is medically necessary and authorized by UnitedHealthcare or contracting providers. When you are admitted to an Inpatient Hospital and then subsequently transferred to another Inpatient Hospital, you pay the copayment charged for the first hospital admission. You do Not pay a copayment for the second hospital admission; the copayment is waived.

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UnitedHealthcare Group Retiree
Medicare Advantage - National PPO
Group name: State of Kansas
Preliminary Rates for 1/1/2013 - 12/31/2013

UnitedHealthcare

Rates are Per Member Per Month (PMPM)		Option 1	Option 2	Option 3	Option 4
Quoted Service Area	Membership Quoted	Plan Designed to match Coventry Plan	Plan Designed to match Humana Plan	UHC Alternate Plan 1	UHC Alternate Plan 2
National	677	$122.69	$78.06	$34.23	$66.71

Stipulations National PPO

- This is a preliminary quote effective 1/1/2013 - 12/31/2013. The situs state is Kansas.
- To ensure proper claim adjudication effective 1/1/2013, it is imperative that we have final 1/1/2013 plan design decisions from employers as soon as possible. Final decisions received after 10/20/2012 could be problematic in terms of claim adjudication on 1/1/2013.
- These rates are quoted assuming our offering is alongside of another offering/another carrier.
- This quote assumes that the employer pay 0% of the premium, on average.
- An Employer signature is required on a statement of contribution structure prior to open enrollment.
- The UHC plan must be offered to all eligibles in our service areas.
- Quote assumes $0.00 PMPM commission level.
- 0 Pre-65 Medicare eligible disabled are included.
- Our proposal offers a second year rate cap for 1/1/14 -12/31/14. The rate cap (increase) would be $40.00 pmpm plus the insurers fee (annual fee assessed to and paid by United under Section 9010 of the Patient Protection and Affordable Care Act ("PPACA").)
- Our proposal offers a third year rate cap for 1/1/15 -12/31/15. The rate cap (increase) would be $50.00 pmpm plus the insurers fee (annual fee assessed to and paid by United under Section 9010 of the Patient Protection and Affordable Care Act ("PPACA").)

2013 State of Kansas Renewal

	2012 Custom		2013 Custom	
Type	Enhanced Alternative		Enhanced Alternative	
Monthly Premium	$163		$148	
Formulary*	Expanded + Buy Up #1		Expanded + Buy Up #1	
Deductible	$0		$0	
Initial Coverage	**Retail**	**Mail**	**Retail**	**Mail**
Generic	25% ($30 Max)	25% ($30 Max)	25% ($30 Max)	25% ($30 Max)
Preferred Brand	35% ($100 Max)	35% ($100 Max)	35% ($100 Max)	35% ($100 Max)
Non-Preferred Brand	60%($150 Max)	60%($150 Max)	60%($150 Max)	60%($150 Max)
Specialty	35% ($200 Max)	n/a	35% ($200 Max)	n/a
Coverage Gap				
Generic	25% ($30 Max)	25% ($30 Max)	25% ($30 Max)	25% ($30 Max)
Preferred Brand	35% ($100 Max)	35% ($100 Max)	35% ($100 Max)	35% ($100 Max)
Non-Preferred Brand	60%($150 Max)	60%($150 Max)	60%($150 Max)	60%($150 Max)
Specialty	35% ($200 Max)	n/a	35% ($200 Max)	n/a
Catastrophic Coverage**	5% or $2.60 / $6.50	5% or $2.60 / $6.50	5% or $2.65 / $6.60	5% or $2.65 / $6.60

* For all 2013 EGWP plans, Specialty tier contains specialty drugs and high cost drugs.
** 2013 True Out-of-Pocket level of $4,750 needed to enter catastrophic coverage.

NOTES: Plan designs subject to change. All Underwriting guidelines must be met.
Source: SilverScript Actuarial Services as of August 29, 2012

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CVS CAREMARK

Attachment 3.1

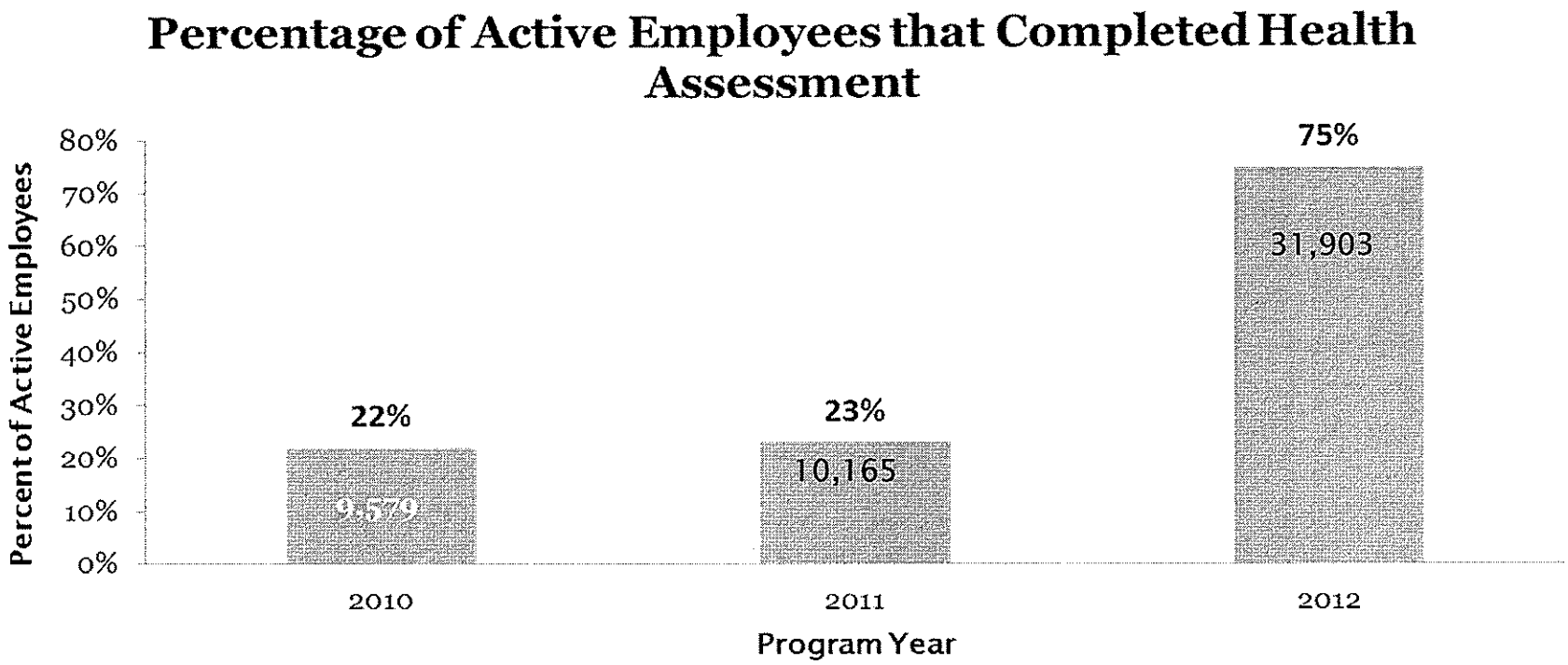
HealthQuest Rewards
Plan Year 2012 Program

Attachment 4

Program Participation Performance:

Increased health assessment completion for active employees with new program strategy

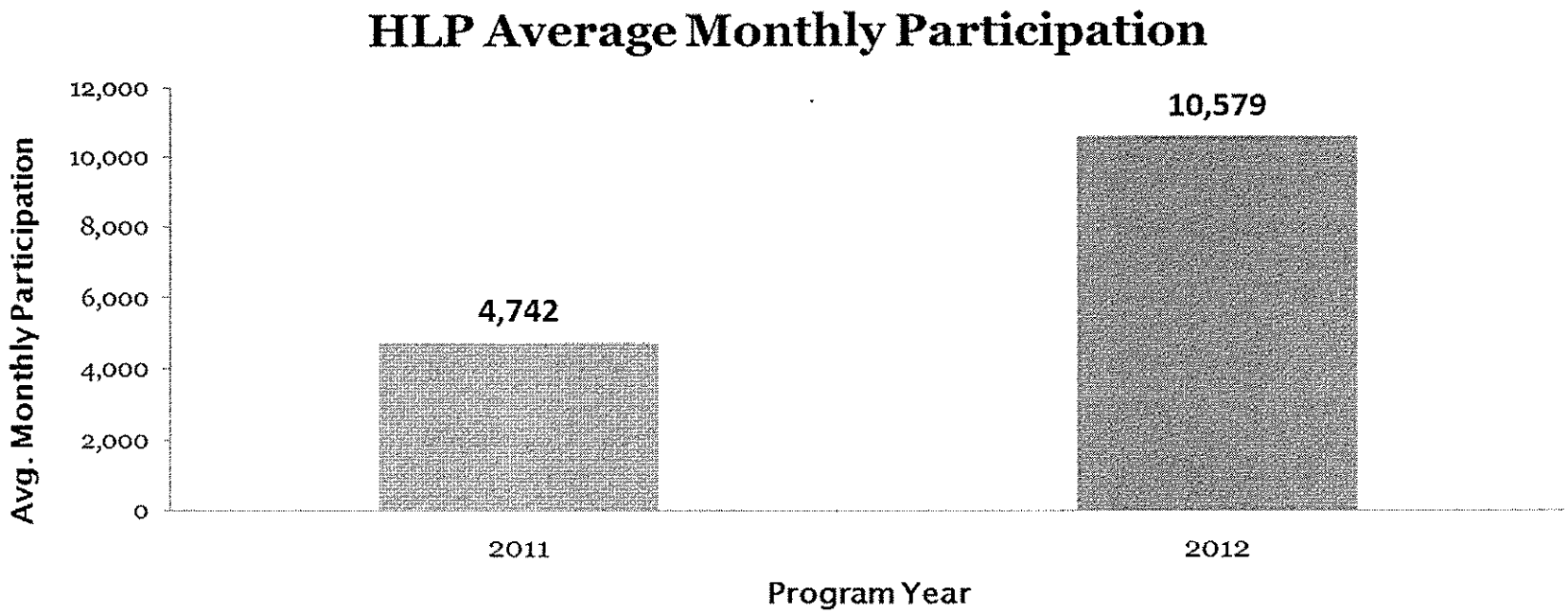
2010 = Jan 2010 – Dec 2010
2011 = Jan 2011 – Sept 2011
2012 = Oct 2011 – July 2012



Program Participation Performance:

Increased Healthy Living Program participation

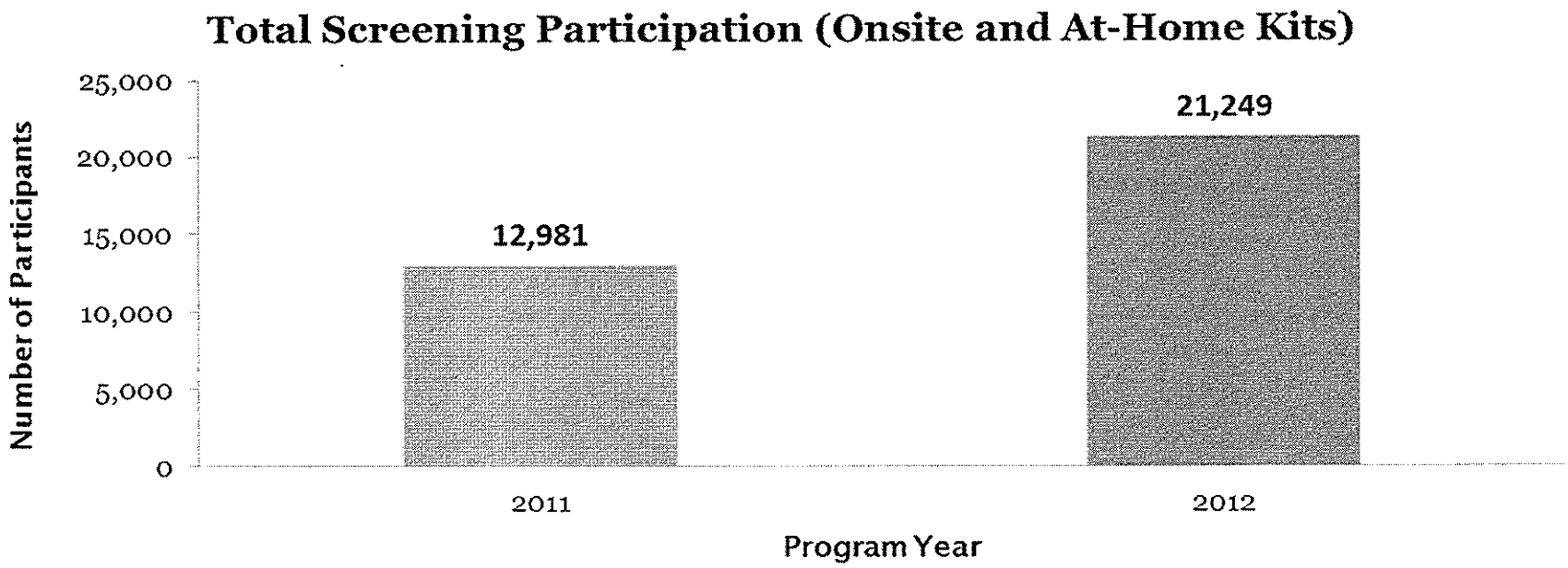
2011 = Jan 2011 – Sept 2011
2012 = Oct 2011 – July 2012



Program Participation Performance:

Increased screening participation

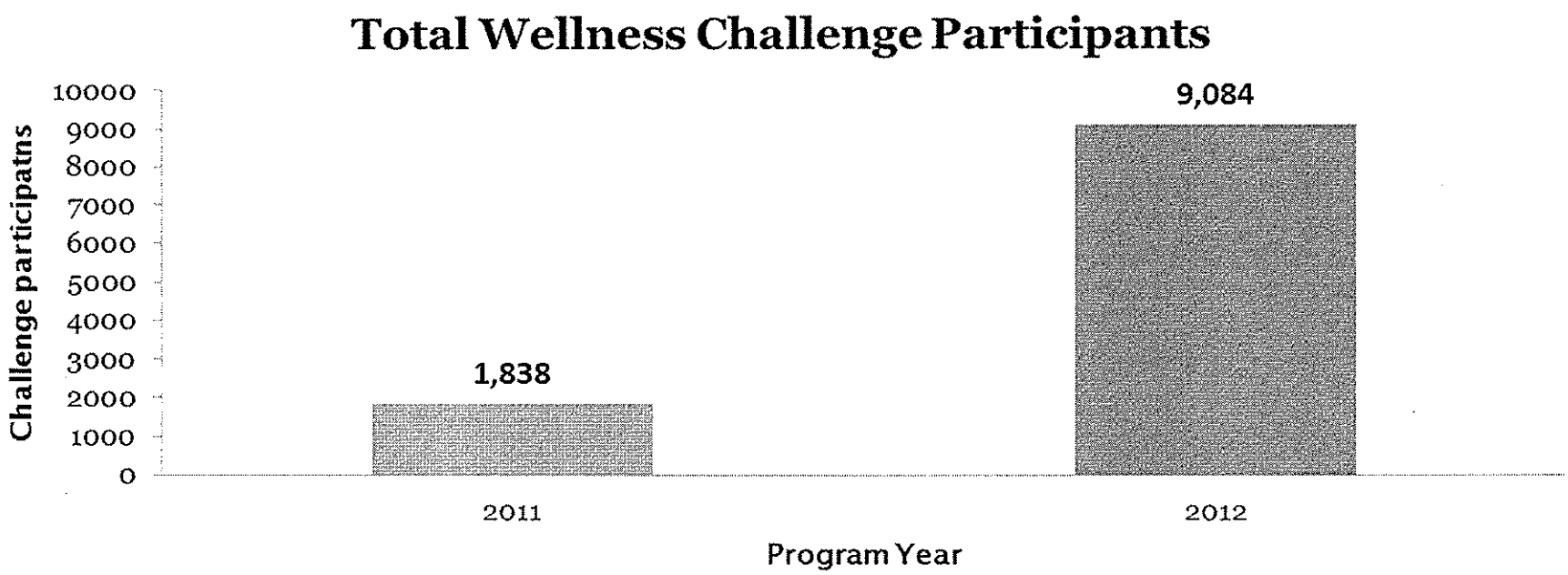
2011 = Jan 2011 – Sept 2011
2012 = Oct 2011 – July 2012



Program Participation Performance:

Increased participation in wellness challenges

2011 = Jan 2011 – Sept 2011
2012 = Oct 2011 – July 2012



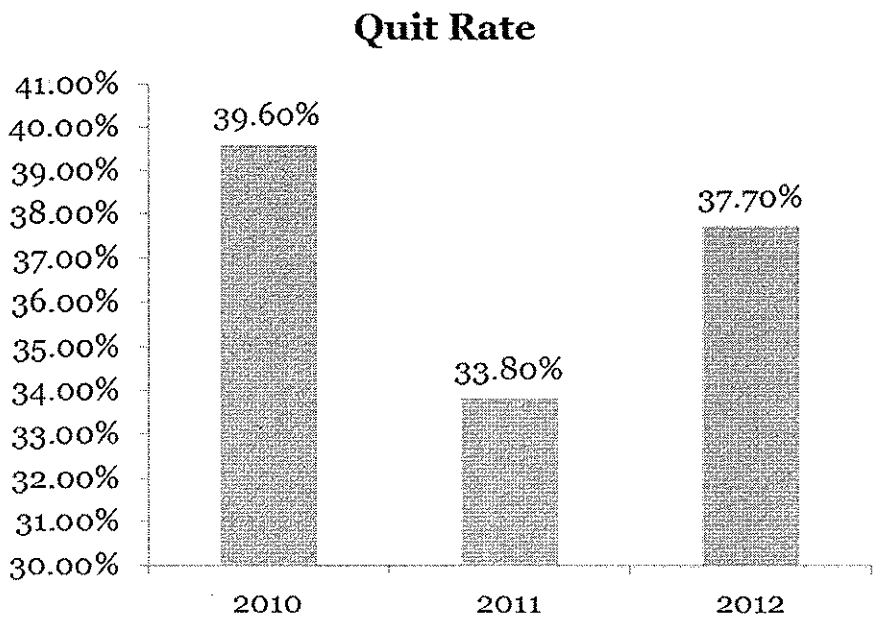
Program Quit Rate Performance:

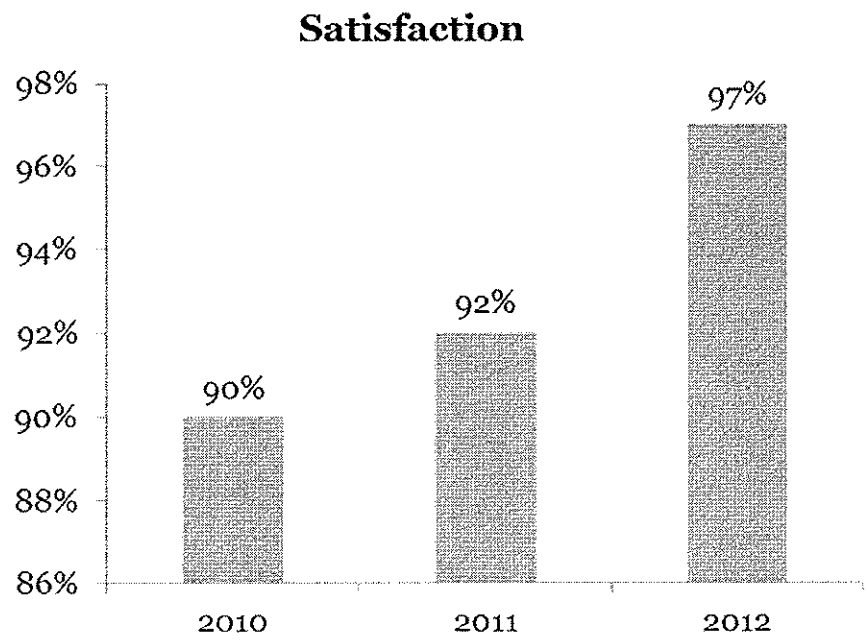
Year Over Year Summary

Quit Rate Data

2010, 2011 and 2012

- **Average Quit Rate = 37% Satisfaction = 93%**





Health Impact:

Health Coaching Program

Health Coaching program improves positive health behavior and health status changes

- Nearly half of active participants in health coaching improved BMI, physical activity, and fruit/vegetable intake.

Health Coaching results for year through Q2: (1/1/12-6/30/12)

Health Behavior/Health Status Change*	Program-to-Date
Improved their Body Mass index (BMI)	45.2%
Increased level of physical activity	47.2%
Increased intake of fruits and vegetables	42.9%
Reduced fat in their diet	29.0%
Increased their ability to cope with stress	4.7%
Increase in perceived level of health	27.0%

** Based on individuals with at least two completed assessments (initial to current).*

Health Impact:

Healthy Living Programs

Many of the members who completed healthy living programs improved behaviors and met their goals

- Over 50% of participants who completed a healthy living program improved their BMI and 93% achieved their goals.

HLP results for year through Q2: (1/1/12-6/30/12)

Behavior Changes **Users reported the following behavior changes after completing their program:**
44% increased level of physical activity.
40% increased intake of fruits and vegetables.
30% reduced fat in diet.
35% increased ability to deal with stress.
31% increased readiness to change.
Program Success **Users reported the following outcomes after completing their program:**
53% improved their body mass index (BMI).
36% increased confidence that they could change behavior.
93% achieved goals.
97% rated program good to excellent.

Health Impact:

Lifestyle Risk - Cohort Population

Reduced all lifestyle risks

- Reduced risk for alcohol use, dietary fat, fruits/vegetables, physical activity, stress, and tobacco.

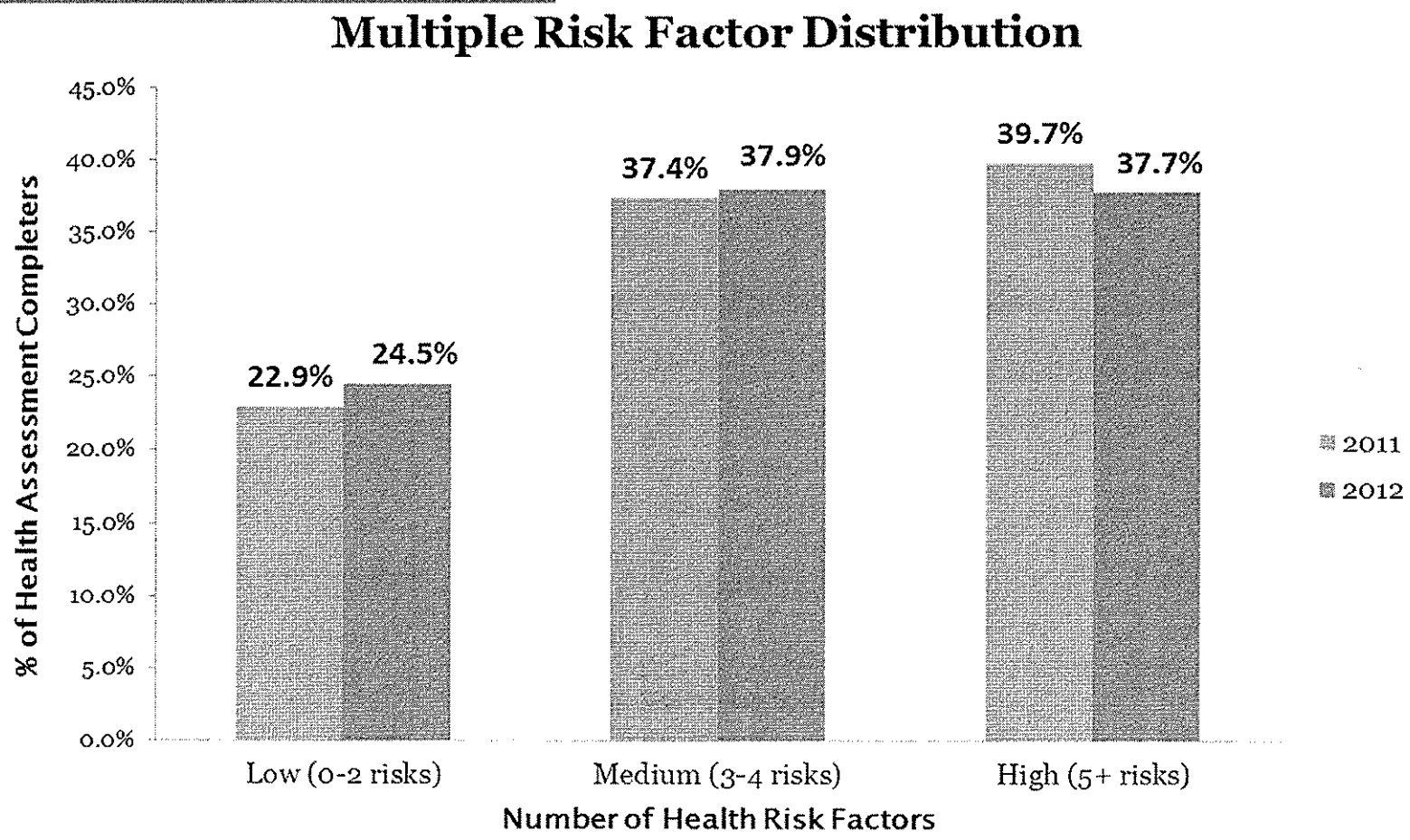
T1 = Jan 2011 – Sept 2011
T2 = Oct 2011 – July 2012

Health Behavior/Health Status Change
Reduced alcohol use by 0.4%
Reduced dietary fat consumption by 2.7%
Increased fruit/vegetable consumption by 2.7%
Increased physical activity by 0.3%
Increased ability to cope with stress by 3.3%

Program Participation Performance

Incenting members beyond the health assessment into wellness programs to improve health has shown progress in risk reduction

2011 = Jan 2011 – Sept 2011
2012 = Oct 2011 – July 2012



Culture

More members are seeing the value of of the programs

- The new strategy is guiding members into our programs and creating new awareness about their health. We should continue to see more positive feedback from year 3 to year 4.

- **Success Stories**
  - "I started with the County April 2011. I became covered by the State Employee Health Plan on June 1, 2011. Since then, thanks to the wonderful activities, ease of use, accessibility of the website, AND my health coach, I have lost 20 pounds! 15 more to go, and I'll be at my goal weight! I know I could have done it on my own, but it would have been harder, and taken much - much longer!" - Crystal
  - I have been running for a while and some of the symptoms of diabetes were masked. If I hadn't attended the free screening I could have been in serious trouble as my blood sugar was well up over 360." - Rick

SEHBP - Statement of Operations
Plan Year 2012

	JAN	FEB	MAR	APR	MAY	JUN	JUL
RTP & RESERVE FUND							
Begin Balance:							
Reserve Fund	12,017,362	12,018,108	12,018,889	12,019,646	12,020,680	12,021,918	12,023,144
Remittance to Providers	102,929,048	110,375,494	115,104,897	117,150,594	126,231,476	128,412,060	132,595,693
Total Beginning Balance	**114,946,411**	**122,393,602**	**127,123,785**	**129,170,240**	**138,252,155**	**140,433,978**	**144,618,837**
Revenue:							
Agency Contributions	23,010,947	23,003,447	23,031,905	24,295,186	23,905,933	22,177,194	23,367,387
Participant Contributions	17,794,360	14,808,174	18,298,142	17,733,483	18,030,676	17,900,825	16,041,481
ıer - rebates, penalties, timing, etc.	379,952	4,010,757	-2,766,335	318,767	1,139,217	-278,274	25,132
Total Revenue	**41,185,260**	**41,822,378**	**38,563,712**	**42,347,436**	**43,075,826**	**39,799,746**	**39,434,000**
Activity on Reserve Fund	745	781	757	1,034	1,238	1,226	1,190
Expenses:							
Premiums, Claims & ASO Payments	33,566,764	37,005,457	35,164,196	32,988,661	40,457,578	35,150,176	32,341,159
Non State Admin/Contracts	172,050	87,518	1,353,819	277,893	437,663	465,936	352,952
Total Expenses	**33,738,814**	**37,092,976**	**36,518,015**	**33,266,554**	**40,895,241**	**35,616,113**	**32,694,111**
End Balance:							
Reserve Fund	12,018,108	12,018,889	12,019,646	12,020,680	12,021,918	12,023,144	12,024,334
Remittance to Providers	110,375,494	115,104,897	117,150,594	126,231,476	128,412,060	132,595,693	139,335,582
End Balance	**122,393,602**	**127,123,785**	**129,170,240**	**138,252,155**	**140,433,978**	**144,618,837**	**151,359,916**

Attachment 5

ADMINISTRATION	JAN	FEB	MAR	APR	MAY	JUN	JUL
Begin Balance:	**5,883,844**	**6,081,592**	**6,209,354**	**6,397,844**	**6,557,096**	**6,774,523**	**6,874,864**
Revenues:							
Cafeteria Fund	275,478	244,861	279,064	266,438	278,903	253,008	256,633
Wellness Fund	63,891	59,386	64,424	62,555	64,409	59,692	58,602
Total Revenues	**339,369**	**304,247**	**343,488**	**328,993**	**343,312**	**312,700**	**315,235**
Expenses:							
Admin Expenses	158,814	131,786	131,786	167,924	128,554	128,554	101,856
Other - timing	-17,193	44,698	23,212	1,817	-2,669	83,805	86,651
Total Admin Expenses	**141,621**	**176,484**	**154,998**	**169,741**	**125,885**	**212,359**	**188,507**
Ending Balance	**6,081,592**	**6,209,354**	**6,397,844**	**6,557,096**	**6,774,523**	**6,874,864**	**7,001,592**