Presentation to East Baton Rouge Parish School System
Health Insurance Advisory Committee Meeting - May 1, 2013
Scott Westbrook, Shane Swenson and Jeff Fernandez
Humana – Group Medicare
Humana Overview

- 51+ years of health care industry experience
- 28 years of continuous experience with Medicare
- Fortune 79 company
- Approx. 4.8+ million Medicare members
  - 2.2 million MA/MAPD
  - 2.6 million PDP
- Humana’s first Medicare plan offered in 1985
- First Group Medicare solution in 1990
- Full spectrum of Product Solutions: Medicare, Group health benefits, Individual health, specialty benefits, pharmacy solutions, voluntary benefits
- Dedicated senior products team with over 9,000 associates who support operations, actuarial, underwriting, compliance, and marketing efforts
What is Medicare Advantage?

• A Medicare Advantage Plan is a type of Medicare health plan offered by an insurance company that contracts with Medicare (CMS) to provide you with all your Part A and Part B benefits.

• Once enrolled, Medicare services are covered through the insurance company plan and are not paid for under Original Medicare. Eligible enrollees must have and maintain Medicare parts A and B.

• Many Medicare Advantage Plans offer prescription drug coverage, embedded in the plan. The common acronym is MAPD (Medicare Advantage Prescription Drug).
It’s just different...

What we are talking about is not new or “smoke and mirrors”. It is just a different approach and a change in funding methodology. What in healthcare is not changing today? We all need to embrace the changes upon us and keep an open mind to all options that help provide solutions.

Some other entities here in LA have been where you are today in this decision process... They asked their advisors to help them find real solutions.

How can we help make providing great benefits to retirees sustainable?

Here are just a few happy LA Humana Group MAPD customers:

- St. Tammany Parish Schools
- St. Charles Parish Schools
- Lafayette Parish Schools
- Iberville Parish Schools
- Orleans Parish Schools
- Jefferson Parish Gov’t
- City of Slidell
- McIlhenny Company: Tabasco®
- Baton Rouge Water Company
- Dow Chemical
- Honeywell
- Port of New Orleans
- Ochsner Clinic Foundation
Why choose Humana Group Medicare Advantage?

- Senior-focused care management, fitness, and wellness programs
- Corporate commitment to Medicare Advantage
- Cost effective solution
- Plan design flexibility
- Dedicated Group Medicare implementation, administration and customer care
- Unique enrollment and communications capabilities
- Extensive experience, expertise and resources
“Group to Group”

• We are specifically discussing GROUP MAPD, not individual Humana GOLD. This is a group product offering. MADP Members must have Medicare parts A & B... and are still considered a group under EBRPSS.
• “Group to Group”, not group to individual coverage.
• The basic differences are:
  • The eligible retiree group becomes fully-insured with Humana, instead of self-funded under EBRPSS.
  • Humana becomes the sole payer for all covered medical and Rx claims.
  • Humana receives monthly payments from Center for Medicare and Medicaid Services (CMS) for each enrolled member.
  • Humana arrives at an actuarial sound PEPM premium to combine with the monthly CMS payment and Humana administers the GROUP plan.
East Baton Rouge Parish School System
Group Medicare Advantage Presentation

Jeff Fernandez
Regional President
April/May 2013
Why is a contracted physician and hospital network so important?
Humana’s 15% Solution

Our holistic approach, together with the scale needed to execute in a post-reform environment, positions us well to deal with wasteful spending in the health system that has been estimated at more than half of all health spending.*

1% to 2%
Early Identification
- Humana Health Assessment
- Predictive modeling

4% to 6%
Clinical Integration & Guidance
- Provider guidance
- Clinician-based support
- Wellness and productivity
- Pharmacy solutions

6% to 8%
Provider Contracting
- Efficient physician networks
- Efficient hospital contracting
- Discounts for free-standing facilities and ancillary services

1% to 2%
Claims Cost Management
- Consistent application of Medicare-published local coverage determinations
- Timely DRG audits and recoveries
- Specialized physician billing review software
- Observation status review
- Fraud detection

* PricewaterhouseCoopers’ Health Research Institute, 2008
Number of Contracted Humana Hospitals and Doctors in Baton Rouge Service Area

Count of contracted providers

Primary Care Providers: 434
Specialists: 687
Hospitals: 15 including OLOL, Baton Rouge General, Ochsner, Woman’s, St Elizabeth’s, Lane Memorial
Who is advocating for your members health?
Question

Is someone coordinating the discharge planning process when they leave the hospital?

Is someone making sure all the care that is ordered upon discharge actually shows up?

Is someone making sure the prescription reconciliation takes place for your members to avoid contra indications?

Is someone providing counseling to your members with chronic conditions to guide them back to health?
Welcome to Humana’s Health and Well Being vision in the 21st Century!

• The transition from traditional insurance to well being company.

• Over 100 nurse professionals located in Louisiana to assist in both the Utilization and Case management needs of our members.

• Humana Cares to care for the sickest of the sick members.

• Onsite doctor visits for those members unable to travel to the doctor office.
Current State of Uncoordinated HealthCare: Members Experience Chaos

Who is on First?

Acute  Rehab  SNF  LTAC  Home
Rationalized Care Continuum

Acute
- Chart
- Review
- APT
- Readmits
- Discharge
- Planning

Rehab
- Chart
- Review
- ALOS
- Readmits
- Discharge
- Planning
- Weight-Bearing Status

SNF
- Chart
- Review
- ALOS
- ADL’s
- Readmits
- Discharge
- Planning

LTAC
- Chart
- Review
- APT
- Readmits
- Discharge
- Planning

Home
- Home
- Health
- Case
- Management
- Disease
- Management
- Meal
- Program
- Wellness
- Programs
- GDR
- RightSource

Critical Thinking/Analysis
Utilization Management Focus

- Utilization management will be based on Milliman Care Guidelines, Home Care Utilization Models-Medicare-16th Edition
- Precertification of HH to optimize care coordination and utilization
- Focus on seamless transfers of members to Home Health Care
- Evaluation of available benefits and eligibility for external programs
- Senior Bridge Transitions Program
Case Management Focus

- Focus on preventing inpatient readmissions
- Development of discharge plan from HH
- Focus on identifying members with complex needs and following with Home Health
- Focus on collaboration with all providers
- Focus on evaluation of available resources
- Support HEDIS initiatives
Additional Available Resources

- **Senior Bridge Transitions** - In-home Case Management Program aimed at reducing readmissions

- **Humana First** – 24-hour nurse line 1(800) 622-9529

- **Silver Sneakers** - health club benefit available to most members 1(888) 423-4632

- **Right Source** - Humana's mail order pharmacy 1(800) 379-0092

- **Caring Connections** - www.caringinfo.org can provide information and forms for Advanced Directives

- **Quitnet** - Smoking cessation benefit available to most members 1(888) 572-4074

- **Generic medication education** - performed to maximize the member’s prescription drug benefit thru RX Support 1(866) 604-6485
Additional Humana Disease Management Programs

- Humana Cares Program is an internal disease management vendor that manages those catastrophic and chronically ill Medicare members for life

- Village Health is an external disease management vendor for Chronic Renal Insufficiency (CRI) and End Stage Renal Disease (ESRD)

- LifeSynch is an internal behavioral health program owned by Humana in which the local case managers “co-manage” dual diagnosis cases

- Humana Bariatric Program and Humana Transplant Program
## Comparison Humana versus United Health

<table>
<thead>
<tr>
<th>Fact?</th>
<th>Humana</th>
<th>United</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total MA members in the Baton Rouge Service Area (see next slide)</td>
<td>31,335</td>
<td>??</td>
</tr>
<tr>
<td>Total MA HMO members in BR Service Area (see nxt slide)</td>
<td>30,474</td>
<td>??</td>
</tr>
<tr>
<td>% of MA HMO members under PCP engagement</td>
<td>76%</td>
<td>??</td>
</tr>
<tr>
<td>The Baton Rouge Clinic contracted under HMO or PPO contract</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td># of LA nurses living in LA servicing MA members</td>
<td>100</td>
<td>??</td>
</tr>
<tr>
<td># of onsite nurses at BR Facilities to coordinate a member's discharge</td>
<td>5</td>
<td>??</td>
</tr>
<tr>
<td>Ability to offer member choice of HMO or PPO product?</td>
<td>YES</td>
<td>??</td>
</tr>
</tbody>
</table>
### Current Membership Breakdown - % of Members under engaged PCP contracts

<table>
<thead>
<tr>
<th>Location</th>
<th>HMO</th>
<th>LPPO, RPO, PFFS</th>
<th>Total MA</th>
<th>% HMO</th>
<th>% Under Engagement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascension</td>
<td>3.945</td>
<td>64</td>
<td>4.009</td>
<td>98.4%</td>
<td></td>
</tr>
<tr>
<td>East Baton Rouge</td>
<td>14.519</td>
<td>356</td>
<td>14.875</td>
<td>97.6%</td>
<td></td>
</tr>
<tr>
<td>East Feliciana</td>
<td>822</td>
<td>19</td>
<td>841</td>
<td>97.7%</td>
<td></td>
</tr>
<tr>
<td>Iberville</td>
<td>1.986</td>
<td>163</td>
<td>2.149</td>
<td>92.4%</td>
<td></td>
</tr>
<tr>
<td>Livingston</td>
<td>6.096</td>
<td>90</td>
<td>6.186</td>
<td>98.5%</td>
<td></td>
</tr>
<tr>
<td>Pointe Coupee</td>
<td>1.087</td>
<td>53</td>
<td>1.140</td>
<td>95.4%</td>
<td></td>
</tr>
<tr>
<td>St. Helena</td>
<td>555</td>
<td>36</td>
<td>591</td>
<td>93.9%</td>
<td></td>
</tr>
<tr>
<td>West Baton Rouge</td>
<td>1.106</td>
<td>70</td>
<td>1.176</td>
<td>94.0%</td>
<td></td>
</tr>
<tr>
<td>West Feliciana</td>
<td>358</td>
<td>10</td>
<td>368</td>
<td>97.3%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>30,474</td>
<td>861</td>
<td>31,335</td>
<td>97.3%</td>
<td>76.3%</td>
</tr>
</tbody>
</table>
### Humana Medicare Employer Plan – Premium Information

**East Baton Rouge Parish School System - PPO**

- **Date:** 4/26/2013
- **Plan Year:** 01/01/2014-12/31/2014
- **Plan Names:**
  - Passive LPO 079 060 with Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic
  - Passive RPPO 079 540 with Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic
  - Passive Waiver 079 060 with Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic
- **Rx Formulary:** Group Plus 4 Formulary - 13800

### Final Premium

<table>
<thead>
<tr>
<th></th>
<th>$300.76 Per Member Per Month*</th>
</tr>
</thead>
</table>

### Medical and Rx Benefit Blended Overview Passive LPPO 079 060

(In-Network Benefits match Out-of-Network Benefits)

<table>
<thead>
<tr>
<th>Benefit</th>
<th>In-Network Benefit</th>
<th>Out-of-Network Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deductible</td>
<td>None</td>
<td>$175 Copayment per Admission</td>
</tr>
<tr>
<td>Inpatient Hospital</td>
<td></td>
<td>$50 Copayment (Days 21-100)</td>
</tr>
<tr>
<td>Skilled Nursing</td>
<td></td>
<td>$5 Copayment</td>
</tr>
<tr>
<td>Physician</td>
<td></td>
<td>$15 Copayment</td>
</tr>
<tr>
<td>Specialist</td>
<td></td>
<td>$50 Copayment</td>
</tr>
<tr>
<td>Outpatient Surgical</td>
<td></td>
<td>$50 Copayment</td>
</tr>
<tr>
<td>Ambulance</td>
<td></td>
<td>$65 Copayment</td>
</tr>
<tr>
<td>Emergency Room</td>
<td></td>
<td>$2,500</td>
</tr>
<tr>
<td>Maximum Out of Pocket</td>
<td></td>
<td>Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic</td>
</tr>
</tbody>
</table>
HMOCopay Plan

Humana Medicare Employer Plan – Premium Information

East Baton Rouge Parish School System - Baton Rouge HMO

Date: 4/26/2013
Plan Year: 01/01/2014-12/31/2014
Humana Medicare Employer Plan
Plan Names: HMO 076 516 with Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic
Rx Formulary: Group Plus 4 Formulary - 13800

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Deductible</th>
<th>Copayment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inpatient Hospital</td>
<td>None</td>
<td>$250 Copayment (Days 1-5)</td>
</tr>
<tr>
<td>Skilled Nursing</td>
<td>None</td>
<td>$75 Copayment (Days 21-100)</td>
</tr>
<tr>
<td>Physician</td>
<td>None</td>
<td>$10 Copayment</td>
</tr>
<tr>
<td>Specialist</td>
<td>None</td>
<td>$25 Copayment</td>
</tr>
<tr>
<td>Outpatient Surgical</td>
<td>None</td>
<td>$200 Copayment</td>
</tr>
<tr>
<td>Ambulance</td>
<td>None</td>
<td>$75 Copayment</td>
</tr>
<tr>
<td>Emergency Room</td>
<td>None</td>
<td>$65 Copayment</td>
</tr>
<tr>
<td>Maximum Out of Pocket</td>
<td>None</td>
<td>$2,500</td>
</tr>
<tr>
<td>Pharmacy</td>
<td>None</td>
<td>Custom Rx $50 Deductible; $10/$25/$45/$45 from $50 to Catastrophic</td>
</tr>
</tbody>
</table>

LA - BATON ROUGE

$197.33 Per Member Per Month*
<table>
<thead>
<tr>
<th>Year</th>
<th>Plan Type</th>
<th>Total</th>
<th>EBRPSS Contribution</th>
<th>Retiree Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Core</td>
<td>$387.00</td>
<td>$355.00</td>
<td>$32.00</td>
</tr>
<tr>
<td></td>
<td>Buy Up</td>
<td>$446.00</td>
<td>$355.00</td>
<td>$91.00</td>
</tr>
<tr>
<td>2014</td>
<td>Core</td>
<td>$485.00</td>
<td>$355.00</td>
<td>$130.00</td>
</tr>
<tr>
<td></td>
<td>Buy Up</td>
<td>$559.00</td>
<td>$355.00</td>
<td>$204.00</td>
</tr>
<tr>
<td></td>
<td>Humana CoPay Passive PPO</td>
<td>$300.76</td>
<td>$197.33</td>
<td>$103.43</td>
</tr>
<tr>
<td></td>
<td>Humana CoPay HMO</td>
<td>$197.33</td>
<td>$197.33</td>
<td>-</td>
</tr>
</tbody>
</table>
# 2014 Custom Rx for East Baton Rouge Parish School System

**Group Plus Formulary**

**Effective Date:** 01/01/2014 - 12/31/2014

**Subject to CMS Approval**

## 30 Day Supplies

<table>
<thead>
<tr>
<th>Plan/Option</th>
<th>Rx Option Number</th>
<th>30 Day Retail from $0 to Deductible (1)</th>
<th>30 Day Retail from Deductible to Catastrophic (2)</th>
<th>30 Day Retail Cost Sharing from Catastrophic to Unlimited</th>
<th>Out of Pocket that triggers Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>TBD</td>
<td>Tier 1* 100% Tier 2 100% Tier 3 100% Tier 4 100%</td>
<td>Tier 1* $10 Tier 2 $25 Tier 3 $45 Tier 4 $45</td>
<td>Greater of $2.55 for generic/multiple source drugs ($6.35 for all others) or 5% coinsurance</td>
<td>$4,550</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan/Option</th>
<th>Rx Option Number</th>
<th>30 Day Mail Order from $0 to Deductible</th>
<th>30 Day Mail Order from Deductible to Catastrophic</th>
<th>30 Day Mail Order Cost Sharing from Catastrophic to Unlimited</th>
<th>Out of Pocket that triggers Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>TBD</td>
<td>Tier 1* 100% Tier 2 100% Tier 3 100% Tier 4 100%</td>
<td>Tier 1* $10 Tier 2 $25 Tier 3 $45 Tier 4 $45</td>
<td>Greater of $2.55 for generic/multiple source drugs ($6.35 for all others) or 5% coinsurance</td>
<td>$4,550</td>
</tr>
</tbody>
</table>

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*Tier 1: Generic or Preferred Generic  
Tier 2: Preferred Brand  
Tier 3: Non-Preferred Brand  
Tier 4: Specialty Tier

**Footnotes**

1. **Deductible:** Member’s out-of-pocket costs must reach $50 before plan will begin to contribute to drug payments.  
2. **Catastrophic:** Once a member’s True Out Of Pocket (TrOOP) cost reaches $4,550.

**Out of Network: Emergency Situations**

When a member purchases a drug at an out-of-network pharmacy in an emergency situation:

a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,

b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.
# 2014 Custom Rx for East Baton Rouge Parish School System

**Group Plus Formulary**

**Effective Date:** 01/01/2014 - 12/31/2014

**Subject to CMS Approval**

### 90 Day Supplies

<table>
<thead>
<tr>
<th>Plan/Option</th>
<th>Rx Option Number</th>
<th>90 Day Retail (3) from $0 to Deductible (1)</th>
<th>90 Day Retail from Deductible to Catastrophic (2)</th>
<th>90 Day Retail Cost Sharing from Catastrophic to Unlimited</th>
<th>Out of Pocket that triggers Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>TBD</td>
<td>Tier 1* 100%  Tier 2 100%  Tier 3 100%  Tier 4 100%</td>
<td>Tier 1* $30  Tier 2 $75  Tier 3 $135  Tier 4 N/A</td>
<td>Greater of $2.55 for generic/multiple source drugs ($6.35 for all others) or 5% coinsurance</td>
<td>$4,550</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan/Option</th>
<th>Rx Option Number</th>
<th>90 Day Mall Order (3) from $0 to Deductible</th>
<th>90 Day Mall Order from Deductible to Catastrophic</th>
<th>90 Day Mall Order Cost Sharing from Catastrophic to Unlimited</th>
<th>Out of Pocket that triggers Catastrophic</th>
</tr>
</thead>
<tbody>
<tr>
<td>TBD</td>
<td>TBD</td>
<td>Tier 1* 100%  Tier 2 100%  Tier 3 100%  Tier 4 100%</td>
<td>Tier 1* $25  Tier 2 $65  Tier 3 $100  Tier 4 N/A</td>
<td>Greater of $2.55 for generic/multiple source drugs ($6.35 for all others) or 5% coinsurance</td>
<td>$4,550</td>
</tr>
</tbody>
</table>

*Tier 1: Generic or Preferred Generic  
Tier 2: Preferred Brand  
Tier 3: Non-Preferred Brand  
Tier 4: Specialty Tier

---

**Footnotes**

1. **Deductible:** Member’s out-of-pocket costs must reach $50 before plan will begin to contribute to drug payments.
2. **Catastrophic:** Once a member’s True Out Of Pocket (TrOOP) cost reaches $4,550.
3. **Retail and Mall Order:** Retail and Mall Order benefit for a 90-day supply is limited to Rx formulary Tiers 1-2 and most drugs on Tier 3. Regardless of tier placement, Specialty drugs are limited to a 30-day supply.

**Out of Network: Emergency Situations**

When a member purchases a drug at an out-of-network pharmacy in an emergency situation:

a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,

b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.