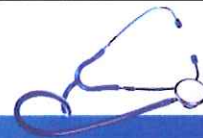


Scenario



- School Corporation with On-Site Clinic which has been in place for 30 months.
- The School Corporation has 385 eligible employees, who are welcome to visit the Clinic at no cost to the employee or utilize a typical PPO Health Plan.
- Clinic Costs were compared to the cost for the same prescriptions, labs, and office visit services that were processed through the Health Plan.
- The Study focuses on the Employer Net Savings. Employees will also save due to the free clinic services.

Findings: Office Visit Savings

- Office Visits expenses per hour were 2.43 times higher through the Health Plan than the Staffing charges through the clinic.
- Savings: \$304,000
- Details & Assumptions:
 - Clinic is open for hours for standard office visits, but also some slots for Rx refills and lab draws.
 - Compared Clinic cost only to the cost of CPT Procedure codes 99201-99215 & 99381-99397 that cover standard and preventative visits, though other codes could also be added for additional services in a typical doctor's office setting.
 - Based on CPT codes utilized, the average Health Plan doctor's visit was also 20 minutes, which seems conservative.
 - Typical Health Plans pay around 80% of the allowed amount.

Findings: Rx Savings

- Prescription Drug expenses range from 1.72 to 2.43 times higher through the Health Plan than the Rx charges through the clinic.
- Savings: \$144,000 to \$286,000
- Details & Assumptions:
 - Compared Clinic cost on 9,777 prescriptions to the price of those same prescriptions filled through the Health Plan.
 - Some of the prescriptions through the Health Plan were generic and some were brand.
 - The 1.72 figure assumes that all of the Health Plan Rx usage would be generic and the 2.43 assumes all brand ONLY if there was a brand filled for that drug included in the Health Plan experience.

Findings: Lab Savings

- Lab expenses were 1.81 times higher through the Health Plan than the Lab charges through the clinic.
- Savings: \$23,500
- Details & Assumptions:
 - Compared Clinic cost on 8,899 labs to the price of those same labs with experience through the Health Plan.
 - Typical Health Plans pay around 80% of the allowed amount.

Findings: Clinic Expenses

- The Clinic Expenses include the monthly clinic administration fee, supplies, and the cost of the build-out which totaled \$278,000 for this 30 month period.
- Details & Assumptions :
 - Build-Out Cost of \$50,000 was spread over 10 year period for this study.

Findings: Soft Savings

- **Productivity:** The on-site clinic location as well as the scheduling will also generate savings. Rather than a staff member taking a half day off for an office visit. They are gone for 30 minutes total including the visit and the short travel. If we conservatively say that we are just saving one hour per visit at \$20/hr and the clinic saw 3,500 visits over the 30 months, then we reach Savings of \$70,000 for Productivity. *(This will not include this in the employer savings total.)*
- **EE Savings:** If the Health Plan pays 80% on average, the employees are paying 20% of their cost through the Health Plan versus 0% through the clinic. On the clinic services for this period that has saved the employees at least \$118,000. *(This will not include this in the employer savings total.)*
- **Employee Satisfaction** is a great side effect with no way to quantify.

Findings: Total ROI

	ROI if All Generic Usage in Health Plan	ROI if Brand Usage in Health Plan for Brands in Plan Experience
<u>Savings:</u>		
Office Visits	\$304,000	\$304,000
Rx	\$144,000	\$286,000
Labs	\$ 23,500	\$ 23,500
Total Savings *	\$471,500	\$613,500
<u>Costs:</u>		
Fee, Supplies, Build-out	\$278,000	\$278,000
Net Savings *	\$193,500	\$335,500
Average Annual Net Savings *	\$ 77,400	\$134,200
Clinic ROI	1.7 0	2.21

* Based on 30 month utilization. Utilization in the last 12 months is greater than the first 12 months.

Central Indiana School Employees' Insurance Trust Renewal History

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8/23/12

Year	Actual Rate Increases		Trend			Trend Increases
	% Incr.	CISEIT	Medical	Rx	Med/Rx	
BASE						
2008	0.0%	\$1.00	13.0%	15.5%	13.5%	\$1.00
2009	10.0%	\$1.10	13.0%	15.5%	13.5%	\$1.14
2010	7.5%	\$1.18	13.0%	15.5%	13.5%	\$1.29
2011	2.0%	\$1.21	14.0%	16.5%	14.5%	\$1.48
2012	3.0%	\$1.24	13.0%	15.5%	13.5%	\$1.67
	5.0%	\$1.30	13.0%	15.5%	13.5%	\$1.90

Footnotes:

1) Trend was taken from actual insurance carrier renewal calculations from Indiana public employers with PPO plans.

