

Indiana Advisory Commission on Intergovernmental Relations

Managing Local Government Employee Health Care

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Pressures on School Corporations

- Indiana House Bill 1260
- General Tax Reforms (property tax caps)
- History of governmental agencies lagging behind private business
- Antiquated Union Contracts
- Community Pressure
- ACA penalties
 - Pay or Play definition of full-time...can not use summer break for averaging part time or seasonal employees
 - Mandated Open Enrollment and no pre-existing condition exclusion
 - No Life-Time Maximum Benefits

Zionsville Community School Corporation

- Antiquated Bargaining Agreement
 - Employee Contributions are limited to .8% of cost or ~ \$170 per year
- Effective January 1, 2015 plan will offer two options
 - \$500 Deductible & \$2,000 Deductible
 - Intend to offer an HSA compliant Consumer Driven Plan in 2016
- On-Site Health Clinic established in 2009
 - Currently managed by St. Vincent Health
- Established an Exclusive Provider Relationship (EPO) with St. Vincent Health ~ 2012

EPO with St. Vincent Health

- Established “ZCS Preferred Provider Network”
- “Best in Industry Discounts” from St. Vincent Health, Witham Health Services and Riverview Health
- In-Network defined as services from the three hospital systems, including their physicians and labs.
- Significant reduction in benefits for Out-Of-Network utilization

Results of Clinic and EPO

- Cost Trend prior to changes = 6.0%
- Cost Trend following changes = (2.8%)

- Name-brand prescriptions in 2007 = 6,393
- Name-brand prescriptions in 2013 = 2,471
 - Savings of \$438,718

- Emergency Room Visits in 2007 = 116
- Emergency Room Visits in 2013 = 87
 - Savings of \$94,543

- Similar reductions in Primary Care and Specialist office visits

Total Savings of ~ \$1,737,820 over past four years

Over past 8 years, ZCS' average per employee per month cost increase = 1.8%

Future Considerations *for ZCS* *-and other employers*

- Collective Bargaining Agreement ~ August, 2015
- Referenced Based Network (see attachment)
- Consumer Driven Health Plan Option (Health Savings Account)
- Clinics – community based & total body care (including counselling, financial and physical therapy)
- Target Metabolism (100% fat-loss program)-
 - Hillenbrand, Inc.- 122 employees averaging ~25lbs. pure fat reduction
- Concierge Service (assistance in locating providers and comparing their costs and quality metrics)

Referenced Based Pricing

Total Billed	Allowed Amount	ELAP Fee	Total Cost	Savings	Savings %
\$3,031.00	\$533.70	\$363.72	\$897.42	\$2,133.58	70.39%
\$5,915.00	\$1,788.70	\$709.80	\$2,498.50	\$3,416.50	57.76%
\$10,526.68	\$1,177.02	1,263.20	\$2,440.22	\$8,086.46	76.82%
\$869.00	\$116.39	\$104.28	\$220.67	\$648.33	74.61%
\$5,804.00	\$1,449.73	\$696.48	\$2,146.21	\$3,657.79	63.02%

* First five listings from page 1 of 2 for month of August, 2014 for un-identified client