



Miami-Dade County
Labor Healthcare Committee Workshop

June 4, 2014



Agenda

- What We Have Done
 - Savings Delivered
 - Actions Driving Savings
- What We Are Doing
 - Ongoing Saving Initiatives
- Our Commitment Going Forward

Outperforming from the Start

Excerpts from an October 9, 2008 memo from County Manager George Burgess to the Board of County Commissioners:

“The first year of our self insured program with AvMed has been quite successful. . . We expect to achieve a total savings of \$63.5 million, surpassing the total savings originally projected at \$58 million . . .”

“As a result of more favorable discount arrangements and effective claims management by AvMed, claims-related savings are estimated at \$11.1 million, which is \$5.5 million more than initial projections.”

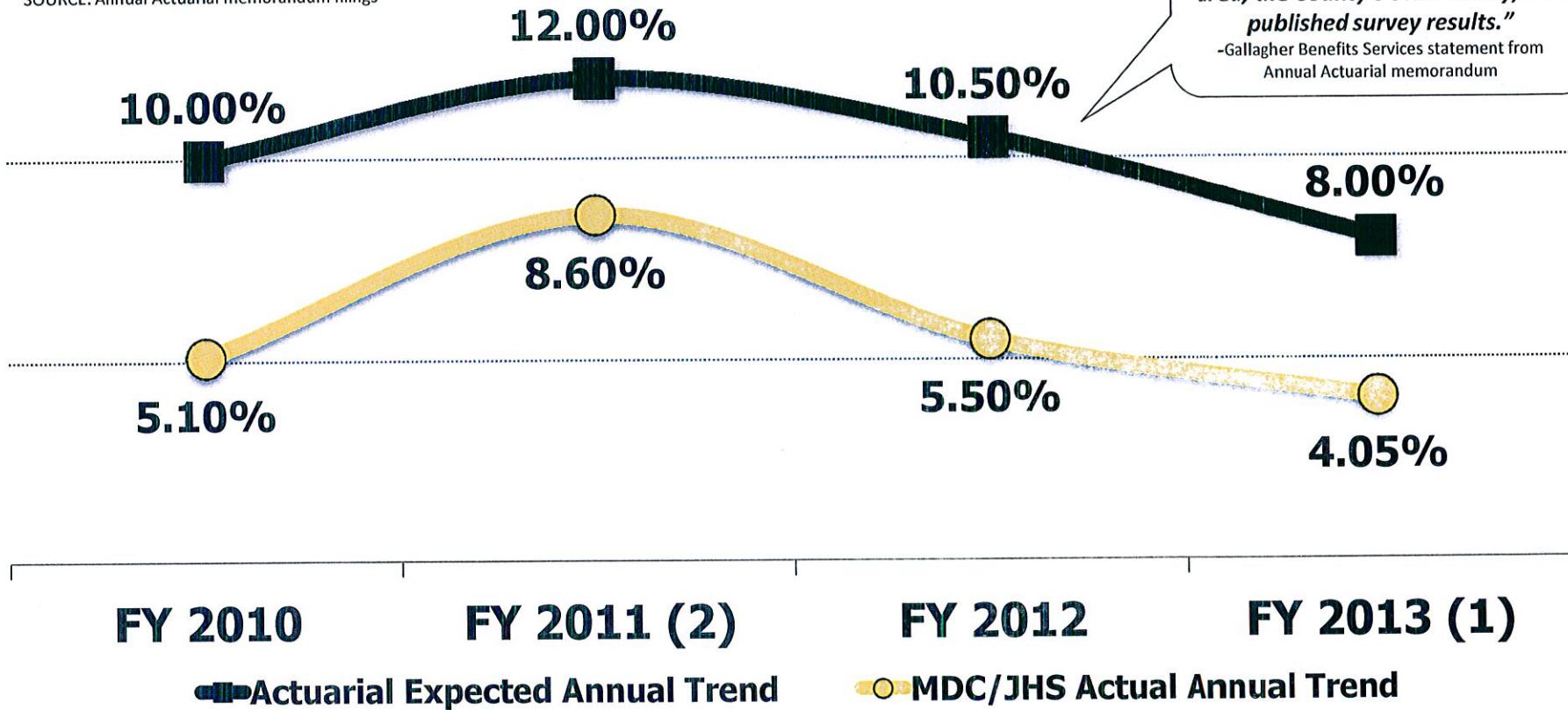


Claim Cost Trend

Expected vs. Actual

SOURCE: Annual Actuarial memorandum filings

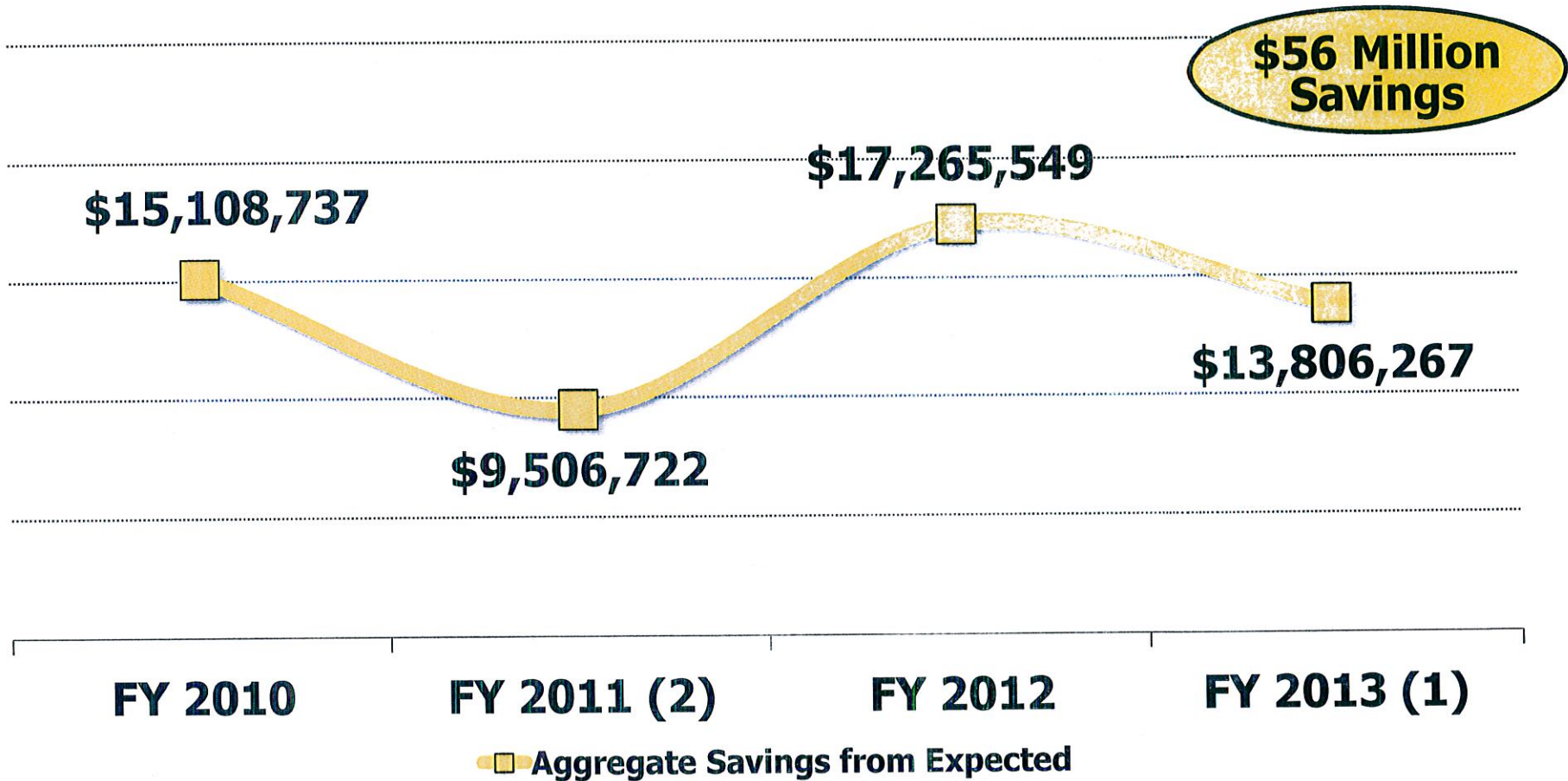
"These trends are based on our experience with other clients in this area, the County's own history, and published survey results."
 -Gallagher Benefits Services statement from Annual Actuarial memorandum



(1) FY2013 adjusted for benefit changes
 (2) Jackson Health System employees were not covered by plan in calendar year 2011

Total Claim Cost

Expected Claim Cost vs. Actual Claim Cost



(1) FY2013 adjusted for benefit changes

(2) Jackson Health System employees were not covered by plan in calendar year 2011

Initiatives Driving Savings

- Successful provider contract negotiations with trends better than industry average. Overall network discounts are equal/better than other carriers in the market.
- Provider audits and investigations
- Coordination of Benefits
- Subrogation
- Maximum Allowable Payment (reimbursement schedule for non-par providers)
- Management of high-tech radiology services
- Adjustments to preferred drug list

Active Cost Savings Initiatives

- Pharmacy Benefit Manager negotiations will result in meaningful savings
- Provider contracting that continues to be below industry trends
- Select Network development and coordination
- Neo-natal Intensive Care Management Program

Other Suggestions

- Formulary Adjustments / Preferred Pharmacy Network
- Disease Management Program
- High Performance Specialty Network Option
- Centers of Excellence

Challenges

- Value to the providers for lowering cost?
- Inpatient facility cost represents less than 20% of total cost

Our Commitment

- Continue to work with all involved to find acceptable solutions
- Quantify savings of in-progress initiatives
- Maintain our current market discount competitiveness
- Continue to manage your dollars as effectively as we manage our own