

Public Agenda Item #15d

Review, Discussion and Consideration of the
Texas Employees Group Benefits Program for Fiscal Year 2017:

Health Maintenance Organizations Proposed Rates

May 17, 2016

Robert P. Kukla, Director of Benefit Contracts

Blaise Duran, ASA, MAAA and Manager of Underwriting, Data Analysis and Reporting

Philip S. Dial, Rudd & Wisdom, Inc.

Health Maintenance Organizations (HMO's)



Background

- HMO Coverage is funded in the same manner as HealthSelect of Texas
Contribution rates are approved by the Board.
- Eligibility, network, and plan design differ from HealthSelect
 - Not available in all Texas counties
 - No out-of-network benefits

Health Maintenance Organizations (HMOs)

Coverages and Enrollment



Participating HMOs Enrollment As of March 31, 2016

HMO	Areas of Coverage	Enrolled Members	Enrolled Dependents	Total
Community First	8-county service area: San Antonio region	2,676	2,301	4,977
Scott & White	45-county service area: Austin, San Angelo, Temple and Waco regions	11,482	7,099	18,581
KelseyCare powered by CHC	5-county service area: Houston region	923	966	1,889

Health Maintenance Organizations (HMO's)

Financial Evaluation



- For FY 2017, incumbent carriers were provided a renewal option.
- Renewal rates had to meet:
 - Theoretical Cost Index (TCI) requirement
 - Service area expansion notifications
 - Evidence that disaster recovery and/or business resumption process has been successfully tested
 - Updated liability insurance coverages

Health Maintenance Organizations (HMO's)

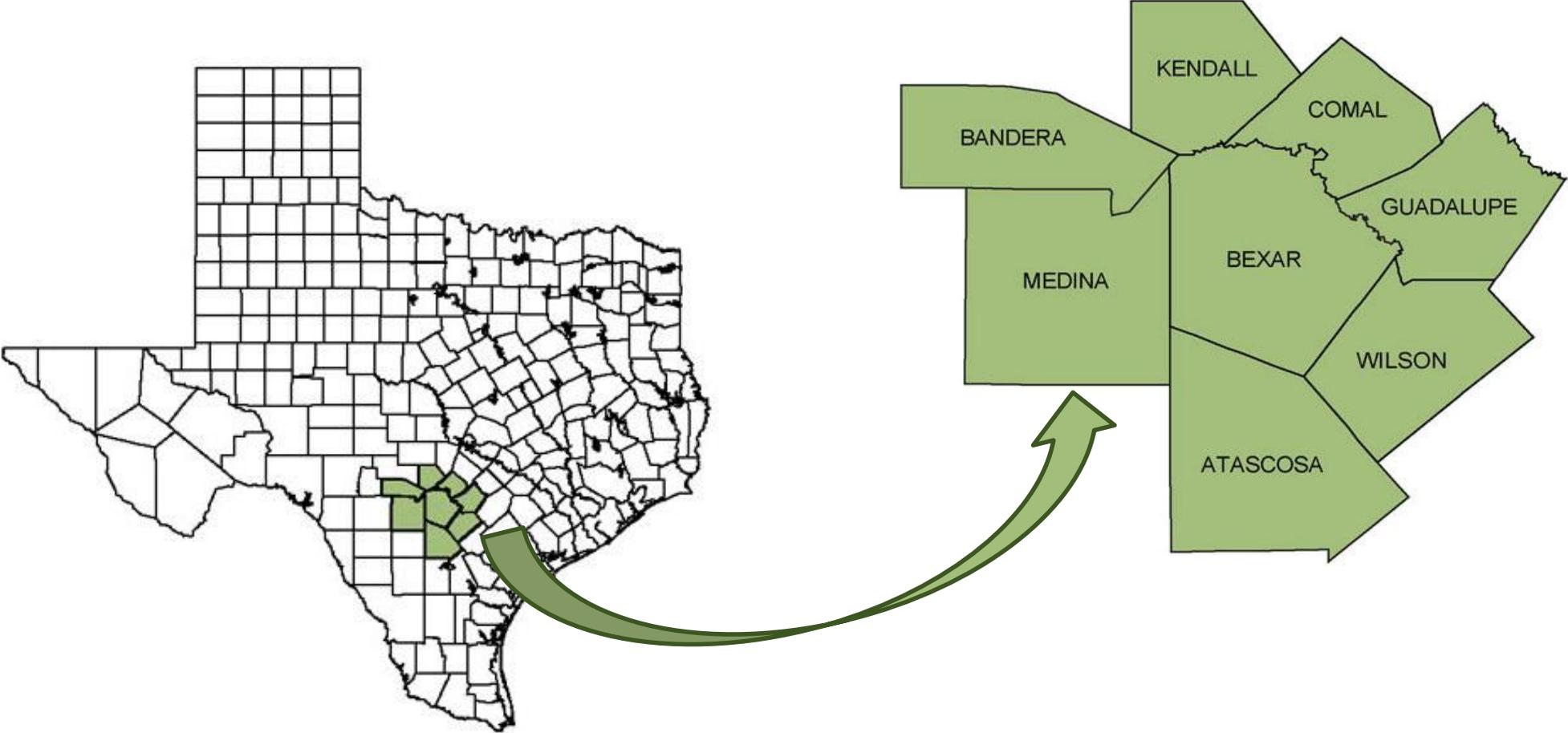


Staff Recommendation

- The following incumbent HMO carriers are recommended for continued participation in the GBP for GY 2017:
 - **Community First:** San Antonio Region (8 Counties)
 - **Scott & White:** Austin/San Angelo/Temple/Waco/Region (45 Counties)
 - **KelseyCare powered by CHC:** Houston Region (5 Counties)

Health Maintenance Organizations (HMOs)

Community First Health Plans Service Area



Health Maintenance Organizations (HMOs)

Community First Health Plans - Proposed Rates

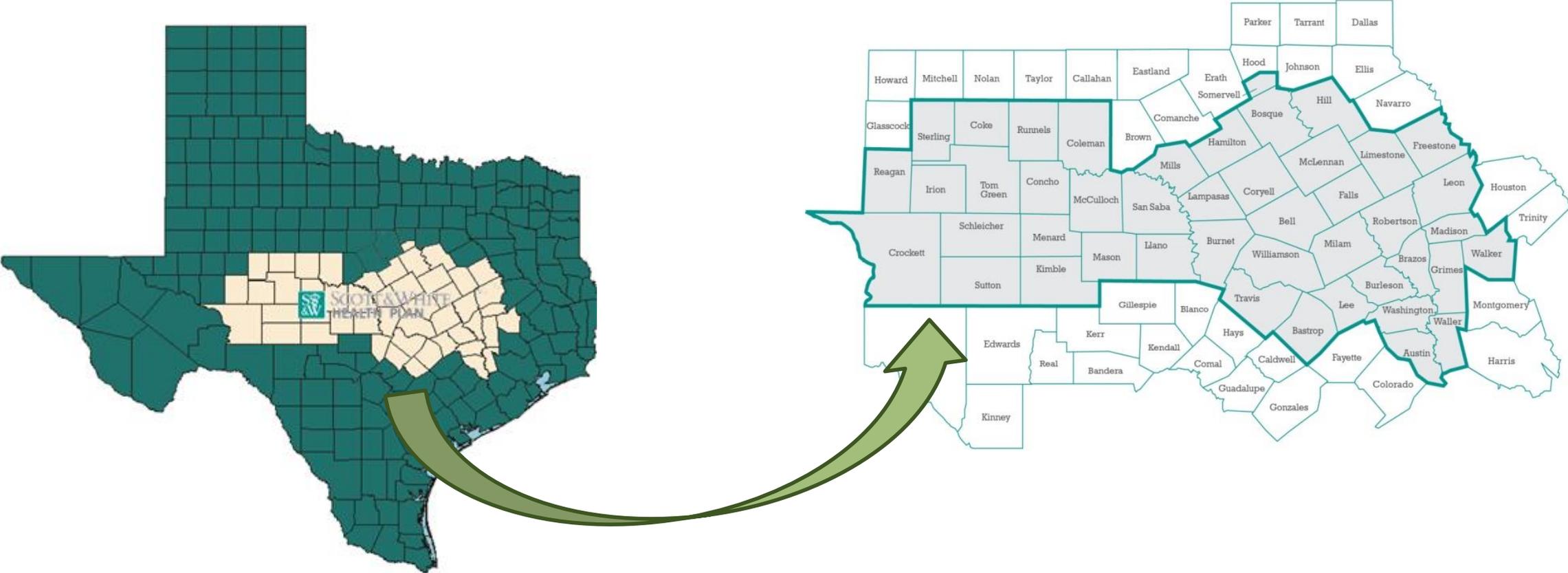


Community First Health Plans, Inc. Proposed Monthly HMO Rates Fiscal Year 2017

Coverage Category	Total Contribution Rate (Monthly)	State Contribution Amount (Monthly)	Member Contribution Amount (Monthly)	Change in Member Contribution	
				Amount	Percentage
Member Only	\$ 509.28	\$ 509.28	\$ 0.00	\$ 0.00	0.0%
Member & Spouse	1,094.96	802.12	292.84	8.66	3.0%
Member & Child(ren)	901.44	705.36	196.08	5.80	3.0%
Member & Family	1,487.12	998.20	488.92	14.46	3.0%

Health Maintenance Organizations (HMOs)

Scott & White Health Plan Service Area



Health Maintenance Organizations (HMOs)

Scott and White Health Plan - Proposed Rates

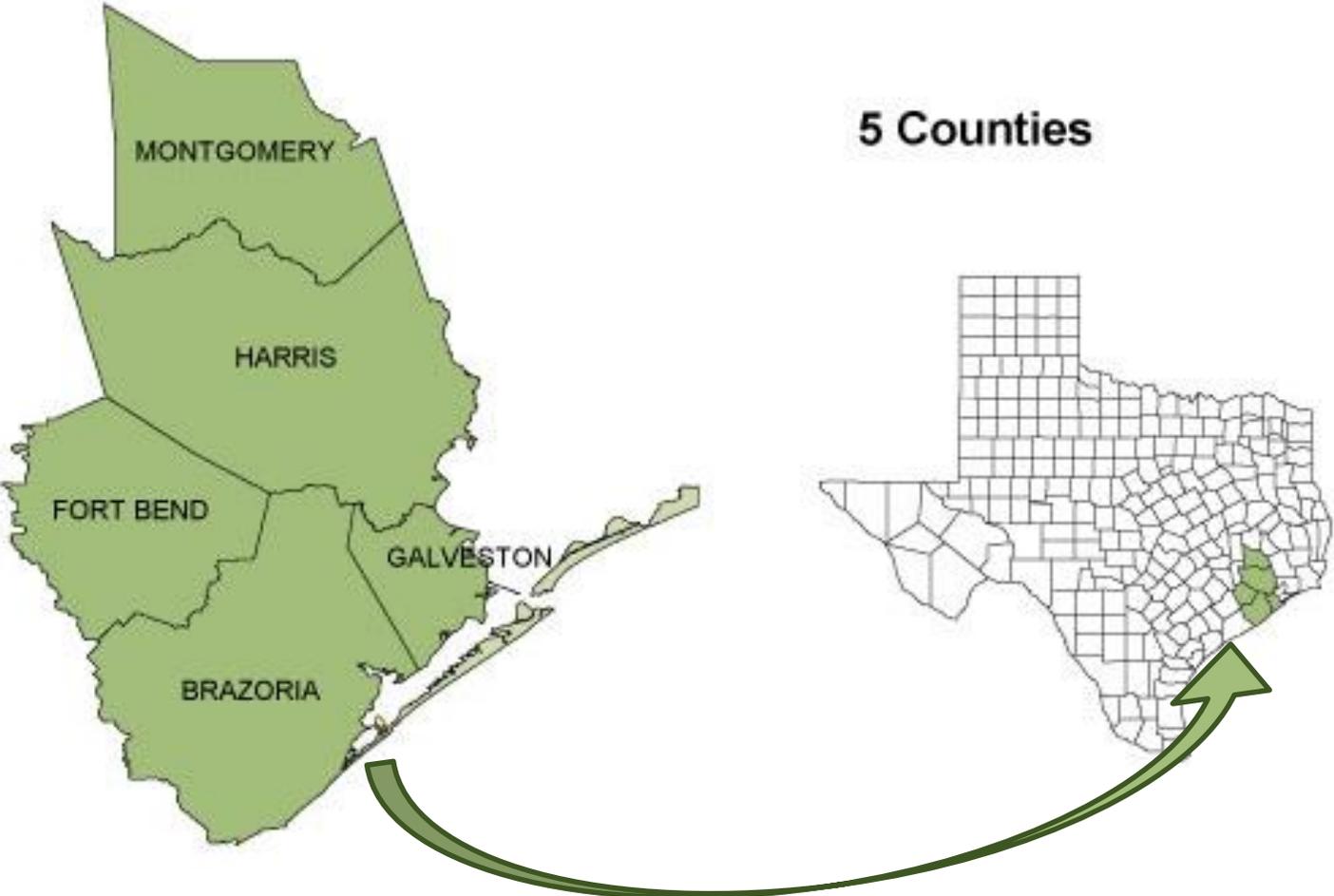


Scott and White Health Plan Proposed Monthly HMO Rates Fiscal Year 2017

Coverage Category	Total Contribution Rate (Monthly)	State Contribution Amount (Monthly)	Member Contribution Amount (Monthly)	Change in Member Contribution	
				Amount	Percentage
Member Only	\$ 607.96	\$ 607.96	\$ 0.00	\$ 0.00	0.0%
Member & Spouse	1,307.12	957.54	349.58	21.62	6.6%
Member & Child(ren)	1,076.08	842.02	234.06	14.48	6.6%
Member & Family	1,775.24	1,191.60	583.64	36.10	6.6%

Health Maintenance Organizations (HMOs)

KelseyCare powered by CHC Service Area



Health Maintenance Organizations (HMOs)



KelseyCare powered by CHC - Proposed Rates

KelseyCare powered by CHC Proposed Monthly HMO Rates Fiscal Year 2017

Coverage Category	Total Contribution Rate (Monthly)	State Contribution Amount (Monthly)	Member Contribution Amount (Monthly)	Change in Member Contribution	
				Amount	Percentage
Member Only	\$ 481.76	\$ 481.76	\$ 0.00	No Change	No Change
Member & Spouse	1,035.80	758.78	277.02	No Change	No Change
Member & Child(ren)	852.72	667.24	185.48	No Change	No Change
Member & Family	1,406.76	944.26	462.50	No Change	No Change

Questions?