

Report Number 7: *HealthFlex*

HealthFlex in 2012

HealthFlex is administered by the General Board of Pension and Health Benefits (the General Board) and provides medical, prescription drug, dental, and mental health and chemical dependency benefits to our participants and enrolled dependents. The North Alabama Conference has been a *HealthFlex* plan sponsor since January 1, 2006.

Highlights of the 2012 plan year for the North Alabama Conference are as follows:

- Demographics at December 31, 2012
 - 354 participants
 - 149 spouses
 - 232 dependent children
 - Average participant age: 51.0
- Medical claims paid by the plan totaled \$2,187,076 in 2012 compared with \$2,522,442 in 2011, a decrease of 13.3%. Prescription drug claims totaled \$1,209,759 in 2012 compared with \$1,110,998 in 2011, an increase of 8.89%. **Total claims were \$3,396,835 in 2012 compared with \$3,633,430 in 2011, a decrease of 6.52%.**
- The Conference's annual average per-member medical cost was \$2,886 in 2012 compared with \$3,222 in 2011, a decrease of 10.43%..
- Medical claims greater than \$50,000 were 16.6% of total medical claims in 2012 compared with 18.1% in 2011.
- The top major diagnostic categories by allowable expense (percent) in 2012 were musculoskeletal and connective tissue (18%), circulatory system (13%), digestive system (12%), nervous system (6%), endocrine (6%), kidney and urinary tract (3%), and other (42%).
- The Conference's average annual per-member cost for prescription drugs was \$1,605 in 2012 compared with \$1,408 in 2011, an increase of 14%. The top five prescription drugs based on claims paid were Nexium, Gleevec, Humira, Hizentra, and Cymbalta.
- *HealthFlex* premiums paid to the General Board totaled \$4,864,450 in 2012 and \$4,709,622 in 2011.
- The health insurance reserve fund had a balance at December 31, 2012 of \$3,449,214 (unaudited) and is primarily invested at the General Board.

- Health insurance reserve funds invested at the General Board incurred an unrealized *gain* of \$289,983 in 2012, an unrealized *loss* of \$28,868 in 2011, an unrealized *gain* of \$354,210 in 2010, and an unrealized gain of \$499,767 in 2009.
- The collection rate for health insurance premiums paid by local churches was 97.84% in 2012 compared with 97.04% in 2011. Any unpaid premiums since 2007 remain due and payable by local churches.
- The Conference received a *HealthFlex* performance dividend of \$547,816 in March 2012 for having an underwriting surplus contribution for the two year period January 1, 2010 – December 31, 2011.

***HealthFlex* Wellness Incentive Program**

2012

Results of the 2012 Incentive Program:

- 73% of participants and spouses enrolled in the *Virgin HealthMiles* walking program in 2012 compared with 71% in 2011.
- 74.7% of participants and spouses completed the *HealthQuotient* personal health risk assessment in 2012 compared with 73.7% in 2011.
- 297 participants and spouses completed the *Blueprint for Wellness* health screening in 2012 compared with 277 in 2011. Participant and spouses who completed the health screening in 2011 received \$100 from the Conference. Incentives paid by the Conference for completing the health screening totaled \$29,700 in 2011.

2013

\$100 Offered at Annual Conference for *Blueprint for Wellness* Health Screening

- The Conference Board of Pension and Health Benefits will pay \$100 cash to each *HealthFlex* participant and covered spouse who completes the *Blueprint for Wellness* health screening at Annual Conference. (Participants that complete the health screening at a Quest Diagnostics facility by July 31, 2013 will receive a check from the Conference in the amount of \$100 after verification.) Only persons enrolled in the *Virgin HealthMiles* walking program are eligible to receive the \$100. Participants and covered spouses may enroll in the walking program at Annual Conference.

Virgin HealthMiles Offers *HealthCash*

- The *Virgin HealthMiles* walking program offers participants up to \$150 in *HealthCash* for reaching quarterly goals.

- An additional \$150 in *HealthCash* may be earned for accumulating 150 wellness points on the *WebMD* website or \$50 in *HealthCash* may be earned for accumulating 100-149 wellness points.
- Participants and covered spouses may also earn \$100 *HealthCash* by participating in the *Blueprint for Wellness* health screening between April 1, 2012 and July 31, 2013. *HealthCash* will be credited by *Virgin HealthMiles* approximately one month after the screening. Participants must be enrolled in *Virgin HealthMiles* at the time of screening.

Additional \$250/\$500 Deductible Possible in 2013

- ***HealthFlex* participants must take the *HealthQuotient (HQ)* between August 1, 2013 and September 30, 2013 to avoid a higher 2014 deductible.** Taking the *HQ* before August 1 won't count toward preventing a higher 2013 deductible. If your spouse is covered by *HealthFlex*, both of you must take the *HQ* during August or September. This allows time for the *Blueprint for Wellness* screening results to be confidentially imported into the *HQ* for your convenience.

The Conference Board of Pension and Health Benefits believes covered individuals share a responsibility with *HealthFlex* and the North Alabama Conference to be good stewards of a person's health and the health care resources within The United Methodist Church. Many persons who take the *HealthQuotient* on an annual basis and receive voluntary, confidential health coaching are able to improve their overall health.

***HealthFlex* Benefits in 2014**

HealthFlex is eliminating the Conference's major medical plan, EPO – Option D. **Effective January 1, 2014**, the Conference's major medical plan will be PPO – B500 and the prescription drug plan will be Medco Pharmacy Percentage Co-Payment Plan 1 – P1 (no change from 2013).

The primary *changes* in **major medical** benefits provided in 2014 are as follows:

Annual Deductible

If HealthQuotient (HQ) requirement satisfied, non-participating provider:

- \$1,000 per person/\$2,000 per family (no benefits in 2013)

Out-of-pocket Limits

If a participating provider:

- \$3,000 per person/\$6,000 per family (no limit in 2013)

If a non-participating provider:

- \$6,000 per person/\$12,000 per family (no limit in 2013)

Primary Care Services and Specialist Services

If a non-participating provider:

- 40% after deductible (no benefits in 2013)

Diagnostic Test and Imaging

If a participating provider:

- 20% after deductible (\$30/\$50/\$-0- copay in 2013)

If a non-participating provider:

- 40% after deductible (no benefits in 2013)

Outpatient Services

If a participating provider:

- 20% after deductible (\$500 copay after deductible in 2013)

If a non-participating provider:

- 40% after deductible (no benefits in 2013)

Inpatient Hospital Care (Facility and Physician/Surgeon)

If a participating provider:

- 20% coinsurance after deductible (\$750 copay after deductible in 2013)

If a non-participating provider:

- \$200/admission and 40% coinsurance after deductible (no benefits in 2013)

Mental Health Services (Inpatient)

If a participating provider:

- 10% coinsurance(no limit in 2013)

If a non-participating provider:

- \$200 copay/30% coinsurance (\$300 copay/40% coinsurance in 2013)