

MEMORANDUM

HPSC
Agenda Item 2(B)

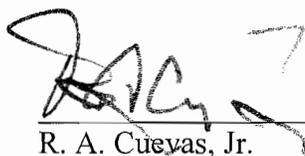
TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: **May 15, 2008**

FROM: R. A. Cuevas, Jr.
County Attorney

SUBJECT: Resolution approving
Miami-Dade County
BlueCross BlueShield of
Florida, Inc. co-designed
insurance produce for the
uninsured residents of
Miami-Dade County

The accompanying resolution was prepared and placed on the agenda at the request of
Commissioner Joe A. Martinez.



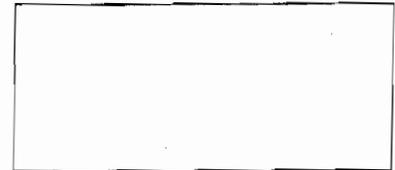
R. A. Cuevas, Jr.
County Attorney

RAC/bw

Memorandum



Date:



To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: 
George W. Burgess
County Manager

Subject: Resolution recommending approval of the Miami-Dade County - BlueCross BlueShield of Florida, Inc. co-designed low cost comprehensive health insurance product for the uninsured residents of Miami-Dade County, and authorization to finalize a no-cost contract for a three-year pilot implementation.

RECOMMENDATION

It is recommended that the Board of County Commissioners (Board) approve the attached Miami-Dade County - BlueCross BlueShield of Florida, Inc. (BCBSF) co-designed low cost comprehensive health insurance product (Product) for uninsured residents of Miami-Dade County; and that the Board authorize the County Mayor or designee to finalize a no-cost contract with BCBSF for a three-year pilot implementation.

SCOPE

The pilot implementation of the Product would be made available to uninsured residents Countywide.

FISCAL IMPACT/FUNDING SOURCE

The no cost contract with BCBSF protects Miami-Dade County government from being responsible for financing the Product through general revenue. The Office of Countywide Healthcare Planning (OCHP) has been charged with the successful design of the Product, and upon Board approval, will work with BCBSF to refine the design during the pilot and will monitor and evaluate the outcomes. OCHP will perform these responsibilities within its existing staff. BCBSF will bear the cost of obtaining regulatory approval of the Product, preparing the marketing plan and marketing materials, obtaining media purchases and member enrollment, as well as taking all claims risk.

TRACK RECORD/MONITOR

BCBSF has more than 60 years of health care experience in Florida with a demonstrated commitment to providing affordable health care solutions to Floridians. BCBSF has a proven track record of financial stability, strong reserves, quality provider networks, value-added services and high customer satisfaction. BCBSF also has extensive experience in developing both limited benefit health insurance products as well as innovative health insurance products and with obtaining the required regulatory approval to deploy such products. OCHP staff will closely monitor enrollment and service utilization as reported by BCBSF, and will work with BCBSF to engage in continuous quality improvements throughout the three-year pilot. BCBSF has agreed to contract with the safety-net providers at market rates, thus providing new points of access to enrolled members and a new source of income to the safety-net providers. OCHP will closely monitor the impact on these providers. Staff will provide updates after the first six months, and quarterly oral reports to the Health and Public Safety Committee for the duration of the pilot.

BACKGROUND

BCC Healthcare Task Force, established by Ordinance (No. 05-169) through County Commissioner Joe A. Martinez's leadership, recommended that the County develop a low cost health insurance product to help decrease the significant number of County residents who lack health insurance and the growing demand for charity care. Sponsored by Commissioner Martinez and approved by the Board on

December 4, 2007, Contract No. 8347: Limited Benefits Insurance Product, directed staff to work collaboratively with BCBSF to co-design a comprehensive insurance product with very low premiums and cost-sharing (deductibles and co-pays). The proposed Product was to be brought back to the Board for its approval to initiate a pilot implementation by BCBSF, in collaboration with OCHP, for three (3) years.

Target Population & Goals – This Product is targeted to the estimated 600,000 uninsured County residents under age 65, many of who are unable to afford existing private health insurance and who do not qualify for public programs (such as Medicaid and KidCare). Small group employers who employ less than fifty employees and have been unable to purchase cost effective health insurance, will be targeted for the group coverage product. It is staff's intention that eligibility for the Product shall not be contingent upon immigration status and citizenship.

The measurable goals of this pilot implementation and post-pilot full implementation are to (1) increase the number of insured; (2) achieve increased sustainability for safety net providers, including Jackson Memorial Hospital, its broader Jackson Health System and Federally Qualified Health Centers; (3) reduce avoidable visits to the ER and avoidable hospital admissions; (4) establish a "Medical Home" for enrollees who will have access to a full spectrum of services from primary to inpatient care; and ultimately, over time, (5) a healthier Miami-Dade County resident population. It is projected that in the first 12 months of enrollment, there will be approximately 4,000 to 6,000 new enrollees in the Product.

Design Features – A unique Product has resulted from this collaboratively designed effort between the County (through OCHP) and BCBSF. No known similar product exists locally, statewide, or nationally. This new type of product combines features of indemnity insurance and the more common coinsurance model in a way that maximizes benefits while offering an affordable premium and member out-of-pocket structure. Attachment A, "Key Points," provides a summary of the unique features of this co-designed product.

This co-designed Product includes comprehensive benefits including primary and specialty care, inpatient (hospital) services, diagnostic services, and pharmacy benefits. This Product will incorporate Chronic Disease Management and Emergency Room alternatives to increase healthcare efficiencies, decrease cost of charity care and improve health outcomes. Refer to attachment B, "Benefits Overview Matrix," for a list of benefits for individual and group plans and their corresponding deductibles, coinsurance and co-payments.

Swipe card technology will be used to facilitate eligibility, benefits, and payment to providers, thereby lowering administrative costs. The significant elements of BCBSF's commercial network will be combined with local safety-net providers, including participating Federally Qualified Health Centers and the Jackson Health System. This will ensure a broad provider network with community based access to primary care.

As a result of the co-design process, persons will be able to purchase this Product for a planned monthly premium as low as \$69 for a 19-year-old male with the premium for the uninsured population approximate median age of 35 being \$110 per month for a male (these monthly premium rates are subject to review and approval by the Florida Office of Insurance Regulation and are based on a low cost provider network which must be developed with negotiations currently underway). Attachment C, "Proposed Rates," provides individual and group planned monthly premiums by gender and age cells. During the implementation process, BCBSF, in collaboration with OCHP, will continue to improve the cost effectiveness of the Product. Enrollees will have unlimited visits to both primary and specialty

physicians with little or no co-payments after an insurance paid allowance of \$50 per visit and the certainty, that if a catastrophic hospitalization occurs, the most they will pay in a year is \$2,500. The benefits would continue up to a Lifetime Maximum of \$5,000,000.

The Product will be offered to both individuals and small businesses. The group product is what is a 'guaranteed issue' product and will be provided regardless of health status to all employees being enrolled though it will have some pre-existing condition exclusions. The individual product will be 'medically underwritten' which means that some individuals with certain health conditions may not be eligible for enrollment. Individuals who are not eligible for enrollment will be offered a lower cost product on a guaranteed issue basis that covers primary and specialty physician office visits and that provides a pharmacy benefit. This guaranteed issue product will provide the same local access to physician services and will have the goal of aiding individuals in transition into an underwritten, broader spectrum product. OCHP and BCBSF will collaboratively monitor the progress of these individuals, assist them in better managing their conditions and re-offer, as appropriate, the more comprehensive Product. OCHP will report, by Commission District, on the progress of this parallel program with the goal of continuously increasing the number of individuals eligible for enrollment in the comprehensive co-designed MDC/BCBSF product.

Next Steps – Upon Board approval of Staff's proposal (with or without any added options outlined in Attachment D, "Additional Benefit Options"), Staff will finalize a contract with BCBSF for the Board's approval. BCBSF will prepare the application to the Florida Office of Insurance Regulation for approval including the Product description, pricing and marketing materials. Additionally, BCBSF will develop a comprehensive marketing plan to reach the target population. To the extent permitted by State statute and regulation, the marketing and enrollment process will utilize community-based resources such as community-based providers and social service agencies to assist individuals in applying to BCBSF for this Product. Neighborhood events may be used to both enroll and educate members to help ensure that enrolled members understand how to utilize their benefits.

Over the next several months the County, through OCHP, will continue to work collaboratively with BCBSF to ensure that the Product and the implementation processes are completed in a way that meets the objectives of the County. BCBSF will negotiate with providers to develop agreements, apply for Florida Office of Insurance Regulation approval for the plan and rate filings, develop marketing materials and outreach plan, commence sales, implement marketing campaign during March-April 2009, and begin enrollment in May for an effective date of July 1, 2009.


Assistant County Manager

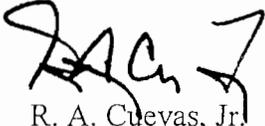


MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

DATE: June 3, 2008

FROM: 
R. A. Cuevas, Jr.
County Attorney

SUBJECT: Agenda Item No.

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No.
6-3-08

RESOLUTION NO. _____

RESOLUTION APPROVING THE MIAMI-DADE COUNTY - BLUECROSS BLUESHIELD OF FLORIDA, INC. CO-DESIGNED INSURANCE PRODUCT FOR THE UNINSURED RESIDENTS OF MIAMI-DADE COUNTY, AND AUTHORIZING THE COUNTY MAYOR OR DESIGNEE TO FINALIZE A NO-COST CONTRACT FOR A THREE-YEAR PILOT IMPLEMENTATION

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board approves the Miami-Dade County - BlueCross BlueShield of Florida, Inc. co-designed insurance product for uninsured residents of Miami-Dade County including specified benefits, premiums, co-payments, coinsurance, and deductibles; and authorizes the County Mayor or designee to finalize a contract with BlueCross BlueShield of Florida, Inc. for a three-year pilot implementation of the co-designed product in substantially the form attached hereto and made a part hereof, and to submit the same for approval by this Board.

The foregoing resolution was sponsored by Commissioner Joe A. Martinez and offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

6

Bruno A. Barreiro, Chairman	
Barbara J. Jordan, Vice-Chairwoman	
Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of June, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

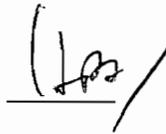
MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

Hugo Benitez



ATTACHMENT "A"

Miami-Dade County/BlueCross BlueShield of Florida Low Cost Comprehensive Health Insurance Product

Key Points

- Unique Health Insurance Product Never Before Available – *Combines Low Cost Premiums + Comprehensiveness + Cost-Saving Strategies*
 - Low Premium = \$110 for 35 yr old male/\$122 for 35 yr old female (approximate median age of uninsured MDC population)
 - "Allowance" for Office-Based Primary & Specialty (old-style indemnity – keeps costs down for greatest service utilization)
 - 90/10% (BCBSF/member) split for hospital-related care (low cost share, post deductible/max out-of-pocket – when its needed most)

- High Value
 - \$50 -- Allowance pays all but small co-pay (estimated: \$10-\$20) of average discounted routine physician visit
 - \$2,500 – Maximum Annual Out-of-Pocket
 - \$5 million -- Lifetime Maximum Benefit

- Accessibility and Sustainability
 - Broad network includes: traditional BCBSF providers + safety net
 - Market-based negotiated rates
 - Guaranteed Issuance = group product (with pre-existing exclusions)
 - Individual product = will exclude some individuals from coverage; however a *collaborative transitional initiative* will be available (to assist some individuals in qualifying for other underwritten product)

- Features
 - Insurance Company's Swipe Card (not a government program)
 - Electronic Record -- target = full electronic bill and patient file (Availity©)
 - Disease Management and ER alternatives (nurse line, web-based info and Urgent Care Centers)

ATTACHMENT "B"

Miami-Dade County/BlueCross BlueShield of Florida -- Low Cost Comprehensive Health Insurance Product

Benefits Overview Matrix

Revised: 5-7-08

Proposed - These plans and rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.

Benefits	Individual Plan ("medically underwritten" e.g., certain conditions prohibit coverage)	Group Plan ("guaranteed issuance" e.g., certain conditions subject to time limited exclusions)
Estimated Monthly Premiums		
Single Male Age 35 Individual Plan	\$110	NA
Single Female Age 35 Individual Plan	\$122	NA
Averaged Premium based on Single Males and Females Avg Age of 35 Group Plan (1)	NA	Total Premium \$236 Employee Share \$118
Calendar Year Deductible (CYD) - Only Applies As Indicated		
In-Network	\$250 Deductible (yrlly -- hospital & other)	Same as individual (per person)
Out-of-Network	\$750 Deductible (yrlly -- hospital & other)	Same as individual (per person)
Coinsurance		
In-Network	90% / 10% (BCBSF/member split of <u>Discounted</u> Hospital related)	Same as individual (per person)
Out-of-Network	60% / 40% (BCBSF/member split of <u>Discounted</u> Hospital related)	Same as individual (per person)
Out-of-Pocket Maximum - Most a Person Must Pay in Each Year (2)		
In-Network	\$2,500 Per Person Per Year	Same as individual (per person)
Out-of-Network	\$5,000 Per Person Per Year	Same as individual (per person)
Office Services		
In-Network Family Physician / PCP	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
In-Network Specialist	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Lab performed at participating lab (Quest)	Fully Covered	Fully Covered
Out of Network Providers - Office Visits	\$50 BCBSF Allowance (towards <u>NON--Discounted</u> office visit -- member pays balance)	Same as individual (per person)
Out of Network Providers - Surgical Services	\$750 Deductible + 60% / 40% (BCBSF member split)	Same as individual (per person)
Urgent Care Center - In Network	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Allergy Injection In-Network	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Hospital Services		
Inpatient In-Network	\$250 Deductible +90% / 10% (BCBSF/member split of <u>Discounted</u> Hospital Services)	Same as individual (per person)
Inpatient Out-of-Network	\$500 Per Admission + \$750 Deductible + 60% / 40% (BCBSF/member split of <u>Non-Discounted</u> out-of-network Hospital Services)	Same as individual (per person)
Outpatient In-Network - Surgical Services	\$250 Deductible + 90% / 10% (BCBSF/member split of <u>Discounted</u> Hospital-based Outpatient Services)	Same as individual (per person)
Outpatient Out-of-Network - Surgical Services	\$750 Deductible + 60% / 40% (BCBSF/member split of <u>Non-Discounted</u> out-of-network Hospital Services)	Same as individual (per person)
Emergency Room - In-Network - Surgical	\$250 Deductible + 90% / 10% (BCBSF/member split of <u>Discounted</u> Hospital Services)	Same as individual (per person)
Emergency Room - In-Network - Non-Surgical	\$1,000 Per Visit + \$250 Deductible + 90% / 10% (BCBSF/member split of <u>Discounted</u> ER non-surgical services, after PAD and deductible)	Same as individual (per person)
Emergency Room - Out-of-Network - Surgical	\$750 Deductible + 60% / 40% (BCBSF/member split of <u>Non-Discounted</u> Hospital Services)	Same as individual (per person)
Emergency Room - Out-of-Network - Non-Surgical	\$1,000 Per Visit + \$750 Deductible +60% / 40% (BCBSF/member split of <u>Non-Discounted</u> Hospital Services)	Same as individual (per person)
Benefit Maximums		
Lifetime Maximum	\$5,000,000	Same as individual (per person)
Substance Dependency (Other Than Office Visit)	(Covered for Office Visits only)	Same as individual (per person)
Mental Health (Other Than Office Visit)	(Covered for Office Visits only)	Same as individual (per person)
Hospice	\$5,200 LTM (Life Time Maximum)	Same as individual (per person)
Home Health Care	Not Covered	Same as individual (per person)
Skilled Nursing Facility	Not Covered	Same as individual (per person)
Outpatient Therapy and Spinal Manipulations	\$1,500 Maximum Per Calendar Year	Same as individual (per person)
Preventive Health		
Mammograms (Routine And Diagnostic)	Fully Covered	Same as individual (per person)
Well Child	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Adult Wellness	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Other:		
Independent Clinical Labs	Fully Covered	Same as individual (per person)
Independent Diagnostic Testing Facility	\$75 co-pay + BCBSF pays balance of <u>Discounted</u> fee	Same as individual (per person)
Contraceptive Injections	Not Covered	Same as individual (per person)
Prosthetics & Orthotics - Related to Surgical	\$250 Deductible +90% / 10% (BCBSF/member split of <u>Discounted</u> Services)	Same as individual (per person)
Durable Medical Equipment - Related to Surgical	\$250 Deductible + 90% / 10% (BCBSF/member split of <u>Discounted</u> Services)	Same as individual (per person)
Ambulance Services	\$250 Deductible + 90% / 10% (BCBSF/member split) up to a Maximum \$400 Per Day Ground & \$4,000 Per Day Air/Water	Same as individual (per person)
Ambulatory Surgical Center - In Network	\$250 Deductible +90% / 10% (BCBSF/ member split of <u>Discounted</u> Services)	Same as individual (per person)
Ambulatory Surgical Center - Out-of-Network	\$750 Deductible + 60% / 40% (BCBSF/member split of <u>Non-Discounted</u> Services)	Same as individual (per person)
Outpatient Therapy and Spinal Manipulations	\$250 Deductible + 90% / 10% (BCBSF/member split of <u>Discounted</u> Services)	Same as individual (per person)
Pharmacy	\$10 Generic only Plus Discount Card For Non-Covered	Same as individual (per person)
Dental	\$50 BCBSF Allowance (towards <u>Discounted</u> office visit --member pays balance)	Same as individual (per person)
Maternity	Maternity Rider available	Maternity Covered

Notes: (1) Based on a 40 person census all age 35, 20 males and 20 females

(2) All deductibles, coinsurance, and co-payments (except for pharmacy co-payments) count towards the Annual Out-Of-Pocket Maximum

ATTACHMENT "C"

Miami-Dade County/BlueCross BlueShield of Florida Low Cost Comprehensive Health Insurance Product

Proposed Rates

Note: These monthly premium rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.

Rates for Individual Product		
Age	Sex	Rate
10	F	\$ 65.02
20	F	\$ 77.76
30	F	\$ 101.96
35	F	\$ 122.00
40	F	\$ 142.34
50	F	\$ 202.90
64	F	\$ 272.70
10	M	\$ 65.02
20	M	\$ 72.32
30	M	\$ 91.08
35	M	\$ 110.00
40	M	\$ 128.74
50	M	\$ 187.94
64	M	\$ 324.38

Rates for Group Product					
Age	Male	Female	EE + Sp	Male EE + Ch	Female EE + Ch
00-24	\$ 100.62	\$ 250.26	\$ 350.88	\$ 401.62	\$ 551.26
25-29	\$ 129.86	\$ 285.52	\$ 416.24	\$ 425.70	\$ 581.36
30-34	\$ 165.98	\$ 290.68	\$ 456.66	\$ 470.42	\$ 594.26
35-39	\$ 172.86	\$ 297.56	\$ 470.42	\$ 471.28	\$ 595.12
40-44	\$ 244.24	\$ 331.96	\$ 576.20	\$ 514.28	\$ 602.00
45-49	\$ 309.60	\$ 354.32	\$ 663.92	\$ 566.74	\$ 611.46
50-54	\$ 411.94	\$ 437.74	\$ 849.68	\$ 649.30	\$ 674.24
55-59	\$ 528.90	\$ 509.12	\$ 1,038.02	\$ 774.86	\$ 755.08
60-64	\$ 725.84	\$ 624.36	\$ 1,350.20	\$ 894.40	\$ 792.06

Note: EE = Employee; Sp = Spouse; Ch = Child

Note: Rates for Groups are based on the census of the group using the age and sex of each member of the group. For example, a group of 40 persons all age 35, half male and half female would have a group rate of \$236.00 per person, at least half of which would be paid by the employer resulting in each person paying \$118.00 (if the employer paid only half).

ATTACHMENT "D"

Miami-Dade County/BlueCross BlueShield of Florida Low Cost Comprehensive Health Insurance Product

Additional Benefit Options

Option	Premium Impact	Impact on Premium Single Male Age 35
Lower the Annual Out-of-Pocket Maximum from \$2,500 to \$1,500	Increase premium by 8% to 9%	Increase premium from \$110 to \$120
Eliminate the Pharmacy benefit and just provide the Pharmacy Discount Card	Reduce premium by 10%	Decrease premium from \$110 to \$99
Increase Member Coinsurance from 10% to 20% for hospital services	Reduce premium by 1%	Decrease premium from \$110 to \$109
Eliminate the Independent Diagnostic Testing facility benefit	Reduce premium by 2.5%	Decrease premium from \$110 to \$107

Note: These plans and rates are subject to review and approval by the Florida OIR and are based on a low cost provider network which must be developed with negotiations currently underway.