



Arthur J. Gallagher & Co.
BUSINESS WITHOUT BARRIERS™

Miami Dade County

April 9, 2014



Illustrative Discount

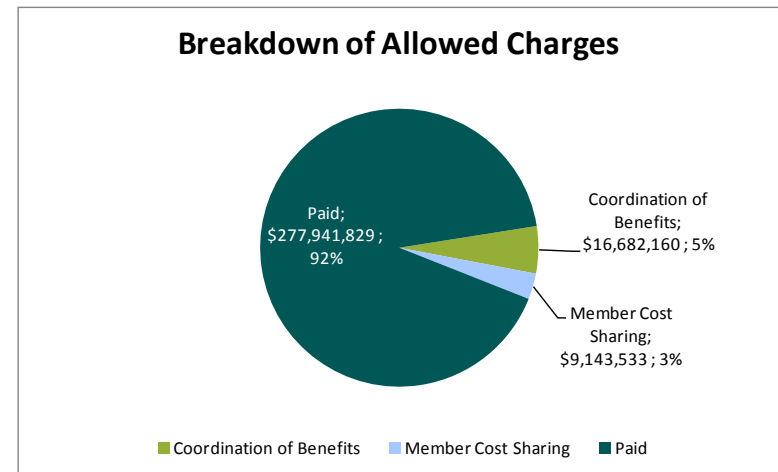
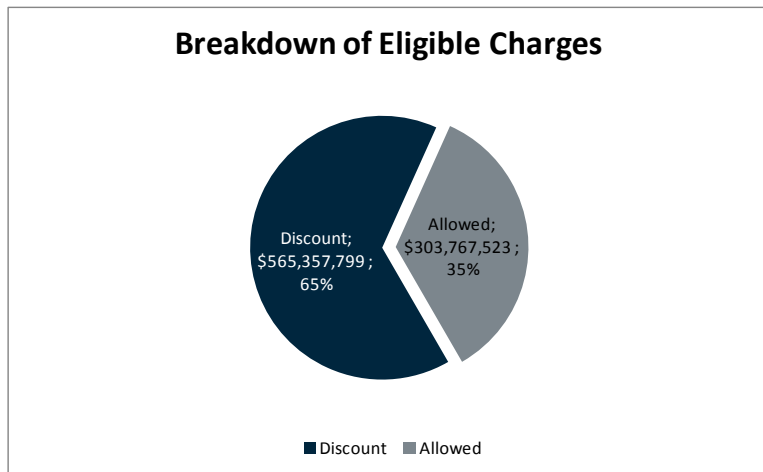
High Option HMO Plan

	Retail Charge (No Insurance)	Allowed Amount (Network Discounted Amount)	MDC Plan Pays	Employee Pays
Inpatient Hospital	\$47,000	\$14,000	\$14,000	\$0
Primary Care Physician	\$200	\$80	\$65	\$15



Difference is the
Network Discount
Applied

Eligible and Allowed Charges



- There is little member cost sharing.
- The average overall discount rate is 65%. This can vary slightly depending on provider mix.
- The discount rate is at a competitive level for Miami-Dade County.

Jackson Vs. Other Facilities

Inpatient*	Paid	Admits	Paid per Admit
Jackson	\$4,417,861	471	\$9,380
All Other	\$54,746,784	3,529	\$15,513
Total	\$59,164,646	4,000	\$14,791
Outpatient Excluding ER	Paid	Encounters	Paid Per Encounter
Jackson	\$1,626,759	3,478	\$468
All Other	\$65,422,555	56,807	\$1,152
Total	\$67,049,314	60,285	\$1,112
ER	Paid	Encounters	Paid Per Encounter
Jackson	\$999,702	2,049	\$488
All Other	\$23,992,854	15,452	\$1,553
Total	\$24,992,556	17,501	\$1,428

Current Inpatient Copay: \$0

Current Outpatient Copay: \$0

Current ER Copay (High HMO/POS): \$25/\$50

*Excludes claims above \$200K

Category	Savings Per Service	Services @ Non Jackson	Illustrative Savings
Inpatient*	\$6,134	3,529	\$21,645,654
Outpatient Excluding ER	\$684	56,807	\$38,852,318
ER	\$1,065	15,452	\$16,453,865
Total			\$76,951,837

Not adjusted for service mix or case mix. Outpatient claims will be very sensitive to service mix, and inpatient claims will be very sensitive to case mix.

Emergency Room Vs. Urgent Care Vs. Primary Care

Diagnosis	ER Visits	ER Paid Amount	ER Cost Per Visit	UC Cost Per Visit	PCP/SCP Cost Per Visit
784.0 : Headache	502	\$717,732	\$1,430	\$815	\$90
780.4 : Dizziness And Giddiness	258	\$483,502	\$1,874	\$968	\$90
599.0 : Urinary Tract Infection Site Not Specified	279	\$398,067	\$1,427	\$504	\$60
465.9 : Acute Uris Of Unspecified Site	414	\$316,943	\$766	\$378	\$63
462 : Acute Pharyngitis	325	\$282,902	\$870	\$373	\$65
564.00 : Unspecified Constipation	128	\$244,351	\$1,909	\$676	\$88
780.60 : Fever Unspecified	256	\$236,637	\$924	\$410	\$74
Subtotal	2,162	\$2,680,135	\$1,240	\$448	\$70

Current ER Copay
(High HMO/POS):
\$25/\$50

Current UC Copay:
\$25

Current PCP/SCP
Copay: \$15/\$30

- Claims paid in the Emergency Room setting are expected to be of higher severity.
- Only 3% of Urgent Care claims result in a same day ER visit, 2% next day.

Advanced Imaging

Free Standing - 1/1/2013 - 12/31/2013		
Advanced Imaging Category	Service Count	Cost Per Service
CT	1,055	\$451
MRI	3,570	\$437
PET	187	\$1,273
Total	4,812	\$473

Hospital Outpatient - 1/1/2013 - 12/31/2013		
Advanced Imaging Category	Service Count	Cost Per Service
CT	1,024	\$1,162
MRI	2,117	\$1,769
PET	173	\$2,818
Total	3,314	\$1,636

Current Free standing Imaging Copay: \$0

Current Hospital Outpatient Imaging Copay: \$0

Potential Savings for Migration to Free Standing Imaging					
Advanced Imaging Category	Additional Cost for Hospital OP Setting	Services in Hospital Outpatient Setting	100% Migration to Free Standing	80% Migration to Free Standing	60% Migration to Free Standing
CT	\$711	1,024	\$727,584	\$581,925	\$436,266
MRI	\$1,332	2,117	\$2,819,389	\$2,256,044	\$1,691,367
PET	\$1,545	173	\$267,276	\$213,203	\$160,674
Total	\$1,163	3,314	\$3,814,249	\$3,051,172	\$2,288,308

- Imaging services delivered in a Free standing facility are a fraction of the cost of services delivered in an outpatient setting.
- There are significant savings associated with steering imaging services to Free standing providers.

Claims Paid and Incurred Calendar Year 2013

**2014 Miami-Dade County
Medical Benefit Comparison To Other Public Entity**

	Miami-Dade County 2014 Benefits			Miami-Dade County Public Schools * 2014 Benefits		
	High Option HMO	Low Option HMO	POS	Local Plus	OAP10	OAP20
Employee Monthly Premium				Salary-Based: <=\$25k; >\$25k-\$40k; >\$40k-\$55k; and >\$55k-\$85k (below are the ranges of these rates)		
Employee Only	\$0.00	\$0.00	\$32.28	\$0.00	\$103.00 - \$198.00	\$10.01 - \$70.01
Employee + Spouse or 1 Dependent	\$451.43	\$425.58	\$746.50	\$161.01 - \$492.00	\$307.00 - \$851.00	\$175.00 - \$626.02
Employee & 1 Child*	\$390.37	\$367.97	\$619.36	\$115.01 - \$389.00	\$249.00 - \$695.00	\$126.01 - \$495.00
Employee + Child(ren)	\$390.37	\$367.97	\$619.36	\$115.01 - \$389.00	\$249.00 - \$695.00	\$126.01 - \$495.00
Employee + Family	\$623.50	\$587.95	\$1,290.45	\$306.00 - 792.00	\$499.01 - \$1,313.00	\$334.01 - \$1,008.00
Plan Deductible, Coinsurance, and Maximum OOP						
Annual Deductible (Individual / Family) In-Network/Out-of-Network	\$0/\$0	\$0/\$0	\$0/\$0/ \$200/\$500	\$750/\$1,500/ \$1,500/\$3,000	\$500/\$1,000/ \$1,000/\$2,000	\$750/\$1,500/ \$1,500/\$3,000
Coinsurance (In-Network/Out-of-Network)	0%	0%	0%/30%	30%/50%	20%/40%	30%/50%
Out of Pocket Maximum (Individual/Family) (In-Network/Out-of-Network)	\$1,500/\$3,000	\$6,350/\$12,700	\$1,500/\$4,500/ \$1,500 per individual	\$4,000/\$8,000/ \$8,000/\$16,000	\$3,750/\$7,500/ \$7,500/\$15,000	\$4,000/\$8,000/ \$8,000/\$16,000
Physician Services - In Network						
Office Visit PCP (In-Network/Out-of-Network)	\$15	\$30	\$15/30% after deductible	\$20/50% after deductible	\$30/40% after deductible	\$30/50% after deductible
Office Visit Specialist (In-Network/Out-of-Network)	\$30	\$45	\$30/30% after deductible	\$50/50% after deductible	\$50 CCN/\$70 Non-CCN/ 40% after deductible	\$50 CCN/\$70 Non-CCN/ 50% after deductible
Facility Services						
Hospital Inpatient (In-Network/Out-of-Network)	\$0	\$150/day for first 3 days per admission	\$0/30% after deductible	30% after deductible/50% after deductible	20% after deductible/40% after deductible	30% after deductible/50% after deductible
Outpatient Hospital Surgery - Hospital (In-Network/Out-of-Network)	\$0	\$0	\$0/30% after deductible	\$100 per visit/50% after deductible	\$100 per visit/40% after deductible	\$100 per visit/50% after deductible
Outpatient Diagnostic Services/Imaging (In-Network/Out-of-Network)	\$0	\$0	\$0/30% after deductible	\$100/50% after deductible	\$100/40% after deductible	\$100/50% after deductible
Emergency Room (In-Network/Out-of-Network)	\$25	\$100	\$50	\$300	\$350	\$350
Urgent Care Facility (In-Network/Out-of-Network)	\$25	\$50	\$50	\$70 per visit	\$70 per visit	\$70 per visit
Prescription Drug Coverage - In Network						
Generic / Brand / Brand Non-Pref / Specialty	Generic: \$15 Brand: \$25 Non-Preferred: \$35	Generic: \$20 Brand: \$35 Non-Preferred: \$55	Generic: \$15 Brand: \$25 Non-Preferred: \$35 30% (OON)	Generic: \$15 Brand: \$40 Non-Preferred: 50% coinsurance - \$100 minimum/\$150 maximum	Generic: \$20 Brand: \$50 Non-Preferred: 50% coinsurance - \$105 minimum/\$160 maximum 50% (OON)	Generic: \$15 Brand: \$45 Non-Preferred: 50% coinsurance - \$105 minimum/\$160 maximum 50% (OON)
Relative Value	1.0000	0.9379	1.0098	0.8210	0.8274	0.8099

Reference

* While plan deductible and the maximum out-of-pocket are generally exclusive, a few plans may treat them inclusively

Notes

* Miami-Dade County Public Schools also offers Florida KidCare and Humana HMO & PPO for over age 65.

- Benefits eligible employees are also required to 1) register on www.cigna.com; 2) have an annual physical (preventative visit); 3) have biometric screenings (blood work) performed; and 4) complete the HRA

- Also have EE + Adult Child Rate (not illustrated above)

Market Comparison

	Miami Dade County		Private Sector 1	Private Sector 2	Private Sector 3
	High HMO	POS			
Deductible (In Network/Out of Network)	\$0	\$0/\$200	\$1000-\$1500/\$2000-\$3000	\$0/\$700	\$400/\$650
	Per Individual	Per Individual	2x Family	2.5x Family	2.5x Family
HRA Amount			\$300, \$500 - \$500, \$1000		
Coinsurance (In Network/Out of Network)	100%	100%	80%/60%	90%/70%	80%/70%
Out of Pocket Max (In Network/Out of Network)	\$1500	\$1500/\$1500	\$2500/\$5000	\$1000/\$1800	\$1050/\$2000
	Per Individual	Per Individual	2x Family	2.5x Family	2.5x Family
Inpatient Copay	0%	0%	Info not available	Info not available	Info not available
ER Copay	\$25	\$50	\$150 + 80% Coinsurance	\$75	\$75
PCP/SCP	\$15/\$30	\$15/\$30	Coinsurance	\$20/\$25	\$20
Generic	\$15	\$15	\$5	\$8	\$8
Pref	\$25	\$25	80% Coinsurance with \$30 min and \$40 max	70% Coinsurance with \$25 max	70% Coinsurance with \$25 max
Non-Pref	\$35	\$35	70% Coinsurance with \$47 min and \$107 max	50% Coinsurance	50% Coinsurance
Relative Value	1	1.0098	0.7959-.8568	0.9696	0.9346
EE Only Contribution			\$65 - \$115/\$120 - \$170	\$45 - \$103	\$68 - \$126
Non - EE Only Contribution			\$251 - 430/\$371 - \$597	\$90 - \$148	\$135 - \$193

Relative Values are used to compare the level of benefits paid between any two plans. These values do not include adjustments to account for demographic factors.

Example: Over the course of a plan year for any one member, a plan with a relative value of .95 will pay, on average, 5% less than a plan with a relative value of 1.00.

Utilization – Modifying Behavior

After reviewing utilization, here are a couple areas to consider to modify behavior:

- Place of Service
- Tiered Copays