

Miami-Dade Labor Healthcare Committee The Jackson First Plan



Mark Knight, Executive VP & Chief Financial Officer

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Key Players

- Jackson Leadership
- JHS Labor Union Partners
- Miami Dade County Leadership
- Arthur J. Gallagher & Co.

Jackson First Goals

- Replace the Current Low Option HMO Plan with a More Affordable Healthcare Insurance Option for Dependent Coverage with a Plan Limited to Only JHS Facilities
- Provide Employees and Dependents High Quality, Confidential Services at Jackson Facilities
- Increase Utilization of Jackson Excess Capacity
- Generate Incremental Margin at Jackson to Help Ensure Sustainability

Why Jackson First?



Employees

- World-Class Care
- Comprehensive Service
- Convenient Locations
- Lower Premiums



Miami-Dade County

- Lower costs to Health Insurance Trust Fund – net revenue increase
- Priority service, reducing absenteeism
- Promotion of Miami-Dade County service

Jackson Health System

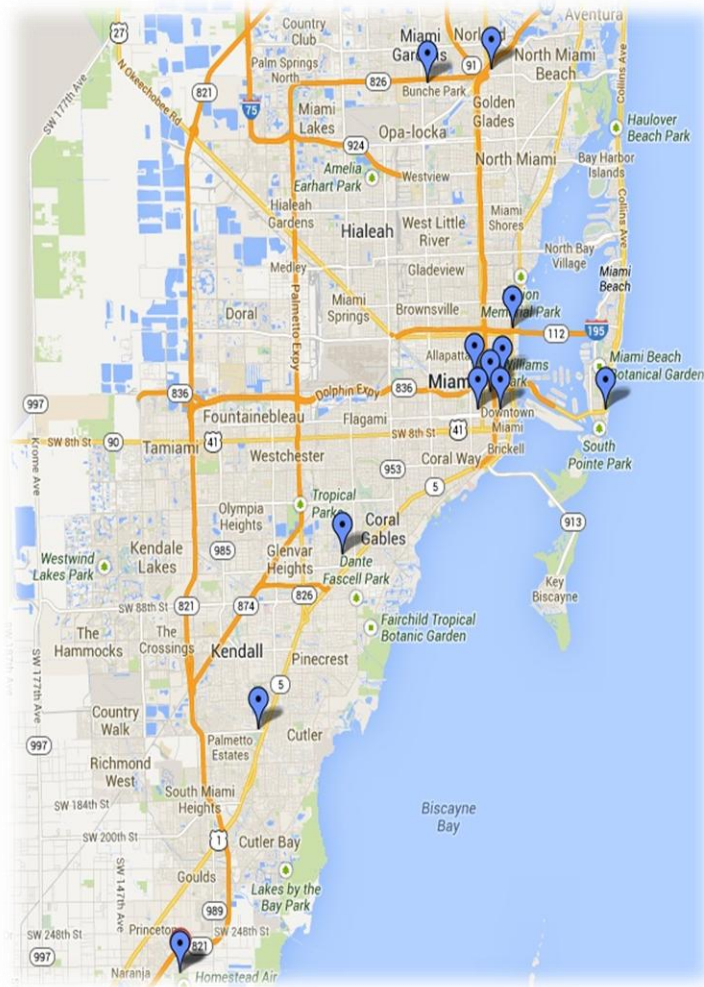


- Marginal operating revenue
- Critical mass in volume-dependent services
- Opportunity for word-of-mouth marketing

2013 Jackson Health System Awards

- US News & World Report – JMH Named No. 1 in South Florida
- US News & World Report – JMH Named Elite Hospital in United States
- Holtz Children’s Hospital Ranks Among Nation’s Best – US News & World Report
- Ryder Trauma Center Receives National Excellence in Healthcare Award
- JHS Named a “Leader in LGBT Healthcare Equality” by the Human Rights Campaign Foundation

The Jackson Footprint



**12 clinical sites in
Miami-Dade,
including:
All JHS hospitals
All JHS clinics
All JHS physician offices**

Jackson First Highlights

- Additional Option for Jackson Employees
- Offers Employees with Families, Access to Dependent Coverage at Lower and More Affordable Costs
- No Co-Pays and/or Deductibles for Services Performed at Jackson Facilities (Except Emergency Care which would mirror other HMO plan Co-Pays) or by Any Physician with Admitting Privileges at Jackson Health System
- Utilizes the Same Pharmacy Benefits as the Jackson High and Select Plans
- Non-Emergency Inpatient, Outpatient and Diagnostic Services to be Performed at Jackson Facilities
- Enhanced Focus on Service to Employees and Dependents Through Dedicated Resources

Jackson First Modeling

- Plan Design Elements similar to High & Select HMO Plans, but Limited to JHS Facilities Only
- Assumption that 10% of Employees with Dependent Coverage from currently Offered Plans will Migrate to Jackson First and 25% Total Migration into the Select Plan
- Premiums for this Plan were Established to Minimize the Overall Financial Impact of Offering this Plan
- Projected Savings Assume Single Coverage Premiums of \$0, \$50 and \$75 for the Select HMO, High HMO and POS Plan Respectively

Biweekly Premiums & Projected Savings

Illustrative Bi-Weekly Employee Rates				
Tier	Jackson First	High HMO	POS	Select Network
Employee Only	\$0.00	\$50.00	\$75.00	\$0.00
Employee + Spouse	\$120.00	\$208.00	\$345.00	\$166.00
Employee + Child(ren)	\$105.00	\$180.00	\$286.00	\$141.00
Family	\$160.00	\$288.00	\$596.00	\$236.00

Migration Assumption	Savings
10% Jackson First/ 25% Select	\$8,000,000

Jackson Miracle Experience



Jackson Miracle Experience



Service
Excellence

73%

Excellent
Communication
with Nurses

84%

Excellent
Communication
with Doctors

74%

Highly Likely to
Recommend

64%

Highly Pleased
with Cleanliness

Inpatients for three months ending February 2014 who responded 9 or 10 on a 10-point scale

Jackson Miracle Experience

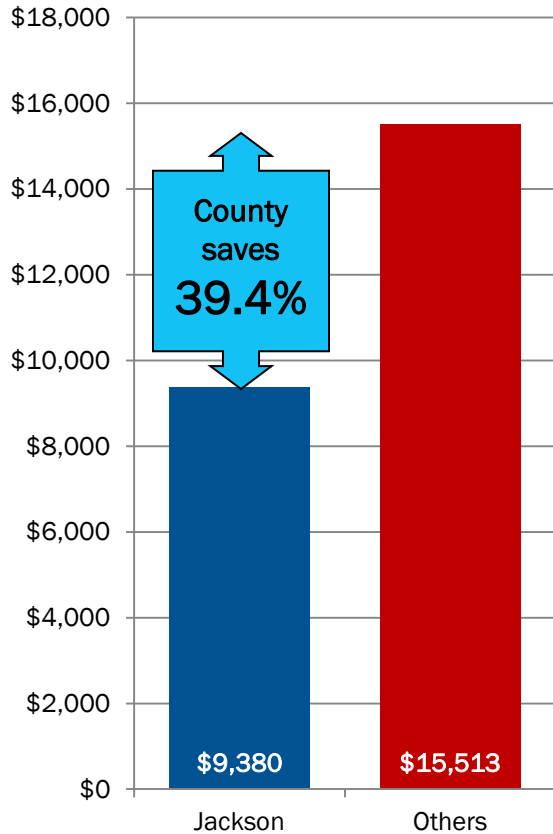
Specialty Care Wait Times Jackson Medical Group



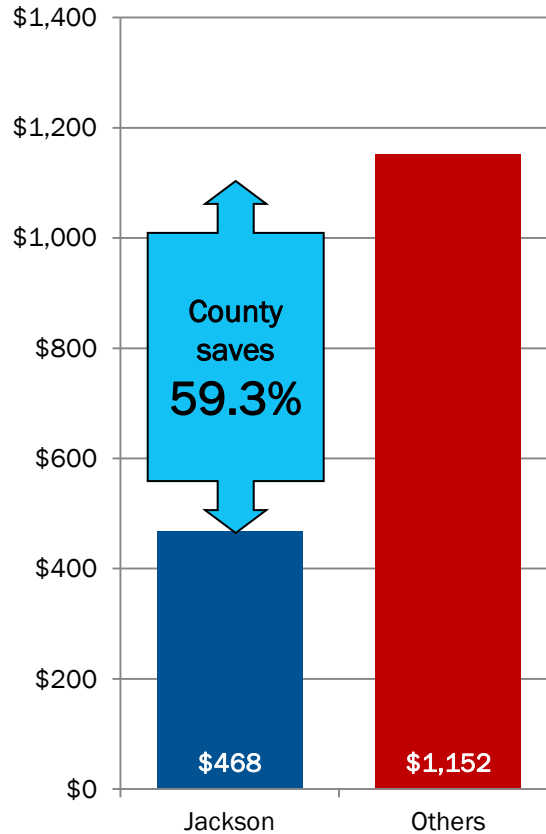
Clinical Site	First Appointment
Bariatrics	1 to 3 days
Colorectal	1 day
Cardiology	1 week
Gastrointestinal	1 week
Maternal Fetal	1 day
Neurology	2 weeks
Obstetrics	1 day
Oncology	1 week

Cost-Saving Opportunities

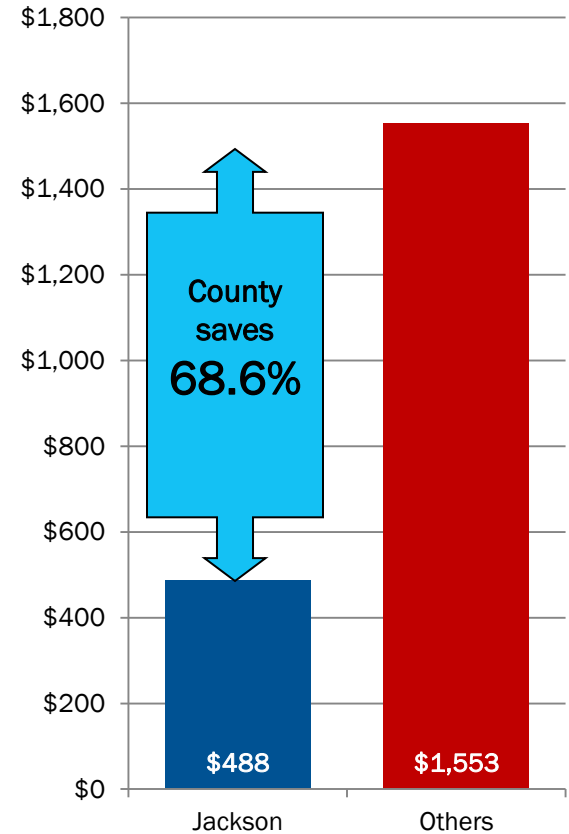
Inpatient



Outpatient



ER



Based on Arthur J. Gallagher & Co. analysis of 2013 claims paid

Cost-Saving Opportunities

If ALL Miami-Dade claims in 2013 were paid at Jackson rates, the County would save...



Up to **\$21.6 million** on inpatient admissions



Up to **\$38.8 million** on non-emergency outpatient appointments



Up to **\$16.5 million** on ER visits



Up to \$76.9 million total

Based on Arthur J. Gallagher & Co. analysis of 2013 claims paid

Win-Win-Win

The Jackson First Plan can be a Meaningful and Attractive Alternative to Those Employees who are Unable to Cover their Families Under the Current Health Plan Offerings. This plan will create a new source of savings with efficiency shifts in employee behavior. It will also Increase Utilization of Jackson Excess Capacity and generate Incremental Margin at Jackson to Help Ensure Sustainability.