

# **Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund**

## ***Year-to-Date Savings Results*** ***(January 1, 2013 through November 30, 2013 )***

*Jason Webb, Account Manager*

*December 20, 2013*



# PPO Year-to-Date Savings Results

(January 1, 2013 – November 30, 2013)

| Claim Category | Charge             | Allowed            | Savings            |
|----------------|--------------------|--------------------|--------------------|
| Inpatient      | \$1,595,718        | \$1,009,315        | \$586,403          |
| Outpatient     | \$881,608          | \$670,675          | \$210,932          |
| Physician      | \$2,198,846        | \$1,005,726        | \$1,193,119        |
| <b>Total</b>   | <b>\$4,676,172</b> | <b>\$2,685,716</b> | <b>\$1,990,454</b> |

- Inpatient = 36.7% savings
- Outpatient = 23.9% savings
- Physician = 54.3% savings

**PPO Savings = 42.6%**

# **YTD - Out of Network Savings Program Results**

(January 1, 2013 – November 30, 2013)

| <b>Claim Category</b> | <b>Charge</b>    | <b>Allowed</b>   | <b>Savings <sup>1</sup></b> |
|-----------------------|------------------|------------------|-----------------------------|
| Inpatient             | \$500            | \$400            | \$100                       |
| Outpatient            | \$192,733        | \$159,138        | \$33,595                    |
| Physician             | \$312,495        | \$238,816        | \$73,678                    |
| <b>Total</b>          | <b>\$505,728</b> | <b>\$398,354</b> | <b>\$107,373</b>            |

**OONSP Savings = 21.2%**

# In-Network vs Out of Network

(January 1, 2013 – November 30, 2013)

| Provider Utilization | Year to Date Priced Claims | Total |
|----------------------|----------------------------|-------|
| In-Network           | \$4,676,173                | 94%   |
| Out-of-Network       | \$329,630                  | 6%    |
| Total Charges        | \$5,511,532                | 100%  |

# Total YTD Savings Results

(January 1, 2013 – November 30, 2013)

**Improve member health and control claims costs  
in a member friendly way.**

|                                   |  |                    |
|-----------------------------------|--|--------------------|
| PPO Network Savings               |  | \$1,990,455        |
| Out of Network Savings Program    |  | \$107,373          |
| Care Management Savings           |  | \$97,558           |
| <b>Total Year to Date Savings</b> |  | <b>\$2,195,386</b> |

# **Warehouse Employees Union Local No. 730 Health and Welfare Trust Fund**

## ***2014 Renewal Proposal & History***

*Jason Webb, Account Manger  
Kimberly Cicero, Sales Lead  
December 20, 2013*



# Renewal History 2008 to 2013

**Cigna is respectfully requesting a \$2.68 increase in fees.  
A total annual increase of \$12,124.\***

*\*Assuming average membership of 377*

**Average membership has decreased since 2008. In 2008, annual average membership was 817 members.**

**Our contract allows a re-evaluation of fees in the event the Fund's enrollment decreases by 15% or greater**

| Renewal Year | Percentage | Rate    |
|--------------|------------|---------|
| 2008         | (Original) | \$18.58 |
| 2009         | 0%         | \$18.58 |
| 2010         | 0%         | \$18.58 |
| 2011         | 2%         | \$18.95 |
| 2012*        | 1.4%       | \$19.21 |
| 2013*        | 0%         | \$19.21 |

*\* Rates include \$0.26 increase for addition of MH/SA network*

# Savings Versus Fees

Year to Date January 1, 2013 through November 30, 2013

|              |                 |
|--------------|-----------------|
| Savings 2013 | \$1,990,454     |
| Fees Paid    | <u>\$82,582</u> |
| Net Savings  | \$1,907,872     |

Year to date (11 month period), the Fund has incurred \$4,676,172 in claim charges.

Through the Cigna PPO network, the Fund has achieved savings of \$1,990,454.

Since January 1, the Fund has paid Cigna \$81,582 in service fees. This results in a net savings of \$1,907,872.

# Current Services Cigna Provides to the Fund

- Shared Administration Re-pricing Services
- Access to our National Network of more than 1 million provider locations
- Provider Credentialing to NCQA Standards and Contract Negotiations
- Network provider channeling & guidance
- Transplant Centers of Excellence
- Medical: Inpatient Pre-Admission Certification & Continued Stay Procedural Review
- Medical Care Case Management Support
- 24 Hour Nurse Line
- Health Risk Assessment/Online Coaching
- Mental Health Pre-Admission Certification Continued Stay Review
- Mental Health Case Management Support
- Behavioral Network
- Healthy Rewards Discount program
- Online Web Tools

We have included the Retiree Drug Subsidy Service at no cost to the Fund since September 1, 2009. This service includes: Eligibility reporting to RDS/client, Cost reporting to RDS/client, Annual reconciliation, Consultation, Administrative support, Application submission & Strategic planning.

Should the Fund wish to continue these services, the fee for such service is \$7,000 annually. Cigna estimates, Warehouse Employees Local 730 Health and Welfare Fund has received about \$190,000 in subsidy reimbursement during the 2012 plan year.