FELRA and UFCW
Health and Welfare Fund

Managed Behavioral Health & Employee Assistance Program

Report for January – December 2013

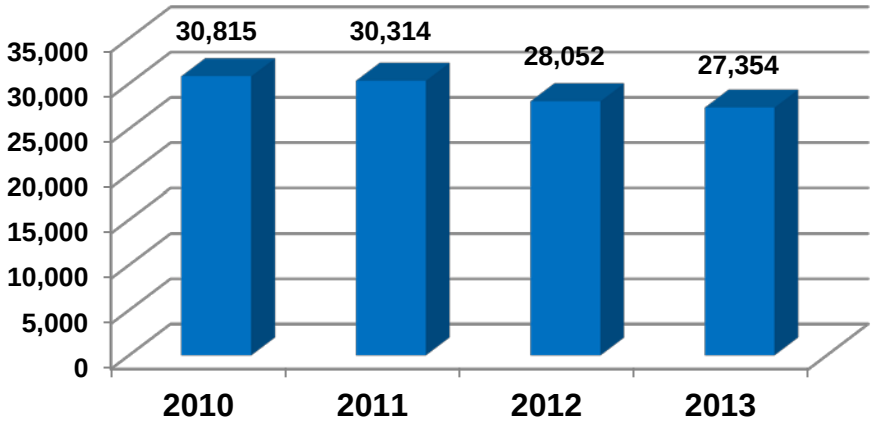
ValueOptions
Innovative Solutions. Better Health.

FELRA and UFCW
Health & Welfare Fund
Managed Behavioral Health & EAP
Report for 2013
Table of Contents

Executive Highlights

Membership & Program Penetration

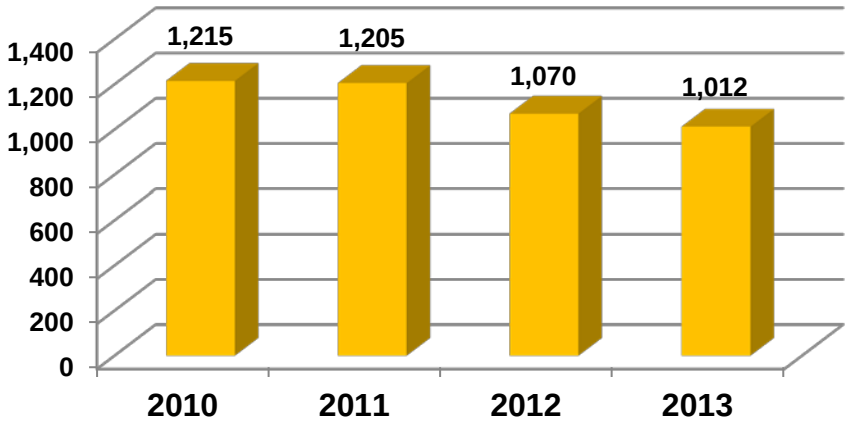
Average Membership per Month



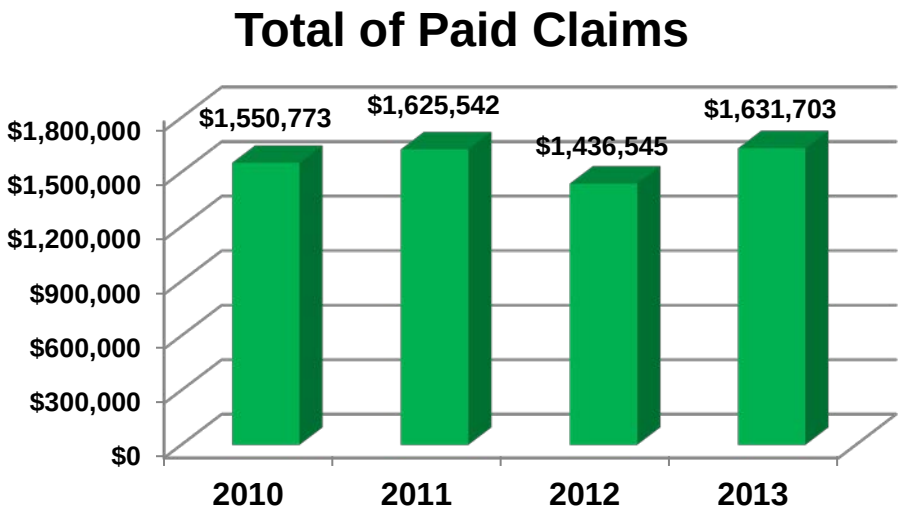
	2010	2011	2012	2013
Unique Mbrs - Inpatient	172	172	170	145
Inpatient Penetration Rate	0.56%	0.57%	0.61%	0.53%
Unique Mbrs - Outpatient	1,166	1,156	1,016	968
Outpatient Penetration Rate	3.78%	3.81%	3.62%	3.54%
Total Unique Mbrs in Care	1,215	1,205	1,070	1,012
Total Penetration	3.94%	3.98%	3.81%	3.70%

- The average membership served by the program decreased marginally from the prior Plan year.
- One thousand twelve members had at least one paid claim for behavioral health during 2013, representing 3.7% of all members.
- Fourteen percent of those in care required an admission to acute service (inpatient and/or alternative levels of care), down from 17% in the prior year.

Program Penetration



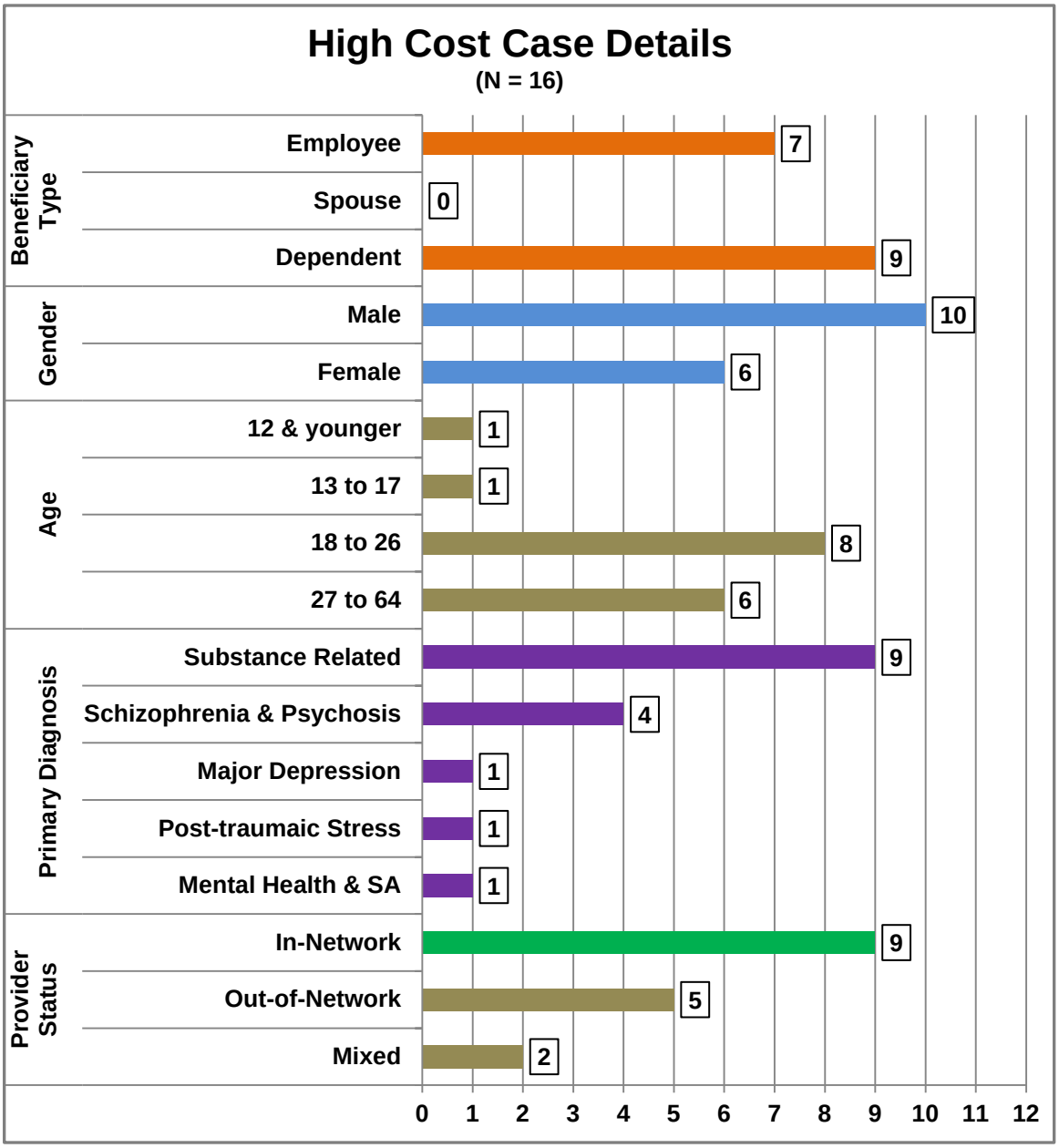
Paid Claims Experience



	2010	2011	2012	2013
Acute Care Subtotal	$1,137,112	$1,182,732	$1,079,857	$1,138,975
Outpatient Subtotal	$413,661	$442,810	$356,688	$492,728
Total of Paid Claims	$1,550,773	$1,625,542	$1,436,545	$1,631,703
Per Employee per Month	$6.78	$7.31	$6.98	$8.12
Per Member per Month	$4.19	$4.47	$4.27	$4.97
Total Network Savings	$649,315	$667,498	$873,407	$899,063
Network Savings PEPM	$2.84	$3.00	$4.24	$4.48

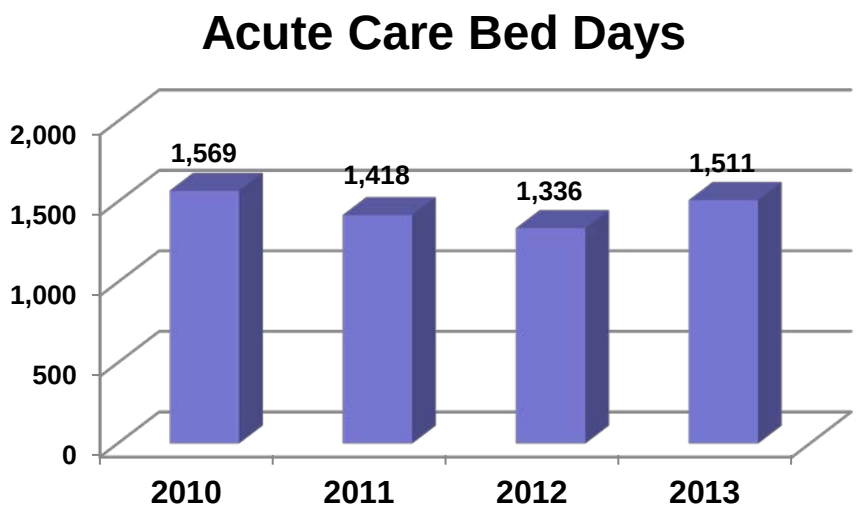
- The total of paid claims rose 14%, after decreasing 12% during 2012. The increase in 2013 is associated with a higher number of approved out-of-network units of care.
- The acute care total went up 5%, primarily because of an uptick in the average paid per unit.
- The lion's share of the increase in out-of-network units occurred in regard to outpatient claims, where the total paid rose 38%. This pattern is consistent with the removal of prior certification requirements for OP care that occurred with the adoption of parity for behavioral health benefits in 2013.
- The rate paid per-employee and per-member-per-month went up 16% following a decrease of 5% in the prior year.
- The total of savings due to discounts on network claims in 2013 is 39% of the amount billed by participating providers and equaled $4.48 PEPM.

High Cost Cases



- There were sixteen members whose paid claims totaled $20,000 or more in 2013, accounting for 37% of the total approved amount.
- The average amount paid for these members' claims is $37,867. The average for the remaining 996 members with an approved claim in 2013 is $1,030.
- Substance Abuse was the diagnostic type most often associated with High Cost cases, making up 60% of the total number.
- Nine of the involved members are dependent beneficiaries, and seven of these are in the 18 to 26 age group. These facts are consistent with a pattern observed by ValueOptions concerning high cost cases that has occurred since the expansion of dependent status coverage to the age of 26 as required by the Affordable Care Act.

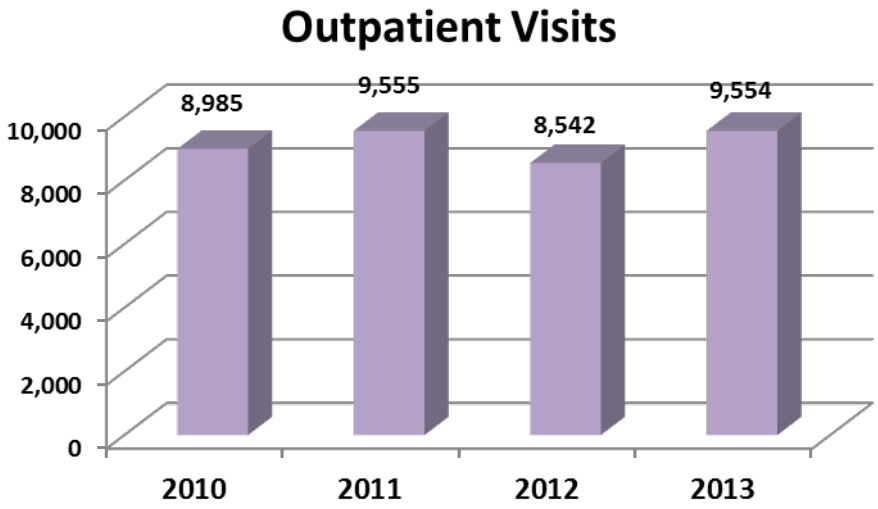
Behavioral Health Utilization – Acute Care



	2010	2011	2012	2013
Acute Care Admisssions	258	263	236	255
Total Bed Days	1,569	1,418	1,336	1,511
Average Length of Stay in Care	6.1	5.4	5.7	5.9
Admits / 1000 Members	8.4	8.7	8.4	9.3
Benefit Days / 1000 Members	50.9	46.8	47.6	55.2

- The total of acute care benefit days authorized in 2013 (inpatient, partial hospital, residential and intensive outpatient) is 13% more than the prior year secondary to an increase in the rate of admission.
- The average length of stay went up marginally, and remained lower than six days per admission.
- The number of benefit days used per thousand members rose 16%. This change is connected to the increase in admissions already noted.

Outpatient Utilization – Claims Experience

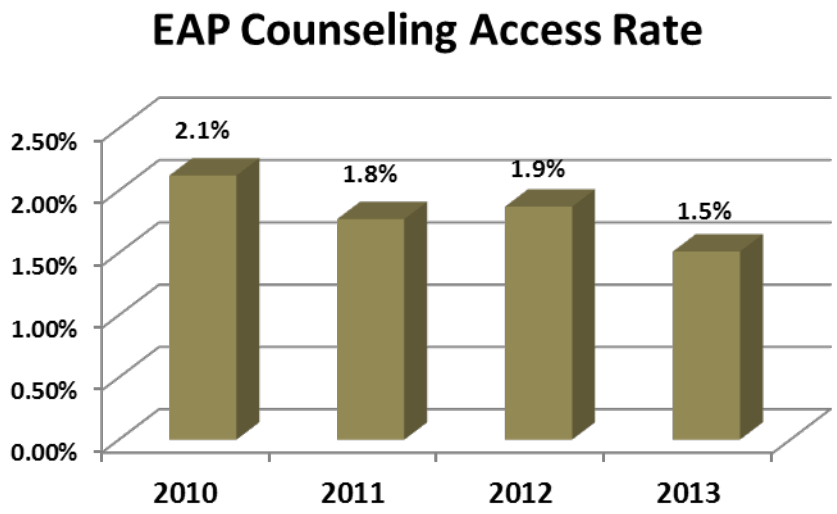


	2010	2011	2012	2013
Total Outpatient Visits	8,985	9,555	8,542	9,526
Unique Mbrs seen in Outpatient	1,167	1,156	1,016	968
OP Visits / 1000 Members	291.6	315.2	304.5	349.3
Average # of Visits / Mbr in Care	7.7	8.3	8.4	9.8

- Five percent fewer members had a paid claim for outpatient services in the past year.
- Each member in care used 1.4 additional visits on average, reflecting the influence of the removal of certification requirements for outpatient care.
- Over the entire membership, the number of outpatient visits paid per thousand members went up 15%.

Employee Assistance Program Results

EAP Utilization	2010	2011	2012	2013
Average # of Subscribers	11877	11591	11040	11103
Total EAP Cases	252	205	206	168
EAP Access Rate	2.12%	1.77%	1.87%	1.51%



Primary Presenting Problems	2010	2011	2012	2013
Depression/ Anxiety	34.1%	27.3%	28.2%	33.7%
Marital/Relationship/Family	22.2%	32.7%	23.8%	27.0%
Situational Adjustment	17.1%	15.1%	20.4%	12.9%
Alcohol / Drug	6.0%	8.8%	4.9%	6.1%
Grief & Loss	4.4%	3.9%	3.9%	6.1%

- The portion of members who accessed EAP counseling in 2013 dropped by four-tenths percent to 1.5%.
- Promotion of the EAP benefit has become more necessary with the introduction of parity.* ValueOptions looks forward to an opportunity to partner on such efforts with the Plan.
- Depression / Anxiety remained the most common problem types presented by those who used the EAP; followed by issues associated with marriage, relationship and family.

* Prior to 2013, when members were required to pre-certify their outpatient care through ValueOptions, their call also became an opportunity to educate the member about the availability of the EAP benefit and how it can be used for the majority of concerns that will prompt the need for outpatient treatment.. With parity, pre-certification of OP is not required, and so this opportunity for promotion of the EAP to individual members no longer occurs.

Paid Claims Experience

Paid Claim Analysis - In-Network versus Out-of-Network

In-Network

Level of Care	Psych Units	Psych Paid $'s	Substance Abuse Units	Substance Abuse Paid $'s	Total Units	Total Paid $'s	Average Cost per Unit	PEPM	PMPM
Inpatient	559	$535,141	208	$141,214	767	$676,355	$881.82	$3.37	$2.06
Residential	0	$0	132	$60,501	132	$60,501	$458.34	$0.30	$0.18
Partial Hospitalization	130	$52,629	274	$75,602	404	$128,231	$317.40	$0.64	$0.39
Intensive Outpatient	45	$10,074	388	$51,725	433	$61,799	$142.72	$0.31	$0.19
Outpatient	5,126	$265,045	705	$16,841	5,831	$281,886	$48.34	$1.40	$0.86
Sub Total	5,860	$862,889	1,707	$345,883	7,567	$1,208,772		$6.02	$3.68

Out-of-Network

Level of Care	Psych Units	Psych Paid $'s	Substance Abuse Units	Substance Abuse Paid $'s	Total Units	Total Paid $'s	Average Cost per Unit	PEPM	PMPM
Inpatient	38	$39,330	15	$33,588	53	$72,918	$1,375.82	$0.36	$0.22
Residential	0	$0	33	$57,600	33	$57,600	$1,745.45	$0.29	$0.18
Partial Hospitalization	6	$1,205	53	$46,642	59	$47,847	$810.97	$0.24	$0.15
Intensive Outpatient	0	$0	49	$33,380	49	$33,380	$681.22	$0.17	$0.10
Outpatient	1,249	$111,440	2,445	$99,290	3,694	$210,729	$57.05	$1.05	$0.64
Sub Total	1,293	$151,975	2,595	$270,500	3,888	$422,475		$2.10	$1.29

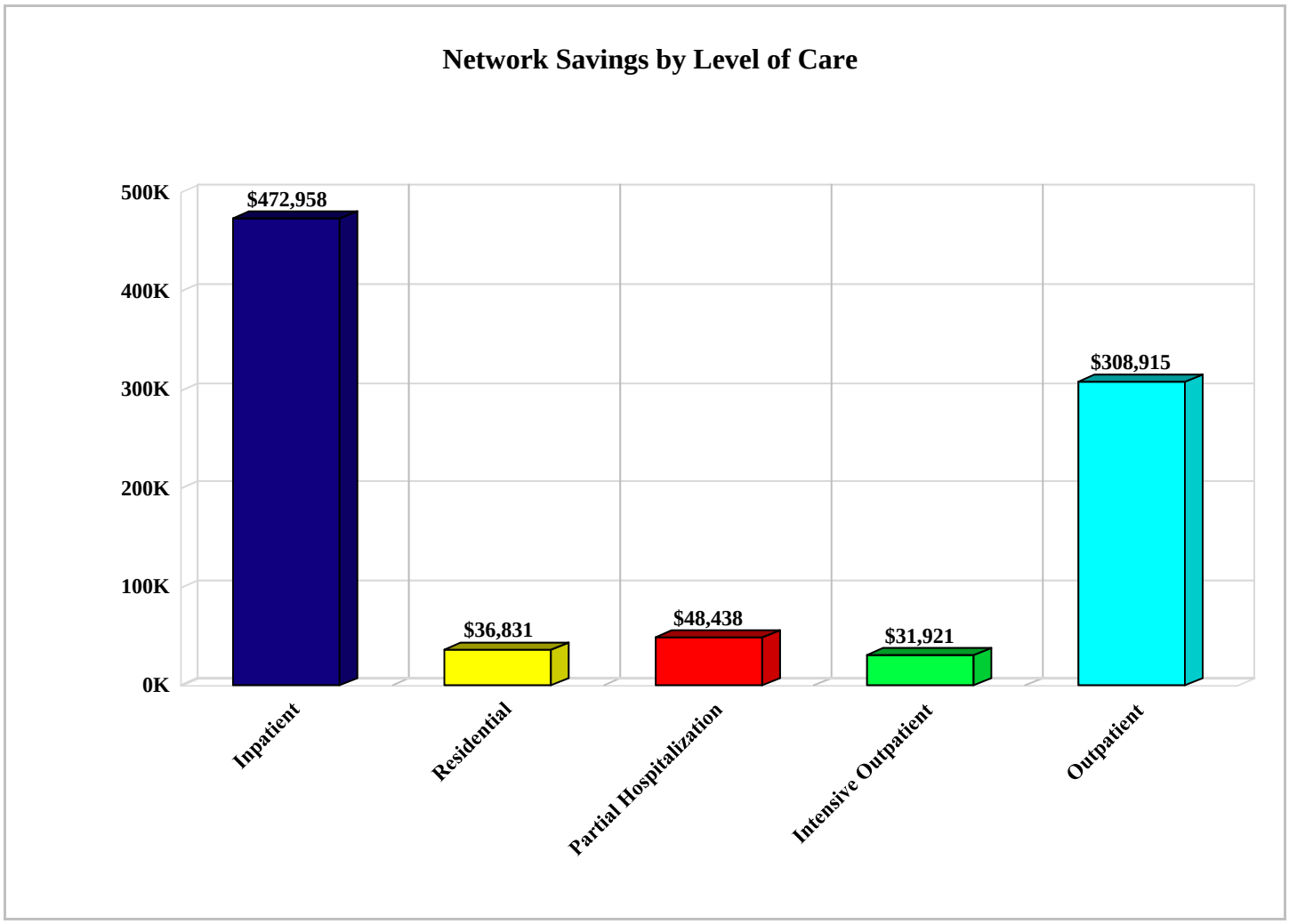
Total

Level of Care	Psych Units	Psych Paid $'s	Substance Abuse Units	Substance Abuse Paid $'s	Total Units	Total Paid $'s	Average Cost per Unit	PEPM	PMPM
Inpatient	597	$574,815	223	$174,802	820	$749,617	$914.17	$3.73	$2.28
Residential	0	$0	165	$118,101	165	$118,101	$715.76	$0.59	$0.36
Partial Hospitalization	136	$53,834	327	$122,244	463	$176,078	$380.30	$0.88	$0.54
Intensive Outpatient	45	$10,074	437	$85,105	482	$95,179	$197.47	$0.47	$0.29
Outpatient	6,376	$376,598	3,150	$116,131	9,526	$492,728	$51.72	$2.45	$1.50
Grand Total	7,154	$1,015,321	4,302	$616,382	11,456	$1,631,703		$8.12	$4.97

**In-Network Claims include SCA.*

Network Savings

Level of Care	Billed Amount	Allowed Amount	*Network Savings
Inpatient	$1,223,478	$750,520	$472,958
Residential	$107,556	$70,725	$36,831
Partial Hospitalization	$179,401	$130,963	$48,438
Intensive Outpatient	$93,880	$61,960	$31,921
Outpatient	$695,077	$386,162	$308,915
Total	**$2,299,392**	**$1,400,329**	**$899,063**

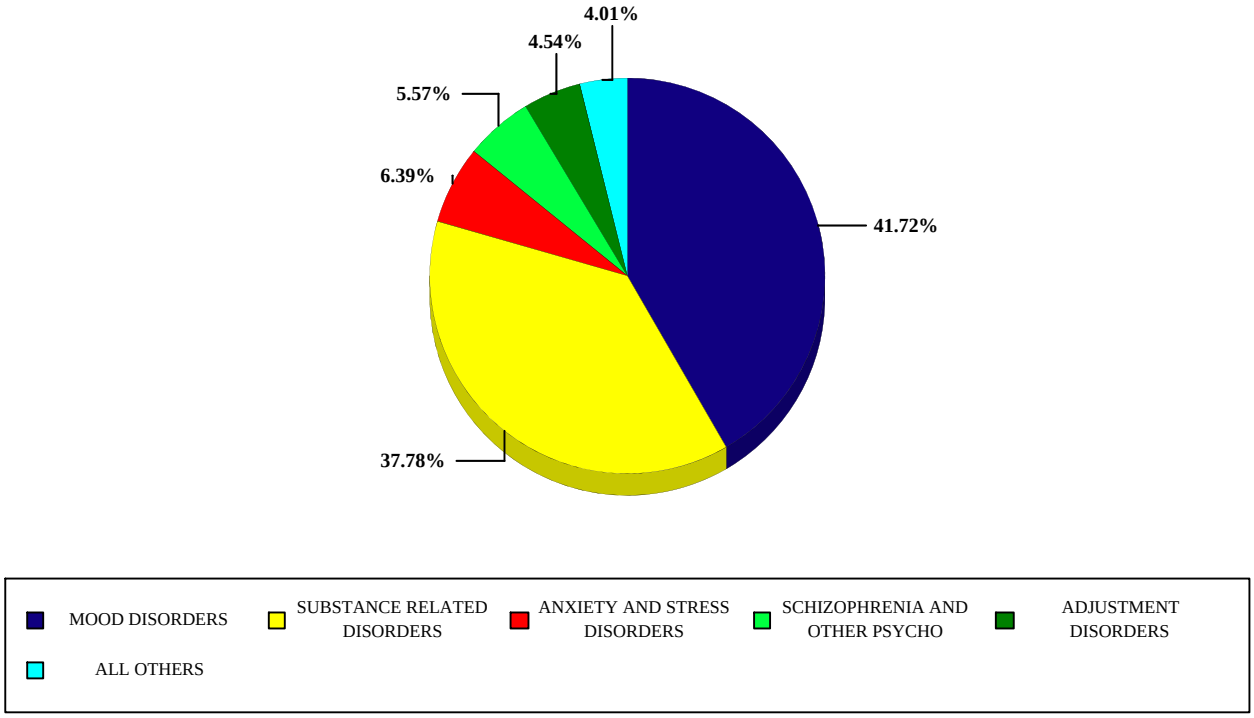


*In-Network Claims Only
**Network Savings calculated prior to application of benefits.

Total Paid Distribution by Major Diagnosis Category

Rank	Diagnosis Category	Total Paid	% of Total Paid	Book of Business
1	MOOD DISORDERS	$680,707.11	41.72%	39.95%
2	SUBSTANCE RELATED DISORDERS	$616,382.13	37.78%	28.40%
3	ANXIETY AND STRESS DISORDERS	$104,260.49	6.39%	9.40%
4	SCHIZOPHRENIA AND OTHER PSYCHOTIC DISORDERS	$90,898.37	5.57%	4.67%
5	ADJUSTMENT DISORDERS	$74,082.33	4.54%	8.52%
6	DISORDERS USUALLY FIRST DIAGNOSED IN INFANCY, CHILDHOOD OR ADOLESCENCE	$42,064.04	2.58%	4.15%
7	OTHER MENTAL DISORDERS	$16,591.62	1.02%	0.74%
8	PERSONALITY DISORDERS	$2,491.00	0.15%	0.13%
9	DELIRIUM, DEMENTIA, AMNESTIC AND OTHER COGNITIVE DISORDERS	$1,444.77	0.09%	0.21%
10	MENTAL DISORDERS DUE TO A GENERAL MEDICAL CONDITION NOT ELSEWHERE CLASSIFIED	$1,340.08	0.08%	0.25%
11	EATING DISORDERS	$932.65	0.06%	3.15%
12	DISSOCIATIVE, SOMATOFORM AND FACTITIOUS DISORDERS	$439.80	0.03%	0.21%
13	OTHER CONDITIONS THAT MAY BE THE FOCUS OF CLINICAL ATTENTION	$69.00	0.00%	0.22%
	Total for All Diagnosis Categories	**$1,631,703.39**	**100.00%**	**100.00%**

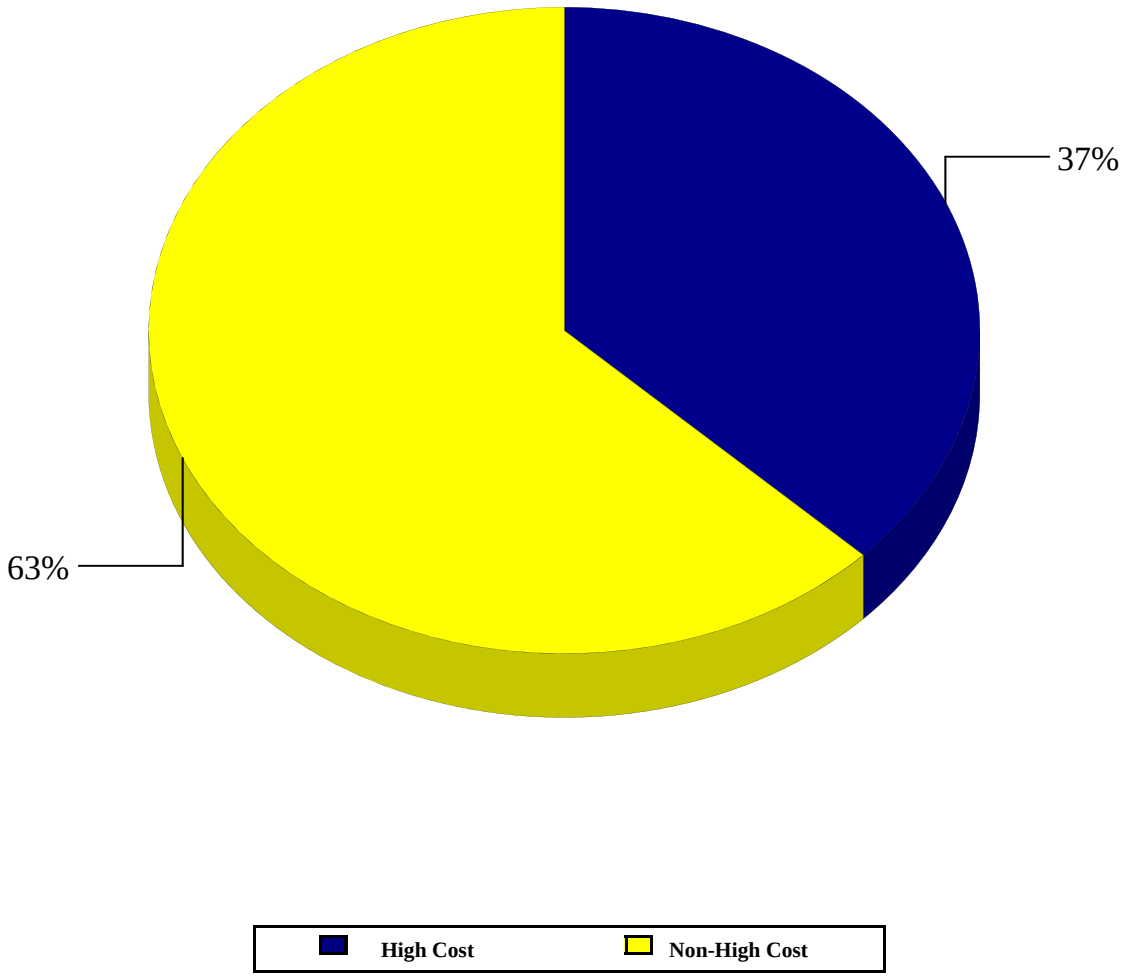
Top Five Diagnosis Categories



High Cost Member Cases Greater than $20,000

	# of Unduplicated Members	Total Claim Amount	Total Allowed Amount	Total Paid Amount	% of Total
High Cost Cases	16	$965,584	$625,337	$605,878	37.13%
Non-High Cost Cases	996	$1,898,498	$1,301,243	$1,025,826	62.87%
Total	**1,012**	**$2,864,081**	**$1,926,580**	**$1,631,703**	**100.00%**

High Cost Member Cases



Paid Claim Analysis - Gender/Dependency

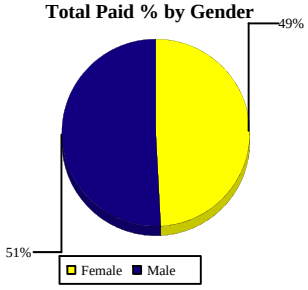
Males

Age Band	Employee	Spouse	Dependent	Total
0 - 12	$0	$0	$89,856	$89,856
13 - 17	$0	$0	$93,708	$93,708
18 - 64	$371,935	$45,871	$221,382	$639,189
65+	$3,564	$1,505	$0	$5,069
Total	**$375,499**	**$47,376**	**$404,947**	**$827,822**

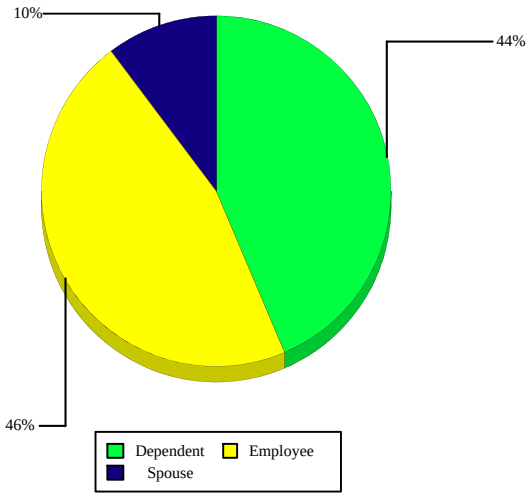
Females

Age Band	Employee	Spouse	Dependent	Total
0 - 12	$0	$0	$13,290	$13,290
13 - 17	$0	$0	$54,513	$54,513
18 - 64	$370,489	$122,083	$241,000	$733,572
65+	$2,281	$225	$0	$2,506
Total	**$372,770**	**$122,308**	**$308,804**	**$803,881**

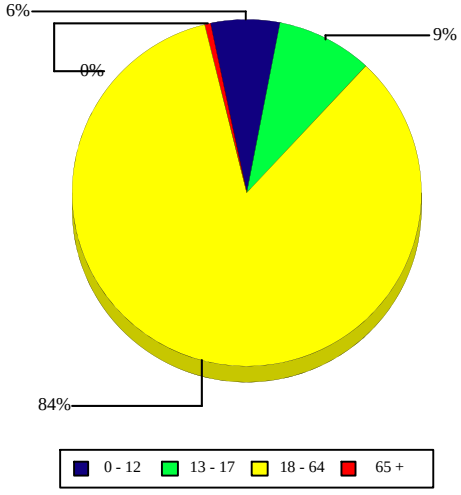
Total Paid % by Gender



Total Paid % by Dependency



Total Paid % by Age Band

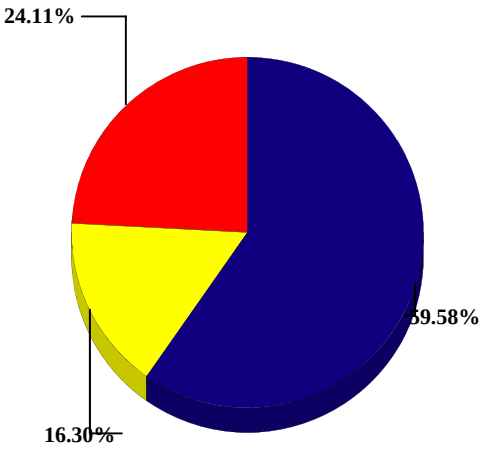


Program Penetration Analyses

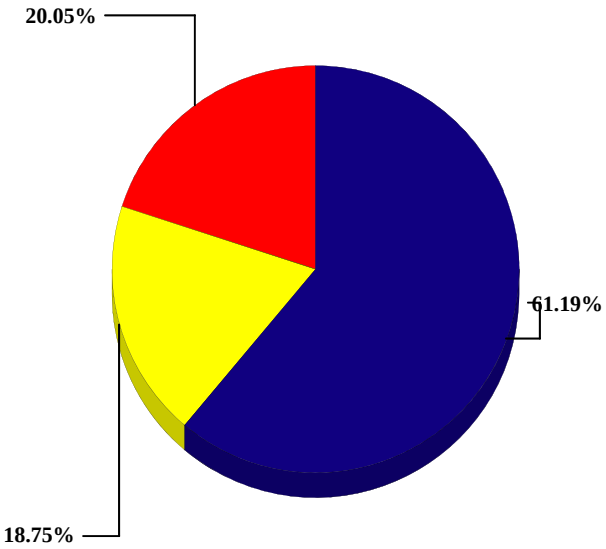
Penetration Rate by Beneficiary Type - Claims Based

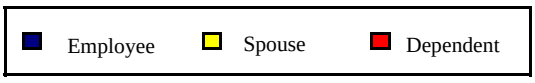
	Employee	Spouse	Dependent	Total
Unduplicated Members Accessing Care	603	165	244	1,012
Membership	16,739	5,130	5,485	27,354
Penetration Rate	3.60%	3.22%	4.45%	3.70%

Unduplicated Members Accessing Care



Membership





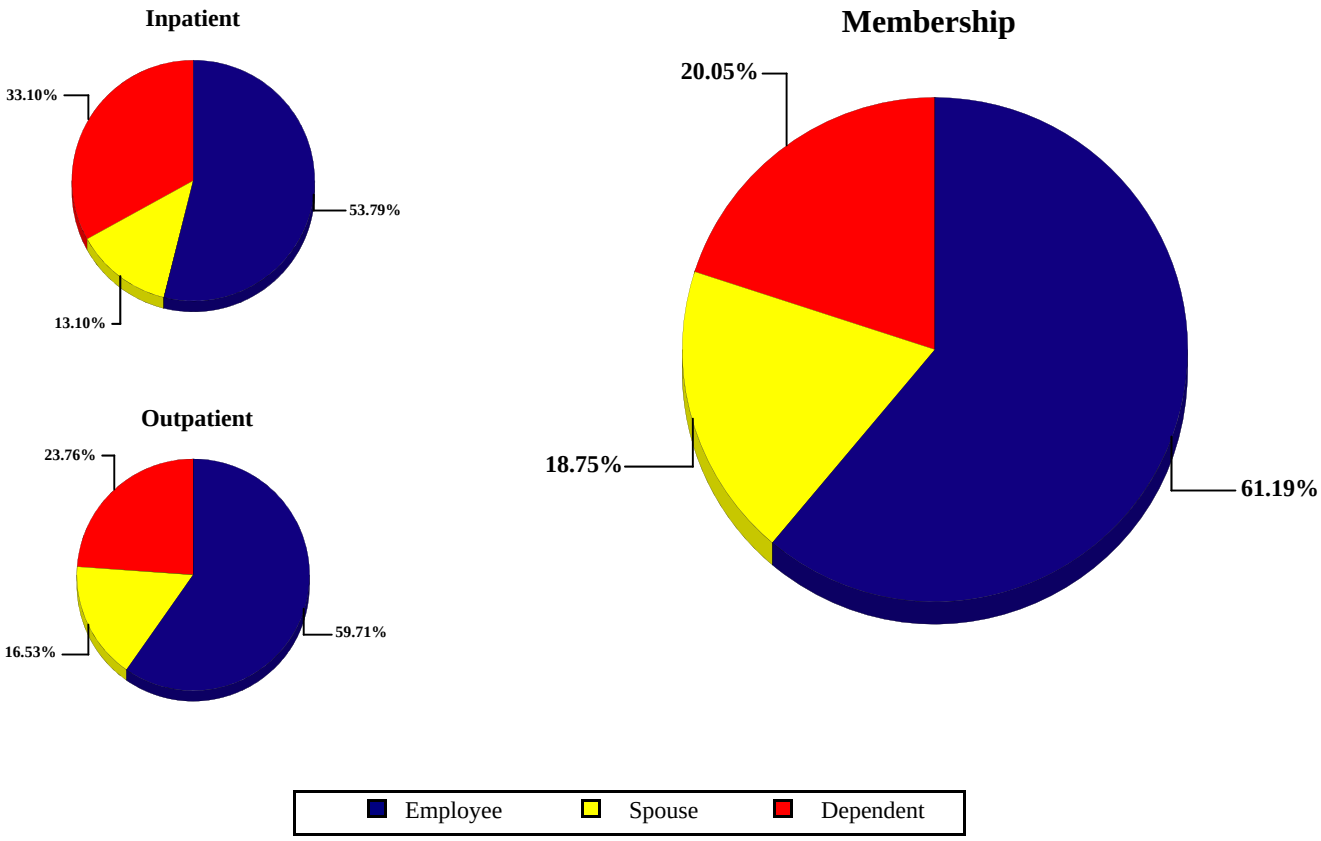
Penetration Rate by Beneficiary Type (Claims)
Inpatient and Higher Level of Care vs Outpatient

Inpatient

	Employee	Spouse	Dependent	Total
Unduplicated Members Accessing Care	78	19	48	145
Average Membership	16,739	5,130	5,485	27,354
Penetration Rate	0.47%	0.37%	0.88%	0.53%

Outpatient

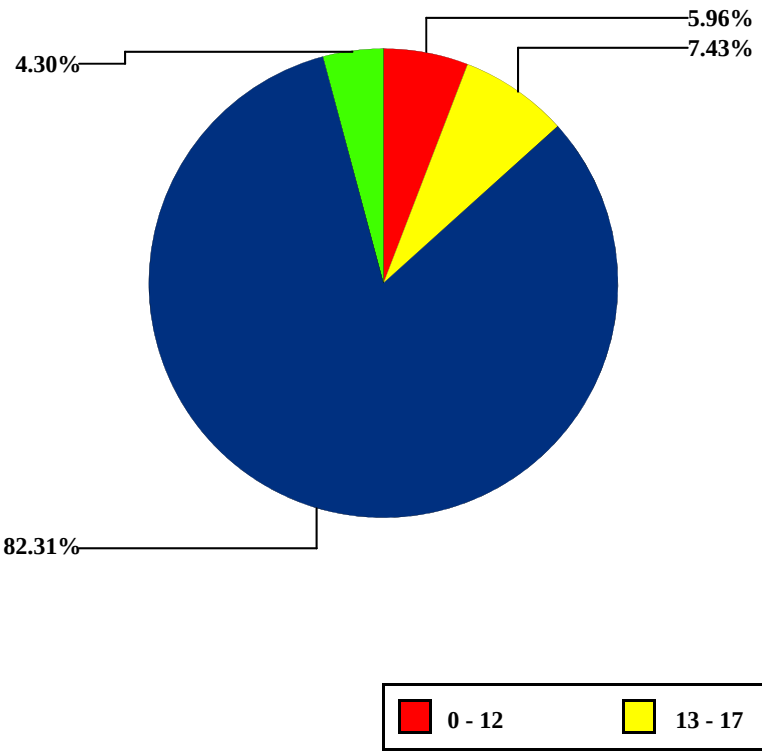
	Employee	Spouse	Dependent	Total
Unduplicated Members Accessing Care	578	160	230	968
Average Membership	16,739	5,130	5,485	27,354
Penetration Rate	3.45%	3.12%	4.19%	3.54%



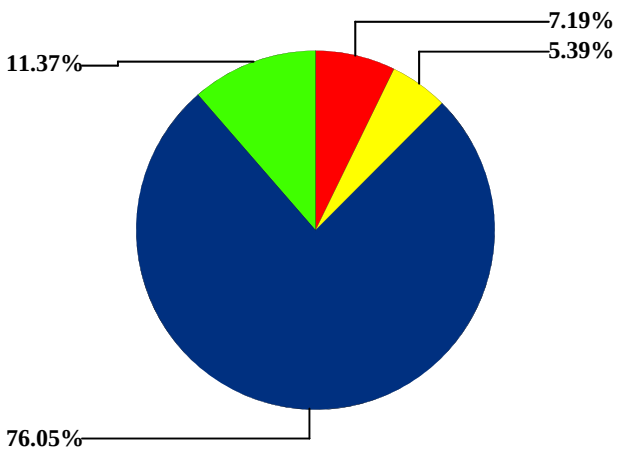
Penetration Rate by Age Category (Claims)

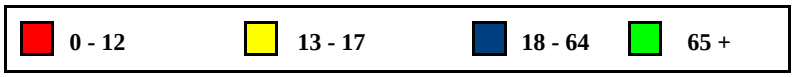
	0 - 12	13 - 17	18 - 64	65 +	Total
Unduplicated Members Accessing Care	61	76	842	44	1,012
Average Membership	1,967	1,473	20,804	3,111	27,354
Penetration Rate	3.10%	5.16%	4.05%	1.41%	3.70%

Unduplicated Members Accessing Care



Membership





Penetration Rate by Age Category (Claims)
Inpatient and Higher Level of Care vs Outpatient

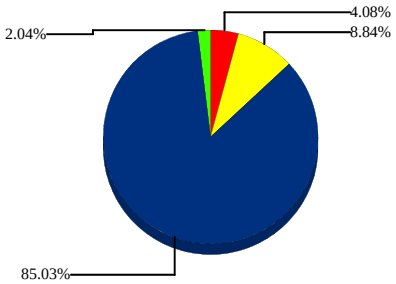
Inpatient

	0 - 12	13 - 17	18 - 64	65 +	Total
Unduplicated Members Accessing Care	6	13	125	3	145
Average Membership	1,967	1,473	20,804	3,111	27,354
Penetration Rate	0.31%	0.88%	0.60%	0.10%	0.53%

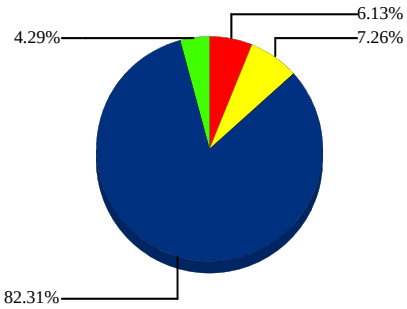
Outpatient

	0 - 12	13 - 17	18 - 64	65 +	Total
Unduplicated Members Accessing Care	60	71	805	42	968
Average Membership	1,967	1,473	20,804	3,111	27,354
Penetration Rate	3.05%	4.82%	3.87%	1.35%	3.54%

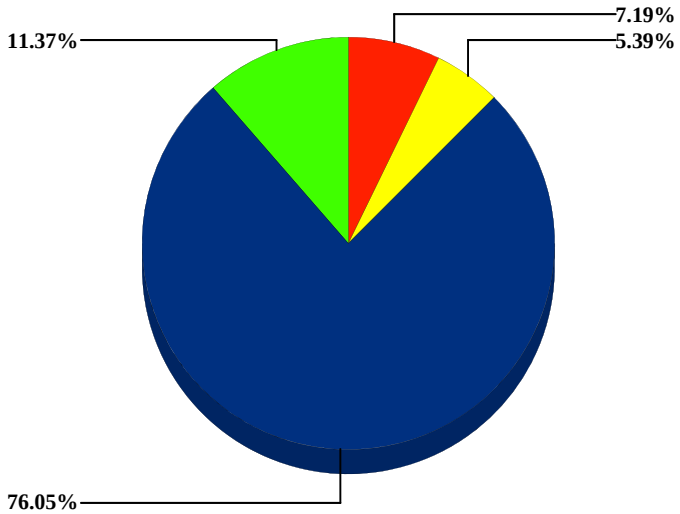
Inpatient

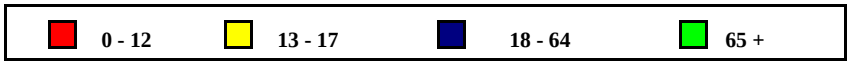


Outpatient



Membership





Behavioral Health Utilization

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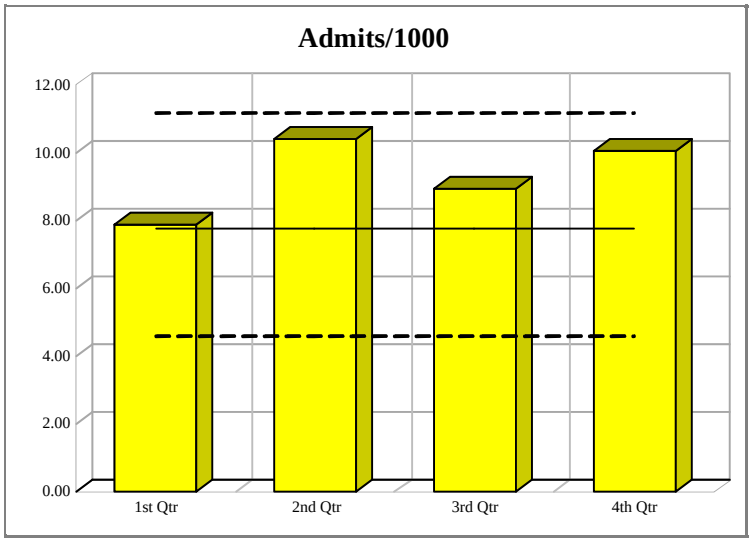
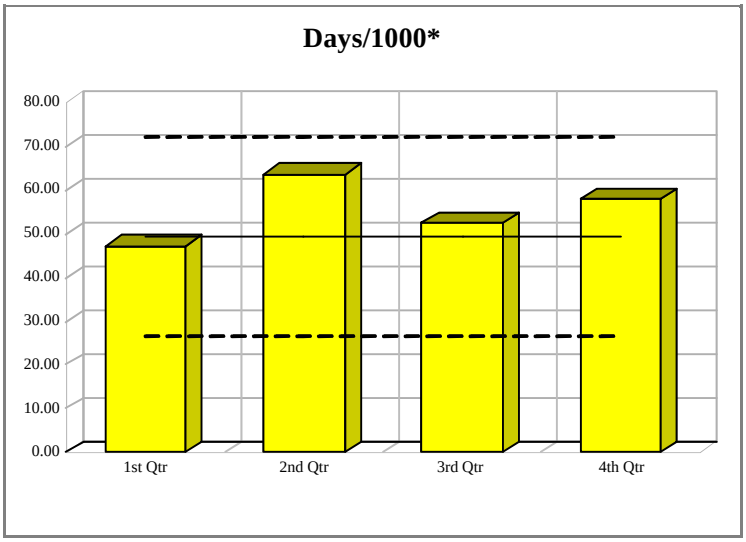
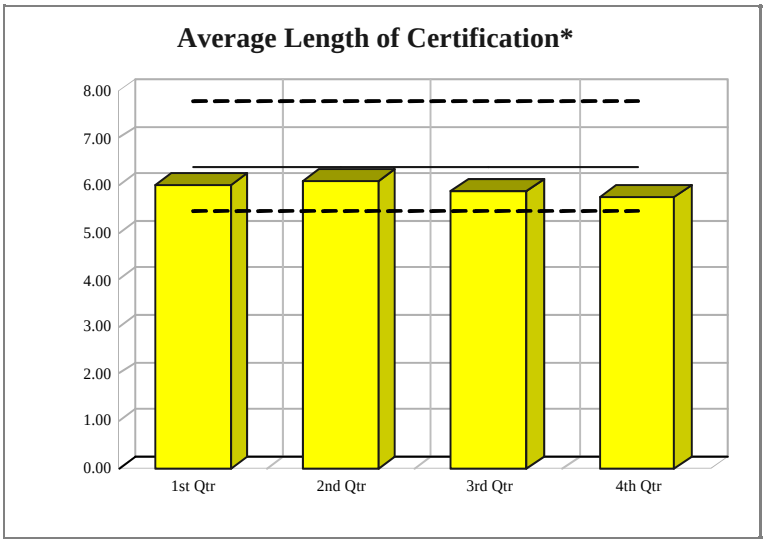
Acute Inpatient & Alternative Levels of Care Utilization

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354
Admissions	54	72	61	68	255
Days*	323	439	358	391	1,511
Admissions/1000 Lives	7.88	10.43	8.93	10.05	9.32
Days/1000 Lives*	47.18	63.61	52.34	57.80	55.25
Avg Length of Certification*	5.99	6.10	5.86	5.75	5.93







Book of Business Legend and Data Table for Employer Solutions Division with AMRs applied

	Legend	Admits/1000	Days/1000*	Average Length of Certification*
Upper Control Limit	— — — -	11.14	72.22	7.78
Book of Business	———	7.75	49.15	6.36
Lower Control Limit	— — — -	4.58	26.38	5.47

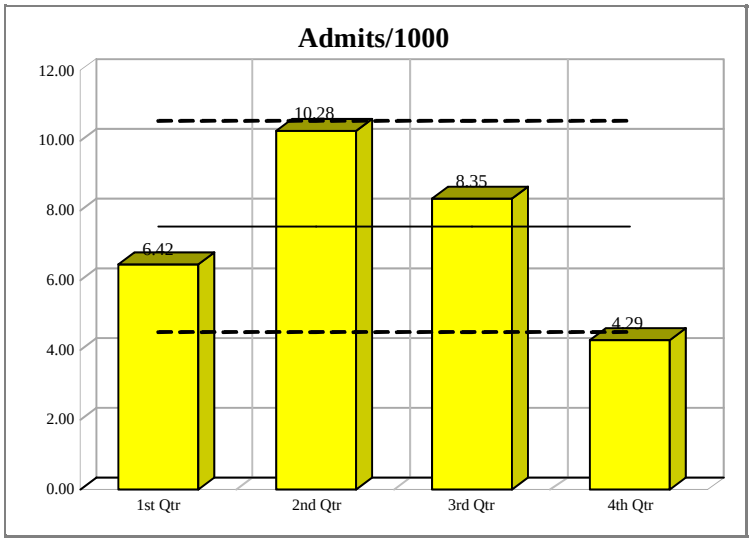
**Alternative Modality Ratios have been applied.*

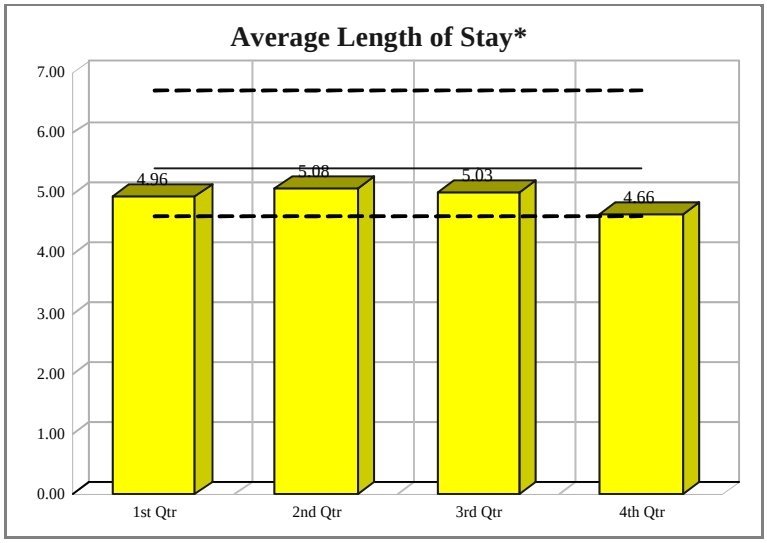
*** All data has been annualized.*

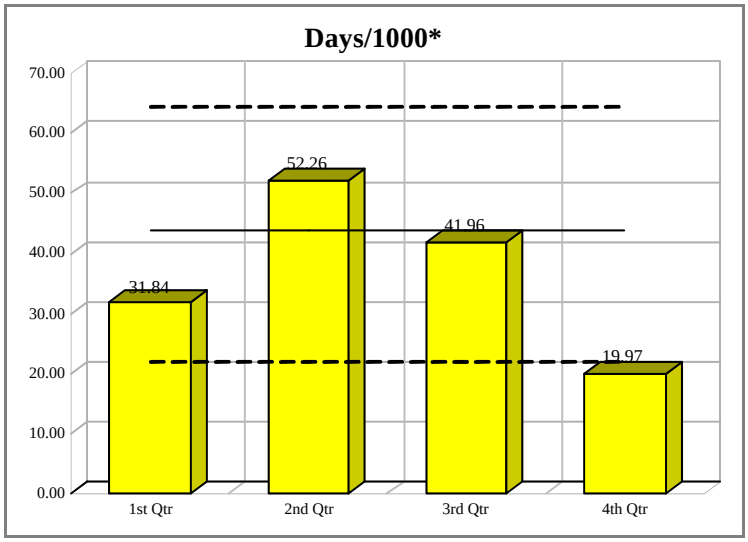
Acute Inpatient & Alternative Levels of Care Utilization - Claims Based

Both Psychiatric and Substance Abuse

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354
Admissions	44	71	57	29	201
Days*	218	361	287	135	1,001
Admissions/1000 Lives	6.42	10.28	8.35	4.29	7.35
Avg Length of Stay*	4.96	5.08	5.03	4.66	4.98
Days/1000 Lives*	31.84	52.26	41.96	19.97	36.59







Book of Business Legend and Data Table for Employer Solutions Division with AMRs applied

	Legend	Admits/1000	Days/1000*	Average Length of Stay*
Upper Control Limit	— — — -	10.54	64.28	6.70
Book of Business	———	7.53	43.95	5.43
Lower Control Limit	— — — -	4.49	22.11	4.62

**Alternative Modality Ratios have been applied.*

*** All data has been annualized.*

Report # 2053.2.01

Total Acute Inpatient & Alternative Levels of Care Detail
Psychiatric vs Substance Abuse

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354

ACUTE INPATIENT

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Admissions	26	8	33	13	26	9	30	12	115	42
Days*	181	52	231	65	161	63	179	67	752	247
Admissions/1000 Lives	3.79	1.17	4.78	1.88	3.81	1.32	4.43	1.77	4.20	1.54
Days/1000 Lives*	26.42	7.59	33.45	9.41	23.57	9.22	26.45	9.90	27.49	9.03
Avg Length of Certification*	6.96	6.50	7.00	5.00	6.19	7.00	5.97	5.58	6.54	5.88

RESIDENTIAL TREATMENT PROGRAM

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Admissions	0	3	2	5	0	1	1	3	3	12
Days*	0	23	11	37	0	13	38	18	49	90
Admissions/1000 Lives	0.00	0.44	0.29	0.72	0.00	0.15	0.15	0.44	0.11	0.44
Days/1000 Lives*	0.00	3.28	1.59	5.36	0.00	1.83	5.54	2.66	1.77	3.29
Avg Length of Certification*	0.00	7.50	5.50	7.40	0.00	12.50	37.50	6.00	16.17	7.50

PARTIAL HOSPITALIZATION PROGRAM

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Admissions	4	6	4	8	9	5	6	7	23	26
Days*	19	30	17	49	31	40	33	36	99	155
Admissions/1000 Lives	0.58	0.88	0.58	1.16	1.32	0.73	0.89	1.03	0.84	0.95
Days/1000 Lives*	2.77	4.38	2.39	7.10	4.54	5.86	4.80	5.25	3.62	5.65
Avg Length of Certification*	4.75	5.00	4.13	6.13	3.44	8.00	5.42	5.07	4.30	5.94

IOP/GROUP HOME/HALFWAY HOUSE

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Admissions	0	7	2	5	2	9	2	7	6	28
Days*	0	19	6	24	8	42	4	17	18	102
Admissions/1000 Lives	0.00	1.02	0.29	0.72	0.29	1.32	0.30	1.03	0.22	1.02
Days/1000 Lives*	0.00	2.74	0.90	3.42	1.17	6.15	0.62	2.57	0.67	3.72
Avg Length of Certification*	0.00	2.69	3.10	4.72	4.00	4.67	2.10	2.49	3.07	3.64

TOTAL ACUTE INPATIENT AND ALTERNATIVE LEVELS OF CARE

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Admissions	30	24	41	31	37	24	39	29	147	108
Days*	200	123	265	175	200	158	253	138	918	593
Admissions/1000 Lives	4.38	3.50	5.94	4.49	5.42	3.51	5.76	4.29	5.37	3.95
Days/1000 Lives*	29.19	17.99	38.33	25.28	29.28	23.06	37.42	20.38	33.56	21.69
Avg Length of Certification*	6.67	5.14	6.46	5.63	5.41	6.56	6.49	4.76	6.24	5.49

**Alternative Modality Ratios have been applied.*

*** All data has been annualized.*

Total Acute Inpatient and Alternative Levels of Care Detail

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354
ACUTE INPATIENT					
Admissions	34	46	35	42	157
Days*	233	296	224	246	999
Admissions/1000 Lives	4.96	6.66	5.12	6.21	5.74
Days/1000 Lives*	34.00	42.86	32.80	36.36	36.52
Avg Length of Certification*	6.85	6.43	6.40	5.86	6.36
RESIDENTIAL TREATMENT PROGRAM					
Admissions	3	7	1	4	15
Days*	23	48	13	56	139
Admissions/1000 Lives	0.44	1.01	0.15	0.59	0.55
Days/1000 Lives*	3.28	6.95	1.83	8.20	5.06
Avg Length of Certification*	7.50	6.86	12.50	13.88	9.23
PARTIAL HOSPITALIZATION PROGRAM					
Admissions	10	12	14	13	49
Days*	49	66	71	68	254
Admissions/1000 Lives	1.46	1.74	2.05	1.92	1.79
Days/1000 Lives*	7.15	9.48	10.40	10.05	9.27
Avg Length of Certification*	4.90	5.46	5.07	5.23	5.17
IOP/GROUP HOME/HALFWAY HOUSE					
Admissions	7	7	11	9	34
Days*	19	30	50	22	120
Admissions/1000 Lives	1.02	1.01	1.61	1.33	1.24
Days/1000 Lives*	2.74	4.32	7.32	3.19	4.39
Avg Length of Certification*	2.69	4.26	4.55	2.40	3.54
TOTAL ACUTE INPATIENT AND ALTERNATIVE LEVELS OF CARE					
Admissions	54	72	61	68	255
Days*	323	439	358	391	1,511
Admissions/1000 Lives	7.88	10.43	8.93	10.05	9.32
Days/1000 Lives*	47.18	63.61	52.34	57.80	55.25
Avg Length of Certification*	5.99	6.10	5.86	5.75	5.93

**Alternative Modality Ratios have been applied.*
*** All data has been annualized.*

Total Acute Inpatient and Alternative Levels of Care Detail - Claims Based

Both Psychiatric and Substance Abuse

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354
ACUTE INPATIENT					
Admissions	26	44	27	17	114
Days*	139	245	189	92	665
Admissions/1000 Lives	3.79	6.37	3.95	2.51	4.17
Avg Length of Stay*	5.35	5.57	7.00	5.41	5.83
Days/1000 Lives*	20.29	35.48	27.67	13.60	24.31
RESIDENTIAL TREATMENT PROGRAM					
Admissions	3	7	4	2	16
Days*	26	27	14	10	76
Admissions/1000 Lives	0.44	1.01	0.59	0.30	0.58
Avg Length of Stay*	8.50	3.79	3.50	5.00	4.75
Days/1000 Lives*	3.72	3.84	2.05	1.48	2.78
PARTIAL HOSPITALIZATION PROGRAM					
Admissions	10	14	16	7	47
Days*	41	67	51	24	182
Admissions/1000 Lives	1.46	2.03	2.34	1.03	1.72
Avg Length of Stay*	4.05	4.79	3.19	3.36	3.87
Days/1000 Lives*	5.91	9.70	7.47	3.47	6.65
IOP/GROUP HOME/HALFWAY HOUSE					
Admissions	5	6	10	3	24
Days*	13	22	33	10	78
Admissions/1000 Lives	0.73	0.87	1.46	0.44	0.88
Avg Length of Stay*	2.64	3.73	3.26	3.20	3.24
Days/1000 Lives*	1.93	3.24	4.77	1.42	2.84
TOTAL ACUTE INPATIENT AND ALTERNATIVE LEVELS OF CARE					
Admissions	44	71	57	29	201
Days*	218	361	287	135	1,001
Admissions/1000 Lives	6.42	10.28	8.35	4.29	7.35
Avg Length of Stay*	4.96	5.08	5.03	4.66	4.98
Days/1000 Lives*	31.84	52.26	41.96	19.97	36.59

**Alternative Modality Ratios have been applied.*

*** All data has been annualized.*

Recidivism Rates - Psychiatric vs Substance Abuse

Psychiatric

Age Band	Hospitalized in Previous Year	Readmitted within 365 Days Admits	%
0 - 12	4	0	0.00%
13 - 17	6	1	16.67%
18 - 64	58	11	18.97%
65 +	1	0	0.00%
Total	69	12	17.39%

Substance Abuse

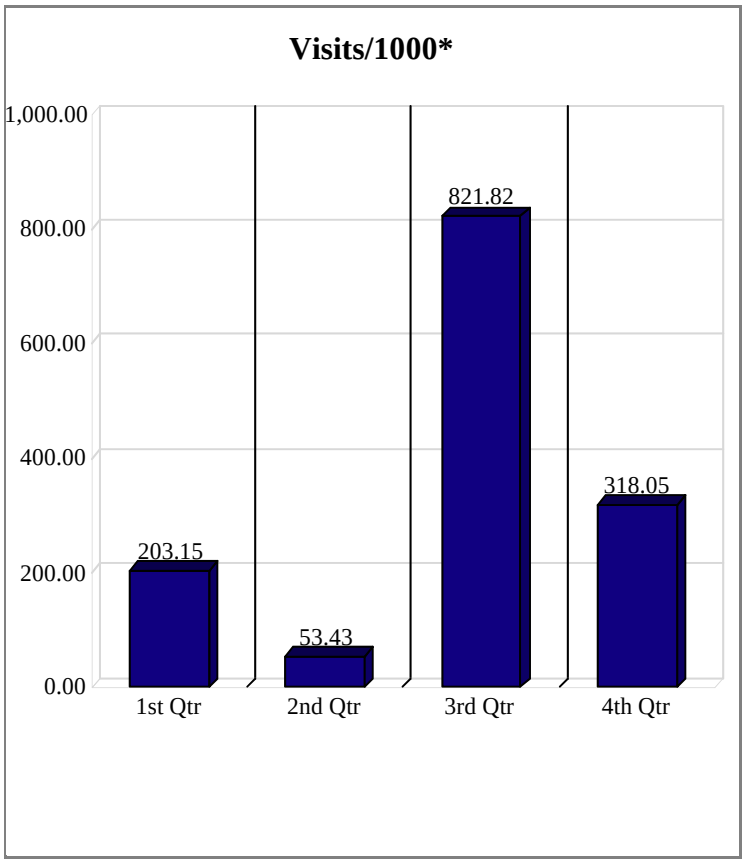
Age Band	Hospitalized in Previous Year	Readmitted within 365 Days Admits	%
0 - 12	0	0	0.00%
13 - 17	0	0	0.00%
18 - 64	36	6	16.67%
65 +	0	0	0.00%
Total	36	6	16.67%

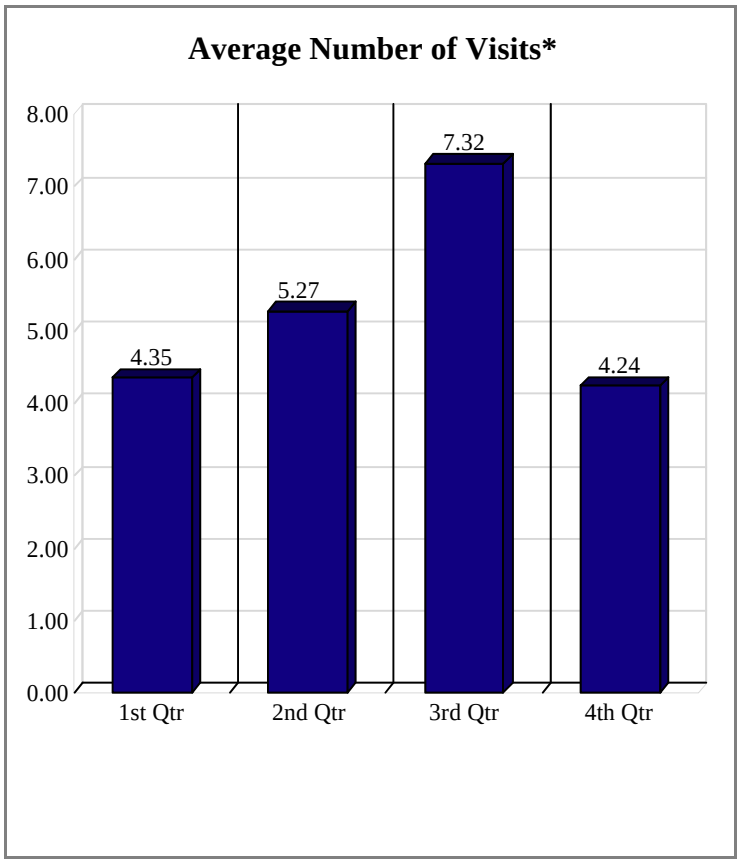
Total

Age Band	Hospitalized in Previous Year	Readmitted within 365 Days Admits	%
0 - 12	4	0	0.00%
13 - 17	6	1	16.67%
18 - 64	94	17	18.09%
65 +	1	0	0.00%
Total	105	18	17.14%

Total Outpatient Utilization (Paid Claims)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354
Visits *	1,392	369	5,613	2,152	9,526
Members Seen	320	70	767	507	968
Visits/1000 Lives*	203.15	53.43	821.82	318.05	348.25
Avg Number of Visits*	4.35	5.27	7.32	4.24	9.84



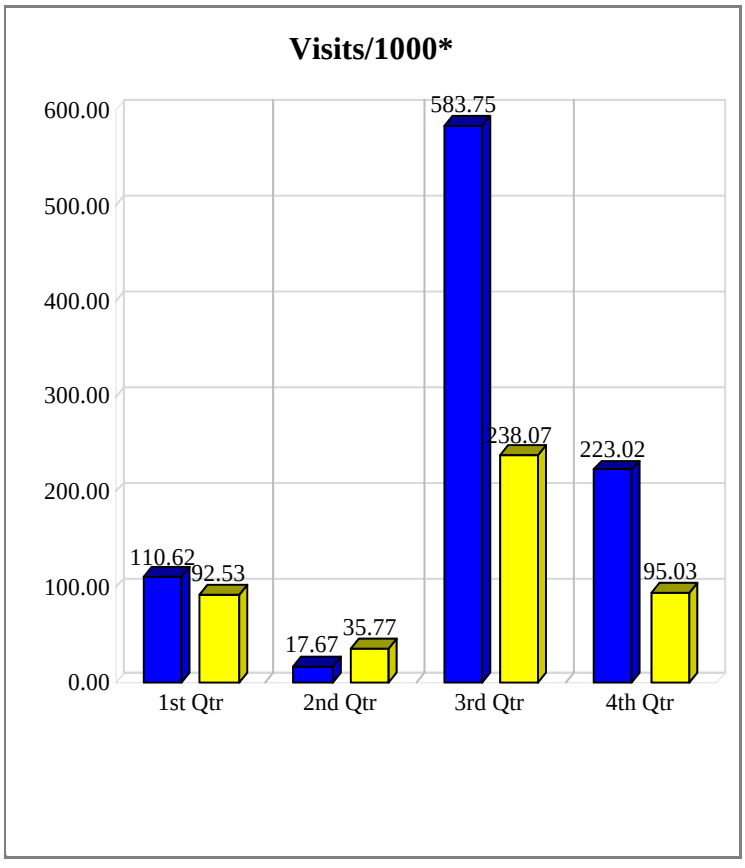


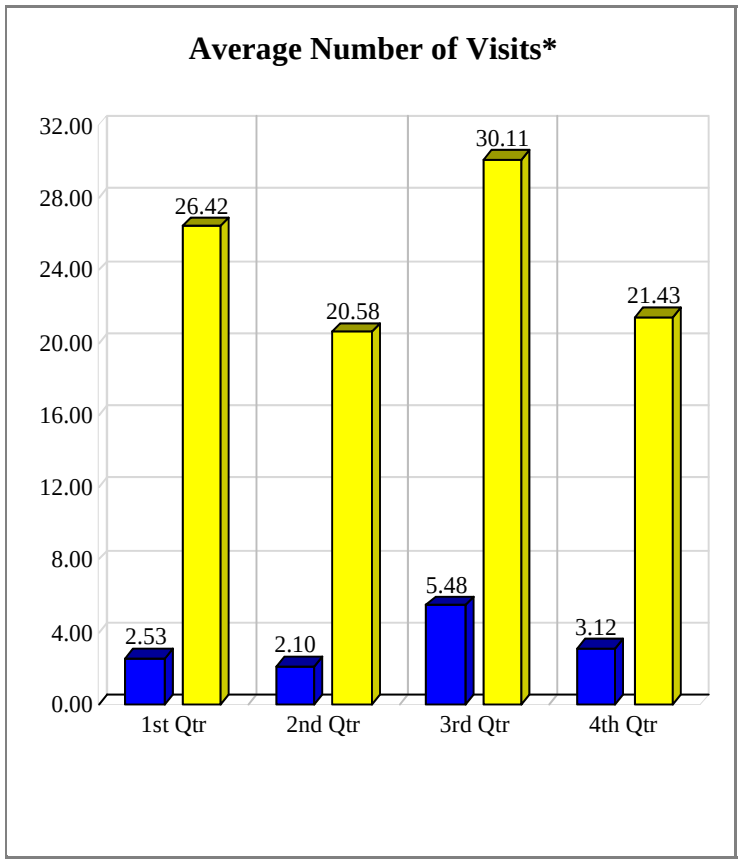
** Data is based on paid claims and has been annualized.*

Total Outpatient Utilization by Psychiatric/Substance Abuse (Paid Claims)

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Year to Date
Avg Covered Lives	27,408	27,623	27,320	27,065	27,354

	Psych	SA	Psych	SA	Psych	SA	Psych	SA	Psych	SA
Visits *	758	634	122	247	3,987	1,626	1,509	643	6,376	3,150
Members Seen	300	24	58	12	728	54	483	30	906	86
Visits/1000 Lives*	110.62	92.53	17.67	35.77	583.75	238.07	223.02	95.03	233.09	115.16
Avg Number of Visits*	2.53	26.42	2.10	20.58	5.48	30.11	3.12	21.43	7.04	36.63



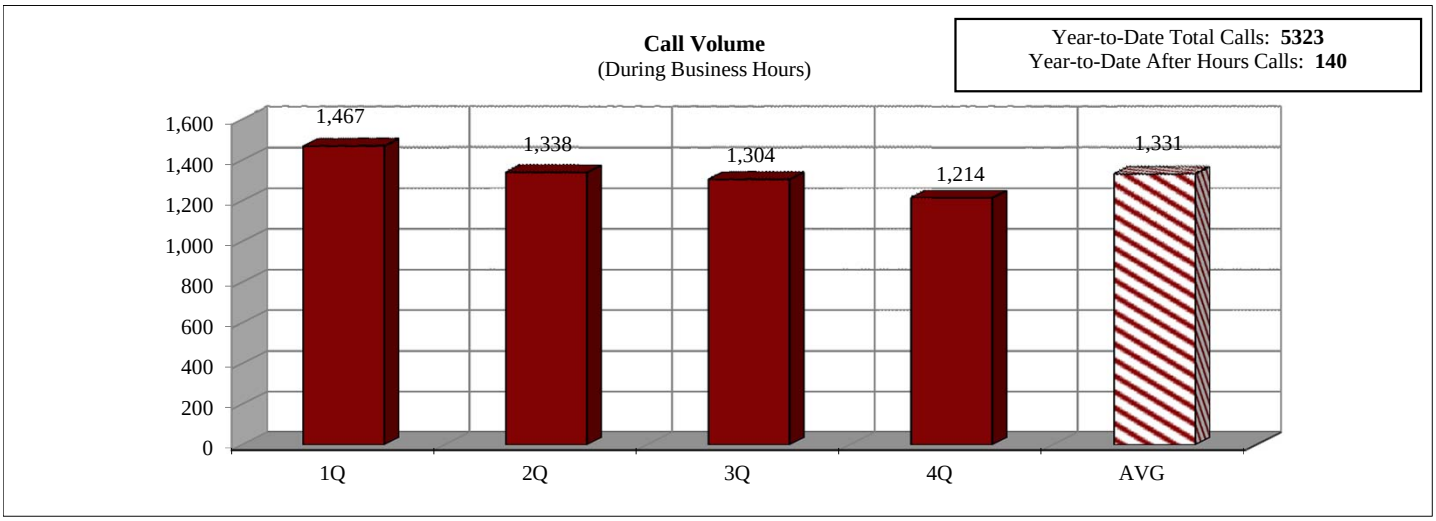


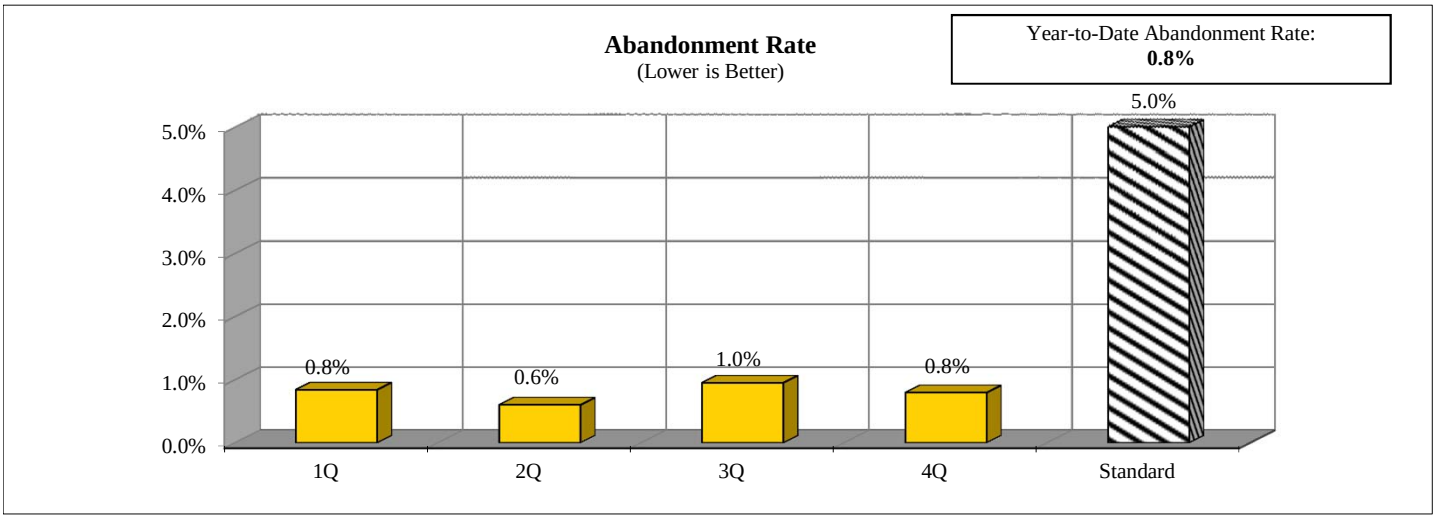
Psych

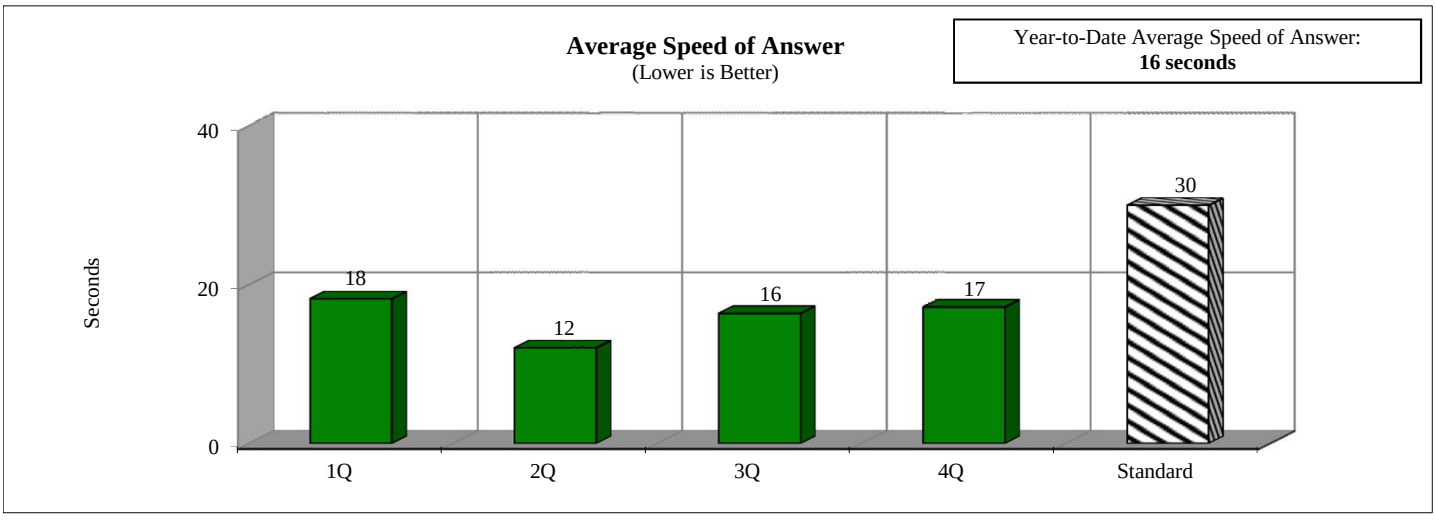
Substance Abuse

** Data is based on paid claims and has been annualized.*

Telephone Performance







Employee Assistance Program

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Innovative Solutions. Better Health.

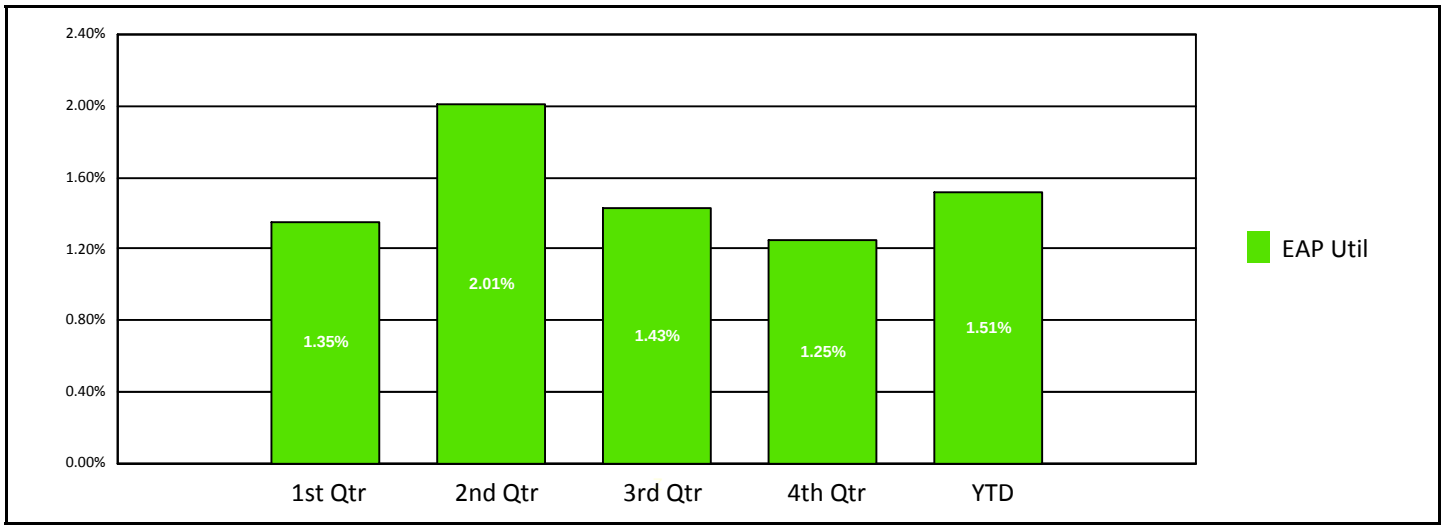
EAP Case Based Utilization

FELRA

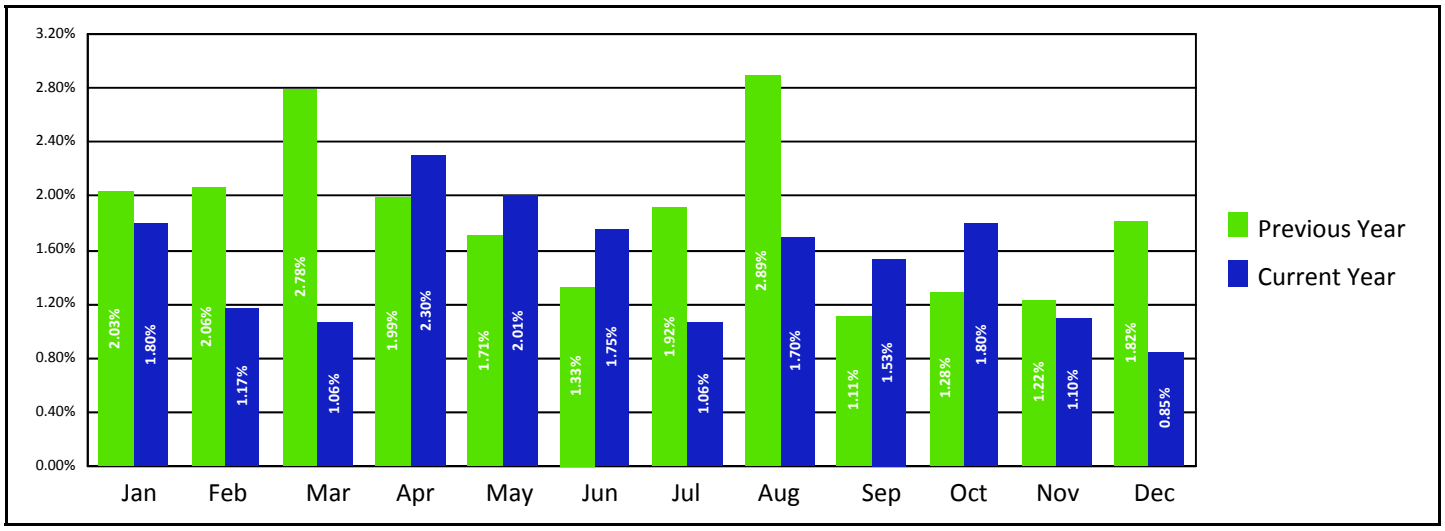
January 1, 2013 - December 31, 2013

	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	YTD	BOB YTD %	SIC YTD %
Average Number of Eligible Employees	11,110	11,149	11,074	11,079	11,103	-------	-------
Total Distinct EAP Cases	37	56	40	35	168	-------	-------
Annualized Utilization Rate	1.35%	2.01%	1.43%	1.25%	1.51%	3.45%	2.79%

Current Utilization Rate



Rolling 12 Month Trending Utilization Rate



Note: Report shows both open and closed cases.

Print Date: 1/31/2014 10:38:55AM

YTD Reporting Period: 1/1/2013 - 12/31/2013

Report # 21000.1.01

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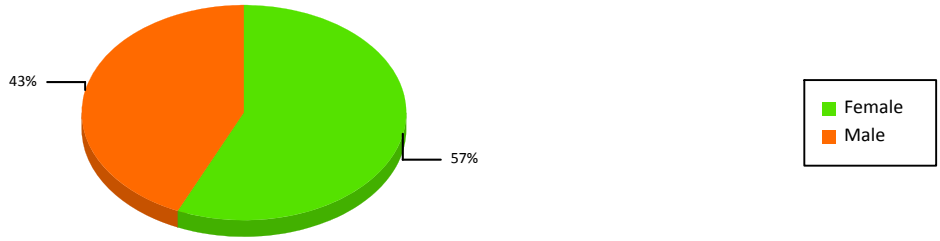
Participant Demographics

FELRA

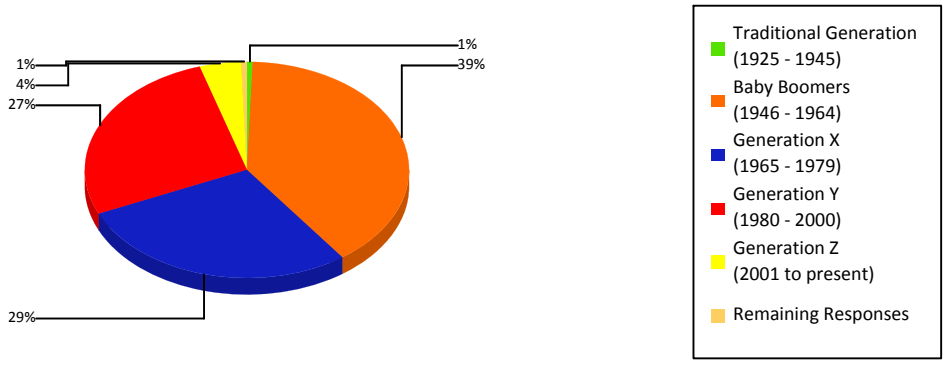
Gender | Age | Participant Category

January 1, 2013 - December 31, 2013

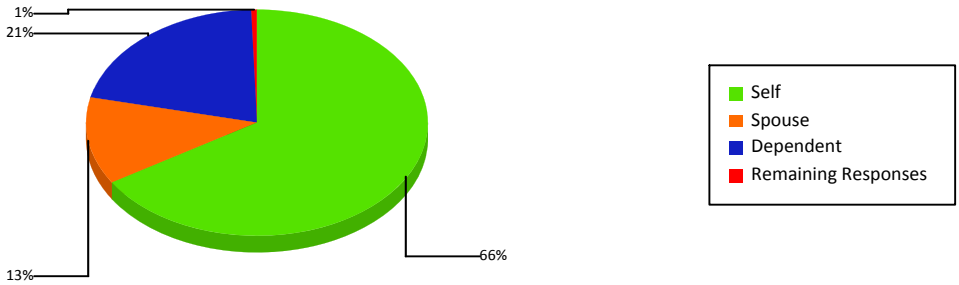
Gender



Age



Participant Category



Note: Report shows both open and closed cases. Due to rounding of percentages, totals in chart(s) may not equal 100%.
Print Date: 1/31/2014 10:42:20AM

Report # 21001.1.01
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Distribution by Problem Category

FELRA

January 1, 2013 - December 31, 2013

Top 10 Presenting Problems and Substance Abuse	2011 Qtr 4	2011 YTD	2012 Qtr 4	2012 YTD	2013 Qtr 4	2013 YTD	2013 YTD %	BOB YTD %	SIC YTD %
Depression	37	37	35	35	28	28	17%	15%	15%
Anxiety	19	19	23	23	27	27	17%	12%	10%
Marital Relationship	41	41	26	26	27	27	17%	23%	23%
Situational/Adjustment Concern	31	31	41	41	21	21	13%	17%	17%
Family	26	26	22	22	17	17	10%	14%	14%
Grief/Loss	7	7	8	8	10	10	6%	5%	5%
Impulse Control Disorder	5	5	9	9	9	9	6%	3%	2%
Declined	15	15	7	7	7	7	4%	2%	2%
Job/Occupational	2	2	12	12	5	5	3%	6%	7%
Financial	0	0	0	0	2	2	1%	0%	0%
Alcohol Abuse	10	10	9	9	5	5	3%	2%	1%
Drug Abuse	8	8	1	1	3	3	2%	2%	1%
Mixed Alcohol & Drug Abuse	0	0	0	0	2	2	1%	0%	0%
Total:	201	201	193	193	163	163	100%	100%	100%

Top 10 Assessed Problems and Substance Abuse	2011 Qtr 4	2011 YTD	2012 Qtr 4	2012 YTD	2013 Qtr 4	2013 YTD	2013 YTD %	BOB YTD %	SIC YTD %
Depression	40	40	40	40	31	31	19%	15%	15%
Marital Relationship	40	40	32	32	28	28	17%	24%	24%
Anxiety	24	24	27	27	27	27	17%	14%	12%
Family	26	26	27	27	19	19	12%	14%	15%
Situational/Adjustment Concern	28	28	30	30	19	19	12%	14%	15%
Grief/Loss	4	4	8	8	10	10	6%	5%	5%
Impulse Control Disorder	4	4	10	10	9	9	6%	3%	2%
Job/Occupational	2	2	9	9	5	5	3%	6%	7%
Declined	11	11	3	3	2	2	1%	1%	1%
Financial	0	0	0	0	2	2	1%	0%	0%
Alcohol Abuse	10	10	7	7	6	6	4%	2%	2%
Drug Abuse	9	9	2	2	4	4	2%	2%	2%
Mixed Alcohol & Drug Abuse	0	0	0	0	1	1	1%	0%	0%
Total:	198	198	195	195	163	163	100%	100%	100%

Note: Report shows both open and closed cases. Due to rounding of percentages, totals in chart(s) may not equal 100%.

Report # 21007.1.01

Print Date: 1/31/2014 10:43:14AM

YTD Reporting Period: 1/1/2013 - 12/31/2013

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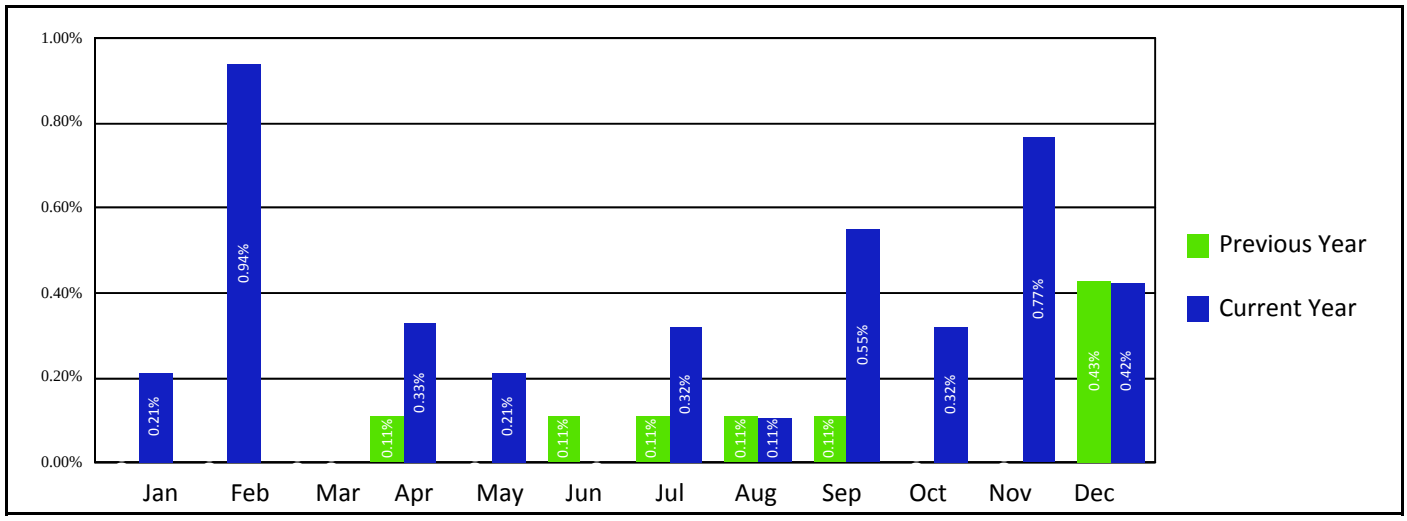
Achieve Solutions Utilization Data

FELRA

January 1, 2013 - December 31, 2013

	Current	YTD	Previous YTD	BOB YTD
Total Page Views	124	124	25	-------
Total Unique Sessions	38	38	9	-------
Annualized Utilization Rate *Unique Sessions Only*	0.34%	0.34%	0.08%	17.88%

Rolling 12 Month Trending for Unique Sessions



Top 10 Most Frequently Visited Topics	Current Views	YTD Views
Panic Disorder	17	17
Depression	8	8
Stress	6	6
Counseling	3	3
Acute Stress Disorder	2	2
Chronic Pain	2	2
General Health	2	2
Marriage	2	2
Medication Abuse	2	2
Substance Abuse Treatment and Recovery	2	2

Addendum

VALUEOPTIONS ANNUAL REPORT – EXECUTIVE SUMMARY OF DEVELOPMENTS & TRENDS

It has been our pleasure to serve FELRA & UFCW Health and Welfare Fund as your trusted specialty Integrated Mental Health/Substance Abuse (MHSA) and Employee Assistance Program (EAP) partner since the 1990's. During this time, ValueOptions and FELRA & UFCW Health and Welfare Fund have established a mutually beneficial and outcomes-driven partnership and we look forward to continuing and expanding this relationship in 2014.

As a leader in the behavioral health industry, we provide you a dynamic and fully integrated MHSA and Employee Assistance Program inclusive of unparalleled clinical excellence, advanced information technology and superior account management to maximize your overall benefit offering for your employees and their depedents.

By offering no-cost, immediate access to behavioral health and wellness resources and support, the EAP is a critical component of your comprehensive benefit portfolio. The EAP provides prevention and early intervention at the front door of the behavioral health benefit continuum. Because it is an important engagement tool, the EAP also influences members to access other key benefits.

Furthermore, as your integrated MHSA/EAP program vendor, ValueOptions focuses on the whole person, not an episodic illness. We provide a wide range of support: from self-management and coping skills to preventive health and wellness resources to more specialized clinical and social support services that engage vulnerable people in meaningful prevention and treatment interventions. We integrate services and data at the participant level, not among disparate vendor systems, giving you critical information via a shared platform that informs your program and benefit decisions.

We know every benefit dollar spent on your members is an investment in their future health and wellbeing. That's why we work tirelessly to maximize each and every member experience to make our mission to *help people live their lives to the fullest potential* a reality for your membership.

Never before has behavioral health care been so prevalent in our national discussion on health. You are seeing the impact of Affordable Care Act legislation, mental health parity, Autism Spectrum Disorder mandates and growing emphasis on physical and behavioral health care integration. ValueOptions is uniquely positioned to work with you to help your members and their dependents access the right behavioral health care services in the right setting in the midst of these ongoing changes.

Our expertise in the fields of mental health, substance use disorders, wellness and employee assistance programming enables us to identify and analyze key health care trends impacting your workforce today, such as:

1. Employee Assistance Program Utilization
2. Outpatient Care Management
3. Autism Care Management for Children and Families
4. Primary Care and Behavioral Health Integration
5. Vendor Integration
6. Regulatory Impacts

Because everything we do is driven by our passion to make a difference in the lives of the people we serve, we have deployed innovative strategies to proactively respond to these ever-evolving healthcare and employer forces with specific emphasis

on member-driven solutions. We've also launched a broad "Stamp out Stigma" campaign to raise awareness about the high prevalence of mental illness, the need to seek help and the hope for recovery.

Evidence of our commitment to empower individuals to make positive behavior changes, ValueOptions was recently recognized by the 14th Annual eHealthcare Leadership Awards for two of its Web-based health and wellness efforts:

- Stamp Out Stigma, www.stampoutstigma.com, which took home a Platinum award for Best Marketing Campaign
- Achieve Solutions, which earned a Silver award for Best Overall Internet Site

By continually innovating and expanding both our clinical and digital reach, we are able to connect your members with engaging, intuitive, practical resources and meet them 'where they are' along the care continuum.

EMPLOYEE ASSISTANCE PROGARM TRENDS

As in the previous two years, ValueOptions received many calls in 2013 from individuals experiencing financial hardship. Several employers have responded to their members' financial stress by offering My Secure Advantage (MSA), a ValueOptions financial management program which provides employees with a "Money Coach" to address personal financial matters. MSA is a product enhancement above and beyond our traditional Legal/Financial consulting services. This program is available for employer funding for variable periods of time and allows the individual member also to assume the cost after the employer-funded period ends. When people are stressed by financial issues, they often also experience depression and marital strife. It is not unusual for members to discuss financial issues with us and then disclose personal, marital or family stress in conjunction with the financial pressures.

Our Engagement Center staff members provide immediate suggestions for dealing with these stressors and encourage callers to access counseling through the EAP to prevent the financial concerns from escalating into worsening problems. With the advent of high deductible health plans, the EAP has become even more valuable by enabling employees and their family members to access counseling with no out-of-pocket costs.

Not only are members calling us for support for financial issues, depression, and family relationships; but also they are accessing online resources to gain information on these issues. In 2013, the following topics received the most views across our EAP book of business on our Achieve Solutions® website:

1. Depression
2. Debt and Credit
3. Financial Planning
4. Marriage
5. Employee Assistance Program (EAP)
6. Stress
7. Divorce
8. General Legal
9. Weight Management
10. Managing Emotions

For the ninth consecutive year, our Achieve Solutions website has been recognized for innovative excellence by the eHealthcare Leadership Awards.

While all content on the Achieve Solutions website is reviewed annually, we regularly post relevant spotlight articles on the site in response to current events.

The Achieve Solutions website has again been recognized as a top healthcare website. Our 2013 Silver Award for Best Overall Internet Site marks the ninth year that Achieve Solutions has been recognized for innovative excellence by the eHealthcare Leadership Awards.

At the organizational level, ValueOptions received more requests for downsizing support this year. Many of these events lasted over the course of several days and in multiple sites. During such downsizing announcements, our counselors have helped employees cope with a variety of issues: their heightened emotions (disbelief, shock, anger); uncertainty and anxiety regarding employment prospects; and for those who remain with the organization, feelings of loss, grief, stress, performance pressure and/or survivor guilt.

Due to multiple, highly-publicized violent events that occurred over the past two years, workplaces have become more cognizant of threats that employees make towards themselves or others. ValueOptions experienced an increase in the number of employees referred to the EAP after making threatening comments. The ValueOptions EAP Workplace Consultation team closely manages the connection of these employees to mental health resources and serves in a consultative capacity with workplace threat assessment teams to support their efforts to prevent tragic events from occurring.

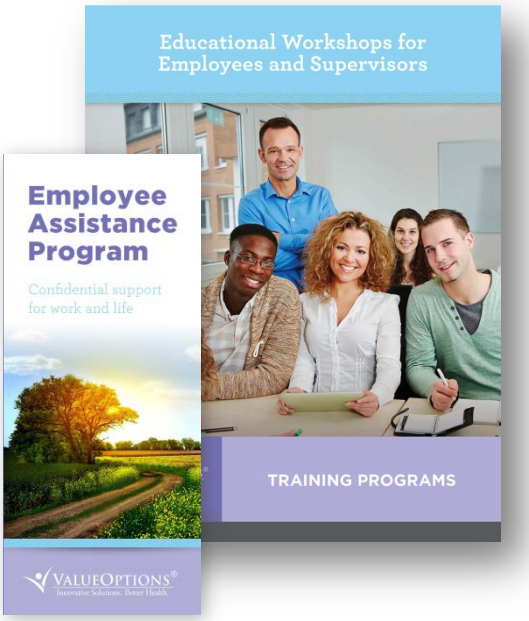
Crisis Response Services

As in previous years, ValueOptions' critical incident response services were largely prompted by the unexpected death of an employee. However, in 2013, we also provided structured responses to workforces impacted by the Boston Marathon bombing, the Navy Yard shootings and natural disasters such as the tornados in Oklahoma and the Colorado wildfires and flooding.

ValueOptions responds to the critical incident needs of impacted clients by offering on-site services including group sessions, individual sessions and management consultations. In addition to these in-person resources, we also provide telephonic outreach to select employees impacted by an event, such as a workplace robbery, to support recovery from the distress caused by such an unexpected event. All of our interventions focus on resilience and helping employees cope with stress or loss as well as supporting each other in the return to a healthy workplace. We regularly provide managers with tools and strategies to lead in times of crisis since these leadership skills will influence the team's ability to recover successfully from a workplace tragedy.

Employer and Employee Outreach and Promotion

While we are always available for consultation and support to those who contact us—whether at an organizational, managerial or individual level—we also reach out to you on key issues that might affect your organization's overall health and productivity. We do this through prevention initiatives, client summit teleconferences, crisis response activities, Achieve Solutions website enhancements and our educational training and development programs.



Ongoing promotion of the EAP and education of employees about topics relevant to their work and personal lives are critical components of EAP service delivery. ValueOptions has redesigned all EAP promotional materials and will implement new formats and updated content in 2014. We also revised and

updated the training catalog; additional training topics developed in 2013 include focus on leadership, conflict resolution, financial literacy, and phase of life issues such as advance directives and caring for aging relatives.

2013 Client Summits

A broad group of ValueOptions clients gather each quarter to participate in teleconferences/webinars on topics of special interest. These sessions—hosted by nationally recognized experts—review current workplace challenges and trends and provide a forum for employers to share best practices with one another. This value-added program positions ValueOptions as an industry leader and as a proactive strategic partner to our clients. We addressed the following topics in 2013:

Client Summits:

1. "How Will the Legalization of Marijuana Affect Your Workplace?"Speaker was Andrea Grubb Barthwell, M.D., F.A.S.A.M., who is the founder and Medical Director of Encounter Medical Group, PC and Director at Two Dreams Outer Banks Treatment Center with programs in Chicago, IL and Outer Banks, NC.
2. "Stamp Out Stigma in Your Workplace: Inspiration, Practical Advice and Tools." Speakers were Clarence Jordan, M.B.A, who is the Vice President of Wellness and Recovery for ValueOptions, and Lisa Teems, L.C.S.W., C.E.A.P., C.A.S., who is the Employee Assistance Program Manager for the U.S. Coast Guard.
3. "Best Practices in Workforce Reductions: Restructuring With Care and Dignity." Speaker was Greg Simpson. Greg is Senior Vice President and Career Transition Practice Leader for Lee Hecht Harrison, which is the world's largest outplacement firm.

Emerging Workplace Issues and Trends

In addition to meeting the needs of the FELRA & UFCW Health and Welfare Fund today, we understand that the employer market changes constantly and so we continue to evolve our services to anticipate and meet tomorrow's challenges as well. Key areas of focus in 2014 include:

- Collaboration with employers to promote the EAP as an easily accessible and cost-free way to access professional counseling without the need to incur any deductible or co-pay expenses.
- Expanded availability of our video counseling services through the EAP to increase options for participants to engage in EAP services.
- Focus on resilience with rollout of organizational tools to develop structured resilience programs either at a worksite specific level or enterprise-wide.
- Continued focus on EAP as a focal point for guiding members to *all* vendor resources available.
- Exploration of additional EAP outreach activities and models to increase the value of the EAP through "just-in-time" promotion and education about EAP services.

We look forward to working collaboratively with you in 2014 to ensure that your EAP program design continues to align with your strategic goals for your workforce.

MANAGING OUTPATIENT CLINICAL UTILIZATION AND QUALITY

ValueOptions is committed to the effective and efficient use of behavioral resources, including outpatient service delivery and clinical management. Outpatient services, comprised of medication management, psychotherapy and counseling services, as well as outpatient rehabilitative services, are cornerstones of the behavioral health care model. High quality care dramatically improves the overall health and wellbeing of individuals with behavioral conditions and may reduce the need for more acute and costly services.

The Impact of Outpatient Behavioral Care

- *Outpatient services typically represent over 60% of behavioral health care costs*
- *Care management interventions must comply with federal parity rules*
- *Quality outpatient behavioral care contributes to positive overall health and reduced medical costs*
- *Our outlier care management model resulted in a first year post parity increase of 7% compared to the CBO prediction of 30%. Our second year post parity trend increase was -1%.*

In response to changing market dynamics, including federal mental health and substance use parity (MHPAEA), ValueOptions has developed alternative methods to manage outpatient clinical utilization and quality under our *Outpatient Clinical Outlier Management Program*.

Our clinical management model recognizes the outpatient program as an integral component of a larger care management program that maximizes clinical resources and provides substantive support for members at greatest risk. Consistent with physical health utilization management practices, we use system derived clinical indicators to identify outpatient cases that fall outside the parameters of standard clinical practice. We then outreach to both providers and members to ensure that the current treatment delivered is consistent with evidence-based care.

For outpatient outlier interventions, our model applies a step-wise intervention moving from low to high intensity as indicated by both the uniqueness of the case, and clinical need:

1. We mail written notification to the treating provider on submission of the first claim for designated high-risk diagnostic conditions (e.g. Eating Disorders, Major Depression, etc.) with information to support best practice outpatient treatment and offer care coordination resources for difficult cases.
2. We send written notification to the provider regarding an individual case reaching the 95th percentile threshold in number of visits for the diagnostic-specific grouping related to the individual's case and engage in collaborative case-shaping discussions.
3. If a provider does not appear to be delivering evidence-based care following initial clinical outreach and discussions, the case is forwarded to a ValueOptions Peer Advisor for a medical necessity decision and/or referred to our Intensive Care Management (ICM) program for individualized member/ provider care coordination to access additional service supports.

Encouraged by the success of our outlier model prototype, we continue to refine the program and are currently testing our next generation model. We are applying increasingly sophisticated algorithms, which incorporate additional clinical variables, enabling earlier identification and interventions for potential outlier cases. In addition to enhancing the outlier model, we are:

- developing enhanced messaging to inform members and providers regarding best practice treatment options for major condition categories;
- developing clinical criteria to support new conditions identified in the revised 2013 APA DSM 5 release, such as Disruptive Mood Dysregulation; and
- providing increased linkages to ancillary treatment supports such as our award-winning Achieve Solutions website.

SUPPORT FOR INDIVIDUALS AND FAMILIES AFFECTED BY AUTISM SPECTRUM DISORDER

The treatment of Autism Spectrum Disorders (ASD) continues to capture significant attention across the country. Thirty-four states have now passed legislation mandating the treatment of ASD conditions with Applied Behavioral Analysis (ABA). Recent case law also indicates that denials of ABA coverage based upon "investigative or experimental" exclusions will likely be legally unsustainable (*Potter v. BCBS*, Case No. 10-cv-14891 (ED Mich 2013)).

While ERISA-based accounts are not subject to these state mandates, the presence of such mandates shapes public opinion regarding the local standard of care and expectations for insurance coverage. ValueOptions continuously reviews scientific literature regarding the nature of ASD, the efficacy of treatments, health benefit structures and regulatory requirements related to the care of persons with ASD. Based on this information, ValueOptions has developed ASD care management program options to provide viable alternatives for self-insured accounts and health plans.

After careful review and consideration of the literature, ValueOptions has determined that ABA treatment of ASD results in sufficient improvements in behavior including the ability for persons with ASD to engage in naturally occurring social settings such as school environments and the elimination of undesirable behaviors such as ritualistic movements and repetitive motions.

In addition to managing clinical treatment for persons with Autism, ValueOptions recognizes the significant impact of ASD on families and caregivers. According to the American Academy of Pediatrics[1] and the National Business Group on Health, Autism exacts a heavy toll on families:

- *More than 50% of caregivers reduce or stop work and lose five hours per week in work productivity (i.e., absenteeism, presenteeism)*
- *More than 25% of caregivers spend 10+ hours per week to provide or coordinate special care*
- *33% report financial burdens related to ASD health care costs*
- *Caregivers experience higher rates of anxiety and depression*

Our Autism Care Management program options take into account the needs of individuals to receive quality treatment, the needs of families and caregivers for support, existing benefit designs and local mandates. We offer three levels of care management to support autism service benefits: standard, enhanced and comprehensive. This table illustrates the components of each level:

Service	ASD Excluded in Benefit	Standard	Enhanced	Comprehensive
Evaluation (2 hours) to confirm diagnosis	✓	✓	✓	✓
Individual, Family, Group Therapy		✓	✓	✓
Medication Management		✓	✓	✓
Psychological Testing		✓	✓	✓
Applied Behavioral Analysis (ABA) Management			✓	✓
Integrated Services Coordination including PT, OT, ST			✓	✓
Intensive Case Management for Outlier Cases			✓	✓
Family Support Services: System Navigation, Coaching , Work/Life				✓
Intensive Case Management for All Individuals/Families				✓

ValueOptions will continue to develop our Autism Care Management program in 2014 and beyond with a focus on: expanding our national ABA provider network to provide maximum choice for members; consulting with national academic institutions which specialize in the treatment of ASD conditions to ensure that we incorporate state-of-the-art treatment modalities and technologies; developing cost effective alternatives to address the need for family support; and refining methods to confirm effective treatment by individual providers.

PRIMARY CARE INTEGRATION

The national health care dialogue continues to recognize the significant impact of behavioral health conditions on overall health status. Given that 68% of adults diagnosed with a mental health disorder have one or more chronic medical conditions[1], the issue of collaborative, integrated care remain a key focus across delivery systems. In fact, the Affordable Care Act calls for new mechanisms to ensure integration of physical and behavioral health. As a leader in highly specialized behavioral health management services and integration with physical health partners, ValueOptions deploys a number of effective tools, care coordination strategies and technological supports to accomplish these aims:

- Provider Decision Support/Enhancements
  - PCP consultation line to access ValueOptions' behavioral health expertise
  - Primary care training regarding behavioral health evidence-based practice
  - Protocols for behavioral health screening in primary care settings with referral support
  - Practice management support including integrated care coordination in primary care settings
- Care Coordination Support/Enhancements
  - Care coordination programs identifying members at risk for untreated behavioral conditions; health care managers screen members for these conditions and refer to ValueOptions for additional screening and service coordination
  - Joint coordination protocols established during account-specific vendor operational meetings whereby vendors help define procedures to address individuals with co-morbid health needs
  - Joint clinical rounds with physical and behavioral health management teams
- Technology Support/Enhancements
  - Health management platform integration featuring data exchanges and real time reciprocal access to counterpart's operating platforms
  - Significant investment in a redesigned intensive care management platform to provide heightened awareness and management of physical health conditions for members with primary behavioral issues

In the upcoming year, ValueOptions will continue to refine and develop clinical and information system technologies to efficiently identify and connect health support for at-risk members within the integrated whole health perspective. Examples include:

- Adopting newly APA-recommended cross-cutting health screening and functioning scales used at behavioral health touchpoints with members
- Enabling virtual collaboration with primary care practices
- Sharing timely clinical care alerts related to clinical gaps in patient medication management with treating providers (enhanced component requiring pharmacy data)
- Co-locating behavioral management staff with physical health care management staff in high volume settings for multi-disciplinary consultation and coordination
- Launching an integrated member centered health record (Spectrum), accessed by members, providers and care managers through a secure web-based portal to provide key health information for an individual member, including: claims-based services (medical, behavioral, pharmacy), care team contact information, integrated plans and alerts.

[1] Mental Disorders and Medical Comorbidity. Druss BG and Walker ER. Robert Wood Johnson Foundation Research Synthesis Report 2011

VENDOR INTEGRATION

ValueOptions has long recognized the importance of mobilizing multiple resources to assist participants in addressing their personal concerns. We take a holistic approach to member care – delivering innovative, flexible solutions that enable people to improve their health and wellness, no matter how complicated their conditions.

ValueOptions collects information about specific vendor services available to individuals through affiliation with their employer. We support clients with varying and multiple benefit structures and house information about those benefits using our CONNECTS platform. This application ensures our staff has accurate and immediate information about our members' available benefit portfolios, which can include varied programs such as nurse lines and condition management, and financial resources such as tuition assistance and employee emergency funds.

Because this information is readily available for our staff, we can reference these important programs when speaking with callers, educate them on the benefits of the services and encourage members to access them. ValueOptions' care managers can also offer a warm transfer to your vendors. All incoming and outgoing vendor referrals are tracked in our CONNECTS system and reported within the First Light suite of reports.

In addition to providing support at the member level, vendor interface is enhanced by:

- regular interaction between ValueOptions and your organization's vendor partners
- vendor summits
- monthly grand rounds
- identification of key contacts
- delivery of concise program descriptions.

This way, all vendors gain knowledge of the array of programs available to members. This knowledge then enables vendor partners to educate individuals at the time when these programs are most relevant to them.

In addition, as an adjunct to professional healthcare services, we direct individuals to community-based resources, which include, but are not limited to:

- self-help and support groups
- prevention and education programs
- natural supports such as extended family and faith communities.

Employers have made significant investments in establishing benefits which match the needs of their workforce but are often dismayed to note the small number of individuals taking advantage of these offerings. Through a robust vendor interface program, ValueOptions can encourage participation at the time of greatest need and vendors can work in unison to support the organization's goals of promoting a healthy workforce.

REGULATORY UPDATE

Regulation changes are continuing to shape the environment within which your integrated program operates. In the past few months, ValueOptions has communicated four key regulatory/legislative developments in healthcare including the impact of the Affordable Care Act and Mental Health Parity:

1) Employee Assistance Programs and the Affordable Care Act (ACA) – The Department of Labor recently released Guidance on Employee Assistance Programs (EAPs), which clarifies Employer Plan responsibility regarding the application of ACA regulations to EAPs. Based on this guidance, ValueOptions will treat its EAP product for 2014 as an excepted benefit, since our EAPs in general do not provide significant benefits in the nature of medical care or treatment. The regulators have issued a rule seeking further comment on this issue and ValueOptions will provide comments supporting an expansive excepted benefit definition for EAPs. Because the EAP will now be considered an excepted benefit, the requirements of the ACA's market reforms do not apply, such as:

- Extending medical plan eligibility for adult children to age 26
- No lifetime and "restricted" annual dollar limits on essential health benefits
- No preexisting condition exclusions for enrollees under age 19
- Summary of Benefit Coverage
- Medical loss ratios
- Coverage of preventive health services without cost-sharing
- Grievance and appeals procedures
- Patient protections

This is a welcome development for the continued promotion of EAP services given that persistent medical cost increases are driving changes in medical plan design that may create economic barriers to help-seeking behavior. The EAP is a crucial tool for employers to increase their employees' overall wellness, while at the same time supporting employee accountability. Without unnecessary prescriptive regulatory burdens (that did not make sense for EAPs), employers can now move forward with benefit planning without concern that certain market reform provisions will be applied to their EAP.

2) ACA Implementation – As the phased implementation of ACA requirements has continued, ValueOptions has helped implement numerous ACA provisions that apply to both major medical and behavioral health plans, including the following: non-premium cost sharing under the new out-of-pocket maximum, including deductibles, copays and coinsurance; non-discrimination against providers with respect to plan participation if licensed by state; and coverage for individuals in approved clinical trials.

3) ACA Provider Network Non-Discrimination Requirements – Some plans have raised questions regarding whether the ACA provider non-discrimination rule will affect network provider choice (i.e., level of education or degree). In the context of Applied Behavior Analysis therapy, we interpret the rule to allow flexibility to health plans to determine what type of provider can provide such service.

4) Federal Mental Health Parity – The Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) was signed into law by President Bush in 2008 and interim final rules were issued February 2010. MHPAEA applies to both large fully-insured and large self-insured plans. Upon the release of the interim final rules, federal regulators realized the rules gave rise to highly technical issues and questions. ValueOptions has taken a leadership role in parity advocacy in anticipation of the final rules release this past November. The rules go into effect July 1, 2014, so most plans will see its effects in the new plan year (January 2015). The final rules included clarification on intermediate levels of care, the clinical exception for non-quantitative limitations, disclosure requirements, and provider reimbursements. ValueOptions will continue to monitor pertinent regulatory developments and keep you informed.

CLOSING

The significant clinical and technological investments we made in 2013 will help ValueOptions maintain our determined focus on developing customized programs that deliver an organizational and member-centric experience not ordinarily seen in the industry today.

ValueOptions will continue our commitment to eliminate the stigma often associated with help-seeking behavior by expanding the scope of our award-winning Stamp Out Stigma (SOS) campaign among employer and health plan clients. Already, several clients have adopted this important initiative as part of their internal wellness programs. We welcome the opportunity to bring the SOS message to your workforce as well and help us achieve our goals to: recognize when stigma is creating a barrier to care; reeducate others to help them learn there is help and hope; and reduce hesitation to seeking care. Visit www.stampoutstigma.com today to learn more about this important campaign or ask your account representative for more information.

Thank you for choosing ValueOptions as your integrated MHSA and EAP vendor. We look forward to continued success with FELRA & UFCW Health and Welfare Fund in 2014.