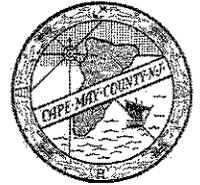


CAPE MAY COUNTY
DEPARTMENT of HUMAN RESOURCES and TRAINING

LEONARD C. DESIDERIO
Freeholder Vice-Director
JEFFREY R. LINDSAY, ESQ.
Director

4 Moore Road, DN 122
Cape May Court House, N.J. 08210-1654
(609) 465-1060 ☐ Fax: (609) 465-3716



To: Benefit Eligible Employees

From: Jeffrey R. Lindsay, Esquire 
Director, Human Resources & Training

Date: November 12, 2015

Re: County Health Benefits, Third Quarter Report

As we enter into the last quarter of the 2015 plan year, the County of Cape May is now in the renewal planning phase for the 2016 plan year. In an effort to keep you informed, I am forwarding this update as a status report on the County health benefit program for the first three quarters of 2015.

The total paid medical claims for the first three quarters of 2015 were:

- First quarter = \$4,736,070.00
- Second quarter = \$5,246,024.00
- Third quarter = \$4,096,396.00
- Combined = **\$14,078,490.74**

This represents an increase of \$2,751,192 compared to the first three quarters of 2014, when the total paid medical claims were \$11,327,298. This equates to a 24.28% increase.

It's important for employees to understand what is driving these claims, and below are some specifics on where the increases in claims are coming from.

- Inpatient Claims (first three quarters)
 - 2014 Claims - \$2,408,383.00
 - 2015 Claims - \$3,875,353.00
 - **Difference = \$1,466,970.00**
 - 60.91% increase

- Outpatient Claims (first three quarters)
 - 2014 Claims - \$3,507,290.00
 - 2015 - \$4,179,051.00
 - **Difference = \$671,761.00**
 - 19.15% increase

- Professional Claims (first three quarters)
 - 2014 - \$5,411,623.00 (first three quarters)
 - 2015 - \$6,024,086.00
 - **Difference = \$612,463.00**
 - 11.31% increase
- Total Physician Office Visit Payments (first three quarters)
 - 2014 - \$1,371,851.00
 - 2015 - \$1,482,196.00
 - **Difference = \$110,345**
 - 2014 Number of Visits - 12,169
 - 2015 Number of Visits - 12,523
 - **Difference = 354 more visits**
 - 2.91% increase

As you can see, our utilization is higher than the first three quarters of 2014, and utilization drives costs with our plan. And as you know, pursuant to Chapter 78, you are responsible to contribute a portion of that plan cost.

Keeping in mind the employee's benefit contribution, the County will continue to work diligently to keep the 2016 plan cost to a minimum, but please remember that the claims drive costs. Accordingly, we are reminding everyone to be deliberate with how they use the health benefit plan. This needs to be a team effort from all of us who utilize the County health benefit program.

Our goal is to continue to offer coverage that continues to meet the needs of you and your family, and beat healthcare inflation through strategic planning and continued employee collaboration with regards to education, communication, wellness and benefit plan design. To this end, over the last few months the County worked with our vendor partners to re-introduce the Amerihealth EPO "Community Advantage Plan," as well as meeting with as many employees as possible to provide information and open a direct line of communication.

In addition to sharing claims information on the Community Advantage Plan, the meetings addressed important plan information such as:

- The hidden cost of using an out-of-network providers
- Emergency room utilization
- Finding in-network providers
- Using a doctor outside the tri-state area (PHCS Network)
- What does healthcare reform mean to you (the "Cadillac Tax")

- Specialty medications
- Home delivery of maintenance medications
- Reporting life event changes and how they affect your plan

If you missed the informational meetings, or still have questions about any of the above, I encourage you to attend an open enrollment session, which are currently being scheduled. Please contact your payroll clerk for the open enrollment date(s).