



AN **ALERA GROUP** COMPANY



# Employee Benefits

Client Service Strategy

February 8, 2023



# Agenda

- ▶ State of the Market
- ▶ 2023 Renewal Decisions
- ▶ 2023/2024 Initiatives/Considerations
- ▶ Appendix



# State of the Market

# 2023 PNW BENEFITS STATE OF THE MARKET UPDATE

- Coming into 2023 **competition for talent is somewhat less challenging** than earlier in 2022 due to the slowing economy and layoffs beginning to occur in several industries (especially high-tech).
- **Annual healthcare cost trends are increasing at the highest rate of recent years** primarily due to higher physician and facility costs (as a result of past Covid related losses, wage and staffing pressures), reduced investment income and increased frequency of chronic and late-stage cancer claims.
- **Focus on employee mental health continues.** Stress, burn-out, depression, anxiety and financial security challenges are pervasive. Telehealth solutions (e.g. Calm, Lyra, Ginger, etc...) are making in-roads and are becoming standard offerings.
- **Timely accessibility to providers continues to be a cause for concern.** Employers are becoming more interested in direct primary care (DPC), concierge primary care and a broader array of virtual telehealth services including acute, primary care, dermatological and mental health.
- More employers are considering adding **fertility coverage and services** especially in light of advancing DEI efforts.
- There are an **increasing number of new healthcare services available.** Most are technology based and in early/mid development with private equity backing. There are several potential game changers (e.g. Garner Health).
- **Voluntary benefit** (e.g. critical illness, accident, pet insurance) adoption continues to rise.

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# 2023 PNW BENEFITS STATE OF THE MARKET UPDATE

- **Level-funding** (a form of self-funding) continues to become a more widely adopted health care funding solution.
- **Interest is high related to new hormone-based weight loss drugs** (e.g. Wegovy) recently approved by the FDA. While the long-term ROI remains to be seen, the drugs appear to provide superior results with fewer complications as compared to surgical alternatives.
- Several high-cost specialty prescriptions (e.g. Lantus, Humira, Neulasta, Avastin) have or will have **biosimilars** (generic version of specialty drugs) available. Competition is expected to lower costs and increase accessibility.
- **Paid leave policies are expanding** via broader PTO policies and state mandated Paid Family Leave programs. States appear to initially under-estimate the costs. WA Paid Family Leave Program rates are to rise to 0.79% of wages – almost double the initial rate in 2020.
- **HR technologies**, including HRIS and on-line enrollment tools, continue to gain adoption among all size employers.
- More attention and focus is on **diversity, equity and inclusion strategies** to help improve company culture, engagement and employee attraction and retention.
- The IRS released guidelines that changes the way **health insurance affordability is determined for family members** (other than the employee).





# 2022 Renewal Decisions & Final Financials

# Self-Funded Plan Expense Overview

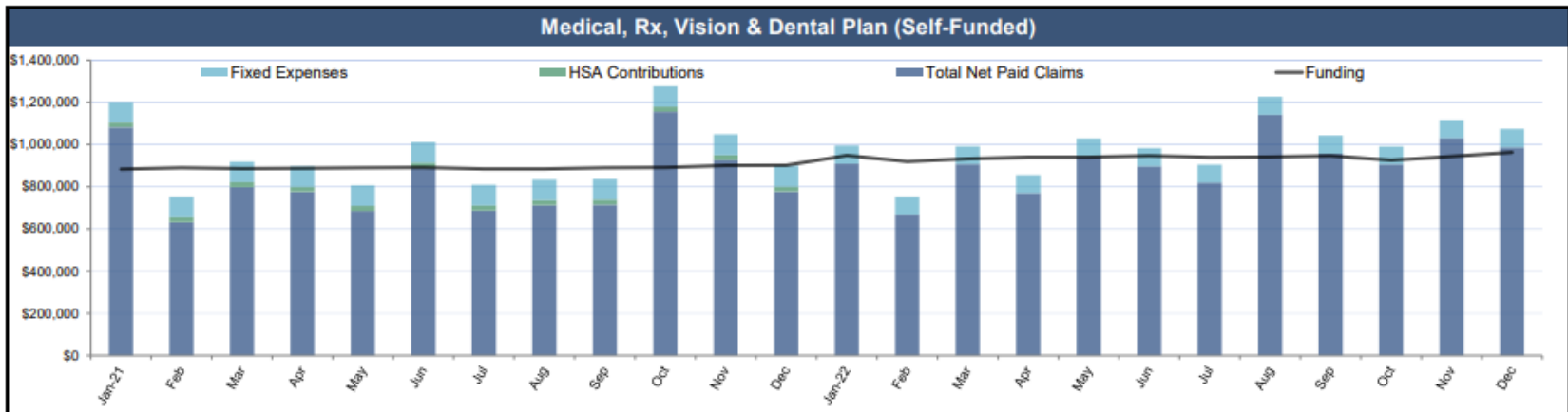
## Data through December 2022

| Funding Ratio                   |               |               |               |
|---------------------------------|---------------|---------------|---------------|
| Total Expenses/Budget           |               |               |               |
|                                 | 1/21 - 12/21  | 1/21 - YOY    | 1/22 - YTD    |
| <b>Medical, Rx &amp; Vision</b> | <b>105.7%</b> | <b>105.7%</b> | <b>106.5%</b> |
| Gain / (Loss)                   | (\$550,047)   | (\$550,047)   | (\$670,213)   |
| <b>Dental</b>                   | <b>105.2%</b> | <b>105.2%</b> | <b>96.2%</b>  |
| Gain / (Loss)                   | (\$45,693)    | (\$45,693)    | \$36,467      |
| <b>Vision</b>                   | <b>114.9%</b> | <b>114.9%</b> | <b>147.8%</b> |
| Gain / (Loss)                   | (\$14,497)    | (\$14,497)    | (\$42,213)    |
| <b>Total Plans (Combined)</b>   | <b>105.7%</b> | <b>105.7%</b> | <b>106.0%</b> |
| Gain / (Loss)                   | (\$610,236)   | (\$610,236)   | (\$675,959)   |

| Total Expenses PEPM |                   |                   |                   |
|---------------------|-------------------|-------------------|-------------------|
| Claims + Fixed      |                   |                   |                   |
|                     | 1/21 - 12/21      | 1/21 - YOY        | 1/22 - YTD        |
| Net Medical         | \$1,187.25        | \$1,187.25        | \$1,274.69        |
| Rx                  | 420.53            | 420.53            | 469.64            |
| Vision              | 18.09             | 18.09             | 20.87             |
| Dental              | 107.23            | 107.23            | 104.41            |
| HSA Contributions   | 46.69             | 46.69             | 45.21             |
| <b>Total</b>        | <b>\$1,779.79</b> | <b>\$1,779.79</b> | <b>\$1,914.81</b> |

*Per employee per month; Total is per medical enrolled employee*

| Total Expenses    |                     |                     |                     |
|-------------------|---------------------|---------------------|---------------------|
| Claims + Fixed    |                     |                     |                     |
|                   | 1/21 - 12/21        | 1/21 - YOY          | 1/22 - YTD          |
| Net Medical       | \$7,355,012         | \$7,355,012         | \$7,969,347         |
| Rx                | 2,605,177           | 2,605,177           | 2,936,176           |
| Vision            | 112,057             | 112,057             | 130,451             |
| Dental            | 929,800             | 929,800             | 927,464             |
| HSA Contributions | 289,250             | 289,250             | 282,625             |
| <b>Total</b>      | <b>\$11,291,295</b> | <b>\$11,291,295</b> | <b>\$12,246,062</b> |



| Number of Large Claims |              |            |            |
|------------------------|--------------|------------|------------|
|                        | 1/21 - 12/21 | 1/21 - YOY | 1/22 - YTD |
| >\$100,000             | 12           | 12         | 14         |
| \$50,000 - \$99,999    | 18           | 18         | 19         |
| \$25,000 - \$49,999    | 38           | 38         | 52         |

| Top Large Claim Amounts |            |              |
|-------------------------|------------|--------------|
|                         | YTD Amount | Relationship |
| Individual A            | \$647,008  | Subscriber   |
| Individual B            | 397,485    | Spouse       |
| Individual C            | 249,157    | Subscriber   |

# 2023 Medical/Rx/Vision/Dental Renewal Overview

| Plan  | Decision/Outcome  | Estimated Annual Cost for 2023   |
|---|---|--|
| Regence Medical/Rx                                | <p>Projected increase to budget (with 0% margin) = <b>+7.4%</b><br/><i>(this includes fixed + claims expenses)</i></p> <p>Included in the projected increase:</p> <ul style="list-style-type: none"> <li>Regence Admin fee increase = +2.65% (\$341,513 annual cost)</li> </ul>                     | \$10,986,766   |
| Stop Loss was changed from SunLife to <u>Voya</u> | <p>SunLife was proposing a +43% increase</p> <p>Voya replaced SunLife with a <b>+9.9%</b> increase</p> <ul style="list-style-type: none"> <li>Two current lasers include one for \$650,000 and one for \$375,000 <i>(which are not included in estimated cost for 2023 to the right)</i></li> </ul> | <p>\$1,014,512</p> <p><i>*(Included in Medical/Rx projected increase above).</i></p> |
| VSP Vision  | <p>Projected increase to budget = <b>+50.6%</b><br/><i>(includes all fixed + claims expenses)</i></p> <ul style="list-style-type: none"> <li>VSP Administration fee increase = +103%</li> </ul>   | \$132,635  |
| Delta Dental of WA Dental                         | <p>Projected increase to budget = <b>+4.2%</b><br/><i>(includes all fixed + claims expenses)</i></p> <ul style="list-style-type: none"> <li>Dental Administration fee increase = +2.0%</li> </ul>   | \$897,642  |
| Kaiser Medical/Rx/Vision                          | Renewed with a <b>+13.9%</b> increase   | \$5,741,878  |
| Kaiser Dental                                     | Renewed with a rate hold = <b>0.0%</b>  | \$17,272   |



# Self-Funded Large Claim Highlights

| Per Individual <sup>1</sup> | 2019      | 2020      | 2021      | 2022      |
|-----------------------------|-----------|-----------|-----------|-----------|
| >\$100,000 Paid             | 7         | 12        | 12        | 14        |
| >\$50,000 to \$100,000 Paid | 12        | 18        | 18        | 19        |
| >\$25,000-\$49,999 Paid     | 41        | 38        | 38        | 52        |
| <b>Total</b>                | <b>60</b> | <b>68</b> | <b>68</b> | <b>85</b> |

**2023 Lasers (amount over \$275,000 Deductible that CoV is at risk for):**

1. \$375,000 (\$650,000 total deductible) – Claim for treating Hereditary Angioedema/Gastric Ulcer
2. \$100,000 (\$375,000 total deductible) – Claim for treating Cystic Fibrosis



# Benefit Strategy and Initiatives

# 2023 Compliance Initiatives

| Initiative   | Goal/Explanation  | Notes/Timing  |
|--|---|---|
| <b>Ending the COVID-19 Public Health Emergency</b>                   | <ul style="list-style-type: none"> <li>✓ Adopt plan changes equally between the fully insured Kaiser plan and the self-insured Regence plan</li> <li>✓ To sufficient plan for anticipated changes</li> </ul>  | <ul style="list-style-type: none"> <li>• Federal Government plans to end the COVID-19 public health emergency on May 11, 2023.</li> <li>• Kaiser is currently reviewing how vaccines, testing and treatment are provided and coverers, but believes that vaccines will be part of preventive services.</li> <li>• This also impacts COBRA elections, benefit appeals and special enrollment (among other things).</li> </ul>  |
| <b>Coordinate Non-Discrimination Testing for Applicable Plans</b>    | <ul style="list-style-type: none"> <li>✓ Continued compliance that there is no discrimination of highly compensated or key employees on the plan.</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Section 125</b> – Includes premiums, Flexible Spending Account (FSA), Health Savings Account (HSA)</li> <li>• <b>Section 105(h)</b> – for the self-insured health plan</li> </ul>   |
| <b>Coordinate Non-Qualified Treatment Limitations (NQTL) Testing</b> | <ul style="list-style-type: none"> <li>✓ The Consolidations Appropriations Act, 2021 (CAA) enacted in December 2020 amended the Mental Health Parity and Addiction Equity Act of 2008 by requiring self funded plans to conduct a comparative analysis of any non-quantitative treatment limitations. The DOL and IRS have suggested increasing focus during audits for self funded plans to have written documentation of this comparative analysis each plan year.</li> </ul> | <ul style="list-style-type: none"> <li>• Regence: will provide the data for the analysis within 45 days of DOL/IRS audit (they will not be performing the test)</li> <li>• MZQ Consulting: \$9,000 annually</li> <li>• CXC Solutions: \$10,000 annually</li> <li>• Phia: \$10,000 annually</li> </ul> <p>*The entire industry is currently struggling to produce sufficient information to meet the DOL's analysis requirement. The DOL is aware of the issue and working to resolve it. However, we believe that the completion of the report demonstrates good faith effort to mee the NQTL requirements.</p> |
| <b>RxDC Reporting</b>  | <ul style="list-style-type: none"> <li>✓ The Consolidations Appropriations Act, 2021 (CAA) enacted in December 2020 where insurance plans must submit information about Prescription Drugs to CMS.</li> </ul>   | <ul style="list-style-type: none"> <li>• Fully insured plans do not need to worry (Kaiser is handling this on their client's behalf)</li> <li>• First reporting was due Dec 27 for 2020/2021 plan years.</li> <li>• Regence filed some of the information but only for their services. If a portion is carved out, it is the responsibility of the health plan.</li> <li>• Next reporting is due June 2023 for 2022 plan year.</li> </ul>   |

# 2023 Plan Reporting Initiatives

| Initiative   | Goal  | Notes and Timing  |
|--|---|---|
| <b>Plan Analytics Report Review (PlanIT)</b>             | ✓ Identify patterns of utilization, areas of concern, top conditions and plan performance <b><i>for just the self-funded plan (Regence)</i></b>                           | <ul style="list-style-type: none"> <li>• Report will include data incurred in 2022</li> <li>• Due to runout on payment of claims, the report cannot be completed until May 2023</li> </ul>  |
| <b>Vendor Utilization Reporting (Regence and Kaiser)</b> | ✓ Identify patters of utilization, areas of concern, top conditions and plan performance with <b><i>each medical/rx provider separately (both Regence and Kaiser)</i></b> | <ul style="list-style-type: none"> <li>• Includes the medical director's analysis of the data</li> <li>• Schedule these presentations for May/June 2023 (much earlier than in past to use for renewal discussion about plan changes)</li> </ul> |

# 2023 Initiatives - Plan Changes for 2024

| Initiative  | Goal  | Notes and Timing   |
|---|---|--|
| <b>Conduct an Employee Facing Survey</b>  | <ul style="list-style-type: none"> <li>✓ Help gauge employee's threshold for change and collect feedback from them about the plans offered</li> </ul>                             | <ul style="list-style-type: none"> <li>• Sample of Survey in Appendix</li> <li>• Send out before the end of Q1 2023</li> </ul>   |
| <b>Regence PPO Plan Rx Benefits:<br/>Eliminate \$2,500 Out of Pocket (OOP)Max</b> | <ul style="list-style-type: none"> <li>✓ Simplify plan for members</li> <li>✓ Simplify plan communication to members</li> </ul>   | <ul style="list-style-type: none"> <li>• The OOP Max has been in place since inception of plan. It was likely included to protect members against high Rx costs.</li> <li>• There have been zero members who have reached \$2,500 spend on Rx in last 2 years.</li> <li>• There would be no change to overall funding rates as the risk is very low</li> </ul>   |
| <b>Analyze Potential Plan Changes to both Regence and Kaiser</b>                  | <ul style="list-style-type: none"> <li>✓ Cost containment</li> <li>✓ To stay in line with benchmarking of other public agencies (in appendix)</li> </ul>                          | <ul style="list-style-type: none"> <li>• Things to look at include –               <ul style="list-style-type: none"> <li>-Increase deductible</li> <li>-Increase OOP Max</li> <li>-Increase copay(s) and/or coinsurance on specific benefits</li> </ul> </li> <li>• Review carrier utilization reports to pinpoint high utilization areas and/or high-cost areas on the plan</li> <li>• Analysis in July/August 2023</li> </ul> |
| <b>Change Employee Contribution Amounts</b>                                       | <ul style="list-style-type: none"> <li>✓ Simplify for ease of communication and administration</li> <li>✓ To get more in line with benchmarks of other public agencies</li> </ul> | <ul style="list-style-type: none"> <li>• Represented Employees: The relevant contracts say that the City will absorb 5% of the increasing premium each year and the remainder of the increase is passed on to the employee (otherwise silent on rates).</li> <li>• Affects AFSCME, JLC and Fire Marshal groups</li> <li>• Benchmark analysis in appendix.</li> </ul>   |

# Other 2023 Initiatives for 2024

| Initiative  | Goal   | Notes and Timing  |
|---|--|---|
| <b>Change the Current FTE Breakdown for Rates</b>             | <ul style="list-style-type: none"> <li>✓ Simplify for ease of administration</li> </ul>  | <ul style="list-style-type: none"> <li>• Currently, FTE rates are broken out by .05 increments.</li> <li>• Benchmarks show increments are variable within other organizations, but all show bigger spread between each increment (i.e., .50, .75, 1.0 or .50, .60, .70, etc.).</li> </ul>   |
| <b>Stop Loss Marketing</b>                                    | <ul style="list-style-type: none"> <li>✓ Potentially choose a new stop loss carrier in order to contain costs</li> <li>✓ Eliminate lasered members while keeping fixed costs down</li> </ul> | <ul style="list-style-type: none"> <li>• Send out RFP for stop loss in August 2023</li> <li>• Preliminary quotes will be available early Sept</li> <li>• Lock in of new rates/contract will require data through September; mid-October decision to finalize funding rates</li> </ul>   |
| <b>Analyze Mark Cuban's Pharmacy Plan (CostPlus Pharmacy)</b> | <ul style="list-style-type: none"> <li>✓ To help lower drug costs</li> </ul>   | <p>Direct to Consumers:</p> <ul style="list-style-type: none"> <li>• The pharmacy is currently "cash only" pharmacy and does not process prescriptions through insurance.</li> <li>• It is only generic, no brand or specialty</li> <li>• Prices reflect actual manufacturer prices plus 15%</li> <li>• Mainly targets individuals who do not have insurance or are on HDHP (does not count towards deductible)</li> <li>• <i>Maybe beneficial to part time or temporary workers</i></li> </ul> <p>Work with existing PBM:</p> <ul style="list-style-type: none"> <li>• CostPlus gains access to current pharmacy network</li> <li>• Members are charged the published cost of the drug or copay whichever is lower.</li> <li>• <i>Regence will not work in tandem with this program</i></li> </ul> |
| <b>Regence Customer Service Metrix</b>                        | <ul style="list-style-type: none"> <li>✓ To keep performance and service best in class</li> </ul>  | <ul style="list-style-type: none"> <li>• Review reports on a quarterly basis</li> <li>• Regence will present at next Board meeting on 3/8</li> </ul>  |





**Next Steps....**

# Immediate Next Steps

- ▶ Conduct Non-Discrimination Testing (125 and 105(h))
- ▶ Survey and/or communication strategy timing, which will include questions about:
  - Plan changes
  - Contribution changes



# Appendix

***-Past Initiatives Considered***

# Sample Employee Survey

18. Would you prefer to have more money deducted from your paycheck for medical insurance or pay more money when you actually go to the doctor or hospital (for example, higher deductibles and/or copays)?

|                          |  |
|--------------------------|--|
| <input type="checkbox"/> | More money from my paycheck                    |
| <input type="checkbox"/> | More money only when I access medical services |
| <input type="checkbox"/> | Don't understand                               |

19. Recent changes in tax laws have provided employees the ability to set aside money pre-tax in a health savings account for medical services if they are enrolled in a qualified high deductible health plan. If you could allocate a portion of your income to a health savings account, would you choose to do so?

|                          |            |
|--------------------------|------------|
| <input type="checkbox"/> | Yes        |
| <input type="checkbox"/> | No         |
| <input type="checkbox"/> | Don't know |

20. What do you think about the company's benefits?

|    |   | Yes,<br>definitely       | Yes,<br>somewhat         | No, not<br>really        | Definitely<br>not        | Not sure                 |
|----|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| a) | They are appreciated  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| b) | They are adequate   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| c) | They express the Company's commitment to the employees            | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| d) | They should be improved   | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| e) | Additional flexibility of choice should be added                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| f) | Benefits compare favorably with those offered by other companies  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| g) | I would be willing to contribute more to improve certain benefits | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| h) | Overall, I am satisfied with the benefits I have                  | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

21. The medical benefits provided by our plan meet my needs and the needs of my family.

|                          |            |
|--------------------------|------------|
| <input type="checkbox"/> | Agree      |
| <input type="checkbox"/> | Disagree   |
| <input type="checkbox"/> | Don't know |

# Benchmarking comparison of other public entities

| Municipality      | EMPLOYER PERCENTAGE OF TOTAL |             |                 |             |
|-------------------|------------------------------|-------------|-----------------|-------------|
|                   | Employee                     | EE + Spouse | EE + Child(ren) | EE + Family |
| City of Vancouver | 89.5%                        | 83.9%       | 84.8%           | 82.5%       |
| City of Everett   | 85.0%                        | 85.0%       | 85.0%           | 85.0%       |
| Deschutes County  | 94.5%                        | 94.5%       | 94.5%           | 94.5%       |
| Metro             | 92.8%                        | 92.8%       | 92.8%           | 92.8%       |
| Multnomah County  | 92.5%                        | 92.5%       | 92.5%           | 92.5%       |
| Clackamas County  | N/A                          | N/A         | N/A             | N/A         |
| Washington County | 95.0%                        | 94.7%       | 95.0%           | 95.0%       |
| Marion County     | N/A                          | N/A         | N/A             | N/A         |

| CITY OF VANCOUVER<br>PPO MEDICAL BENEFITS<br>BENCHMARKING |            |             |         |           |                  |          |                 |                 |                |
|---|------------|-------------|---------|-----------|------------------|----------|-----------------|-----------------|----------------|
| Municipality  | Deductible | Coinsurance | OOP Max | PCP Copay | Specialist Copay | Lab/Xray | MRI, CT         | IP Hospital     | Emergency Room |
| City of Vancouver   | \$300      | 20%         | \$2,300 | \$15      | \$20             | 20%      | 20%             | 20%             | \$250          |
| City of Everett   | N/A        | N/A         | N/A     | N/A       | N/A              | N/A      | N/A             | N/A             | N/A            |
| Deschutes County  | \$500      | 20%         | \$2,000 | \$25      | \$25             | 20%      | 20%             | Ded, \$100, 20% | \$100, 20%     |
| Metro   | \$250      | 10%         | \$1,250 | \$20      | \$30             | 10%      | 10%             | 10%             | \$200, 10%     |
| Multnomah County  | \$400      | 15%         | \$2,000 | \$20      | \$40             | 15%      | \$15            | 15%             | \$100, 15%     |
| Clackamas County  | \$750      | 10%         | \$2,500 | \$20      | \$20             | 0%       | \$0             | 10%             | \$100          |
| Washington County   | \$500      | 20%         | \$2,200 | \$15      | \$15             | 20%      | 20%             | 20%             | \$250          |
| Marion County   | \$300      | 30%         | \$5,000 | \$15      | \$15             | 30%      | Ded, \$100, 30% | \$100, 30%      | \$200, 30%     |

# Employee Contribution Amounts

| CITY OF VANCOUVER                 |           |                |                 |             |             |             |                 |             |
|-----------------------------------|-----------|----------------|-----------------|-------------|-------------|-------------|-----------------|-------------|
| MEDICAL CONTRIBUTION BENCHMARKING |           |                |                 |             |             |             |                 |             |
|                                   | Per Month |                |                 |             |             |             |                 |             |
|                                   |           | EMPLOYEE COSTS |                 |             | TOTAL COSTS |             |                 |             |
| Municipality                      | Employee  | EE + Spouse    | EE + Child(ren) | EE + Family | Employee    | EE + Spouse | EE + Child(ren) | EE + Family |
| Employee Cost - Current           | \$85      | \$275          | \$223           | \$412       | \$812       | \$1,706     | \$1,463         | \$2,357     |
| Employee Cost @ Flat 14%          | \$114     | \$239          | \$205           | \$330       | Dep. Cost   | \$894       | \$651           | \$1,545     |
| \$ Monthly EE Change              | \$29      | -\$36          | -\$18           | -\$82       | EE + Dep    | \$215       | \$179           | \$313       |
| Employee Cost - Current           | \$85      | \$275          | \$223           | \$412       |             |             |                 |             |
| Employee Cost @ Flat 15%          | \$122     | \$256          | \$219           | \$353       |             |             |                 |             |
| \$ Monthly EE Change              | \$37      | -\$19          | -\$4            | -\$59       |             |             |                 |             |
| Employee Cost - Current           | \$85      | \$275          | \$223           | \$412       |             |             |                 |             |
| Employee Cost @ 10%/15%           | \$81      | \$215          | \$179           | \$313       |             |             |                 |             |
| \$ Monthly EE Change              | -\$4      | -\$59          | -\$44           | -\$99       |             |             |                 |             |



# Past Initiatives Considered (1)

| Initiative   | When Discussed  | Comments (Implemented?)   |
|--|---|---|
| Dialysis Cost Containment Program - Renalogic  | ✓ August 2018   | <ul style="list-style-type: none"> <li>• Did not implement due to the possible disruption to members and possible legal issues</li> </ul>   |
| Second Surgical Opinion Service – MOREHealth   | ✓ August 2018   | <ul style="list-style-type: none"> <li>• Did not implement due to the added communications necessary to engage people in the program (as it is voluntary)</li> </ul>  |
| Concierge App Option/Communications Technology   | <ul style="list-style-type: none"> <li>✓ August 2018</li> <li>✓ August 2019</li> </ul>                        | <ul style="list-style-type: none"> <li>• Did not implement due to the expense of the program</li> </ul>   |
| Carveout Vision from Regence and Self-Fund Directly with either VSP or EyeMed (Regence was changing their vision plan which would change the benefits for members) | ✓ August 2018   | <ul style="list-style-type: none"> <li>• <u>1/1/2019</u> - implemented a self-funded vision plan with VSP</li> <li>• Able to mirror current plan; minimal disruption for members</li> <li>• Savings to vision plan year over year</li> </ul>  |
| Self-fund the Delta Dental of WA plan  | ✓ August 2018   | <ul style="list-style-type: none"> <li>• <u>1/1/2019</u> - implemented a self-funded dental plan with Delta Dental of WA</li> <li>• Est Savings = \$85,000 Annually</li> </ul>  |
| Add MedSavvy   | <ul style="list-style-type: none"> <li>✓ August 2018</li> <li>✓ August 2019</li> <li>✓ August 2020</li> </ul> | <ul style="list-style-type: none"> <li>• <u>1/1/2020</u> – implemented; savings estimated to be about \$34,000 annually</li> <li>• There was very low engagement</li> <li>• Relaunched in the program in July 2020</li> <li>• Decision to terminate the program effective 1/1/2021</li> </ul> |
| Site of Infusion Therapy   | ✓ August 2018   | <ul style="list-style-type: none"> <li>• <u>1/1/2019</u> – implemented due to savings of about \$40,000 annually and the patient experience would improve with this model</li> </ul>  |

# Past Initiatives Considered (2)

| Initiative   | When Discussed  | Comments (Implemented?)  |
|--|---|--|
| <b>Carveout Rx Program</b>                             | <ul style="list-style-type: none"> <li>✓ August 2018</li> <li>✓ August 2019</li> </ul>                        | <ul style="list-style-type: none"> <li>• Did not implement due to the disruption to the members (formulary)</li> <li>• Saving at the time was approximately 37%/\$680,000</li> <li>• Continue to review and negotiate with Regence on current Rx program (savings has been \$72,000 for 2019 and \$85,000 for 2020)</li> </ul> |
| <b>Telehealth (Doctor on Demand)</b>                   | <ul style="list-style-type: none"> <li>✓ August 2018</li> <li>✓ August 2019</li> <li>✓ August 2020</li> </ul> | <ul style="list-style-type: none"> <li>• Did not initially implement due to availability of other virtual and nurse on demand services</li> <li>• <u>9/1/2020</u> – implemented off renewal due to the pandemic and the increase access to remote care</li> </ul>  |
| <b>Livongo (Diabetes Management Program)</b>           | <ul style="list-style-type: none"> <li>✓ August 2018</li> <li>✓ August 2021</li> </ul>                        | <ul style="list-style-type: none"> <li>• Did not implement due to the addition communication effort (as it is a voluntary program)</li> </ul>  |
| <b>Change Emergency Room Copay from \$100 to \$250</b> | <ul style="list-style-type: none"> <li>✓ August 2020</li> </ul>   | <ul style="list-style-type: none"> <li>• <u>1/1/2021</u> – Implemented change due to industry standard being higher than \$100 and to decrease use of ER in the future</li> </ul>  |
| <b>Life/DI Review</b>                                  | <ul style="list-style-type: none"> <li>✓ August 2020</li> </ul>   | <ul style="list-style-type: none"> <li>• Did an UW audit and based on the review, the prior claims experience suggested that there were savings available. Life rate was reduced by -5.6%</li> <li>• Did an audit of current salaries and updated the LTD options with new benefit maximums for each class</li> </ul>          |
| <b>mycovbenefits.com – employee benefits portal</b>    | <ul style="list-style-type: none"> <li>✓ September 2020</li> </ul>  | <ul style="list-style-type: none"> <li>• Purchased the domain through GoDaddy. DBP will continue to manage the site, but it is owned by COV</li> <li>• <u>10/1/2020</u> – implemented</li> </ul>   |

# Past Initiatives Considered (3)

| Initiative                               | When Discussed   | Comments (Implemented?)  |
|--|--|--|
| <b>MedSavvy Relaunch and Termination</b> | <ul style="list-style-type: none"> <li>✓ July 2020 (Relaunch)</li> <li>✓ January 2021</li> </ul> | <ul style="list-style-type: none"> <li>• Based on the result of the relaunch, it was determined to eliminate the program due to the continuation of low engagement.</li> <li>• Employees who were participating were sent communication about the program ending effective January 1, 2021.</li> </ul> |
| <b>Ended Grandfathered Rx</b>            | <ul style="list-style-type: none"> <li>✓ January 2021</li> </ul>                                 | <ul style="list-style-type: none"> <li>• Completed the process with Regence to stop allowing members to get certain scripts without a preauthorization</li> <li>• Regence communicated with those affected by this change by sending them a letter in September 2020</li> </ul>                        |

# Past Initiatives Considered (4)

| Initiative                          | When Discussed                | Comments (Implemented?)   |
|-------------------------------------|-------------------------------|---|
| <p><b>Covid-19 Plan Updates</b></p> | <p>✓ 2020-2021<br/>✓ 2022</p> | <ul style="list-style-type: none"> <li>• Completed temporary changes to FSA and Dependent Care programs due to employees not working or working remotely (including increasing the carry over to \$550; permanently)</li> <li>• Completed change to plan to cover COVID-19 testing at no cost to employees (including HSA plans without any risk to the plan)</li> <li>• Completed change to plan to cover COVID-19 treatment at no cost (ended once the Washington Emergency Order ended (Kaiser eliminated this 7/1/21, Regence eliminated this 9/30/21)</li> <li>• Completed adding new language and additional coverage for telehealth services</li> <li>• COVID-19 testing, and telehealth service coverage were added to the plan permanently</li> <li>• Biden Administration released guidance to cover up to 8 OTC Covid-19 Test Kits per member every month up to \$12/test. The coverage was effective on 1/15/22.</li> </ul> |