



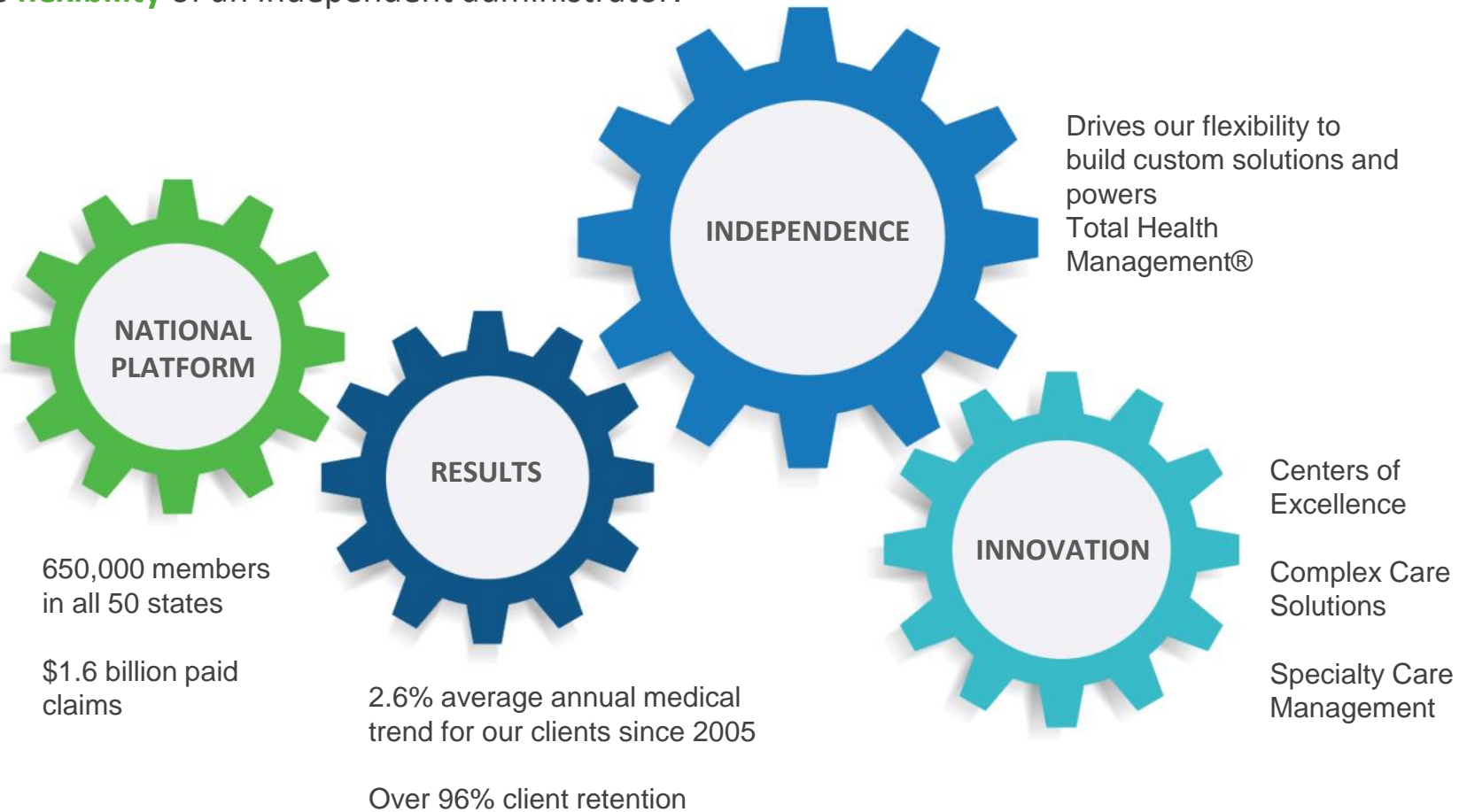
HealthSCOPE
BENEFITS

PEBP
NEVADA PUBLIC EMPLOYEES' BENEFITS PROGRAM

HEALTHSCOPE BENEFITS

The **strength** of a national platform.

The **flexibility** of an independent administrator.



ABOUT PEBP

The State of Nevada Public Employees' Benefit Program (PEBP):

- Includes Medical, Dental, Rx, Vision, Life and LTD
- 44,000 participants, with 26,000 covered dependents, 70,000 total lives
- Program includes wellness and condition management benefits, along with Value Based Benefits
- HealthSCOPE Benefits and PEBP have collaborated since 2011



MISSION AND VISION

Mission

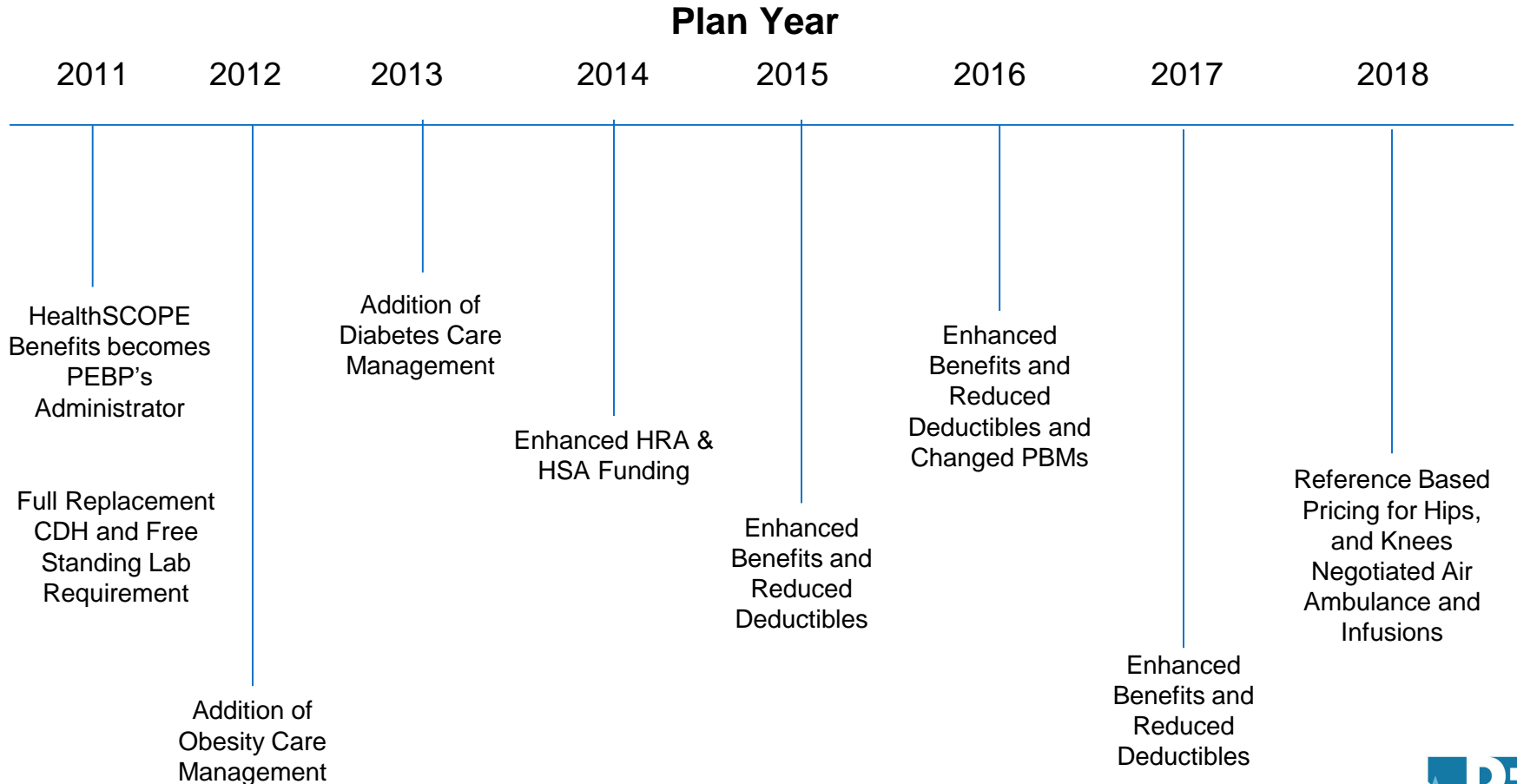
Provide employees, retirees, and their families with access to high quality benefits at affordable prices.

Vision

PEBP will be a member focused, nationally recognized, affordable program of employer sponsored benefits serving employees, retirees, their families and the Nevada taxpayer.



TIMELINE FOR STRATEGIC DECISIONS



THE COST OF OBESITY

The estimated cost of obesity is approximately \$147 Billion in the United States for an obese 18-year-old that remained obese through adulthood.

- Recent estimates show 49 million Americans make food decisions based on cost.
- High income persons are less likely to have obesity than low-income persons.
- 78% of Americans are not meeting basic activity levels.
- Americans spend over \$60 Billion to lose weight every year

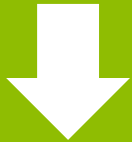
Source: Centers for Disease Control



WHAT IS VALUE BASED?



Reduction of copayments/coinsurance for critical prescription medications for patients with diabetes, heart disease, asthma and other chronic conditions.



Reduction or elimination of cost sharing for certain office visits and labs.



High member engagement.



Improved member health and medication adherence.



OBESITY CARE MANAGEMENT PROGRAM REQUIREMENTS

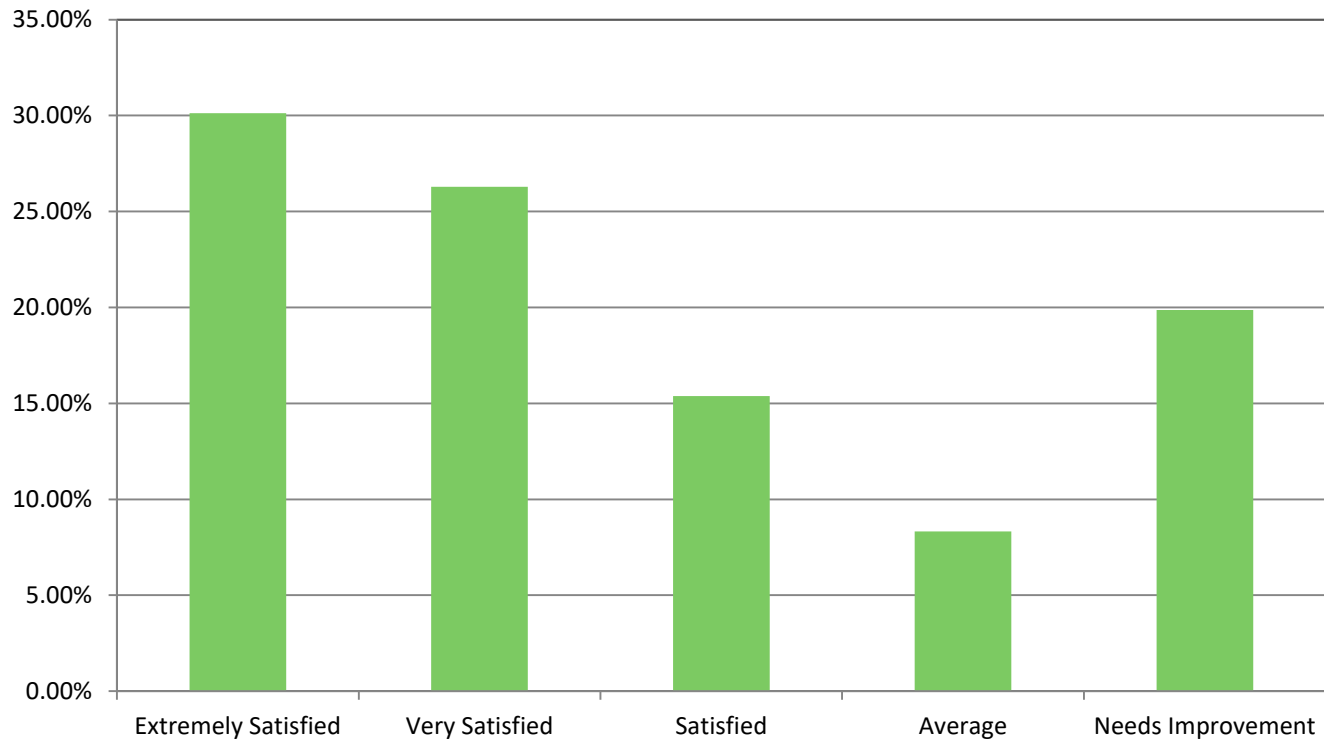
BMI greater than 30kg/m², with or without a co-morbid condition present, or greater than 25kg/m² (or waist circumference greater than 35 inches in women, 40 inches in men) if one or more of the following co-morbid conditions is present.

- Coronary artery disease
- Diabetes mellitus Type 2
- Hypertension (Systolic Blood Pressure or greater than or equal to 140mm Hg or Diastolic Blood Pressure greater than or equal to 90mm Hg on more than one occasion)
- Obesity-hypoventilation syndrome
- Obstructive sleep apnea
- Cholesterol and fat levels measured (Dyslipidemia):
 - HDL cholesterol <35mg/dL; or
 - LDL cholesterol > or = to 160 mg/dL; or
 - Serum triglyceride levels > or = to 400 mg/dL
- For children age 2 to 18 years
 - Services must be provided by an in-network provider who specializes in childhood obesity
 - Child must present a BMI > 85th percentile for age/gender



PARTICIPATION STATISTICS

Participant overall satisfaction with the Obesity Care Management Program

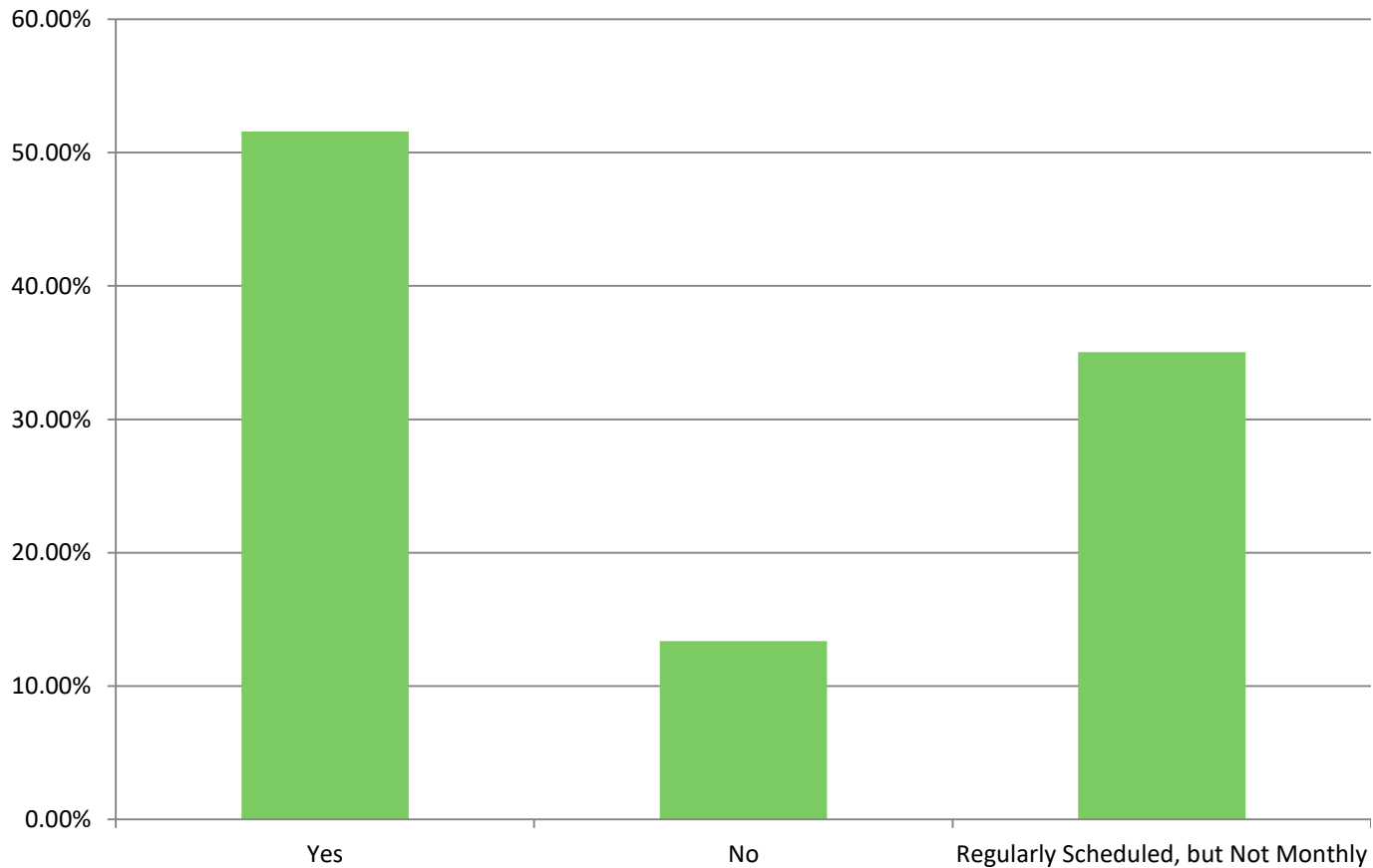


Over 80% of participants are satisfied with program



PARTICIPATION STATISTICS

Participant engaged on a monthly basis with Obesity Care provider?



Over 85% of participants are engaged with a provider

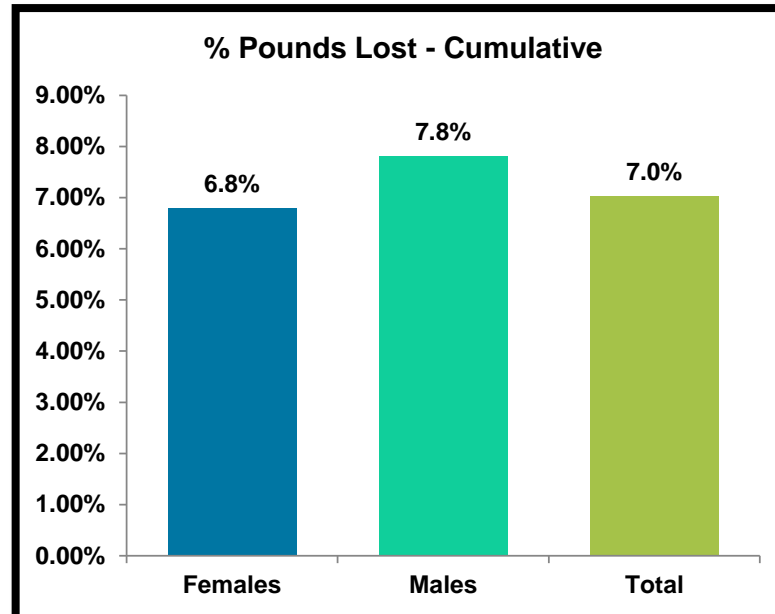


OBESITY CARE MANAGEMENT OVERVIEW

* Analysis based on active members enrolled in the Weight Management Program; weight loss and costs are through June 2017.

Weight Management Summary	Females	Males	Total
# Mbrs Enrolled in Program	662	168	830
Average # Lbs. Lost	12.8	17.9	13.8
Total # Lbs. Lost	8,466.7	3,002.0	11,468.7
% Lbs. Lost	6.8%	7.8%	7.0%
Average Cost/ Member	\$3,801	\$3,203	\$3,680

	PY17	PY16	PY15	PY14
Year over Year % Lost	1.2%	1.5%	2.2%	2.4%



OBESITY CARE MANAGEMENT – FINANCIAL SUMMARY

*Non-Participant is defined as a member who has been diagnosed with obesity in the past 12 months, but is not enrolled in the program

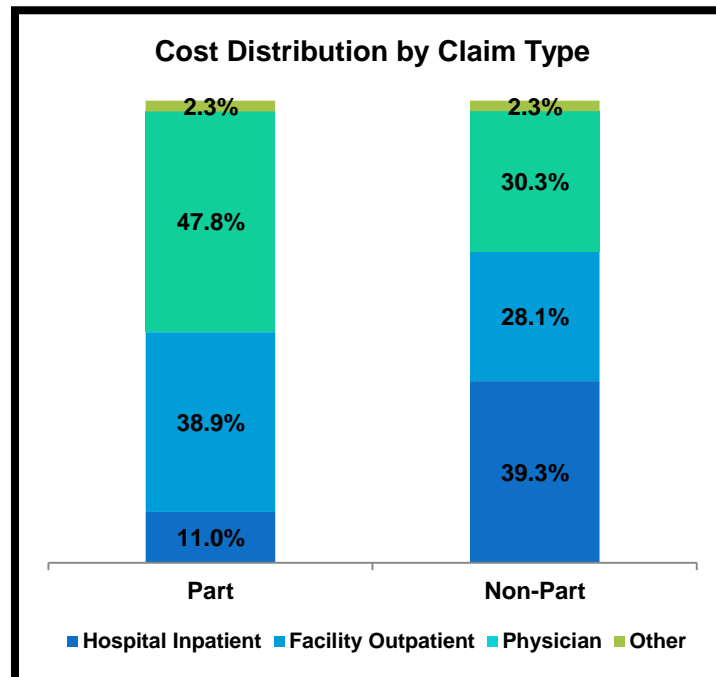
Summary	Participants	Non-Participants	Variance
Enrollment			
Avg # Employees	709	415	71.0%
Avg # Members	776	548	41.7%
Member/Employee Ratio	1.1	1.3	-17.2%
Financial Summary			
Gross Cost	\$4,089,533	\$4,891,728	
Client Paid	\$3,054,737	\$3,956,068	
Employee Paid	\$1,034,796	\$935,660	
Client Paid-PEPY	\$4,308	\$9,540	-54.8%
Client Paid-PMPY	\$3,938	\$7,226	-45.5%
Client Paid-PEPM	\$359	\$795	-54.8%
Client Paid-PMPM	\$328	\$602	-45.5%
High Cost Claimants (HCC's) > \$50k			
# of HCC's	0	8	
HCC's / 1,000	0.0	14.6	-100.0%
Avg HCC Paid	\$0	\$181,632	-100.0%
HCC's % of Plan Paid	0.0%	36.70%	-100.0%



OBESITY CARE MANAGEMENT – COST DISTRIBUTION

*Non-Participant is defined as a member who has been diagnosed with obesity in the past 12 months, but is not enrolled in the program

Summary	Participants	Non-Participants	Variance
Cost Distribution - PMPY			
Hospital Inpatient	\$433	\$2,843	-84.8%
Facility Outpatient	\$1,532	\$2,030	-24.5%
Physician	\$1,881	\$2,187	-14.0%
Other	\$91	\$166	-45.2%
Total	\$3,938	\$7,226	-45.5%



OBESITY CARE MANAGEMENT – UTILIZATION SUMMARY

*Non-Participant is defined as a member who has been diagnosed with obesity in the past 12 months, but is not enrolled in the program

Summary	Participants	Non-Participants	Variance
Inpatient Facility			
# of Admits	37	65	
# of Bed Days	77	459	
Paid Per Admit	\$9,141	\$23,570	-61.2%
Paid Per Day	\$4,392	\$3,338	31.6%
Admits Per 1,000	48	119	-59.7%
Days Per 1,000	99	838	-88.2%
Avg LOS	2.1	7.1	-70.4%
Physician Office			
OV Utilization per Member	9.1	7.0	30.0%
Avg Paid per OV	\$74	\$47	57.4%
Avg OV Paid per Member	\$679	\$331	105.1%
DX&L Utilization per Member	13.5	17.1	-21.1%
Avg Paid per DX&L	\$57	\$58	-1.7%
Avg DX&L Paid per Member	\$764	\$990	-22.8%



CHALLENGES TO THE PROGRAM FROM THE MEMBER PERSPECTIVE

- Lack of providers - not available in rural areas
- Concerns with cost of medications
- Customized programs vs one size fits all
- Lengthy enrollment process with physician
- Long wait times with nutritionist
- Physician visits need to be more flexible
- Affordable meal plans
- Maintaining the weight loss

POTENTIAL NEXT STEPS FOR THE PROGRAM

- Incentive Options
 - HSA/HRA funding
 - Gym memberships
 - Activity trackers
- Health coaching for positive reinforcement
- Customized exercise plans
- Technology as a solution to assist with Provider availability
 - Telemedicine
 - Mobile Apps

FUTURE MEASUREMENT OPPORTUNITIES

- Absences –reduction in unscheduled absences
- STD, LTD – reduced incidence of disability claims
- FMLA
- Reduced turnover

QUESTIONS

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