

# DECISION MASTER<sup>®</sup> WAREHOUSE

## Turn health care data into bottom-line savings

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Columbia, SC

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### Do you have access to reliable health care benchmarking data?

We can show you how your group's health care claims compare to industry, regional and state norms, in order to identify cost and utilization disparities.

### Where are the cost drivers in your group's health spending?

Our sophisticated analytics help us dig deep into your real claims data to isolate specific cost drivers that we can address with targeted solutions in order to help manage high health care costs.

### Do you have the tools you need to make educated plan design decisions?

Altering plan design is one strategic solution we can implement after analyzing your data, but then we take it one step further. With our plan modeler, we let you "test drive" potential changes so that you can see the impact of a change—before making any decisions.



CLARKE & COMPANY  
BENEFITS LLC



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**Jeffery's Manufacturing**  
2015 Health Plan  
1/1/2015-12/31/2015

**Claims Cost vs. Plan Cost**  
Compare your claims cost to your total health plan cost, and assess how these values measure up to the norm.

	Actual	Norm	% 1
Total plan cost	\$6,893,417	\$5,995,641	-13.9%
Total claims cost	\$5,702,182	\$4,799,874	19.84%

**Claims by Relationship**  
See how the amount paid towards claims made by employees and the amount paid towards claims made by dependents compare to the norm.

	Actual paid	Norm paid	% 1
Employee	\$3,391,776	\$1,319,372	187.88%
Spouse	\$495,634	\$2,023,345	-75.81%
Dependent	\$809,911		

**High Cost Claimants**  
Evaluate the cost impact of high cost claimant medical claim payments made toward claimants with the amount paid towards all other claimants.

With claims 20% above the norm a wellness intervention. With only 22 less potential to drive costs even!

**Jeffery's Manufacturing**  
2015 Health Plan  
1/1/2015-12/31/2015

**Disease Cost Drivers**  
Review which three disease categories have the most potential for cost saving opportunities. For each category, see a break-down of the number of patients treated and total amount paid.

Thalassemia Costs	Administrative Costs	Lifestyle Related Claims
Total Costs	Total Costs	Total Costs
70.7% ↑	51.7% ↑	35.9% ↓
Actual paid: \$63,484 Norm paid: \$27,379	Actual paid: \$17,447 Norm paid: \$11,499	Actual paid: \$1,211,677 Norm paid: \$881,740
Total Patients	Total Patients	Total Patients
Actual patients: 82 Norm patients: 88	Actual patients: 24 Norm patients: 22	Actual patients: 644 Norm patients: 703

**Visit Cost Drivers**  
Review which three visit categories have the most potential for cost saving opportunities. For each type of visit, see a break-down of the number of patient visits and total amount paid.

Radiology Costs	Emergency Room Costs	Preventive Care Costs
Total Costs	Total Costs	Total Costs
962.1% ↑	230.6% ↑	39.0% ↓
Actual paid: \$92,020 Norm paid: \$8,759	Actual paid: \$416,979 Norm paid: \$154,938	Actual paid: \$49,676 Norm paid: \$80,397
Total Visits	Total Visits	Total Visits
Actual visits: 956 Norm visits: 1,484	Actual visits: 492 Norm visits: 356	Actual visits: 241 Norm visits: 587

**At-A-Glance**

General Information	Actual	Norm	Diff	Utilization
Total Employees	832			
Total Covered Lives	1,284			
Average Paid Per Member Per Month	\$71.30	\$50.98	41.48%	Unfavorable
Total Plan Paid	\$1,098,883.31	\$771,684.00	42.40%	Unfavorable
Average Paid Per Rx	\$143.95	\$72.82	97.68%	Unfavorable
Total Rx Count	7,634.00	10,272.00	-25.68%	Favorable
Total Rx Per Member Per Month	0.30	0.67	-55.68%	Favorable
Member Cost Share %	7.97%	13.13%	-38.58%	Unfavorable
Average Member Cost	\$74.43	\$91.03	-18.34%	Favorable
Mail Service Rx %	4.10%	3.48%	17.80%	Favorable
Mail Service Paid %	3.32%	25.44%	-86.91%	Unfavorable
Generic Rx %	66.05%	82.61%	-19.89%	Unfavorable
Generic Total Paid %	53.29%	26.21%	26.44%	Unfavorable
Generic Substitution %	96.62%	96.31%	0.33%	Acceptable
Average Paid Per Generic Rx	\$22.02	\$22.19	-0.82%	Unfavorable
Average Paid Per Brand Rx	\$679.49	\$345.26	55.88%	Unfavorable

## Management Report

This easy-to-read report benchmarks your data against a normative set—with over \$82 billion in claims annually—from Truven Health Analytics and the Kaiser Family Foundation, and breaks down comparisons by location, industry and plan type. Explore data comparisons such as the following items:

- Total health plan costs
- Inpatient and outpatient claims
- Emergency room and office visit utilization and costs
- Claims by major diagnostic categories
- Wellness

## Prescription Management Report

We also offer a prescription drug analysis report to help us assess whether your costs are appropriate and where problem areas may exist. The following are among the categories analyzed:

- Paid summary
- Total member cost share
- Mail service utilization
- Brand name versus generic utilization

**Demo Company, Inc.**  
**Brand vs. Generic**  
Evaluate how your plan's costs for generic and brand drugs compare to those of your peers.

**Average Plan Paid per Generic Rx**

**Average Plan Paid per Brand Rx**

**Demo Company, Inc.**

**At - A - Glance**

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**Jeffery's Manufacturing**  
2015 Health Plan 1/1/2015-12/31/2015

**Multiyear Claims Cost vs. Plan Cost**  
Evaluate your current plan design by analyzing how the comparison of your claims cost to your total health plan cost has trended from year to year.

	1/12	1/13	1/15
Plan cost per employee	\$7,757.57	\$8,733.70	\$8,295.33
Admin cost per employee	\$119.80	N/A	\$238.57
Claims cost per member	\$5,184.05	\$5,293.74	\$4,479.89

**Multiyear Claims by Relationship**  
Review the percentage of total costs paid towards employee claims and dependent claims, and how this ratio has trended from year to year.

	1/12	1/13	1/15
Employee	69.14%	74.61%	78.25%
Spouse	14.65%	15.31%	11.16%
Dependent	16.22%	10.08%	12.59%

**Two-Year Assessment**  
Review which cost areas had the greatest percentage of change in total paid amount from 2013 Health Plan - 1/13 to 2015 Health Plan - 1/15, and where employees had the most impact on plan costs from year to year.

Category	Change
OUTPATIENT BEHAVIORAL HEALTH COSTS	88.71% Increase
OBESITY COSTS	82.04% Decrease
ASTHMA/COPD COSTS	81.21% Decrease
HEART DISEASE COSTS	65.52% Decrease
PHYSICAL THERAPY COSTS	55.85% Decrease
LOW BACK PAIN COSTS	34.77% Increase
RADIOLOGY COSTS	34.74% Decrease
CHIROPRACTIC COSTS	26.41% Decrease

Most costs have decreased since last year so education of employees is paying off. We need to continue targeting employees with a message that is changing behaviors. For outpatient behavior costs female employees and young male dependents are where a majority of the costs are coming from. We'll make sure they are seeking treatment in the preferred facilities to get costs down.

Prepared by: Awesome Agency 414-454-6100 ID #273655 Page 3

## Multiproject Reporting

The Multiproject Reporting function allows us to compare up to four different data sets. We can track data trends from year to year, or compare between multiple divisions or locations to isolate opportunities. We've found this useful for strategic long-term planning and evaluation.

**Emergency Room**

	Charges	Paid	People	Visits	Charges per Person	Paid per Person	Paid per Visit
Circulatory System	\$167,946.74	\$88,307.85	58	82	\$2,895.63	\$2,048.13	\$1,522.55
Digestive System	\$205,277.78	\$115,079.78	60	78	\$3,421.30	\$2,631.77	\$1,918.00
Musculoskeletal System	\$53,841.02	\$22,713.72	44	36	\$1,223.66	\$961.45	\$516.22
Ear, Nose, Mouth and Throat	\$55,914.23	\$24,545.16	42	54	\$1,331.29	\$1,035.45	\$584.41
Skin	\$37,778.61	\$15,273.28	44	40	\$858.60	\$787.05	\$347.12
Subcutaneous Tissue and Breast	\$34,137.33	\$18,155.89	34	37	\$1,004.04	\$922.63	\$534.00
Respiratory System	\$33,719.87	\$17,698.72	34	36	\$991.76	\$936.66	\$520.55
Injury, Poisoning and Toxic Effects of Drugs	\$54,814.90	\$27,460.05	26	35	\$2,108.27	\$1,566.14	\$1,056.16
Nervous System	\$37,347.75	\$15,832.66	15	20	\$2,489.85	\$1,067.39	\$1,055.51
Kidney and Urinary Tract	\$34,759.31	\$22,360.65	13	16	\$2,673.79	\$2,172.46	\$1,720.05
Endocrine, Nutritional and Metabolic	\$11,872.60	\$6,538.33	12	16	\$989.38	\$742.04	\$544.86
Factors Influencing Health Status	\$13,572.80	\$5,797.17	10	11	\$1,357.28	\$1,233.89	\$579.72
Infectious and Parasitic Diseases	\$20,869.45	\$12,817.04	6	8	\$3,478.24	\$2,608.68	\$2,136.17
Hepatobiliary System and Pancreas	\$10,914.80	\$4,075.19	6	8	\$1,819.13	\$1,364.35	\$679.20
Mental Diseases and Disorders	\$2,734.00	\$2,487.91	4	8	\$683.50	\$341.75	\$621.98
Pregnancy, Childbirth and the Puerperium	\$5,560.59	\$1,927.97	5	6	\$1,112.12	\$926.76	\$385.59
Burns	\$4,357.48	\$2,799.72	6	6	\$726.25	\$726.25	\$466.62
Eye	\$9,599.97	\$4,466.56	6	6	\$1,600.00	\$1,600.00	\$744.43
Female Reproductive System	\$9,641.12	\$6,270.25	4	4	\$2,410.28	\$2,410.28	\$1,567.56
Alcohol/Drug Use	\$2,510.25	\$1,370.75	3	3	\$836.75	\$836.75	\$456.92
Blood and Blood-forming Organs	\$807,170.60	\$415,978.65	278	462	\$2,903.49	\$1,747.12	\$1,496.33
Major Diagnostic Categories (All)							\$900.39

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## Ad Hoc Analysis

This sophisticated analysis feature allows us to get to the source of problem areas quickly by using IBM Cognos. We offer customized reporting to discover areas of opportunity to help you reduce benefits plan costs. Find health and prescription plan answers, such as the following:

- What diagnoses do my high-cost claimants fall under? What other diagnoses and comorbidities are they affected by?
- Where are the most cost-effective places to go for specific procedures? How much would we save by renegotiating with the providers that have high costs?
- Who is utilizing mail-order versus traditional pharmacy? What is the cost differential?
- How often are generics being utilized when available?



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Demo Company, Inc.  
Actuarial Modeling  
Model Comparison: ER Copay Change

Total Paid Comparison	Current	ER & Rx Only	PPACA OOP Max	Recommended
Value of Medical Plan Changes		-1.3%	-29.5%	-14%
Value of Rx Plan Changes		-13.3%	-100%	-13.3%
Total Value of Plan Changes		-3.1%	-38.8%	-13.3%
Total Medical Paid	\$4,469,242.65			
Total Rx Paid	\$729,212.38			
Total Projected Paid	\$5,198,455.03	\$5,027,302.02	\$3,181,634.48	\$4,475,869.12

Members Affected Comparison	Current	ER & Rx Only	PPACA OOP Max	Recommended
Total Members	1,879			
Total Enrolled	992			
Enrollment	In-Network	In-Network	In-Network	In-Network
Members affected	300	300	300	300
% of total enrollment	n/a	n/a	-47.82%	-47.82%
Primary Care Copay	30	40	0	0
Members affected	0	0	434	339
% of total enrollment	n/a	n/a	43.88%	34.74%
Specialty Copay	30	80	0	0
Members affected	0	0	227	79
% of total enrollment	n/a	n/a	23.84%	7.32%
Plan Cost-sharing	90	80	80	80
Members affected	0	0	733	88
% of total enrollment	n/a	n/a	73.87%	47.93%

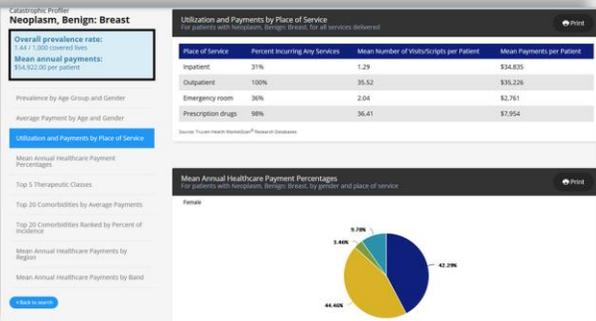
  

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## Alternative Plan Modeling

After identifying cost drivers, you may want to tweak your plan design. The modeling feature helps us try out plan design alternatives to see how changes would impact both your budget and your employees.

For instance, try out different copay or deductible amounts, or model an entirely new plan, such as a health savings account plan.



## Disease Profiler

Using reliable data from Truven Health Analytics, the Disease Profiler can show average costs of claims by disease category. With this tool, we can help you achieve the following benefits:

- Predict future costs and budget.
- Negotiate more accurate rates with stop-loss carriers.
- Design and implement a disease management program.



## Claims Diagnosis Dashboard

You don't have to be a claims expert to diagnose problem areas and improve profitability within your health plan. You now have a one-click analysis of who, why, what, where and when.

You also have fast access to relevant management reports and recommendations for problem areas.