



**HIOD**

*Health Intelligence On Demand*



PEBP / State of NV

July 17, 2014

**Prepared by Consulting**  
Health and Benefits

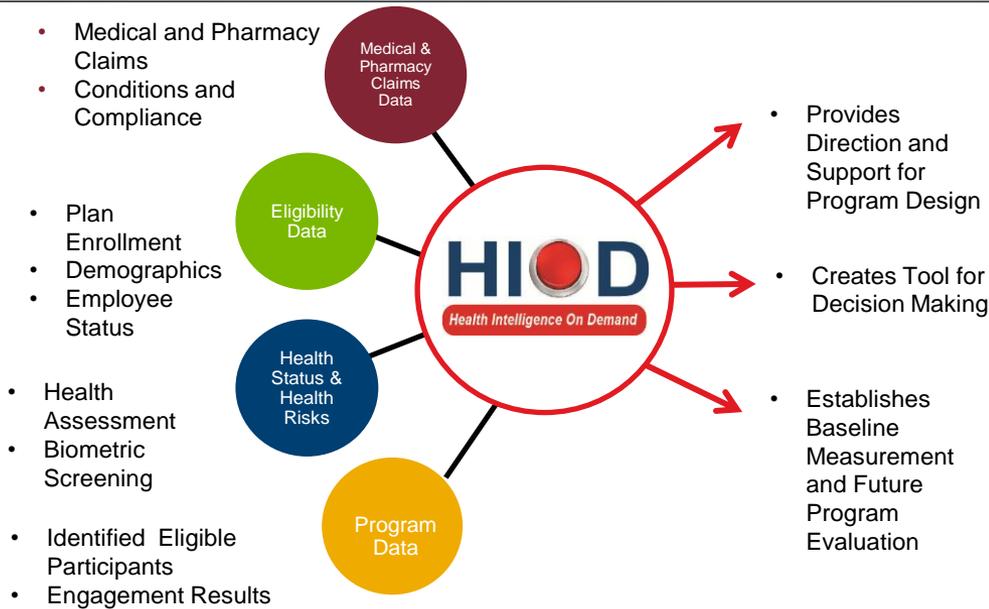
Presentation to

Aon Hewitt, the global talent, retirement and health solutions business of Aon plc  
(NYSE: AON).

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**AON**

# Data Sources



Data	Source	Periods
Eligibility	PEBP	7/1/2011-12/31/2013
Medical	HealthScope	7/1/2011-12/31/2013
Pharmacy	HealthScope	7/1/2011-8/31/2013
Health Risk Assessment	USPM	7/1/2011-6/30/2013
Biometric Screening	USPM	7/1/2011-6/30/2013
Program Data	USPM	7/1/2011-6/30/2013

## 2014 Study Population

Population Profiles	Employees	Spouses	Dependent 18+	Dependent <18
Medical Enrollees	19,390	4,093	3,768	6,314
+ Continuously Enrolled 18+ Months	16,864	3,309	3,305	5,052

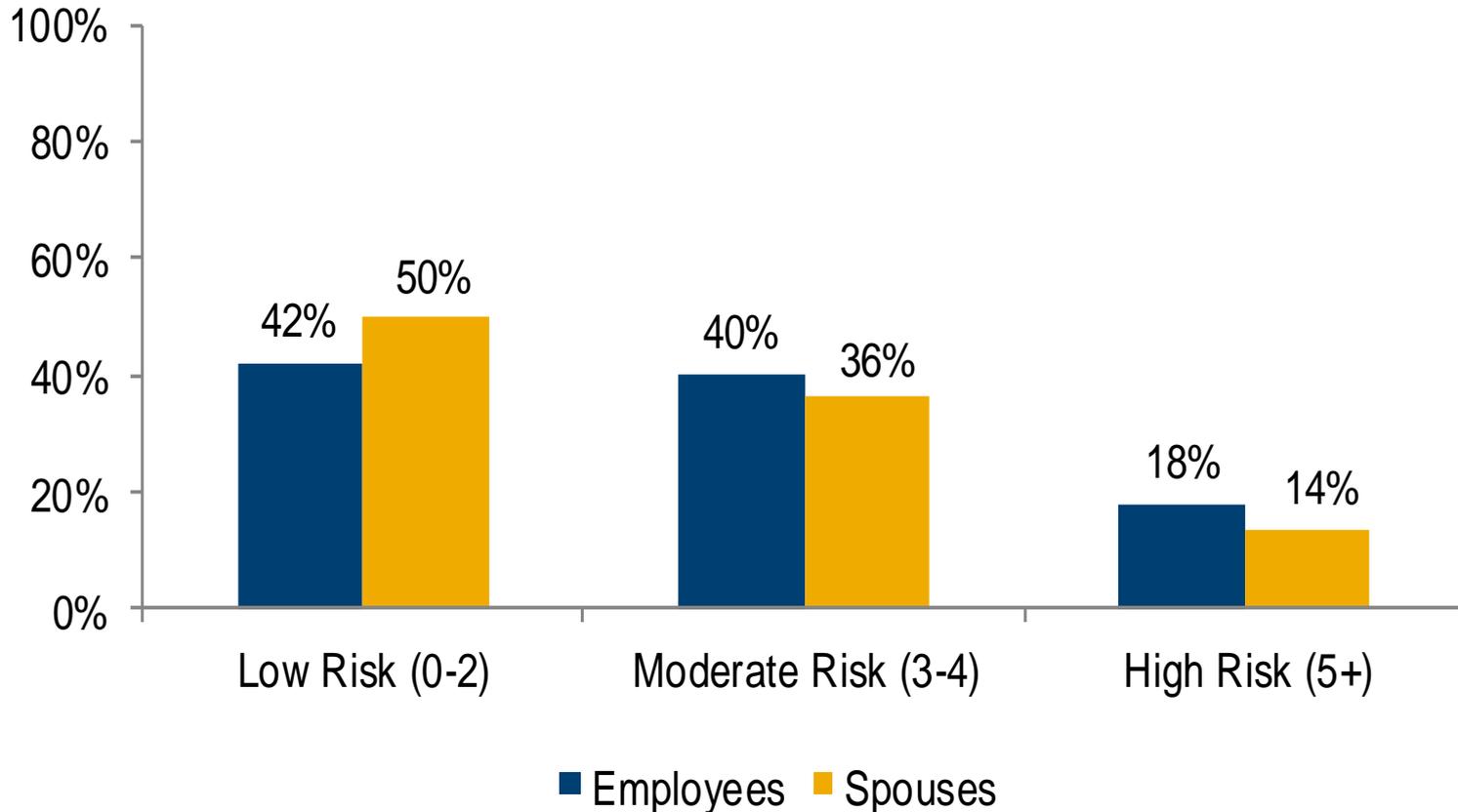
Study group throughout report

Core Report: The “Study Population” analyzes full-time and part-time actives, non-actives, state and non-state employees and dependents, continuously enrolled (18+ months) and medically enrolled in self-insured plans (enrolled in the medical plan > 18 months between 7/1/2011 and 12/31/2013).

# Combined Employee and Spouse Findings

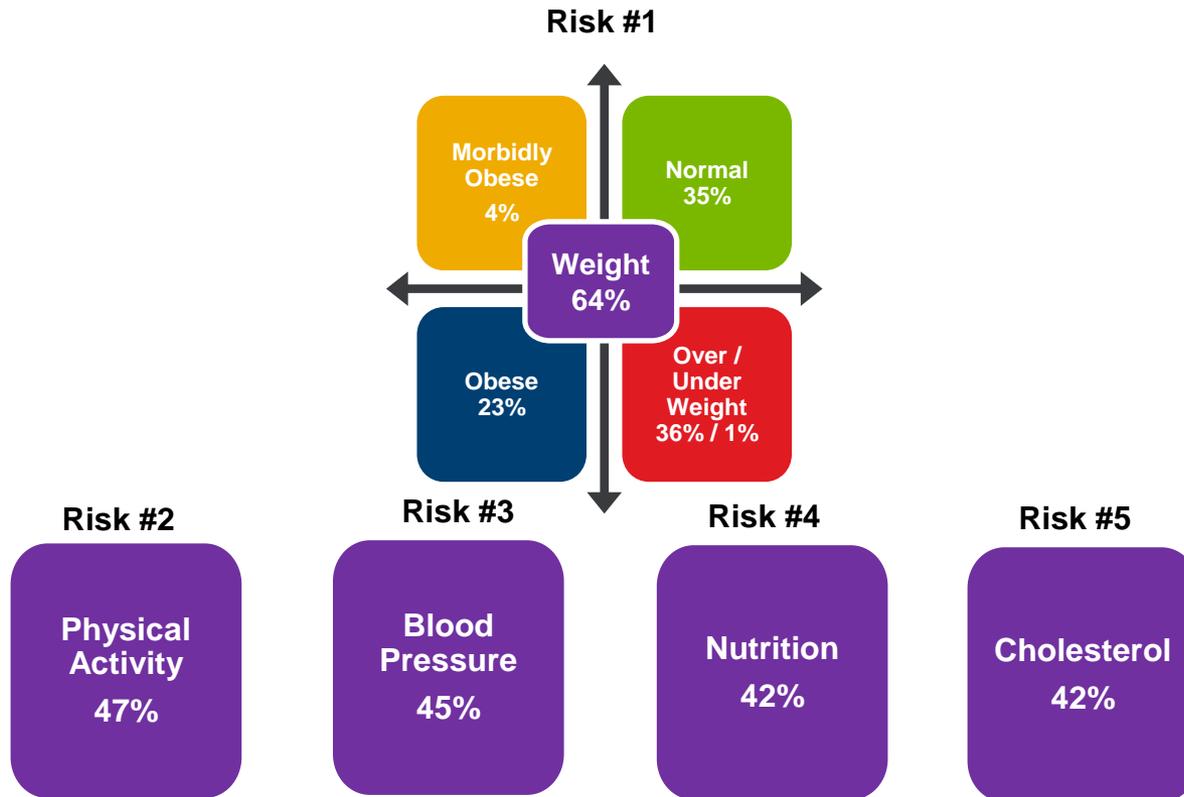
# Lifestyle Risk Distribution

Of the combined active employees and spouses (continuously enrolled) who participated in HRQ (5,415), 18% are high risk by having 5 or more individual lifestyle factors. **This is a 3% drop in this category compared to the previous year.**



# Lifestyle Behavior Distribution

Top risk behaviors (high/moderate risk) are all significant precursors of cardiovascular disease. Below are current period statistics. **Among employees and spouses, with the exception of weight which remained steady, each of these risk factors declined year over year.**



## Preventive Care Metrics (Continuously Enrolled Employees and Spouses)

Key Metrics	Prior	Current	% Change
Preventive Office Visits	8,663	9,483	9.5%
Breast Cancer Screening	2,414	2,658	10.1%
Colorectal Cancer Screening	1,368	1,426	4.2%
Diabetic Screening	1,860	2,217	19.2%

- Enrollees increased screening activities related to preventive care.
- There was no evidence of barriers to members seeking preventive care.

# Summary of Employee Results

## Demographics and Population Risk Profiles

Current Period	State Actives	State Retirees	Non-State Retirees	All Employees
Number of Employees	12,034	2,886	1,937	16,864
% Female	48.4%	47.9%	62.6%	49.9%
Average Age - Females	48.7	60.6	56.8	51.8
Average Age - Males	48.0	61.7	61.3	51.6
<b>DxCG Prospective Risk Scores</b>	<b>1.33</b>	<b>2.28</b>	<b>2.33</b>	<b>1.61</b>
<b>HRQ Participation 2013 (2012)</b>	<b>5,068 (6,360)</b>	<b>1,131 (1,391)</b>	<b>740 (1,063)</b>	<b>6,939 (8,814)</b>
Healthy/Low Risk: 0-.5	46.7%	21.2%	18.4%	39.0%
Moderate Risk: .5-2.25	40.5%	51.8%	53.1%	43.9%
<b>High Risk: 2.25-6.5</b>	<b>10.3%</b>	<b>19.3%</b>	<b>21.3%</b>	<b>13.2%</b>
Extreme Risk: >6.5	2.5%	7.7%	7.1%	3.9%

\*Non-state Actives are not included in this table due to small size of population

# HA Biometric Risks

**Continually Enrolled Active  
State and Non State  
Employees**  
PY 2013



**Low Risk**  
39%  
**+2% Change**  
\$3,319 PEPY



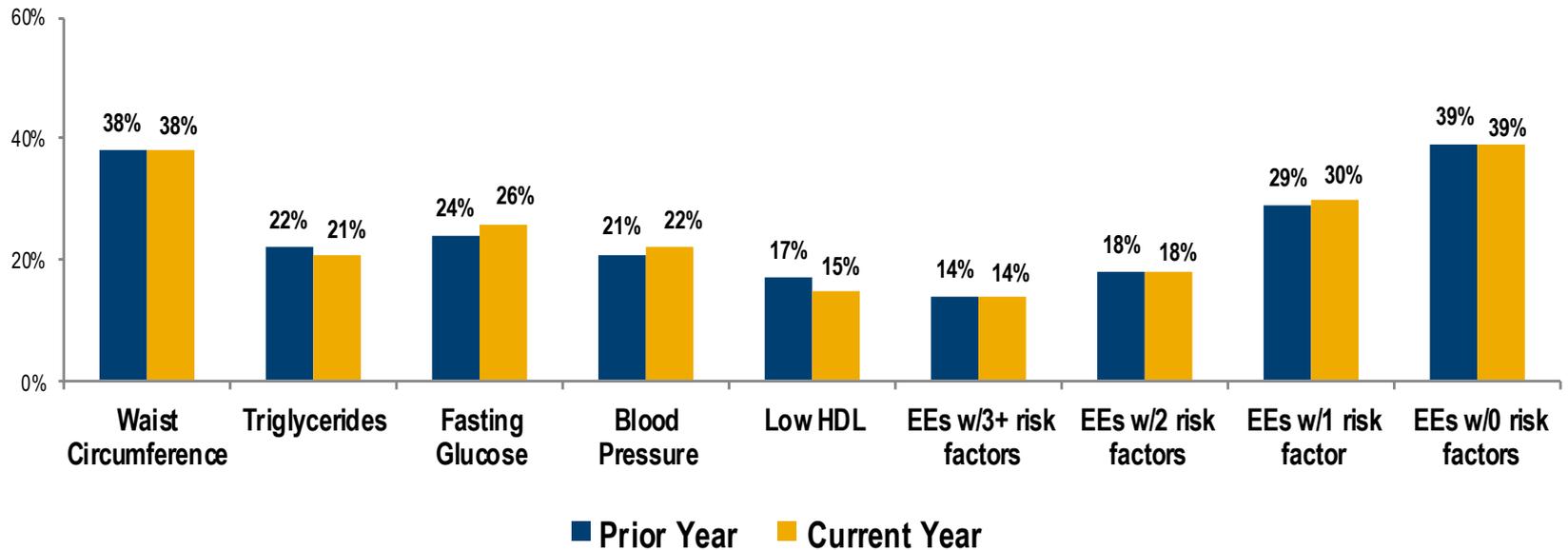
**Moderate Risk**  
42%  
**0% Change**  
\$4,250 PEPY



**High Risk**  
19%  
**-2% Change**  
\$5,518 PEPY

- For continually enrolled employees the percentage of members with 5 or more individual lifestyle risks has dropped from 21% to 19% . For retiree participants the percentage has remained stable at 22%.
- Only 8% of all continually enrolled actives employees reported having a “poor” perception of health. Their average paid cost per EE was about \$7,000. The rest of the continually enrolled employees stated that they had a “favorable” perception (92% of all participants) of health and their average paid per EE costs was \$2,800.

# High Risk Lifestyle Behaviors



- *Employees with 3 or more above risk factors may directly promote the development of cardiovascular disease and diabetes. Retiree state (18%) and non-state (17%) participants are at higher risk of these diseases compared to an average population (14%), while active state participants is lower (12%)*
- Results over time are favorable and consistent with all NV sub-populations. **Those with 3 or more risk factors declined by 4% while those with 0 risk factors increased by 23%**
- Self-awareness and diagnosis are the first steps towards managing one's own health. Encourage members for proper screening and to follow appropriate treatment plans.

# Top Diagnosis

## Musculoskeletal

- Intervertebral disc disorders
- Osteoarthritis
- Other connective tissue disorders

## Neoplasm

- Breast cancer
- Prostate Cancer
- Non-Hodgkin's Lymphoma

## Circulatory

- Coronary atherosclerosis
- Chest pain
- Cardiac dysrhythmias

# Top Risks



Similar to other large group plans, the top cost drivers include cancers, musculoskeletal, and circulatory conditions

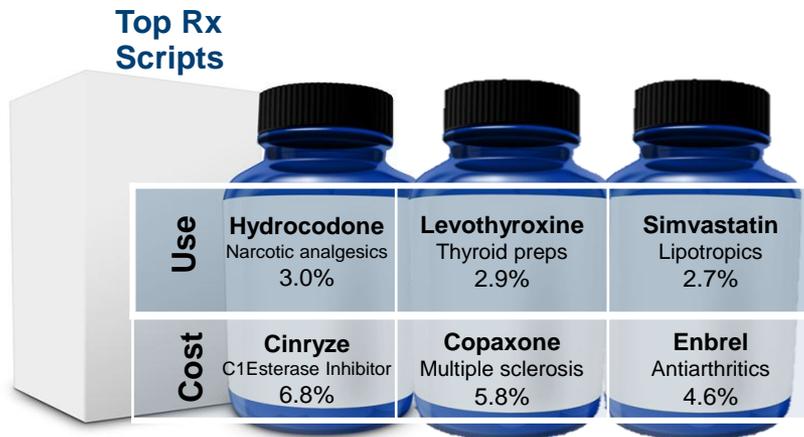
## Catastrophic Claims Costs - Employees

Metrics (Current Period)	State Actives	State Retirees	Non-State Retirees
(\$50,000+ claims cost per year)			
# of High Cost Claimants	118	86	58
% of Total Employees	1.0%	3.0%	3.0%
HCC Medical Benefits Paid	\$13,629,923	\$12,150,390	\$7,213,978
HCC Paid as % of Total Paid	40.9%	62.2%	58.7%
Medical Paid Per EE	\$115,092	\$141,558	\$123,492
Top Diagnostic Chapters	Cancer Circulatory Musculoskeletal	Cancer Musculoskeletal Injury & Poisoning	Musculoskeletal Cancer Injury & Poisoning

- The number of high cost claimants patients (>\$50K) increased 16.0%, rising from 291 to 338 (+24 Actives and +23 Retirees)
- The Allowable expenses for high cost claimants rose from \$40 to 41 million dollars. (+1.8%) and represented 48% of total claims (41% of Active allowable claims and 57% of Retiree allowable claims) *Benchmark for actives is less than 40% of total claims*

# Pharmacy Utilization

Key Metrics	Prior	Current	% Change
Scripts per Claimant	21.4	21.2	-0.9%
Average days supply	29.3	39.1	33.8%
Paid per Script	\$39	\$47	21.1%
Generic Scripts as % of Total	75.6%	78.2%	3.4%



Note: Cinryze is a new drug to treat Hereditary Angioedema

- Pharmacy utilization decreased minimally year over year and generic utilization increased.
- Average days supplied increased substantially by 34% due to increase in utilization of mail-order scripts allowing larger supplies.
- Paid per script increased substantially which can be explained by increase in average days supply which is primarily driven by an increase in the use of mail order (3 month at time) prescriptions.

# Summary of Spouse Results

## Demographics and Population Risk Profiles

Population	State Actives	State Retirees	Non-State Retirees	All Spouses
Number of Spouses	2,613	586	111	3,309
% Female	67.2%	78.2%	64.1%	69.0%
Average Age – Females	47.2	59.1	58.0	49.9
Average Age – Males	52.9	61.1	60.1	54.2
<b>DxCG Prospective Risk Scores</b>	<b>1.47</b>	<b>2.07</b>	<b>2.14</b>	<b>1.60</b>
<b>HRQ Participation 2013 (2012)</b>	<b>346(832)</b>	<b>116(210)</b>	<b>11(35)</b>	<b>473(1,077)</b>
Healthy/Low Risk: 0-.5	44.0%	26.1%	23.0%	40.1%
Moderate Risk: .5-2.25	40.7%	50.0%	46.9%	42.6%
<b>High Risk: 2.25-6.5</b>	<b>12.2%</b>	<b>16.9%</b>	<b>23.9%</b>	<b>13.4%</b>
Extreme Risk: >6.5	3.1%	7.0%	6.2%	3.9%

# HA Biometric Risks - Spouses

Continually Enrolled Active  
State and Non State  
Spouses  
PY 2013

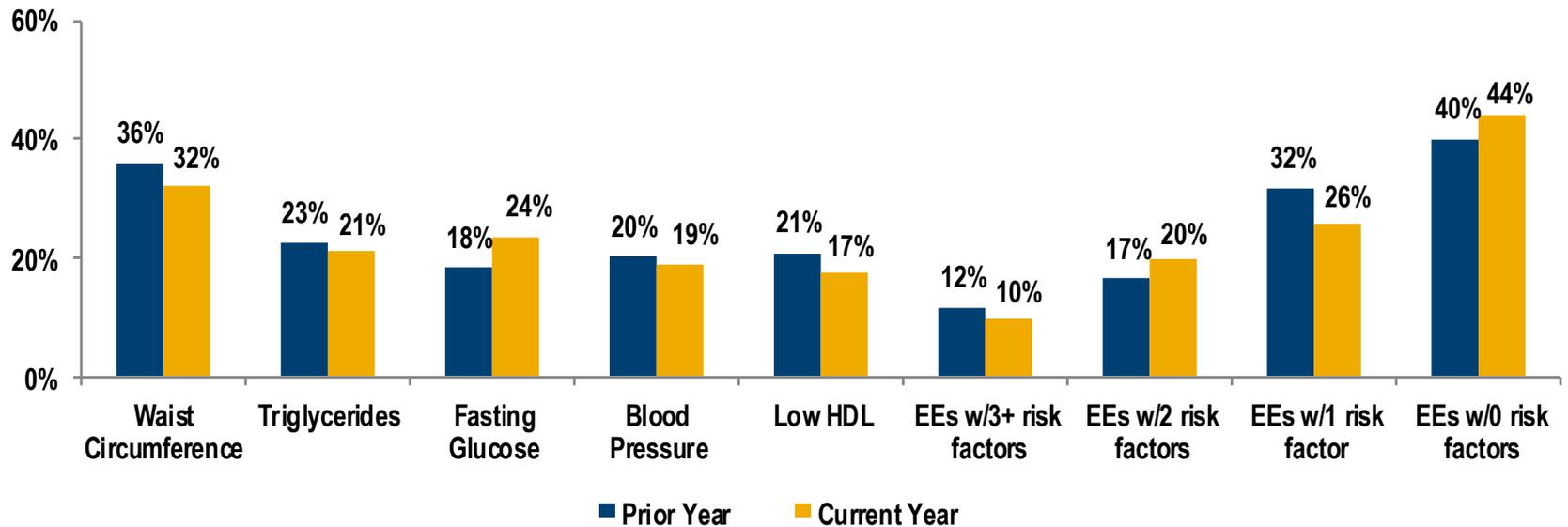
**Low Risk**  
48%  
+5% Change  
\$ 2,352 Avg. Annual Cost

**Moderate Risk**  
36%  
-1% Change  
\$4,017 Avg Annual Cost

**High Risk**  
16%  
-4% Change  
\$3,219 Avg Annual Cost

- Of all 3,309 spouses, 32% completed a health risk assessment and there was a positive migration of members to lower risk categories
- Only 10% of continuously enrolled spouse participants reported having a “poor” perception of health, their average costs were nearly \$5,000. Those who reported having a “favorable” perception of health cost an average of \$2,900.

## High Risk Lifestyle Behaviors - Spouses



- 9% of the continuously enrolled state active spouses had 3 or more risk factors related to metabolic syndrome **which represented a 3% improvement from the previous year and suggests that these high risk individuals are responding the State's programs focused on building awareness and education related to the importance of lifestyle risk management.**
- 24% reported higher than normal fasting blood sugar results which was 7% higher than the previous year and suggests that **enrollees are becoming more aware of this major risk factor.**
- Self-awareness and diagnosis are the first steps towards managing one's own health. Encourage members for proper screening and to follow appropriate treatment plans.

# Top Diagnosis

## Musculoskeletal

- Intervertebral disc disorders
- Osteoarthritis

## Neoplasm

- Breast cancer
- Prostate Cancer

## Circulatory

- Coronary atherosclerosis
- Cardiac dysrhythmias
- Chest pain

# Top Risks



Essentially the same conditions driving claims costs for employees.

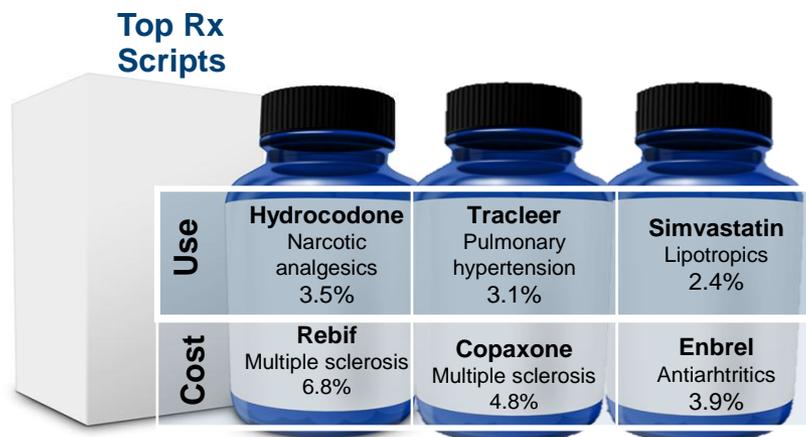
## Catastrophic Claims Costs - Spouses

Metrics	Prior	Current	% Change
High Cost Claimant (\$50,000+)			
# of High Cost Claimants	47	48	1.2%
% of Total Spouses	1.4%	1.5%	0.1%
HCC Medical Benefits Paid	\$6,404,313	\$5,014,770	-21.7%
HCC Paid as % of Total Paid	50.2%	41.6%	-8.6 %
Medical Paid Per Spouse	\$136,504	\$105,574	-22.7%

- The number of high cost claimants patients (>\$50K) increased 1.2%, rising from 47 to 48 (+11 Actives and -10 Retirees)
- The Allowable expenses for high cost claimants dropped from \$6.4 to \$5 million dollars. (-22%) and represented 42% of total *Benchmark for actives is less than 40% of total claims*

## Pharmacy Utilization - Spouse

Key Metrics	Prior	Current	% Change
Scripts per Claimant	21.5	21.1	-2.3%
Average days supply	27.5	37.0	34.5%
Paid per Script	\$35	\$36	1.6%
Generic Scripts as % of Total	76.3%	79.0%	3.6%



- Spouse's pharmacy utilization decreased minimally year over year and generic utilization increased
- Average days supplied increased substantially by 35% most likely the result of the increased use of mail order
- Specialty drugs continue to increase as a percentage of the drug spend

# Recommendations

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- Target PEBP's top lifestyle risks in the next 3-5 years: nutrition/weight management; and physical activity (*Members with 3 or more Metabolic Syndrome risk factors represented 14% of the employee population each year and represent an excellent opportunity group for this process*)
- Evaluate case management/condition management (DM) programs against best practices to identify improvement opportunities (*Consider targeted programs for high prevalence, high cost conditions.*)
- The high prevalence of back related costs suggests an opportunity to consider the following actions:
  - Internal assessment of employee ergo metric and back care education with appropriate training; (*Operational employee risk management*)
  - Benefit incentives to increase the use of “preference sensitive” back care member education;
  - Benefit incentives to encourage the use of second opinion programs focusing on back surgery
  - Benefit incentive to use “high performance” providers of these services if these networks are available; and/or
  - Consider the use of Centers of Excellence strategy to limit providers of these services and to possibly reduce cost using value-based “bundled pricing”. (*The last four proposed actions may represent opportunities to engage the provider organizations and physicians into musculoskeletal programs.*)
- The consistent incidence and costs associated with cancer care suggests an opportunity to work with provider networks, medical management vendors and pharmacy to develop a cancer concierge program and to possibly institute a benefit incentive for members to use second opinion programs when they are initially diagnosed with breast, prostate, lymphoma or leukemia.
- Work with pharmacy vendor to assess the opportunities to drive up pharmacy compliance for high value drugs like those related to heart disease and diabetes. Consider some of the following:
  - Using benefit incentives to reduce copays and coinsurance costs for members who participate in care management programs and who have diabetes and heart disease;
  - Use of pharmacy based programs to educate and assist members with drug education and support.