

CHESAPEAKE SPICE

Stewardship & Renewal Review

2023



REVIEW OVERVIEW

Welcome

01 Support team

02 Self-funded performance

03 Chesapeake Spice renewal review

04 Services used and services offered

05 Planning for 2023 and actionable
timeline

2023 Stewardship Renewal Review

DEDICATED SUPPORT

Meet Your Team

The people supporting your benefits program



Stacey Fifer

Agency Manager



Patrick Seymour

Account Executive



Gary C. Becker

CEO / Founder



Ashley Zeballos

Member Advocate



Melissa Rotella

Team Manager



Amanda Seymour

MAP Team Manager



Julie Black

Director of Marketing



Jel Pamela Pagulong

Graphic Designer

HEALTH PLAN ECONOMICS

Self-Funded Performance

PEPY spend comparison, 2013-14 to 2022-23



Plan year	CareFirst	Self-funded
2013-14	\$7,871	\$6,863
2014-15	\$8,382	\$6,263
2015-16	\$8,952	\$6,613
2016-17	\$9,534	\$7,383
2017-18	\$10,154	\$6,433

Plan year	CareFirst	Self-funded
2018-19	\$10,814	\$5,178
2019-20	\$11,517	\$6,404
2020-21	\$12,265	\$6,218
2021-22	\$13,062	\$6,653
2022-23	\$13,911	\$7,169

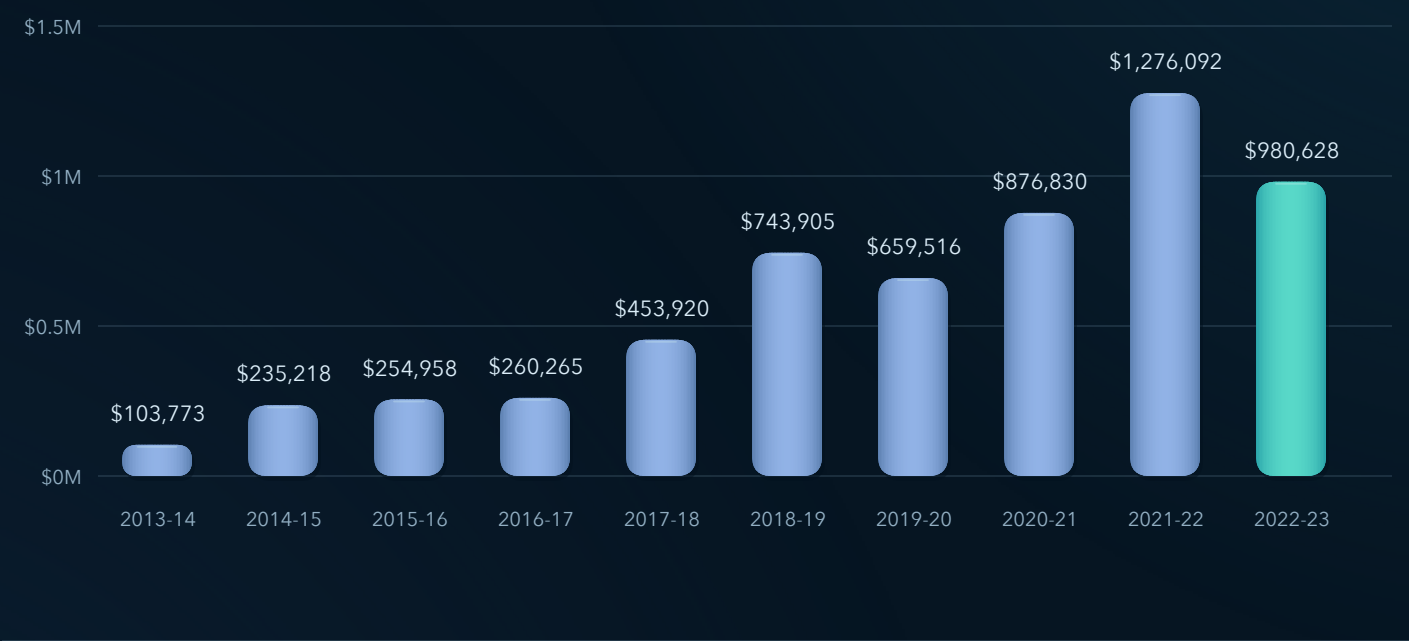
Since transitioning to self-insurance in 2013, Chesapeake Spice's health plan has performed significantly better than the marketplace.

SELF-FUNDED PERFORMANCE

Annual Savings

\$980,628

Annual savings in 2022-2023



Approximately \$1.0M in annual savings

Chesapeake Spice has achieved savings each year without modifying copays, deductibles, or out-of-pocket expenses. Employee premiums have not increased since the transition to self-insurance.

SELF-FUNDED PERFORMANCE

Cumulative Savings

\$5.7M

Cumulative savings since 2013, as stated in the source narrative



Source reconciliation required: the narrative states \$5.7M, while the chart endpoint shows \$5.9M. Both source values are reproduced here pending verification.

KAISER FAMILY FOUNDATION

Family Premium Contributions

Average annual worker and employer premium contributions and total premiums for family coverage.

■ Employer contribution ■ Worker contribution



51%

Increase in average family premium, as reported in the source

65%

Increase in average worker contribution, as reported in the source

Historical source: KFF Employer Benefits Survey, 2018; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2008 and 2013.

Verify the source-reported 51% premium increase against the displayed totals before external presentation.

REVIEW AGENDA

Renewal Discussion

- 01 2022-2023 aggregate review

- 02 2022-2023 high claim review

- 03 Stop-loss renewal

- 04 Fully insured renewal options

- 05 ScriptSourcing savings opportunities

- 06 ScriptSourcing additional savings opportunities

- 07 USRX Care (PBM)

- 08 Ancillary review

- 09 Planning for 2023 and actionable timeline

Ancillary review includes Guardian Dental, VSP Vision, and MetLife life, voluntary short-term disability, and long-term disability.

2022-2023 AGGREGATE REVIEW

Aggregate Performance



PERFORMANCE THROUGH

May 2023

YTD loss fund versus YTD net claims paid



\$924,790

Aggregate exposure

\$655,027

Aggregate claims

\$50,332

Specific claims

SPECIFIC STOP-LOSS REPORT

High Claimant Review

AMW477 - Chesapeake Spice. Includes members at 50% of the specific amount.

John Doe*

174.5

Embolism and thrombosis of iliac artery

Dependent: 00 - Participant / Relation: E

Specific limit	% specific	Paid YTD	Over specific
\$65,000.00	100.00%	\$83,592.11	\$18,592.11

Jane Doe*

G35

Multiple sclerosis

Dependent: 00 - Participant / Relation: E

Specific limit	% specific	Paid YTD	Over specific
\$65,000.00	74.01%	\$48,107.06	\$0.00

Richard Roe*

135.1

Non-rheumatic aortic (valve) insufficiency

Dependent: 00 - Participant / Relation: E

Specific limit	% specific	Paid YTD	Over specific
\$65,000.00	100%	\$96,740.32	\$31,740.32

John Smith*

DRUGS

Prescription drugs

Dependent: 01 - Jane* / Relation: S

Specific limit	% specific	Paid YTD	Over specific
\$65,000.00	75.76%	\$49,247.61	\$0.00

PAID YTD TOTAL

\$277,687.10

OVER SPECIFIC TOTAL

\$50,332.43

Renewal 02: 08/01/2022 to 07/31/2023

* Real patient names have been replaced with placeholder names for privacy.

RENEWAL EXPOSURE

Stop-Loss Renewal

2.28%

Overall exposure increase

2022-23 exposure  \$1,707,773

2023-24 max exposure  \$1,746,633

\$1,707,773

2022-23 exposure

\$1,746,633

2023-24 maximum exposure



HEALTH PLAN

Stop-loss protection

RENEWAL ALTERNATIVES

Fully Insured Options

UnitedHealthcare

ANNUALIZED PREMIUM

\$1,928,438

Source rate tiers	UHC \$0 90% PPO	UHC \$500 90% PPO	UHC \$1500 90% PPO
Coverage tier 1	\$637.73	\$595.06	\$547.86
Coverage tier 2	\$1,151.75	\$1,074.69	\$989.45
Coverage tier 3	\$1,543.31	\$1,440.05	\$1,325.82
Coverage tier 4	\$2,124.61	\$1,982.45	\$1,825.21
Plan total	\$97,417.27	\$20,823.85	\$42,462.06

Combined source total: **\$160,703.18**

CareFirst

ANNUALIZED PREMIUM

\$1,827,645

Source rate tiers	CareFirst \$0 100%	CareFirst \$500 90%	CareFirst \$1500 80%
Coverage tier 1	\$607.24	\$589.52	\$552.81
Coverage tier 2	\$1,123.39	\$1,090.62	\$1,022.69
Coverage tier 3	\$1,396.66	\$1,355.89	\$1,271.44
Coverage tier 4	\$1,846.02	\$1,792.13	\$1,680.52
Plan total	\$90,430.36	\$20,114.39	\$41,758.99

Combined source total: **\$152,303.74**

Aetna

ANNUALIZED PREMIUM

\$2,598,774

Source rate tiers	Aetna \$0 100% PPO	Aetna \$500 90% PPO	Aetna \$2000 80% PPO
Coverage tier 1	\$909.18	\$774.00	\$645.73
Coverage tier 2	\$1,598.07	\$1,360.47	\$1,135.01
Coverage tier 3	\$2,533.16	\$2,156.53	\$1,799.15
Coverage tier 4	\$2,711.98	\$2,308.76	\$1,926.15
Plan total	\$140,832.66	\$26,276.28	\$49,455.57

Combined source total: **\$216,564.51**

Coverage tiers follow the source order. The source does not name the four rate tiers.

Maximum annualized fully insured premiums exceed the incumbent stop-loss renewal. Cigna did not release a proposal because it would have been uncompetitive compared with the incumbent renewal.

PRESCRIPTION COST MANAGEMENT

ScriptSourcing Savings

42%

Net savings, as reported in the source

YTD savings \$8,880

PBM cost  \$21,077

ScriptSourcing cost  \$12,197

Savings since inception \$11,289

PBM cost  \$26,840

ScriptSourcing cost  \$15,551

3

Unique members

8

Prescriptions sourced

04/25/2020

First script sourced

Net savings summary generated on 05/31/2023.

SCRIPTSOURCING

Additional Savings Opportunities

Chesapeake Spice IPP savings

54.9%

Data from 01/01/2023 to 04/30/2023

Name	Drug name & strength	Qty	PBM / pill	SS / pill	Savings / pill	Total PBM cost	Member paid	Plan paid	SS cost	Savings %	Gross savings
Tom Brown*	Resulti Oral Tablet 1MG	270	\$14.38	\$6.00	\$8.38	\$3,882.50	\$90.00	\$3,792.50	\$1,621.19	58.2%	\$2,261.31
Mary Major*	Farxiga Oral Tablet 10MG	180	\$12.22	\$3.30	\$8.92	\$2,199.84	\$100.00	\$2,099.84	\$594.79	73.0%	\$1,605.05
John Roe*	Eliquis Oral Tablet 5MG	120	\$9.09	\$2.33	\$6.76	\$1,090.60	\$50.00	\$1,040.60	\$279.40	74.4%	\$811.20
John Doe*	Spiriva Handihaler Inhalation Capsule 18MCG	60	\$16.15	\$2.67	\$13.47	\$968.74	\$90.00	\$878.74	\$160.27	83.5%	\$808.47
Jane Doe*	Myrbetriq Oral Tablet Extended Release 24 Hour 25MG	60	\$14.09	\$2.49	\$11.60	\$845.64	\$90.00	\$755.64	\$149.60	82.3%	\$696.04
Jane Doe*	Brilinta Oral Tablet 60MG	120	\$6.91	\$2.38	\$4.53	\$828.94	\$90.00	\$738.94	\$285.43	65.6%	\$543.51
Jane Roe*	Stiolto Respimat Inhalation Aerosol Solution 2.5-2.5 MCG/ACT	4	\$114.24	\$24.78	\$89.45	\$456.95	\$45.00	\$411.95	\$99.13	78.3%	\$357.82
Mary Smith*	Estrogel Transdermal 0.0006	250	\$1.58	\$0.26	\$1.32	\$394.48	\$90.00	\$304.48	\$65.00	83.5%	\$329.48
Sarah Lee*	Trelegy Ellipta Inhalation Aerosol Powder Breath Act. 100-62.5-25MCG	840	\$4.30	\$4.19	\$0.11	\$3,615.74	\$225.00	\$3,390.74	\$3,522.37	2.6%	\$93.37
Totals: PBM cost		Member paid		Plan paid		SS cost		Savings		Gross savings	
\$16,243		\$1,095		\$15,148		\$7,319		54.9%		\$8,923	

IPP savings: specialty medications

Name	Medication	Rx spend	Approx. savings
Jane Smith*	Xeljanz XR Oral Tablet Extended Release 24-Hour 11MG	\$5,227.05	50%
Mary Major*	Ozempic (2mg/dose) Subcutaneous Solution Pen-Injector 8MG/3ML	\$3,640.28	35%
Tom Brown*	Ozempic (2mg/dose) Subcutaneous Solution Pen-Injector 8MG/3ML	\$2,560.26	35%
Jane Smith*	Xifaxan Oral Tablet 550MG	\$2,186.33	65%
Ann Brown*	Ozempic (1mg/dose) Subcutaneous Solution Pen-Injector 4MG/3ML	\$1,858.58	35%
Ann Brown*	Ozempic (0.25mg or 0.5mg/dose) Subcutaneous Solution Pen-Injector 2MG	\$1,858.58	35%
Paul Smith*	Ozempic (0.25mg or 0.5mg/dose) Subcutaneous Solution Pen-Injector 2MG	\$910.07	35%

* Real patient names have been replaced with placeholder names for privacy.

SCRIPTSOURCING ADDITIONAL OPPORTUNITIES

MAP Savings

\$7,395.38

Total medication spend shown in the MAP savings review

Name	Medication	Employee paid	Plan paid	Total
Jane Smith*	Xeljanz XR Oral Tablet Extended Release 24-Hour 11MG	\$75.00	\$5,152.05	\$5,227.05
Jane Smith*	Xifaxan Oral Tablet 550MG	\$45.00	\$2,123.33	\$2,168.33
Total		\$120.00	\$7,275.38	\$7,395.38

MAP: medication not filled through plan

Name	Medication
Jane Doe*	Ocrevus 300 mg/10 ml Injection



MANUFACTURER'S ASSISTANCE PROGRAM

* Real patient names have been replaced with placeholder names for privacy.

PROGRAM STEWARDSHIP

USRX Care & Ancillary Review

FIDUCIARY PBM

\$73,919

Rebates paid since inception on 08/01/2016

100%

Rebates returned to the client

Reduced clinical management took effect on 08/01/2022 to reduce member disruption.

0%

Increase on all lines

Ancillary review

Guardian Dental

VSP Vision

MetLife employer paid life insurance

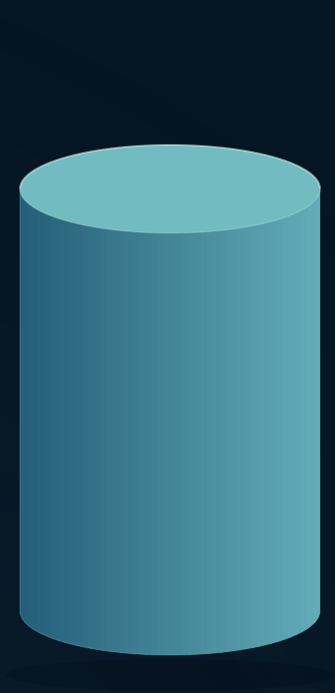
Voluntary short-term disability

Employer paid long-term disability

MEMBER SUPPORT

Healthcare Bluebook

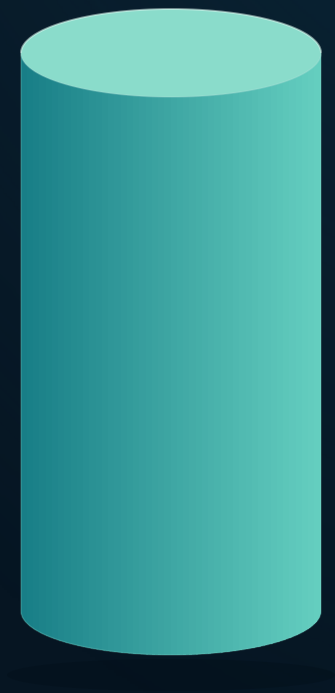
Healthcare Bluebook is mining data between Amwins and SISCO systems to ensure all rewards have been paid.



TRADITIONAL MODEL

\$1.50

Per employee per month



ENHANCED MODEL AVAILABLE

\$1.90

Per employee per month

SERVICES OFFERED AND USED

Client Services

Services offered	Used	Services offered	Used
Dedicated Account Manager	✓	\$0 Copay Manufacturer's Assistance Program (MAP)	✓
Employee Education Meetings	✓	\$0 Copay International Pharmacy Tourism	✓
Online Enrollment Platform		\$0 Copay Domestic and International Medical Tourism	
Onboarding Services		Phone App	✓
Compliance Webinars & Seminars		SurgiPrice	
Online HR Library		\$0 Copay Diabetes Management	
ERISA WRAP Documents and Model Notices	✓	Medical Advocacy Program	
COBRA Outsourcing		Healthcare Bluebook	✓
FSA Administration		\$0 Copay Virtual Primary Care	
HRA Administration		\$0 Copay Direct Primary Care	
ID Theft Protection		AIMM	
Key Person/Buy-Sell Coverage		Telemedicine	
Compliance Notifications		We Care	✓
\$0 Copay International Mail Order Pharmacy	✓	Debt Dismissal	✓
		AVERT AI	✓

Checkmarks reproduce services marked used in the source. Unmarked source cells remain blank.

CLIENT SUPPORT SERVICES

Concierge Compliance

01 Live advisors

Senior SPHR and PHR certified advisors provide guidance to prevent and resolve challenging people situations and compliance issues.

02 Law alerts, newsletters & webinars

Breaking compliance news, expert analysis, legislative updates, and best practices through Law Alerts and webinars approved for SHRM and HRCI credits.

03 Benefits document creator

Create and maintain ERISA compliant Wrap, SPD, and POP documents, with policy update alerts and digital signature functionality.

04 Compliance library

Guides, comprehensive checklists, and resources covering HR, compliance, safety, and People Risk Management.

05 A living, adaptive employee handbook

A federal and state level compliant handbook builder that incorporates company policies and delivers policy update alerts as regulations change.

06 Learning management system

Courses to support compliance mandates, improve safety, support professional development, and improve employee engagement.

ADVISOR SUPPORT

Benefits Timeline

August 1 renewal



2023 RENEWAL PLANNING

Next Steps

01

Finalize stop-loss renewal

02

Ancillary decisions & implementation

03

Employee communication & open enrollment meetings



AUGUST 1 RENEWAL