

Penn Medicine
Lancaster General Health



Pequea Valley School District
Where Each Learner Counts

PVSD Employee Medical Concierge Program

February 7, 2023



Self-Funding Health Insurance



Pequea Valley School District
Where Each Learner Counts

- ▶ PVSD has been self funded for over 25 years

- ▶ Benefits of Self-funding
 - Controls fixed costs
 - Limits premium increases on one-time catastrophic claims
 - Programs that promote wellness directly impact employer costs
 - Employer customizes plan design which reduces costs
 - Stabilizes the impact on the budget

Self-Funding Health Insurance



Pequea Valley School District
Where Each Learner Counts

- ▶ PVSD has been a member of the Employee Health Care Cooperative (EHCC) since 1995
- ▶ EHCC brings schools together to maximize buying power and leverage discounts
- ▶ EHCC has over 8,000 lives
- ▶ EHCC pools funds to pay out claims between \$80,000 - \$450,000
- ▶ EHCC purchases Specific Stop-Loss at the \$450,000 level
- ▶ EHCC purchases Aggregate Stop-Loss at each district's aggregate corridor level of 125% of expected claims
- ▶ PVSD Aggregate Corridor for 2022-23 is \$3,452,225

Self-Funding Health Insurance



Pequea Valley School District
Where Each Learner Counts

- ▶ Each member is placed at a specific pool level depending on size
 - \$80,000
 - \$100,000
 - \$125,000
 - \$150,000
 - \$200,000
 - \$225,000
 - \$250,000

- ▶ Lower the pool level the high the costs to the pool



Self-Funding Health Insurance



Pequea Valley School District
Where Each Learner Counts

- ▶ PVSD is at the \$100,000 Pool Level
- ▶ Any claim that is from \$1 to \$100,000 the district pays
- ▶ If the claim breaches \$100,000 the district is reimbursed from the pool or reinsurance
- ▶ A claim that exceeds \$100,000 up to \$450,000 is reimbursed from the pool in the amount over \$100,000
- ▶ A claim that exceeds \$450,000 is reimbursed from Specific Stop-Loss Insurance in the amount over \$450,000
- ▶ The maximum amount PVSD would pay on any single claim is \$100,000
- ▶ Should PVSD total claims for the year exceed 125% of the expected amount of claims (\$3,452,225) Aggregate Stop-Loss would cover all claims above that amount
 - No district in the EHCC has ever breached their Aggregate Corridor

Self-Funding Health Insurance

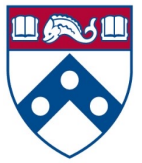


Pequea Valley School District
Where Each Learner Counts

- ▶ Controls Fixed Costs
 - Highmark TPA Fee = \$1.00 PEPM (net Rx Rebate)
 - Specific Stop-Loss (\$450,000) = \$38.45 PEPM
 - Aggregate Stop-Loss = \$4.44 PEPM
 - Pool Premium (\$100,000) = 112.08 PEPM
 - IU Admin Fee = \$0.75 PEPM
 - Broker Admin Fee = \$2.85 PEPM
- ▶ Wellness programs that directly impact district costs
 - Braves on the Move
 - Price MD
 - Assured Excellence
 - Direct Provider Contracting
 - OSSHealth
 - Green Imaging
 - Onsite/Near site wellness & concierge programs



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Penn Medicine
HealthWorks



Pequea Valley School District
Where Each Learner Counts

Pequea Valley School District Onsite / Near-site Practice Value Analysis

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February 7, 2023



Penn Medicine HealthWorks Primary Care Network

Featured Services

- Intimate panel size (650 members per provider).
- HIPAA compliant texting app with provider.
- 40+ hours weekly on-site services.
- Extended, patient-centered provider visits.
- Comprehensive Wellness (HRA, biometrics, platform)
- Access to acute care, EKGs, labs, point of care tests.
- On-site medication dispensary.
- Health care navigation and care coordination.
- Access to the network of Penn Medicine HealthWorks sites.
- EPIC medical records -- used by most healthcare systems.
- Designed for members of all ages (employees & dependents).
- Pricing based on insurance plan type and patient age.

Additional Services *(active or in process)*

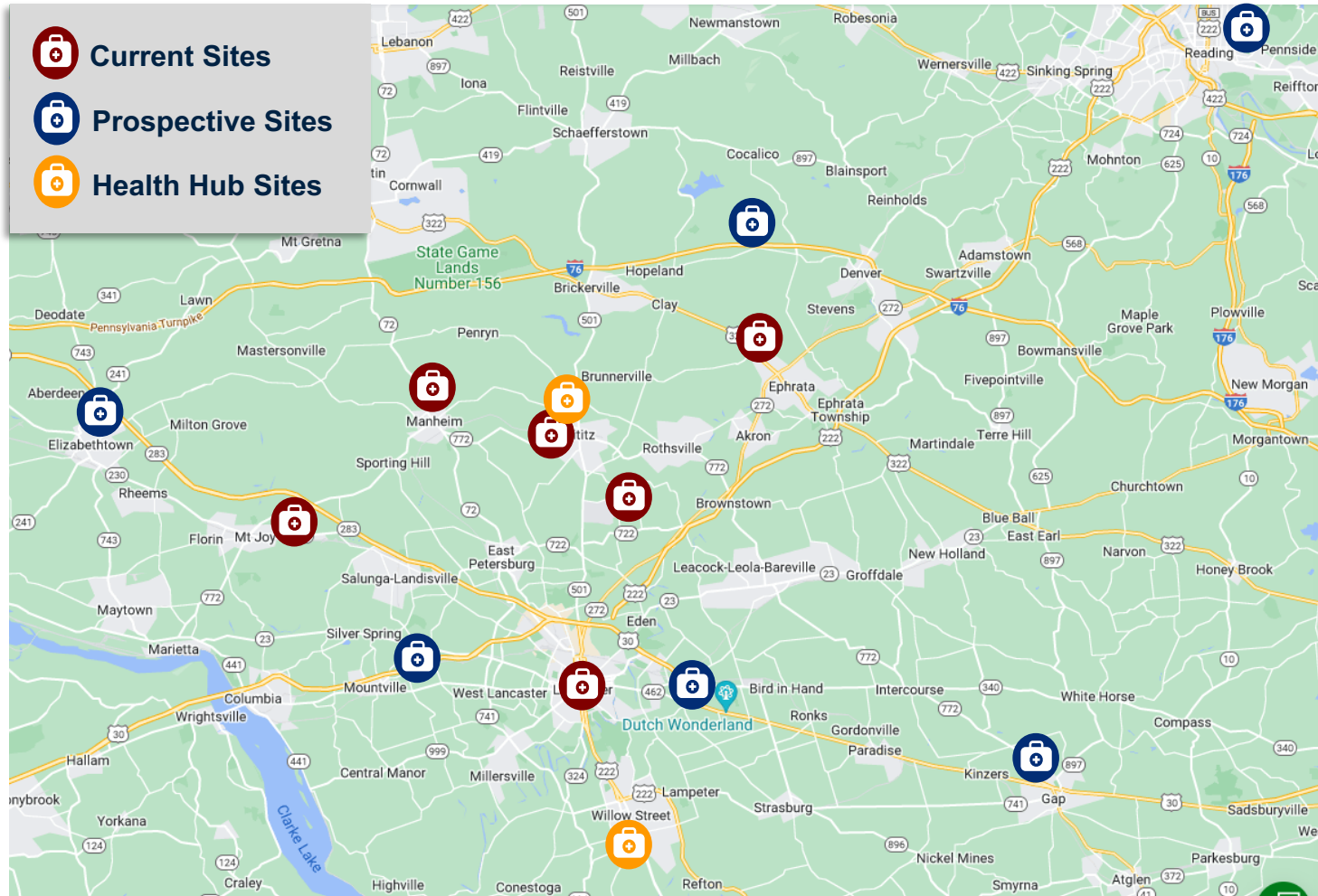
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|--|-----------------------------|
| • Pre-employment testing and physicals | • Counseling Services |
| • POET exams at nearby locations | • Home Delivery Medications |
| • Holistic Therapy | • Infusion Therapy |

Employer Sponsored HSA *(Shared Funding)*

- \$49 PMPM Adults
- \$29 PMPM Children
- In-Office Sick Visit: \$49 HSA Fee



Penn Medicine HealthWorks Network & Benefits



Benefits to the Employer:

- Decreased emergency, urgent care, primary care and specialist visits.
- Improved productivity and reduced lost time from work.
- Integrated, onsite comprehensive wellness and pre-employment services.

Benefits to the Employee:

- Onsite / Near-site primary care access through exclusive network of practices.
- Convenient labs and medications at no cost.
- Minimal to no-cost primary care.
- Messaging directly with a provider.
- Care coordination and navigation.
- Wellness services.

Penn Medicine HealthWorks Mount Joy at Messick's Farm Equipment



Caroline Poole,
PA-C



Kristi Galbreath,
PA-C



Penn Medicine HealthWorks Lititz at Moravian Manor



Pequea Valley's Claims Paid for Calendar Year 2022

Top Billed Facilities	CY 2022
Facility Billed*	\$2,580,237
- Penn Medicine / LG Health	\$1,558,023
- WellSpan Health	\$259,461
- Children's Hospital of Philadelphia	\$180,321
- Penn State Health	\$174,130
- North Pointe Surgery Center	\$73,394
- Mid-Atlantic Gastrointestinal Center	\$53,960
- UPMC	\$39,336
- Tower Health	\$31,244
- All Other	\$210,338
Rx Billed	\$629,566
TOTAL BILLED	\$3,209,803

*Claims paid as of 1/25/23 for the Top 20 Inpatient & Outpatient Facilities and the Top 50 Professional Facilities

Pequea Valley SD's Membership Proposal

► Penn Medicine HealthWorks (PMHW) Membership Proposal:

- Membership to start on April 1, 2023
 - Members would utilize the existing network of PMHW sites
 - Per member per month rates: HDHP w/HSA Adults \$49 & Child \$29
- Year 1 commitment is for a minimum of 50 members with progression to 75 by month seven
- Year 2 commitment is for a minimum of 100 members

PVSD & PMHW Potential Partnership

- ▶ Future Consideration PMWH would build an onsite practice on the Pequea Valley SD campus
 - PV SD would pay for the space fit-out of the practice
 - PMHW would pay for the IT and FF&E for the practice
 - PMHW would lease the space back from PV SD
 - Modify minimum membership based on current run rate (150)
 - Other nearby employers would have access/membership at the onsite practice

HealthWorks Membership Value Analysis

Description	Year 1	Year 2	Year 3+	Comments / Assumptions
Memberships Assumed for Modeling	80	120	180	120% of minimum membership: Yr1 50-75; Yr2 100; Yr3+ 150; On plan 180 ee's, 480 people
Membership Costs	\$45,100	\$67,700	\$101,500	PMPM: HDHP w/HSA Adults \$49 & Child \$29; Assume 90% Adult
Value Back to Pequea Valley SD				
- Primary/Urgent Claims Savings	\$12,000	\$20,000	\$28,000	PVSD CY22 Professional spend was \$270,000, and 30% was Primary/OB/Urgent or \$80,000; (Yr1 15%, Yr2 25%, Yr3 35%)
- Rx Claims Savings (meds at the practices)	\$200	\$300	\$500	PVSD CY22 spend is \$1,350 (Yr1 15%; Yr2 25%; Yr3 35%)
Sub-total Direct Claims Savings	\$12,200	\$20,300	\$28,500	
- Virtual Visits	\$4,200	\$6,400	\$9,600	HW per 100 members in CY21 was 107 visits or \$5,355
- Point of Care Lab / Lab Draws	\$3,600	\$5,300	\$8,000	HW per 100 members in CY21 was 263 labs or \$4,462
- Avoided Specialist/Urgent/ER visits	\$2,800	\$4,100	\$6,300	HW per 100 members in CY21 was 27 visits or \$3,485
- Wellness (flu shots, screenings, app, navigation, educ.)	\$9,600	\$14,400	\$21,600	HW per 100 members in CY21 was valued at \$12,000
Sub-total Projected Claims/Wellness Savings	\$20,200	\$30,200	\$45,500	
- Improved Absenteeism/Care Coordination	\$20,800	\$31,200	\$46,800	HW per 100 members in CY21 was valued at \$26,000
- Employee Retention/Recruitment	\$9,600	\$14,400	\$21,600	HW per 100 members in CY21 was valued at \$12,000
Sub-total Productivity/Retention Savings	\$30,400	\$45,600	\$68,400	
- Rental Income from Onsite Practice	\$0	\$0	\$42,000	Assumed \$42 per SQFT for 1,000 SQFT, with 2% annual inflation
Pequea Valley's ROI for Onsite Practice	\$1.39	\$1.42	\$1.82	
- ROI without Rental Income	\$1.39	\$1.42	\$1.40	Per \$1.00 invested in memberships

Questions??