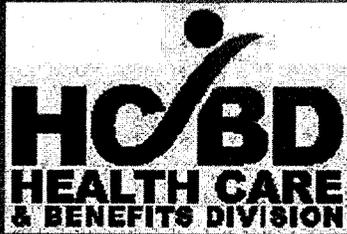


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Department of Administration

Health Care and Benefits Division



Administrator: Russ Hill

Phone: 444-2553

Email: ruhill@mt.gov

January 2013

ADMINISTRATOR

State Employee Group
Benefits Advisory Council

Employee
Benefits Bureau

Workers' Compensation
Management Bureau

Total number of FTEs: 22.87 HB 2 FTEs: 0

Division Structure

Employee Health Plan covers over 33,500 employees, retirees, and their dependents

Created in 1979

Authorized in Title 2, Chapter 18, Parts 7 and 8, MCA

Self-funded medical, dental, and pharmacy coverage

On-site employee health center

Retiree programs are fully insured

Administered through a unique public/private partnership

Background - Benefits

Administered with Montana State Fund, its workers' compensation coverage is fully self-funded for all employees

Authorized in Title 39, Chapter 7, Part 5, MCA

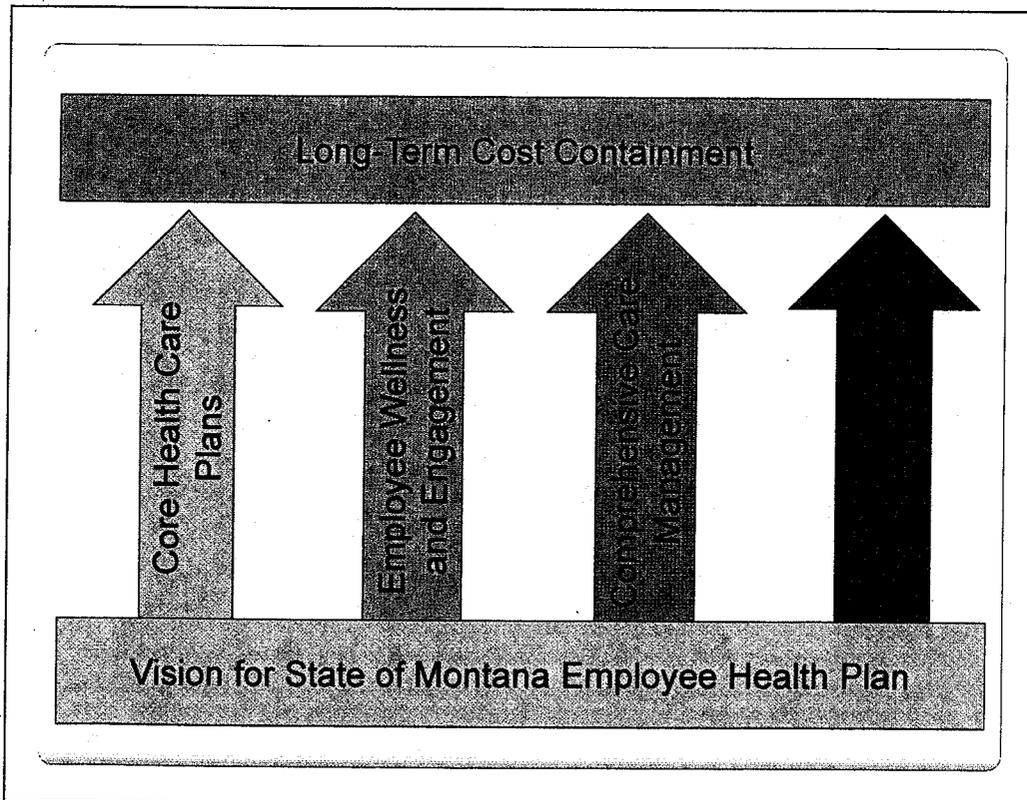
Develops and oversees safety and health programs to reduce injuries and assist employees in returning to productive work

Background - Workers' Comp

Category	Amount in Millions	% Health Care Spending
Self-funded claims	\$134.1	91%
Fully insured premiums	\$4.4	3%
Wellness programs	\$1.4	1%
Administration	\$7.5	5%
Total Benefits	\$147.4	100%
Other Programs:		
Flex Spending	\$7.3	
Workers' Comp	\$.3	
VEBA	\$1.7	
Total Division	\$156.7	

FY 2012 Expense Summary

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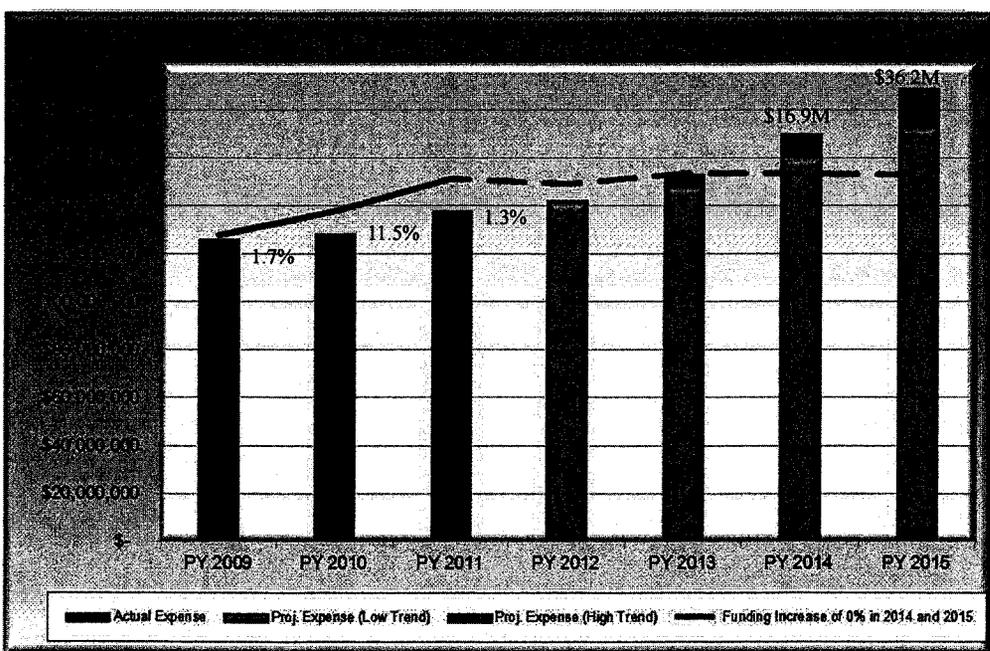
Individual benefits are funded by the state share, employee and retiree premiums, investment earnings, and other available subsidies (proprietary funds)

Premium Contribution Breakdown:

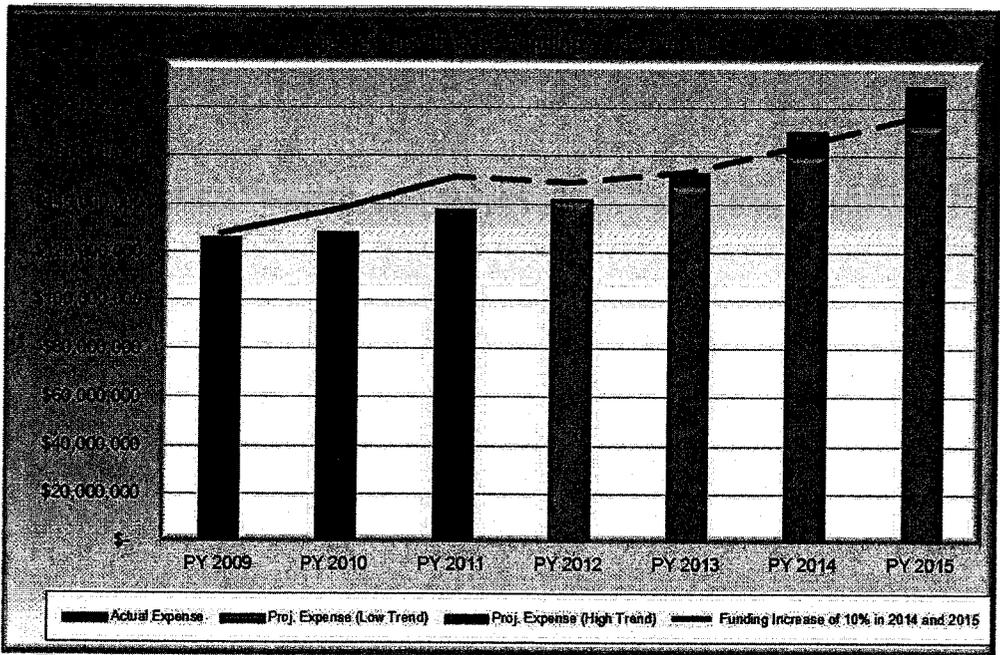
State Share (HB13)	74.3%
Employees	11.6%
Legislators	0.1%
Retirees	13.8%
COBRA	0.2%



Funding



Funding vs. Expenses without HB 13

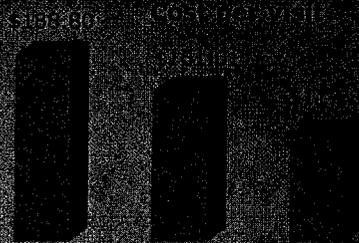


Funding vs. Expenses with HB 13

Identified, developed, and implemented a comprehensive health center strategy

Start-up costs
\$142,000

Provider visits	5,386
Ancillary visits	1,974
Total visits	7,360



Before Health Center Health center (based on provider visits) Health center (based on total visits)

Key Accomplishments

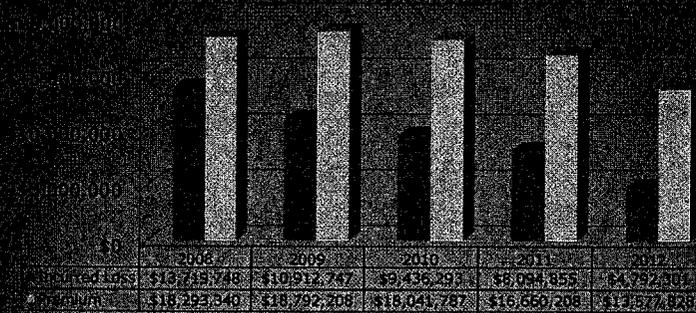
Designed, developed, and implemented new Third Party Administrator (TPA) agreements for medical and dental plans.

- New programs
- Improved service opportunities
- Employee communications resources



Key Accomplishments

Continued to expand and develop our ability to manage risk and control costs through the use of innovative risk management strategies.



Key Accomplishments

- Expansion of on-site employee health centers
 - New locations
 - New services
- Pursue cost containment strategies
 - Disease management and wellness
 - Contracting strategies
 - Benefit plan changes
- Monitor national health care reform (Patient Protection and Affordable Care Act) and implement as needed
- Reduce work-related injuries and increase return-to-work placements for state employees
- Develop new state employee education materials

Upcoming Priorities

Health Care Administration

FY 2014	FY 2015
\$22,637,493	\$36,662,244

• Funding covered by HB 13 (employee plan)

• VA over projects 8% medical and 10% R...

• ...increase

• ...6% - 8% annual increase in third...

• ...administration fees, licensing fees...

• ...operating costs

HCBD Insurance Claims/ Administrative Cost Trends