



MONTANA UNIVERSITY SYSTEM
OFFICE OF THE COMMISSIONER OF HIGHER EDUCATION
Benefits Department

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Montana University System Employee Benefit Plan

Overview

- MUS Employee Benefit Plan is the second largest employer plan in Montana
- We cover 18,412 employees, retirees, and their dependents
- We currently self-insure 100% of our medical, dental, and prescription drug costs
- For the 2017 Biennium we will have no increase in employer contribution during the first year (remain at \$887 vs \$976 for SOM and then go to \$1054 in the second year – approximately \$8M less in state share during the first year of the biennium)
- Our administrative expenses are approximately 6.5% of total plan costs (compared to 15% for commercial insurance – we have experienced an increase due to ACA fees including PCORI and Transitional Reinsurance fees)
- We work with the Inter-Unit Benefits Council (IUBC) to consult on the plan decisions. There are equal numbers of labor and management members representing the participants of the plan. Benefits are not collectively bargained in the MUS.
- We are currently projecting expenditures of \$92-94M in FY16

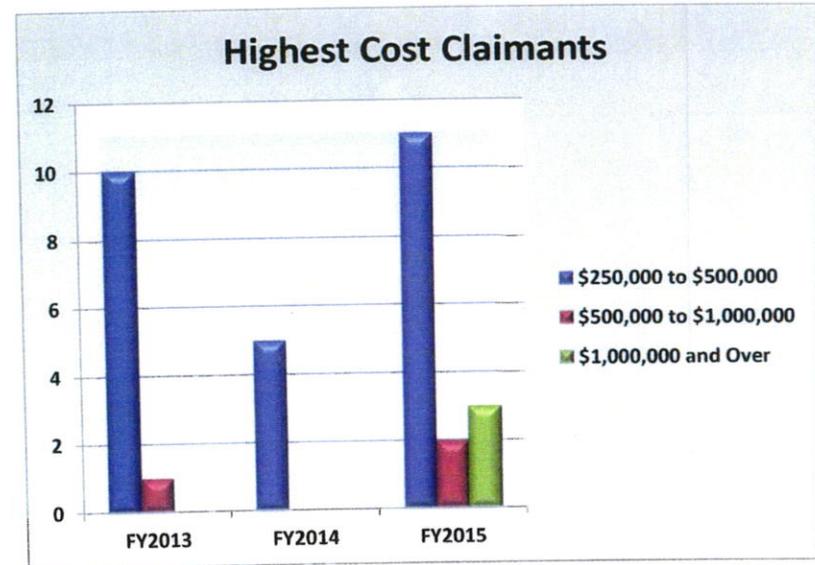
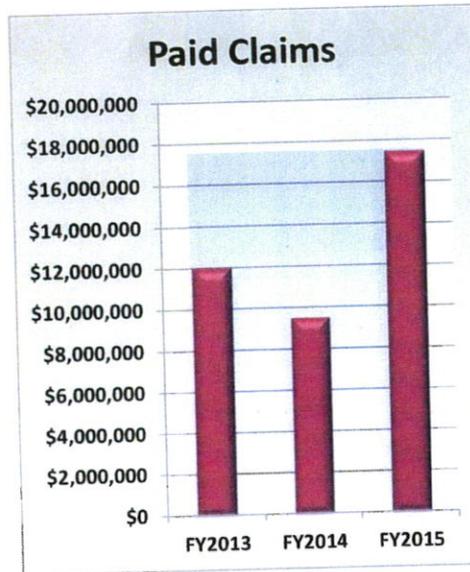
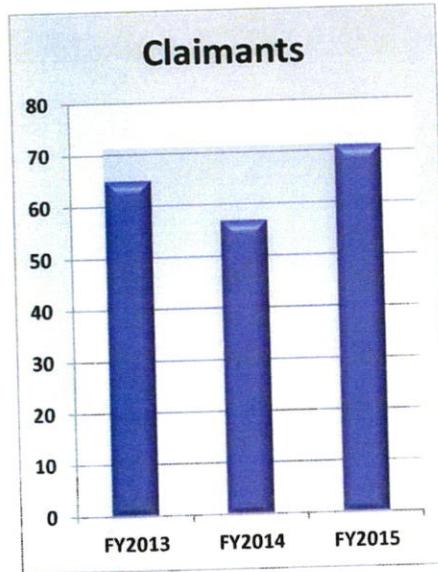
Management Features

- We target our six largest condition categories: oncology, cardiac, renal failure, orthopedic, neonates, and diabetes (roughly 2/3 of our expenditures are for 5% of our population)
- We utilize three third-party administrators and analyze their network pricing arrangements as well as performance annually; allows us to make rapid changes to react to their performance without going out for RFPs each year; permits additional employee choice
- We utilize a continuum of care that focuses on the Red category (acute and high cost members); Yellow (chronic and emerging high cost members); Green (maintaining healthy, lower cost members) through our case management, disease management and wellness program efforts
 - Incentive program - \$250/\$500 in a TAA if they do a WellCheck through It Starts With Me and if they achieve targeted Wellness goals (53% participation) through our Wellness Platform – Limeade
 - Disease Management Programs through TPAs plus Take Control (diabetes, cardiac, metabolic syndrome), Well Baby
- Fiscal controls –
 - we review all claims over \$50K weekly before they are paid (example of \$87,411 claim and we paid less than \$400)
 - invoices of more than \$1M require Director signature and a review of high cost claims
 - we risk-adjust our claims to predict relative future costs of individuals as well as measure the efficiency of providers, TPAs, and programs

Challenges

- Impacts of the Affordable Care Act:
 - Employer Shared Responsibility and required reporting (1094 and 1095 filings)
 - Elimination of Lifetime and Annual Limits
 - Cadillac Plan Tax in 2018
- Maintaining a high quality, affordable plan for MUS employees (critical to recruitment and retention)

Montana University System Large Claimant Summary



	Claimants			Paid Claims			Average Claim		
	FY2013	FY2014	FY2015	FY2013	FY2014	FY2015	FY2013	FY2014	FY2015
All Large Claimants	65	57	71	\$12,018,604	\$9,536,407	\$17,458,521	\$184,902	\$167,305	\$245,895
\$100,000 to \$250,000	54	52	55	\$7,885,845	\$7,866,595	\$7,651,078	\$146,034	\$151,281	\$139,111
\$250,000 to \$500,000	10	5	11	\$3,259,360	\$1,669,813	\$3,780,539	\$325,936	\$333,963	\$343,685
\$500,000 to \$1,000,000	1	0	2	\$873,399	\$0	\$1,176,733	\$873,399	\$0	\$588,367
\$1,000,000 and Over	0	0	3	\$0	\$0	\$4,850,170	\$0	\$0	\$1,616,723

MUS Large Claims Study - Claimants by Diagnosis

