

Board of Pension and Health Benefits

Report Number 9: *HealthFlex* in 2017

HealthFlex is an integrated, wellness-driven health program administered by Wespath Benefits and Investments (Wespath), formerly known as the General Board of Pension and Health Benefits of the United Methodist Church. *HealthFlex* provides medical, prescription drug, mental and behavioral health, dental, vision, and wellness benefits to our participants and enrolled dependents. The North Alabama Conference has been a *HealthFlex* plan sponsor since 2006.

Highlights of the 2017 plan year for the North Alabama Conference are as follows:

- Demographics

- 313 participants
- 130 spouses
- 193 dependent children
- Average participant age: 50.9 (PPO B1000)
- Total covered lives by plan

PPO B1000	621
CDHP C2000	4
HDHP H1500	10
HDHP H2000	1
CDHP C3000	0
HDHP H3000	0

- Medical claims (all plans) paid by the plan totaled \$2,341,239 in 2017 compared with \$1,753,488 in 2016, an increase of 33.5%. Prescription drug claims totaled \$776,824 in 2017 compared with \$871,712 in 2016, a decrease of 10.9%. **Total medical and prescription claims (all plans) were \$3,118,063 in 2017 compared with \$2,625,160 in 2016, an increase of 18.8%.**
- PPO out-of-pocket medical costs were 18% of medical claims in 2017 and 24% of medical claims in 2016.
- PPO medical claims greater than \$50,000 totaled \$1,288,983 (11 claims) and were 36% of total PPO medical claims in 2017, compared with \$736,301 (10 claims) and 24% in 2016.
- The top major diagnostic categories by allowable expense (percent) in 2017 were musculoskeletal and connective tissue (20%), circulatory system (8%), digestive system (17%), kidney and urinary tract (7%), endocrine (5%), nervous system (9%), and other (34%).

- The Conference's average annual per-member cost for prescription drugs was \$1,212 in 2017 compared with \$1,353 in 2016, a decrease of 10.4%. The top five prescription drugs based on claims paid were Tecfidera, Hizentra, Genvoya, Gonal-F Redi-ject, and Lantus Solostar.
- *HealthFlex* premiums paid to Wespath totaled \$3,882,393 in 2017 and \$3,801,024 in 2016.
- The health insurance reserve fund had a balance at December 31, 2017 of \$3,489,924 (unaudited) and is primarily invested at Wespath.
- Health insurance reserve funds invested at Wespath incurred an unrealized *gain* of \$343,184 in 2017 and an unrealized *gain* of \$202,264 in 2016.
- The collection rate for health insurance premiums paid by local churches was 96.64% in 2017 compared with 97.13% in 2016. *Any unpaid premiums since 2007 remain due and payable by local churches.*
- The Conference did not receive a *HealthFlex* performance dividend in 2017, but received a *HealthFlex* performance dividend of \$1,180,976 in 2016.

2016 *HealthFlex* Wellness Incentive Program – Results

- 81% of participants and spouses, or 355 persons, were enrolled in the *Virgin Pulse Program* in 2017 compared with 83%, or 365 persons in 2016.
- 84% of participants and spouses, or 354 persons, completed the *HealthQuotient* personal health risk assessment in 2017 compared with 83%, or 356 persons in 2016.
- 70% of participants and spouses, or 299 persons completed the *Blueprint for Wellness* health screening in 2017 compared with 76%, or 343 persons, in 2016. Participants and spouses who completed the health screening in 2017 received \$100 each from the Conference. Incentives paid by the Conference for completing the health screening totaled \$30,200 in 2017.