

OVERVIEW: Health Plans Trend Report FY16 (12 months ending June 2016) Basic Plans

Basic Plan Membership increased 0.7% during Fiscal Year (FY) 16. The overall Per Member Per Month (PMPM) cost (allowed*) trend increased 7.7%. Change in utilization by key service categories are as follows: increase occurred in average length of stay (ALOS), office visits, and lab; decreases occurred in inpatient visits, emergency room visits (ER), ambulatory surgery visits (AmbSx), radiology, and prescription drugs (Rx days). Change in unit price increased across all service categories with the exception of office visits.

Membership

- Basic Plan membership increased 0.7% (8,000 members) in FY16.
- Decreases in membership were experienced across Blue Shield Access+ (15,000), Blue Shield NetValue (58,000), and PERS Choice (4,000) for FY16.
- All other plans experienced an increase in membership with Kaiser experiencing the largest increase of 26,000 members, followed by UHC Alliance HMO with 25,000 members for FY16.

PMPM Cost

- Allowed PMPM increased 7.7% across all 13 service categories in FY16 with Inpatient, Presc Rx, and AmbSx being the major drivers.

Service Category PMPM Change, Trend Drivers

- Allowed PMPM increased 7.7% across all 13 service categories in FY16 with Inpatient, Presc Rx, and AmbSx accounting for over 50% of total costs.
- Inpatient increased 2.8%, Presc Rx increased 2.4%, and AmbSx increased 7.8%.
- For individual categories, percent changes between years ranged from 2.4% to 39.6%.

Service Category Utilization and Unit Price (among largest plans)

- Increase in utilization occurred in ALOS (3.3%), office visits (5.7%), and lab (1.6%).
- All other key service categories experienced a decrease in utilization with inpatient visits (-4.9%) and Rx Days (-4.2%) having the largest decreases.
- With the exception of office visits, change in unit price increased across all categories for FY16.

Report is based on incurred service dates, incurred through June 2016, with adjustment for claims incurred but not reported.

* *The dollar amounts in this report use the contractual allowed amounts due to healthcare providers for each claim rather than the net amounts paid by each plan. This allows for easier comparisons across plans where the portion of the allowed amount paid by the health plan vs. the member can vary significantly because of differences in benefit designs.*