Recap of 2011-12 Strategies

- Expanded the Generic Prescribing Program (eff. July 1, 2011)
  - Migraine
  - Cardiovascular (ARBs/ACE)
  - Acne antibiotics
- Excluded coverage of non-sedating antihistamines (NSA) products (eff. July 1, 2011)
- Specialty medications (eff. July 1, 2011)
  - All specialty/biotech medications filled by CVS Caremark specialty pharmacy
  - Limited to a 34-day supply
- Audited 100% of prescription drug claims
- Implemented patient advocacy services
  - Best Doctors (eff. January 1, 2012)

Medical trends are under projections

2012-13 Strategies

- Request for Proposal (RFP) incorporating the following foundational components:
  - Evidence-based design
  - High-performing provider network (usually a narrow network of highly effective and efficient providers practicing medical best practices) MSU on-site clinic
  - Centers of Excellence for certain diagnosis/treatments
  - Comprehensive Care/Case Management
  - Coverage that incents lower intensity and/or alternative care
    - Account Based Consumer Directed Plan (a.k.a. Health Savings Account/HDP/Plan)
    - Value-based design (build enrollee incentives into the benefit design and premium contribution structure to encourage enrollees to use specific high-value services or providers or to adopt healthy behaviors).

- Expand Patient Advocacy Services:
  - Consultation with Best Doctors for the following diagnosis/treatment:
    - Hip/knee replacement
    - Back surgery
    - Bariatric surgery
  - Health Advocate Benefits Gateway

- Dependent Audit
- Carve out specialty medications from medical plan and run through drug plan
- Negotiated improved pricing through CVS/Caremark
- Automobile coverage paying claims as primary

Health Care Reform Timeline
## Voluntary Benefits Recommendations

**Drafted April 9, 2012**

<table>
<thead>
<tr>
<th><strong>Coverage:</strong></th>
<th>Vision</th>
<th>Legal</th>
<th>Auto &amp; Home</th>
<th>Critical Illness</th>
<th>Pet Insurance</th>
<th>Long-Term Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vendor:</td>
<td>*VSP</td>
<td>*ARAG</td>
<td>MetLife and Liberty Mutual</td>
<td>MetLife</td>
<td>VPI</td>
<td>Transamerica with consultation through Todd Benefits Group</td>
</tr>
<tr>
<td><strong>Summary</strong></td>
<td>Employees are free to choose individual provider or retail chains. Co-pay, then plan pays 100% (in-network) Exam- $10 Single vision lens -$25 Frame- $25 Contacts- 0 ($130 allowance) LASIK/PRK Discount on average 15% Approximate monthly rates: $6.62 (Employee) $13.24 (Ee + spouse) $14.17 (Ee + children) $18.55 (family)</td>
<td>Legal assistance for family and personal matters, vehicle and driving, money issues (identity theft, tax audit), home and real estate, civil lawsuits, estate planning Approximate monthly rate: $17.50</td>
<td>Coverage varies depending on needs of employee. Discount off retail is a minimum of 5% Coverage options between $10,000 - $100,000 ($5,000 increments); Newly eligible EOI required if coverage over $20,000; Wellness Benefit of $75 for annual physical, etc. Rates based on age (change based on 5-year age bracket</td>
<td>Group discount of 5%; Coverage is available for dogs, cats, birds, rabbits, reptiles and other exotic pets. Visit any licensed veterinarian and covers a multitude of medical conditions and accidents. Rates vary depending on animal and age of animal.</td>
<td>Numerous plan design options are available and determined by enrollee; competitive rates at older ages, many plan design options built in to standard rates</td>
<td></td>
</tr>
</tbody>
</table>