

Presented by:
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UCLA *BRUIN
CARE*

BruinCare 2018 Projections

January 19, 2017

Agenda

Demographics

Membership

Cost Projections

Monthly Projections

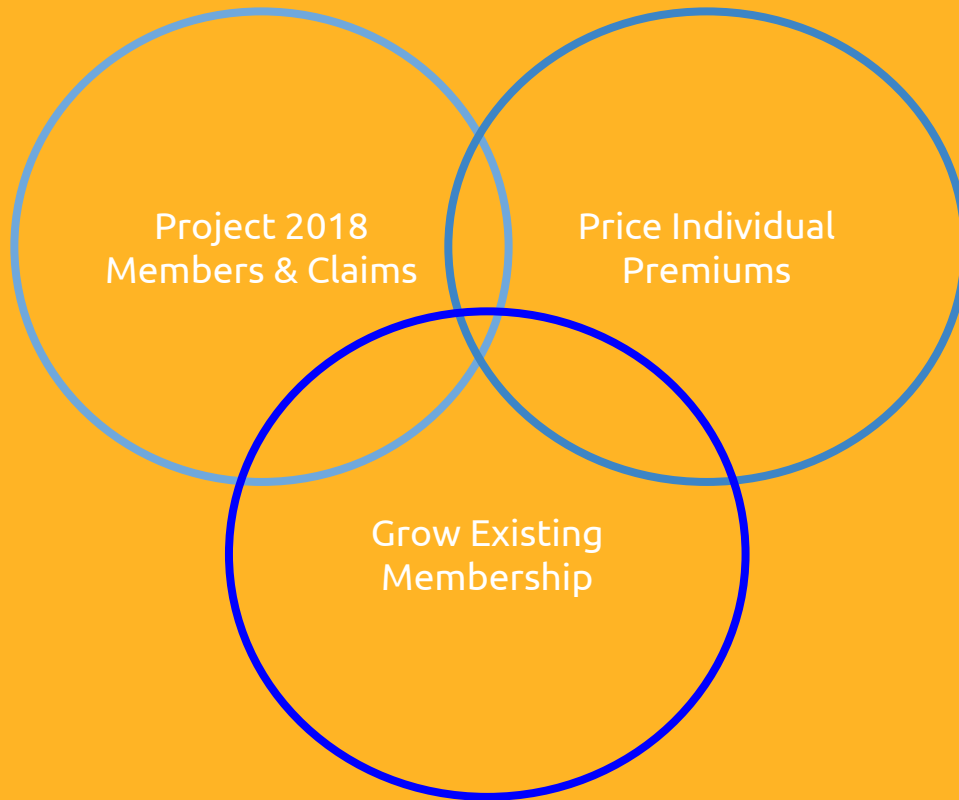
Per Member Per Month (PMPM)

Individual Premiums by Region

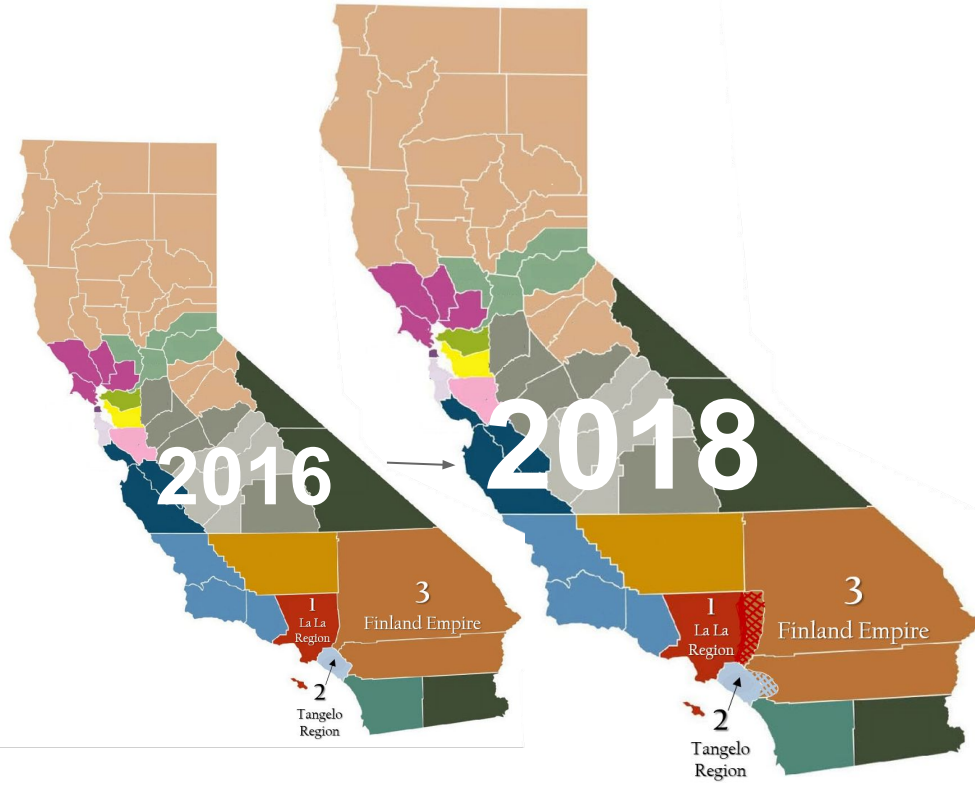
Important Things to Note



Goals



California Demographics



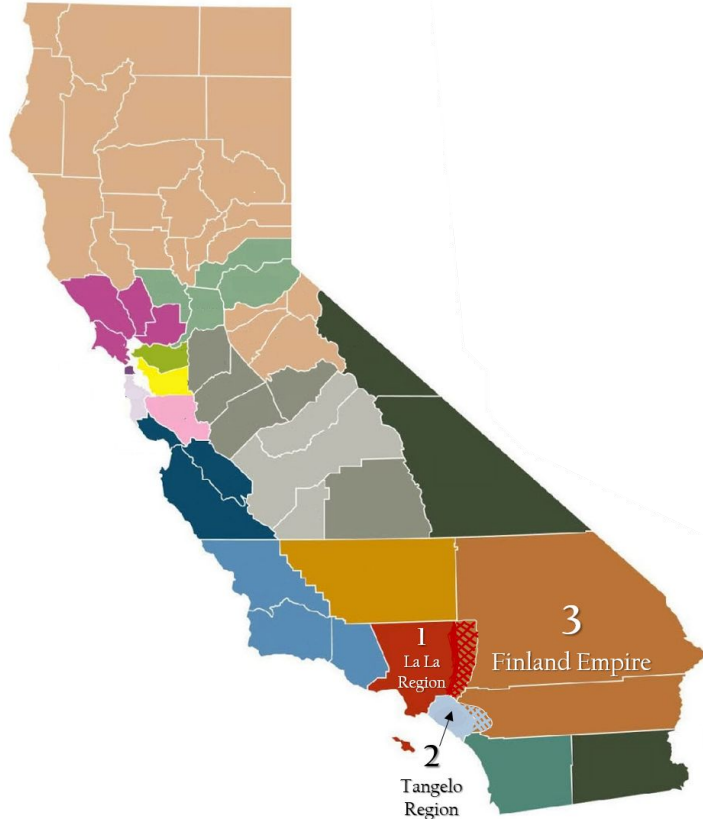
Total Census Population by 2018:

La La Region will increase by 2%

Tangelo Region will increase by 3%

Finland Empire will decrease by 5%

BruinCare Demographics



| Region | 2016 Marketshare | 2018 Marketshare |
|-----------------------|------------------|------------------|
| La La Region | 1.9% | 1.938% |
| Tangelo Region | 2.3% | 2.369% |
| Finland Empire | 3.7% | 3.95% |

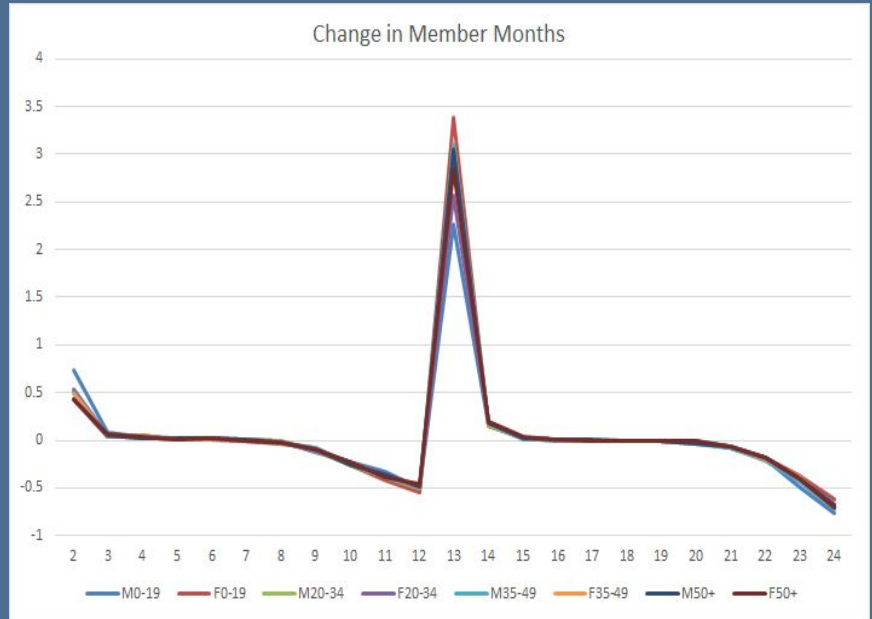
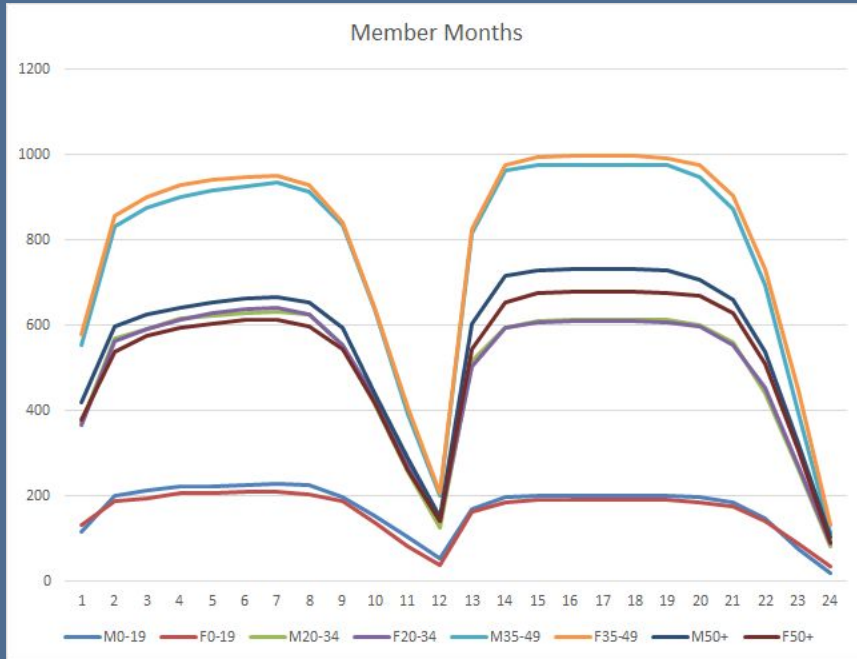
Members in Maximum Month

Observations

- Decrease in the 0-19 age group
- Slight increase in all other age groups
- Increase in total members
- 75.1% persistency rate (2015 - 2016)

| Age Group | May 2016 Members | | | Projected May 2018 Members | | |
|-----------|------------------|--------|------------|----------------------------|--------|------------|
| | Male | Female | 2016 Total | Male | Female | 2018 Total |
| 0-19 | 201 | 191 | 392 | 173 | 179 | 352 |
| 20-34 | 614 | 610 | 1,224 | 637 | 619 | 1,256 |
| 35-49 | 976 | 997 | 1,973 | 1,151 | 1,190 | 2,341 |
| 50+ | 732 | 678 | 1,410 | 957 | 906 | 1,863 |
| Total | 2,523 | 2,476 | 4,999 | 2,918 | 2,894 | 5,812 |

Member Month Data 2015-2016



Member Month (MM) Projections



Data by Member Months

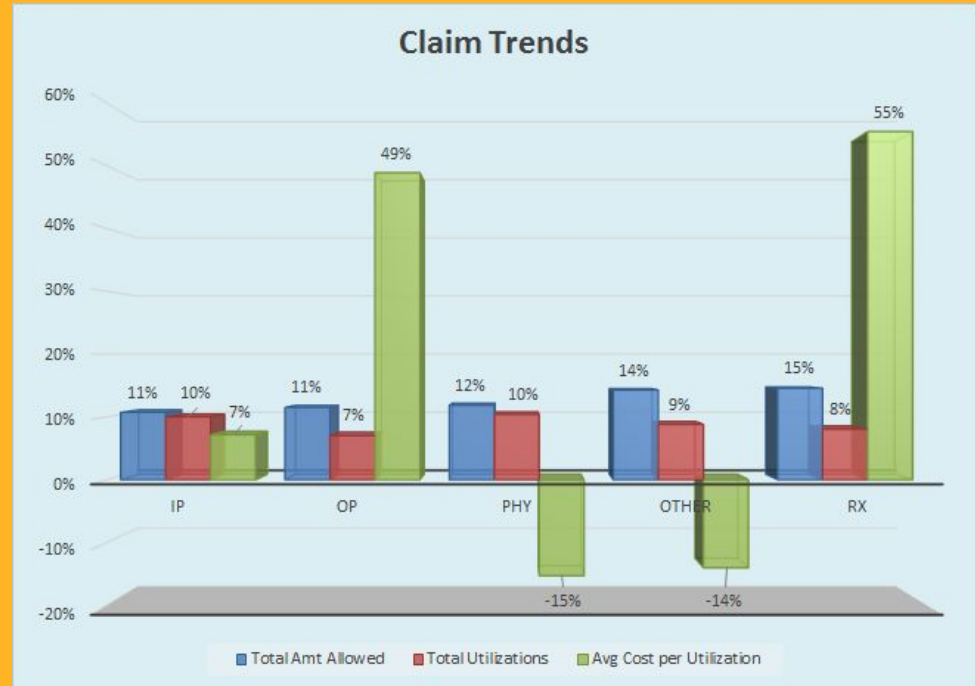
| | 2016 Member Months | | | Projected 2018 Member Months | | |
|--------------|--------------------|--------|---------------|------------------------------|--------|---------------|
| Age Group | Male | Female | 2016 Total | Male | Female | 2018 Total |
| 0-19 | 1,994 | 1,928 | 3,922 | 1,711 | 1,808 | 3,518 |
| 20-34 | 6,122 | 6,096 | 12,218 | 6,354 | 6,193 | 12,547 |
| 35-49 | 9,671 | 9,967 | 19,638 | 11,403 | 11,892 | 23,295 |
| 50+ | 7,303 | 6,788 | 14,091 | 9,554 | 9,066 | 18,620 |
| Total | 25,090 | 24,779 | 49,869 | 29,021 | 28,959 | 57,980 |

Observations

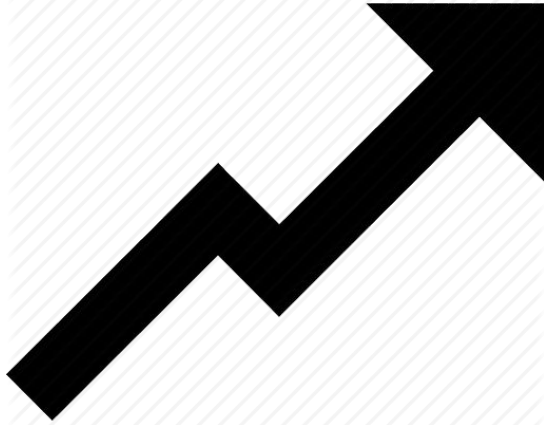
- Decrease in the 0-19 age group
- Increases in all other age groups (Especially 50+)
- Increase in total members

Cost Projections

| Service Category | 2016 Totals | 2018 Projections |
|--------------------------|-----------------|------------------|
| IP | | |
| Total Amount Allowed | \$ 5,508,460.52 | \$ 6,754,074.97 |
| Total Utilizations | 2,043 | 2,473 |
| Avg Cost Per Utilization | \$ 33,534.17 | \$ 38,505.30 |
| OP | | |
| Total Amount Allowed | \$ 4,314,118.39 | \$ 5,362,204.95 |
| Total Utilizations | 9,617 | 11,013 |
| Avg Cost Per Utilization | \$ 5,859.48 | \$ 12,979.90 |
| PHY | | |
| Total Amount Allowed | \$ 4,497,246.64 | \$ 5,624,321.34 |
| Total Utilizations | 51,227 | 62,424 |
| Avg Cost Per Utilization | \$ 1,284.13 | \$ 922.37 |
| Other | | |
| Total Amount Allowed | \$ 612,864.63 | \$ 800,111.38 |
| Total Utilizations | 3,383 | 4,006 |
| Avg Cost Per Utilization | \$ 2,131.49 | \$ 1,576.76 |
| Rx | | |
| Total Amount Allowed | \$ 2,454,782.27 | \$ 3,221,569.00 |
| Total Utilizations | 45,219 | 52,792 |
| Avg Cost Per Utilization | \$ 660.04 | \$ 1,593.34 |



2018 Growth Projections



| Service Categories | Projected Growth |
|--------------------------|------------------|
| Inpatient | |
| Total Amount Allowed | 10.7% |
| Total Utilizations | 10.0% |
| Avg Cost Per Utilization | 7.2% |
| Outpatient | |
| Total Amount Allowed | 11.5% |
| Total Utilizations | 7.0% |
| Avg Cost Per Utilization | 48.8% |
| Physician | |
| Total Amount Allowed | 11.8% |
| Total Utilizations | 10.4% |
| Avg Cost Per Utilization | -15.2% |
| Other | |
| Total Amount Allowed | 14.3% |
| Total Utilizations | 8.8% |
| Avg Cost Per Utilization | -14.0% |
| Prescription | |
| Total Amount Allowed | 14.6% |
| Total Utilizations | 8.1% |
| Avg Cost Per Utilization | 55.4% |



Health Insurance Exchange Projections per Month

Premium Assumptions

| | |
|--------------------------|-----------|
| Claims Allowed Base PMPM | \$ 375.34 |
| Paid to Allowed Factor | 0.7 |
| Paid Claims | \$ 262.74 |

Fees

| | |
|----------------------|----------|
| Exchange Fee | \$ 9.80 |
| Health Insurer Fee | \$ 4.90 |
| Broker Commission | \$ 7.18 |
| Administrative Costs | \$ 16.98 |
| Quality Expenses | \$ 3.92 |
| Premium Tax | \$ 6.53 |
| Profit / Margin | \$ 9.80 |
| PMPM Admin Subtotal | \$ 59.10 |

Projected PMPMs

| | |
|--------------|-----------|
| Inpatient | \$ 116.49 |
| Outpatient | \$ 92.48 |
| Physician | \$ 97.00 |
| Other | \$ 13.80 |
| Prescription | \$ 55.56 |
| Total | \$ 375.34 |

Total Premiums

| | |
|----------------|-----------|
| La La Region | \$ 363.70 |
| Tangelo Region | \$ 425.26 |
| Finland Empire | \$ 345.31 |

| | |
|---------------------|--------------|
| Total Profit | \$ 1,764,512 |
|---------------------|--------------|

Important Things to Note

ACA Repeal

- Data is heavily based on 2015-2016 historical data
- Suggestion: Analyze 2018 projections again

Death Spiral

- Memberbase is becoming older & costlier!
- Premiums will continue to rise as the healthy are discouraged to purchase health insurance

Increase Marketing

- California re-drew regional lines to stimulate market
- U.S. Care is leaving the Finland Empire!

Thank You!

Judges

UCLA Bruin Actuarial Society

Molina Healthcare