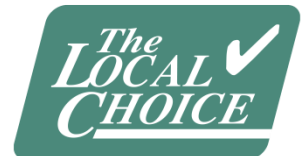


The Local Choice Health Benefits Program

Department of Human Resource Management

**Senate Finance Subcommittee on
General Government and Technology**

**General Assembly Building, Richmond, VA
January 22, 2013**



TLC Overview

- Established by VA Legislature in 1989-1990
- Self-Funded Statewide Program plus
Statewide HSA Compatible HDHP and
Fully Insured HMO in Northern Virginia
- Designed for Schools and Political Subdivisions
- Managed by Commonwealth of Virginia –
DHRM
- Premium Represents Entire Funding



Benefit Plans for 2012-2014

4 Key Advantage PPO Plans

- Key Advantage Expanded
 - Key Advantage 250
 - Key Advantage 500
 - Key Advantage 1000
- Currently Administered by Anthem, Medco, Delta, Value Options
 - As of 7/1/2013 Administered by Anthem (Delta, Express Scripts)

1 HDHP plus Separate Dental

- Currently Administered by Anthem
- As of 7/1/2013 Administered by Anthem (Delta, Express Scripts)

1 Fully Insured HMO in Northern VA

- Kaiser



Self Funded Medical Rating Pools

- Community Rated or Pooled - 1 to 49 EEs
- Credibility Factor Rated - 50 to 299 EEs
- 100% Credible Experience Rated - 300+ EEs

- Dental, RX, MISA and Medicare Supplement Products Are All Fully Pooled



Current Group Status

318 Groups

28,000 + Employee Contracts

| Segment | Groups | Contracts |
|---------|--------|-----------|
| 1-49 | 58% | 9% |
| 50-299 | 34% | 47% |
| 300+ | 8% | 44% |

Why TLC?

- Dedicated customer service unit
 - Guaranteed minimum performance standards
- Benefits similar to state employees
- Low administrative costs and trends
- Procurement savings
- CommonHealth and Take Care Package
- Pooled protection on RX, MISA, Dental and Medicare retirees
- No participation requirements and reasonable contribution requirements



Why TLC?

- COBRA and HIPAA support
- Anthem PPO Network
 - BlueCard
- Stable premiums
 - Average renewal since 2007 is under 6%
- Stable group composition
 - Over 100 of original groups remain
 - 99% persistency since inception
- Groups share in the program's success



TLC

Thank you!

Questions?

