

# **The Local Choice Health Benefits Program**

**Department of Human Resource Management**

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

**General Assembly Building, Richmond, VA  
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# 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**

<b>Segment</b>	<b>Groups</b>	<b>Contracts</b>
<b>1-49</b>	<b>58%</b>	<b>9%</b>
<b>50-299</b>	<b>34%</b>	<b>47%</b>
<b>300+</b>	<b>8%</b>	<b>44%</b>



# 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?**

