



Milliman HigherEDGE™

The Public Sector



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Introduction

About this report

Milliman HigherEDGE™ empowers you with actionable intelligence to compare, contrast, and compete by ensuring your organizations’s benefit programs align with broader organizational objectives while supporting employees. This report:

Provides an objective, custom competitive market assessment of an organization’s major benefit programs as compared to a defined group of peers.



Evaluates the competitiveness of an organization’s overall benefits program and by major benefit area in terms of design and employee contribution levels.



Removes from comparison the impact of differences on benefit value due to demographics (e.g., age, service, gender mix), geographic location, claims experience, purchasing power efficiencies, and grandfathered programs.



Results

Definitions



BENEFIT VALUE

Benefit value is a *hypothetical cost value* “normalized” to exclude differences found in traditional cost comparisons due to:

- Workforce demographics (e.g. age, service, gender mix)
- Geographic location
- Purchasing power efficiencies
- Internal cost accounting and allocation methodologies
- Grandfathered benefit programs



TOTAL VALUE

Total value measures the value of the benefit provided (e.g., medical total value takes into consideration deductibles, coinsurance, copays, and benefit maximums)



EMPLOYER-PROVIDED VALUE

Employer-provided value is the total value less any required employee contributions. If there is no employee contribution, then the employer-provided value = total value.

Summary of result values

Index value

For each benefit area an index value and ranking relative to the defined comparator group is provided.

- The average of benefit values for the comparator group set equal to 100 (i.e., 100.0).
- Your values are expressed as percent of 100 (i.e., 105.0 indicates your benefit value is 5.0% above average; 95.0 indicates your benefit value is 5.0% below average).

Ranking

Your position relative to the comparator group.

- If four comparators ranked higher than your organization, your ranking will be noted as 4/5.
- The range of index values for the comparator group is provided to highlight the variation.

Economic value

Annualized values are calculated for you and the comparator organization’s benefit programs using the same hypothetical standard employee population and actuarial methods and assumptions.

Therefore, the only difference in benefit values between your benefit programs and the comparator’s benefit programs is due to plan design and employee contribution levels.



Benefit comparison categories

ALL BENEFITS

EXCLUDING TIME OFF WITH PAY

INCLUDING TIME OFF WITH PAY

RETIREMENT INCOME

DEFINED BENEFIT AND DEFINED CONTRIBUTION PLANS

DEFINED BENEFIT

DEFINED CONTRIBUTION – MATCHED

DEFINED CONTRIBUTION – OTHER

ACTIVE HEALTH AND WELFARE BENEFITS

MEDICAL, DENTAL, WELLNESS CREDITS/HSA BALANCES, VISION,
LIFE INSURANCE, DISABILITY

MEDICAL– PPO/POS AND HMO/EPO PLANS

MEDICAL – PPO/POS PLANS

MEDICAL – HMO/EPO PLANS

WELLNESS CREDITS/HSA BALANCES (ER-FUNDED)

DENTAL AND VISION

DENTAL

VISION

LIFE INSURANCE AND DISABILITY

LIFE INSURANCE

SHORT-TERM AND LONG-TERM DISABILITY

SHORT-TERM DISABILITY (1ST 26 WEEKS)

LONG-TERM DISABILITY (AFTER 26 WEEKS)

RETIREE HEALTH AND WELFARE BENEFITS

HEALTH AND LIFE INSURANCE BENEFITS

PRE-65 HEALTH BENEFITS

POST-65 HEALTH BENEFITS

RETIREE LIFE (EMPLOYER-PAID ONLY)

TIME OFF WITH PAY

HOLIDAYS AND VACATIONS

HOLIDAYS

VACATION