Staff Alliance Staff Health Care Committee
December 17, 2014 2:00 p.m. – 3:30 p.m.
Audio Meeting Minutes

Committee Members Roll Call:

UAA
Melodee Monson
Maureen Hunt

SAA
Monique Musick
Linda Hall

UAF
Lesli Walls
Kim Eames
Alternates: David Bantz and Susan Sanborn

Alliance Representative
Monique Musick

Ex-Officio
Erika Van Flein

Agenda approved as presented.

Review and discussion on the JHCC recommended plan changes as per the following notes from the Joint Health Care Committee meeting held on December 10, 2014.

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JHCC December 10, 2014

During today's Joint Health Care Committee we considered 8 plan changes for FY16 and approved 7 of them. The last is still under consideration, but needing more information.

1) CDHP Deductibles and Out-of-Pocket (OOP) maximums
The U.S. Treasury Department released new minimum deductibles for plans with a Health Savings Account that affect UA's Consumer Driven Health Plan (CDHP). The 2015 minimum deductibles are now $1,300 individual, $2,600 family. OOP limits were also raised up to possible Maximum out of pocket limits of $6,450 individual, $12,900 family. JHCC discussed whether to raise the

deductibles incrementally as the Feds raise the limits or to make a larger jump and not change it for a few years. That would also differentiate the CHDP more from the UA High Deductible Health Plan (HDHP). The group decided to just increase (incrementally) the deductibles to the new federal minimums and to leave the OOP levels where they are.

MOTION: The Joint Health Care Committee recommends that the CDHP minimum deductibles for the new plan year (Fiscal Year 2015-2016) be increased as required by the federal government ($1,300 for an individual and $2,600 for a family).
ACTION: Passed

MOTION: The Joint Health Care Committee recommends that the CDHP maximum out of pocket limits for an individual and a family not be raised.
ACTION: Passed

MOTION: The Joint Health Care Committee recommends that the 750 Plan and HDHP maximum out of pocket limits for an individual and a family not raised.
ACTION: Passed

2.) Increase pharmacy co-pay for the 750 Plan and HDHP
At 9.5%, our member cost share is below Premera's norm. Many generics have increased in cost recently and our copay is currently very low at $5. JHCC reviewed a few different funding models including an option to add a fourth tier of co-pay for specialty pharmacy drugs that have been increasingly adding to overall pharmacy costs. In the end the committee chose a hybrid new tier structure, adding in a new $100 co-pay for specialty drugs.

MOTION: The Joint Health Care Committee recommends that the pharmacy copays for the new plan year (FY2015-16) for the 750 Plan and the HDHP be as follows:
Retail= $10 - $30 - $60 - $100 ($100 retail fee is for specialty drugs)
Mail= $20 - $60 - $120 – NA
Deductible= $0, OOP Max= $1,000 individual, $1,700 family
ACTION: Passed 11 to 1

3.) Discontinue coverage of PPI (Proton Pump Inhibitors), either brand only or all
Looking just at brand name PPIs that have OTC versions available (Nexium, Prilosec, Prevacid) – Premera ran a quick report looking back at 6 months' worth of claims from 5/1 thru 10/31 for Univ of AK. There were 217 claims for $80,218 for these products. An option could be to only cover generics (or over the counter) but no brand name drugs.

MOTION: The Joint Health Care Committee recommends to cover generic

proton pump inhibitors only, but not brand name PPI drugs.
ACTION: Passed

4.) Telemedicine: "Virtual Care"
Premera's telemedicine service can be added to our plan at renewal. Cost is .50 PEPM
which is far below what we'd pay for a separate service. Recent Alaska legislation allowing telemedicine makes it a viable option for our plan. There is a potential for savings to the plan, (especially for members in rural areas) that could exceed the extra administrative costs. It would interface seamlessly with our plan through Premera. We would want a usage report and may re-evaluate after seeing utilizations and savings.
($40.00 for this option – available upon renewal July 1, 2015)

MOTION: The Joint Health Care Committee recommends that the Telemedicine "Virtual Care" program be added to the UA Choice plan.
ACTION: Passed

5.) Maternity Case Management and NICU Care Management
This service aims to improve care and outcomes with clinical oversight and management of newborn intensive care. Costs per case would be: Maternity Risk Assessment ($100) and Maternity Case Management ($475). All pregnant members would have outreach based on claims or provider referral. Member can enroll and has assessment, access to educational program and 24/7 nurseline for maternity with 2nd assessment in 2nd trimester ($100 for this part). Member assessed as high risk at either 1st or 2nd assessment is offered case management ($475)
(Currently waiting to hear back from the Provider as to how much savings this plan would provide.)
NICU management is separate program, cost is $1,486 per case for NICU care. FY14 highest cost claim was for critical newborn

While there does not seem to be a downside, the benefits were a little hard to identify. JHCC decided to postpone a decision on this service pending further information.

6.) Out-of-Network Providers (two items)
a) Currently we pay OON providers at the 80th percentile of billed charges. Proposal is to change this to 125% of Medicare rates for state of Alaska (or state where
services are provided). Concern about this change is the potential impact on members who could get a greater bill should their provider go back to them for Balance Billing. The benefit is that this could push more providers toward joining the Network. The lower allowable charge will also result in a lower coinsurance for the member. (Objective is to stop the madness of providers driving the cost.)

MOTION: The Joint Health Care Committee recommends to switch to out-of-network providers being paid at the 125% of Medicare rates for the State of Alaska per the Premera proposal.

ACTION: Passed 7 to 4.

b) Payment to Member: Change how OON providers are paid.
Currently payment goes to provider.
Change to be:
1) a joint payment (member and provider on check; member must sign to endorse), OR
2) payment directly to member and member must pay the provider.

MOTION: The Joint Health Care Committee recommends that the mode of payment for out-of-network providers be continued according to current practice, i.e., process of paying the provider directly.

ACTION: Passed

7.) Re-pricing of Out-of-Network (OON) Dialysis claims
Available at no additional PEPM charge. Dialysis treatment can be an extremely costly service and the plan is primary for the first 30 months. This change would not impact members who are enrolled on Medicare Part B (no age limit), but could save the plan a considerable amount on claims for dialysis. (added at no additional cost – benefits in savings)

MOTION: The Joint Health Care Committee recommends that the out-of-network dialysis claims be re-priced per the Premera proposal.

ACTION: Passed

8.) Adding a $0 copay tier to 750 Plan and HDHP for preventive drugs (PV1 drug list) (Coincides with item 2)
Shifting copays to client would add approximately $71,711 in costs to the Plan or $0.68 PMPM. The benefit could be improved compliance and less barrier to people taking necessary medications.

MOTION: The Joint Health Care Committee recommends that a new $0 copay tier be added to the 750 Plan and HDHP for preventive drugs, i.e., PV1 drugs.

ACTION: Passed

Wellness: Communications to members on all of this will be important. Specific communications on the PPI drug change in particular. Promote the Wellness Q & A and the Wellness rebate on website at www.alaska.edu/benefits/.

The spring SHCC meeting has yet to be scheduled. Teleconference adjourned 3:30 p.m.