

**Central Washington Public Utilities**  
UIP (Unified Insurance Program) Quarterly Trustee Meeting  
Grant PUD, 30 C Street SW, Ephrata WA 98823  
Wednesday, April 26, 2017  
**MEETING MINUTES**

**Roll call**

The meeting was called to order at 10:00 a.m. by Chair Wenner. Those attending the meeting included:

<b><u>PUD</u></b>	<b><u>Trustees</u></b>	<b><u>Alternate Trustees</u></b>
Benton	Melina Wenner	Jody George
Douglas	Barbara Davis	Gary Ivory
Ferry	Marilee Kuehne	
Franklin		Sylvia Hubbard
Grant	Annette Hernandez	Darla Shannon
Okanogan	Don Coppock	Katie Pfitzer
Pend Oreille		

**Alliant:** Kim Chawes, Kerri Coyle, Keith Robertson, Christian Rothrauff

**CliftonLarsonAllen:** Connie Olson

**Premera:** Nancy Moore, Geoff Robinson, Jeff Scalph, Carmen Winters, and Trevor Moore

**Catapult:** Andrew Gonzalez

**Meeting Minute Approvals**

Trustees reviewed the quarterly minutes distributed in advance of the meeting for the meetings held on:

- April 13, 2017
- January 25, 2017

**Motion** was made by Trustee Hernandez and seconded by Trustee Coppock to approve the meeting minutes from April 13, 2017 and January 25, 2017. Motion passed unanimously.

**Treasurer's Report - Trust Income & Disbursements (Q1)**

Connie Olson, consultant with CliftonLarsenAllen distributed an amended version of the Investment Report for the Contingency Reserves, stating that the Report previously distributed reflected incorrect Maturity Dates for the securities listed. Ms. Olson provided an overview of the Financial Report for the period January 1, 2017 through March 31, 2017. Discussion ensued relative to the accrual of the prescription drug rebates and the timing of adjustments.

**Motion** was made by Trustee Coppock and seconded by Trustee Hernandez to approve the Financial Report for the Trust for the period January 1, 2017 through March 31, 2017. Motion passed unanimously.

### **Premera – Knowledge Services Report**

Carmen Winters, Account Manager for Premera opened the discussion by thanking Trustees for the invitation to present Premera's Knowledge Services Report specially prepared for the UIP quarterly meeting. Proceeding introductions of Premera staff attendee's Jeff Scalph, Nancy Moore, and Geoff Robinson, and Trevor Moore, the review of the Report for the incurred period beginning December 1, 2015 and ending November 30, 2016 "the period" commenced. The highlights of the Report included review of and discussion about:

- Key Service Metrics, which indicated that over 96,000 claims were processed during the incurred period, 31 appeals reviewed, 4,473 customer service inquiries handled (member and provider combined), an average turnaround for medical claims of 5.9 days, and completion of 784 clinical reviews.
- The advantages of the Blues Network and Premera's focus on unit cost discount, attention to healthcare costs and drive to provide the best cost discounts while being equally focused on the best quality of care.
- Premera's total cost of care initiatives and pending voluntary tiered "quality of care" networks launching in 2018.
- Network utilization, which indicated that the UIP saved more than 10 million dollars during the period due to Premera's contracted discounts.
- UIP demographics, which indicated that during the period the average number of members showed little change with a decrease of only 0.2%, employee turnover which is based on the average subscriber was 8.5%, and the average age of subscribers of 46.7 is still above the 44.1 norm, and the UIP is seeing a downward trend in average age from prior years.
- Claims and plan performance, which indicated that the Plan paid out over 18 million dollars during the period, of which 23% was paid under pharmacy. Premera stated that the UIP experienced a 5 million dollar increases over the prior period; highlighting that pharmacy was a contributing factor, compared to the slight increase in medical cost and spike in large claims activity during the period. Premera indicated that during the period, expenses increased 3.6%, which is better than the current trend, adding that the flat demographics and a 4.2% decrease in utilization are favorable components of the total cost change during the period.
- Utilization summary, which indicated a favorable decrease in inpatient admissions and days per 1,000 and an unfavorable increase in outpatient, advanced imaging, psychiatric claims, and urgent care (82% but still 38% below the norm) utilization. Premera also mentioned that preventative exam utilization had decreased 12% and was below the norm by 17%.
- Pharmacy metrics, which indicated that the "per employee per month" cost had increased by 16.1%, which when taking rebates into consideration is actually closer to a 12% increase. Discussion ensued relative to the utilization of generics, how the norms are established by Premera, what appears to be a significant increase in specialty

medication spend and the impact to the pharmacy expense due to the high cost for those prescriptions.

- Plan design and member cost share as a percent of what is allowed indicated that the total cost share is up slightly from the previous period but fairly flat considering what many plans experience.
- CareCompass360°, Premera's "whole person" model that focuses on members and their lives, not solely on their diseases or health status. Ms. Moore stated that the platform includes clinical management, quality and utilization management, pharmacy services, health and productivity for plans that use services through vivacity (which the UIP does not) and a 24 hour nurse line. Below is an outline of what was reported under this platform.

- Population risk score report, which analyzes the member population as percent within one of the following categories: Healthy, Low Risk, Moderate Risk, and High Risk & Complex and their utilization of the platform indicated that members in all categories were utilizing CareCompass360°. The report indicated that 72% of the members are incurring cost, and of those 4% of the population are in the High Risk & Complex category and incurring 38% of the cost, and of those members 67% utilized CareCompass360°. Ms. Winters offered to provide utility level Population Risk Stratification reports upon request.
- Clinical Services report indicated the member engagement level in case management is good. Ms. Moore explained how members engage in the voluntary case management program and the services provided through it, emphasizing that Premera's goal with this program is to remove barriers for the population.

Ms. Moore further explained that the one to one personal health support provided by these services includes care coordination, collaboration with providers and advocating for members.

- Quality and Utilization Management indicated that 82% of the 1,000 clinical reviews conducted during the period were done prior to the service being rendered.
- Pharmacy Programs report indicated that 47 Point of Sale reviews were requested resulting in 8 denials and a plan savings of \$131,854. Discussion ensued regarding the Rx Utilization Management Program and Premera's new electronic prior authorization process. Trustees learned that the new process allows the doctor real-time access to member prescription coverage details, including what is needed in order to fill the prescription so they can determine in advance if what they had planned on prescribing can be obtained or if they need to prescribe something else. Premera indicated that approximately 40% of the doctors in the network are utilizing this new service.

Also discussed was Premera's PNT committee which consists of pharmacists and other lay people who meet at least quarterly to review new products, dosage forms, medical evidence, etc. to make decisions relative to coverage rules.

The report also indicated that Rx Home Delivery utilization is twice the norm and that the RationalMed® Program, which provides potential opportunities to the UIP when utilized by doctors, provided some savings to the Plan during the Period. Mr. Robinson explained that this Program identifies gaps and promotes better coordination of care for members with multiple medical conditions and in the long run will drive down spend in this area.

- Convenient Care Support indicated that utilization of the Nurse Line was up from last year but still below Premera's norm. Ms. Moore suggested that Trustees continue to promote this service.
- Large Claimants report, which is a snap shot of large claims strategized by member population, indicated that the UIP is below the norm, even though this level of claims is up slightly. Discussion ensued relative to how the cost for these claims is factored into the rates and the impact of increased specialty drug utilization on large claims.
- Top Conditions, indicated that the UIP's two top conditions accounting for 15.9% of the UIP's spend was cancer and joint degeneration.
- Areas of focus indicated that cancer accounts for 10.3% of UIP costs. Mr. Scalph reported that the UIP's first area of focus should be on cancer and that of the cancers, breast cancer should be the number one focus area. Ms. Moore reported the UIP is not the only plan experiencing an increase in cancer conditions. Discussion ensued relative to preventative screenings, best practices, trends and technology used for early detection of cancer conditions.

Other areas of focus identified included joint degeneration, which is typically always in the top three (3), diabetes/cardiovascular conditions and due to an increase in visits, emergency room utilization.

- Virtual Care which provides members with immediate care via a national provider service, Teledoc® via phone call, online video, or other online media was discussed as an option to reduce emergency room visits. Premera reported that this service, which is currently not offered by the UIP, could result in some savings for the Plan while giving members a new way and possibly more convenient way to access non-emergent care when it is need. Discussion followed regarding the need to have an established doctor-patient relationship in order to utilize the service, the cost of the service and how if the UIP included it in the Plan design it would be implemented and promoted.
- B'Link, which is a new employer web resource that has forms, flyers and other resources that can be shared with members.
- Electronic explanation of benefits (EOB), Ms. Winters reported the UIP has a 27% participation rate and because of the percent participating the UIP is receiving a \$1 discount on the PMPM administrative fee, adding that if the UIP was to achieve 40% the discount would increase to \$2.00 PMPM. Ms. Chawes asked Premera to provide a list of those registered on the Premera website that had not elected the electronic EOB. Discussion followed relative to pulling EOB's from the website. Mr. Moore shared that

Premera will be relaunching the site soon and that with the new launch access may be easier.

- Pharmacy Trend, indicated overall pharmacy spend is higher than the prior period but still below the current norm. Mr. Robinson reported that inflation on brand medications where no generic is available and specialty drugs are driving the overall increase.
- Specialty Pharmacy indicated an increase in spend of 42.3%, Premera is projecting that 50% of pharmacy/medical spend in the future will be in specialty drugs. Discussion ensued relative to how specialty drug spend will impact future costs and the importance of these drugs to treat and cure disease.
- Pharmacy ranking on brand name drugs indicated one-half of the top 30 drug products listed are specialty drugs subject to prior authorization.
- RX – Hot Topics, indicated that the pharmacy market is rapidly changing. Trustees were provided information on the increased utilization of new Hepatitis C therapies, PSC K9 for high cholesterol provided to those with familial high cholesterol, and Biosimilar; some of which have an inflation rate of 20-25%.
- Premera reported on their new Essentials Drug List which, if included in the UIP Plan design Premera is indicating could result in a 15% savings in pharmacy costs. The report indicated that this new model; includes a fourth tier with lower flat copays for tiers 1-3 and in the fourth tier for higher costing non-preferred drugs. Discussion followed regarding formulary options, impact and disruption. Mr. Rothrauff, from Alliant requested additional analysis on the number and documentation that further explains the list and the value of changing.

**Outcome/Future Actions:** Premera agreed to provide utility level Population Risk Stratification reports to Grant and Benton PUDs; provide the cost per member for best screenings; obtain clarification relative to the need to have a doctor-patient relationship in order to utilize Teledoc®; provide utility specific lists showing the names of participants registered on the Premera site who have not elected the electronic EOB option; follow-up with HRA VEBA regarding utilization of Premera's Spending Report in lieu of an EOB when submitting for reimbursement; provide additional information to the Broker on the Essential Drug List formulary options; and provide the Broker with full formulary impact report should the UIP implement a Essential Drug List in the Plan design.

### **Catapult Demonstration**

Andrew Gonzalez presented Trustees with information about cost and services available to the UIP through Catapult; a Blue Cross Blue Shield Medical Provider whose main function is to bring wellness check-ups to the worksite that are easy and efficient. Following a video presentation Trustees entered into discussion with Mr. Gonzalez. During the discussions, Trustees learned the following:

- Onsite check-up minimum is 25, for groups over this amount there are no travel, data or set-up fees. Catapult as a medical provider submits the \$160.00 bill for the exam directly to Premera.

- Preventative exam and consultation are conducted by a certified Nurse Practitioner
- Participants complete a biometric screening. Screening includes a diagnostic finger stick blood draw using Abaxis Piccolo technology which is leading edge technology that provides real-time and accurate lab readings in less than 15 minutes.
- Following the screening, participants complete a medical history questionnaire and medical/depression evaluation using a computer (headphones can be provided by Catapult to ensure privacy).
- Following the exam and completion of the questionnaire/evaluation the employee goes to a private room for a consultation with the RN. These consultations are done in a private setting provided by the employer. Catapult provides the computers, screens and equipment needed to facilitate the exam. The employer only provides the screening and consultation rooms.
- Lab results are available to the employee on the patient portal, immediately following their check-up with the option to have them sent to their phones. Audio recording of discussions during the check-up are also available to the employee.
- If the nurse determines, based on the employee's results that additional care or case management is needed, they can initiate the transition to the appropriate care/management plan.
- Results can be delivered to the employee's personal physician; they will do a follow-up call for participants identified as high-risk.
- Catapult as a medical provider is subject to the same federal regulations as any other medical professional.
- Employer's can receive both utility and UIP as a whole aggregate employer reports. Employers with less than 50 participants will not have access to these reports.
- Catapult provides the employer the marketing tools and delivers communications to participants.

Trustees entered into discussion regarding the services provided, the importance of protecting employee information and ensuring they understand how Catapult protects it, the questionnaire and evaluation process, other forms used, the employer reports, the importance of HIPAA compliance, launch schedules and communication options, and whether or not this option should be considered as a provider for the onsite biometric screening requirement in 2017.

**Outcome/Future Actions:** Trustees agreed to continue discussions on this option at the next scheduled Administrators meeting. Chair Wenner thanked Mr. Gonzalez for presenting the information to Trustees.

#### **Report from Broker**

- **Experience Reports:** Mr. Rothrauff, from Alliant reported on claims experience for the medical, dental and vision plans for claims beginning January 1, 2017 through March 31, 2017. During the review, he noted that total enrollment and claims within the medical

plan are consistent, which is good; he noted that pharmacy is currently running somewhat high, but consistent with prior months and he suggested that, due to an increase in specialty prescription spend during the quarter, Trustees consider putting specialty RX spend on watch; and a many large claimants are in the PPO Plan which resulted in a per member per month increase, which is normal and subsidized by the CDHP Plan.

Trustees entered into discussion about pricing to align risk levels between Plans; the interest and physiological factor when employees make Plan choice decisions, regardless of the cost of enrollment; how other entities price their CDHP and PPO Plans in order to more closely align the risk level between the Plans, which Alliant indicated some employers may price them more closely to increase interest in CDHP Plans; and how higher transition to a CDHP Plan eventually would result in the same spend level as the currently higher cost PPO Plan.

Mr. Rothrauff further reported that Vision had incurred a significant increase in utilization for the 2017 plan year, which Trustees shared was likely indicative of the hardware benefit renewal provided on January 1, 2017; dental is remaining flat and is consistent with projected total plan cost; they have no concerns with the aggregate stop loss budget; there is nothing to report relative to large claims; the trend report which includes a medical/RX comparison to 2016 indicates that these costs may be trending down, adding that at this time in the year it is not a very credible comparison; the medical plan is performing well; the dental is remaining flat and decreasing, Alliant will watch to see what kind of services are being acquired.

**Outcome/Future Actions:** Trustees will consider putting specialty prescription spend on watch and Alliant will monitor the dental services being acquired.

- **Compliance Update:** Alliant and Trustees had a brief conversation related to Healthcare Reform and the new American Health Care Act (AHCA) bill.
- **Strategic Planning Approach:** Keith Robertson, with Alliant opened the discussion by stating that the UIP has a three (3) year window in an environment that is changing daily to position itself for the future, which will likely look very different from today from a healthcare and tax landscape. Mr. Robertson further shared that he monitors emerging trends and how they can positively and negatively affect the client and to assist the UIP he needs 1) feedback relative to where the UIP might foresee being in the future so Alliant can identify priorities and 2) a clear understanding of Trustees thought processes and changes that are evolving with in the UIP so Alliant can plan accordingly.

Trustees entered into discussion relative the formation and history of the UIP. Trustees also shared several ideas for strategic items to discuss during future planning sessions.

**Outcome/Future Actions:** Mr. Robertson thanked the Trustees for sharing their ideas and concepts for strategic planning and agreed to create a list of items mentioned to be shared and discussed further on a future date.

- **Consolidated Calendar:** Alliant shared that they are putting together the final details on the consolidated CWPU UIP calendar.

- **Health Advocate/Health Champion Comparison:** Alliant reported that the additional Health Champion value add option through Symetra, would cost the UIP \$0.21 per employee per month and it is not as robust a service as those currently provided by Health Advocate. Ms. Chawes shared that in the first quarter of 2017, 100 calls were made to Health Advocate from members, which is considered a good amount of utilization. Trustees discussed the provisions of current Health Advocate contract, which runs through June 2018.

**Outcome/Future Actions:** Trustees agreed to continue these discussions at a future meeting. Alliant agreed to look at utilization to determine how many employees are repeatedly using the Health Advocate Service.

- **Benefit Education Video:** Ms. Chawes reminded Trustees that Premera and Symetra have each agreed to contribute \$2500 to the UIP for use towards the development of a benefits education video. Ms. Chawes shared that the cost to amend the video created by Alliant for another client and shared with the UIP would be approximately \$3000 to \$4000 and to create an entirely new video the cost would be between \$13,000 and \$18,000. Trustees discussed messaging options for the video, suggestions included education on the differences between the PPO and CDHP Plans and using other benefit plan options to compliment CDHP enrollment, a very simple new hire introduction to CWPU benefit plan options, and educating employees on how the trust works and how through consumerism they can partner with the Trust to help control costs.

Trustees discussed development of a small group/committee to work on a basic and simple story board for the video that all utilities could use, also discussed was costs, the current regulatory environment and how it might change educational needs, and options to use other vendors or sources to achieve the same goal as desired with the benefits video.

Following an inquiry from Mr. Gray relative to when the UIP might consider closing enrollment in the PPO Plan, Trustees entered into discussion about trends as people migrate from the PPO to the CDHP Plan and the importance of giving employees individual choice through Plan options.

**Outcome/Future Actions:** Alternate Trustees Shannon and Pfitzer agreed to work on a story board to outline a video explaining the differences between the PPO and CDHP Plans. Additionally, Trustees agreed to continue the benefit video discussion at a future meeting date and that discussion relative to Plan options be included in the strategic plan discussions scheduled to begin in the near future.

- **Alliant New Analytic Report Update:** Mr. Rothrauff updated Trustees on the status of the agreement and configuration of the Deerwalk analytical reporting tool. Alliant shared that prior to utilizing the tool; the UIP needs to enter into a NDA agreement with Deerwalk. Stating that the purpose of this agreement is to ensure the UIP is meeting its privacy requirements. Alliant recommended that Trustees consult with their own legal counsel regarding the NDA agreements. Ms. Chawes indicated that the UIP will also need to enter into a separate agreement with Premera in order to receive aggregate employee data from them.

**Outcome/Future Actions:** Alliant will provide Chair Wenner with the Premera agreement for review and signature, a draft NDA for consideration, and a summary steps needed to enter into the agreement with Deerwalk. Chair Wenner will seek legal advice from Benton council relative to the agreements between the UIP and Deerwalk. Pending signature of the agreements, Alliant anticipates they will be able to present the first analytical report to the UIP at the Q3 Quarterly Trustee Meeting.

### Administrative Items

- **Budget for Professional Services:** Chair Wenner shared an interest in discussing options for the UIP to budget for legal services. Discussion ensued relative to contracting for legal services.

**Outcome/Future Actions:** Chair Wenner agreed to review in draft UIP Procurement Policy relative to the contract requirements for these services and update Trustees during the next monthly Administrators call.

- **Administrative Services Reimbursement:** Alternate Trustee George distributed a draft version of a new Administrative Services Reimbursement form intended to be used by Trustees to submit for reimbursement from the Trust for approved employee, covered dependent and commissioner expenditures paid locally.

**Outcome/Future Actions:** Trustees agreed to use this form for future reimbursement requests.

- **Amendment to Interlocal Agreement:** Chair Wenner stated that this item would be deferred to a future meeting date.

**Meeting adjourned at 3:30 PM**

Approved by Trustees on August 29, 2017



Melina Wenner, Chair

/jag