

**Central Washington Public Utilities**  
UIP (Unified Insurance Program) Quarterly Trustee Meeting  
Grant PUD, Grant PUD, 30 C St. SW, Ephrata WA  
Wednesday, April, 25, 2018  
**MEETING MINUTES**

**Roll call**

The meeting was called to order at 10:00 a.m. by UIP Chair Wenner. Following introductions and housekeeping matters, which included a slight change in agenda order, roll call was taken. The following individuals were in attendance:

<b><u>PUD</u></b>	<b><u>Trustees</u></b>	<b><u>Alternate Trustees</u></b>	<b><u>Officers</u></b>
Benton	Melina Wenner	Jody George	
Douglas	Barbara Davis		
Ferry	Marilee Kuehne		
Franklin	Carrie Locke	Sylvia Hubbard	
Grant	Annette Hernandez	Darla Stevens	Brett Bergeson, Auditor
Okanogan		Katie Pfitzer	Rob Gillespie, Treasurer
Pend Oreille			

**Alliant:** Keith Robertson, Schuyler Briscoe, Kim Chawes, Christian Rothrauff and Jennifer Spence

**Others:** Connie Olson, Clifton Larson Allen; Brian Gray, IBEW Local No. 77

**2018 Fiduciary & Crime Policies**

Chair Wenner shared that the 2018-2019 Fiduciary & Crime Policy renewal were quoted per limits, retentions, terms and conditions that were on the 2017-2018 policy. Changes to the policy included increases in Fiduciary coverages. The Fiduciary policy experienced a slight increase in premium due to a 5% increase in plan assets. Chair Wenner proposed that Trustees approve the renewal as exhibited in the summary distributed prior to the meeting and associated premium of \$8,787.00.

**Motion** to approve the renewal and authorizing payment of the premium in the amount of \$8,787.00 was made by Alternate Trustee Pfitzer and seconded by Vice Chair Hubbard. Motion passed unanimously.

**Meeting Minute Approvals**

Approval of the minutes for March 14 and 15, 2018 and April 12, 2018 were deferred to a future meeting date.

### **Benefits Program Administrator Update**

Trustee Hernandez stated that initial Benefits Program Administrator interviews are scheduled for May, 21, 2018, beginning at 10:00 a.m. and ending at 3:00 p.m. at Franklin PUD. Trustee Hernandez indicated that interview questions were under development. Trustees discussed how the position wages would be distributed and the incumbent's headquarters and host utility.

**Outcome/Future Actions:** Chair Wenner explained that Trustees will need to explore how labor costs will be distributed and that it had been decided that the incumbent would be reside closest to the UIP Chair and likely have a home base at Benton PUD.

### **Premera Knowledge Services Report**

*10:00 a.m. - Premera Blue Cross representatives Carmen Winters, Jeffery Scalph, Nancy Moore RN CNCM, Jennifer Polzin PharmD, joined the meeting to present the Premera Knowledge Services Report.*

Carmen Winters, Client Services Manager with Premera began the report with team introductions and overview of the agenda. Ms. Winters provided an overview of Blue Networks approach to achieve appropriate high-quality care at the right price. During the overview, Ms. Winters indicated that 95,955 claims had been processed during the reporting period and Premera estimated that discounted claims paid in-network equated to a 39.8% cost savings for the UIP. Ms. Winters also shared details about a new value based network structure being implemented by Premera that expands the Heritage Network called Flex Advantage (a value-based network). She indicated this value-based network is a cost saving option for the UIP. She indicated that the structure holds providers accountable for the care provided and divides them into 2 levels based on cost, quality of care and outcomes. Other components of the report included:

**Top Providers.** Report captures top providers by paid claims. Christian Rothrauff, with Alliant asked if the hospitals know their quality scores, Ms. Winters indicated they do and that Premera's Medical Directors are meeting with them face to face more frequently and as a result the healthcare systems are working harder to improve their CMS scores. Discussion ensued around the measures for quality that are a part of CMS scoring. Ms. Winters indicated over the last year multiple surveys have been implemented and all feedback is taken seriously.

**Population Profile.** Jeffery Scalph shared that this report looks at what is demographically driving cost (age and number of employees). Report indicated UIP family size is 3.1 and average age of Subscribers (employees) is higher than their norm, which can contribute to the average cost.

**Plan Performance.** Per Mr. Scalph, report indicates vision claims were close to flat; UIP experienced a decrease in high claims and a 4.2% per member per month (PMPM) increase in total cost which was attributed to a 4.7% increase in medical claims and a 1.1% increase in RX. In addition the report provided a five (5) year historical view of PMPM claims, which per Mr. Scalph, the overall average for the UIP is on a good trend basis compared to their regular book of business.

**Utilization Summary.** Mr. Scalph reported that due to three (3) buckets of care the UIP experienced an inpatient days per 1,000 increase of 47% and separately the PMPM increase of 38%. He stated that the 4.2% PMPM increase impacted these numbers. Mr. Scalph explained that urgent care cost increased 66% which indicates members are seeing more value in seeking urgent care over emergent care.

**Pharmacy.** Jennifer Polzin reported that pharmacy PMPM saw a slight increase in cost due to high claims and suggested utilization of Premera's new tighter essentials formulary design as a means to reduce pharmacy experience. Ms. Polzin explained that the new program mandates that prescriptions at the time they are dispensed be filled with a generic (if available) versus a higher cost patented drug and that by invoking this program, regardless of how the RX is written, the member pays the actual difference in cost vs. the higher tier copayment to receive the more expensive patented drug. Discussion ensued; Vice Chair Hubbard asked how this design would impact individuals who for medical reasons could not take the generic. Ms. Winters confirmed that they would be subject to the rules of the program and pay the higher cost. Ms. Polzin suggested that addressing formulary is the best way to control the PMPM cost and that by combining the new formulary design with Accredo the UIP is estimated to experience a \$5,842.00 annual savings if utilization remains the same.

**Areas of Focus:** Ms. Polzin explained that the report illustrates how medications are paid by service category and where the administration services are provided (pharmacy or medical facility). Discussion ensued between Mr. Rothrauff, Ms. Winters and Ms. Polzin pertaining to how rebates are calculated and delivered to the UIP. Ms. Winters indicated that the UIP did not receive pharmacy rebates in 2017 and should expect to see them in 2018. Ms. Polzin indicated that through utilization of the Case Management Program; significant savings was obtained when a case manager coordinated home vs. hospital infusion for a member and that for each home infusion the UIP experienced a savings of \$6,100.

**Member Cost Share.** Mr. Scalph shared that the report indicates a decrease in overall cost of medical and that large claimants can increase this figure.

**CareCompass360°.** Nancy Moore reported on the program model and categories based on UIP risk scores and health continuums. Ms. Moore noted that that the UIP is right at the norm for Premera.

**Large Claimants.** Mr. Scalph explained that the report looks at the prior and current period and compares to norm. It was noted that the highest claim dollars spent was in in pharmacy and with no claims over \$250,000 the UIP is below than their normal book of business for annual high claims.

**CareCompass360° - Integrated Care Support.** Ms. Moore reported that this service provides comprehensive support to members with chronic conditions who meet the criteria established by Premera, if they meet the criteria the case is reviewed by a utilization management team and when complex needs are identified the member is referred to the support team. Ms. Moore shared that of the 53 members targeted for the program the

UIP had 47% engagement, which is higher than Premera's book of business (46%) and the industry norm of 18%.

**Quality and Utilization Management.** Ms. Moore reported that this clinical review program ensures members receive care based on evidence that is appropriate, in the right setting, and at the right time. Ms. Moore explained that prospective clinic reviews occur prior to service being provided and retrospective occurs after service is provided. Ms. Moore indicated that all clinic reviews are conducted internally, excluding those for CT and other complex imaging services which are conducted by AIMS Specialty Health.

**Pharmacy Programs.** Ms. Polzin reported that effective April 16, 2018 new scripts for opioids will be limited to a seven (7) day supply. Ms. Winters confirmed that providers have been made aware of this change and that it has been put in place in accordance with the CDC and is applicable to new users only.

Other changes shared by Ms. Polzin included: Diabetes test strips are going to be narrowed to a select group of tests strips; affected users will be notified of the change. Brand name steroid creams and acne products will soon be reviewed by PNT, who is an external group of doctors who look at the formulary and clinical efficacy of the prescription on behalf of Premera, to determine which is most effective.

Ms. Polzin shared that Premera is launching a new Smart 90 Program which will give members the option to pick up 90 day supply of maintenance and specialty drugs that do not have to be delivered to the home at Walgreens at Premera's negotiated discount for mail order drugs. Ms. Winters indicated that the details of the program have not been published; however, the UIP will have the option to model the program July 1 for a January 1 launch.

Ms. Winters shared that access to the Pharmacy site will go to single sign-on with the next upgrade to the Premera App and when it does members will be able to access the site via the Premera portal without having to register for an additional site and login outside of the portal.

Ms. Polzin explained Premera's new NationalMed Program which closes care gaps and promotes better coordination of care for members with multiple conditions.

**Top Conditions.** Mr. Scalph reported on the top 10 conditions affecting the UIP population and the impact to the UIP spend. Mr. Scalph explained where prevalence is to the norm for each condition, the associated cost compared to the last reporting year, the rate of complications and re-admissions.

**Area of Focus:** Mr. Scalph indicated that the claims experience indicates a prevalence of joint degeneration and the report indicated the UIP should consider wellness efforts focused on reducing BMI and increasing physical activity and changing the plan design to encourage members to utilize high value providers

**CareCompass360° - Outpatient Rehabilitation.** Advocate Service is an option for the UIP that requires member education but would result in a significant cost savings for members and the UIP. The program premise is to ensure the medical basis for the rehabilitation is to

restore function. Mr. Scalph shared that member utilization of physical occupational therapy is below the norm and significantly higher than the norm in massage therapy, adding that Chiropractic care is contributing to these costs. Trustees discussed the how chiropractors subscribe massage therapy as a part of a patients treatment plan. Ms. Winters indicated that the program ensures benefits are provided when needed.

**Areas of Focus – Conditions.** Based on claims experience the following areas were identified as areas of focus: Psychiatry / Chemical dependency, cancers, diabetes / cardiovascular, maternity, and emergency room utilization.

Relative to chemical dependency and psychiatry costs, Ms. Polzin indicated she anticipates the UIP will experience some decreases in 2019 as a result of changes being implemented by Premera to comply with CDC requirements. Ms. Moore indicated that a significant portion of the cost in this area is associated with out of network care.

Mr. Scalph brought to Trustees attention that member utilization of preventative cancer screenings is down and suggested that the UIP initiate a campaign to initiate utilization of the preventative benefits; members appear to be utilizing the appropriate diabetes screening benefits in all areas except for kidney testing; RX adherence by members with cardiovascular disease is currently lower than the norm and could be attributed to forgetfulness, side-effects and the cost of the medication; some of the costs associated with maternity are attributed to increased caesarian births; appropriate use of the ER may decrease utilization for non-emergent care and 69% of members went to the ER for the right reasons.

**CareCompass360° - Nurse Line.** Overview of utilization.

**Virtual Care.** Ms. Moore shared that Premera is experiencing an increase in virtual care utilization. Ms. Chawes indicated that Teledoc, which has previously been considered by Trustees, is now sending out welcome kits and ID cards to members who enroll in the service. Additionally they have also incorporated dermatology into their line of services. Ms. Winters shared that member utilization of Teledoc has increased substantially over the last year and the appointment service cost is \$40.00 for medical and \$75 for dermatology. Trustees entered into discussion about the time commitment to communicate, promote and implement the Teledoc service.

**Web and Mobile Tools.** Ms. Winters indicated that multiple updates to the website will occur over the next year and shared that 28% of the UIP subscribers and members are currently enrolled in the electronic EOB service and will receive an additional discount on the administrative fee if 40% enroll in advance of the next renewal.

*12:02 - Break for Lunch*

*12:20 - Meeting Reconvened*

## Premera Knowledge Services Report Continued:

**Pharmacy.** Ms. Polzin reported that the UIP had a slight PMPM increase in Pharmacy trend and once rebates were applied a reduction. She shared that drivers of drug trend included inflation, utilization and shift in brand/generic ratios. Regarding Specialty Pharmacy, Ms. Polzin indicated that with Accredo going into effect on March 1, 2018 the UIP should experience a 3% cost decrease in specialty spend, which had a 41.7% increase in spend during the report year. Other pharmacy related topics discussed included the top 30 drug products, plan cost PMPM by therapeutic category and what was driving increases and decreases by category, trending topics in pharmacy such as CAR-T Cell and the very expensive Gene Therapy. Ms. Winters indicated that Patients going through gene therapy are immediately flagged and notice is made to Premera for prior authorization on the appropriateness of the therapy. Ms. Winters indicated that no cases have been reported under the UIP plan and members at the time of prior authorization for this therapy are automatically referred to a case manager followed by a notification going to Ms. Winters who would then notify Alliant and the Chair of the UIP so all parties are aware that a large claim is forthcoming.

Also reviewed was the value of the Essentials Care Pharmacy and List and the savings that can be obtained which is estimated to be a reduction of between 9.7 and 10.8% (approximately \$10,000 for the UIP). Ms. Winters indicated that implementing the program would result in a new four (4) tier RX structure and would have a negative impact on a large number of members who would have to go to a contract price drug that is preferred instead of having multiple drug options to treat for the same condition and separately those who would move from a preferred to non-preferred RX. Ms. Winters indicated that communication would entail a three (3) to six (6) month rollout and a letter to each member with preferred alternatives that notifies them of the need to contact their physician to change their RX by the implementation date. Trustees discussed the notification process and availability to notify each utility regarding impact to their members, the cost savings that could be obtained. Ms. Winters indicated that Premera would like a minimum of 60 day's advance notice of the UIP's intent to implement the program. Ms. Chawes asked for confirmation and Ms. Polzin confirmed that the purpose of the program is to incur a savings in the future and protect against the high cost of specialist drugs and generics on the market and if it is implemented and a drug is no longer preferred than the non-generic version of the drug would not be available through the plan. Discussion followed relative to why physicians continue to prescribe prescription drugs once they become available over the counter.

In closing Premera shared that through CareCompass360°, RX Rebates, and Network Discounts they estimated the UIP experienced a total annual savings of \$17,060,354 and presented to Trustees for consideration a recap of programs previously discussed that could result in even more saving opportunities for the UIP.

*12:55 p.m. - Chris Nordman with Omada joined the meeting via conference call at 12:55 PM.*

**Omada Wellness Program.** Mr. Nordman presented details about the Omada Health's 16 week digital behavioral change program designed to provide intensive behavioral counseling to individuals with chronic diseases. Mr. Nordman shared that the program price is based on outcomes vs. participation or ability to participate and the UIP would only be charged for those members that access and complete certain program milestones. Mr. Nordman explained that program, which is clinical and billed through Premera, offers a highly personalized journey for the member and is a high touch intervention that helps promote behavioral change through education and motivation. Details of the program include a professional health coach, interactions with a peer group that has similar risk factors, is the same age, and demographics as a means to create accountability and high engagement. The program timeline includes one (1) to four (4) months of support and another 5 months to focus on refining skills and habits. Weight loss and interactions are tracked and data received is analyzed continuously and notices deployed to health coaches to take action and reach out to members who are not engaged in the process. The program uses smart technology to interact with the member and has apps available for Apple and Android devices. Employer aggregate reports can be provided. Mr. Nordman provided a demonstration of the website.

Discussion followed regarding integration between the solution and fitness devices and apps, as well as clarification that participation in the program is limited to individuals with a high risk factor such as elevated BMI, clinical obesity, or a chronic health condition. Ms. Winters shared that to be eligible to participate in the program an individual must meet the programs clinical criteria, which is determined by individual responses to a questionnaire. Also discussed was utilization of the health coach and how it is based on the member's individual's needs.

**Outcomes/Future Actions:** Chair Wenner thanked Mr. Nordman for presenting this information to Trustees. No additional actions relative to this program were identified. Trustees agreed to discuss the Premera offerings and programs mentioned during the Knowledge Services Report at a future meeting.

*1:40 p.m. - Mr. Nordman and staff with Premera departed the meeting.*

### **UIP Bylaws**

Chair Wenner shared that the UIP Bylaws within the Interlocal Agreement were recently reviewed and it was suggested that under Article IV, Section 8 – Meetings be amended to include the monthly meetings of the Trust as a regular meeting. Chair Wenner clarified that due to the presence of Trustees at the monthly meetings which were previously intended to be plan administrator meetings, created a forum and therefore required notice of a special meeting with each occurrence.

**Outcome/Future Actions:** Trustees agreed that the Interlocal Cooperation Agreement establishing the CWPU Unified Insurance Program Trust and Declaration of Trust be amended to stipulate that the monthly meeting of the plan administrators be designated as a regular meeting of the Trust. Chair Wenner will amend the document and distribute for review and approval at a future meeting.

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

Connie Olson, consultant with CliftonLarsenAllen provided an overview of the Financial Report for the period January 1, 2018 through March 31, 2018.

**Motion** was made by Vice Chair Hubbard and seconded by Alternate Trustee Pfitzer to approve the Financial Report for the Trust for the period August 1, 2017 through December 31, 2017. Motion passed unanimously.

### **Wells Fargo – Portfolio Investment Review**

*1:45 p.m. - John Cannon, Vice President and W. Bruce Remington, CFA with Wells Fargo joined the meeting.*

John Cannon, Relationship Manager and single point of contact for the UIP shared information relative to the Wells Fargo investment management and Trust relationship team; Wells Fargo's role as custodian to the Trust; review of current signers by account and their access; the Trust account fee structure and fee schedule, which is grandfathered at 17bps per year.

Bruce Remington, Investment Manager for Wells Fargo, shared that both the of the UIP reserve accounts were best in the money market and as a public agency are fully collateralized money market accounts and reported to Washington State. Mr. Remington indicated that state legislation requires the Trust run very conservatively and are benchmarked by Bloomberg/Barkley's 1 to 3 bond index.

Mr. Remington provided Trustees with an Investment overview covering topics relative to current market status, yield curve and discount rates, economic activity and inflation, and market forecasts. Mr. Remington provided a summary of the Contingency Reserve and IBNR Reserve Accounts as of December 31, 2017 and March 31, 2018. This review included a 10-year performance review, details on portfolio characteristics, levels and holdings for each account.

In closing, Mr. Remington shared details about recent organizational changes within Wells Fargo.

**Outcome/Future Actions:** Chair Wenner thanked Mr. Cannon and Mr. Remington for attending the meeting. No future action items were identified.

*2:44 p.m. - Mr. Cannon and Mr. Remington departed from the meeting.*

### **IDAP Report**

Christian Rothrauff and Jennifer Spence provided an overview of the IDAP Wellness Report results for the wellness population (1100 employees) and non-participants (276 employees) in the UIP Wellness Program. The overview indicated that demographically, the wellness population's average age is younger by approximately three years and the wellness population claims PMPM typically run lower than non-participants; however, they did experience a slight increase in total claims over the prior year. The report also indicated the within the wellness population the prevalence of cancer is less and within both groups there is a prevalence of hypertension and hyperlipidemia. Discussion followed regarding preventative measures, adherence to treatment plans and strategies that would impact the overall wellness of UIP members. Ms. Spence shared with Trustees that when talking about behavior change and



engagement Trustees need to find options that employees can utilize in a way that works for them. Strategies suggested and discussed included:


- Utilizing resources through medical provider and other entities to ensure adherence to treatment plans
- Making clinical solutions like Omada available to members to help them transition to a healthier lifestyle
- Increased focus on promoting and marketing dependent and spouse utilization of preventative benefits, nutrition programs that are not complicated or difficult to adhere to, and fitness.

Also discussed was the availability of wellness reports by utility and union/non-union members. Vice Chair Wenner inquired about Alliant's experience and knowledge with Catapult as a provider of biometric screenings. Ms. Spence stated that Catapult is currently doing screenings for one of their large clients with locations throughout the country and it is going well.

**Outcome/Future Action:** Chair Wenner shared that Trustees need to evaluate solutions that prevent increases and shifting of costs to other benefits. The Union expressed an interest in sharing information about Omada with the EIAC.

**Meeting adjourned at 3:55 p.m.**

Approved by Trustees on July 24, 2018

  
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Melina Wenner, CWPU UIP Chair

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