

Pima County Health Care Benefits Trust Board Meeting November 8, 2018, 9:00 a.m.

Pursuant to A.R.S. § 38-431.02, notice is hereby given that the Pima County Health Care Benefits Trust will hold a meeting open to the public on Thursday, November 8, 2018, at 9:00 a.m. The meeting was held in the Human Resources Training Room located on the 4th floor of 150 W. Congress, Tucson, Arizona.

MINUTES

A. Roll Call

Present	Henry Boice, Chair, Board Member Keith Dommer, Board Member Daisy Jenkins, Board Member Dr. Francisco Garcia, Board Member
Absent	None
Also Present	Marchelle Pappas, Board Coordinator Cathy Bohland, Pima County, Human Resources Eric Rustand, CBIZ Matt Weel, CVS Health Mike Zucarelli, CBIZ Andy Welch, Pima County, Finance Gayl Zambo, Pima County, Human Resources Jennifer Billa, Pima County, Human Resources Xavier Rendon, Pima County, Finance Erin Marts, Pima County, Human Resources Mandy Armenta, Pima County, Finance Zulema Adame, Pima County, Finance Casey Lawton, Ameritas Michelle Campagne, Pima County, Finance Ana Roth, CBIZ Meredith Litton, Pima County, Finance Taylor Nervo, Employers Health

Meeting was called to order at 8:57 a.m.

B. Pledge of Allegiance

All present joined in the pledge of allegiance.

C. Approval of August 23, 2018 Meeting Minutes

Mr. Dommer moved to approve the minutes as presented. Ms. Jenkins seconded. Vote taken – 4:0 to approve minutes, motion passes unanimously.

D. Aetna Presentation

1. Medical Utilization Review

Ray Eveleth and Karen Peters presented the Aetna Utilization review

- Demographics (current vs prior period) – No discussion
- Claim Segmentation – No discussion
- Financial Summary – Question raised as to the reason for the inpatient paid amount per member increase of 23.3%. Mr. Eveleth answered that the increase was incurred which is result of the high cost claimants. Discussion ensued.
- Impact of High Cost Claimants - clarification was provided the there are three high cost claimants, one new to this year and 2 carry over from last year.
- Medical Utilization Summary – No discussion
- Network Summary – No discussion

2. Break-out of employees vs. dependents utilization (request from last meeting) – Ray Eveleth presented – No discussion

3. Aetna’s target network discount (66.2 or greater) (request from last meeting) -

4. High Cost Claimants (request from last meeting) - Top Claimants during Q4 – Noted that the claimants are engaged with in touch care. Discussion regarding substance abuse provision. Should the insured not comply with terms of treatment what would be the plans provisions? Discussion ensued regarding opioid addiction and limiting care to in network facilities. Dr. Garcia noted that relapse is the normal not the exception and we may need to look at redesigning the plan. Discussion ensued regarding deductibles

5. Top 5 Diagnostic Categories (request from last meeting) – Dr. Garcia inquired as to the percentage of the population is in the top diagnostic categories. Ray noted he did not have that information at this time, but it can be provided at the next meeting. Discussion moved to the ethics of treatment and the associated cost of the plan. Discussion regarding the populated driven diagnostic categories and the relation to the age of the insured. Discussion regarding the occupational health nexus and be able to provide training, equipment, etc.

6. Top 5 Pharmacological Categories (request from last meeting) - Discussed under agenda item F.2 presented by CVS/Caremark.

7. Trends in Disease Category (request from last meeting) – No discussion

E. Aetna Discussion

1. Potential Services Additions – Gayl Zambo requested Aetna provide estimated costs to the plan if it were to add preventative service screenings for skin cancer, heart conditions (calcium scores) and bariatric surgery. Discussion followed regarding the overall cost

being minimal to have screenings done. Dr. Garcia noted we should look into the US preventative task force for recommendations on health screenings. The Board should not just be looking at specific costs, but the whole prospective of treatment. There should be some personal responsibility component with prevention, benchmarks should be met and tracked. Mr. Boice inquired if these items were for discussion or if a vote was required to implement preventive screenings. It was noted that a vote would come back to the Trust Board once staff had a recommendation.

F. Caremark/CVS Presentation –

1. Pharmacy Utilization Review

Mark Weel from CVS Caremark presented the Pharmacy Utilization review to include July through September 2018 data and RX detail.

- Top 10 Therapeutic Class review – No discussion
- Top 25 RX - by gross cost – currently there are not clear identifiable as more data is gathered CVS can track adherence. Ms. Jenkins discussed specialty screenings may be appropriate as it has an effect in a clinical perspective and relates to cost. Discussion continued. Question raised as to whether the Trust is seeing a decrease in cost by carving out the pharmacy piece and whether it is providing value? Discussion followed on whether the gross cost is declining. HR Staff did a comparison of the prior data RX plan and RX that are comparable and cost is cheaper for the plan with the carve out. 90 supply is optional for Pima County – Mr. Dommer questioned if other insurance plans were voluntary vs. mandatory, Mr. Neil answered that plans have a 50/50 split. Discussion followed. Question raised as to whether the plan would see any costs savings if we encouraged plan participants to move from retail to mail order with a 3 months' supply. It was answered that, yes there would be savings. Maintenance choice is a cost efficient choice, mail order option but the participant picks up the RX in the CVS store. Customer service of the plan was discussed. Issue Dr. Garcia brought up is the high cost of the antiviral with copay issue. Questions for future is why do our members have to go through a separate corporate door to take advantage of discounts? Barriers for the employee and beneficiary and it is incumbent on the group to figure out how to overcome this. Currently 1800 numbers to take advantage of copay assistance. Question raised as to when does CVS interaction with HR and when does HR see issues. Discussed that Caremark reaches out bimonthly call into HR to support Pima County and get ahead of any trends and share with team and to make recommendations. Discussion regarding looking at clinical performance for the patient, not just the cost. Discussion followed.

2. Top 5 Pharmacological Categories (request from last meeting)

Aetna presented the top 5 pharmacy categories which include antidiabetics, antiviral, psychotherapeutic, antiasthenic and antineoplastic. Discussion regarding preventative

screenings and the potential benefit and employee engagement through wellness. At the next meeting Aetna will provide bariatric surgery projected cost and avoidance.

G. Ameritas Presentation

Casey Lawton from Ameritas presented the dental presentation.

1. Dental Utilization Review

- Claims over the past 24 months – No discussion
- Paid Claims before PPO savings and employer cost savings – No discussion
- Claims per employee per month (monthly paid claims) – No discussion
- Paid Claims by Procedure – There is a higher orthodontic utilization. Discussion regarding types of procedures; type 1 - preventative exams, x-rays; type 2 - fillings, periodontics, root canal; type 3 – crowns and orthodontics
- Network vs. Out of Network claims – Pima County uses in Network at 69%, book of business is 81%. This is an area that can be improved upon. Question raised as to why we feel there is so much out of network claims. Discussion regarding the various reasons plan participants may be going out of network. Staff will look at the plan design to see where we can possibly make changes. Discussion regarding the advantage of basic care by adding preventive dental points into the wellness incentives.
- Savings from PPO (in network savings) – No discussion

H. CBIZ Presentation

Eric Rustand presented the information from CBIZ

1. Actuary Review – No discussion

2. 2019/20 Funding Requirements –

- Setting premium rates used 24 months of paid claims experience (year 1 dates 9/17 through 8/18) (year 2 dates 9/16 through 08/17) blend 80% year 1 and 20% year 2; Annual trend is industry standard RX trend had come down.
- Claims margin (error margin) – 2% claims margin is reasonable assumption
- Rebate Savings – 2.8 million and use 70% of projected savings which is conservative.
- Stop Loss – Projecting a 12% stop loss
- 0 % cost increase to premiums in the upcoming plan year
- HSA contributions – No discussion
- Medical Plan Costs – No discussion
- Question raised as to whether the Trust Board takes any action on setting the rates? Answered that the data presented is for informational purposes. Question raised if the Fund should be expecting additional costs per trend and

how this affects the Fund balance? Fund balance will be staying flat at 34 million which is a healthy Fund balance and is above the 26 million. One caveat to note is even though the Trustee's do not taken any action on the finances, but there are decisions that the Board can make which will have an impact on the balance. For instance plan design, addition of preventative screenings, service, etc. The Board has room to make some changes as there is a very healthy Fund balance. No further discussion.

3. Rx Market Check – No discussion

I. Pima County Finance

Andy Wells presented the Pima County Financial Reports

1. Year End Review

- Statement of Net Position Comparative 2017 to 2018 – No discussion
- Statement of Revenues, Expenses, and Changes in Net Position Comparative – No discussion.
- Statements of Revenues, Expenses, and Changes in Net Position Major Line Item Analysis – Discussion ensued regarding pharmacy rates and if Pima County could see better rebates. Staff answered that based on the response to the RFP the rebate amounts should increase with the new contract. Discussion regarding the wellness program showing the non-medical consultation from Aetna. This category is for the money that Aetna provides for Pima County Wellness programs offered to the employees.

2. Quarterly Review – First Quarter FY18/19

- Statement of Net Position – No discussion
- Statement of Net Position Comparative – No discussion
- Statement of Revenues, Expenses and Changes in the Net Position Comparative – No discussion
- Statement of Revenues, Expenses and Changes in Net Position Major Line Item Analysis – No discussion.
- Budget, Actual and Forecast – Budgets are based on straight line projections. No discussion.
- Healthcare Premiums – Discussed how employees are made of aware of the great price of the healthcare offered for employees and it was suggested that staff look into developing a communicative strategy around the low premiums and incentives offered. HR staff will think this through. HR Staff noted that there is a larger story to be told on how generous the County is as an employer. Discussion ensued regarding the “hidden salary” as a recruitment tool.

J. Call to the Audience – No response

K. Next Meeting Date – February 14, 2019

- 1. Future Discussion Items** – Cathy Bohland asked the Trustee’s if they were okay with the meeting schedule and times. Noted that the Trustee’s prefer to meet in the morning and the schedule works for them. Discussion on the reporting structure and if the Trustee’s would like to see any additional information or less information. It is noted that the Trustee’s would like the reports to stay the same and would like to have CVS present. Mr. Boice thanked everyone and reminded all that the main objective should be that the County employees are well taken care of at the best price.

L. Adjournment

Ms. Jenkins moved to adjourn the meeting. Mr. Dommer seconded. Vote taken – 4:0 to adjourn; motion passes unanimously. Meeting adjourned at 11:04 a.m.