

# **Pima County Health Care Benefits Trust Board Meeting February 14, 2019, 9:00 a.m.**

Pursuant to A.R.S. § 38-431.02, notice is hereby given that the Pima County Health Care Benefits Trust held a meeting open to the public on Thursday, February 14, 2019, at 9:00 a.m. The meeting was in the Human Resources Training Room located on the 4<sup>th</sup> floor of 150 W. Congress, Tucson, Arizona.

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## **MINUTES**

### **A. Roll Call**

Present	Henry Boice, Chair, Board Member Keith Dommer, Board Member Daisy Jenkins, Board Member Dr. Francisco Garcia, Board Member Ellen Wheeler, Board Member
Absent	None
Also Present	Marchelle Pappas, Board Coordinator Cathy Bohland, Pima County, Human Resources Gayl Zambo, Pima County, Human Resources Jennifer Billa, Pima County, Human Resources Erin Marts, Pima County, Human Resources Debbie Knutson, Pima County, Human Resources Eric Rustand, CBIZ Mike Zucarelli, CBIZ Jessica Velasquez, CBIZ Matt Weel, CVS Health Taylor Nervo, Employers Health Casey Lawton, Ameritas Ray Eveleth, Aetna Dr. James Krominga, Aetna Karen Peters, Aetna Tom Burke, Pima County, Admin Michelle Campagne, Pima County, Finance Meredith Litton, Pima County, Finance Zulema Adame, Pima County, Finance

Meeting was called to order at 9:03 a.m.

## **B. Pledge of Allegiance**

All present joined in the pledge of allegiance.

## **C. Approval of November 8, 2018 Meeting Minutes**

Ms. Ellen Wheeler was introduced as a new Board Member.

Ms. Jenkins moved to approve the minutes as presented. Mr. Dommer seconded. Vote taken – 5:0 to approve minutes, motion passes unanimously.

## **D. Aetna Presentation (30 minutes) - presented by Ray Eveleth and Karen Peters**

### **1. Medical Utilization Review**

- Comparison of 7/1/17 – 12/31/17 to 7/1/18 – 12/31/18 compare
- Demographics – Little change, 1% drop in enrollment, remaining demographics basically the same as the prior period.
- Claim Segmentation – Remains at low turnover and consistency remains year over year. Claim spend remains consistent.
- Financial Summary – Trend is at 2.5% which is extremely good and the pattern of the past.
- Impact of High Cost Claimants – 17.1% of high cost claimants represent total claim spend. Aetna book of business is 31%.
- Top Claimants Exceeding - \$100,000. Discussion ensued of top claimants. Discussed the substance dependence disorder in out-of-network facilities and expect further spend. Ms. Jenkins asked how long care had been given to the person and the legal requirement to provide legal care if the person has not held up their end in receiving the care. Ms. Peters stated care has been for 9 months out-of-network and out-of-state. Ms. Jenkins asked how long we are required to keep providing care. Ms. Peters advised that individual leaves in-patient facilities during the treatment. Mr. Rustand addressed that we will bring forth a recommendation to potentially limit the out-of-network utilization as there are sufficient facilities in-network. Several facilities out-of-network may waive deductibles so there is no incentive for patient to continue. Dr. Krominga says yes it is a benefit to limit to in-network as the facility may not place the patient in-patient with all the previous failures in previous treatments. Ms. Peters said that the individual is currently only approved for intensive out-patient treatment. Dr. Garcia provided that this is not unusual that a person relapses after partial completion, but it is unusual to be out-of-network. Dr. Garcia asked questions specific to individual #6 and what kind of transplant it was and why the person would go out-of-network for a transplant. Ms. Peters stated it was standard renal that the member has been evaluated and approved both locally and out-of-state but wishes to be closer to family during transplant.

- Medical Utilization – 13.4% was driven by maternity and surgeries. Overall days of care decreased. ER visits were flat.
- Utilization by Relationship – Total admits were predominantly on dependent side. Surgeries were driven by employee members.
- Top 5 Disease Categories – Mr. Eveleth advised that without seeing data it is difficult to determine who is in the specific identified areas.
- Network Summary – 90 to 95% of claims are paid in-network. We should think of plan design considerations for using out-of-plan providers.
- Ms. Jenkins asked about whether there is a requirement to get pre-authorization for out-of-network providers. Mr. Eveleth stated the member must pre-certify with Aetna.

## **2. Potential Services Additions (Cost/Avoided Costs/Any other Relevant Details)**

- Dr. Krominga stated that findings on the spreadsheet are based on USPSTF findings. One must look at the likelihood of finding the disease and secondly, if the test results in a false positive, what is the potential of doing further harm to the patient. Screenings should be based on value of finding something treatable versus something that has no value. Screenings are truly for someone who doesn't know that anything is going on, not to look at something specifically wrong with the person, i.e., a spot on the arm. The value depends on the person and their conditions. Screening is not easy, it is actually is a very difficult topic.

The following were discussed with different comments and questions:

- Skin Cancer Screenings - Dr. Krominga did not recommend this
- Heart Screenings / Calcium Score – only for high risk per physician
- Ovarian Cancer Screenings – only for high risk for those who self-identify
- Bariatric Surgery – In-network only for morbidly obese as stated by physician with counseling and pre-nutritional counseling bundled.
- Obesity services – Current and recommendations for areas of improvement
- Transgender Services – To be reviewed further and recommendations to follow
- In-Network limitations – Future research necessary
- Mr. Rustand stated that the point of discussing these items is to determine whether to cover as preventative, so not using deductible or co-insurance. Ms. Wheeler asked about obesity services and adverse impacts. Ms. Peters described the services for at risk obese individuals that are covered at a 100%; however, there are no bundled services for this and we could do a marketing strategy to get the word out to members. Dr. Garcia provided another factor to think about when determining whether the screening will prevent morbidity and detecting it early, asking whether it changes or delays the morbidity. Dr. Garcia

sees it as a floor rather than a ceiling meaning to be thoughtful about what might be the unique needs of the population. Mr. Rustand stated that bariatric surgery is not covered at all. Ms. Jenkins asked if there is a correlation between recommended and approved screenings and the membership that might be most beneficial for the high cost to the issues they may have. Dr. Krominga provided that cardio vascular screens are benefit to those at high risk, e.g., diabetes, overweight, smoking; however, those doctors already order those services. Most physicians are doing these in practice on these patients currently; however, it is not called screening. Mr. Rustand stated that the main reason for the screening is to remove the financial burden and have the need met as defined by their medical professional. Ms. Zambo explained that these screenings came up on a survey as most wanted screenings. Mr. Eveleth provided that ovarian screening can be put in place for those that self-identify as high risk and can have that screening performed at 100%.

### **3. Attached *Pima County Potential Plan Enhancements to use with discussion of Potential Services Additions (Added)***

#### **E. Caremark/CVS Presentation (20 minutes)**

Matt Weel from CVS Caremark presented the Pharmacy Utilization review to include October through December 2018 data and RX detail.

- Key Information – Identified that Doxepin may be limited by number of tubes and move to a step therapy program as he is seeing a trend that patients are given more quantities than the standard of eight (8) days. He also stated that they should make sure cheaper alternative medicines had failed prior to issuing this. Any changes to current plan for 7/1/19 need to be in by 5/15/19. Dr. Garcia inquired about how you take into account the surface area of lesions. Two other drugs were discussed which would require pre-authorization. Ms. Jenkins asked about the \$720,826 rebates and what percentage of the drug spend presented, which was determined to be approximately 27.2%.
- Key Metrics – Compare and contrast with the CVS Book of Business. 7.3% increase per member/per month, which is about \$6.00 due to less generics and more brand drugs being dispensed and the total number of scripts going up. Mr. Weel described that this is normal and to be expected in the first quarter.
- Specialty Pharmacy Trend – A relatively flat trend from quarter one to quarter two and will continue monitoring moving forward.

- Top 10 Therapeutic Class – Not much of a major shift in the categories. Mr. Weel described the top three drug spends and their trends.
- Top 25 Drugs – List is by gross cost, including specialty and brands. Not much change between prior period and now.
- Ms. Jenkins asked how our rebate compares to the book of business. Mr. Weel stated that is hard to determine because usage rates vary by employer. Mike Zucarelli answered it is approximately 27.2% of total quarter spend of \$2.6 million. Mr. Zucarelli stated the range is typically 0-30% and Pima County is currently maximizing rebate, but not promoting the use of specialty drugs. Pima County is on the high end and healthy end.

**F. Ameritas Presentation (15 minutes)** – presented by Casey Lawton

**1. Dental Utilization Review**

- Paid Claims – Increase is due to higher enrollment and not higher costs.
- Monthly Paid Claims - .29% change for per employee per month which is good. Dr. Garcia asked for clarification on the graph on left. Mr. Lawton explained it is the trend and estimation for 2020.
- Paid Claims by Type – 3 procedure types and orthodontia, broken down by Major, Basic and Preventative. Remaining relatively consistent.
- Paid Claims by Procedure – In terms of year-over-year change we are remaining consistent.
- Network Utilization by Procedure – Endodontics is 91% in-network. Mr. Boice inquired what drives out-of-network. Mr. Lawton explained that it varies, in that the dentist the patient likes may not be in-network or the patient may not have checked. Mr. Dommer asked if it costs more to go out of network for the Fund or is the cost to the participants. Mr. Lawton stated that the costs go to both. Mr. Rustand stated it limits the members’ benefit. Dr. Garcia asks whether there are differences in claims from communities with fluorinated water systems versus those that are not. Mr. Lawton will follow up with data.
- In-Network vs. Out-of-Network – We are trending in right direction for utilization; however, too soon to tell if it is from the changes we made. Mr. Boice asked if notification is given to employees of information of what the costs is to go out-of-network. Ms. Zambo said the benefit of the plan is that you can go to anyone. Ms. Wheeler asked how many dentists are in the network. Mr. Lawton stated that 87% of the dentists in Arizona are in the network and will run a report to find out how many are in Pima County specifically and report at next meeting. Mr. Lawton explained the Ameritas network is growing about 4% per year and the Arizona network is very robust. Mr. Boice asked if we track the out of network for costs and Mr. Lawton stated that they do.

**G. CBIZ Presentation (15 minutes)** – Presented by Eric Rustand

**1. Actuary Review**

- Medical Plan Costs Incurred and Paid, Loss Ratio, HDHP and PEPM costs – no discussion.

- Loss ratio and PEPM cost is running lower compared to previous years.
- Runout - Incurred and not yet paid - each employee per month - no discussion.
- Question raised from Mr. Dommer on if PEPM is per employee or per member. Mr. Rustand answered as per employee.
- Mr. Dommer asked if the County buys excess insurance per claimant basis. Mr. Rustand answered the stop loss policy is reviewed annually. The prior year it was \$400,000 per claimant, but due to no claims and healthy trust fund reserve it was upped to \$1,000,000 this year.
- Member responsibility will start to trend down as deductibles have been met while plan cost should be expected to trend up.
- Question raised on if we've needed to take advantage of the stop loss in the last two years. Mr. Rustand answered no.

**2. Recommendations on Potential Service Additions as presented by Aetna in item (C)(2) and request for approval**

- Advantage is to remove financial burden from the members so they will go if at risk.
- Bariatric services (not currently covered) would only be covered in-network and one time ever. Would require a series of steps to qualify for Bariatric Surgery. Plan would require medical necessity due to morbid obesity.
- Question raised from Mr. Boice if there are enough Bariatric surgeons in network. Answered that there is one in Southern Arizona and several in the State of Arizona.
- Transgender services are being looked at, but needs further review. Not asking for approval for recommendations on this service today.
- Discussion regarding risk factors of services.
- Question raised from Mr. Dommer on if financial impact has been looked at. Answered as, yes, and referred to hand-out in packet.
- Question raised on what the time line is for the full bariatric series to be completed. Ms. Peters answered that it depends per case, but approximately 6 months.
- Question from Dr. Garcia if there is a way to see if members have used HSA funds to pay for bariatric services. Answered as no information.
- Discussion on Trust Board responsibility. Question from Mr. Dommer on which types of items are voted on by the Trust Board. Mr. Burke answered as in the past there would be report and discussion on plan changes, but the Trust Board would not necessarily vote on everything. Going forward when time permits, recommendations for plan changes will go to the Trust Board.
- The current recommendations are that the first four services: Skin Cancer Screenings, Cardiac Stress Test, Calcium Score and Ovarian Cancer Screenings to be covered under preventive services at 100% with the plan written under medical necessity language. The other recommendation is that Bariatric Surgery would be covered with the recommended parameters. These would begin 7/1/19.

- Dr. Garcia moved to approve the four screenings as preventive and to cover bariatric surgery. Mr. Dommer seconded. Approved unanimously, 5-0.

#### **H. Pima County Finance** – Presented by Meredith Litton

- Statement of Net Position Comparative –Loss showing due to shift in HSA liability.
- Statement of Revenues, Expenses and Changes in Net Position Comparative
- Mr. Burke explained that the decreases in charges for services was intentional and we did not want more than a 6-month reserve to support a healthy Trust Fund. Recommendation made that the Trust continue to pay HSA rates for next year. Question raised does this require a formal action from the Trust? Mr. Burke explained the role of the Trust Board is for guidance and to make sure funds not misused. Budget is set by Pima County Board of Supervisors.
- Statement of Revenues, Expenses and Changes in Net Position Major Line Items Analysis – no discussion
- Budget, Actual and Forecast – no discussion
- Question raised from Mr. Boice on if the breakout of investments is reported. Ms. Litton answered no but can be added for future meetings.
- Question raised from Dr. Garcia on why we don't see the vision plan information? Ms. Zambo explains vision is a fully insured plan.
- Question raised on if we should we see the financials first in the presentation? Recommended by Mr. Boice not to see them until the end as to not cloud judgment on any recommendations further in the presentation.
- Question raised from Ms. Zambo if the Healthcare Premiums graph should stay in future presentations. Mr. Boice asked if this information is used for recruiting and would it be possible to show a chart in future meetings of how much other employers pay vs. Pima County? It was discussed that this slide is not needed at every meeting. Suggestion made to show at budget review meeting.

#### **I. Human Resources (10 minutes)**

- **Communications** - Presented by Jennifer Billa

Ongoing presentations to educate employees on being smart consumers are well attended and received as positive and helpful information to employees.

- **Healthy Lifestyle Premiums Discounts** – Presented by Erin Marts

Due to litigation, a change was needed to the way we offer premium discounts to employees. Discounts will now be offered with many choices based on a point system for participating. Ms. Jenkins asked how many employees take advantage of discounts.

Ms. Marts said that 91% of Pima County employees currently utilize a minimum of one discount.

- **Short Term Disability** – Presented by Gayl Zambo

Recommendation going before Board of Supervisors on 2/19/19 for Pima County to implement Short Term Disability Benefit to all benefit eligible employees effective 3/1/19. It will be free to employees and paid for by the Trust. If an employee is unable to perform their current job duties and are under the care of a health care provider, they can utilize this benefit for up to 26 weeks after the 14-day waiting period.

A Trust member asked how this coincides with long term disability. Long term disability starts at 26 weeks and is paid for by employee's own paycheck deductions to Arizona State Retirement System with the County paying 50% and the employee paying 50%.

Mr. Dommer asked what the projected cost of this benefit is to the Trust. Ms. Zambo answered approximately \$1.6 million dollars.

Mr. Boice asked if this should have been presented to Board prior to today. Ms. Bohland explained this came up urgently in December as the Catastrophic Leave Bank Program is currently not able to sustain itself.

- **YMCA funding** – Presented by Tom Burke

To continue to offer discount to 700 employees, the Board of Supervisors approved a contract with the YMCA for \$60,000 a year that will be paid for out of the Trust.

**J. Call to the Audience** - No Comments

**K. Next Meeting Date** – May 9, 2019 at 9:00 a.m.

**L. Adjournment at 11:13 A.M.**