Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting August 9, 2021

Attendance: Mark Gassaway, Finance Director

 Mande Lawrence, Human Resources Director

 Leslie Lopez, filling in for Taylor Hallvik

 Sara Lowe, Deputy Treasurer

 Emily Zwetzig, Budget Director

 Amie Johnson, Board Chair

Maria Vergis, Scribe

Absent: Taylor Hallvik, Chief Deputy Prosecuting Attorney

Guests: Jennifer Weddle – Aon Health Solutions

**Regence Team**-CJ Hudson, Dr. Jim Polo, Dr. Wisam Younis

**Kaiser Team**-Nick Abraham, Lilian Belaen, Carrie Davino, MD,

Natalie Roth, Chika Yagi

**2020 Claims Utilization-Regence**

* CJ Hudson said today’s meeting will be an abbreviated version of the utilization and cost review that was presented to the HCC.
* Outline of benefit offerings
	+ PPO and HSA plans with pharmacy
	+ Medicare Advantage plan for retirees
	+ Stop Loss insurance on an individual and aggregate basis to cover liability over certain monetary thresholds, $200k per individual and 200% for aggregated claims.
	+ Regence provides care management programs for members with serious or chronic health conditions. Radiology Qualitative Initiative (RQI) is an imbedded program that promotes the use of advance diagnostic imaging services based on clinical judgment for MRI, CAT or PET scans.
	+ Regence Empower is a wellness program that promotes members living a healthier

lifestyle.

* Medical Utilization-Dr. Jim Polo
	+ Reporting period is January 2020 to December 2020.
	+ Benchmark data is 4 state Regence book of business (BOB).
	+ High Cost Claimants (HCC) are members with total paid claims greater than $100k within the reporting period.
	+ Medical Summary-Key Numbers
		- Total plan expenses $17.7 million. This is an increase of 12.5% from the prior year.
		- Medical expense was $13.5 million.
		- Pharmacy expense was $4.2 million.
		- Trend is 8.6%
		- Trend Drivers
			* 23.8% increase for inpatient facility; increase paid per admit.
			* 17.7% increase for outpatient facility; increase paid per visit.
			* The bulk of the expense on a medical PMPM basis is professional services even with a decrease in services per 1k. Professional services are 99% higher than benchmark.
* Prevalence of Chronic Health Conditions
	+ Behavioral Health (BH) is the number one chronic health condition. Regence has seen BH as the number one condition across all their BOB.
	+ Dr. Polo said the diagnosis of Adult Sleep Disorders is also a symptom of anxiety or depression, which is the number three chronic health condition.
	+ When combining the prevalence of BH at 15.2% and Adult Sleep Disorders at 11.1% the group has a prevalence of 26.3% which is above benchmark.
	+ Dr. Polo is not concerned that BH is above benchmark because most services are outpatient compared to the very few inpatient admissions. Outpatient counseling is a very efficient way to treat BH.
	+ Other chronic conditions above the benchmark are hypertension number two, chronic pain number four, and Asthma number five. These top 5 conditions are based on the group’s population status i.e. age and gender factors that impact costs.
	+ 10% of the population didn’t use any health care services.
* High Cost Claimants (HCC)
	+ 26 individuals had claims that exceeded $100k. These individuals or 1% of the population accounted for 28% of all expense or $5 million. There were 17 HCC in the prior year. More members had complex medical conditions that require a significant amount of treatment.
	+ The prior year PMPM cost was $113 compared to the current year cost of $179. This is a 59% increase and puts the group at 63% above benchmark.
	+ Sara asked if the increase made to the stop loss insurance 2 years ago impacted the cost of claims.
	+ CJ said he thinks the stop loss insurance threshold only increased by $50k. He said increasing the stop loss amount doesn’t impact claims too much in overall cost unless there are outlier individual cases that exceed $1 million or more.
	+ HCC conditions include 2 kidney transplants, cancer, premature baby, cystic fibrosis, a joint repair complication, and a cardiac condition.
	+ The number one driver of cost was inpatient utilization. There were extended hospital stays with 3 patients having significant surgical procedures.
* COVID-19 Summary
	+ There were 915 claims.
	+ Those claims were from 413 claimants who had several claims mostly related to testing.
	+ There were 1,027 lab tests.
	+ Total paid for all services was $140,335, which is very low compared to the group’s total expense.
	+ Medical utilization was lower, and claims decreased from March to June due to COVID-19.
	+ Telehealth visits saw an increase in utilization. 25% of all care was virtual and 70% of behavioral health was virtual.
* Member Engagement Highlights
	+ 80% of subscribers are registered on regence.com
	+ 60% of members have a PCP. People with a PCP tend to get preventive care services and not show up in the ER.
	+ 99% of current members have been evaluated for disease management. 50% of members were targeted and enrolled for active engagement. 5 members are managed for more than one condition.
	+ Utilization management requires preauthorization for services that are limited or very expensive. 203 procedures were reviewed through prior authorization. 82% of prior authorizations were approved.
* Pharmacy Summary-Wisam Younis
	+ Pharmacy paid PMPM increased 15.3% from prior year. The key driver of cost is specialty Rx.
	+ The paid PMPM increased from $130 to $150, compared to $84 for the BOB. The disease prevalence in this group’s population is greater.
	+ Specialty Rx accounts for 55.4% of all Rx paid from 94 individuals. The average paid for specialty medication is $4,500 per month.
	+ Prescriptions per member were 9.4, which is above the BOB at 7.9 prescriptions. The group has not had a lot of change year over year in the number of prescriptions per member.
	+ Generic utilization rate is 84%. The benchmark is 86%.
	+ Two of the top 5 non-specialty Rx are for Diabetes. Most Diabetes Rx are brand. There are not a lot of generic substitutes.
	+ Utilization of specialty Rx increased from 71 people in the prior year to 94. Specialty Rx accounted for 2.3% of pharmacy claims, but 55% of total cost. Total cost for the benchmark was 55.9%.
	+ Pharmacy Programs to moderate costs
		- Add high-cost drug exclusion list to exclude high cost drugs with lower cost alternatives, e.g. Metformin Rx to treat Diabetes costs on average $10 per month, compared to a formulation of Metformin that costs $2,000 per month.
			* Projected savings $64,219 ($2.31 PMPM).
		- Expand Rx design to 4-6 tiers to add Specialty Rx and preferred tiers and increase brand copays.
		- Sara asked about the impact of Rx with zero copay on the plan. The plan has some value-based Rx for $0 copay that are required under the preventive provision of Affordable Care Act, ACA. These Rx are inexpensive maintenance medications.
		- Add CCSO groups that do not participate in the Specialty Select Rx program. The program requires members to purchase Rx at a specialty pharmacy. These pharmacies provide the best unit cost and provide additional quality of care services.
			* Projected savings $13,246 ($0.47 PMPM).
		- Adopt coupon maximization program to address high cost specialty Rx where the manufacturer offers a coupon. The annual value of the coupon is managed by Regence and any remaining savings are returned to the plan.
		- Tighten up the generic program by adding MAC A. The member pays the difference in cost if a brand Rx is filled with a generic equivalent.
			* Projected savings $30,449 ($1.14 PMPM).
* Recommendations
	+ Add cost share to outpatient lab and imaging.
	+ Add visit limits to acupuncture and chiropractic spinal manipulations.
	+ Change/increase deductible and out of pocket maximum
	+ Add pharmacy programs; high-cost Rx list, MAC A, and coupon maximization.
	+ Add Livongo Diabetes Management program.

**2020 Claims Utilization-Kaiser**

* Partners through the Pandemic-Dr. Carrie Davino
	+ 72.4% of Clark County employees have been vaccinated with at least the first vaccine, and 67.6% of vaccines have been completed.
	+ There is nothing yet on the release of booster vaccines. Vaccines are currently authorized for emergency use only. More information will be available soon.
	+ The FDA is expected to approve Pfizer in September.
	+ There was a seamless transition to virtual care at the beginning of the pandemic.
	+ Telehealth visits have been expanded to include virtual mental health, dental, PT, prenatal OB low-risk patients, and cardiac rehab. KP continues to look for more opportunities to use technology to expand virtual care.
* Employee Wellness-Lilian Belaen
	+ KP provides a dedicated wellness consultant to the group. Amber Robson partners with the county’s Living Well committee, and Regence. Together they attend monthly meetings to discuss wellness strategies and initiatives for employees.
	+ KP has seen a spike in all mental health categories across all books of business (BOB) during the pandemic.
		- KP provides a continuum of services from telephonic visits to inpatient services. Patients can access mental health services anywhere in the KP system not just primary care.
		- KP has 3 apps that are free for members to help with mental health and wellness; MyStrength, Calm, and Classpass. KP has created a specific MyStrength module for first responders.
* Medical Plan Experience-Lilian Belaen and Chika Yagi
	+ Medical claim costs PMPM decreased by 22% in 2020 compared to 9.3% decrease for the NW BOB. The pandemic stay-at home order reduced demand for in person services.
	+ Prior to the pandemic, the group’s claims cost rose by 30% over the past 4 years.
	+ The overall decrease was in 4 service categories: inpatient, outpatient, pharmacy, and other services. There was an increase in claims for behavioral health and substance abuse services. These claims have a low prevalence, so any increase makes it look like there is a bigger impact on utilization.
	+ Pharmacy PMPM cost decreased by 2.7%.
	+ The group has a high generic utilization rate of 93.9%. This rate is consistent with the NW BOB rate of 93.5%.
* Member Engagement Activity
	+ KP tracks how members engage in the plan year over year. KP sees an increase in all engagement categories from members staying connected to kp.org to staying up to date on preventive screenings and immunizations.
	+ KP sees more engagement the longer a member is on the plan as they become more familiar with services and technology tools.
	+ Telehealth utilization in 2020
		- Video visits were low in January-March.
		- Phone visits peaked in April.
		- Video visits continued to increase throughout 2020.
		- KP uses their integrative health system regardless of an in person or virtual visit.
* Preventive Care and Lifestyle Risks-Dr. Carrie Davino
	+ The group increased the rate of preventive services in 3 measures: flu immunization, childhood immunization, and cervical cancer screening.
	+ The rate of breast cancer screenings dipped slightly to 73.8%.
	+ The rate of colorectal cancer screenings decreased by almost 12% from 2018.
	+ The adult overweight or obese category with a BMI measure equal to or greater than 25 has remained constant from 2018.
	+ The childhood overweight-obese measure increased slightly by 2.1%
	+ Adult exercise-69.2% of adults are not getting enough exercise, which is getting 150 minutes of exercise per week or 30 minutes per day, 5 days a week.
* Chronic Condition Report
	+ KP’s integrated care reflects the total health care of members.
	+ 65% of costs are driven by 31% of members.
	+ 4.8% of members have 2 or more major chronic health conditions that equal 18.3% of costs. Major conditions include diabetes, asthma, coronary artery disease, heart failure, COPD, chronic kidney disease, and depression.
	+ 5.9% of members have additional chronic conditions that account for 13.9% of costs. Additional chronic conditions include stroke, substance abuse, HIV, hepatitis, hypertension, and hyperlipidemia.
	+ Medication adherence is a cost effective way to improve patient outcomes and reduce hospital utilization. The metric for good adherence is the proportion of days covered that is greater than or equal to 80%.
* Dental Update-Nick Abraham
	+ Dental clinics have reopened to services 7 days a week.
	+ Demand for dental appointment is 85% compared to the same time last year.
	+ Integrated medical and dental offices like Salmon Creek and Cascade Park can close care gaps during a dental appointment. Members can receive immunizations, lab tests, and cancer screenings during these integrated visits.
	+ KP is enhancing their dental technology capabilities so members have the same experience as they do with medical services. Early next year members can make online dental appointments.
* Recommendations-Lilian Belaen
	+ There are two areas of focus that can reduce overall cost of the program.
		- Focus on mental health, stress and anxiety reduction.
		- Promote all 3 wellness apps.
		- Focus on preventive care
		- Promote immunizations and cancer screenings through onsite flu shot, and care gap clinics.
* Mark asked Amie if the Board can review the data presented during the next financials update meeting on 8/16/2021.
* Amie will add to the agenda.

Meeting Adjourned.