Self-Insurance Governing Board

Meeting Minutes

Virtual Meeting January 27,2025

Attendance: Mark Gassaway, Finance Director

 Sara Lowe, Deputy Treasurer

 Emily Zwetzig, Budget Director

 Lora Provolt, Human Resources Director

 Chris Cook, Chief Civil Deputy Prosecuting Attorney

 Amie Johnson, Board Chair

Maria Vergis, Scribe

Guests: Jenna Gillam (Aon)

 Jennifer Weddle (Aon)

 Marie Pollock, Director of Audits, CTI

 Jenene Williams, Account Executive, CTI

 Julie Weissman, Pharmacy Leader, PillarRx

**Approval of meeting minutes from 8/1/24 and 9/12/24-All**

* Mark Gassaway moved to approve the minutes.
* Emily Zwetzig seconded the motion.
* All in favor, the minutes were approved.

**2024 Self-Insured Claims Audit Results-CTI**

* The State Office of Risk Management (ORM) has standards for claims management of Self-Insurance programs (WAC 200-110-120). Self-Insurance programs are required to obtain a claims audit every 3 years.
* The audit period was July 1, 2022, through December 31, 2023. The objective of CTI’s medical claim audit was to ensure the contract was followed and that claims were paid according to plan documents.
* The audit components included a random sample size of 125 claims and a target sample of 30 claims.
* CTI performed an operational review using an extensive questionnaire tool for the following processes.
	+ Plan documentation analysis
	+ Eligibility verification
	+ Stop Loss review
	+ Data analytics to review provider discounts, correct coding, and compliance
	+ Incurred But Not Paid Estimation
* The audit summary for this period.
	+ Total paid amount $21,972,765.
	+ Number of claims processed 69,486
	+ Median turn-around time 21 days
* Key performance Indicators.
	+ Financial accuracy 96.75%
	+ Accurate payment 96.00%
	+ Accurate processing 96.00%
* Regence findings and recommendations.
	+ Random sample of 125 claims.
		- A claim was rejected by a member’s primary insurance due to a timely filing limitation. Regence paid a claim for $77.19 as the secondary payer. CTI doesn’t believe the county should have to pay the cost for the provider’s untimeliness. Regence disagreed with the error.
		- Regence applied a co-insurance to a COVID diagnosis prior to the end of the public health emergency which caused an underpayment.
		- CTI identified a duplicate claim which resulted in an $1,735.29 overpayment.
		- There were two claims that had incorrect provider discounts applied. One was a $44,544.26 underpayment and the other was a $23,145.40 overpayment. Regence identified and corrected these claims prior to the audit.
		- CTI suggested that Regence send two claims to its Special Investigations Unit (SIU) and report the findings to the county. Regence agreed to send these claims to its SIU.
		- Claim #1-member with 37 claims for testosterone injections during audit period.
		- Claim#2-provider billed 10.5 hours for applied behavior analysis therapy on the same date. Member’s claim history showed this billing trend.
		- CTI found that a BlueCard claim for an office visit was processed 7 months after receipt. CTI suggested that Regence ask the out of state Blues insurance plan about the delay and report the findings to the county.
	+ 100% Electronic Screening with 30 targeted samples.
		- Regence applied the Expanded immunization benefit to an immunization claim that should have been processed as preventive. This caused a $40 member cost share error. Regence disagreed with the error.
* Operational Review
	+ CTI said there are numerous performance standards. Some standards are set at the Regence Book of Business (BOB) level that shows combined performance results. The county should discuss whether performance can be tracked at the client level only.
	+ Regence subcontracted with two India-based vendors to assist with claims processing. The county should confirm awareness and approval of Regence’s offshore subcontracting.
	+ The county does not receive any rebates for specialty drugs. Rebate sharing is very common for specialty drugs. Therefore, if Regence is receiving rebates so should the county. The county should take the necessary steps for rebate sharing.
	+ The county should request additional reports about the effectiveness of its operations.
		- Quarterly reports for case and disease management programs to review timely outreach, participant rates, and annual return on investment.
		- Quarterly appeal reports to review upheld and overturn rates.
		- Quarterly coordination of benefits, subrogation, and other recovery reports.
* Eligibility Screening
	+ Claims paid after termination of employee coverage totaled $700.11.
* Stop Loss
	+ In 2022, two claimants exceeded limit.
	+ In 2023, eight claimants exceeded limit.
	+ Stop loss credits for 2022 in aggregate were $230,671.44.
	+ Stop loss credits for 2023 in aggregate were $1,279,625.84.
	+ The county should confirm receipt of 2022 and 2023 stop loss credits.
* Data Analytics
	+ 99% of claims are received electronically.
	+ 91.6% of claims were auto adjudicated.
	+ Regence reported a 42.8% provider discount for the audit period. CTI calculated the discount rate at 45.7%.
	+ Coordination of benefit savings was $2,103,814.61, which is 9.57% of total claims paid.

Mark asked if CTI shares its findings with Regence. Regence receives a working draft report to respond to the findings. CTI will include the Regence response in the final report.

Pharmacy Audit (PillarRx)

* The objectives were to validate whether Regence followed the terms of the contract with the county. Validation included the review of discounts and dispensing fees to determine if they were applied correctly.
* Audit Summary
	+ Total paid claims from July 1, 2022, through December 31, 2022.
		- $1,874,537.25.
		- Number of claims processed 10,465.
	+ Total paid claims from January 1, 2023, through December 31, 2023.
		- $4,989,620.22.
		- Number of claims processed 22,159, which is a significant increase from 2022.
* Discount Performance Summary for Rx claims
	+ For the period July 1, 2022, through December 31, 2022, PillarRx identified an under-performance of $12,255 based on the partial year of auditing data. The performance result is the difference between the contract ingredient cost and the actual ingredient cost. The underperformance amount could not be validated since the aggregate over/under performance amounts are calculated on an annual basis.
	+ For the period January 1, 2023, through December 31, 2023, PillarRx identified an over-performance of $99,694, which is considered a plan savings for 2023.
* Dispensing Fee Summary
	+ For the period July 1, 2022, through December 31, 2022, PillarRx identified an over-collection of $129 in dispensing fees based on the partial year of auditing data. The performance result is the difference between the contract dispensing fee and the actual dispensing fee. The over-collection amount could not be validated since the over/under collection amounts are calculated on an annual basis.
	+ For the period January 1, 2023, through December 31, 2023, PillarRx identified an under-collection of $401 in dispensing fees, which means the contract dispensing fee was less than the actual dispensing fee. This is considered a plan savings for 2023.
* Combined Discount and Dispensing Fee
	+ For the period July 1, 2022, through December 31, 2022, PillarRx identified an overall underperformance of $12,384.96. This performance result could not be validated since the aggregate over/under performance amounts are calculated on an annual basis.
	+ For the period January 1, 2023, through December 31, 2023, PillarRx calculated an over performance or plan savings of $100,000, which is slightly more than the Regence calculated amount.
* Pharmacy Recommendations
	+ Pricing Recommendations
		- Audits should be completed for the full year the contract is in place. CTI will work with the county to ensure future audits span the full contract period.
		- The contract language should be updated to include pricing guarantees that are component based, i.e. include the different elements that make up the final Rx prices, e.g., ingredient costs and dispensing fees charged by the pharmacists. There should be no offsetting between components or channels allowed.

Dental Audit

* The current audit period covers July 1, 2022, through December 31, 2023.
* The objectives were to determine if Delta Dental followed the terms of the contract and paid claims according to plan documents. Member eligibility and coverage were validated for date of service.
* Any claims administration, eligibility maintenance systems, or processes were reviewed for improvement.
* The random sample size was 110 claims. Target sample size 15 claims.
	+ Summary for this period.
		- Total claim paid amount $1,928,579.
		- Number of claims processed 8,565.
		- Median claim turnaround time 1 day.
* Key performance Indicators.
	+ Financial accuracy 100%
	+ Accurate payment 100%
	+ Accurate processing 99.09%
* Recommendation
	+ Random Sample of 110 claims.
		- CTI identified one procedural error because the claim processing screen was not updated. The screen reflected an inaccurate lifetime coverage limit. Delta Dental disagreed with the error because the claim processed correctly (no financial implication).
	+ The county should continue to monitor and audit Delta Dental’s administrative performance to verify financial accuracy, accurate payment frequency, and accurate processing frequency remains at expected levels.
	+ 100% Electronic Screening of 15 targeted samples.
		- Delta Dental and CTI agreed that one claim was paid twice ($389) from coordination of benefits savings. The county should ensure receipt of the reimbursement for the duplicate claim paid.
	+ Delta Dental’s key performance indicators have been excellent over the last two audits.
* Operational Review
	+ Delta Dental does not send an annual written questionnaire to determine whether a member has other dental insurance. The county should discuss the feasibility of Delta Dental sending an annual questionnaire to members to assess the availability of other insurance coverage.
* Plan Documentation Analysis
	+ There were no inconsistencies, ambiguities, or missing provisions.
* Eligibility Screening
	+ The total dollar amount of claims paid for ineligible members was $604.00.
	+ The county and Delta Dental should monitor eligibility so only eligible claims are paid.
* Data Analytics
	+ 95% of claims were received electronically.
	+ 83% of claims were auto adjudicated.
	+ Delta Dental reported a 30.36% provider discount for 2022.
	+ Delta Dental reported a 31.95% provider discount for 2023.
	+ CTI calculated a 28.3% provider discount for the audit period.
* CTI found the Delta Dental team to be professional and responsive. It was a clean audit.

Amie will discuss the contract updates and recommendations with Aon. Jennifer Weddle wants to confirm that the provider discounts are accurate because of the discrepancies with Regence and Delta Dental with CTI.

Meeting adjourned.