LMBC Meeting Minutes - Draft February 24, 2012 Horizon Room, 12th Floor, Portland Building

Attendance

LMBC Members present:

David Shaff Gerry Verhoef Andrew Scott Jay Guo

Stephanie Babb

Greg Jones Anna Kanwit Jim Forquer Denise Kleim

Cherry Harris

LMBC members absent

Bryan Parman Richard Beetle Staff

Cathy Bless Vicki Arch

Julia Getchell (BHR)

Jon Uto (BHR)

Other attendees

Paige Sipes-Metzler (Aon)

David Rhys (BHR) Dawn Jansen (BHR) Paul Cone (COPPEA)

Behnaz Nelson (PTE Local 17)

Mike Lee (PPCOA)

Mark Hopman (Kroger Rx Plans) Harold Park (Kroger Rx Plans)

- Call to Order: Gerry Verhoef called the meeting to order at 10:05 a.m. Introductions made around the table
- 2. Minutes for January were reviewed and approved.
- 3. Wire Transfer Report Cathy Bless

Year to date numbers are as expected. The wire transfer report shows we are under collected on medical claims by \$1,096,065. This under collection is expected because our claims experience in the prior plan year was below projections and we had a surplus and used that surplus this year to offset any rate increase for claims. For the dental plan year to date we have over-collected by \$226,291—if this trend continues, dental rates should hold for the next plan year.

- 4. Kroger Prescription Drug Plan Reporting Harold Park and Mark Hopman represented Kroger and facilitated the discussion about the City's pharmacy claim experience with Kroger. Mark Hopman provided materials covering the first and second quarters of the plan year beginning July 1, 2011. He highlighted the following:
 - a. 35.8% of members use the prescription plan (this is within the norm).
 - b. The use of generics by plan members is trending up, currently at 73.7% for the second quarter. It would be good to get this number up to 80%. The use of generics on the traditional side should go up as most drugs are, or will be soon, offered as generic. On the specialty side, however, new drugs are being introduced and these drugs are not likely to go to generic (less population using these types of drugs and harder to match the drugs with generics (biosimilars).

- c. Top 25 drugs by Rx Count in Qtr 2: the #1 drug is generic Vicodin (for our plan and most other plans). Looking at the brand drugs in this top 25 count, we find Proair (for asthma), Singulair (asthma), Onetouch (test strips for diabetics) and Cymbalta (depression and/or pain). For the Onetouch strips, Fred Meyer has a product that is a generic, less expensive and more accurate, which the City may want to communicate to members using the Onetouch product.
- d. Top 25 Drugs by Cost: Most of the specialty drugs are included on this list. Of the non-specialty, the City may want to look at Nexium (which shows a total cost of \$27,602 for 100 scripts in comparison to its generic Omeprazole, which cost \$4,994 for 262 scripts) as well as Lipitor which is more expensive than the generic Simvastatin.

e. Kroger recommendations:

- 1. Put a minimum copay on generic prescriptions of \$5 to drive people to \$4 retailers. The plan paid \$37,802 more than it would have if all participants filled their prescription at a \$4 retailer. (Now, with zero minimum, the difference in copay between a \$4 retailer with a copay of 40 cents for a \$4 Rx is minimal compared to a non \$4 retailer with a copay of 90 cents for a \$9.00 Rx, though the cost to the City is greater (\$3.60 vs. \$8.10). Impacts 1,765 participants.
- 2. Don't cover non-sedating antihistamines, as people can get these over the counter. This would disrupt 105 members currently and could potentially save \$14,843.
- 3. For proton pump inhibitors (PPI) like Nexium, steer towards generic omeprazole for a potential savings of \$74,199, impacting 172 participants.
- 4. For statins like Lipitor, steer towards generic simvastatin for a potential savings of \$134,879, impacting 321 participants. (This would exclude Lipitor 80mg, and Crestor 20mg and 40mg as there is no generic match for these strengths.)

The above recommendations will be listed for a Committee vote at the next LMBC meeting for plan year beginning July 1, 2012. Kroger will also check to see if they would be able to provide an incentive to go to Fred Meyer (gift card) for the generics.

5. Long Term Disability - Cathy Bless

We received rates from Standard insurance this morning concerning increasing long term disability benefit maximums in addition to combining the rates into a single plan (currently COPPEA, Non-Reps and PPCOA employees have lower rates than DCTU, AFSCME, BOEC.) We had questions about the rates and will be verifying with Standard Insurance. We will provide the updated rate/plan information to the LMBC prior to the March meeting, for a vote to determine if these changes should be made.

6. Autism Coverage Options – Cathy Bless

Cathy provided a handout on autism which detailed the plan's current coverage and suggested changes. Suggested changes would include a plan to include language in our plan to adopt diagnostic guidelines as approved by the American Psychiatric Association (APA) and to cover Applied Behavioral Analysis (ABA) subject to prior authorization, with the appropriate qualified provider and intended only for younger children (to be defined by ODS), as studies indicate it is only effective within a window of time following diagnosis. LMBC to vote on recommendations at the March meeting.

7. TMJ/Orthognathic Coverage Options – Cathy Bless and Paige Sipes-Metzler

Orthognathic surgery is the reshaping of the jaw, usually because of congenital deformity such as a cleft palate. Temporomandibular Joint Disorders (TMJ) are generally acquired, not deforming. This primarily involves pain in the joint. Both are exclusions under the plan currently (except cleft palate surgery is covered). Treatment of TMJ could include bite blocks which cost around \$300 - \$500, or surgery, which costs in the thousands of dollars. ODS recommends that the City provide a \$3000 non-surgical treatment maximum or a \$5000 maximum for all treatments. Final recommendations will be provided for LMBC to vote on at the March meeting. LMBC members asked if a summary could be provided concerning what happens if people don't get treatment for these conditions and also to look at the percentage payable.

8. Other Business

- a. Meeting Room Space The Horizon room will be unavailable, so a new space will be required & communicated to all.
- b. Because of ODS' addition of Portland Adventist providers to the ODS Plus network we may want to eliminate our relationship with MHN, resulting in a single network option for the CityCore plan. This could eliminate some of the confusion experienced each year during Annual Enrollment. Currently 94 participants would be impacted, as they are using providers who are currently in MHN but not in the ODS Plus network. ODS has committed to reaching out to the 36 providers who are in MHN but not ODS to ask them to join ODS. Cathy will request the names/specialties of those 36 providers.
- c. Anna Kanwit announced today is her last meeting and David Rhys will be taking over as a member of the LMBC beginning with the March meeting.
- d. A reminder will be sent to all LMBC participants that the March meeting will require a quorum as votes will be conducted for potential plan changes for the plan year beginning 7/1/2012. If voting members cannot attend, they must provide a proxy (another voting member) to vote for them.
- 9. Meeting was adjourned at 12:08 p.m.
- 10. Next Meeting scheduled for March 22nd (on Thursday instead of Friday), time and place to be announced. This meeting will be scheduled for two hours as we will have a packed agenda.