

LMBC Meeting Minutes - Draft

April 12, 2016

Portland Firefighters Association Union Office

4530 SE 67th Ave., Portland, OR 97206

Attendance

LMBC Members present

Amy Archer
Mark Gipson
Betsy Ames
Dawn Martin
Amy Bowles
Jamie Burrows
Jon Uto
Alan Ferschweiler
Jay Guo
Deborah Sievert-Morris

Staff

Cathy Bless
Vicki Arch

Other attendees

Rob Martineau (AFSCME Local 189)
Tom Colette (Rec)
Elliot Levin (PTE 17)
Paul Cone (PTE 17)

LMBC members absent

Suzanne Kahn
Wendi Steinbronn
Stephanie Babb
David Rhys

1. Call to Order: Alan Ferschweiler called the meeting to order at 1:40 p.m.
2. Minutes for the March 8th meeting were reviewed and approved with no changes.
3. **Self-Insured Plan Experience Reporting** — Cathy provided the self-insured performance charts and loss ratio spreadsheet. At this point, comparison to last year may not be valid, because Moda and Kroger have had claims processing and/or reporting issues. Moda seems to be caught up on claims, but Kroger has been unable to provide a breakdown of active, retiree and COBRA expenses since January. The estimated loss ratio overall is at 96%, which is good. The difference between February and March medical expenses is due to Moda's claims processing problems in February and their catch-up in March. The lower Kroger numbers are due to the receipt of a rebate in February, and the lack of claims reporting through March. We should expect ExpressScripts rebates will be higher. Overall, year to date medical claims are about 12.8% above last year, prescription claims are up 5.3% and dental are up 6.8%. The FY 2015-16 total claims for medical, dental and prescriptions is projected to be \$51.9 million, or 11% above last year.
4. **Pharmacy Plan Renewal** –Cathy Bless
Cathy discussed some implementation design elements that may have impacts to participants and indicated that any changes during the implementation of ExpressScripts programs would result in equal to or better than current benefits for participants.
 - **Value Based medications** – the City's current plan has penalties for some specific drugs such as Nexium, statins, allergy medications angiotension receptor blockers which limits participants to generic or specific brand medications. If the participant purchases the medication anyway, they will pay the cost of the difference between the generic and the full cost of the drug. ExpressScripts cannot limit their value-based program to specific medications, it would have to apply to all medications. Rather than provide restrictions through this program, since the City has already

opted into the restricted formulary, we will not participate in ESI's value based program.

- **Dispense as Written (DAW)** – If a physician writes a prescription noting “DAW”, then the prescription will be filled as written and the participant will not be required to pay any penalties even if there is a generic or less expensive option. However, if the prescription does not note “DAW”, then the pharmacist will fill the prescription with the ESI generic or preferred drug. If the participant wants the higher cost, non-preferred option, then they will pay the difference in costs (up to the tier maximum). So if the participant, rather than the physician makes a choice for the higher priced option, the participant will pay the penalty.
- **Specialty Medications** – If a participant has a new specialty medication prescription, the first two fills will be for 30 day supplies, after that the refills will be for 90 day supplies. Participants must use ESI's specialty pharmacy, Accredo within the first two fills.
- **Compound Medications** – Protections will be in place to ensure that over-the-counter ingredients are not included in the compounded medication.
- **Insulin Pumps** – Will be available through the ESI prescription program as well as through the medical plan durable equipment benefit.
- **OTC Step Therapy** – If there's an available over-the-counter medication, then for new prescriptions, participants will be required to go through a prior authorization process to ensure they've gone through taking the over-the-counter medications prior to authorizing the prescription. ***Cathy will check to see if there is a list of drugs that this applies to and report back.*** Update: Cathy mis-understood the information from ESI and this is not an issue.
- **Cancer Therapy Programs** – The City opted out of ESI's cancer therapy program which limits certain treatments to only specific medications being covered.
- **Emergency Preparedness Prescription** – Participants will be eligible to purchase a 90 day supply of maintenance medications for their emergency kits. ESI does not have a specific program for this, but we are working with them to define a process within their current protocols.
- **Coordination of Benefits (COB) with two City participants** – ESI is not sure they can administer this. We are working with them to assure there will not be a change for these participants.

We are also working with ESI to set up a process for handling “open fills”, that is, participants who have months left on their prescriptions at the time of the ESI implementation; and prior authorizations with Kroger that need to be transferred to ESI. We are working with Kroger to get this information transferred to ESI. ESI and our Healthy Foundations team at Moda will help to facilitate any issues that occur.

5. Other Business

- May meeting – it was decided to hold a May meeting as a discussion meeting as there may be no material agenda items.
- Annual Enrollment – The Annual Enrollment period will be held from May 13 through June 13th. It will be important for DCTU and Recreation employees to go online to enter their beneficiary information since their old beneficiary info will not roll over from the \$10,000 Basic Life to their new 1x salary Basic Life plan which is effective 7/1/2016.

- Kaiser had an issue with the 18-month accrual towards the out-of-pocket maximum with the switch to a plan year accrual basis. They have worked it out, but their rate will be slightly more than previously reported.
 - Open Meetings – We have learned that the LMBC meeting must be open to the public. A public notice of the meetings will need to be made and the co-chairs will need to read a statement concerning the rules that will apply to the public's participation. ***Cathy will send out a document from the City Attorney's office that shows how to comply with the public meeting rules.*** Update: Cathy hopes to provide a hand-out at the next meeting. This will be an agenda item for June.
6. Meeting was adjourned at 2:45 p.m.