

LMBC Meeting Minutes

December 12, 2017

Conference Room C, 1900 SW 4th Avenue
Attendance

LMBC Members present

Jamie Burrows
Betsy Ames
Tara Anderson
Jay Guo
Tom Armstrong
Alan Ferschweiler
Mark Gipson
Ashlie Grundy
Craig Morgan
Rachel Whiteside
Jeannette Hopson

Staff

Cathy Bless
Anne Hogan

Other attendees

Stephen Caulk (Aon)
Anne Thompson (Aon)
Natalie Roth (Kaiser Permanente NW)
Chikuka Yagi (Kaiser Permanente NW)
Isaac McLennan (PFFA)

LMBC Members absent

Mike Abbate
Dave Benson
Jon Uto

Presenters

Amy Daily (Express Scripts)
Denae Brake (Express Scripts)
Jennifer Grillo (Kaiser Permanente NW)
Suzanne Lubarsky (Kaiser Permanente NW)
Kay Zimmerli (Kaiser Permanente NW)

1. Call to Order: Co-Chair Betsy Ames facilitating; meeting called to order at 1:11 p.m.
2. Minutes for the November 14, 2017 meeting were reviewed and Betsy Ames noted an error on attendance list: Jamie Burrows was not in attendance at last meeting.
3. **Kaiser Permanente NW Annual Report (Jennifer Grillo and Suzanne Lubarsky with Kaiser)**

Jennifer Grillo introduced her team and talked about the new Kaiser clinic, Care Essentials, currently open in the Pearl District and opening on Hawthorne Blvd in the coming months. These walk-in clinics will allow both members and non-members to access non-emergency care and will also be available to provide a preventive care visit to Kaiser members. Physician Ambassador Dr. Suzanne Lubarsky presented their "Prevention and Lifestyle Risks" handout, which covered City of Portland employee data through to the end of June 2017 and compared it to other government entities on the west coast.

Dr. Lubarsky explained that Kaiser can compile a more accurate story of employees, because they review the raw data rather than rely solely on medical coding. Doctors within the Kaiser system have access to patient medical records (PCP information). Jamie Burrows asked a question about Kaiser NW members and where they're located in our area; members live as far north as Longview, WA and as far south as Eugene, OR. Some key lifestyle risks of the City's 1862 employees and their 4804 dependents who are covered by Kaiser include the following findings:

- Currently, 72.8% of adults who have Kaiser coverage are overweight or obese (1862 employees and 4804 members)

- 59.1% of our members are not meeting the recommended 150 minutes of exercise per week.
- 35.6% have had a positive prediabetic blood result (most expensive and difficult chronic condition to treat)
- High cholesterol is an issue for 34.8%

Dr. Lubarsky also discussed the preventive services results:

- Overall, 2017 immunization rates and cancer screening rates have decreased when compared to the same quarter in 2015. Notably, our childhood immunization rate is currently at 55.4% of child members.
- Betsy asked Dr. Lubarsky what she attributes to this drop-in screening rates? Dr. Lubarsky replied that there is confusion about how often to screen (e.g. experts not in agreement regarding mammograms). And there has been a recent change in screening recommendations regarding Pap Smears and as a result, cervical screenings have dropped.

Jennifer Grillo mentioned that outreach to employees is a key focus for Kaiser—for example Kaiser will mail out colorectal screening packets to members based on age. She added that it will be interesting to review the data after the Preventive Care Initiative is fully implemented.

Alan Ferschweiler asked about the low childhood immunization rate. Dr. Lubarsky responded that it's unique because of the controversy surrounding vaccines and when discussed further, we learn that if children miss one or two vaccinations out of the recommended ten over their first two years of life, they are included in this percentage. This Committee expressed its concern regarding children's protection and want to continue to monitor key area of care.

Betsy asked about the savings rate mentioned on page four of the handout. It states that employers save about \$1920.00 per employee when employees are enrolled in both disease management and lifestyle management programs. And hospital admissions drop by 66%. Kay Zimmerli answered that a member will be automatically enrolled in these programs if diagnosed with diabetes by their PCP. How well/often the members are an active participant was not part of the information.

Because of time constraints, Dr. Lubarsky jumped to page ten of handout which covers adult City employees'/adult members' weight:

- Among adult members, 33.1% are considered overweight and 39.7% are considered obese.
- Jennifer Grillo stated that weight is impacting the bottom line (medical expenses related to weight cost the City \$3,621,510 in one year) and that Kaiser wants to partner with City to deal with this issue.
- The numbers of sedentary adults have trended upward as well (page 11).

Jennifer Grillo discussed page 22 of the handout which covers recommendations for the next plan year 2018-19.

- Kaiser wants to promote their telehealth program in which employees can contact their doctors via e-mail, phone or video; there is no copay for this service.
- Cancer screening awareness and health coaching, lifestyle risk management programs will be another focus for Kaiser.

Kay Zimmerli mentioned that the Preventive Care Initiative (PCI) aligns nicely with this goal of greater employee engagement. Currently, City employees who elect Kaiser coverage are over the 90% compliance rate.

Jamie Burrows asked if members can go into a Care Essentials clinic to meet the PCI exam requirement. Kay replied that employees will be able to have a preventive care exam at this new facility. Rachel Whiteside asked about the wait times but Jennifer Grillo did not have this information--will review data to find out average wait times. Alan asked about the cost of an exam for non-members. Jennifer responded that the fee schedule for 2018 had not been set yet.

The presentation ended and the Kaiser representatives leave. Betsy noted that their presentation did not contain much hard data and Cathy responded that our next LMBC meeting will have Kaiser claims information and be much more detailed.

4. Express Scripts, Inc. Annual Report (Amy Daley and Denae Brake with ESI)

Amy Daley, account executive, and Denae Brake, clinical account executive presented the ESI pharmaceutical coverage annual report that covered the period from July 1, 2016 until June 30, 2017. Some key findings:

- The average wholesale price (AWP) for this period was \$19,464,809.00 but after network discounts, member cost and rebates are factored in, the net cost to City is \$7,955,984.00.
- With 8691 members and 67% of these members using their prescription drug coverage, the plan cost per member per month (PMPM) is **\$90.75** and **\$75.29** after rebates are considered.
- Compared to other government entities, the City's plan cost is lower—the average for other agencies is \$121.60 PMPM.
- Specialty medication plan cost PMPM is \$7.82 lower than similar agencies.
- 99 employees/dependents who need unique specialty medications make up 35% of the cost.
- Generic fill rate for City members is good but home delivery utilization is slightly lower than our peer group.

- Specialty medications are the trend—focus of manufacturers. The Hepatitis C drug is an example of this; it can cure a patient after 12 weeks but very expensive (\$60,000 retail not after rebates)
- During the last coverage year, the average member cost was \$103.00 or 6% while the plan cost was \$1,626
- Ten brand drugs (includes Humira, Viagra, Zytiga) have patents that are expiring by 2021 and based on current utilization, this amounts to \$2,224,195.00 of our current cost. Pharmaceutical companies are trying to prolong patent life for many of these drugs and decisions are being made in courts right now.

Cathy took this opportunity to notify the Committee that the City and ESI identified in error in the initial configuration of the 90-day employee cost sharing. This issue was recently identified through an audit. The original intent when the City moved from Kroger to ESI was to mirror the previous Kroger Prescription Plan (KPP) as much as possible and grandfathered in coverage for some members to ease their transition. ESI realized that there has been a home delivery/mail order programming issues with the City's plan and members have only been paying one copay instead of two for a 90- day supply of some medications. ESI will correct the configuration, and this change will take place in July, as to not impact anyone during a plan year. The City will communicate this correction during open enrollment. Jamie Burrows asked if affected members could have letters mailed out to them so that they can better understand the cost increase. Cathy agreed that this could happen. Alan asked about how many employees/dependents will be affected by this change. Amy responded that 515 members will see a change.

Tom Armstrong asked about how much generic prescriptions could save the City moving forward? Amy responded that it could be as much as 80% cheaper for a generic version of a drug; their focus will be to steer members to generic over name brand prescriptions.

Alan asked if we can predict how much specialty drugs will increase the City's costs and Amy responded that ESI doesn't have access to medical data so it's hard to estimate or anticipate the health of members. Cathy also added that we could give ESI access to our medical claims if this is something that we wanted to pursue.

Amy explained that expensive gene therapies will probably be processed by Moda and seen in our medical claims before reaching ESI (example given was Novartis).

Alan commented that the City hasn't seen much cost containment from ESI but Amy explained that because the savings has come from an increase in rebates (from 8% with KPP to 20% with ESI, this data is not obvious and buried. All rebates go back to the plan and offset the overall costs, as noted in the material decrease in PMPM costs when the rebates were included.

In reviewing the top 25 drugs list, Betsy asked whether a distinction could be made between members who had diabetes I or II and Amy responded that because ESI doesn't have access to medical data that it would not be possible. This could be something Moda can assist with and we can take this back as something to look at.

Denae Brake talked about switching members from a brand name prescription to a generic one based on their national preferred formulary (NPF) and the desire not to have these same members start using another brand name drug. ESI's step therapy program can help members through this process. This first step is the recommendation of a generic drug as preferred. However, if a member is intolerant to a generic, their doctor can authorize a DAW (not allowed to fill with a generic drug) and the brand name prescription must be dispensed (prior authorization)

Tara asked how this step process would work and had concerns that a member could potentially show up at pharmacy and not able to get prescription. Amy responded that ESI can review a member's prescription history in their system, see that a DAW is in place, and authorize the brand name prescription without step therapy.

Cathy added that the idea is not to force a member to accept a generic if it's not effective for them. Step therapy is put in place to protect both the plan and patient—not to overmedicate just because it's the latest and greatest new drug.

Mark Gipson asked about members having any issues with generic statins. Cathy responded that we haven't received any calls or complaints about generic statins.

Jamie Burrows asked about whether a member can go back to doctor for help if a generic drug is not working. Cathy responded, "Definitely". Amy added that in comparing a generic drug to its brand name competitor, the color may be different, the binding factor may be different, but chemically it's identical. Some members may be allergic to color, etc. but this is very rare. Some pharmacies automatically fill a prescription using a generic drug but they do alert the member of the switch. The City has no limitation and allows City employees to seek brand name drugs without a penalty (provided it is part of the formulary and it does not require prior authorization)

After ESI completed their presentation and exits, Alan asked Steve Caulk with Aon whether he agreed with ESI's assessment and estimate of the City's current and future prescription drug coverage plan needs. He agreed with most of what they presented and added that they do have aggressive price controls in place but overall it is in line with what he sees as trend.

5. Self-Insured Plan Experience Reporting (Cathy Bless)

Cathy did not have time to go over the Loss-Ratio reporting (through to 11/30/17). She did note the numbers do not include the \$420,000.00 pharmacy rebate recently received.

6. Other Business

In response to Betsy's concerns about Kaiser's presentation, Cathy explained that the next LMBC meeting will cover more of Kaiser's claims and pharmacy information as Aon will have a plan renewal presentation. Cathy can also request that they come out and do a much more detailed presentation if that is of interest to the Committee.

7. Public Comment - None

8. Next Meeting: Tuesday, January 9, 2018, 8th Floor Columbia Square Building. The meeting will begin at 1:00 PM (preliminary renewal information)

9. Meeting was adjourned at 3:04 p.m.