

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met virtually on Wednesday, July 20, 2022 at 9:00 a.m. via Webex. The meeting was called to order by Gordy Halverson, Committee Co-Chair.

Members Present:	Angie Mattsen	T. Wade Rasch
	Tom Stanley	Jim Gottschald
	Krista Shopp	Mike McDougall
	Kim Maki	Gordy Halverson
	Nancy Nilsen	Judy Wahlberg
	Katie Finc	
	Terry McCabe for Stephanie Lundgren	
	Leanne Barker for Sasha Lehto	

Others Present:	Jeff Coenen	Tiffany Kari
	Beth Menor	Dave Kuschel
	Jolene Jamnick	Pat Fanshaw
	Ben Martin	Christina Hanson
	Leanne Barker	

The May minutes were approved by consensus with no requested changes (0:17:05).

PRESENTATIONS

1. The first item from the agenda under Presentations was the 2023 Preliminary Renewal by David Kuschel of BlueCross and BlueShield of Minnesota (BCBSM) (0:00:00). Mr. Kuschel provided a handout on the renewal. He noted the following:
 - The renewal was based on 24 months of the most recent data
 - Rating period one spanned from June of 2021 through May of 2022 and rating period two spanned from June of 2020 through May of 2021
 - ERG or illness burden was 1.197
 - Trend factor was 9.6% for rating period two and 7.7% for rating period one
 - There were two stop loss violations in 2021 with a combined total of \$91,831.49 over the threshold of \$750,000/contract
 - The projected renewal year incurred claims was \$33.9 million
 - The current expected claims were \$29.9 million
 - The recommended change in rates was 13.3%

Mr. Kuschel added that the vision plan would have no rated change as it is in a 36 month rate guarantee. He noted the participation was high with 605 members.

2. The next item from the agenda was a product preview by Patrick Fanshaw of Hinge Health (0:17:25). Mr. Fanshaw provided a power point presentation in which he shared these statistics:
 - 750 employer clients
 - 75 public sector clients
 - 1200 employees
 - Founded in 2015

Mr. Fanshaw summarized that Hinge health employs physical therapists, behavior coaches and surgeons (for medical expertise) to provide personalized care via a single app which incorporates motion tracking, computer vision and sensors. Billing is integrated with the existing claims processing and 100% of fees are at risk under the guaranteed 1.5x return on investment (ROI).

Participants are grouped into the most appropriate of four programs:

- Prevention (at-risk)
- Acute (recent injury)
- Chronic (high-risk)
- Surgery (pre & post rehab)

New participants have an initial evaluation with a physical therapist and are sent a home kit which includes a Lenovo tablet with the Hinge Health app preloaded along with any sensors needed to complete the treatment prescribed by the physical therapist. The tablet gives user feedback to ensure that target zones are hit. The tablet also informs health coaches of any interruption in adherence.

Efforts are not duplicated but instead coordinated with in-person physical therapists, so treatment plans complement each other. There is technology available that allows for sharing of images as well.

Three scenarios were discussed where Hinge Health would benefit members. The first was someone who completed three months of post-surgery, in-person physical therapy but was advised to continue self-guided therapy at home for another year. The second was someone who was experiencing pain that didn't rise to the level of seeking medical treatment or who was on a lengthy waiting list for medical treatment. The final was someone who was experiencing an acute pain episode and wished to avoid opioids.

Costs are \$0 for the Prevention program, \$250 per engaged participant/year for the Acute program and \$995 per engaged participant/year for the Chronic program. The Chronic program is based on engagement and milestone payments are \$695 followed by two \$150 payments spread throughout the year. If the same member is enrolled in two programs simultaneously for separate injuries, the plan is only billed for the higher cost program, not both programs. ROI is based on pain reduction reported by participants, this methodology was recently validated via an independent study available to us upon request.

Projected cost savings were \$632,264 in year one due to our high (18%) musculoskeletal or MSK spend. The state of New Jersey realized a 3.1 ROI in year one of implementing Hinge Health. They also experienced an 80% reduction in depression and anxiety among participants in year one as pain management and mental health correlate.

Hinge Health does not sell participant data as part of their privacy policy. In addition, they are subject to HIPAA guidelines and rules.

OLD BUSINESS

3. The first item from the agenda under Old Business was an update from the 2022 Healthcare Resources Subcommittee (0:58:10). Beth Menor reported that BCBSM will be releasing a new product called Blue Advisor. This product perfectly aligns with the goal of this subcommittee. Expect to hear more of the details after they are released by BCBSM, likely in October or December.
4. The next item from the agenda under Old Business was an update from the 2022 Dependent Dental Subcommittee (1:00:00). Krista Shopp shared some Delta rate quotes and reported that Delta Dental was using the consumer price index of 8.3% for trend. Because we have a rate cap in place through 2023, the subcommittee recommended taking no action prior to plan year 2024. Ms. Shopp also shared an interest survey the subcommittee will be sending out to all employees that will help guide future subcommittee recommendations.
5. The next item from the agenda under Old Business was an update from the 2022 Medicare Supplement Plan Subcommittee (1:03:15). Wade T. Rasch stated that the subcommittee had vetted and chosen a Medicare Advantage plan. He shared the disruption report which was primarily positive. The subcommittee would make a formal recommendation at the September meeting since 2023 rates were scheduled to be released in August. One Senior Gold option would remain and evaluated again in 2024.
6. The next item from the agenda under Old Business was an update from the 2022 Rx Copay Subcommittee (1:19:15). Jim Gottschald shared the subcommittee's recommendation to implement a specialty drug tier of \$50 and to take advantage of the Flex Access program through BCBSM. Net savings from manufacturer coupons were projected to be \$805,000 per year. Mr. Gottschald shared that the latest Prime Therapeutic's report showed 100% coupon access to members affected by the new specialty drug tier.
7. The next item from the agenda under Old Business was an update on Collaborative Care (1:34:05). Beth Menor reported that Essentia Health had opened four mental health collaborative care clinics in early 2022. The locations were in Proctor, Lakeside, Lakewalk and Superior. The current struggle was the

wait times for primary care visits since this care model begins with the primary care physician. Ms. Menor added that once the demand from the pandemic backlog wanes, mental health access, engagement and adherence should improve. She shared a first draft of a promotional flyer that would be sent to employees once finalized with Essentia's input.

NEW BUSINESS

8. The first item from the agenda under New Business was a Frontline Worker Webinar (1:37:45). Beth Menor shared a promotional flyer for a 30-minute pre-recorded webinar created by our Learn to Live vendor at our request. The webinar was targeted to those frontline workers who would benefit from learning and applying behavioral health practices in response to trauma or prolonged stress suffered during the pandemic. Ms. Menor also shared the marketing plan for the webinar and encouraged committee representatives to share it with their memberships.
9. The next item from the agenda under New Business was the Financial Report (1:41:00). Auditor Nancy Nilsen shared that both revenues and expenses were down since her last projection, however the revenue drop outpaced the expenses. The result was a drop in the projected year-end fund balance from \$22,544,818 to \$21,438,142. Auditor Nilsen also gave anecdotal testimony of recent high claims payments which she attributed to some release of the pandemic-related backlog of medical services/treatments.
10. The next item from the agenda under New Business was an update on the Total Wellness program (1:43:10). Tiffany Kari reported 1,005 total wellness (TW) members in 2022, year-to-date. She reported the following activities and initiatives:
 - The wellness webpage and introduction video were recently updated
 - Running shoe discounts offered to TW members
 - Renaissance Festival tickets raffled to TW members
 - Wellness trainings likely to have a virtual option going forward
 - The Duluth GSC fitness center open house had 350 attendees
 - The Duluth GSC fitness center had 12 users/day on average after soft opening
 - A fitness center in Hibbing was in the planning stages
 - Fresh food vending coming to the Duluth GSC, hoping to expand to more locations in the future

OTHER BUSINESS

11. The only item under Other Business was a request by Mr. Halverson for a summary sheet of the three programs that labor representatives needed to bring back to their memberships in preparation of September voting. That summary sheet is attached as an addendum.

With no further business the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth J. Menor".

Beth J. Menor
Senior Benefits Advisor



TALKING POINTS

Health Insurance Committee

Votes to be taken on September 21, 2022 - Consensus Yes votes go into effect on 1/1/2023

Hinge Health	Specialty Rx Copay	Medicare Advantage Plan
<p>The Vote: Yes or No to adopt this program</p> <ul style="list-style-type: none"> BlueCross chose Hinge Health as their vendor partner for in-home physical therapy that is private and convenient Available to all plan members who are experiencing pain, no diagnosis required Physical therapy is guided by Hinge Health Doctor, Physical Therapist & Health Coach Hinge Health staff will collaborate with patient's other doctors before, during or after surgery or onsite physical therapy Patient is provided an electronic tablet they can keep when they exit the program Patient is provided with the appropriate sensors, resistance bands & other equipment needed for the prescribed therapy Sensors and tablet give real-time feedback so movements are done correctly Enso device, if ordered by Hinge Health doctor, is an alternative to opioid, steroid, or cortisone pain management Therapy data is available to Health Coach who then holds patient accountable Zero cost to the patient, health plan pays \$0 to \$995 per year per participant, with average being \$562 per participant per year Patient participates in program for as long as medically needed Program pays for itself if each participant can avoid one doctor visit or RX per year One avoided surgery would pay for 100+ participants in this program Estimated ROI (return on investment) is 1.5X (for every dollar spent, expect to save a dollar and a half) 	<p>The Vote: Yes or No to adopt the FlexAccess program and add a \$50 specialty Rx copay tier</p> <ul style="list-style-type: none"> Our current RX copay structure is \$10/\$15/\$20/\$40, unlike many other health plans, we have no Specialty Rx copay tier Many health plans have specialty RX copays of \$100 - \$250 per month Specialty drugs typically cost \$2,000 to \$12,000 per month, are filled by specialty pharmacies, and often require special handling like refrigeration or overnight express mailings Specialty drugs are taken by 1-2% of us but they account for 60%+ of our total RX bill FlexAccess is an administrative program that proactively applies for all available coupons from Rx manufacturers Some Rx manufacturer specialty RX coupons are worth over \$30,000/year FlexAccess staff reach out to patients who would qualify for a manufacturer coupon to get them set up/enrolled in the program, once set up it is primarily set it and forget it Once in the program, the patient's share of the cost ranges anywhere from \$0-\$30 per month Those of us currently on a specialty medication are typically paying \$20 per month but sometimes \$40 There is currently no incentive for our members to seek Rx coupons Without a specialty copay in our plan design there can be a disincentive for members to participate in the program BlueCross used our current data to calculate net savings of \$805,000 in 2023 from FlexAccess Savings to the plan offset/reduce future premium increases All specialty medications prescribed to our members today have a coupon available 	<p>The Vote: Yes or No to replace one of two current Medicare Supplement plans with a Medicare Advantage Plan</p> <ul style="list-style-type: none"> The two current Senior Gold Medigap options available to retirees and their spouses are identical to one another other than monthly cost and drug copays (\$5/\$15/\$35/\$60 or \$10/\$25/\$40/\$25%) The selected Medicare Advantage plan has similar drug copays (\$0/\$5/\$15/\$35/\$60) to the more expensive Senior Gold option but costs significantly less (\$50-\$80/month less) Medicare Options that duplicated what was already available to everyone (individual market) and options that were drastically different from active employee coverage were not & will not be considered This advantage plan was selected due to its similarity to active employee coverage as well as its similarity to the Senior Gold RX copays which provide rich Rx coverage that is only offered in group plans The Medicare Advantage plan has a smaller nationwide network (92% the same and 8% different) than Senior Gold so one Senior Gold option will remain The Medicare Advantage plan adds some coverage for hearing aids, eyewear, home-delivered meals (following hospital stay), acupuncture and an OTC spending allowance (both Senior Gold and Medicare Advantage include Silver Sneakers Fitness/Wellness) For those retirees/retiree spouses who are already enrolled in the Senior Gold option that is proposed to be replaced: <ul style="list-style-type: none"> Enjoy one billing and one card 229 will go from \$10 to \$0 Rx copay 225 will go from \$10 to \$5 Rx copay 111 will go from \$10 to \$15 Rx copay 102 will go from \$25 to \$15 Rx copay 21 will need to change brands 21 will go from \$25 to \$5 Rx copay 11 will go from \$40 to \$35 Rx copay 7 will go from \$40 to \$15 copay

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