

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, February 15, 2023 at 9:00 a.m. via Webex. The meeting was called to order by Jim Gottschald, Committee Co-Chair.



Members Present:

Timothy Rasch
Heather Ninfeldt
Jim Gottschald
Sasha Lehto
Kim Maki

Katie Finc
Tom Stanley
Stephanie Lundgren
Michael McDougall
Gordy Halverson

Others Present:

Jeff Coenen
Beth Menor
Jolene Jamnick
Colleen Effinger

Tiffany Kari
Dave Kuschel
Leanne Barker
Kim Hoffmocker

No corrections to the December minutes were requested but there was not a management quorum present to approve them.

PRESENTATIONS

1. The first item from the agenda under Presentations was the 2022 Pharmacy Spend report by Dave Kuschel of Blue Cross and Blue Shield of Minnesota (BCBSM). Mr. Kuschel shared the following from Prime Therapeutics:
 - 2022 pharmacy costs went up about \$350,000 or 5% and plan paid also went up \$437,000, which is 5.1%.
 - There was a slight decrease in membership of 133 members or 3.4% and an increase in overall pharmacy claims of 1,118 claims.

- Benchmark numbers were comparable to similar size groups but some show slightly above due to the amount of scripts per year.
- St. Louis County averaged 16.1 prescriptions per member per year, and the benchmark was 13.6.
- Generic utilization continued to go up and landed at 86.5 percent as compared to the benchmark number of 86.3.
- ESN claims at 62.3 percent means members are using ninety-day supplies for their maintenance medications.
- With the increase in both specialty spend and non- specialty spend, the overall per member per month (PMPM) trend was 8.7% which was two points below the benchmark.
- Specialty pharmacy costs went up 2% or about \$79,000, all plan paid.
- Rheumatoid arthritis (RA) was still the number one category with Humira, Enbrel and Stelara being the top three drugs.
- Growth hormone spend was up by \$234,000 with 26 additional claims.
- St. Louis County did see a reduction in spend in oral cancer, anti-convulsions, hepatitis C, cystic fibrosis and multiple sclerosis.
- The cost of some of the RA and cancer drugs in 2022 was high and caused St. Louis County to exceed some benchmarks.
- 58.1% of total plan paid was for specialty drugs.
- Overall non-specialty costs went up \$270,000 or 9%.
- Plan paid went down by \$257,000 or 9.7%
- Like all other plans at BCBSM, Diabetes was the number one category in spend accounting for 34.1% of total non-specialty spend.
- Some non-specialty drug categories saw an increase in overall PMPM spend; namely asthma, anti-coagulants and other non-categorized drugs.
- Savings from the accumulator adjustment program landed at just over \$5,000, the KeyRx program generated \$152,000 in savings and the utilization management programs saved the plan about \$574,000, all in 2022.
- Quarterly reporting on the flex access program will begin later this year.

Beth Menor added that a biosimilar for Enbrel was expected to come to market in 2023. Mr. Kuschel added that pricing typically drops around 10% for the first six months of non-exclusivity.

Jim Gottschald noted that Fairview Health Services was the top pharmacy for spend and Dave Kuschel attributed that to them being one of two specialty drug providers, the other being Accredo.

Beth Menor inquired about the Elevate provider network which had over 11,000 pharmacy claims in 2022. David Kuschel shared the Prime Therapeutics answer to this question via email after the meeting:

Elevate Provider Network, HealthMart Atlas, and Epic Pharmacy Network are all Pharmacy Service Administration Organizations (PSAOs). Independent pharmacies work with PSAOs who contract on their behalf with PBMs instead of having to contract with each PBM individually. So there are a number of pharmacies that roll up to that PSAO affiliation, which is what you are seeing in your reporting. They contract at the affiliation level as opposed to the independent level.

Thomas Stanley asked if there was step therapy that takes place within that RA category and if Advair Diskus had less expensive alternatives. Dave Kuschel responded to state that not only do the RA drugs have what we would consider step therapy, but there's also a rigorous prior authorization process they go through. David Kuschel shared the Prime Therapeutics answer to the Advair Diskus question below via email after the meeting:

When you look at the other Asthma medication on the list they are very similar in price. Advair Diskus \$368.73, Breo Ellipta \$368.37, Symbicort \$347.30 and Advair HFA \$407.11. As you know we don't dictate the cost of medications that comes from the manufacturers and AWP (average wholesale price) through Medispan which Prime's discount pricing is incorporated with each of the pharmaices. Advair Diskus has a rebate so that rebate amount will be sent back to SLC to help lower the cost of the medication.

OLD BUSINESS

2. The first item from the agenda under Old Business was the dental survey results. Sasha Lehto represented the dental subcommittee. She touched on the following takeaways:
 - 47.8% of respondents were currently covering family members
 - 60.4% of respondents preferred to have dependent dental coverage match employee coverage even if there was an increase to the premium
 - 87.6% of respondents who were enrolled would remain enrolled despite a premium cost increase, 12.4% would drop coverage
 - 74.3% of respondents who were not enrolled would still not enroll under a premium cost increase, 25.7% would enroll
 - 29.3% of respondents were not willing to pay any additional premium to add orthodontia coverage, 26.1% were willing to pay \$1-\$5/month additional, 30.2% were willing to pay \$6-\$10/month, 5.7% were willing to pay \$11-\$15/month additional and 8.9% were willing to pay \$16-\$20/month
 - 82.7% reported little or no billing issues resulting from multiple cards

Sasha stated the primary takeaway from the survey results was that membership counts should remain steady or grow slightly under a moderate increase in premium costs with a bump in benefits to match employee coverage.

Beth Menor pointed out that over half of the people who responded to the survey didn't have the dependent dental coverage. She wondered if that meant there was much interest in the dental plan if it were a little richer and/or cheaper. She conceded that although the survey gives us a glimpse into what employees are thinking, she cautioned that sometimes surveys aren't the gold standard and the orthodontia question was problematic. She regretted that we asked about \$2,000 in orthodontia coverage for each covered child, but we didn't specify if it was a lifetime cap or if it was an annual cap. Jim Gottschald added that we also didn't specify if the premium increase for orthodontia was in addition to the premium increase to match benefits.

Jim Gottschald stated the reason for this agenda item was to continue to have dialogue on three fronts: 1) do we transition from a fully-insured voluntary dependent dental coverage to a self-insured plan, 2) do we match employee and dependent dental benefits to reduce confusion and increase participation and 3) do we add orthodontia coverage. He asked labor representatives to bring this report back to their memberships for continued discussion and possible action at the July meeting. Beth Menor offered to resend the dental talking points handout she previously shared with labor members.

Thomas Stanley expressed concern that there would again be resistance from administration in terms of a decision and asked if something changed to make the options more palatable to administration. Jim Gottschald stated that the survey results were additional information from the last proposal.

NEW BUSINESS

3. The first item from the agenda under New Business was the Health Plan Administrator RFP panel. Beth Menor stated that we were due to bid for health plan administration services and she would like one person from the health Insurance committee to serve on the selection committee. She detailed the time commitments as one full day for evaluating the written proposals, one full day for interviewing the finalists and an occasional thirty minute or sixty- minute virtual meeting over the next three or four months. She asked that committee members send her an email expressing their interest.
4. The next item from the agenda under New Business was 2023 Meeting Space and Format. Beth Menor stated that the public health emergency had been announced as ending on May 11, 2023. The next meeting was scheduled for May 17, 2023 so the Lake Superior room in the Duluth Government Services center was booked for

the rest of 2023 meetings as it has Webex capabilities. All meetings going forward would be a hybrid format of in-person and virtual.

OTHER BUSINESS

5. The first item under Other Business was changes in COVID-19 health plan coverage after the public health emergency ends. Beth Menor summarized the changes:
 - Over-the-counter COVID19 tests purchased 5/11/23 or later will not be eligible for health plan reimbursement but are still eligible for flexible spending reimbursement.
 - COVID19 treatments will be subject to the same cost-sharing as other medical treatments. Deductible and coinsurance will apply starting 5/11/23. See details on current deductibles and coinsurance at www.stlouiscountymn.gov/benefits under the MEDICAL and COVERAGE headings.
 - COVID19 vaccinations will continue to be covered at 100% at all in-network pharmacies and clinics.

6. The next item from the agenda under Other Business was an update on wellness initiatives by Tiffany Kari Cizmas:
 - Healthy vending options now operating with an open-air market format in Duluth GSC where Duluth Courthouse employees also have keycard access. Vending at the motorpool location was pending. Tiffany did express a desire to add fresher and healthier options in the future.
 - A new wellness app called Wellable replaced Daily Endorphin. There will be more wellness challenges than in past years. There were 291 employees in the current Wellable challenge.
 - Employees were raving about the Total Wellness incentive jackets, some free race entries for Grandma's marathon would be raffled off to Total Wellness members and the Tortoise and Hare shoe deal was returning this year.

7. The next item from the agenda under Other Business was an update regarding onsite fitness space. Tiffany Kari Cizmas and Jim Gottschald shared that the Hibbing space would need considerable structural changes that were cost-prohibitive and Property Management declined to allow use of the Virginia space. The Cook facility and the Duluth jail were pending fitness equipment as space had been identified and approved.

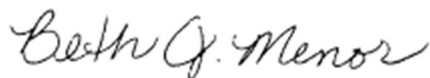
Thomas Stanley suggested a subcommittee to study fitness spaces. Beth Menor suggested the subcommittee be broader and determine spending of future wellness grants.

8. The next item from the agenda under Other Business was a question from Leanne Barker. She asked if there were discounts available to employees who wish to purchase a fitness tracker. Beth Menor offered two options. For those in the SLC health plan, the Blue365 discount program (accessed through member portals at www.bluecrossmn.com) offered 20% off Fitbits and 30% off Garmin devices. Alternately, members can use Sharecare points to purchase a fitness tracker in the share care marketplace. Tiffany Kari Cizmas testified to saving \$150 off her tracker via the Sharecare marketplace.

9. The next item from the agenda under Other Business was a question from Kim Hoffmocker who asked if the new option had started where an outside entity works with employees with chronic pain. Beth Menor affirmed that it had and the program is called Hinge Health. She and Dave Kuschel gave testimony to personally benefiting from this program. Program details were posted at www.stlouiscountymn.gov/benefits in the Hinge Health module in the virtual fair.

With no further business the meeting was adjourned.

Respectfully submitted,



Beth J. Menor
Senior Benefits Advisor