

SC PUBLIC EMPLOYEE BENEFIT AUTHORITY- BOARD OF DIRECTORS

Health Care Policy Committee- MINUTES [adopted 1/15/14]

202 Arbor Lake Drive, Columbia SC, Main Conference Room 2nd Floor

Wednesday, November 20, 2013 – 9:30 a.m.

Health Care Committee Members Present:

Mr. Joe “Rocky” Pearce, Chairman (in person)
Mr. Audie Penn (in person)
Mr. Steve Heisler (in person)
Ms. Stacy Kubu (in person)
Mr. Art Bjontegard (in person)

Additional Board Members Present:

Mr. Frank Fusco (in person)

Others present for all or a portion of the meeting:

David Avant, Lil Hayes, Travis Turner, Stephen Van Camp, Laura Smoak, Justin Werner, Colleen Clark, David Quiat & Virginia Wetzel from the South Carolina Public Employee Benefit Authority (PEBA); Scott Honken, Miranda Weaver, Steve Smith, Colby Heiner with Catamaran; David Patterson and Amanda Murphy with the SC Office of Research and Statistics; Fred Allen and Whitney Williams with Fred Allen and Associates; Wayne Pruitt and Donald Tudor with the State Retirees Association of SC; Maria Platanis with Blue Cross Blue Shield of South Carolina; William Kinney with Mullikin Law Firm; and Carlton Washington with the SC State Employees Association.

AGENDA

1. CALL TO ORDER; ADOPTION OF PROPOSED AGENDA

Mr. Pearce called the meeting to order at 9:30 a.m. Ms. Hayes confirmed meeting notice compliance with the Freedom of Information Act. Mr. Penn moved to adopt the proposed agenda. Mr. Heisler seconded, with the unanimous vote to approve.

2. Approval of Meeting Minutes- October 16, 2013

Mr. Pearce asked for amendments to the October 16, 2013, Health Care Policy Committee meeting minutes. Mr. Fusco would like to amend the first sentence on page two of the minutes by changing the word “directed” to “suggested”. Mr. Pearce asked for a motion to approve the minutes as amended. Mr. Heisler moved to approve the minutes. Mr. Pearce seconded, with unanimous vote to approve.

3. Catamaran Presentation (In notebook materials)

Interim Director David Avant introduced Steve Smith, Scott Honken, Miranda Weaver, and Colby Heiner with Catamaran, PEBA’s new Pharmacy Benefits Manager. The Catamaran representatives highlighted their company’s measurable proof of value through a holistic approach to pharmacy benefits resulting in improvements to cost and outcomes, the details of their new partnership with PEBA, the value of their future on-campus presence at PEBA, the details of the Employer Group Waiver Plan to provide pharmacy benefits to retirees, and a summary of the implementation process thus far. Catamaran commended the PEBA team for their responsiveness during the implementation process.

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There was discussion regarding the co-branding of PEBA and Catamaran on all member communications, the contractually required member satisfaction survey, Catamaran's Medication Therapy Management Program (MTM) designed for members who require chronic medications, the claim dispute process and related appeals structure, Catamaran's recommendation of data exchange and usage of analytics to target high risk population to insure proper management, the implementation of new pharmacy benefits cards separate from Health Insurance Cards provided by Blue Cross Blue Shield, the new mobile app features/ solutions available to members, and Catamaran's annual Client Advisory Board meeting to be held at the Catamaran Innovation Center in Chicago.

4. Health Analytics (In notebook materials)

Mr. Pearce introduced W. David Patterson, Ph.D, Chief of Health and Demographics for the SC Office of Research and Statistics who presented a report on health care quality and cost reduction based on the need for care coordination and patient engagement. Dr. Patterson explained that health care trends are now centered on improving the health of the population by engaging the patient to ultimately reduce the per capita cost of care. He highlighted a breakdown of the State Health Plan's cost associated with chronic and non chronic conditions based upon claims data gathered from the 2012 plan year. The projection of cost associated with chronic conditions is anticipated to be escalating disproportionately without future coordination of care and patient engagement. He indicated the following health condition outliers that could benefit significantly from patient coordination and management of care: Asthma, Coronary Artery Disease, Congestive Heart Failure, Chronic Obstructive Pulmonary Disorder, Diabetes, Hyperlipidemia, and Hypertension. It was noted that better health care management of members suffering from Hyperlipidemia and Hypertension could potentially reduce the quantity of those suffering from the remaining outlier conditions and ultimately reduce the overall cost to the plan. Dr. Patterson provided a Patient Engagement Framework offered by the National eHealth Collaborative that informs, engages, empowers, partners, and creates a health community for the patient.

There was discussion regarding the creation of a Communication and Engagement Plan for subscribers of the State Health Plan and the importance of collecting, sharing, and measuring data to better manage health outcomes.

5. Reports to the Legislature (In notebook materials)

2012 Abortion Report

Pursuant to Fiscal Year 13/14 Appropriations Act, Proviso 105.4, the Public Employee Benefit Authority must determine the amount of the total premium paid for health coverage necessary to cover the risks associated with reimbursing participants in the plan for obtaining an abortion in the circumstances covered by this provision. The determination must be based on actuarial data and empirical study in the same manner and by the same method that other risks are adjusted for in similar circumstances. The plan must report this determination annually to the respective Chairmen of the Senate Finance Committee and the House Ways and Means Committee.

Mr. Avant presented a report indicating the State Health Plan's portion of total member premiums paid to cover abortions performed under the Plan for 2012. The Committee received this as

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information. He advised that this report will be sent to the Chairman of the Senate Finance Committee and the House Ways and Means Committee.

Tobacco User Differential Study: FY 12/13

Pursuant to FY 13/14 Appropriations Act Proviso 105.6, the Public Employee Benefit Authority shall conduct a study to determine if it is in the best interest of the state and the State Health Plan to differentiate between tobacco users by category of product used and non-users regarding rates charged to enrollees in its health plans by imposing a surcharge on enrollee rates based upon the category of tobacco product used. In conducting the study, the authority shall offer a period for public comment. Recommendations shall include, but not be limited to an appropriate surcharge to be assessed and shall be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by December 31, 2013.

Mr. Avant presented a draft report of the claim cost analysis of State Health Plan members paying a tobacco surcharge for Fiscal Year 12/13. Mr. Avant advised the period of public comment will be scheduled soon. There was discussion regarding discrepancies within the data collection process. The Committee directed staff to further research the data available and other research sources prior to publishing the report and opening the period of public comment.

6. Old Business

MUSC PCMH Pilot Update

PEBA Chief of Staff, Travis Turner informed the Committee that all plan details of MUSC's PCMH Pilot Plan have been finalized excluding the establishment of quality outcome measures, which should be completed very soon. The Committee requested staff to circulate a copy of all MUSC communications to their employees regarding the new PCMH Pilot Plan.

7. New Business

There was no new business.

8. Adjournment

There being nothing further to discuss, Chairman Pearce requested a motion to adjourn. Ms. Kubu moved to adjourn and Mr. Penn seconded. The committee unanimously voted to adjourn at 12:15 p.m.