

Meeting Minutes | Health Care Policy Committee

Thursday, October 20, 2016 | 10:00 a.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes approved November 9, 2016

Board Members Present: Mr. Frank Fusco, Mr. Steve Heisler, Mr. Joe “Rocky” Pearce, Chairman, and Mr. Audie Penn

Others Present for All or a Portion of the Meeting: Peggy Boykin, Amber Carter, Sarah Corbett, Georgia Gillens, Megan Lightle, Heather Muller, David Quiat, Jacalin Shealy, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, and Justin Werner from the South Carolina Public Employee Benefit Authority (PEBA); Wayne Bell and Wayne Pruitt from the State Retirees Association of South Carolina; Brooks Goodman, Karen Patton, Matt Shaffer, and Dr. Shawn Stinson from Blue Cross Blue Shield of South Carolina; Shawn Davis, Karen Russell, Robin Scott, and Traci Young from Express Scripts, Inc.; Michael Craig, Kipper Linville, and Tim McDonald from Novo Nordisk, Inc.; Emily Madalena, Mike Madalena, and Eric St. Pierre from Gabriel, Roeder, Smith & Company; Gary Bucello, Dr. Paul Mendelowitz, and Dr. Madhavi Vemireddy of ActiveHealth Management; and Will Kinney from Milliken Law Firm.

I. Call to Order

Chairman Rocky Pearce called the PEBA Health Care Policy Committee (Committee) meeting to order at 10:00 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Adoption of Proposed Agenda

Mr. Steve Heisler made a motion, which was seconded by Mr. Audie Penn and approved unanimously, to adopt the proposed Committee meeting agenda.

III. Approval of Meeting Minutes- September 15, 2016

Mr. Heisler made a motion, which was seconded by Mr. Penn, and approved unanimously, to approve the September 15, 2016, Committee meeting minutes.

IV. Overview of Evidence-Based Medicine Alerts Program

Dr. Madhavi Vemireddy, MD, Chief Medical Officer, and Dr. Paul Mendelowitz, MD, Senior Medical Director, of ActiveHealth Management, presented an overview of the evidence-based medicine alerts program that has been in place with the State Health Plan (SHP) since 2006. This program uses evidence-based health and wellness solutions to provide physicians insight for over 250 health conditions, including over 1,350 care recommendations. Clinical data, claims data, and member data are combined to provide deep insight into a member’s health so they can receive the best possible treatment for their condition while reducing medical spending cost.

V. Construction of the Express Scripts National Preferred Formulary

Mr. Shawn Davis, Senior Director, Formulary Solutions, Express Scripts, Inc., discussed the National Preferred Formulary that will become effective in the State Health Plan January 1, 2017. Transition to the National Preferred Formulary will maximize the Plan's ability to obtain the lowest net cost for covered prescriptions.

Mr. Davis stated that plan sponsors are being challenged like never before because of several factors including:

- Almost 50 percent of Americans have at least one chronic condition
- Specialty drug trend in 2015 was outpacing economic inflation by 17.7 percent
- Conditions like multiple sclerosis and cancer are creating drastic specialty cost
- The average price of brand medications rose 164 percent between 2008 and 2015

Mr. Davis reported 94 percent of South Carolina employers use the National Preferred Formulary along with 80 percent of Express Scripts' total clients. 25 million members on one formulary encourages manufacturers to provide their most competitive rates.

Mr. Davis added that Express Scripts will use targeted member notification letters to help ensure a smooth transition for members affected by the conversion.

VI. Proposed State Health Plan Annual Adult Well Exam

Ms. Laura Smoak, Analytics and Health Initiatives Director, reviewed the annual adult well exam that is proposed for the State Health Plan for 2018, and outlined the assumptions made in the development of the benefit including:

- The benefit would be available annually to all non-Medicare primary adults covered by the SHP
- The benefit would be "first dollar" in nature in that it would not be subject to general plan provisions (deductible or coinsurance)
- The benefit would cover all evidence-supported services typically performed in an adult checkup
- The benefit would cover all evidence-supported services typically performed in an adult well-woman checkup that are not currently covered by the SHP
- The benefit could also cover other commonly performed adult checkup related services
- The benefit assumes the adult checkup would be limited to primary care physician provider type or specialty to include physicians specializing in General Practice, Family Practice, Internal Medicine, and Obstetrics and Gynecology
- Follow-up services performed as a result of the adult checkup would be subject to existing plan provisions (per occurrence copays, deductible, and coinsurance subject to applicable out-of-pocket maximums)

Ms. Smoak also reviewed the annual adult checkup scope of coverage, and additional services that may be covered based on the United States Preventive Services Task Force (USPSTF) recommendations. If approved, the SHP will cover one adult checkup per year.

Ms. Smoak detailed the cost impact for the Annual Adult Well Exam to the State Health Plan based on several scenarios. Following further review, the Committee asked to see the cost impact on additional scenarios without a patient copay.

Ms. Sarah Corbett, Chief Operating Officer, noted that the Committee will vote on the proposed State Health Plan Annual Adult Well Exam at the next Health Care Policy Committee meeting scheduled for November 9, 2016.

VII. Strategic Action Plan Review

Ms. Corbett reviewed the PEBA Board Strategic Plan-Staff Action Plans related to the Health Care Policy Committee, and provided an update to the 2016-2018 Business Plan. Ms. Corbett stated that the Business Plan will be presented for approval at the Board Retreat scheduled for November 30, 2016.

VIII. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that she did not have any additional information to report.

IX. Adjournment

There being no further business, and upon motion by Mr. Fusco, which was seconded by Mr. Heisler, and approved unanimously, the Committee meeting adjourned at 12:05 p.m.