

Meeting Agenda | Health Care Policy Committee

Thursday, May 19, 2016 | 10:00 a.m.

200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

- I. Call to Order
- II. Adoption of Proposed Agenda
- III. Approval of Meeting Minutes- March 17, 2016
- IV. Strategic Planning Update
- V. Overview of the OPEB Trust Fund
- VI. Diabetes Discussion
- VII. Old Business/Director's Report
- VIII. Adjournment

Notice of Public Meeting

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Health Care Policy Committee

Meeting Date: May 19, 2016

1. Subject: Strategic Planning Update

2. Summary: Quarterly update on progress towards completion of the 2015-2018 PEBA Board Strategic Plan – Staff Action Plans.

3. What is Committee asked to do? Receive as information

4. Supporting Documents:

- (a) Attached: 1. PEBA Board Strategic Plan- Staff Action Plans
 2. PEBA Board Strategic Plan Completed

Open Items

PEBA Board Strategic Plan - Staff Action Plans (Health Care Policy)

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Implementation Date	Status	Responsible Staff Leader
Health Care Policy	Compliance		Implementation of GASB 74 OPEB Standard	6/30/2017			Phyllis Buie Bob Avery
Health Care Policy	Compliance		Implementation of GASB 75 OPEB Standard	6/30/2018			Phyllis Buie Bob Avery
Health Care Policy	Data Analysis		Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: require workplace screening providers to electronically provide biometric data to the plan and / or the ASO	6/1/2016			Laura Smoak Ken Turnbull Elliot McElveen
Health Care Policy	Planning and Execution		Complete Behavioral Health contracting process in a timely manner that permits sufficient time for implementation; conduct process in a manner which serves the best interest of the SHP and its membership	1/1/2017			Rob Tester Georgia Gillens
Health Care Policy	Planning and Execution		Complete medical ASO contracting process in a timely manner that permits sufficient time for implementation; conduct process in a manner which serves the best interest of the SHP and its membership; contract includes wellness programming to enhance product offerings which promote employee wellness	1/1/2017			Rob Tester David Quiat
Health Care Policy	Planning and Execution		Specialty Pharmacy: develop strategies to address specialty pharmacy spend and to better manage specialty pharmacy sector; work collaboratively with pharmacy and medical contractors	7/1/2016			Rob Tester Laura Smoak
Health Care Policy	Planning and Execution		Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: develop a wellness scorecard to provide employers: score card communicated	12/31/2016			Laura Smoak
Health Care Policy	Planning Support		MUSC Health Plan Pilot: continue financial analysis of plan performance and work collaboratively with MUSC on plan management	7/31/2016			Rob Tester Laura Smoak
Health Care Policy	Planning Support		PCMH Initiative: evaluate plan effectiveness , provider accessibility and member participation; continue to evaluate PCMH cost effectiveness	12/31/2017			Rob Tester Laura Smoak

Completed Items

PEBA Board Strategic Plan - Staff Action Plans (Health Care Policy)

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Implementation Date	Status	Responsible Staff Leader
Health Care Policy	Compliance		Complete additional reporting required by the ACA	3/1/2016	2/18/2016		Phyllis Buie Denise Hunter
Health Care Policy	Data Analysis		Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: incent and encourage participants to share biometric data with the plan.	4/30/2016	12/31/2015		Laura Smoak Ken Turnbull Elliot McElveen
Health Care Policy	Data Analysis		Define and measure appropriate benchmarks against both public and private sector insurance plans: identify best practices among other insurance plans regarding improving health outcomes and reducing costs	1/15/2015	2/18/2015		Rob Tester GRS BCBSSC Sarah Corbett Laura Smoak
Health Care Policy	Data Analysis		Define and measure appropriate benchmarks against both public and private sector insurance plans: recommend three best practices with the highest projected return on investment for potential implementation	3/26/2015	3/26/2015		GRS BC&BS Sarah Corbett Laura Smoak Rob Tester
Health Care Policy	Data Analysis		Expand and utilize database for biometric data: determine appropriate database location to track biometric	3/30/2015	12/15/2014		Laura Smoak
Health Care Policy	Data Analysis		Expand and utilize database for biometric data: procurement or development of database (if necessary)	12/31/2015	12/31/2014		Laura Smoak
Health Care Policy	Data Analysis		Monitor claims & clinical data experience of MUSC pilot health plan and take additional action as appropriate.	6/15/2015	5/20/2015		Laura Smoak Rob Tester
Health Care Policy	Planning and Execution		Complete PBM contracting process in a timely manner; complete implementation process in a manner which serves the best interest of the SHP and its membership	12/31/2015	12/31/2015		Rob Tester Georgia Gillens
Health Care Policy	Planning and Execution		Develop a post-grandfathered health plan for review by the Governor and Legislature	1/15/2015	2/25/2015		Laura Smoak
Health Care Policy	Planning and Execution		Hospital Quality Information: develop and promote a PEBA web page as a single point of contact for SHP participants to research SC based hospital quality information using a credible cross-reference of information for varying conditions	1/31/2016	1/28/2016		Rob Tester Laura Smoak

Completed Items

PEBA Board Strategic Plan - Staff Action Plans (Health Care Policy)

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Implementation Date	Status	Responsible Staff Leader
Health Care Policy	Planning and Execution		Implement referenced based pricing strategy for certain imaging, pathology and endoscopy services commonly performed in non-hospital settings to make pricing more comparable with those other settings; evaluate plan impact	1/1/2016	10/30/2015		Rob Tester Laura Smoak
Health Care Policy	Planning and Execution		Increase internal participation in wellness programs for PEBA as an employer: double the number of workshops available to PEBA employees and increase participation in recurring events by 20%.	12/31/2015	11/23/2015		Laura Smoak
Health Care Policy	Planning and Execution		Medicare Advantage: analyze product features and stakeholder impact and formulate recommendation as to proceeding with product	2/28/2016	1/29/2016		Rob Tester Laura Smoak
Health Care Policy	Planning and Execution		Research alternate PBM structures	3/31/2016	5/13/2016		Rob Tester
Health Care Policy	Planning and Execution		Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: develop a wellness scorecard to provide employers: score card developed	12/31/2015	9/30/2015		Laura Smoak
Health Care Policy	Planning and Execution		Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: increase participation in the biometric screenings by 10,000	4/30/2016	11/23/2015		Laura Smoak BCBSSC
Health Care Policy	Planning and Execution		Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: increase participation in the co-pay waiver program to 7 percent of the eligible population	4/30/2016	11/23/2015		Laura Smoak BCBSSC
Health Care Policy	Planning and Execution		Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: survey 100 largest employers, which represent 79 percent of active employee membership, and record wellness initiatives	12/31/2014	12/31/2014		Dayle Delong

Completed Items

PEBA Board Strategic Plan - Staff Action Plans (Health Care Policy)

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Implementation Date	Status	Responsible Staff Leader
Health Care Policy	Planning Support		Identify and implement a comprehensive health care consultant relationship for the health care plan: complete procurement for consultant relationship	2/28/2016	5/13/2016		Georgia Gillens Rob Tester
Health Care Policy	Planning Support		Identify and implement a comprehensive health care consultant relationship for the health care plan: Identify Scope of the consultant relationship	7/31/2015	5/13/2015		Sarah Corbett Rob Tester
Health Care Policy	Planning Support		Identify and implement a comprehensive health care consultant relationship for the health care plan: Issue RFP for consultant relationship	9/30/2015	11/2/2015		Georgia Gillens Rob Tester
Health Care Policy	Planning Support		Implement VBID insurance design at no member cost for both routine and diagnostic colonoscopies, all CDC recommended adult immunizations, prescription medication for tobacco cessation products and diabetes education; evaluate plan impact and member participation in VBID initiatives	1/1/2016	12/31/2015		Rob Tester Laura Smoak
Health Care Policy	Planning Support		Opioid SCRIPTS Program: require medical and dental providers who prescribe opiates to SHP and Dental Plan members to register and utilize the SCRIPTS database and develop methodology to evaluate compliance	3/1/2016	3/15/2016		Rob Tester Laura Smoak
Health Care Policy	Staffing / Organizational Structure		Determine and implement appropriate staffing for the health care plan to achieve strategic goals: Evaluate overall staffing needs	9/30/2015	8/31/2015		Rob Tester
Health Care Policy	Staffing / Organizational Structure		Determine and implement appropriate staffing for the health care plan to achieve strategic goals: Recruit an Insurance Policy Director	2/1/2015	3/2/2015		Sarah Corbett Kim Brown

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Health Care Policy Committee

Meeting Date: May 19, 2016

1. Subject: Overview of the OPEB Trust Fund

2. Summary: Travis Turner, Chief Financial Officer, will provide an overview of the OPEB Trust Fund.

3. What is Committee asked to do? Receive as information

4. Supporting Documents:

PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Health Care Policy Committee

Meeting Date: May 19, 2016

1. Subject: Diabetes Discussion

2. Summary: Dr. Shawn Stinson from Blue Cross Blue Shield of South Carolina will discuss State Health Plan expenses related to diabetes and programs in place to address diabetes.

3. What is Committee asked to do? Receive as information

4. Supporting Documents:

(a) Attached: 1. Diabetes Discussion: Cost, prevalence, and interventions



Serving those who serve South Carolina

State Health Plan

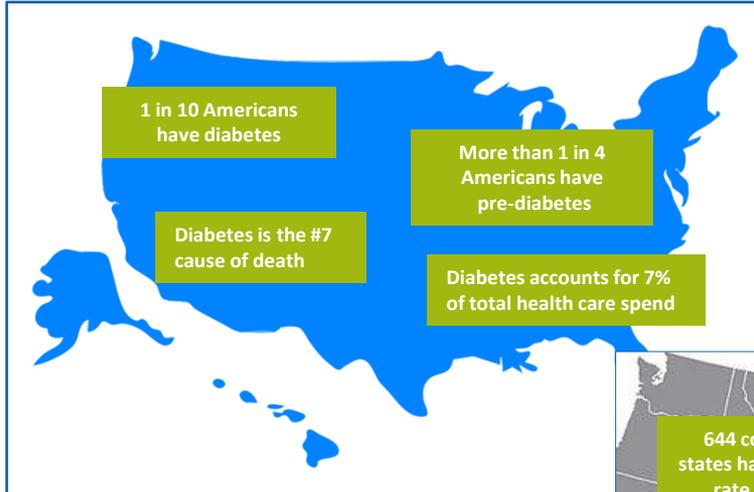
**Diabetes discussion:
cost, prevalence and interventions**

May 19, 2016

Diabetes: a national, regional and local public health issue

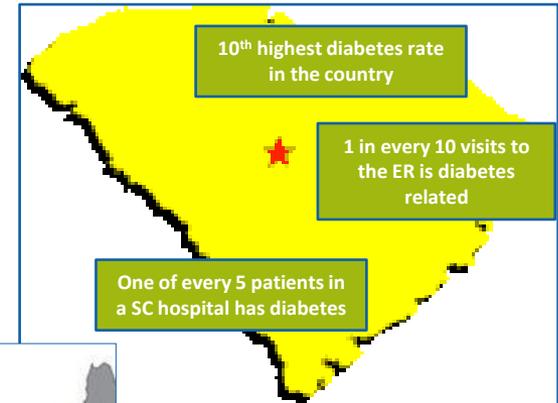


National situation



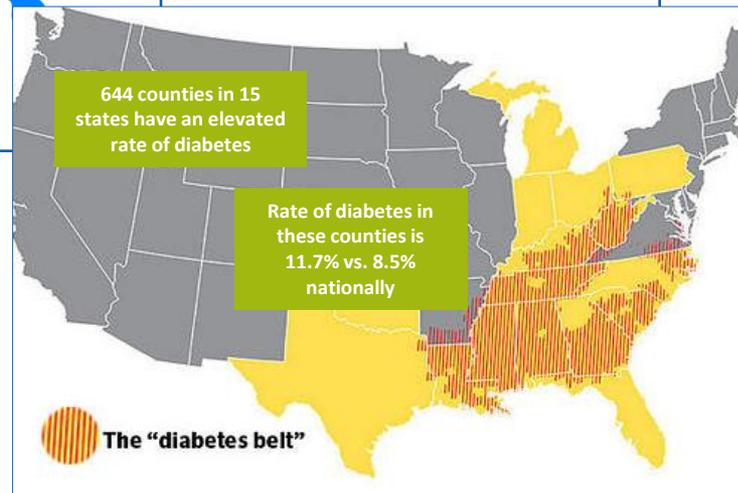
<http://www.cdc.gov/diabetes/pdfs/data/2014-report-estimates-of-diabetes-and-its-burden-in-the-united-states.pdf>

South Carolina situation



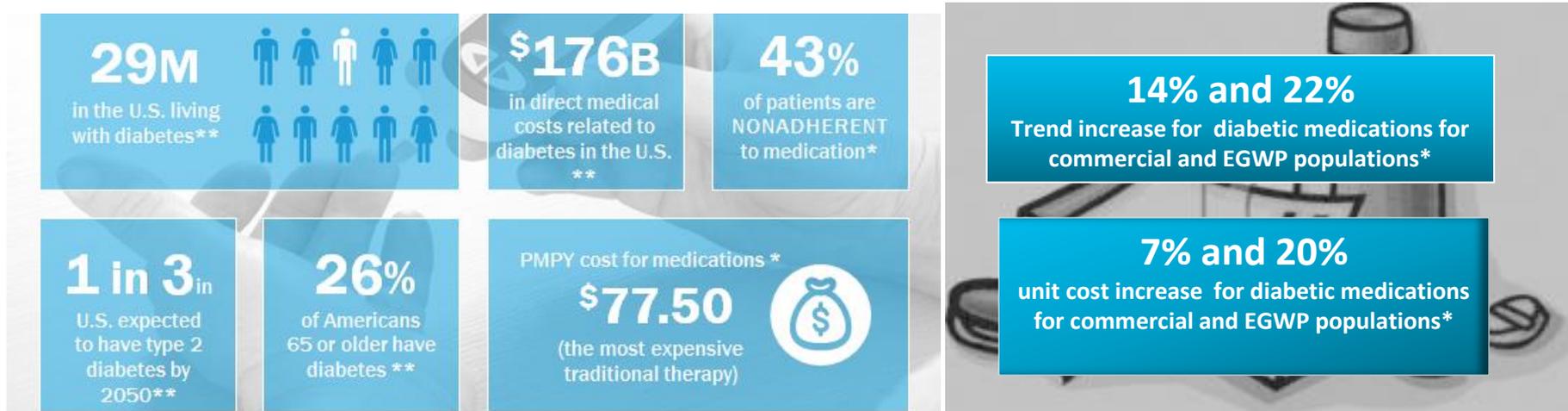
<http://www.ncbi.nlm.nih.gov/pubmed/23531963>

Southeast "Diabetes Belt"



<http://www.diabetesforecast.org/2013/may/the-diabetes-belt.html?referrer=https://www.google.com/>

Diabetes: magnitude of the problem



- Diabetes remains a major driver of positive pharmacy trend for the fifth consecutive year
- Trend observed due to increases in both utilization and unit cost
- Brand inflation continues to drive the rising unit cost of diabetes medications, mostly due to lack of generics
- Utilization and unit cost impacted by new, more expensive therapies and pre-filled insulin pens
- Utilization will continue to increase, due to the number of diabetics and the use of multidrug regimens

*2015 ESI Drug Trend report

**<http://www.cdc.gov/media/pressrel/2010/r101022.html>

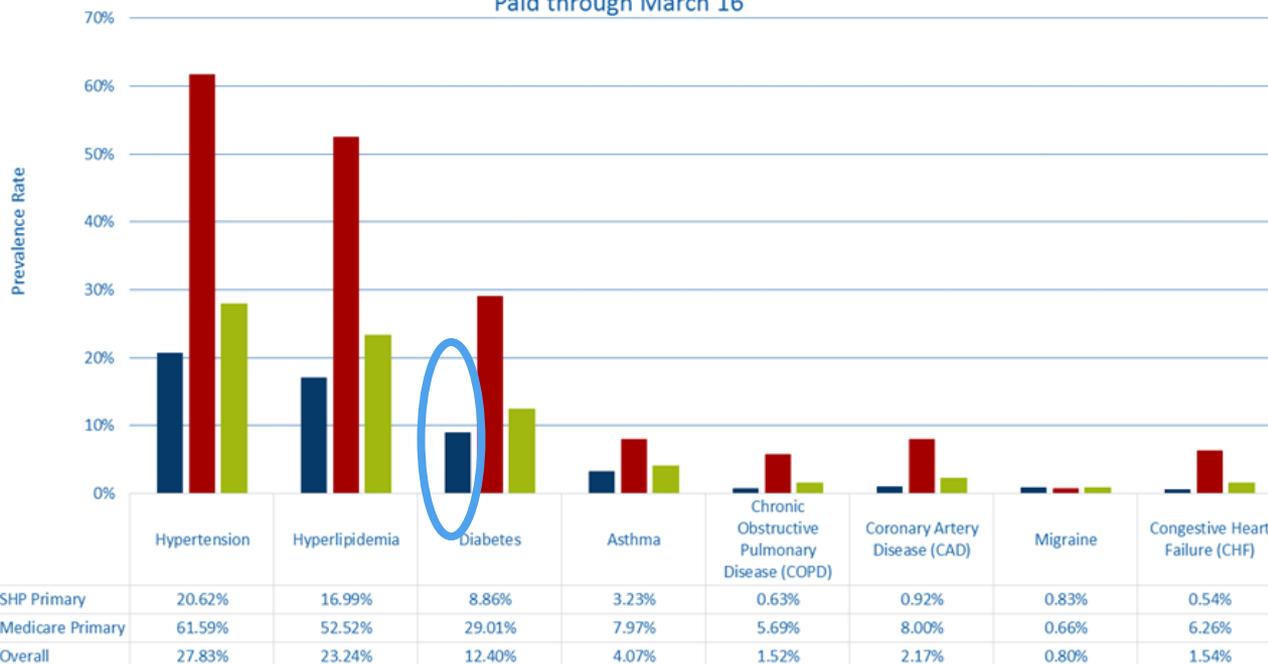
State Health Plan data: diabetes prevalence



Diabetes is the third most prevalent chronic condition in the State Health Plan's population

SHP chronic condition prevalence rates

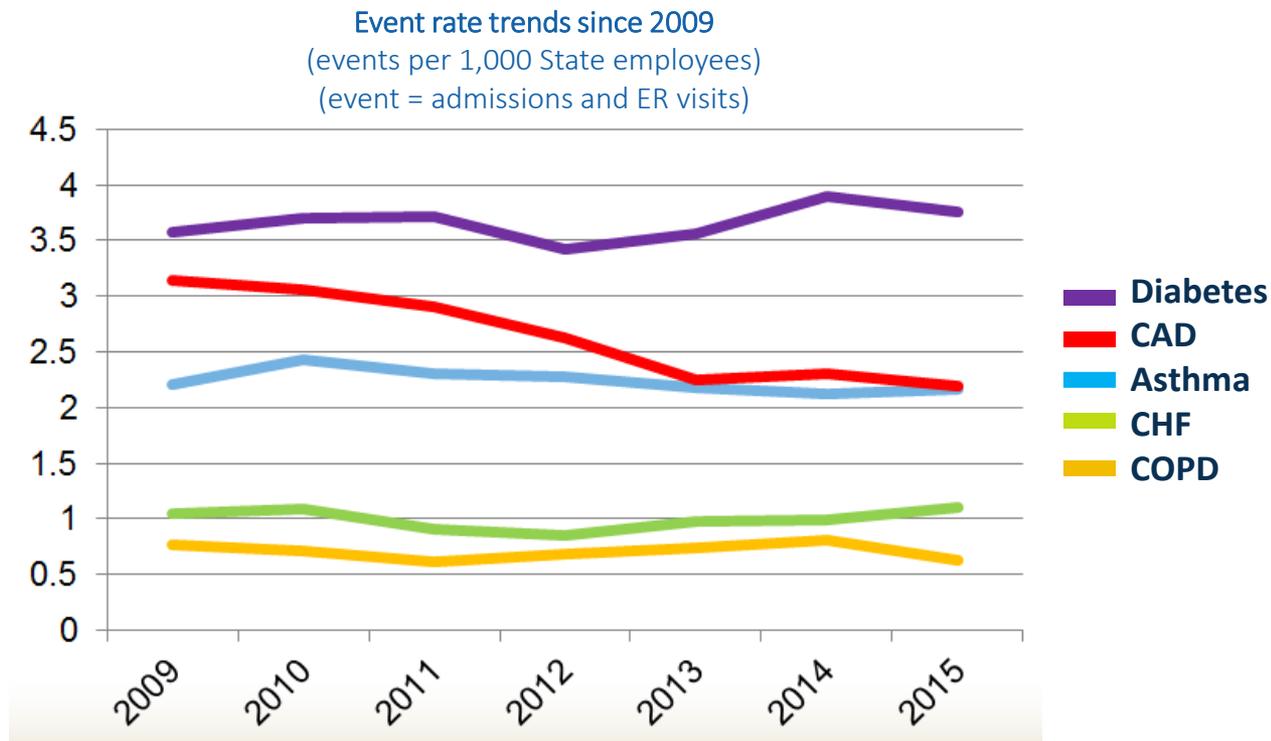
Incurred Jan. 15-Dec. 15
Paid through March 16



Diabetes Management Purchasing Consortium (DMPC) analysis: chronic condition event rate



Admits and ER visits for diabetes are higher than for other chronic conditions



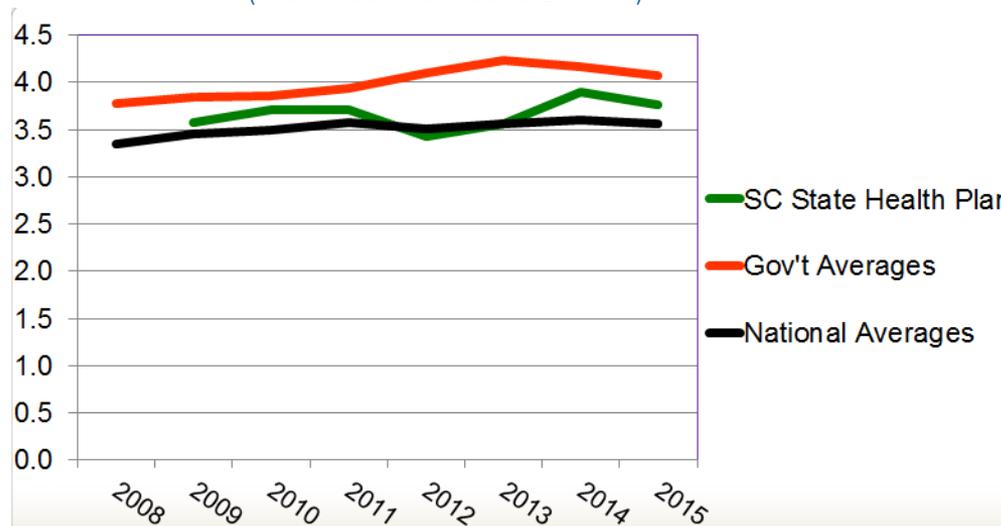
- Disease Management Purchasing Consortium (DMPC) is an independent body that validates DM program results
- Analysis is based on medical only (no Rx) and admissions and ER visits only

DMPC analysis: diabetes event rate



Admits and ER visits are lower than government averages, but higher than the national average

Diabetes rate trends since 2009
event rates per 1000 employees
(event = admissions and ER visits)



State diabetes paid cost per event:
Admissions: \$5,898.30/admission
ER visits: \$700.00/visit
ER Observation visits: \$368.82/visit

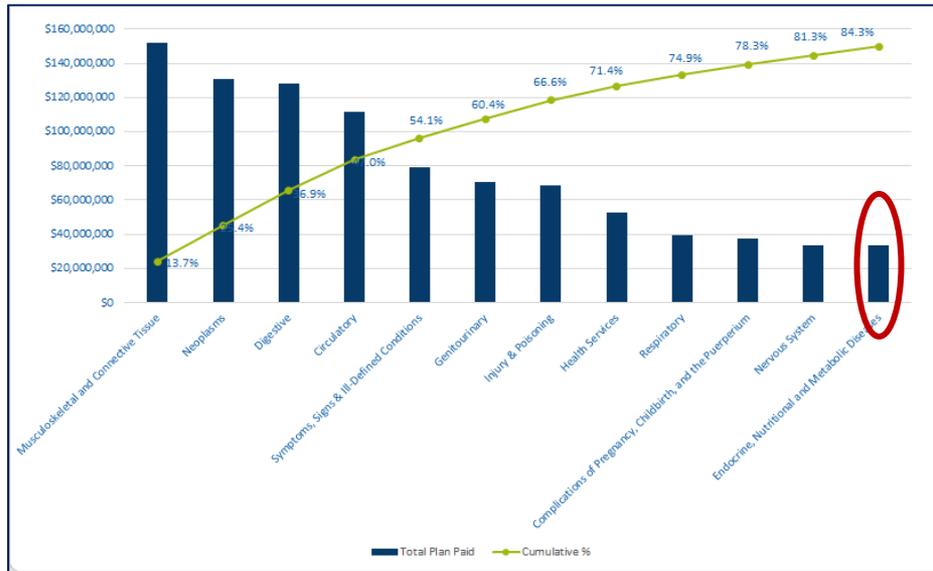
- Disease Management Purchasing Consortium (DMPC) is an independent body that validates DM program results
- Analysis is medical only (no Rx) and is based on admissions and ER visits only
- Gov't and National Averages based upon DMPC book of business

State Health Plan: 2015 diabetes cost



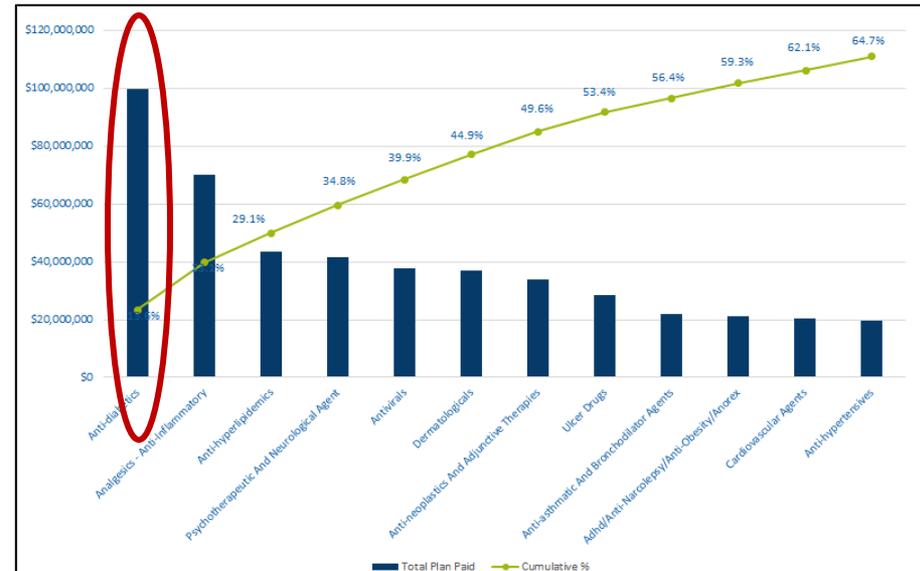
A different picture for medical and pharmacy

Top 12 medical cost drivers



Represents claims with a primary diagnosis of diabetes
 Claims incurred January 1, 2015-December 31, 2015
 paid through 03/31/16
 State Health Plan primary only
 excludes MUSC Health Plan

Top 12 pharmacy cost drivers



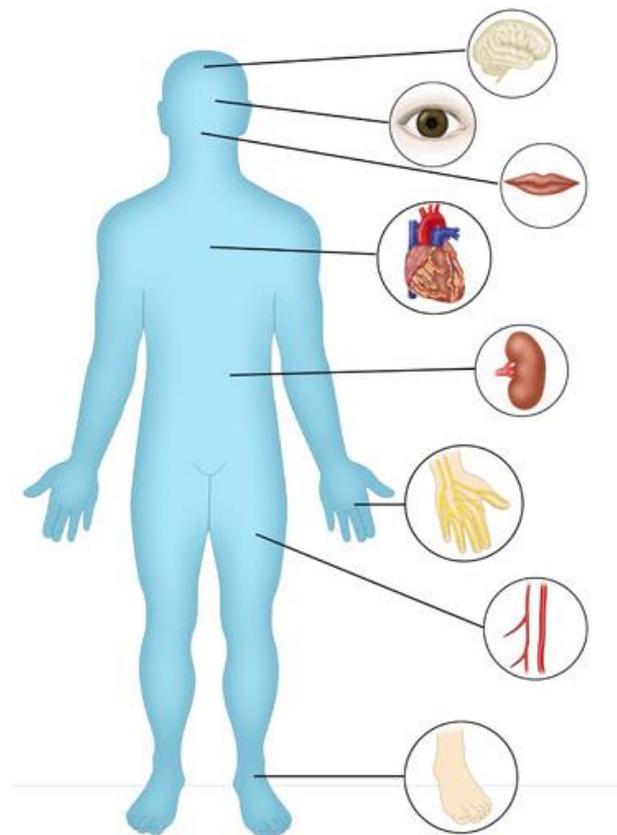
Claims incurred January 1, 2015-December 31, 2015
 paid through 03/31/16
 State Health Plan and Medicare primary
 excludes MUSC Health Plan



The true cost of diabetes

Uncontrolled diabetes results in additional disease

- Controlled Diabetes:
 - Blood sugar managed through:
 - lifestyle modification
 - medication
 - Blood sugar level monitored
 - HbA1c twice per year
 - LDL once per year
 - Primary care visit twice per year
- A recent study showed that about 20% of commercial or Medicare costs are due to complications from uncontrolled diabetes ¹
- \$69 billion per year is lost to reduced productivity due to time off for medical care, early disability and early death ²



¹ J Manag Care Pharm. 2013;19(8):609-20

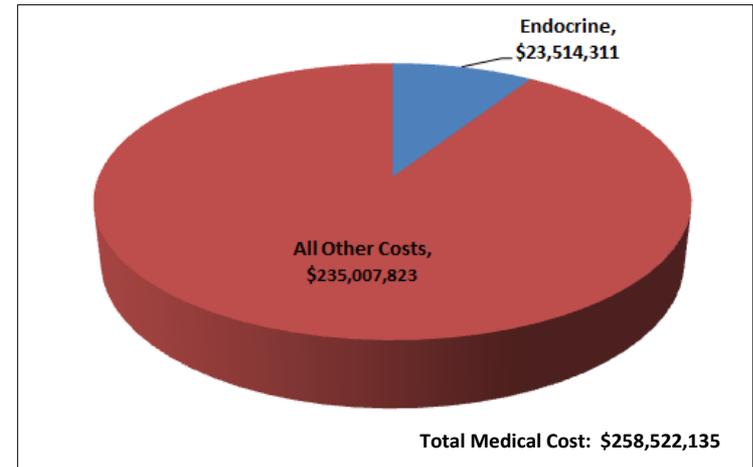
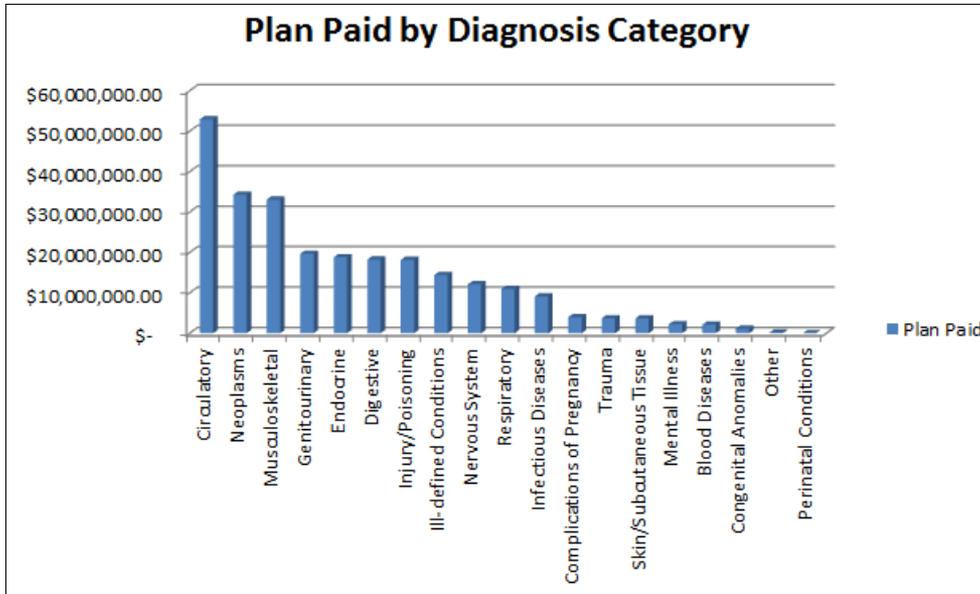
² <http://www.forbes.com/sites/carolynmclanahan/2014/10/11/managing-the-cost-of-your-diabetes/#779afafb3324>

<http://dtc.ucsf.edu/living-with-diabetes/complications/ted-sources>

True medical cost for diabetic members



In 2015 diabetes related services account for only 7.3% of the total cost for diabetics

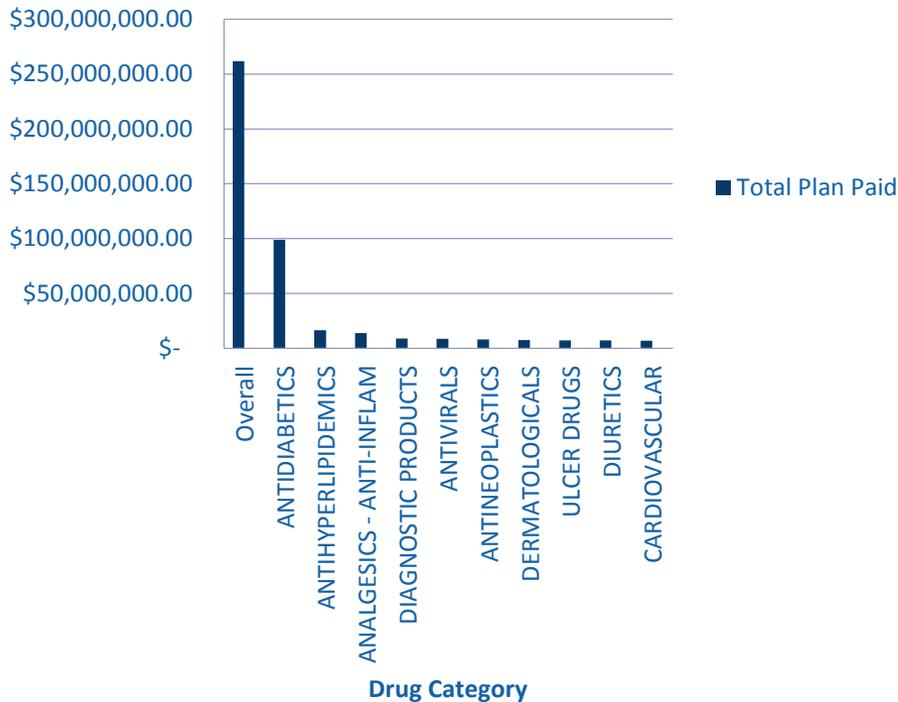


Data above includes medical claims for State Health Plan primary only
 includes under 65 retirees
 Excludes MUSC Health Plan

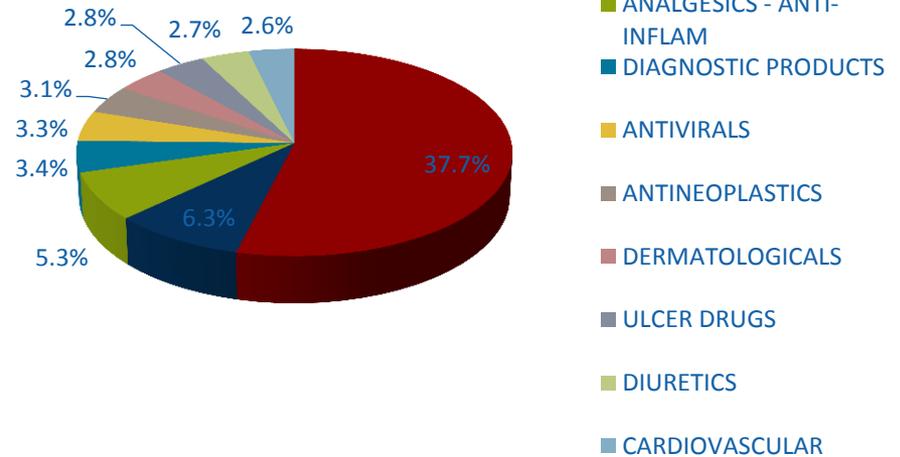
True pharmacy cost of diabetes



2015 Pharmacy Spend by Drug Category



Percentage of Pharmacy Cost by Drug Category

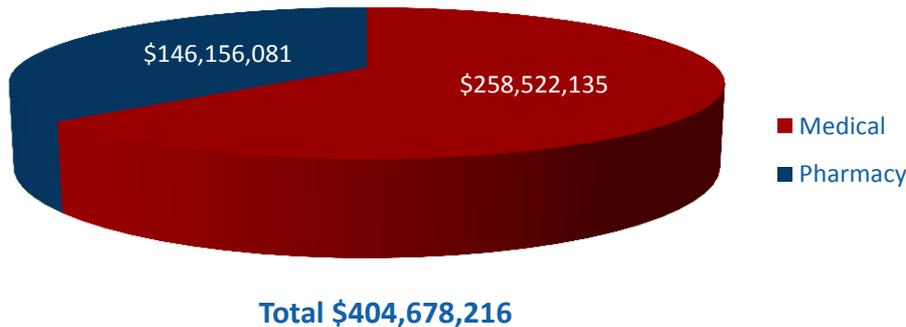




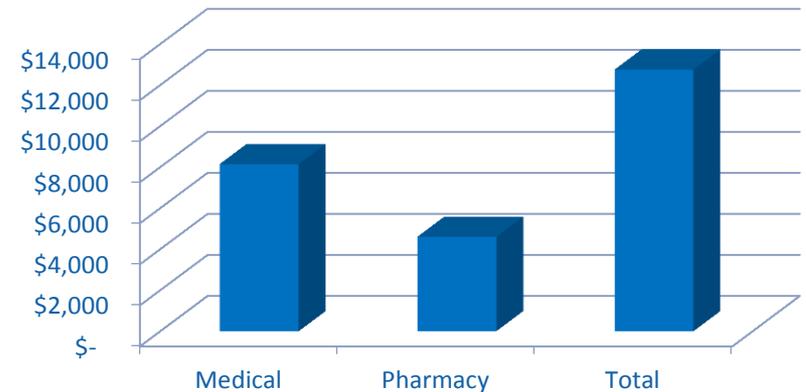
True total cost of diabetes

Total cost of care for diabetics in 2015 was \$404.67M, representing \$12,754/member*

Total Plan Paid



Average Plan Paid/Member



*Medical includes SHP primary (no retirees)
Pharmacy includes under 65 retirees

State Health Plan total pharmacy diabetes therapy: Jan-March 2016



- No standard treatment regimen / all patients treated individually based on their current state.
 - Some take insulin only
 - Some take insulin plus non-insulin hypoglycemic agents
 - More are moving towards combination therapy and new combo products
- Members in No-Pay Copay Program = \$0 copay for:
 - Generic diabetes medications
 - Diabetic supplies (no generics available)

Therapy	Total Plan cost	Total member cost	Net Rxs	Total patients	Generic %	Average ingredient cost/Rx	PMPM
Diabetes	\$43,084,945.08	\$4,790,640.91	189,981	44,680	40.80%	\$251.37	\$321.43

Diabetic member health solutions Jan-Mar 2016



Therapeutic Resource Center (TRC)

- Available to members calling into Express Scripts
- Specialist pharmacists at mail order pharmacies are available to address patient questions and counsel on the importance of adherence
- Clinical specialization in a specific condition, such as diabetes, helps to proactively address adherence issues and to improve health outcomes

Rare and specialty	Oncology	HIV/ Immunology	Diabetes	Cardiovascular	Pulmonary	Neuroscience	Women's Health
Patients							
4,496	6,235	5,502	44,637	89,807	48,920	66,589	14,316
Plan Cost Spend							
\$45.1M	\$16.4M	\$9.9M	\$53.5M	\$40.7M	\$13.5M	\$17.0M	\$2.2M
Plan Cost % Spend							
22.3%	8.1%	4.9%	26.4%	20.1%	6.6%	8.4%	1.1%

Diabetic member health solutions Jan-Mar 2016



Medication Therapy Management (MTM) – EGWP Only

MTM identifies members with three or more chronic illnesses, who use seven or more chronic medications and have high drug spend.

Keys to our MTM success

- Personal 1:1 consultations
- Weekly qualification and Targeted Medication Reviews, TMR
- Differentiated clinical algorithms
- Flexible, custom approach

Top disease states

- Bone disease-arthritis-osteoporosis
- Chronic heart failure CHF)
- Diabetes
- Dyslipidemia
- End-stage renal disease (ESRD)
- Hypertension
- Mental health-depression
- Respiratory disease-asthma
- Respiratory disease-chronic obstructive pulmonary disease (COPD)

MTM Category	YTD	YTD%
Member Qualification	7,999	NA
Members with Interventions	4,391	55%
Members with TMR Evaluations	7,999	100%
Total Members Opted-Out	488	6%
Member Satisfaction Responses: Overall how satisfied are you with the medication management services provided?	190	99%

*SHP MTM Data January – April 2016

Diabetes solutions: unit cost considerations



Health management program

- Include only formulary brands at \$0 copay through No-Pay Copay Program
- Move non-formulary brands to a standard copay.
- Formulary brands only at generic copay
- All improved outcomes lead to higher pharmacy costs and less medical spend

The test strips you currently use will no longer be covered on your drug list.* Please see the enclosed letter for more information. Talk to your doctor about OneTouch® to avoid paying full cost for your diabetes supplies.



OneTouch Verio® Meter*



OneTouch Verio®IQ Meter



OneTouch Ultra®2 Meter



OneTouch UltraMini® Meter

OneTouch Verio® Meter

- Color-coded range indicator
- Looks for signs of progress and provides positive reinforcement
- No need to scroll or push buttons

OneTouch Verio®IQ Meter

- Searches for high or low glucose patterns
- Before- and after-meal tagging
- Illuminated test-strip port and screen

OneTouch Verio®Sync System†

- The first meter to automatically send your results wirelessly to your iPhone® using the OneTouch Reveal® mobile app†
- Easy to use
- Illuminated test-strip port and screen

OneTouch Ultra®2 Meter

- See the effects of food on your blood sugar
- Large screen with backlight

OneTouch UltraMini® Meter

- Small enough to fit in a purse or a pocket
- Stylish and colorful

To order a OneTouch® System at no charge:
Visit www.OneTouch.orderpoints.com and input order code 573EXP333
or call 1-800-668-7148 and provide order code 573EXP333.

If you are an iPhone® user and have interest in the OneTouch Verio®Sync Meter that automatically sends blood sugar results wirelessly to your iPhone®, iPad®, or iPod touch® using the OneTouch Reveal® mobile app†, then call 1-800-668-7148 to see if you qualify.





Medication adherence reporting

Medication Possession Ratio (MPR)

- The sum of calendar days that a patient possessed medication divided by the duration of therapy.
- Calculation: $\text{total days supply dispensed} / \text{duration of therapy}$
- Target range of 80% or higher
- Requires six months of data

Blue Cross: diabetic member population health adherence



Population	Diabetic Population 30,266	Diabetics in disease management
Adherence criteria: high value services	MD Visit, 2 Hb1A1c 1 cholesterol test	No -Pay Copay adherence is more clinically rigorous with the requirement of 2 A1C tests/year
Adherence results 3/1/2015-2/29/2016 *includes services obtained within this time period	Adherent Members 13,590 (45%)	Non-adherent Members 16,676 (55%)
	High value service gaps: <ul style="list-style-type: none"> 8,392 (50.3%) met 3 criteria 3,912 (23.5%) met 2 criteria 3,154 (18.9%) met 1 criteria 1,218 (7.3%) met no criteria 	
Interventions	PCMH Attribution 2,392 (18%)	PCMH Attribution 2,373 (14%)
	Targeted Messaging 1,668 (12%) Participating	Targeted Messaging 1,758 (11%) Participating
	Diabetes Education* 129 (0.9%) with claim	Diabetes Education* 119 (0.7%) with claim
	Utilization Management Admits/1000-8.4 ER visits/1000-11.0	Utilization Management Admits/1000-9.2 ER visits/1000-12.5
	* Coverage added mid 2015 Member cost share eliminated 1/1/2016	
	Diabetes primary admitting diagnosis	

- Engagement Tactics:**
- Disease Management**
 - Enroll all diabetics
 - All receive mailing on diabetes management
 - Health Coach contact for high-risk members
 - No-Pay Copay participation**
 - Communication as part of PEBA Perks
 - Financial incentive for participation
 - PCMH**
 - PCMH mailing
 - Financial incentives for use of PCMH provider
 - Diabetes education**
 - Communication as part of PEBA Perks

Blue Cross: newly added and future initiatives



Diabetes education – mid 2015

- Removed member cost share in 2016 to reduce any financial barrier
- Assist member with understanding diabetes and the importance of adhering to treatment plan
- Assist with lifestyle changes, including healthy eating and exercise
- Promotion through PEBA Perks



Messaging wire – late 2015

- 38,860 members participating
- Member text messaging capabilities
- Promotion through Benefit Administrators with materials on PEBA Health Hub
- Adding targeted messaging around gaps in care



Metabolic Health – new for 1/1/2016

- 3343 members participating
- Members with metabolic syndrome are at risk for diabetes
- Goal – move member from at-risk to low-risk
- Health coach develops a member-centric plan for addressing risk factors
- Encourages lifestyle changes based upon member readiness



Rally Health – coming for 1/1/2017

- Health survey
- Personalized health activities aligned with treatment plan and health coaching
- Virtual health coaching provides member specific activities and support

SCIO Health Analytics data: diabetes adherence with high- value services



100% adherence is not likely, but we can measure improvement

High value service	Type of service	Expected*	Rolling 12 mo 10/13-9/14	Calendar yr. 1/14-12/14	Rolling 12 mo. 4/14-3/15	Rolling 12 mo. 7/14-6/15	Rolling 12 mo. 10/14-9/15
Member counts	NA	NA	17,059	22,190	23,083	23,733	23,678
Primary care visit	Office visit	81.1%	79.1%	75.2%	75.8%	75.9%	76.6%
Endocrinology visit	Office visit	9.5%	8.3%	8.2%	8.4%	8.5%	8.8%
HbA1c	Lab	79.8%	79.0%	79.9%	80.2%	80.6%	81.0%
Lipid panel	Lab	68.8%	68.1%	68.3%	68.6%	68.5%	68.4%
Microalbumin urine	Lab	37.9%	35.8%	38.8%	38.8%	38.6%	38.9%
Antidiabetics	Pharmacy	65.4%	52.7%	49.7%	52.4%	52.0%	51.4%
Antihypertensives	Pharmacy	58.2%	38.9%	34.3%	35.8%	34.9%	34.0%

*Expected data based on SCIO Data Analytics national database of 5 million members
Data compiled for 12 months on quarterly rolling basis for the State PPO plan

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