Meeting Agenda | Finance, Administration, Audit and Compliance (FAAC) Committee |

Health Care Policy Committee | Retirement Policy Committee

Thursday, September 21, 2017 | 200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

I. Finance, Administration, Audit and Compliance (FAAC) Committee- 8:30 a.m.
   A. Call to Order
   B. Approval of Meeting Minutes- August 17, 2017
   C. Election of Committee Vice-Chairman
   D. Committee Charter Review
   E. Internal Audit Reports
      i. Internal Audit Report on Insurance and Retirement Receivables
      ii. Memo - Retirement Plan Compliance (Part II)
      iii. Update - Internal Audit Plan Status Report
   F. Old Business/Director’s Report
   G. Executive Session for Discussion of Personnel Matters Pursuant to S.C. Code of Laws § 30-4-70(a)(1)
   H. Adjournment

II. Health Care Policy Committee Meeting- 10:30 a.m.
   A. Call to Order
   B. Approval of Meeting Minutes- July 19, 2017
   C. Election of Committee Vice Chairman
   D. State Health Plan Annual Adult Well Exam Approval
   E. Review of Obesity and Diabetes Programs
   F. Update on Patient Center Medical Homes
   G. Committee Charter Review
   H. Old Business/Director’s Report
   I. Adjournment

III. Retirement Policy Committee Meeting- 1:00 p.m.
   A. Call to Order
   B. Approval of Meeting Minutes- July 19, 2017
   C. Election of Committee Vice-Chairman
   D. Segal Marco Advisors
   E. Deferred Compensation Program Plan Summary
   F. Committee Charter Review
   G. Old Business/Director’s Report
   H. Adjournment
Meeting Date: September 21, 2017

1. Subject: Election of Health Care Policy Committee Vice-Chairman

2. Summary: The Committee shall elect a Vice-Chairman to preside over the Committee and oversee Committee business in the absence of the Committee Chairman.

3. What is Committee asked to do? Elect a Health Care Policy Committee Vice-Chairman

4. Supporting Documents:

   (a) Attached: None
Meeting Date: September 21, 2017

1. **Subject:** Approval of State Health Plan Annual Adult Well Exam

2. **Summary:**

3. **What is Committee asked to do?** Approve the proposed State Health Plan Annual Adult Well Exam

4. **Supporting Documents:**

   (a) Attached: SHP Adult Checkup Proposal
State Health Plan-proposed adult checkup

This document describes the proposed annual adult well exam, or checkup, benefit for coverage under the State Health Plan (SHP). The services, which are described in the section detailing the scope of coverage, assumed to be included in the benefit were based upon literature review, claims experience analysis, medical policy of other state employee/retiree systems, the United States Preventive Services Task Force (USPSTF) recommendations, and consultations with medical staff at Blue Cross and Blue Shield of South Carolina (BlueCross) and with actively practicing primary care physicians.

Value of offering an adult checkup (pros and cons)

- Addresses member requests for the SHP to cover a routine physical exam for adults.
- Offers routine exam at contracted pricing, saving the member approximately 61 percent from provider charges for non-covered services.
- While not offering aggregate clinical value for the Plan as a whole, would provide such value to individual circumstances.
- Would be an added expense to the Plan with an ROI of 0.36-0.41:1 depending on benefit structure.
- Potentially increases over-diagnosis and over-treatment based on possible false positive testing and screening results leading to increased Plan costs and harm and inconvenience to members.

Assumptions made in the development of the benefit

- The benefit would be available to all non-Medicare primary adults covered by the SHP.
- The benefit could be available annually.
- The benefit could be available based on age and frequency limitations:
  - Age 19 through age 39, one visit every three years,
  - Age 40 through age 49, one visit every two years, and
  - Age 50 and up, one per year.
- 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 assumes the adult checkup would be limited to in-network, 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).
Data sources used in modeling the benefit

- Current enrollment, as supplied by PEBA
- 2016 non-Medicare primary member medical claims experience, as supplied by BlueCross
- Enrollment and claims data from other public sector employee plans to develop take-up rate assumptions

Annual adult checkup - scope of coverage

Evidence-supported services: includes USPSTF A and B recommendations as indicated for individuals

- Preventive, comprehensive examination - includes the following counseling or screening as indicated:
  - Alcohol misuse screening and counseling
  - Bracanalysis (BRCA) risk assessment and genetic counseling
  - Depression screening
  - Falls prevention in older adults
  - Healthy diet and physical activity counseling to prevent cardiovascular disease (for adults with cardiovascular risk factors)
  - Intimate partner violence screening (women of childbearing age)
  - Sexually transmitted infections counseling
  - Tobacco cessation counseling
  - Weight counseling

- Abdominal aortic aneurysm screening (men as indicated)
- Blood pressure screening
- Chlamydia/Gonorrhea screening (women as indicated)
- Hepatitis B screening (as indicated)
- Hepatitis C screening (as indicated)
- HIV screening (as indicated)
- Lipid panel lab test
- Lung cancer screening (as indicated)
- Osteoporosis screening (women as indicated)
- Plasma glucose test
- Syphilis screening (as indicated)
- Tuberculosis screening (as indicated)
- Venipuncture
- Cervical cancer screening (Pap test currently covered at no member cost)
- Human papillomavirus (HPV) testing every five years in combination with cervical cancer screening

Note: The Plan will cover one adult checkup per year per eligible member. Eligible female members may use this annual adult checkup as a well woman checkup if the cervical cancer screening benefit is received in conjunction with the preventive, comprehensive examination.
Cost impact to the State Health Plan: evidence-supported services package - annual visit

- Total Plan cost impact with no patient liability: 2.3%
- Total Plan cost impact with $50.00 patient copay: 1.8%
- Total Plan cost impact paid as covered service subject to normal plan provisions: 1.3%

Cost impact to the State Health Plan: evidence-supported services package – age and frequency limitations

- Total Plan cost impact with no patient liability: 1.4%
- Total Plan cost impact with $50 copay: 1.1%
- Total Plan cost impact paid as covered service subject to normal plan provisions: 0.9%
Fiscal year 2019
budget request
State Health Plan
DRAFT

September 22, 2017
Proposed annual adult well visit

• Included with this package is a document outlining several proposals for the State Health Plan to cover an annual adult well visit beginning with the January 1, 2019, plan year.

• The adult well visit has a X.X percent impact based on no patient liability for the adult well visit. The impact could be offset if patient liability was applied.

<table>
<thead>
<tr>
<th>Percent</th>
<th>EE Only</th>
<th>ER and EE Share Proportionally</th>
<th>ER Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>EE+/Month</td>
<td>State $(M)^1</td>
<td>EE+/Month</td>
</tr>
</tbody>
</table>

Additional impact to add annual adult well visit
**SHP budget requirements for FY 2018-2019**

State-appropriated funds only

This chart will be completed prior to the October 2017 Retreat and will be updated as we go through the process of presenting the budget to the Governor, House Ways & Means and Senate Finance based upon claims data.

<table>
<thead>
<tr>
<th>Percent</th>
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<th>ER and EE Share Proportionally</th>
<th>ER Only</th>
</tr>
</thead>
<tbody>
<tr>
<td>%</td>
<td>EE+/Month</td>
<td>State $(M)^1</td>
<td>EE+/Month</td>
</tr>
</tbody>
</table>

**Stay Grandfathered**
- Current Plan

**Stay Grandfathered**
- Current Plan (plus annual adult well visit)

**Stay Grandfathered**
- Current Plan (plus annual adult well visit and increase in patient liability)

**Not Grandfathered**
- Current Plan (plus annual adult well visit and other ACA-required benefits)
Projected permissible changes in patient liability

- Remain in ACA-grandfathered status
- -1.7 percent Plan impact

<table>
<thead>
<tr>
<th>Standard Plan benefit design</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual deductible</td>
<td>$445</td>
<td>$495</td>
</tr>
<tr>
<td>Annual coinsurance maximum</td>
<td>$2,540</td>
<td>$2,850</td>
</tr>
<tr>
<td>Outpatient copay</td>
<td>$95</td>
<td>$105</td>
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<tr>
<td>Emergency room copay</td>
<td>$159</td>
<td>$175</td>
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<tr>
<td>Office visit copay</td>
<td>$12</td>
<td>$14</td>
</tr>
<tr>
<td>Tier 2 (preferred brand) prescription drug copay</td>
<td>$38</td>
<td>$42</td>
</tr>
<tr>
<td>Tier 3 (non-preferred brand) prescription drug copay</td>
<td>$63</td>
<td>$71</td>
</tr>
<tr>
<td>Annual prescription copay maximum</td>
<td>$2,500</td>
<td>$3,000</td>
</tr>
</tbody>
</table>
This presentation does not constitute a comprehensive or binding representation regarding the employee benefits offered by the South Carolina Public Employee Benefit Authority (PEBA). The terms and conditions of the retirement and insurance benefit plans offered by PEBA are set out in the applicable statutes and plan documents and are subject to change. Please contact PEBA for the most current information. The language used in this presentation does not create any contractual rights or entitlements for any person.
Fiscal Year 2018 Budget Request
Senate Finance
Health and Human Services Subcommittee
December 14, 2016
Peggy G. Boykin, CPA
Executive Director
Proposed annual adult well visit

- Included with this package is a document outlining several proposals for the State Health Plan to cover an annual adult well visit beginning with the January 1, 2018, plan year.

- The adult well visit has a 2.3 percent impact based on no patient liability for the adult well visit. The impact could be offset if patient liability was applied.

<table>
<thead>
<tr>
<th>Percent</th>
<th>EE Only</th>
<th>ER and EE Share Proportionally</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Additional impact to add annual adult well visit</td>
<td>2.3%</td>
<td>$15.40</td>
<td>$9.973</td>
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## SHP budget requirements for FY 2017-2018
State-appropriated funds only

<table>
<thead>
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<tr>
<td>%</td>
<td>EE+/Month</td>
<td>State $(M)^1</td>
<td>EE+/Month</td>
</tr>
<tr>
<td>Stay Grandfathered Current Plan</td>
<td>2.5%</td>
<td>$16.74</td>
<td>$22.208</td>
</tr>
<tr>
<td>Stay Grandfathered Current Plan (plus annual adult well visit)</td>
<td>4.8%</td>
<td>$32.12</td>
<td>$32.182</td>
</tr>
<tr>
<td>Stay Grandfathered Current Plan (plus annual adult well visit and increase in patient liability)</td>
<td>3.5%</td>
<td>$23.42</td>
<td>$26.544</td>
</tr>
<tr>
<td>Not Grandfathered Current Plan (plus annual adult well visit and other ACA-required benefits)</td>
<td>5.1%</td>
<td>$34.12</td>
<td>$33.483</td>
</tr>
</tbody>
</table>

^1State $ includes amounts for 2018 rate increase for January-June 2018, annualization of 2017 rate increase for July-December 2017 ($4.757M) and estimated retiree enrollment growth ($6.609M).
Projected permissible changes in patient liability

- Remain in ACA-grandfathered status
- -1.3 percent Plan impact

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Meeting Date: September 21, 2017

1. Subject: Review of Obesity and Diabetes Programs

2. Summary: Dr. Shawn Stinson will provide an overview of SHP current programs to impact metabolic syndrome, diabetes, and obesity in South Carolina.

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

4. Supporting Documents:

   (a) Attached: Diabetes and Obesity Update
Overview of current programs to impact metabolic syndrome, diabetes and overweight

Blue Cross resources:
- Benefit design
- statesc.southcarolinablues.com – wellness tools
- Patient Centered Medical Home (PCMH)
- Weight Management Health Coaching
- Metabolic Health
- Behavioral Counseling
- Diabetes education
- Messaging wire
- Discount Programs
- Rally Health

Other resources:
- ActiveHealth
- Express Scripts
- Working Well – South Carolina Hospital Association
- ScaleDown.org – South Carolina
- Let’s Go! – Eat Smart Move More
- DHEC app - local farmer’s market finder
- CDC website
Numerous data inputs and complex processes enable engagement and health impact.
Living Healthy Programs

Health coaching and behavioral counseling

**Health Coaching**

- Diabetes management
- Metabolic health (metabolic syndrome and diabetes prevention)
- Weight management for adults, children and teens.

**Behavioral Counseling**

- Behavioral counseling to address underlying issues with overeating
Living Healthy Programs

Diabetes, Metabolic Health Syndrome, and Weight Management

**Target**

- High and Medium Risk Groups

**Goal**

- Reduce Morbidity and Disability
- Reduce Preventable Hospital Admissions and Charges
- Reduce Preventable Emergency Department Admissions and Charges
Living Healthy with Diabetes

Program Description and Goals

• Ongoing process of facilitating the knowledge, skill, ability for diabetes self care, incorporating needs, goals and life experiences

• To improve the overall health and prevent complications of participants living with diabetes

• Incorporating behavioral and psychosocial strategies to improve outcomes including group education and behavioral goal setting
Diabetes Management: Program Outcomes and Goals

**Engagement Goals**

- 25% Population deemed Medium or High Risk
- With Valid Telephone or Email Contact
- Telephonic Digital Web
Diabetes: a national, regional and local public health issue

**National situation**

- 1 in 10 Americans have diabetes
- More than 1 in 4 Americans have pre-diabetes
- Diabetes is the #7 cause of death
- Diabetes accounts for 7% of total health care spend

**South Carolina situation**

- 10th highest diabetes rate in the country
- 1 in every 10 visits to the ER is diabetes related
- One of every 5 patients in a SC hospital has diabetes

**Southeast “Diabetes Belt”**

- 644 counties in 15 states have an elevated rate of diabetes
- Rate of diabetes in these counties is 11.7% vs. 8.5% nationally

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Living Health with Diabetes

Diabetes Management Program

Comorbidity Risk Factors

- **Hypertension**
  - SHP – 77%

- **Hyperlipidemia**
  - SHP - 34%

- **Cardiovascular Disease**
  - SHP -11%

- **Chronic Renal Failure**
  - SHP - 7%

- **Tobacco Dependence (Smoking)**
  - National - 15.9%
South Carolina Statistics

- 576,211 South Carolinians with Diabetes
- 1,315,000 South Carolinians with Pre-Diabetes
- 5.4 Billion Costs per Year
SHP Population Identified

High Risk Members = 1892
Telephonic Coaching = 252
Digital Coaching = 368

Medium Risk Members = 10,012
Telephonic Coaching = 470
Digital Coaching = 1140
Living Healthy with Diabetes

**Diabetes Management Program**

- *Blue Vue Triage (Daily)*
  - Members identified for program based on Diagnosis of Diabetes
  - Member Risk Stratification: High and Medium

- *Contact Successful Coach on Demand Coach Appointment*
  - 3 Way Contact Approach: Outbound Call, Digital Outreach, Letter

- *Member Enrolled in Living Healthy Program*

- *Coaching Sessions 6 Sessions*

- *Telephonic Digital Web (New 2018)*
Program Design

- Written curriculum
- Self Management Education Method
  - Description of Diabetes Disease Process and Treatment Options
- Ongoing Diabetes Self Management Support
- Participant Defined Goals and Outcomes
  - Physical Activity
  - Health Eating
  - Medication Adherence
  - Reducing Risk of Complications
Curriculum Components

• Diabetes Disease Process and Treatment Options
• Lifestyle Nutritional Management
• Physical Activity and Lifestyle
• Using medications safely and for maximum therapeutic effectiveness
• Monitoring blood glucose and other parameters and interpreting and using the results for self-management decision making
• Preventing, detecting, and treating acute and chronic complications
• Developing personal strategies to address psychosocial issues and concerns
• Developing personal strategies to promote health and behavior change
Assessment and Evaluation Components

• Individual assessment and education plan developed collaboratively by the participant and the coach
  – Selection of appropriate educational interventions
  – Self management support strategies
  – Interventions and outcome documented in record
**Goals and Outcomes**

- **Reduce Utilization (Claims)**
  - Hospital Admissions
  - ED Visits
- **Medication Therapy (Pharmacy Claims)**
  - 10% Increase in Appropriate ACE/ARB Utilization
  - 10% Increase in Appropriate Statin Utilization
- **Lab Testing Compliance (Medical/Lab Claims)**
  - 10% Increase in Number of Participants Complete Two A1C Test in 12 Months
- **PCP Follow Ups (Medical Claims)**
  - 10% Increase in Number of Participants Complete FU PCP Visit
Diabetes compliance

Impact of No-Pay Copay Program

No-Pay Copay participants - Increase in % Compliance

<table>
<thead>
<tr>
<th>Service</th>
<th>Difference in % Compliant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rally Registration</td>
<td>54%</td>
</tr>
<tr>
<td>Rally Survey</td>
<td>53%</td>
</tr>
<tr>
<td>A1c</td>
<td>17%</td>
</tr>
<tr>
<td>Eye Exam</td>
<td>16%</td>
</tr>
<tr>
<td>Microalbumin</td>
<td>10%</td>
</tr>
<tr>
<td>Annual Exam</td>
<td>12%</td>
</tr>
<tr>
<td>Flu Shot</td>
<td>15%</td>
</tr>
<tr>
<td>Lipid Panel</td>
<td>14%</td>
</tr>
<tr>
<td>3rd Quarter Coaching/Education</td>
<td>15%</td>
</tr>
</tbody>
</table>
Living Healthy with Metabolic Syndrome

Metabolic Health Syndrome Program

**Definition**

Metabolic syndrome is the name for a group of risk factors that raises your risk for heart disease and other health problems, such as diabetes and stroke.

*Diagnosis is based on having three of the following five risk factors*

- Fasting Blood Glucose 100+ MG/DL
- HDL Cholesterol Men < 40/Women < 50
- Triglycerides >150 MG/DL
- Waist Circumference 40+ Men/ 35+ Women
- Blood Pressure 130/85 or Higher
Living Healthy with Metabolic Syndrome

Metabolic Health Syndrome Management Program

SHP Population Identified

High Risk Members = 369
Telephonic Coaching = 27
Digital Coaching = 41

Medium Risk Members = 1390
Telephonic Coaching = 66
Digital Coaching = 129
Program Description and Goals

• Ongoing process of facilitating the knowledge, skill, and ability for Metabolic Syndrome Self Care, incorporating needs, goals and life experiences

• Prevent or delay the development of associated chronic conditions including
  – Type 2 Diabetes
  – Cardiovascular Disease

• Decrease or eliminate associated risk factors including
  – Hypertension
  – Hyperlipidemia
  – Hyperglycemia
  – Obesity

• Incorporating behavioral and psychosocial strategies to improve outcomes including group education and behavioral goal setting
Utilization
• Reduce Hospital Admissions (Claims)
• Reduce ED Visits
• Increase PCP Visits

Medication Therapy (Claims)
• 10% Increase in Number of Participants with diagnosis of Hypertension on BP Medication
• 10% Increase in Number of Participants with diagnosis of Hyperlipidemia on Statin

Improved Health (Member Reported)
• 10% of Participants will Achieve 7% Weight Loss
• 10% of Participants Will Achieve Reduced Waist Circumference
• 10% of Participants will Achieve Exercise Goals
• 10% of Participants Will Achieve Lower BP
• 10% of Participants Will Achieve Normal BG Level
Obesity: a national, regional and local epidemic

Obesity Trends* Among U.S. Adults
BRFSS, 1990, 2000, 2010
(*BMI ≥30, or about 30 lbs. overweight for 5’4” person)
Obesity in South Carolina

**South Carolina Statistics**

- South Carolina now has the 12th highest adult obesity rate in the nation.¹
- Obesity associated diseases, such as diabetes and heart disease cost an estimated $8.5 billion per year in 2014.¹
- A recent study suggests that excess weight has a greater impact on diabetes than heart disease²
- Two out of three South Carolina adults and one out of three children are overweight or obese.¹
- If current trends continue, this generation of South Carolina children will have a shorter life expectancy than their parents.³

¹ [http://stateofobesity.org/states/sc/](http://stateofobesity.org/states/sc/)
SHP Population Identified

Members Identified = 1611
Total Outreach = 957
Members Coached = 498
Program Description and Goals

• Ongoing process of health coaching to empower the participant to make necessary lifestyle changes to promote weight loss and improve health.

• Reverse weight gain and reduce body mass index in participants who are overweight or obese and prevent the development of associated chronic conditions including
  – Type 2 Diabetes
  – Cardiovascular Disease
  – Hypertension
  – Hyperlipidemia
  – Sleep Apnea
  – Stroke

• Incorporating behavioral and psychosocial strategies to improve outcomes including group education and behavioral goal setting
Program Outcomes and Goals (Member Reported)

• 10% of Participants Will Achieve 7% Weight Loss
• 10% of Participants Will Achieve Reduced Waist Circumference
• 10% of Participants Will Achieve Exercise Goals
Thank you!
Living Healthy with Metabolic Syndrome

Metabolic Health Syndrome Management Program

- Blue Vue Triage (Daily)
  - Members identified for program based on Diagnosis of MHS Referrals
    - Member Risk Stratification
      - High and Medium Risk
  - Contact Successful Coach on Demand Coach Appointment
    - 3 Way Contact Approach
      - Outbound Call
      - Digital Outreach Letter
    - 6 Sessions
  - Coaching Sessions
    - Telephonic
    - Digital Web (New 2018)
Living Healthy with Metabolic Syndrome

Metabolic Health Syndrome Program

Program Design

• Written curriculum
• Self Management Education Method
  – Description of Metabolic Health Syndrome Process and Treatment Options
• Ongoing Self Management Support
• Participant Defined Goals and Outcomes
  – Physical Activity
  – Health Eating
  – Reducing Risk of Complications
Curriculum Components

- Metabolic Syndrome Process and Treatment Options
- Lifestyle Nutritional Management
- Physical Activity and Lifestyle
- Using medications safely and for maximum therapeutic effectiveness to control associated risks
- Monitoring systolic and diastolic blood pressure, LDL-C, triglycerides, and glycated hemoglobin and other parameters including sleep apnea and interpreting and using the results for self-management decision making
- Preventing, detecting, and treating acute and chronic complications
- Developing personal strategies to address psychosocial issues and concerns
- Developing personal strategies to promote health and behavior change
Assessment and Evaluation Components

• Individual assessment and education plan developed collaboratively by the participant and the coach
  – Selection of appropriate educational interventions
  – Self management support strategies
  – Interventions and outcome documented in record
Other Components

• A personalized follow-up plan for ongoing self management support
• The participants outcomes and goals and the plan for ongoing self management support will be communicated to the members PCP
• Continued management can include reminders about needed follow-up care and tests, medication management, education, behavioral goal-setting, and psychosocial support and connection to community resources
Program Design

- Written curriculum
- Self Management Education Method
  - Description of Healthy Weight Loss Principles and Management Options
- Ongoing Self Management Support
- Participant Defined Goals and Outcomes
  - Physical Activity
  - Health Eating
  - Reducing Risk of Complications
Curriculum Components

• Healthy Weight Loss Principles and Management Options
• Success Strategies to Achieve Weight Loss Goals
• Health Risks Associated with Being Overweight
• Lifestyle Nutritional Management
• Physical Activity and Lifestyle Modification
• Weight Loss Myths and Popular Diets
• Portion Control, Nutritional Labels, and Meal Plans
• Changing your Habits for Better Health
**Assessment and Evaluation Components**

- Individual assessment and education plan developed collaboratively by the participant and the coach
  - Selection of appropriate educational interventions
  - Self management support strategies
  - Interventions and outcome documented in record
Meeting Date: September 21, 2017

1. Subject: Update on Patient Center Medical Homes

2. Summary: In July 2015, PEBA approved design changes to the State Health Plan effective for 2016 intended to encourage patient use of Patient Centered Medical Homes. Noreen O’Donnell of Blue Cross will present an update on the PCMH program and what we can expect to see in this initiative going forward.

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

4. Supporting Documents:

   1. Attached: BlueCross and BlueShield of South Carolina Patient Centered Medical Home Program
A move from reactive care to proactive care

The patient-centered medical home (PCMH), is a team-based health care delivery model led by a health care provider that is intended to provide comprehensive and continuous medical care to patients with the goal of obtaining maximized health outcomes.
Patient-Centered Medical Home

- Personal Physician
- Physician Directed Team
- Whole Person Orientation
- Coordinated, Integrated Care
- Emphasis on Quality and Safety
- Enhanced Access
- Appropriate Payment Structure

BCBSSC PCMH Background

2009 Program Launch:
• Four provider practices
• One target condition (diabetes)

Today:
• 226 adult primary care practices
• 24 pediatric practices
• >430,000 members, >120,000 members in target condition suites
• Adult PCMH Program: Diabetes, congestive heart failure and hypertension
• Pediatric PCMH Program: Pediatric asthma and pediatric wellness
BCBSSC PCMH Growth

SHP Chronic Members 15,528 22,821 24,056 28,516 46,690
SHP Total Membership 31,612 52,689 81,885 84,027 86,248
Effective January 1, 2016:

- Waive member’s $12 physician office visit copay at participating PCMH
- Member coinsurance paid at 10 percent versus 20 percent at a participating PCMH
BCBSSC PCMH Cost and Utilization Outcomes
<table>
<thead>
<tr>
<th>Allowed amount PMPM</th>
<th>January 1, 2017 – June 30, 2017</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>PCMH n=86,696</td>
</tr>
<tr>
<td>All claims</td>
<td>$582</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$188</td>
</tr>
<tr>
<td>ER facility</td>
<td>$37</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$249</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$121</td>
</tr>
</tbody>
</table>
# State Health Plan All Chronic Conditions
## Cost and Utilization

<table>
<thead>
<tr>
<th>Allowed amount PMPM</th>
<th>January 1, 2017 – June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCMH n= 46,690</td>
</tr>
<tr>
<td></td>
<td>Non-PCMH n= 96,192</td>
</tr>
<tr>
<td></td>
<td>Diff</td>
</tr>
<tr>
<td>All claims</td>
<td>$485</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$134</td>
</tr>
<tr>
<td>ER facility</td>
<td>$27</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$217</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$113</td>
</tr>
<tr>
<td>Inpatient Institutional</td>
<td></td>
</tr>
<tr>
<td>Admits per 1,000</td>
<td>115</td>
</tr>
<tr>
<td>Admits per 1,000 via ER</td>
<td>67</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>540</td>
</tr>
</tbody>
</table>
# State Health Plan Diabetes Population Cost and Utilization

## Allowed amount PMPM

<table>
<thead>
<tr>
<th></th>
<th>PCMH n= 14,113</th>
<th>Non-PCMH n= 32,114</th>
<th>Diff</th>
<th>% Diff</th>
</tr>
</thead>
<tbody>
<tr>
<td>All claims</td>
<td>$647</td>
<td>$677</td>
<td>$30</td>
<td>4%</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$171</td>
<td>$203</td>
<td>$31</td>
<td>16%</td>
</tr>
<tr>
<td>ER facility</td>
<td>$35</td>
<td>$39</td>
<td>$4</td>
<td>10%</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$298</td>
<td>$304</td>
<td>$5</td>
<td>2%</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$134</td>
<td>$126</td>
<td>$8</td>
<td>7%</td>
</tr>
<tr>
<td>Inpatient Institutional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admits per 1,000</td>
<td>160</td>
<td>177</td>
<td>17</td>
<td>10%</td>
</tr>
<tr>
<td>Admits per 1,000 via ER</td>
<td>104</td>
<td>113</td>
<td>9</td>
<td>8%</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>785</td>
<td>921</td>
<td>137</td>
<td>15%</td>
</tr>
<tr>
<td>Service</td>
<td>January 1, 2017 – June 30, 2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------</td>
<td>----------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PCMH n=25,510</td>
<td>Non-PCMH n=63,256</td>
<td>Diff</td>
<td>% Diff</td>
</tr>
<tr>
<td><strong>Allowed amount PMPM</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All claims</td>
<td>$427</td>
<td>$421</td>
<td>$6</td>
<td>1%</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$118</td>
<td>$114</td>
<td>$4</td>
<td>3%</td>
</tr>
<tr>
<td>ER facility</td>
<td>$26</td>
<td>$26</td>
<td>$0</td>
<td>0%</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$168</td>
<td>$174</td>
<td>$6</td>
<td>3%</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$112</td>
<td>$107</td>
<td>$5</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Inpatient Institutional</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admits per 1,000</td>
<td>101</td>
<td>103</td>
<td>2</td>
<td>2%</td>
</tr>
<tr>
<td>Admits per 1,000 via ER</td>
<td>55</td>
<td>56</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>466</td>
<td>463</td>
<td>3</td>
<td>1%</td>
</tr>
</tbody>
</table>
BCBSSC PCMH
Key Providers
## Primary Care Practice A
### All Chronic Conditions - Cost and Utilization

<table>
<thead>
<tr>
<th></th>
<th>January 1, 2017 – June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Allowed amount PMPM</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PCMH n=3,565</td>
</tr>
<tr>
<td>All claims</td>
<td>$507</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$143</td>
</tr>
<tr>
<td>ER facility</td>
<td>$27</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$201</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$128</td>
</tr>
<tr>
<td><strong>Inpatient Institutional</strong></td>
<td></td>
</tr>
<tr>
<td>Admits per 1,000</td>
<td>133</td>
</tr>
<tr>
<td>Admits per 1,000 via ER</td>
<td>83</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>773</td>
</tr>
<tr>
<td>Allowed amount PMPM</td>
<td>January 1, 2017 – June 30, 2017</td>
</tr>
<tr>
<td>---------------------</td>
<td>---------------------------------</td>
</tr>
<tr>
<td></td>
<td>PCMH n=4,033</td>
</tr>
<tr>
<td>All claims</td>
<td>$444</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$140</td>
</tr>
<tr>
<td>ER facility</td>
<td>$28</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$126</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$142</td>
</tr>
</tbody>
</table>

| Inpatient Institutional | |
|-------------------------|--|--|--|--|
| Admits per 1,000        | 124 | 132 | 8 | 6% |
| Admits per 1,000 via ER | 70  | 79  | 9 | 11% |
| Days per 1,000          | 489 | 644 | 155 | 24% |
## Primary Care Practice C
### All Chronic Conditions - Cost and Utilization

<table>
<thead>
<tr>
<th>Allowed amount PMPM</th>
<th>January 1, 2017 – June 30, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PCMH n=2,355</td>
</tr>
<tr>
<td>All claims</td>
<td>$460</td>
</tr>
<tr>
<td>Inpatient facility</td>
<td>$158</td>
</tr>
<tr>
<td>ER facility</td>
<td>$22</td>
</tr>
<tr>
<td>Outpatient facility</td>
<td>$172</td>
</tr>
<tr>
<td>Doctors Office - E&amp;M</td>
<td>$103</td>
</tr>
</tbody>
</table>

### Inpatient Institutional

<table>
<thead>
<tr>
<th>Admits per 1,000</th>
<th>113</th>
<th>132</th>
<th>19</th>
<th>14%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admits per 1,000 via ER</td>
<td>60</td>
<td>79</td>
<td>19</td>
<td>24%</td>
</tr>
<tr>
<td>Days per 1,000</td>
<td>549</td>
<td>644</td>
<td>95</td>
<td>15%</td>
</tr>
</tbody>
</table>
## Transition to BCBSSC PCMH+ Model

<table>
<thead>
<tr>
<th></th>
<th>Current PCMH</th>
<th>PCMH+ Track 1</th>
<th>PCMH+ Track 2</th>
<th>PCMH+ Track 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Monthly Care Coordination Fees</strong></td>
<td>Care coordination fees for members with diabetes, CHF and hypertension.</td>
<td>Risk stratified care coordination fees for <strong>all</strong> attributed members.</td>
<td>Risk stratified care coordination fees for <strong>all</strong> attributed members.</td>
<td>Risk stratified care coordination fees for <strong>all</strong> attributed members.</td>
</tr>
<tr>
<td><strong>Annual Performance-based Incentives</strong></td>
<td>Year end up or down adjustment to CCFs based on quality.</td>
<td><strong>Shared Savings</strong> -- Year end performance incentive opportunity based on quality, cost and utilization. <strong>Upside risk only</strong></td>
<td><strong>Shared Savings</strong> -- Year end performance incentive opportunity based on quality, cost and utilization. <strong>Bi-directional risk</strong></td>
<td><strong>Shared Savings</strong> -- Year end performance incentive opportunity based on quality, cost and utilization. <strong>Bi-directional risk</strong></td>
</tr>
<tr>
<td><strong>Fee For Service</strong></td>
<td>Standard periodic fee for service increases.</td>
<td>No additional fee for service increases. Any increases come from annual, performance-based incentive opportunities.</td>
<td>No additional fee for service increases. Any increases come from annual, performance-based incentive opportunities.</td>
<td>Quarterly, prospective lump sum payments based on prior year costs. Decrease in fee for service rate to account for lump sum payments (FFS-hybrid)</td>
</tr>
</tbody>
</table>
PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM
Health Care Policy Committee

Meeting Date: September 21, 2017

1. Subject: Committee Charter Review

2. Summary: Periodic review and update of the Committee Charter

3. What is Committee asked to do? Review and approve the revised Committee Charter

4. Supporting Documents:
   (a) Attached: HCP Committee Charter
Health Care Policy Committee Charter

[As adopted by the PEBA Board on DATE]

(A) **Purpose:** To ensure a financially sustainable health program that improves member health, and provides a positive member experience.

(B) **Authority:** The authority of the Health Care Policy Committee is limited to information-gathering and advice and recommendations to, and on behalf of, the Board, and to ministerial acts. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).

(C) **Composition:** The Health Care Policy Committee will be established pursuant to the process defined in the PEBA Board of Directors Bylaws.

(D) **Meetings:**

1. The Health Care Policy Committee will meet as circumstances require upon the call of the Committee Chair.
2. Health Care Policy Committee meetings will adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

(E) **Responsibilities:** The Health Care Policy Committee will carry out the following responsibilities:

1. Ensure the PEBA strategic plan includes strategic issues and projects within the Health Care Policy Committee’s purpose, noted in Section A.
2. Approve pilot projects for upcoming plan years that focus on improved health and lower costs, with appropriate evaluation methods of health outcomes, costs, and resources identified;
3. At least quarterly, meet with the PEBA Executive Director, or a designee, regarding the operational and financial performance of the PEBA insurance programs to monitor progress toward strategic objectives and make recommendations to the PEBA Board;
4. No later than November of each year, develop recommendations to the PEBA Board concerning proposed premiums for the proposed State Health Plan for the Plan Year beginning thirteen months later for purposes of the State’s budgeting process;
5. No later than July of each year, considering the final State budget, make recommendations to the PEBA Board regarding the final State Health Plan design and final premiums for the State Health Plan for the Plan Year beginning six months later;
(6) Receive information from the actuaries concerning the Other Post Employment Benefits (OPEB) valuations for retirees in the State Health Plan and for beneficiaries of Long-Term Disability benefits and make recommendations to the PEBA Board; and

(7) Oversee agency communications involving areas of Health Care responsibilities.

As approved and adopted:

SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS

By: ______________________________ By: _____________________________
John A. Sowards, Chairman   Alex Shissias

By: ______________________________ By: _____________________________
Frank W. Fusco     Stephen Heisler

By: ______________________________ By: _____________________________
Ed Walton     Sheriff Leon Lott

By: ______________________________ By: _____________________________
Steve A. Matthews     Joe W. “Rocky” Pearce, Jr.

By: ______________________________ By: _____________________________
Audie Penn     David J. Tigges

Dated: _____________________________
Health Care Policy Committee Charter

As Adopted by the PEBA Board on 3.17.16

(A) **Purpose/Mission:** To ensure a financially sustainable health program that improves member health, and provides a positive member experience.

(B) **Authority:** The authority of the Health Care Policy Committee is limited to information-gathering and advice and recommendations to, and on behalf of, the Board, and to ministerial acts. The Committee may invite administrators, consultants, staff, external auditors, and/or others to attend meetings and provide pertinent information as necessary. PEBA Board of Directors Bylaws, Section V(C).

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1. The Health Care Policy Committee will meet as circumstances require upon the call of the Committee Chair.

2. Health Care Policy Committee meetings shall adhere to the rules outlined in the PEBA Board of Directors Bylaws and with applicable law.

(E) **Responsibilities:** The Health Care Policy Committee will carry out the following responsibilities:

1. Develop and ensure the PEBA strategic plan includes strategic issues and projects within the Health Care Policy Committee’s purpose, noted in Section A. A strategic plan for PEBA insurance functions in conjunction with PEBA staff and consultants, make recommendations to the PEBA Board, and evaluate the implementation and success of the plan.

2. Approve pilot projects for upcoming plan years that focus on improved health and lower costs, with appropriate evaluation methods of health outcomes, costs, and resources identified;

3. At least quarterly, meet with the PEBA Executive Director, or a designee, regarding the operational and financial performance of the PEBA insurance programs to monitor progress toward strategic objectives and make recommendations to the PEBA Board;

4. No later than November of each year, develop recommendations to the PEBA Board concerning proposed premiums for the proposed State Health Plan for the Plan Year beginning thirteen months later for purposes of the State’s budgeting process;

5. No later than July of each year, considering the final State budget, make recommendations to the PEBA Board regarding the final State Health Plan design and final premiums for the State Health Plan for the Plan Year beginning six months later;

6. Receive information from the actuaries concerning the Other Post Employment Benefits (OPEB) valuations for retirees in the State Health Plan and for beneficiaries of Long-Term Disability benefits and make recommendations to the PEBA Board; and

7. Oversee agency communications involving areas of Health Care responsibilities.
As approved and adopted:

SOUTH CAROLINA PUBLIC EMPLOYEE BENEFIT AUTHORITY
BOARD OF DIRECTORS

By: ______________________________
John A. Sowards, Chairman
By: ______________________________
Frank W. Fusco
By: ______________________________
Ed Walton
By: ______________________________
Stacy Kubu
By: ______________________________
Steve A. Matthews
By: ______________________________
Audie Penn
By: ______________________________
David J. Tigges

By: ______________________________
Alex Shissias
By: ______________________________
Stephen C. Osborne
By: ______________________________
Stephen Heisler
By: ______________________________
Sheriff Leon Lott
By: ______________________________
Joe W. “Rocky” Pearce, Jr.

Dated:  _____________________________