

Meeting Minutes | Health Care Policy Committee

Wednesday, December 13, 2017 | 10:30 a.m.
200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

Minutes Approved March 7, 2018

Board Members Present: Mr. Frank Fusco, Mr. Steve Heisler, Mr. Audie Penn, and Mr. David Tigges

Board Members Absent: Mr. Joe “Rocky” Pearce, Chairman

Others Present for All or a Portion of the Meeting: Peggy Boykin, Phyllis Buie, Amber Carter, Sarah Corbett, Joe Greene, Denise Hunter, Heather Muller, Laura Smoak, Rob Tester, Travis Turner, Stephen Van Camp, Justin Werner, and Heather Young from the South Carolina Public Employee Benefit Authority (PEBA); Sam Griswold from the State Retirees Association of South Carolina; Angie Baughman, Brooks Goodman, Dr. Tripp Jennings, Matt Shaffer, and Carmen Wilson from Blue Cross Blue Shield of South Carolina; Karen Russell, Robin Scott and Traci Young from Express Scripts, Inc., Michael Craig, Tammy Kell, and Kipper Linville from Novo Nordisk, Inc.; Herman Demmink from Novartis; and Alex Tomlinson from Mullikin Law Firm.

I. Call to Order

Vice-Chairman Frank Fusco called the PEBA Health Care Policy Committee (Committee) meeting to order at 10:30 a.m., and stated that the public meeting notice was posted in compliance with the Freedom of Information Act.

II. Approval of Meeting Minutes – September 21, 2017

It was noted that September 21, 2017, Committee meeting minutes were approved as presented.

III. State Health Plan Expenditure Analysis

Mr. Rob Tester, Health Care Policy Director, reported that the State Health Plan (SHP) expenditure growth per member for the past 11 months is 6 percent, with medical totaling 1.6 percent and pharmacy totaling 11.9 percent. Mr. Tester stated that physician-administered specialty drugs account for 70 percent of the increase in medical expenses for 2017. Mr. Tester also pointed out that there has been substantial growth in both non-specialty pharmacy (8.9 percent) and specialty pharmacy (22.4 percent), and noted that Humira is the highest cost prescription in the SHP. Humira is used to treat arthritis, psoriasis, colitis, and Crohn’s disease, costing the SHP \$40.2 million in a nine month period for 1,227 patients, which equals a 24.1 percent growth in expenditure per member. Mr. Tester stated that PEBA staff continuously evaluates trends and sources of State Health Plan expenditure, and works with consultants and contractors throughout the year to identify methodologies to address spend while maintaining the value of the program.

IV. State Health Plan Benchmarks

Mr. Tester, presented the SHP update and benchmarking in which key SHP measures are compared with peer and national benchmarks. Mr. Tester reviewed the SHP enrollment as of December 2017; the SHP growth and expenditure per member compared to national trends; and the 2017 average monthly total premiums. Mr. Tester also discussed the 2017 average annual deductible; the 2016 average annual gross plan cost per active employee and the 2018 composite monthly premiums. Mr. Tester stated that the State Health Plan continues to compare very favorable to other public and private employers.

V. State Health Plan Incentives

Ms. Sarah Corbett, Chief Operating Officer, introduced Dr. Tripp Jennings, Medical Director, and Carmen Wilson, Account Executive, from Blue Cross Blue Shield of South Carolina, for a presentation regarding the use of incentives in health plans. Dr. Jennings stated that incentives can include a Value Based Benefit Design which would either reduce or increase member cost share as an incentive for compliance with services, or offer financial incentives for wellness participation. Dr. Jennings stated that wellness programs and rewards for healthy behaviors are increasingly common in the workplace. Ms. Wilson reviewed current incentive offerings in the SHP, as well as current trends in the health insurance industry.

Vice-Chairman Fusco asked staff to provide additional details regarding potential incentive programs in June or July of 2018.

VI. Old Business/Director's Report

Ms. Peggy Boykin, Executive Director, stated that she would provide the Director's Report at the full Board meeting.

VII. Adjournment

There being no further business, and upon motion by Mr. Audie Penn, which was seconded by Mr. David Tigges, and approved unanimously, the Committee meeting adjourned at 12:06 p.m.