

November 10, 2011

INSURANCE TASK FORCE COMMITTEE MEETING

Members Present

Lisa Brown
Steve Bowman
Leo Burt
Mark Castellano
Karen Cooley
Dr. Ami Desamours
Marcia Fain
Bonnie McFarland
Jamie Michael
Donna Mutzenard
Tommy O'Connell
Bob Rushlow

Members Absent

Don Armstrong,
Board Liaison
Joe Pescatrice,
Retiree Liaison
Dr. Greg Adkins
Shandra Backens
Suzan Rudd

Others

Barbara Crowe
Debbie Durieux
Robin MacDonald
Jeffrey Olson
Diane Quiles
Karen Toro
Karen Whitmore

The meeting was called to order at 3:30 PM.

Approval of Minutes

Ms. Bonnie McFarland asked if there were any additions, deletions, or corrections to the Minutes of the October 10, 2011, Minutes. There being no changes to the Minutes, Mr. Mark Castellano made the motion to approve the Minutes of October 10, 2011, Meeting; Mr. Leo Burt seconded; motion passed unanimously.

Health Plan Financials

Mr. Glen Volk reviewed the data with the members. He told the group that to break even, the loss ratio needed to be 94%. Anything below 94% is good. For the month of September, the loss ratio was 95.3% (combined for all plans). The year-to-date loss ratio (combined for all plans) is 89.5%.

The 706 Plan continues to do poorly – currently has a 121.7% loss ratio for the month of September, and year-to-date loss ratio of 130.2%.

The 118 Plan, due to all the migration at open enrollment, has a loss ratio of 113.4% for the month of September; with a year-to-date loss ratio of 99.0%.

The HMO Plan had a fairly good month in September, with a loss ratio of 84.9% for September; with a year-to-date loss ratio of 107.3%.

The 3359 Plan, being a new plan, is doing well. It had a loss ratio of 71.1% for the month of September; with a year-to-date loss ratio of 61.4%.

BCBS Pharmacy Presentation

Mr. Jeffrey Olson and Ms. Diane Quiles of PrimeMail discussed the pharmacy benefits and claim experience with the group.

Ms. Diane Quiles pointed out that the PMPM (Paid Member Per Month) is higher than any other group that she handles.

The generic utilization is at 75%, which is extremely good. The overall use of mail order pharmacy is down from 8.5% to 7.5% for this six-month period.

Ms. Diane Quiles offered some suggestions of Plan changes that would save the Plan money and help to maintain/keep premium costs down for employees. Some of those changes were:

- Value Based Benefit Design – this would change the generic co-payment to \$5 for all drugs in the categories outside of the core classes (Antihyperlipidemic, Antihypertensive, Astham/COPD, Depression, and Diabetes) – a savings of approximately \$465,746 to the Plan.
- Mandatory Mail – this requires a member to use mail order after getting their original RX and one refill at the retail pharmacy. This benefit change could save the plan an estimated \$285,673.
- Co-Payment Modeling – this would increase the formulary and non-formulary brand copays by \$5 at retail and \$10 at mail order. This plan change could save \$287,020.
- Mandatory Generics – this encourages the member to take generics when they are available and could save the plan \$179,908. If a member chooses a brand drug when a generic is available, they would pay the brand co-pay, plus the difference in cost between the generic and brand. If the doctor writes the prescription indicating the brand is necessary, then there is no penalty to the employee for getting the brand versus the generic.
- Limited Pharmacy Network – this would exclude Walgreens from the network and this could save the plan \$354,740. Walgreens charges the highest amounts for prescriptions than any other pharmacy, which is very costly to the Plans.
- NDC Lockout – this would exclude certain medications from being covered – ones that could be purchase over-the-counter, such as Tylenol, etc. By implementing this feature, it could result in savings of \$126,231.
- Responsible RX – this has a 3-part implementation listed below. By implementing Responsible RX (all three items below), could save the plan \$756,095.
 - Responsible Quantity – this encourages the safe and cost-effective use of medication by setting a maximum quantity per month for a medication or supply.
 - Responsible Step – ensures the use of a designated or prerequisite drug(s) first in order for coverage of the drug. Implementing this change would impact approximately 4,863 members
 - Prior Authorization – encourages the safe and cost-effective use of medication. Certain high-cost drugs that have the potential for misuse, are required to obtain prior authorization through BCBS of Florida before they will be covered. Implementing this program would impact 239 members.

Mr. Jeffrey Olson indicated that if we did not implement any other changes, we should at least implement the Responsible Quantity. Of all the changes recommended, the quantity limitation would have the least disruption to employees.

Health Plans for 2012

There was a great deal of discussion regarding whether we should drop one or two Plans offered. Due to time constraints of the upcoming open enrollment; Mr. Tommy O'Connell made the motion to keep the four (4) Plans that we currently offer, possibly making some minor pharmacy changes to be decided, and seriously talk about reducing the number of Plans for the future; Mr. Mark Castellano seconded the motion; motion passed unanimously.

There was a discussion about using some of the Plan reserves to offset or absorb any increase in premiums. There was also a discussion of what happened years ago when the reserves were used to absorb the premium increases – eventually, the money ran out and resulted in a very large increase in premium – all in one year. It is the desire to not repeat that event.

Ms. Bonnie McFarland indicated that the group needed to make some decisions – hopefully at the December 8, 2011, Meeting. In an effort to bring forth the topics that would be discussed/voted on at the next meeting, she asked that everyone indicated Yes or No to the following:

- Value Based Benefit Design – members said “no”
- Responsible RX Program – members voted 10 “yes”; 1 “no”
- Responsible Quantity – members voted 10 “yes”; 1 “no”
- Responsible Step – members voted “no”
- Prior Authorization – members voted “no”
- Mandatory Mail – members voted “yes”
- Co-Pay Changes – members voted “no”
- Mandatory Generics – members voted “yes”
- Eliminate Walgreens – members voted “yes”
- NDC Lockout – members voted “yes”

Ms. McFarland indicated that the group would discuss and make decisions regarding the following at the December 8, 2011, Meeting:

- Pharmacy
- Plan Year Deductible Alignment
- Funding of Plans

There was also a discussion to set another meeting for December – just in case all items were not decided at the December 8, 2011, Meeting. The group decided to add another December meeting – Monday, December 12, 2011; at 3:30 PM. A meeting notice will be sent giving the location.

The meeting was adjourned at 5:37 PM.