

CSAC EXCESS INSURANCE AUTHORITY

EIAHEALTH COMMITTEE

TENTATIVE AGENDA

CSAC Excess Insurance Authority	Thursday, July 30, 2015
Web Conference/Telephonic Meeting	9:00 a.m.
http://csac-eia.webex.com	Sixth Meeting – 2015
Teleconference Number: 866-469-3239	
Meeting Number: 806 894 154	

As to each agenda item, the Committee may take action and/or receive informational reports as appropriate.

ROLL CALL/INTRODUCTIONS

- 1.A. Establishment of Quorum/Introductions4
- 1.B. WebEx Protocol

CONSIDERATION OF OFF AGENDA ITEMS

Pursuant to Government Code Section 54954.2(b), except as provided in this paragraph, no action or discussion shall be taken at a regular meeting on any item which does not appear on the posted Final Agenda. Pursuant to Government Code Section 54954.2 (b)(2) an item may be added to the Final Agenda after the Final Agenda has been posted upon a determination by a two-thirds vote of the Committee (or an unanimous vote if less than two-thirds of the Committee is present); the vote shall be on a motion stating that there is a need to take immediate action and that the need for action came to the attention of the Committee subsequent to the Final Agenda being posted. Any such motion shall be accompanied by distribution of a written statement on a form provided by the office of the Chief Executive Officer/Secretary of the Board, to be included in the record, stating the facts upon which it can be determined that the need to take action arose after the Final Agenda was posted. In addition, action may be taken on an item not on the posted Final Agenda under the circumstances stated in Government Code Section 54954.2 (b)(1) [emergency] and 54954.2 (b)(3) [continued regular meetings].

EIAHEALTH ADMINISTRATION

- 2.A. New Member Application – Orange County Transportation Authority (Alliant/John)5
An action to approve Orange County Transportation Authority into the EIAHealth Program.
- 2.B. New Member Application – County of Yuba (Alliant/John).....9
An action to approve the County of Yuba into the EIAHealth Program.
- 2.C. Express Scripts (ESI) Cholesterol Care Value Program (Alliant/Tom)..... 13
An action to approve the implementation of Option 2 for the ESI Cholesterol Care Value Program.

PUBLIC COMMENT

This portion of the agenda is reserved for members of the general public to address the Committee on any matter not on this agenda that is under the jurisdiction of the Committee.

FUTURE MEETINGS

The next regularly scheduled meeting will be held on Wednesday, November 18, 2015, at 10:30 a.m. The Chair will determine if the meeting will be held in-person or via WebEx.

ADJOURNMENT

Disability Access: All posted locations for this meeting are wheelchair accessible and disabled parking is available. If you are a person with a disability and you need disability-related modifications or accommodations to participate in this meeting, please contact the Meeting Planner at (916) 850-7300 or (916) 850-7800 (fax). Requests for such modifications or accommodations must be made at least two full business days before the start of the meeting.

CSAC EXCESS INSURANCE AUTHORITY

EIAHEALTH COMMITTEE

TELEPHONIC ADDRESS LIST

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Thursday, July 30, 2015
9:00 a.m.
Sixth Meeting – 2015

CSAC Excess Insurance Authority		75 Iron Point Circle, Suite 200 Folsom, CA 95630	(916) 850-7300
GSRMA	Dan Berry	247 West Sycamore Street Willows, CA 95988	(530) 934-5633
City of Redding	Shawn Avery	777 Cypress Avenue Redding, CA 96001	(530) 225-4524
Santa Barbara County	Andreas Pyper	1226 Anacapa Street Santa Barbara, CA 93101	(805) 568-2821
SDRMA	Gregory S. Hall	1112 I Street, Suite 300 Sacramento, CA 95814	(916) 231-4141
Tehama County	Sally Hacko	727 Oak Street Red Bluff, CA 96080	(530) 527-4183
Turlock Irrigation District	Maureen Kramer	333 E. Canal Drive Turlock, Ca 95380	(209) 883-8256
City of Visalia	Eric Frost	707 West Acequia Visalia, CA 93291	(559) 713-4474

Establishment of Quorum/Introductions
Quorum: 4

Chair:

Scott DeMoss, Merced County

Vice Chair:

Andreas Pyper, Santa Barbara County

Committee Members:

Kathy Ferguson, Lake County

Gregory S. Hall, Special District Risk Management Authority (SDRMA)

Sally Hacko, Tehama County

Maureen Kramer, Turlock Irrigation District

Eric Frost, City of Visalia

Alternates:

Dan Berry, Golden State Risk Management Authority (GSRMA)

Shawn Avery, City of Redding

SUBJECT: New Member Application – Orange County Transportation Authority

ACTION FOR CONSIDERATION:

Approve Orange County Transportation Authority (OCTA) for membership in the EIAHealth Program, effective January 1, 2016.

BACKGROUND:

OCTA currently offers fully insured HMO and PPO plans to their 523 Active and Retirees through Anthem Blue Cross and Kaiser. 58% of plan participation reside in the Anthem HMO/PPO plan options, with Kaiser covering 32%, and 10% waiving coverage. Potential enrollment into the EIAHealth Program is estimated at 292 employee/retiree lives. The current contribution structure has OCTA covering 90% employee premium and 80% dependents.

Alliant Underwriting Services (AUS) will be quoting OCTA with Blue Shield of California provider network/plan options, and Kaiser will remain in place. As outlined in the AUS memo, claim experience was available for review and included large claim data.

FISCAL IMPACT: To be determined

RECOMMENDATION:

The OCTA is very interested in joining the EIAHealth Program and has worked cooperatively in the data gathering process for the assessment of their entry into the EIAHealth Program. The demographic review found them to have a favorable population, compatible group product types and a cost structure that fits within the EIAHealth targets. OCTA is also a member of the EIA Dental Program and continues to show interest in all EIA programs. Staff recommends approving the OCTA into the EIAHealth Program, with an effective date of January 1, 2016.

TYPE OF VOTE REQUIRED: Majority vote of the Committee (4)

To: EIAHealth Program Committee, EIA Staff

From: Scott McClave

Date: July, 2015

Re: **New Member Application: Orange County Transportation Authority**

Orange County Transportation Authority currently offers fully insured PPO and HMO plans through to their Active and Retiree population through Anthem Blue Cross. The group also offers Kaiser. The group's plan renews on a January cycle.

Orange County Transportation Authority has requested a proposal from EIAHealth to replace their current Anthem plans with an effective date of January 1, 2016.

Here is a brief overview of the enrollment for the plans:

Plan Name	Active	Non-Medicare Retiree	Medicare Retiree	Grand Total	% of Total
Anthem PPO	162	3	4	169	32%
Anthem HMO	130	4	3	137	26%
Kaiser	155	10	0	165	32%
WAIVED	52	0	0	52	10%
Sub-Total	499	17	7	523	
% of Total	95%	3%	1%	100%	
EIA potential enrollment	292	7	7	306	
	95.4%	2.3%	2.3%	100%	

Based on review of demographic data, current rates and enrollment, it is the recommendation of underwriting to pursue Orange County Transportation Authority as a candidate for the EIA Health Program.

- Demographic review indicates a favorable population.
- Group product type and cost structure fit well within EIA targets

Orange County Transportation Authority covers health care premiums at a minimum of 90% of the premium and 80% for dependents.

1. We are proposing to take over the Anthem population. Kaiser will remain in place.

2. All plans will be quoted through the Blue Shield network. Express-Scripts will be quoted for pharmacy services.
3. EIA Quote will be subject to participation requirements and other contingencies to protect the program against significant enrollment or demographic shifts.

Application for Membership

Should the Program Issue a Proposal?

Proposed Member Name: Orange County Transportation Authority

Group now covered by: Anthem Blue Cross / Kaiser

Claims data available: Yes

Statistics: See attached analysis

Q: Can we accurately price the risk using available claim experience data?

A: Yes.

Q: Is the claims experience sufficiently credible and complete to allow setting rates appropriate to the risk?

A: Claims experience will be used along with carrier manual pricing data will be used to determine rates

Q: Can we evaluate the claims experience to determine the likely impact on the shared risk (pooled) portion of the Program, i.e. below \$1,000,000 per individual claimant?

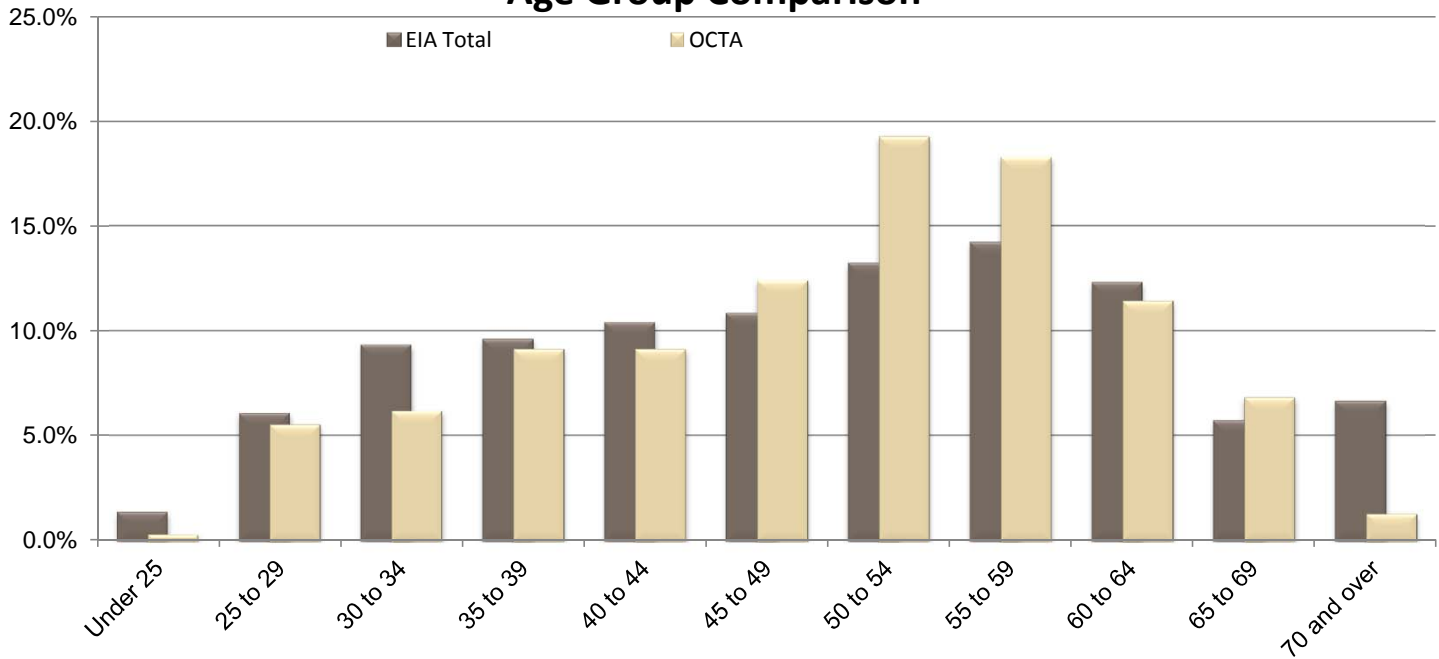
A: Yes, large claimant data is available

DEMOGRAPHIC ANALYSIS COMPARISON

EIA TOTAL VS OCTA

Enrollment By Age Group					
Category	EIA Total	% of all		OCTA	% of all
Under 25	249	1.4%		1	0.3%
25 to 29	1,094	6.1%		17	5.6%
30 to 34	1,678	9.4%		19	6.2%
35 to 39	1,726	9.6%		28	9.2%
40 to 44	1,871	10.4%		28	9.2%
45 to 49	1,947	10.9%		38	12.4%
50 to 54	2,375	13.2%		59	19.3%
55 to 59	2,553	14.2%		56	18.3%
60 to 64	2,211	12.3%		35	11.4%
65 to 69	1,032	5.8%		21	6.9%
70 and over	1,197	6.7%		4	1.3%
	17,933			306	

Age Group Comparison



	EIA Total	% of all		OCTA	% of all
Male	8,861	49.4%		158	51.6%
Female	9,072	50.6%		148	48.4%
Average Age	49.68			49.67	
Early Retiree %	9.51%			2.29%	
Members/Subscriber	2.12			2.33	

SUBJECT: New Member Application – County of Yuba

ACTION FOR CONSIDERATION:

Approve the County of Yuba for membership in the EIAHealth Program, effective January 1, 2016.

BACKGROUND:

Yuba County is currently contracted with CalPERS for healthcare coverage and offers their 917 employees/retirees CalPERS HMO/PPO plan types, including Kaiser. 52% of plan participation resides in the PPO plan options, with 3.3% in traditional HMO plan options, 7% in Kaiser and 15% waiving coverage. Potential enrollment in the EIA Health Program is estimated to be 712 employee/retiree lives. The County currently offers a fixed contribution structure that is negotiated by bargaining unit, but covers at a minimum, 75% of employee-only cost and 25%-50% of dependent costs.

Alliant Underwriting Services (AUS) will be quoting the County of Yuba with Anthem provider network/plan options, and Kaiser will remain in place. As understood with all CalPERS 'exit' members, claims experience was not available. However, as outlined in the AUS memo, claim experience was available for review on other groups within the region for comparison purposes.

FISCAL IMPACT: To be determined

RECOMMENDATION:

The County of Yuba is very interested in joining the EIAHealth Program and has worked cooperatively in the data gathering process for the assessment of their entry into the EIAHealth Program. The demographic review found them to have a favorable population, compatible group product types and a cost structure that fits within the EIAHealth targets. The County of Yuba is also a longtime member of the EIA and currently participates in the EIA's dental, vision and life/disability programs, as well as, nine (9) additional P&C related programs. Staff recommends approving the County of Yuba into the EIAHealth Program, with an effective date of January 1, 2016.

TYPE OF VOTE REQUIRED: Majority vote of the Committee (4)

To: EIAHealth Program Committee, EIA Staff
 From: Scott McClave
 Date: July, 2015
 Re: **New Member Application: County of Yuba**

Yuba County currently offers the CalPERS portfolio of plans to its employees and retirees. Yuba County's health plan renews on a January 1 cycle. The group has requested a proposal from EIA Health to replace their entire CalPERS plan portfolio.

Here is a brief overview of the enrollment for the plan:

Plan Name	Active	Non-Medicare Retiree	Medicare Retiree	Grand Total	% of Total
ANTHEM BLUE CROSS HMO SELECT	3	0	0	3	0.33%
BLUE SHIELD Access +	9	1	5	15	2%
BLUE SHIELD NET VALUE	9	3	1	13	1%
PERS SELECT	31	6	2	39	4%
PERSCARE	18	0	4	22	2%
PERSCHOICE	324	32	65	421	46%
PORAC	185	9	2	196	21%
UNITED HEALTHCARE	3	0	0	3	0%
KAISER	66	2	0	68	7%
KAISER SENIOR ADV	0	0	3	3	0%
Waiver	134	0	0	134	15%
Sub-Total	782	53	82	917	
% of Total	85%	6%	9%	100%	
EIA potential enrollment	582	51	79	712	
	82%	7%	11%	100%	

Based on review of demographic data, current rates and enrollment, it is the recommendation of underwriting to pursue Yuba County as a candidate for the EIA Health Program.

Yuba County provides employees with a fixed contribution amount each month, which is negotiated by bargaining unit. The fixed amount for each bargaining unit covers at a minimum 75% of employee-only costs and between 25% and 50% of dependent costs. Employees who waive coverage are required to show proof of other group coverage.

1. All plans will be quoted through Anthem Blue Cross provider networks. Express Scripts will be quoted for Pharmacy services.
2. We are proposing to match the current PPO benefits, only making changes to ensure compliance with Health Care Reform law.
3. Due to the extremely low participation in HMO plans, it is assumed that the HMO plans will be terminated and only EIA PPO plans will be offered. Kaiser to remain in place on a direct basis along-side EIA.
4. All possibilities will be evaluated, with the most efficient delivery model to be determined closer to the date at which firm quotes will be issued.
5. Medicare retirees will be offered a Medicare COB plan.

Application for Membership

Should the Program Issue a Proposal?

Proposed Member Name: Yuba County

Group now covered by: Anthem, Kaiser & UHC

Claims data available: No, CalPERS Break-away candidate

Statistics: See attached analysis

Q: Can we accurately price the risk using available claim experience data?

A: Although claim experience data is not readily available, experience data for other groups in the Yuba County region will be used to provide a comparison point.

Q: Is the claims experience sufficiently credible and complete to allow setting rates appropriate to the risk?

A: N/A

Q: Can we evaluate the claims experience to determine the likely impact on the shared risk (pooled) portion of the Program, i.e. below \$1,000,000 per individual claimant?

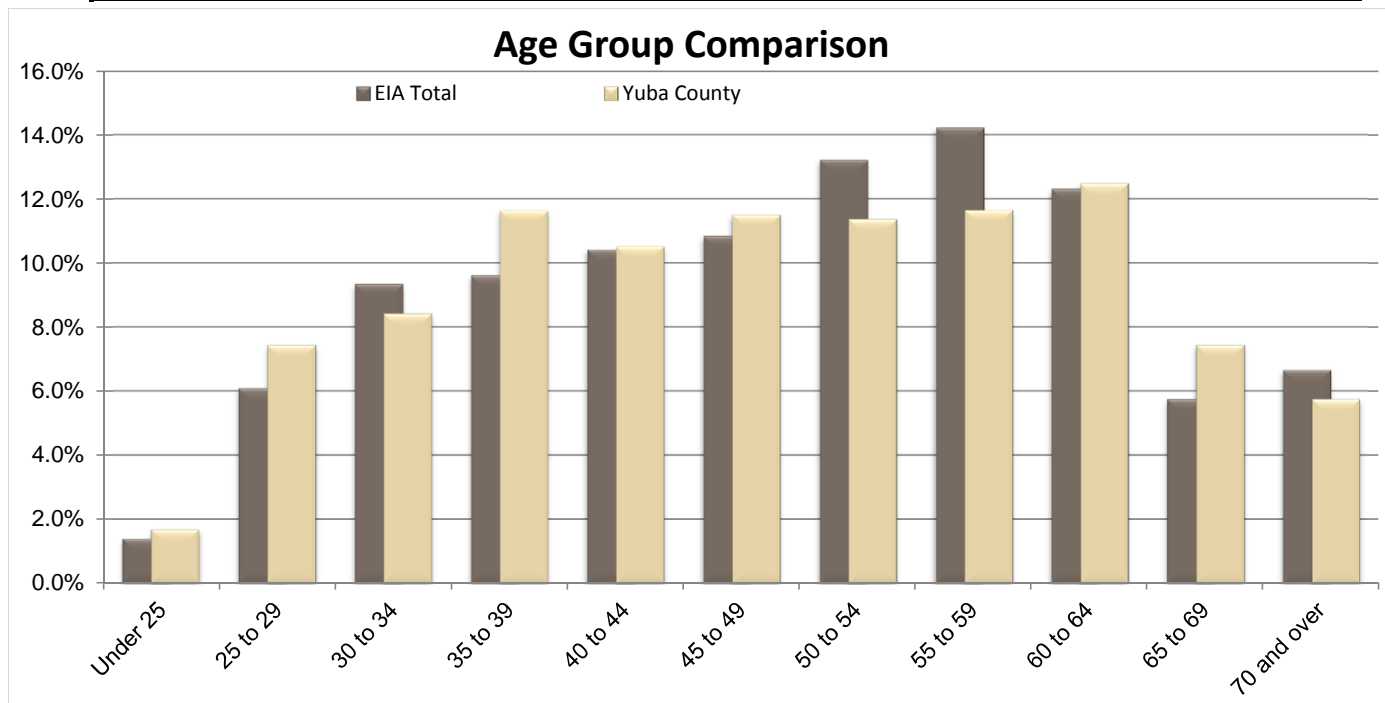
A: N/A

Alliant recommends that the Program pursue issuing a firm proposal to Yuba County based on the information that we have received at this point.

DEMOGRAPHIC ANALYSIS COMPARISON

EIA TOTAL VS Yuba County

Enrollment By Age Group					
Category	EIA Total	% of all		Yuba County	% of all
Under 25	249	1.4%		12	1.7%
25 to 29	1,094	6.1%		53	7.4%
30 to 34	1,678	9.4%		60	8.4%
35 to 39	1,726	9.6%		83	11.7%
40 to 44	1,871	10.4%		75	10.5%
45 to 49	1,947	10.9%		82	11.5%
50 to 54	2,375	13.2%		81	11.4%
55 to 59	2,553	14.2%		83	11.7%
60 to 64	2,211	12.3%		89	12.5%
65 to 69	1,032	5.8%		53	7.4%
70 and over	1,197	6.7%		41	5.8%
	17,933			712	



	EIA Total	% of all		Yuba County	% of all
Male	8,861	49.4%		279	39.2%
Female	9,072	50.6%		433	60.8%
Average Age	49.68			48.95	
Early Retiree %	9.51%			7.30%	
Members/Subscriber	2.12			2.05	

SUBJECT: Express Scripts (ESI) Cholesterol Care Value Program

ACTION FOR CONSIDERATION:

Approve the implementation and continuance of the ESI Cholesterol Care Value Program, Option 2, for all members in the EIAHealth Program.

BACKGROUND:

Express Scripts has informed Alliant and the EIA that a new class of injectable cholesterol medications (PCSK9 inhibitors) have been approved by the FDA and will become available on July 24, 2015 (Praluent) and August 27, 2015 (Repatha). ESI requested special attention to these medications because they represent a high cost impact to the entire EIAHealth Program, similar to the high cost Hep-C medication, Solvaldi.

ESI referenced cost reports, presented in the first quarter of 2015, which showed that the fourth highest category, with 5,001 patients in 2014, of meds for the entire EIAHealth Program is cholesterol medication. In 2014, the average cost across the entire plan was \$6.35 per member, per month (PMPM) or \$76.20 per member, per year. The most expensive cholesterol med – Crestor – costs \$307 per prescription, per month or \$3,700 per year, for a 30 day supply. The new cholesterol medications listed above are estimated to be up to \$14,000 per member, per year and unlike Solvaldi, there are 5,000 members taking these medications. If only 1/3 convert to the new medications, the annual increase will be significant and detrimental.

In order to address this new class of cholesterol medications, ESI has created a Cholesterol Care Value (CCV) Program, which will provide appropriate access to this new class of medications to ensure that plan costs are effectively managed. The CCV program is comprised of three options as follows:

Option 1- Full Program Enrollment	Option 2 – Extensive Prior Auth	Option 3 – Traditional Prior Auth
<ul style="list-style-type: none"> • Members are restricted to Accredo for PCSK9s • Members are enrolled in Simple Choice for all cholesterol medications • Members are reviewed through a full, extensive PA program when prescribed PCSK9 medications 	<ul style="list-style-type: none"> • Members are restricted to Accredo for PCSK9s • Members are NOT enrolled in Simple Choice for all cholesterol medications • Members are reviewed through a full, extensive PA program when prescribed PCSK9 medications • Full time team of clinicians will work to request clinical documentation from physician's offices 	<ul style="list-style-type: none"> • Members are NOT restricted to Accredo for PCSK9s • Members are NOT directed to Home Delivery for Cholesterol Medications • Members are reviewed through a traditional PA program for PCSK9 medications
Cost: Free of Charge	Cost: \$0.20 PMPM	Cost: \$0.05 PMPM

Due to the urgent timing of the situation and in order to protect the financial integrity of the EIAHealth Program, the EIA approved implementing Option 2, extensive prior authorization, for all members, effective July 24, 2015. This was a temporary resolution until the issue could be addressed with the EIAHealth Committee. The cost to add Option 2 was \$0.20 per member, per month, and has been funded by SISC with the expectation that the savings to the Program will be greater than the cost.

The decision facing the Committee is whether to leave the global implementation of the CCV program in place, which will ensure program wide adherence to proper prior authorizations for higher cost medications, or to allow participation in the CCV to be the decision of each individual member, effective with the January 2016 renewal.

The EIAHealth Committee has set a precedent when making these decisions, having already implemented cost containment strategies, on a program-wide basis, that address compound medications, Hepatitis C, and standard formulary adherence. It is important to note that the CCV program will not apply to EGWP plans. However, utilization management rules will be in place to protect plan drug spend.

FISCAL IMPACT: To be determined

RECOMMENDATION:

Staff and Alliant recommend leaving CCV Option 2 in place as a program-wide initiative. There will be no impact to premium or rates, with SISC willing to pay the per member fee. This cost containment strategy will ensure that the EIAHealth Program continues to monitor and manage escalating costs.

TYPE OF VOTE REQUIRED: Majority vote of the Committee (4)

2014 Top 10 Indications - Cholesterol

Top Indications by Plan Cost																
1-14 - 12-14										1-13 - 12-13					Change	
AUM Mgmt. Strategy	Rank	Peer Rank	Indication	Rx	Patients	Plan Cost	Peer			Rank	Rx	Patients	Generic Fill Rate	Plan Cost PMPM	Plan Cost PMPM	Plan Cost PMPM
							Generic Fill Rate	Generic Fill Rate	Plan Cost PMPM							
ST/PA	1	2	INFLAMMATORY CONDITIONS	1,656	327	\$5,078,440	23.0%	23.4%	\$11.43	2	1,568	333	22.9%	\$9.06	\$26.2%	
ST/PA/DQM	2	1	DIABETES	23,566	2,313	\$4,464,516	48.1%	45.8%	\$10.05	1	25,846	2,547	48.1%	\$9.56	5.1%	
ST/PA	3	3	CANCER/INFLAMMATION	18,801	18,801	\$3,033,802	83.8%	81.8%	\$16.17	4	33,823	14,161	83.8%	\$16.81	3.8%	
ST/PA	4	4	HIGH BLOOD CHOLESTEROL	27,809	5,001	\$2,821,658	81.2%	81.4%	\$6.35	3	31,560	5,614	76.2%	\$6.85	-7.3%	
ST/PA	5	6	CANCER	6,826	100	\$2,188,523	88.4%	88.7%	\$1.88	6	6,176	127	88.6%	\$1.87	0.4%	
ST	6	9	HIGH BLOOD PRESS/HEART DISEASE	65,580	7,672	\$1,969,689	92.7%	93.8%	\$4.43	5	72,957	8,431	90.0%	\$6.11	-27.4%	
ST/PA	7	7	MULTIPLE SCLEROSIS	199	37	\$1,848,709	0.0%	0.0%	\$4.16	11	193	38	0.0%	\$3.76	10.8%	
ST/PA	8	10	HEPATITIS	135	22	\$1,774,889	28.9%	29.5%	\$4.00	43	72	10	23.6%	\$0.45	788.7%	
ST	9	12	HEARTBURN/ULCER DISEASE	17,156	3,915	\$1,769,014	79.3%	80.7%	\$3.98	6	18,417	4,348	74.5%	\$5.30	-24.8%	
ST/PA	10	14	MENTAL/NEURO DISORDERS	4,542	766	\$1,759,082	61.9%	66.0%	\$3.96	10	5,018	882	63.8%	\$3.86	2.5%	
Total Top 10:				188,983		\$26,714,192	82.0%		\$60.15		207,828		79.9%	\$55.87	7.7%	
Differences Between Periods:				-18,845		\$1,526,961	2.2%		\$4.28							

Peer = Express Scripts Peer 'Midmarket Employer' market segment



PCSK9 Inhibitors

Transforming Cholesterol Management

THE FACTS:

- ~\$12K/patient annually
- Effective in lowering cholesterol
- Indication dependent on FDA review
- Self injected
- No identified Rx interactions and few side effects
- Limited data on cardiovascular event reduction

5-10M

**AMERICAN ADULTS
MAY BE TARGETED
FOR THESE
MEDICATIONS**

6/17

Solution
Announced

7/24

(Regeneron/Sanofi) Praluent®
FDA Approval
Program Launch

6/26

Decision Deadline for
Day 1 Coverage*

8/27

(Amgen) Repatha™
FDA Approval

*Custom requests must be submitted by 6/25 for day 1 coverage.
All information is subject to change



Clinical PCSK9 Enrollment Options

1

- Members are restricted to Accredo for PCSK9s
- Members are enrolled in Simple Choice for all cholesterol medications
- Members are reviewed through a full, extensive PA program when prescribed PCSK9 medications

2

- Members are restricted to Accredo for PCSK9s
- Members are NOT enrolled in Simple Choice for all cholesterol medications
- Members are reviewed through a full, extensive PA program when prescribed PCSK9 medications
- Full time team of clinicians will work to request clinical documentation from physician's offices

3

- Members are NOT restricted to Accredo for PCSK9s
- Members are NOT directed to Home Delivery for Cholesterol Medications
- Members are reviewed through a traditional PA program for PCSK9 medications

Full Program Enrollment
Free of Charge

Extensive PA Option
\$0.20 PMPM

Traditional PA Option
\$0.05 PMPM

