

## **Health Insurance Trust Meeting – Minutes**

### **Thursday, September 29, 2022– 8:15 am**

#### Member Attendees:

Steve Noone, Steve Barrett, Margaret Dennehy, Himaja Nagireddy, Andrew Schwartz

#### Non-Member Attendees:

Marie Altieri, Lena Jarostchuk, Sue Shillue, Patricia Harris, Ruth Cvitkovich, John Petersen, Marianne Fleckner (remote)

#### 1) Call to Order;

- Meeting was called to order at 8:22 am by the Chair;

#### 2) Approval of Minutes;

- John Petersen requested a change to the draft minutes from the July meeting to add the word “financial” before “impact to the trust” in section
- Minutes from June were unanimously approved with the change as noted; Steve Noone abstained as he was not present at the June meeting.

#### 3) Separating Prescription and Medical Services, Sue Shillue

- Sue introduced a presentation from Jeff Shapiro with company Health Trust on “carving out” prescription drugs from our current health plans. In the future we will have Blue Cross and/or HPHC come in to make a presentation on keeping prescription drugs “carved in.”
- Health Trust presented that when prescription drugs are carved out, entities can customize formularies for their membership and provide reporting that is relevant to them. HealthTrust is a partner of Optum and has contracts with drug manufacturers along with clinical and pharmaceutical expertise. When you join you become a member and have full access to discount rates, rebates, contract terms, transparency, etc., regardless of size.
- Sue Shillue has sent financial claims data to Jeff for analysis, which will be done by third party Milliman. She noted that with BCBS, we do not get rebates, they have built that into their fees. Sue asked Jeff if he would drive the formulary to the drugs that will get maximum rebate.
- Jeff Shapiro responded that Health Trust would try to maximize entire experience and provide the best net cost. Any rebates would get passed back to the Trust.
- John Peterson inquired about the total cost of care after carve out. If the consequence of carving out is that our carriers increase our costs, then there is a net loss. Are there examples that show that the total cost of care would decrease after caving out prescriptions that he could share? Jeff will provide details and examples in the near future

- Steve Barrett asked if employees would be forced to change a drug that they were currently prescribed. Jeff responded that Health Trust would work with Sue and look at claims information and compare to their formularies. They would run a full disruption report ahead of time and could offer a grandfather clause to allow 90 days to find an equivalent drug or provide a medical reason for the member to continue with their current medication
- Andrew Schwartz inquired about the timeline of a disruption report. Health Trust responded that they have several formularies to try. Once they had data from the HIT they could run a drug for drug comparison and could most likely get this done within a week.
- The timeline for this decision was discussed, and if this would be a collective bargaining issue. Marie Altieri and Marianne Fleckner do not feel they have to negotiate this with the unions, but they will verify. Jeff Shapiro added that 60% of their clients have unions.
- Himaja Nagireddy inquired about data from other clients who have used this model. Jeff responded that Health Trust has a 99.2% retention rate. Sue Shillue noted that she has 50 clients, and no one has a carveout.
- Jeff Shapiro Indicated that they do also have Medicare Part D plans (EGWP) for retirees not Medicare eligible.
- Jeff will get more data from Sue Shillue, Milliman will do 3<sup>rd</sup> party analysis and we will hear back from Health Trust.
- John Peterson asked if the company offers any stop loss on the pharmacy benefit. Jeff will verify, but feels the answer is no. It is not necessary as clients usually get about a 10-12% drop in stop loss with the Health Trust program.
- Andrew Schwartz inquired about rebates. Are they for the health trust, or for the members? Sue Shillue responded that rebates are not at point of purchase. The rebates benefit the Health Insurance Trust. This benefits employees because if the cost to Trust goes down, then members save money due to lower rates and copays.
- Discussion focused on the importance of people being able to stay on the medication they need. The disruption report and financial analysis is needed to make a decision. We should also make sure to get a legal opinion on whether or not a change like this would need to be negotiated. Marie Altieri suggested a deadline of March for a decision.
- Marianne Fleckner inquired if this would affect Abacus rebates/pharmacy? Sue responded that it would not.

#### 4) Cash Flow – Sue Shillue, Cook and Company

- Sue presented the year to date cash flow. It was noted that the assumption made at the time of rate setting was proved to be correct when the year closed.
- August Data was presented YTD numbers were down \$128,000 down
- Marie Altieri reminded the committee that summer expenses are down due to high deductible plan which resets on July 1, meaning those members are mostly paying out of pocket at this time.

5) Medex Renewal- Sue Shillue

- Sue Shillue presented Medex cost analysis. For calendar year 2023, looked at claims for September of 2021 through August of 2022. Cook & Co. recommends a 4% increase in premiums to cover costs.
- Steve Barrett made a motion to increase the Medex rate from \$345 to \$359. Margaret Dennehy seconded. Motion was approved unanimously.
- Sue will have Tufts rate at the next meeting

6) Abacus Diabetes Management Update- Sue Shillue

- Abacus is very excited as we are already at 20% participation, which is unusual at less than one year. Sue applauded the efforts of the HR departments to promote the program.

7) Discussion of Policies

- No new discussion

8) Next meeting was set for October 27, 2022 at 8:15 am.

- It was decided that a Zoom connection for the next meeting would be established so that an attendee could join remotely if necessary. Also, the usual room is moving upstairs from Room 13 to Room 3, so members should check on the room when arriving for the next meeting.

9) Meeting adjourned at 9:28 am

Handouts:

Meeting Agenda

Draft HIT Minutes

Acton HIT Claims Analysis

Acton HIT August Cash Flow – Cook & Co.

Acton HIT June Cash Flow (July 2021 through June 2022) – Cook & Co.

AHIT Medex Renewal 2023 – Cook & Co.

Treasurer Report June 30 2022