

CLARKSVILLE MONTGOMERY COUNTY EMPLOYEES
INSURANCE TRUST MEETING
September 23, 2019

The meeting of the Clarksville Montgomery County Employees Insurance Trust was held Monday, September 23, 2019 in the Lecture Hall at Central Office. Members in attendance were Jeanine Johnson, Mark Banasiak, Tommy Butler, Marcia Demorest, Charli Hall, Leslie Helmig, Michael Johnson, Ed Long, Donna Mahoney, Kay Rye, John Smith, Tim Swaw, Jeff Taylor, and Kimberly Yarbrough. Also in attendance were Chris Fessenden and Kim Phelps of Fessenden Consulting Group, Donna McIntosh, Amy Wigington, and Faye Tryon from the CMCSS Benefits Office, Sharla Smith from Onsite, Pam Clark from County HR.

Jeanine Johnson called the meeting to order at 4:15 p.m. A quorum was established.

Medical ASO RFP finalists Jay Pruett and team from Cigna and Todd Hodge and team from BlueCross BlueShield were in attendance to give presentations to the Trust members.

Chris Fessenden introduced Jay Pruett, Business Manager from Cigna Health and Life Insurance Company and advised the Trust members that Cigna stated that if chosen, Cigna would be able to complete the transition by January 1, 2020. Jay Pruett, introduced, Jim Lancaster, M.D., Senior Market Medical Executive, Paul Huffman, Senior Client Manager, and Shelley Shouse, Pharmacy Account Executive. Trust members were provided a hardcopy of the Cigna presentation.

The Cigna team gave the Trust members an overview of Cigna and the services they offer.

- First commercial accountable care model
- First value-based pharmacy contract
- First 24/7 live customer service
- First to connect customer service & proactive messaging technology drive by analytics, in one health pan mobile app

Cigna emphasizes trend management. Cigna has the lowest medical cost trend since 2010 compared with Anthem, United Healthcare and Aetna. Currently, Cigna's focus is on body and mind, partly because mental health is a huge driver of cost and with better clinical outcomes trend cost decreases.

Dr. Lancaster presented ways Cigna partners with the physicians and providers for value based care to help decrease the trend cost. This is accomplished by improving quality of health care, improving cost trends and in addition, educating physicians that cost trends are important. Dr. Lancaster stated that Cigna provides quality by translating data into action to resolve health and cost risks sooner, gives holistic care, lower

inpatient hospital admission rates, lower avoidable emergency room visits, and lower all-cause readmission rates.

Shelley Shouse presented Cigna's medical pharmacy management plan. Cigna utilizes aggressive doctor fee schedules and site of care management to improve affordability and optimal outcomes.

Paul Huffman presented Cigna's Smart Support Program. Key points of the program are:

- 24/7 proactive advocates
- Cigna One Guide
- My Personal Champion program
- Spanish-speaking advocates
- Faster access with calls answered within an average of 30 seconds
- Dedicated social media response team

Cigna would provide an implementation team to include the following representatives:

- Implementation Manager – Client Service Executive
- Service Coordinator – Informatics Consultant
- Subject Matter Experts – Engagement Consultant
- Clinical Support – Health Promotion Manager
- Executive Sponsor – Client Manager

Cigna's Proposal Highlights:

- Lowest trends for self-funded clients
- Proposed fees of \$38.00 (including \$4.50 for HSA administration and guaranteed flat for 3 years)
- Offering a 6 month fee waiver for Year 1 and a 3 month fee waiver for Year 2 for a savings of \$750,000 and \$375,000, respectively
- Offering a Trend Guarantee Stating that claims will not increase per member more than 4.9% from the current year or Cigna could pay \$400,000 in penalties to CMCEIT
- Includes a Wellness/Optional Services fund of \$150,000 that can be used by CMCEIT for well-being activities
- Cigna's One Guide concierge level service model is included in their proposal
- Offering their LocalPlus network which includes the HCA and Vanderbilt systems in the Nashville area
- Provides 24/7/365 customer service
- Collaborative Care model to help drive the best outcomes at the lowest cost trends year over year
- Engagement Consultant to serve as an extension of CMCEIT's HR teams as a resource for Wellness initiatives and communications.

Questions and discussion between the Cigna team and Trust members followed.

Chris Fessenden introduced Todd Hodge, Account Executive, from BCBS of Tennessee. Todd introduced team members Alicia Moore, Non-Clinical Manager and Dr. Ian Bushell, Medical Director. Todd provided Trust members with a hardcopy of the BCBS presentation.

Todd Hodge presented top 5 BCBS areas of focus:

- Account team
- Customer service
- Digital experience
- Data analytics & reporting
- Networks & discounts

In addition, he presented the factors that make BCBS who they are:

- Part of a national association of 36 Blue plans
- 1 in 3 Americans carries a BlueCross ID card
- Serves 3.5 million members
- 82% of Fortune 100 and 73% of Fortune 500 companies trust Blue
- Forbes 2018: The Best Employers for Diversity
- 98% customer retention rate

Todd provided reasons for “why” BCBS:

- Experienced & consultative account team
- Network and strong discounts
- Advanced, award winning reporting and analytics
- Flexible medical management and wellness options
- Multi-year fee guarantee
- Onsite health navigator
- \$75,000 annual general allowance totaling \$375,000 over course of contract
- Specialty drug management program

Alicia Moore gave an overview of the Onsite Health Navigator Outreach Program. This is a concierge service that includes outreach, inbound and face-to-face service to members by an Onsite Health Navigator. Out bound calls to employees, include referring to needed case management programs, preventive services and assistance with scheduling appointments. In addition, the Health Navigator will help the employee to understand their Explanation of Benefits. When employees are discharged from the hospital the Health Navigator will contact them to assist them as needed.

Todd Hodge spoke about managing specialty drug costs. There are self-administered specialty drugs and provider specialty administered drugs. Specialty drugs offer huge potential, possibly curing rare and complex conditions that were previously thought incurable. This is balanced off with the financial reality of the cost of the specialty drugs.

Dr. Ian Bushell explained that specialty drugs:

- have a complex chemical structure
- are hard for the pharmaceutical to produce
- are typically for conditions that are rare

The issue is that providers are administering them in the office and purchasing the specialty drugs from either the preferred vendor or purchasing the drug elsewhere at a lower cost and filling the cost under the employee's medical insurance and increasing the provider's profit. This has not been an issue in the past as there were few specialty drugs available but that is not the case now.

- Specialty drugs represent 200 new approval/indications
- Growth in rare disease spend is expected to increase by 200%
- Oncology costs are rising \$10B to \$15B per year with hundreds in the pipeline
- 73 patent expirations for biologics: potential savings of \$250B

The Specialty Drug Program would require prior authorization for the specialty drugs and use of generic drugs would be utilized when available. Chris Fessenden asked about genetic testing in prescribing the correct medication. Dr. Bushell stated that genetic testing is a key part. Genetic testing is three pronged, lab tests, increase the physician's knowledge of genetic testing, and only certain drugs are indicated for specific members after evaluation.

Todd Hodge continued stating BCBS goal is not to disrupt the members in offering this new program. There are two options for administering specialty drugs. One is site of care where the insurance company forms mini networks and then steers the member to these sites for care. The second option, which is what BCBS has chosen, involves:

- Members stay with current providers
- Members may pay for their specialty drugs sooner, but they won't pay more
- Providers continue to administer these drugs and receive reimbursement for their service
- BCBS leverages their specialty pharmacy network

Todd Hodge indicated that the Trust can opt into this Specialty Drug Program at any time. Dr. Bushell stated that CMCEIT has 278 members using provider administered specialty drugs. Adopting the Specialty Benefit Management Program may potentially save \$1,400,000 to \$1,600,000 per year. BCBS will create a small pharmacy plan to implement the specialty drug program.

Jeanine Johnson asked if the Onsite Health Navigator, is an employee of BCBS and would they work on site at CMCSS? The answer is yes.

The BCBS presentation was concluded.

Minutes from the September 17, 2019 meeting were reviewed. Motion to accept the Minutes was made by Mark Banasiak. Kimberly Yarbrough seconded. Motion carries.

Trust members discussed the presentations and reviewed the PPO Medical Plan Administrative Services Summary of the finalists, provided by Chris Fessenden.

Both finalists, Cigna and BCBS, gave good presentations with Cigna's focus on customer service and their phone app. BCBS focused on their Specialty Drug Program, as they know this is of importance to the Trust and their Onsite Health Navigator concierge service.

There was discussion concerning continuity of care, member disruption and the cost summary for each finalists.

Mark Banasiak asked Chris Fessenden if the difference in the estimated annual plan cost for BCBS and Cigna would be approximately \$200,000. Chris affirmed that was true, but other factors could result in the cost difference being less than \$200,000. Mark commented that including the incentives, it did not seem that it was worth changing Medical Administrators. Tommy Butler commented that he agreed the \$200,000 cost difference was not enough to make the change from BCBS to Cigna. The consensus among Trust members was favorable for remaining with BCBS. Mark inquired if the Trust could go back to BCBS and request their best offer. Chris stated that the RFP was written to allow negotiations. Mark Banasiak made a motion to request the Fessenden Consulting Group to ask BCBS for their best and final offer. Kimberly Yarbrough seconded. Motion carries.

The next meeting will be held Tuesday, October 22, 2019 at 4:15 p.m.

The meeting was adjourned at 6:30 p.m.