



Medical Benefits Committee

Minutes

Thursday, April 24, 2008

9:00 am

Room 804A

Present: Pegi Ard, Debora Bone, Olivia Hand, Kate Hartzell, Leah Hlavaty, Cathleen Reno, Stephanie Stainback, Sue Torres

Guests: Lauri Phillips, SISC Account manager, Maya Bendotoff

Absent: Sue Holt, Cliff Nichols, Topsy Smalley, Kathie Welch

I. Call to Order

Pegi opened the meeting at 9:03 am. The committee introduced themselves.

II. Minutes

The committee approved the minutes of 2/28/08 unanimously (Reno/Stainback).

III. Pency Lee, Alliant and Lauri Phillips, SISC

Pency reviewed a presentation regarding renewal options.

HealthNet	Low: 14.72.%; High: 14,81%
Blue shield	Low: 2.93%; Med: 5.27%; High: 5.35%
Delta Dental	9%
EAP	0%

The trend for increases is between 9-14%; in Santa Cruz we are at the higher end of the trend. SCCS has a renewal rate of over 30%. Rates are based on the experience of SISC membership pool and the cost of providers in the Santa Cruz region. SISC has 44 school districts and 218,000 members in the JPA.

The HMO increase is across the industry because providers are requiring higher cap reimbursements amounts. HealthNet has some key providers that other carriers do not have.

Pency reviewed the current plan specifications. Debora asked if anyone is utilizing the HSA compatible plan? HSAs are not sponsored through Cabrillos, but an employee can set it up through a credit union, etc.

Lauri described the changes in Medco prescription options. A drug management program was implemented last year and two changes will be implemented this year:

1) hypnotics will be managed: 20 pills in a 30 day period per FDA recommendations.
2) Members Pay Difference (MPD) for brand name drugs. Both have been in place if member requests the brand name. Now, when the doctor specified Dispense as Written, the member will pay the difference for the brand name. Leah asked if SISC has gone out to the other PPMs. Lauri said they are currently reviewing others, but Medco has given a more comprehensive service and has multiple dispensing options. Steph asked what is the savings for these plan changes. Close to a million dollars annually. The trend increase on prescriptions is 10-14% nationwide.

Steph commented that she is reluctant to address this without knowing how much this is worth. How does that associate with the overall PPO plan. Lauri will get info on how many members this will affect. Members have an option to review coverage with Medco; member gives Medco the doctor's name and phone number and Medco sends the doctor a brief questionnaire to answer yes or no on 3-5 questions. Deb noted that this puts pressure on pharmaceuticals to contain costs.

Maya asked how often coverage review is approved. The coverage review is graded out based on how doctor answers the questions. Does the doctor know the criteria? They are answering why they are prescribing that medication for that person. If denied, there is an appeal process. Pharmacists review the doctor's answers. Medco reviews the appeal. SISC also has a second appeal and grievance process. This is a normal process in HMOs and PPOs. How long does coverage review take? 72 hours from when the doctor returns the survey. Leah asked Lauri to report back on how successful the review of Catalyst Rx went. Pegi asked how is the prescription program with Costco going? Very well.

As it stands now, these are the only changes on PPO plan.

Pegi asked Pency to see what are potential ways to save costs. 1) Change plan design to lower cost plan—Pency reviewed plan options to reduce the HMO plan costs. 2) Replace HealthNet with Blue Shield or Blue Cross—not viable because SCMC is not contracted with other Blue Cross and Blue Shield HMOs. 3) Replace HealthNet HMO with an EPO—Exclusive Provider Option—cost prohibitive.

SISC is working with HealthNet to see if Cabrillo could offer the High/Low plan and add a low/low plan and is researching whether a copay at \$25 would make a difference.

Lauri will get back whether Cabrillo may offer 3 HMO plans or if SISC can offer something in between.

Timelines: October 1 renewals. Open enrollments in May or by mail over the summer.

SCCS has an alternate Delta Dental. There are some penalties and rules for jumping from one carrier to another.

Deb asked what the cost is to the District to maintain the same plans.

The meeting was adjourned at 10:10 am.