Approved October 25, 2011

Minutes

Task Force on Employee Wellness and Consolidation of Agency Group Insurance

Tuesday, October 18, 2011

DHHS 401 Hungerford Road - Tan Conference Room

The meeting was called to order by Chair Bill Mooney at 8:05 a.m. The agenda order was changed to have the presentation from Ms. Walsh first followed by the presentation from Assistant Chief Administrative Officer Kassiri.

Approval of Minutes

There were no minutes for approval presented to the Task Force.

Request for Comments from Visitors

There were no visitor comments at this time.

Presentation - Laura Walsh, CEO, Associated Administrators, LLC – "Contracting for Disease Management, Specialty Pharmacy, and Step Therapy."

A handout of the presentation slides was provided to the Task Force.

Ms. Walsh described her work as a third-party administrator for multiple health care funds, many of which are Taft-Hartley Funds.

Cost containment was a major issue in the 1980s, this is when things like mandatory second opinions, hospice care, subrogation, and coordination of benefits were put in place. Starting in 2001, efforts such as disease management and drug step-therapy came along. Major issues for funds are containing cost for diabetes, heart disease, COPD, or people with medical expenses reaching a certain dollar threshold.

The plan vendor has a role in getting data to the disease management vendor on the diagnosis of the patient and information on hospitalizations. This is needed to locate the patients that you are trying to identify for intervention. It needs to be clear between the parties how people will be identified. One of ways you can test quality of a disease management company is to review the sophistication of their disease management modeling and how they identify people for services.

Most of the disease management is through postcards, phone calls, and health coaches. Some of the disease managers interact with medical providers by getting back in touch with medical providers on best practices. They may also identify providers that are doing particularly well in treating certain illnesses, such as asthma.

The funds Ms. Walsh works with have generally gotten consultants to bring forth several disease managers to be interviewed. Slides 6 and 7 of the presentation provide a list of things that should be addressed in selecting and contracting with a disease manager. Metrics can include return on investments and number of interventions. Many contracts have a required Return-on-Investment (ROI) of at least 1-to-1 but some are as high as 1-3. Vendors need to be pressed to explain how they will prove savings through avoided hospitalizations or other procedures. Funds also need to decide if disease management will be mandatory.

Examples of reports from vendors are provided on slides 9 and 10.

Specialty pharmacy programs focus on very high-cost drugs. More and more treatments are based on the use of very expensive drugs that have no usual and customary charges associated with them. These are usually self-injectable drugs. The program will have the drug delivered directly to the patient's home for self injection instead of obtaining the drug in the doctor's office. There can be substantial savings; some drugs may cost $5,000 in a doctor's office compared to $1,000 for home delivery. Patients generally like these programs because of cost and convenience. Information must be HIPAA protected.

Slides 14 and 15 provide items that should be included in contracting. The contract should be clear on who is identifying the patients for these programs and what information is needed to determine there is a diagnosis that may require a specialty drug. Co-payments should be determined in the contracting process. Specialty drug contracting is some of the most complicated.

Step Therapy requires that certain generic or preferred drugs be used before a brand drug. Because of the proliferation of generic drugs and building this into the plan design, separate step therapy is becoming less popular and somewhat obsolete. Step Therapy is usually an adjunct to the pharmacy contract. Considerations in setting up programs include what the penalty might be for not following the step program and whether doctor notes are allowed.

A question was asked about who owns the patient data. Ms. Walsh said that the plan owns the data but that the patient has the right to access the data. There is a HIPAA business-associate agreement in place. In Taft-Hartley the Trustees don't see the data but the plan administrator does have access. The processor of the claims feeds the data to the disease managers and also needs HIPAA protection.

A question was asked about what issue there are when disease managers provide information back to the doctors on best practices. Are there complaints from doctors getting advice from outside disease managers on how to treat a patient? It seems unlikely that a busy doctor is going to take a phone call and take this information. Ms. Walsh said there is one disease management firm that specializes in telling providers when they are not following a best practice. The Disease Manager says that the providers are willing to listen and work with them. It was asked whether the Disease Manager was audited to see if this is an accurate reflection. Ms. Walsh said she expects so, but this is not something she has reviewed.

With regards to the ROI, the information in the slides is based on real data. The vendor will ask what would have normally been paid on a certain surgery or hospital procedure and measures what cost would have been expected had there not been disease management intervention. One $100,000 hospitalization that is avoided can cover disease management costs for months. In some contracts disease managers lose money if they cannot show the required ROI. If a large enough group is looked at, one can see savings relatively soon and in the long term. A disease manager may specifically tell you that John Doe did not have a hospitalization because of an intervention and that this is a cost savings.

A question was asked about how disease management is reported in a staff model HMO. Ms. Walsh responded that staff model HMOs have disease management already built in. In the contracts that are overseen by Ms. Walsh, there is not separate disease management for those in Kaiser because it is rolled into the model. They do not usually focus on or report back on a ROI.

A question was asked if the age of the plan participants is a part of the calculation for disease management because in different agencies in the county there are different numbers of older employees. Ms. Walsh said age is taken into account when the studies are done because as age increases chronic conditions increase.

Ms. Walsh was asked to stay and meet with the Wellness Committee to answer additional questions.

Presentation - Assistant Chief Administrative Officer Fariba Kassiri, Cross-Agency Resource-Sharing (CARS) Committee

A March 1, 2011 status report on the implementation of the recommendations of the CARS Committee was provided to the Task Force.

Ms. Kassiri shared that the CARS process began in February 2010 (FY 2011 budget process) as several focus groups that were asked to look for operational cost reductions through cost sharing across the agencies. It is a collaborative effort. Ms. Kassiri reviewed the different program areas such as utilities, fleet, facilities, and human resources.

The goal for the FY 2012 operating budget was savings of $1 million which was achieved.

Ms. Kassiri said that the next meeting of CARS is November 7, 2011 in the Rockville Library at 2:00 p.m. The group will get together twice a year. The meeting is open to the public. The agenda is generally and update from each of the subgroups.

It was noted that the items related to benefits are included on pages 10 and 11 of the handout. With regards to Item #5, consolidate the employee benefit plan offerings under on e administrative unit, the summary post FY12 which is a very vague timeline.

Ms. Kassiri said that items #1, consolidate benefit plan offerings, and #5, consolidate benefits plan offerings under one administrative unit, were deferred to a later date in part because they will take a significant level of effort to complete. Mr. Girling noted that items #1, #5, #8, consider a uniform plan design, are all part of the work of the Task Force because the County Council asked why the agencies wanted to wait so long to look at these proposals. These are complicated issues and Mr. Girling noted that he originally asked the Council for a Task Force reporting date of February but the Council wanted to hear recommendations earlier and set a November date. CARS has stepped back on these issues to be a part of the Task Force.

Councilmember Leventhal noted that the Council asked for a Task Force of highly credentialed people because this task is difficult, not because it is easy. The CARS report is positive but every time it is described as collaborative it also means that stakeholders who are invested in the way things are may be reluctant to change the status quo. The task Force may be able to bring forth good ideas and goals that will move the status quo and help the county to save money beyond what we can do now.

A question was asked as to whether there was there an analysis of how #1 or #5 would save money or whether it was it just an idea. Ms. Kassiri said that this was just an idea that was developed as a part of thinking about options in the budget.

Ms. Kassiri was asked to stay with the Consolidation Committee to answer any further questions.

The Task Force adjourned at 9:10 a.m. to work as the Consolidation Committee and the Employee Wellness Committee.

Attendees:
Task Force Members:

Sue DeGraba	Montgomery County Public Schools (MCPS)
Karen DeLong	AFSCME Local 2380
Joan Fidler	Public Member
Erick Genser	IAFF Local 1664
Denise Gill	FOP Lodge 35
Wes Girling	Montgomery County Government
Lee Goldberg	Public Member
Paul Heylman	Public Member
Tom Israel	MCEA
Rick Johnstone	MCPS
Jan Lahr-Prock	M-NCPPC
Mark Lutes	Public Member
Brian McTigue	Public Member
Edye Miller	MCAAP
William Mooney	Public Member
Richard Penn	AAUP
Gino Renne	MCGEO Local 1994

Farzaneh Riar	Public Member
David Rodich	SEIU Local 500
Carole Silberhorn	WSSC
Arthur Spengler	Public Member
Ulder Tillman	Montgomery County Government
Michael Young	FOP Lodge 30

Alternates:
Paul Brown (for Jan Lahr-Prock) M-NCPPC

Guests:
Stan Damas, MCPS, Department of Association Relations
Councilmember George Leventhal
Lori O'Brien, Office of Management and Budget (County Government)

Staff:
Craig Howard, Office of Legislative Oversight
Kristen Latham, Office of Legislative Oversight
Linda McMillan, Council Staff
Karen Orlansky, Office of Legislative Oversight
Aron Trombka, Office of Legislative Oversight