AGENDA
Task Force on Employee Wellness and Consolidation of Agency Group Insurance

Tuesday, September 20, 2011
8:00 to 9:30 a.m.
Department of Health and Human Services' TAN (1st Floor)
Conference Room
401 Hungerford Drive, Rockville

CALL IN PHONE # 240-773-8122 pass-code 263891

8:00 Welcome from Bill Mooney, Task Force Chair
Public/Visitor Comments
Approval of Minutes

8:10 Presentation and Discussion: Carole Silberhorn,
Washington Suburban Sanitary Commission,
Overview of insurance participant demographics,
plan offerings, and wellness/disease management efforts

8:40 Continued questions/ discussion about overview information provided by the county and bi-county agencies

8:50 Break-out into committees – Consolidation of Agency Group Insurance (Paul Heylman, Chair; this committee will stay in the tan conference room) and Employee Wellness (Farzaneh Riar, Chair; this committee will move to the green conference room)

9:20 Reconvene as full Task Force for New Business
Public/Visitor Comments

9:30 Adjourn

Task Force on Employee Wellness and Consolidation of Agency Group Insurance Programs

Washington Suburban Sanitary Commission Plan Overview

September 20, 2011

Who We Are

- WSSC is the 8th largest water and wastewater utility in the nation, serving nearly 1.8 million residents and approximately 460,000 customer accounts in Prince George's and Montgomery counties over an area of nearly 1,000 square miles. We operate and maintain eight water and wastewater plants, more than 5,500 miles of fresh water pipeline and nearly 5,400 miles of sewer pipeline. We currently employ approximately 1,500 people. In our more than 90 year history, our drinking water has always met or exceeded federal standards.
- www.wsscwater.com

Plan Offerings

- Medical
  - CareFirst PPO and HMO*
  - United Healthcare POS and EPO
  - Kaiser Permanente HMO
  - Medicare Supplements
- Prescription
  - CVS/Caremark for CareFirst & UHC members
  - Kaiser Permanente Rx part of medical plan

*CareFirst contract will end 12/31/11

(All self-insured except Kaiser)

Current Plan Design, 2012 Changes & Beyond

- 2012 renewals
- Highlights of Plan Changes for 2012
- Increasing UHC stop-loss
- Health Care Reform

Cost Sharing

- UHC POS and CareFirst PPO
  - WSSC contributes 78%
  - Employee/Retiree pays 22%
- UHC EPO, CareFirst HMO and Kaiser HMO
  - WSSC contributes 80%
  - Employee/Retiree pays 20%
- Retiree premium is prorated if hired after 3/31/94 & less than 20 YOS

Employee Demographics

- Benefits eligible: 1,559
- Enrolled in medical & RX: 1,345
- Enrolled in dental: 1,419

- Figures as of 8/2011

Employee Enrollments

CareFirst PPO	151
CareFirst HMO	359
UHC POS	189
UHC EPO	392
Kaiser HMO	254
Total	1,345

- Employee figures as of 8/2011

Retiree Enrollments

- CareFirst PPO 234
- CareFirst HMO 243
- UHC POS 528
- UHC EPO 191
- Kaiser HMO 143
- Total 1,339
  - Pre-65: 622
  - Post-65: 717

- Retiree figures as of 8/2011

Wellness Program

- Initiated FY10
- Purpose: improve health and well-being through physical, emotional and financial education and programs that support positive lifestyle changes resulting in improved health, productivity, retention and healthcare cost savings.
- Partner with carriers and outside resources
- Sessions held at sites
- Wellness Champions at sites
- Benefits Fair during Open Enrollment
- Management & union support level is in initial phases

Health Management

- Disease & case management incorporated into medical & Rx plans
- Education and awareness programs
- Rx information reported to UHC for UHC members
- Reporting includes participation statistics, trends, care coordination, opportunities, etc.

Highlights of Plan Changes for 2012

CareFirst

As previously communicated, we are ending our relationship with CareFirst effective December 31, 2011. If you are currently enrolled in CareFirst, you will need to choose Kaiser or United Healthcare during this Open Enrollment period in order to have medical benefits (through WSSC) as of January 1, 2012. If you fail to choose another plan during this Open Enrollment period, you will not have medical benefits in 2012. The next time you can enroll in one of our medical plans will be the Open Enrollment period for 2013 or if you have a Qualifying Life Event Change and make the change within 30 days from the event.

Kaiser Permanente HMO

Added hearing aid coverage for dependent children up to age 26.

United Healthcare

Added a Personal Health Support with Disease Management Program, which will benefit all employees and dependents enrolled in one of our United Healthcare plans.

United Healthcare Choice Plus POS In-network:

- The copay amount for all physicians will change from $15 to $20.
- The copay amount for specialists will change from $20 to $25.
- Ambulance transportation from an out-of-network hospital to an in-network hospital for a non-emergency situation will be covered at 100%.
- Coverage for rehabilitative services will change from 60 combined visits for all types of therapy to 60 visits per therapy per year.
- Coverage for the number of visits for chiropractic services will change from 24 to 36 per year.
- The copay amount for outpatient mental professional services will change from $5 to $10.

United Healthcare Choice Plus POS Out-of-network:

- Ambulance transportation from an out-of-network hospital to an in-network hospital for a non-emergency situation will be covered at 100%.
- Coverage for rehabilitative services will change from 60 combined visits for all types of therapy to 60 visits per therapy per year.
- Coverage for the number of visits for chiropractic services will change from 24 to 36 per year.

United Healthcare Select EPO:

- The copay amount for all physicians will change from $15 to $20.
- The copay amount for specialists will change from $20 to $25.
- Ambulance transportation from an out-of-network hospital to an in-network hospital for a non-emergency situation will be covered at 100%.
- Coverage for the number of visits for chiropractic services will change from 24 to 36 per year.
- The coverage for chiropractic services will change from 100% after coinsurance to $25 per visit.

Delta Dental PPO

- Dental implants will be covered as a standard benefit at 60% of the charge, after you pay the $25 annual deductible.
- Added a new option to promote dental wellness and awareness. The D & P Maximum Waiver encourages preventive care and stretches employee maximums.
- Diagnostic and Preventive care does not count against calendar year maximum.

Approved September 27, 2011

Minutes
Task Force on Employee Wellness and Consolidation of Agency Group Insurance

Tuesday, September 20, 2011
DHHS 401 Hungerford Road - Tan Conference Room

The meeting was called to order by Task Force Chair William (Bill) Mooney at 8:05 a.m.

Approval of Minutes

The minutes from the September 13, 2011 meeting were approved without objection.

Request for Comments from Visitors

There were no visitor comments at this time.

Presentation – Washington Suburban Sanitary Commission

Ms. Silberhorn provided an overview of benefits provided by the Washington Suburban Sanitary Commission. Handouts were provided.

WSSC is a bi-county agency. Overview information was provided. Ms. Silberhorn noted that additional information is available on the WSSC website, www.wsscwater.com

Ms. Silberhorn said that when she came to WSSC in 2008, WSSC was discontinuing its plan with Aetna and that WSSC still hears from employees wondering why the change was made. There were good business reasons for the change, but change is very difficult for people.

WSSC's current plan offerings include a CareFirst PPO and HMO, United Healthcare POS and EPO, Kasier HMO, and Medicare supplement plans. WSSC is dropping CareFirst at the end of this year. The change is causing anxiety for people and communication has been very important. All plans are self-insured except for Kaiser. There are about 5,000 people covered by WSSC plans.

WSSC uses CVS/Caremark for prescription coverage. There are not separate election opportunities; someone must elect a medical plan to have a prescription benefit. The prescription benefit for Kaiser is included with the medical plan. WSSC has mandatory mail order but it includes a mail order choice plan that allows someone to pay the mail order co-pays but pick up the prescription at a pharmacy.

WSSC implemented a specialty management program last year to get a handle on the specialty drugs. This has gone very well. There is a generic step therapy that will go in to place in January to make sure people are taking a generic if it is available to them. About 61% of prescription fills are generics now. WSSC hopes to get this number up. There are four major drugs that will be available as generics this coming year which should help to bring down cost.

WSSC participates in the joint bidding process and this has been very helpful in negotiating with vendors. WSSC medical premiums are either staying flat or increasing by 5%. This took negotiation. WSSC has seen improved costs from the efforts to increase wellness.

WSSC is increasing its stop-loss with United Healthcare as it picked up several large claims with CareFirst. After analyzing claims it was decided to increase the stop-loss for next year.

WSSC is in compliance to date with healthcare reform. WSSC works with Aon and other consulting firms and makes changes as they are required or as it is determined they are best for employees and the organization.

Aside from the change with CareFirst, the main changes for January 2012 involve co-pays. WSSC is restricted by its union contracts regarding changes to co-pays and cost share. WSSC has been making modifications to the co-pays to try to keep costs down while providing the best possible plans to employees.

WSSC is emphasizing eating well, being well, and staying well.

The current cost shares have been in place for about the past five years. WSSC gets questions from employees about whether the cost share to employees is going to increase and they are relieved when they find it will not. Employees are expecting that at some time the cost share will change. WSSC has a pro-rated premium for retirees with less than 20 years of service if they were hired after March 31, 1994. WSSC is continuing to look at cost share for 2013.

There are 1,559 employees eligible for health benefits; 1,345 are enrolled in a medical and prescription plan and 1,419 are enrolled in dental. There are 1,339 retirees enrolled in medical and prescription plans.

By the end of the year, WSSC will have more retirees enrolled in its plans than employees. Right now a majority of retirees are over 65, but this is expected to change with this year's retirements. WSSC is applying for subsidies that are available for pre-65 retirees and working to get back all reimbursements available for post-65 retirees

WSSC has one employee working 15 hours per week to work on the wellness program. There is no budget right now to pay for any extras regarding wellness. WSSC is working with the two major health carriers to make sure they have equal time to provide wellness. Most efforts have been with United Healthcare and Kaiser. WSSC works with managers to adjust employee schedules so they can attend wellness

sessions. This is difficult because WSSC is a 24/7 organizations and managers must find a way to cover shifts so employees may attend. WSSC has provided a lot of educational sessions on things such as massage to help people understand that they have ways to improve their health and their lives. WSSC is working with its unions. It knows that there is more that can be done and hopes to expand the effort.

WSSC is sharing prescription information with United Healthcare for United Healthcare members to make sure their health care is being properly managed. This will make the United Healthcare model more like the Kaiser model.

In response to a question about whether disease management was the reason that WSSC decided to drop CareFirst, Ms. Silberhorn responsed that this was one reason, but not the only reason. WSSC decided to drop CareFirst during last year's RFP process. WSSC decided not to provide prescription information to CareFirst because they indicated if would take several months to integrate in the information and by then WSSC would be dropping the plan.

Diabetes, coronary disease, and depression are the major chronic disease categories. The vendors have reach-out programs with case managers and WSSC and the vendors are implementing an enhanced personal health support system program with United Healthcare in January. WSSC has had disease management programs for a while but is now placing more of an emphasis on them.

In response to a follow-up question on the RX specialty program works, Ms. Silberhorn said that as with medical costs, WSSC has a small number of people contributing a lot to its prescription costs and in some cases WSSC found that that the drugs were not medically necessary. WSSC is authorizing Caremark to look at these high-cost cases and evaluate with the medical provider whether the drugs are medically necessary. Caremark may also look at the dispensing site to make sure it is one that works with Caremark.

Continuation of discussion of agency presentations

Chair Mooney asked if there were any questions or discussion from the agency presentations.

Mr. McTigue asked if there was an inter-agency work group that looks at benefits. Ms. Silberhorn said that all the agencies work together during the RFP process and Mr. Johnstone said that, while there is not a formal group in working on the bids, there is discussion about plan improvements and price comparisons. Mr. Girling said that the agencies also work on the Cross Agency Resource Sharing (CARS) group and there is a benefits subcommittee. CARS is looking at similar things as the Task Force but in more of a long-term process, past 2012. Montgomery County Chief Administrative Officer Timothy Firestine serves as chair of CARS and Mr. Girling serves as the chair of the CARS subcommittee on benefits.

Mr. Lutes asked what is the mission of CARS? Mr. Girling responded that the mission is to look at opportunities for savings through consolidation. It includes a wide

range of services including procurement, payroll, maintenance operations, and transportation. On the benefits side, CARS is looking at joint bids and economies of scale including whether there are ways to reduce the costs of paying pensions.

In response to a question about whether CARS looks at plan design, Mr. Girling said that the group discusses the differences, but it is not the forum for making decisions on plan design.

Mr. Israel asked whether Aon could look across all the agencies to see if all federal subsidies that are available for funding retiree health care are being pursued.

Mr. Lutes asked whether there has been engagement with local provider systems about wellness. Have the vendors been asked to challenge their providers about disease management and wellness? Mr. Girling responded that County Government is working with CareFirst to do some of this including a new program that would pay providers for case management and leveraging best practices. Ms. Silberhorn noted that United Healthcare has criteria for providers in order for them to be a part of the network.

Mr. McTigue asked whether there is any concern about paying providers more for wellness and disease management. Mr. Johnstone said that there are wellness programs already included in the cost of the plans and there is information on their use but the county needs to improve. Even when there is no co-pay for preventive care, people are not using some of these services and providers need to be brought into the process to make sure people are getting the care they need. Mr. Girling said that there is a concern about paying more if there is no measurement for improvement.

Ms. Riar asked if there have been any surveys of employees to see what they think are the barriers to wellness. Mr. Johnstone replied that MCPS is looking at input from the vendors, from the advisory group, and from employees on what works but hasn't done an actual survey. Ms. DeGraba said that there have been some surveys done with the unions.

Mr. Israel asked if Aon could look at stop-loss policies across the agencies. (Stop-loss is insurance for claims that exceed a certain value.) Mr. Girling said that stop-loss levels range from $300,000 to $500,000. The County Government really looks at claims to try to self-insure so that we the County is not paying additional costs for stop-loss that isn't used. It is about making a judgment about whether the County Government is better protected through insurance.

Councilmember Leventhal said that because the agencies are self-insured, the county is in a very strong negotiating position. He asked whether the county is driving as hard a bargain as it can when negotiating with vendors. Is the county negotiating from a position of strength?

Mr. Lutes commented that one has to look at what one is buying – is it just administration or is the county trying to change trends? If the goal is to have disease

management and help control cost then the county might actually want to pay more to impact total spending on health care.

Mr. Girling said that the administrative cost for benefits is around 5% but in addition the county is also paying for access to a vendor's network of doctors. Some vendors will say they can lower costs if you change the network of doctors from several thousands to several hundred.

Mr. Lutes commented that you don't just want vendors telling doctors they are going to pay more per visit, but that they are paying doctors more in order for them to be innovative and engaged in the outcome. You need an innovative negotiation that builds in quality goals and care management goals that address the millions of dollars in overall costs. Mr. Israel added that the county needs to create a level of competition between the vendors rather than disrupting people by having them move from network to network. Currently, there isn't any incentive. Mr. Heylman said that there must be a measurement for what you are trying to buy.

Mr. Goldberg asked whether when WSSC made a decision, did it get a savings from the other vendors since people will be moving to these networks? Ms. Silberhorn said that WSSC thinks that about 10% of CareFirst enrollees will go to Kaiser and the rest will go to United Healthcare and WSSC views this as an opportunity. Mr. Girling said that as a part of the RFP process, price points were requested from the vendors for different numbers of enrollees.

Mr. Penn noted that in terms of incentives, there hasn't been much discussion of Kaiser. Has Kaiser been approached to see if they can show measures and outcomes for what they are doing?

There was discussion of the fee-for-service medicine versus a staff model medical program. Mr. Israel stated that this is a fundamental question but there should still be choice for the employee. Examples were shared about constraints when a patient is not allowed to have out-of-network specialty care covered and the prevalence of problems that arise from uncoordinated, unmanaged care.

Meeting adjourned at 9:15 a.m. to allow the Task Force to meet as the Wellness Committee and the Consolidation 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
Wes Girling	Montgomery County Government
Lee Goldberg	Public Member
Paul Heylman	Public Member
Tom Israel	MCEA

Rick Johnstone	MCPS
Mark Lutes	Public Member
Brian McTigue	Public Member
William Mooney	Public Member (Chair)
Richard Penn	AAUP
Gino Renne	MCGEO Local 1994
Farzaneh Riar	Public Member
David Rodich	SEIU Local 500
Carole Silberhorn	Washington Suburban Sanitary Commission
Arthur Spengler	Public Member
Lynda von Bargen	Montgomery College
Michael Young	FOP Lodge 30

Alternates:

Karen Bass (with Lynda von Bargen)	Montgomery College
Melanie Eberly (for Denise Gill)	FOP Lodge 35

Guests:

Stan Damas, MCPS, Department of Association Relations
Councilmember George Leventhal
Lori O'Brien, Office of Management and Budget (County Government)
Patty Vitale, Chief of Staff to Councilmember Leventhal

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