

An aerial photograph of a city, likely New York City, showing a dense urban landscape with various buildings, streets, and a large stadium. A white rectangular text box is overlaid on the top left portion of the image.

# The State of Delaware

## GHIP Health FY19 Planning

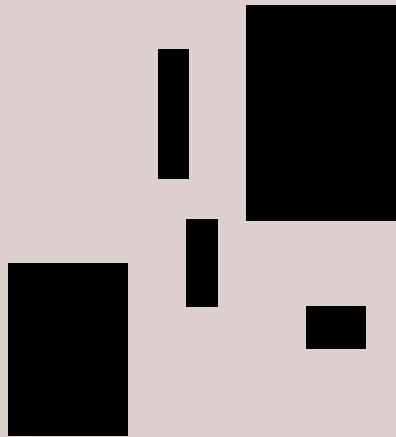
March 26, 2018

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## Preventive medications update





# Shingrix vaccine

## ACA Regulations

### Shingrix as preventive immunization

- Shingrix is an alternative vaccine to Zostavax for the prevention of herpes zoster (shingles)
- Based on the Advisory Committee on Immunization Practices (ACIP) recommendation, the ACA requires Shingrix vaccine to be covered at \$0 cost share no later than the plan year that begins on or after one year from January 26, 2018<sup>1</sup>

## GHIP

### Shingrix coverage

- **For the GHIP, the ACA-mandated compliance date is July 1, 2019**
- Aetna, Highmark and ESI have added coverage for Shingrix with no member cost sharing as the default for their books of business
- Effective 3/1/2018, the GHIP opted out of coverage for Shingrix with no member cost sharing, pending SEBC final decision on member cost sharing
- Tentatively through 6/30/2019:
  - Aetna and Highmark will code Shingrix with plan cost share for office visit, plus any applicable coinsurance for the vaccine
  - ESI will apply \$56 copay<sup>2</sup> for each of the two required doses (\$112 total member cost) for commercial plan members who meet the preventive care guidelines for the vaccine

**Note:** Summary includes information from ESI "Affordable Care Act (ACA) Preventive Items and Services Vaccine Update" – Feb 9, 2018

1. Date when new ACIP recommendation was published in the Mortality and Morbidity Weekly Report (MMWR)
2. Preferred brand 90-day supply copay applies

# Shingrix vs. Zostavax overview

## Shingrix

Average cost: \$280 per two-dose vaccine<sup>1,2</sup>

- Approved by the FDA on October 20, 2017
- Recommended for adults age 50 years and older
- GHIP – Currently covered as non-preventive immunization with \$56 copay per dose (\$112 total member cost)

## Zostavax

Average cost: \$213 per one-dose vaccine<sup>1</sup>

- Approved by the FDA on May 25, 2006
- Recommended for adults age 60 years and older<sup>5</sup>
- GHIP – Currently covered as preventive care immunization with no member cost sharing

- Studies have shown Shingrix to be significantly more effective than Zostavax across all age groups
- Advisory Committee on Immunization Practices (ACIP) recommends Shingrix as preferred vaccine to prevent shingles
  - For adults 50 years and older
  - For individuals with a reported episode of shingles
  - For individuals with chronic medical conditions<sup>3</sup>
- However, several ACIP members recommend evaluating 1 - 2 years of Shingrix safety data before endorsing it over Zostavax given that Shingrix is a relatively new drug<sup>4</sup>
- Patients who have previously received Zostavax are still recommended to receive Shingrix
- A study from JAMA<sup>1</sup> showed Shingrix to be cost effective, based on clinical efficacy, in comparison to Zostavax
  - Study accounts for lower price of Zostavax and
  - Possibility of compliance issues with additional dose of Shingrix (i.e., patients not returning for second dose and therefore Shingrix not having the intended effect)

**Note:** Summary includes information from ESI "Affordable Care Act (ACA) Preventive Items and Services Vaccine Update" – Feb 9, 2018

1. Journal of the American Medical Association (JAMA) Network: "Cost-effectiveness of the Adjuvanted Herpes Zoster Subunit Vaccine in Older Adults" - Feb 2018
2. Second dose administered 2 - 6 months after first dose
3. Chronic renal failure, diabetes, rheumatoid arthritis, chronic pulmonary disease
4. Medscape: "ACIP Narrowly Recommends Shingrix for Shingles Over Zostavax" - Oct 25, 2017
5. ACIP age recommendation shown; FDA recommends Zostavax for prevention of shingles in adults 50 years or older

## Coverage options for Shingrix

1. Continue Zostavax coverage with no member cost sharing and wait to remove member cost sharing for Shingrix until the mandated deadline of July 1, 2019
2. Remove member cost sharing for Shingrix prior to the mandated deadline of July 1, 2019, and maintain coverage for Zostavax at no member cost share
3. Remove member cost sharing for Shingrix prior to the mandated deadline of July 1, 2019, and opt to exclude Zostavax from list of drugs covered at no member cost share (\$28 copay would apply for one-time dose)
  - Some plan sponsors are opting to exclude Zostavax due to ACIP recommendation that patients who previously received Zostavax should still receive Shingrix due to its superior efficacy
- Recommendation to SEBC is Option 1 at the present time for the reasons cited below:
  - Providers may be hesitant to prescribe Shingrix before 1-2 years of safety data is collected
  - Uncertainty over uptake and adequate supplies of Shingrix

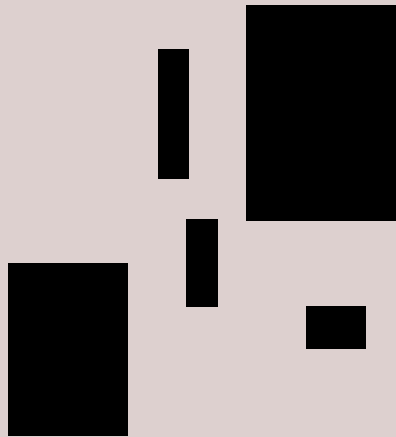
Annual Zostavax Utilization <sup>1</sup>	Patients	Total Plan Cost	Plan Cost per Rx
Express Scripts (Pharmacy)	437	\$102,000	\$232.34
Aetna/Highmark (Medical)	889	\$182,000	\$204.57

Efficacy Estimates per CDC <sup>2</sup>	Ages 60 to 69 Years	Ages 70 to 79 Years	Older Than 80 Years
Shingrix	97%	91%	91%
Zostavax	64%	41%	18%

1. Express Scripts utilization reflects data from 2/1/17 – 1/31/18; Aetna/Highmark utilization reflects data from 7/1/16 – 6/30/17.

2. Centers for Disease Control and Prevention. Dooling KL, Guo A, Patel M, et al. Recommendations of the Advisory Committee on Immunization Practices for Use of Herpes Zoster Vaccines. MMWR Morb Mortal Wkly Rep 2018;67:103–108. DOI: <http://dx.doi.org/10.15585/mmwr.mm6703a5>

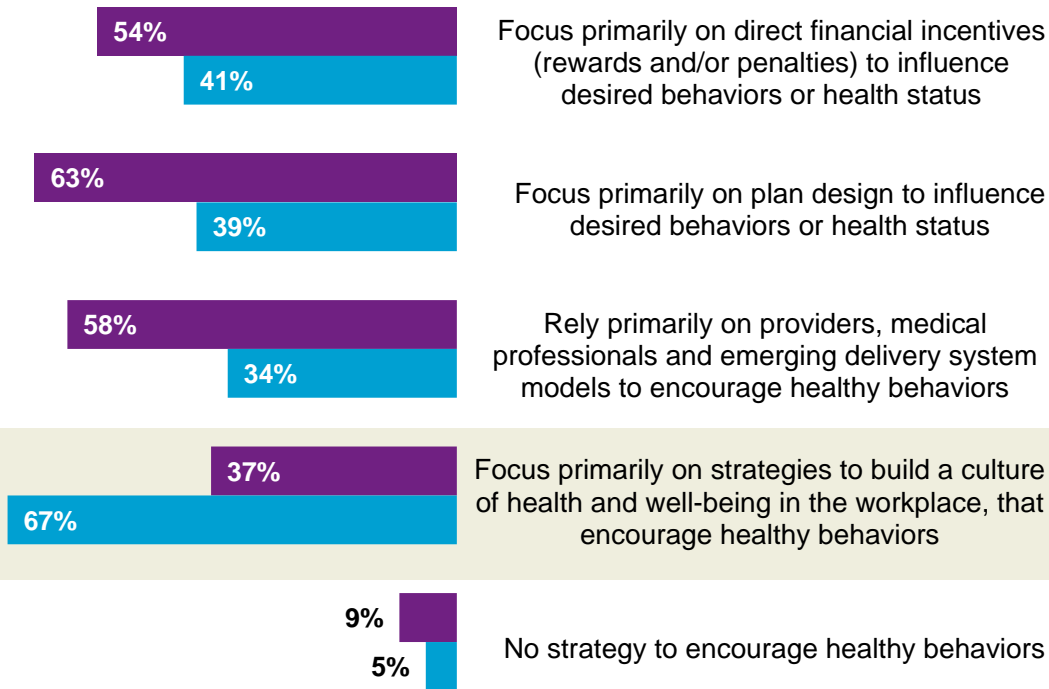
## GHIP member engagement strategy



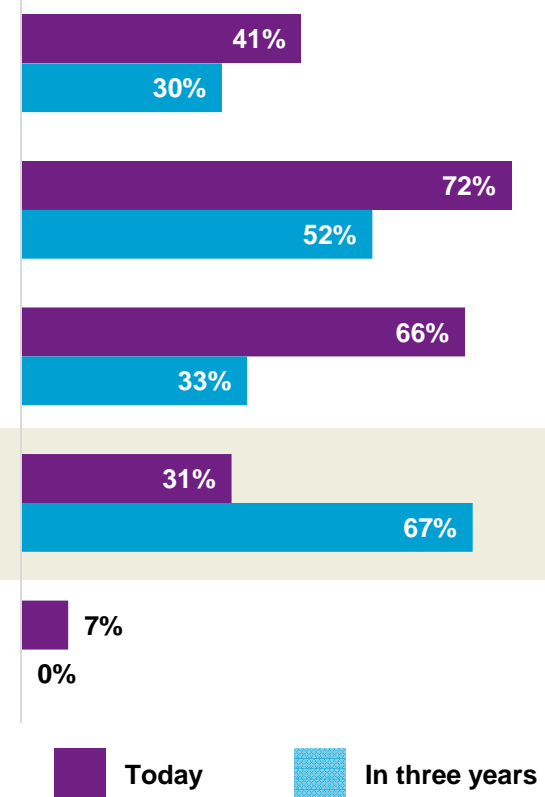
# Strategies to boost health engagement

How would you characterize your organization's primary strategy to encourage healthy behaviors today and in three years?

## All Companies



## Public Sector & Education



Legend: Today (purple bar), In three years (blue bar)

Sample: Companies with at least 1,000 employees. Companies in Public Sector & Education industry.

Source: 2017 Willis Towers Watson Best Practices in Health Care Employer Survey.



## Effectiveness of engagement incentives

- More than half of employers use financial incentives to boost health engagement
  - Premium reductions, raffles and cash are the most prevalent incentives
  - Incentive uptake among employees and spouses/dependents is very low

### Incentive Uptake – All Companies



### Incentive Uptake – Public Sector & Education



Sample: Companies with at least 1,000 employees. Companies in Public Sector & Education industry.  
Source: 2017 Willis Towers Watson Best Practices in Health Care Employer Survey.

## Engagement surcharge

- Consider implementing an “engagement surcharge” to encourage consumerism and healthy behaviors
  - Specific engagement activities required to avoid this surcharge, along with how those activities will be tracked and reported to administer the penalty, will need to be determined
  - For example, employees must complete a consumerism course designed to help them be better health care consumers. Not completing the course would result in the employee paying an engagement surcharge
- If the SEBC chose to implement an engagement surcharge for active employees who do not participate in the specified activity, the range of potential annual revenue to the GHIP would be as follows:

% of enrolled employees <sup>1</sup> who fail to engage in specified activity	Engagement Inaction Penalty Amount per Month			
	\$5	\$10	\$15	\$20
	<b>Potential Annual Revenue to GHIP</b>			
5%	\$114,000	\$228,000	\$341,000	\$455,000
10%	\$228,000	\$455,000	\$683,000	\$911,000
15%	\$342,000	\$683,000	\$1,025,000	\$1,366,000
20%	\$455,000	\$911,000	\$1,366,000	\$1,822,000

1. Based on 37,948 active employees. Excludes non-Medicare and Medicare retirees.

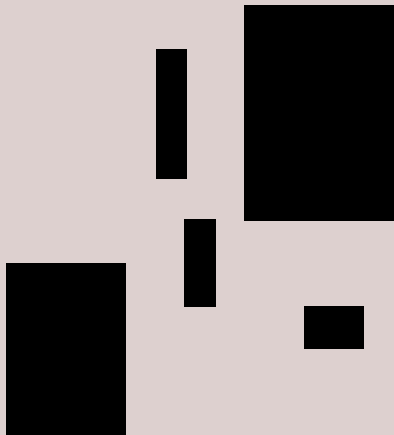
## Engagement surcharge continued

- In 2017, the budget epilogue language was updated to allow the SEBC to implement an active enrollment each year during budget renewal (see appendix slide)
  - Active enrollment encourages more employees to review the options available and make an optimal plan choice for their situation, whether the default plan or something else, driving savings for the State
- In addition to consideration of a default plan, the SEBC could implement an “engagement surcharge”
  - Promotes behavior change that will “shrink the pie”
  - Minimal disruption to GHIP members
  - Additional revenue to GHIP only when members choose not to engage
- Implementing an “engagement surcharge” requires amending the epilogue language. An example is illustrated below:

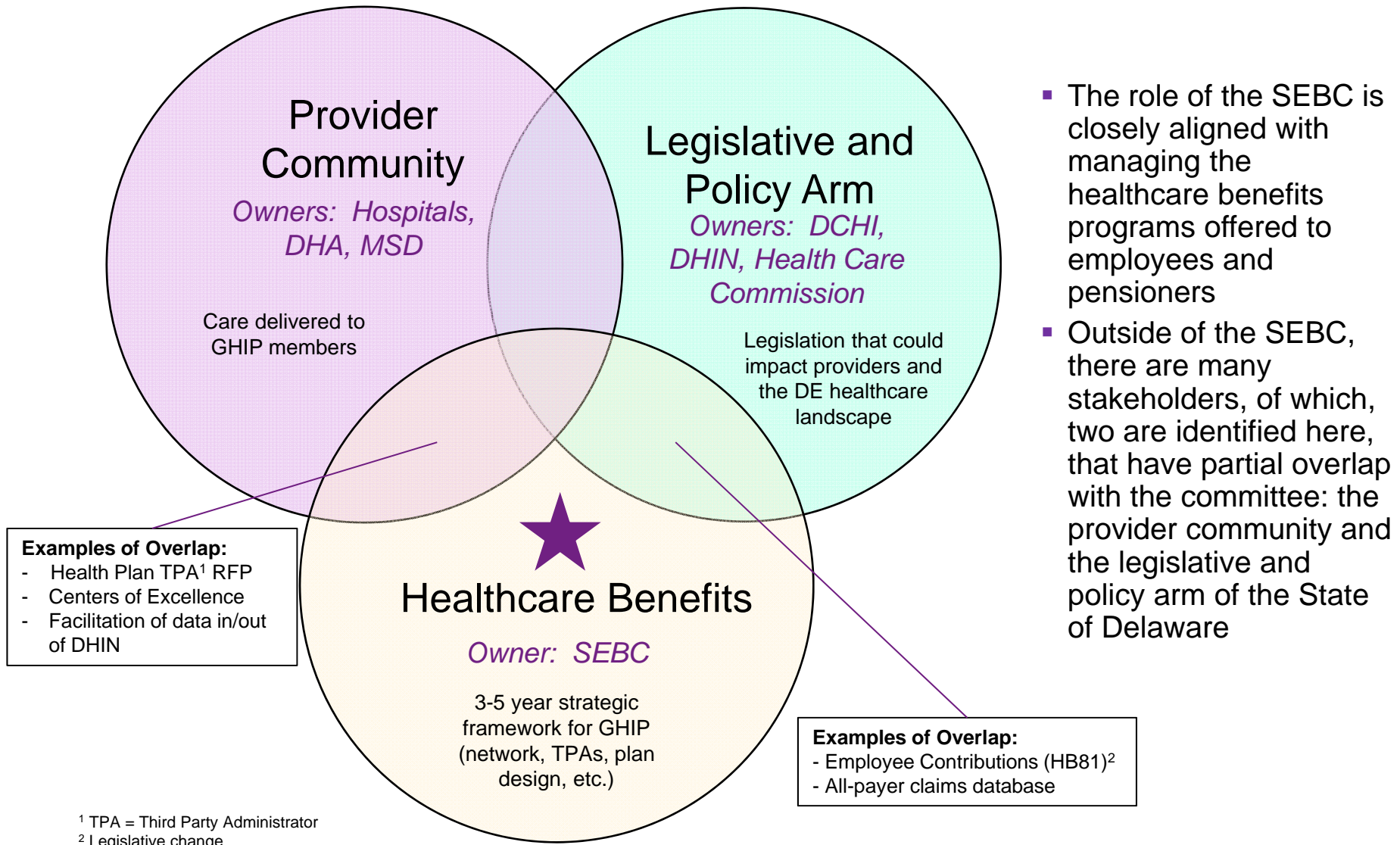
*Per § 9602 of the Delaware Code, the SEBC has the authority “to establish different premiums, plan designs, plan options to apply to [employees] [employees and pensioners] [individuals covered by the State employees group health insurance program] based upon compliance with engagement initiatives established by the State Employee Benefits Committee.”*

***Is the Committee interested in updating the Code to establish different premiums for GHIP members who do not comply with engagement initiatives in lieu of defaulting members into a plan option via active enrollment?***

# Appendix



# Key influencers on GHIP



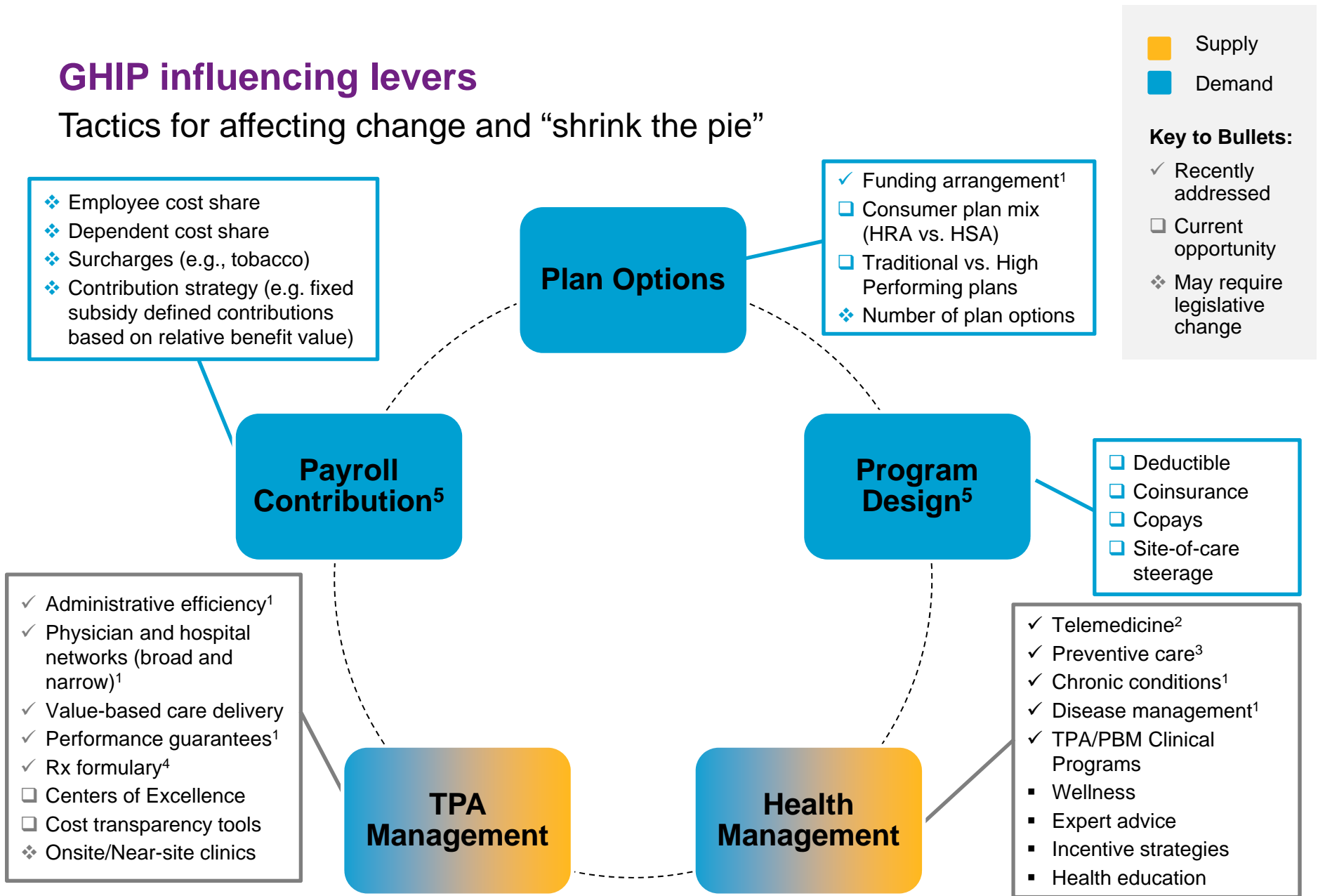
- The role of the SEBC is closely aligned with managing the healthcare benefits programs offered to employees and pensioners
- Outside of the SEBC, there are many stakeholders, of which, two are identified here, that have partial overlap with the committee: the provider community and the legislative and policy arm of the State of Delaware

<sup>1</sup> TPA = Third Party Administrator  
<sup>2</sup> Legislative change



# GHIP influencing levers

Tactics for affecting change and “shrink the pie”



# Recap of Medical TPA RFP

## Introduction

- A Request for Proposal (RFP) for medical third party administrators (TPAs) to serve the State's Group Health Insurance Program (GHIP), effective July 1, 2017, was released on August 15, 2016
- The following vendors submitted responses to the RFP:
  - Aetna, Cigna, Highmark of Delaware (Highmark) and UnitedHealthcare (UHC)
- Vendor responses were reviewed from both a qualitative and quantitative perspective, with a focus on the following objectives:
  - *Financial*: Reduce total cost of care for GHIP participants and the State; reduce program expenses through improved contractual and financial terms; support financial rewards for providers that meet certain cost and quality standards
  - *Access to high quality providers and to information on provider cost/quality*: Facilitate consumer choice of providers who deliver higher quality care at a lower total cost; provide GHIP participants with the tools and resources that will promote transparency in provider cost and quality and encourage participants to make informed decisions about their health
  - *Care and disease management*: Promote consumerism and health management through member tools and resources; provide care management programs that are effective at engaging members and steering them to the most effective care at the right time with the right providers
  - *Improved operational efficiency*: Streamline the number of vendors administering each medical plan offering, administer core account management functions with an eye toward administrative ease and simplicity
- The RFP was utilized as a tactic to address the State's broader strategic framework

# Recap of Medical TPA RFP

## Final decision

- The SEBC awarded sole administration of the GHIP active/retiree plan offerings as follows:
  - Aetna: CDH Gold and HMO (with AIM)
  - Highmark: Comprehensive PPO, First State Basic, Medicfill
- SEBC decisions based on RFP responses outlined below, made to support the goals and mission within the State’s broader strategic framework

Objective	RFP results
Financial	Aetna and Highmark provided the strongest financial proposals with the least disruption to GHIP members
Access to high quality providers and to information on provider cost/quality	Aetna PCMH recognition model and Highmark True Performance were most robust quality provider network solutions available in Delaware; limited differentiation in carrier availability of provider pricing and quality tools
Care and disease management	Aetna AIM model selected to promote care management and primary care coordination, combined with upside/downside risk sharing arrangement
Improved operation efficiency	Sole administration for each plan to Aetna/Highmark creates administrative ease and efficiency

## CY2018 employee engagement initiatives

### Initiatives led by the SBO

- myBenefitsMentor tool will be provided again during 2018 OE to employees and non-Medicare pensioners enrolled in the GHIP prior to 1/1/18
- SBO and DTI Re-launch of health care consumerism course developed by the SBO and administered through Delaware Learning Center
- **New:** Targeted, health plan-specific educational emails to enrolled employees
- **New:** “Help us help you” communications campaign through early 2018 to encourage employees to update contact information and consent to receiving required plan notices electronically
- **New:** Enhancements to enrollment application for 2018 OE to improve user experience and monitor employee participation
- **New:** Presentations on health care cost and employee engagement challenges to HR Roundtable and various School District leadership and HR personnel and call to action for their assistance
- **New:** Outreach and meetings with each of the 19 school districts to provide overview of OE communication strategy, review district-specific engagement and utilization statistics and discuss approaches to future communication campaigns and health education initiatives
  - Discussion will be informed, in part, by SBO learnings from attendance at School District ISO/IT meeting to learn more about how District IT support HR in providing employees with computer/technology support during OE
- **New:** Outreach to DSEA, DSTA, COAD, AFSCME to provide overview of OE communication strategy, request support from union members to host and participate in employee education sessions, and discuss approaches to future communication campaigns and health education initiatives

## CY2018 employee engagement initiatives (continued)

### Initiatives led by GHIP medical vendors

#### Aetna

- Telephonic outreach to members that do not have a PCP on file (started 12/4/17)
- Member home mailings on “Choosing the Right Care” (ER, Urgent Care, Telemedicine, PCP, 24/7 Nurse Line); “Diabetes Prevention and Management”; “Cancer”; and “Musculoskeletal Pain - Prevention and Management”
- Carelink CareNow
  - Welcome letter to members
  - Care coordinators/advisors make outbound calls to members (i.e., hospital use and post-discharge follow-up, chronic conditions, high-costs/utilization, abnormal lab results) to engage them in their care coordination programs
  - In-person outreach with members who are struggling with a combination of social barriers to health and poorly controlled medical diagnoses
  - Targeted mailing to women with confirmed pregnancy

#### Highmark

- Communication campaign in Q1 CY18 to outreach to members without a current PCP
- Member home mailings on “Choosing the Right Care” (ER, Urgent Care, Telemedicine, PCP, 24/7 Nurse Line); “Diabetes Prevention and Management”; “Cancer”; and “Musculoskeletal Pain - Prevention and Management”
- Custom Care Management Unit (CCMU) – Customer Care Advocates ask specific questions when members call Highmark, in order to develop a full understanding of the inquiry and identify opportunities to engage members clinically or non-clinically (with referrals to health coaches, case managers and outside resources)
- Blues On Call Health Coaching – Licensed professional health coaches make outbound calls to members based on chronic conditions, high-costs/utilization, transition of care, etc.



## Section 23 FY18 budget epilogue – open enrollment

Employees of the State of Delaware who are enrolled in a health insurance benefit plan must actively participate in the open enrollment process each year by selecting a health plan or waiving coverage. Should such employee(s) neglect to enroll in a plan of their choice during the open enrollment period or waive coverage, said employee(s) and any spouse or dependents enrolled at the time will be enrolled into the default health plan(s) as determined by the State Employee Benefits Committee.