



MINUTES FROM THE HEALTH POLICY & PLANNING SUBCOMMITTEE TO THE STATE EMPLOYEE BENEFITS COMMITTEE OCTOBER 10, 2019

A meeting of the Health Policy & Planning ("HP&P") Subcommittee to the State Employee Benefits Committee (the "Committee") was held Thursday, October 10, 2019 in the Large Conference Room of the Statewide Benefits Office ("SBO"), 97 Commerce Way, Dover, Delaware 19904

Committee Members Represented or in Attendance:

- Deputy Director Leighann Hinkle, SBO, Department of Human Resources ("DHR") (OBO of Dir. Rentz), Acting Chair
Ms. Victoria Brennan, Sr. Legislative Analyst, Office of the Controller General ("OCG") (Appointee for CG Morton)
Mr. Steve Costantino, Dir. of Health Care Reform, Dept. of Health and Social Services ("DHSS") (Appointee of Sec. Walker)
Ms. Judi Schock, Deputy Principal Assistant, Office of Management & Budget ("OMB") (Appointee OMB Dir. Jackson)
Mr. Stuart Snyder, Chief of Staff, Department of Insurance ("DOI") (Appointee of Commissioner Navarro)
Ms. Susan Steward, Policy Analyst, Office of the State Treasurer ("OST") (Appointee of Treasurer Davis)

Subcommittee Members Not Represented or in Attendance:

- Mr. William Oberle, Delaware State Trooper's Association (Appointee of the DSEA, Jeff Taschner)
Mr. Tanner Polce, Policy Director, Office of the Lt. Governor (Appointee of Lt. Governor Hall-Long)

Others in Attendance:

- Ms. Jaclyn Iglesias, Willis Towers Watson ("WTW")
Mr. Chris Giovannello, Willis Towers Watson
Ms. Julie Caynor, Aetna
Ms. Nina Figueroa, Policy Advisor, SBO, DHR
Mr. Brian Hammond, Express Scripts (Telephonically)
Mr. Walter Mateja, IBM Watson Health
Ms. Pam Price, Highmark Delaware
Ms. Paula Roy, DE Chiropractic Services Network
Ms. Martha Sturtevant, Executive Assistant, SBO, DHR
Mr. Lincoln Willis, The Willis Group

CALLED TO ORDER

Deputy Dir. Hinkle called the meeting to order at 1:03 p.m.

APPROVAL OF MINUTES – DEPUTY DIRECTOR LEIGHANN HINKLE, ACTING CHAIR

A MOTION was made by Mr. Costantino and seconded by Ms. Schock to approve the minutes from the combined Subcommittee meeting on September 19, 2019 as amended. MOTION ADOPTED UNANIMOUSLY.

DIRECTOR'S REPORT – DEPUTY DIRECTOR LEIGHANN HINKLE, ACTING CHAIR

Legislative Updates

At the September 19, 2019 meeting, it was noted that the Delaware Health Resources Board was scheduled for review by the Sunset Committee. Following the meeting, Mr. Oberle shared a report by the Mercatus Center at George Mason University that provides study data comparing outcomes in states that do, and do not, have Certificate of Need ("CON") laws. The report offers insight on outcomes Delaware might expect without CON laws. This report was shared with the Health Resources Board members and with DHSS to consider when preparing a response to the Sunset Committee questionnaire.

Johns Hopkins Update

SBO has a call scheduled with the researchers from Johns Hopkins to discuss follow-ups from previous Committee and Subcommittee meetings.

STATE OF DELAWARE STATEWIDE BENEFITS OFFICE

Financial Subcommittee

The Financial Subcommittee Meeting did not meet October 10, 2019 due to lack of agenda items.

SEBC

The next Committee meeting is scheduled for October 21, 2019. The agenda includes the August Fund report, the Group Health Migration and Utilization Analysis, and updates on the Highmark and Aetna care management programs.

The Committee also plans to go into an Executive Session to continue discussions on health care contracting.

**AUGUST FUND REPORT – MR. CHRIS GIOVANELLO, WTW**

The Federal Reinsurance payment came in at \$2.18M, compared to \$887K budgeted. This was expected as a result of the annual August reconciliation of the prospective payment against actual plan performance. The prospective payment from January through July calculated at \$29.42 Per-Member-Per-Month (“PMPM”) has been increased to \$36.10 PMPM for the remainder of the year. The difference of \$6.68 PMPM was paid as a True Up Payment in August.

There were \$10.6M in Commercial rebates and \$6.9M in EGWP rebates attributable to incurred claims from January through March of 2019. Budgeted amounts are based on Q1 of FY20.

\$2.3M in Other Revenues consisted primarily of the CareLink risk-sharing payment of \$2.2M.

Medical claims were under budget with Pharmacy claims running high for the second consecutive month. Total claims for August came in \$688K over budget, and for the year the plan is running a deficit of \$2.0M in Total Fund Revenues relative to budget.

**OPIOID MANAGEMENT INITIATIVES – DEPUTY DIR. LEIGHANN HINKLE, ACTING CHAIR & Mr. BRIAN HAMMOND, SR. CLINICAL ACCOUNT EXECUTIVE, EXPRESS SCRIPTS (TELEPHONICALLY)**

Express Scripts

Members reviewed national statistics of the opioid epidemic. In 2017 more than 130 people died daily from overdoses, 30% involve benzodiazepine. Opioids account for 64% of medically-related absenteeism, costing employers \$18B annually.

The Delaware Group Health Insurance Plan (“GHIP”) covers 126,382 plan members. Of those members, 17,375 are filling a prescription for opioids (13.7% of GHIP), for a total cost of \$3.65M annually. Additionally, 198 members are taking medications for substance abuse.

Of the members currently taking opioids, 4,518 are at risk for long-term opioid abuse, 1,175 are at risk of addiction, 129 are at risk for inpatient addiction treatment (\$20K/case), and 54 are at risk of a non-fatal overdose (\$4K/case) for a total cost estimate of \$6.5M annually.

Mr. Costantino asked if the GHIP covers prescriptions for methadone. Mr. Hammond responded that while the prescription plan does cover the drug, methadone treatments are most frequently dispensed through facilities and would be paid through medical, not the prescription benefit.

SB 59 of the 147th General Assembly states that first time outpatient prescriptions for acute pain cannot exceed a 7-day supply. However, there is no enforcement at the pharmacy level as prescriptions written for more than 7 days will process.

The Fraud, Waste and Abuse Program developed by Express Scripts (“ESI”) substantiated 2,200 cases in 2018, saving plans \$63M in related prescription costs and \$2.6B in related medical costs.

To better manage the opioid epidemic, ESI is offering a new value-add program to better manage across the prescriber, pharmacy, and member levels. The Advanced Opioid Management Program has enrolled 15M members since 2017, resulting in a 58% reduction in opioid prescribing.

Subcommittee Members inquired how ESI was able to determine the reduction was a result of ESI's program, versus new state regulations. Mr. Hammond responded that most state regulations are directed toward physicians, not the pharmacies, and the pharmacies do not have the infrastructure to enforce regulations by state. While some savings was a result of state laws, ESI compared all 50 states to quantify the savings that correlates to their program.

The first time a member fills a prescription for an opioid, ESI will send an education letter. When a member fills an opioid prescription and has an existing prescription for a high-risk drug category (e.g. prenatal vitamins, or benzodiazepine), ESI will push a Physician Care Alert at the point of service, and outreach to the member.

The Advanced Opioid Management Program limits the first 4 fills to a 7-day supply, or a 3-day supply for pediatrics. Additionally, the program utilizes an algorithm that determines members who may have leftover opioids and proactively sends out disposable bags full of activated charcoal that will inactivate the drug.

The cost of ESI's new program is \$0.39 PMPM (\$469K annually) for the Commercial population, and \$0.26 PMPM (\$81K annually) for the EGWP population with minimal rebate loss. Remaining funds in the ESI contract allowance will cover the program through the contract end date of June 30, 2021. Mr. Hammond added that the program is primarily a health and safety benefit and not a cost saving program.

The program can be implemented as early as March 1, 2021.

Members queried why there was an additional cost, and why it was not built into the existing program. Mr. Hammond replied that there are additional costs (e.g. pharmacist outreach, and purchase/ mailing of disposable bags), and that the solutions in place today were not available at the time of the contract. He added that the contract allowance that expires June 30, 2021 can be used to pay for the program with no additional spend.

*Mr. Hammond left the meeting (telephonically).*

Members queried whether it was standard to build in a use or lose contract allowance. Ms. Iglesias responded it is standard to offer a credit for additional programming, technology enhancements, treatment, or intervention.

Members asked if other initiatives were being considered as alternatives to utilizing the contract allowance. Ms. Hinkle responded that historically the funding has been used for additional reporting, but the balance remaining will fund both. She added that it was possible another initiative could arise.

Members requested the balance of the fund allowance. Ms. Hinkle will follow up.

Members discussed how ESI's program would integrate with existing care management programs within the medical plans. Members requested information on the outcomes of ESI's new program, and information on complimentary programs already in place through GHIP providers. Ms. Hinkle will follow up with information on related opioid management services administered through Aetna and Highmark.

Members asked for time to consider other areas that the fund allowance could be better utilized. Members agreed that one program alone will not fully resolve the opioid crisis.

Subcommittee Members were encouraged to discuss the recommendation with their respective SEBC Member.

### Back Pain Pilot Program

Delaware ranks 5<sup>th</sup> highest among drug overdose mortality rates in the nation. The State is evaluating the connection between chronic pain treatment and opioid use/misuse. Effective January 2019, Senate Bill 225 removed limits for chiropractic and physical therapy care for the treatment of chronic lower back pain (“CLBP”). Acupuncture and massage therapy were originally included but removed from the final bill.

DHR and DHSS are developing a pilot program to engage providers, strengthen the referral process and access to multiple approaches that, when combined, will address CLBP while minimizing opioid overprescribing. Additionally, the pilot will evaluate the benefits of acupuncture and massage therapy services for CLBP.

Medicaid and GHIP members over age 17 and who meet the definition of Medical Necessity for acupuncture and/or massage, are eligible to volunteer for participation in the pilot. Medical Necessity for CLBP is defined as having a referral of 4 weeks or longer for modalities to improve their condition.

The goal of the pilot is to improve pain management for CLBP by improving provider education and promoting referrals for non-opioid treatment options to reduce surgeries, and the prescription of opioids.

Each goal will include various metrics and analytical methods. The pilot will develop a logic model, or functional assessment tool, that includes inputs, activities, outputs, intermediate outcomes and final outcomes. The pilot seeks to finalize the monitoring, quality measures, and reporting guidelines by December 2019.

SBO is working with Mercer, DHSS, and DPH to develop a plan design, and cost and savings estimates. The cost and savings of the program will be presented at the December Subcommittee meeting. Subcommittee recommendations will be presented to the Committee December 16, 2019 with a vote expected January 13, 2020.

If approved, SBO will work with Mercer to engage Highmark and Aetna to set up the pilot. The pilot would begin July 1, 2020 with ongoing reporting through June 2021.

### **FINANCIAL WELLNESS BENEFITS – MS. JACLYN IGLESIAS, WTW & DEPUTY DIR. LEIGHANN HINKLE, ACTING CHAIR**

#### Integrated Wellbeing

Integrated wellbeing is whole view of member financial, emotional, social, and physical health.

According to the results of a 2018 WTW Best Practices in Health Care Employer survey, the key priorities of employers within the next three years include: programs/pilots that target specific chronic conditions (e.g. diabetes, muscular skeletal, mental health and substance abuse), and services that promote financial wellbeing.

Financial wellbeing has significant implications for employees and businesses. According a recent Gallup survey, 30% of the US workforce is struggling financially, 62% have short- or long-term financial worries.

Employer surveys indicate interest in utilizing metrics to determine the financial wellbeing of their population, providing decision making resources for debt management.

#### Financial Wellbeing

In FY2018, Section 32 of Senate Bill 125 (Bond Bill) included epilogue language about financial wellness programs. It stated, *The Director of OMB should develop a plan for the purpose of utilizing technology to empower employees in their financial decisions and allowing employees access to financial resources in a timely manner. The plan shall be submitted to Co-Chairs of the JFC on the Capital Improvement Program on or before January 31 of 2018.*

The plan submitted by OMB identified existing financial wellness resources available to State employees by a variety of state agencies and organizations located across multiple webpages. It included technology for informational purposes in the form of online tools and calculators. The plan directed DHR to create and disseminate a webpage

containing all financial resources available to employees. The plan included the issuance of a Request for Information (“RFI”) to payday loan vendors to explore the possibility of implementing a program for employees.

The RFI investigated the feasibility of integrating a payday loan program within the State payroll system (a.k.a. PHRST) and what the responsibilities were of the employer and program vendor regarding program design and fee collection. The RFI also sought to determine what State resources would be required to implement and maintain the program, and what regulatory bodies or regulations govern payday loan programs. Also, what were the benefits and possible drawbacks of the program to employees and the State.

The State received 5 responses to the RFI that were evaluated by a review committee in August 2018. There are several different models and structures for consideration.

Senator Bonini requested that the Committee consider offering a payday loan program to employees as an alternative to high-interest payday loans. The Committee directed to the Subcommittees to consider the need to further evaluate such a program and make a recommendation.

Options for the Subcommittee to consider included continued discussion on a payday loan program for State employees, increasing awareness of the program by DelOne, and discussion of financial wellbeing as part of the GHIP strategic framework. The Subcommittee expressed concerns related to the unknown interest in this type of program by employees, the administrative responsibilities of offering a program like this, and whether or not the State should offer payday loan programs.

Members discussed the unintended consequences of a payday loans and queried whether any other states offered such programs. Ms. Brennan offered to research and share with the group. Ms. Hinkle shared that SBO has not received any interest from employees regarding offering this type of program. The Subcommittee decided not to vote on a recommendation at this time.

#### **REVISIONS TO GHIP ELIGIBILITY & ENROLLMENT RULES – DEPUTY DIR. LEIGHANN HINKLE, ACTING CHAIR**

As a result of an internal review, revisions/clarifications were recommended to the GHIP Eligibility and Enrollment (“E&E”) Rules. The internal review group consisted of program leads from the GHIP health, dental, vision and disability insurance plans, PHRST, the Pension Office, Human Resources leads, SBO Customer Service team and the Deputy Attorney General.

Edits are expected to be finalized by November 2019, then reviewed by the DAG. Revisions will then be presented to the Subcommittee in December and/or January, and recommendations will be presented to the Committee in April for a vote. If successful, revisions will be effective July 1, 2020.

#### **PRIMARY CARE SURVEY RESULTS– DEPUTY DIRECTOR LEIGHANN HINKLE, ACTING CHAIR**

Members reviewed the results of the Primary Care Provider (PCP) Survey. The survey concluded that members who have a PCP can get appointments and that wait times are minimal. Most members did not report being notified that their PCP was moving to a concierge care model. Members without a PCP are having difficulty finding a PCP and getting an appointment. Members are utilizing urgent care as an alternative to their PCP, and there is interest in alternative care options.

The survey assigned to State agencies and schools had a 10.3% response rate. The survey sent to Participating Groups had a .8% response rate. Of the 3,233 respondents, 71% were age 45 or older, 58% were enrolled in a PPO, and 26% in HMO. PCPs were primarily located in Dover (22%), Wilmington (20%), and Newark (17%).

Mr. Costantino asked if there was information available on the percentage of employees who live in each county. Ms. Hinkle responded that she would follow up.

SBO and WTW will further compare the results of the PCP survey against the primary care options for further discussion at the Subcommittee meeting on November 7, 2019. R-Health has been invited to review the outcomes of a direct primary care partnership with New Jersey.

Members discussed limitations of the survey results, and the conclusions that can be gleaned from a limited response rate.

**PREVENTIVE CARE & NON-USER RATES**

Members reviewed a 1-page update from Highmark, comparing preventive care and non-user rates from Q4 FY18 to Q4 FY19. There was an increase in GHIP members attributed to a PCP based on claims utilization. There was also an increase in members receiving preventive care, as well as members with a specialist office visit. The percentage of non-users went down.

**OTHER BUSINESS**

No new business.

**PUBLIC COMMENT**

Ms. Paula Roy represents the Delaware Chiropractic Services Network requested clarification on the CON report by George Mason University and the topic of the Executive Session from the October 21, 2019 SEBC meeting.

Ms. Roy stated that a new study from a British Medical Journal, titled *Open* reported that patients who received initial chiropractic care had a 90% decreased in opioid use compared to those who did not receive chiropractic care. She would like to see more communication and outreach to GHIP members on the benefits and CLBP.

**ADJOURNMENT**

A MOTION was made by Ms. Brennan and seconded by Ms. Steward to adjourn the meeting at 3:06 p.m.

MOTION ADOPTED UNANIMOUSLY:

Respectfully submitted,

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Martha Sturtevant, Statewide Benefits Office, Department of Human Resources  
Recorder, Statewide Employee Benefits Committee