

ST. LOUIS COUNTY
HEALTH INSURANCE COMMITTEE

The St. Louis County Health Insurance Committee met on Wednesday, May 18, 2022 at 9:00 a.m. via WebEx. The meeting was called to order by Gordy Halverson, Committee Co-Chair.

Members Present: Angie Mattsen Wade T. Rasch
 Heather Ninfeldt Tom Stanley
 Jim Gottschald Mike McDougall
 Krista Shopp Kevin Gray
 Kimberly Maki Gordy Halverson
 Nancy Nilsen Judy Walhberg
 Katie Finc Sasha Lehto

Others Present: Jeff Coenen Tiffany Kari
 Beth Menor Leanne Barker
 Dave Kuschel Marti Trabert
 Kari Erickson Jolene Jamnick
 Narina Farber Colleen Effinger
 Arnie Zopfi

The February minutes were approved by consensus with no changes.

PRESENTATIONS

1. The first item from the agenda under Presentations was the *Healthcare Insights Report* (0:04:15) from Narina Farber, Marti Trabert, and Dave Kuschel all from BlueCross and BlueShield of Minnesota (BCBSM) and Arnie Zopfi from Prime Therapeutics. Mr. Kuschel introduced his co-presenters and shared the handout titled 2022 Insight Presentation. He announced the new reporting format being used across all BCBSM book of business and he stated that this reporting would be offered twice per year, one time with six months of year-to-date data and one time with the prior full calendar year data. He shared that the top four employer health concerns were currently: 1) diabetes, 2) heart disease, 3) mental health and 4) musculoskeletal disorders.

Marti Trabert stated the insights report uses **Reporting** (incurred January 2021 through December 2021, paid through February 2022), **Comparison** (incurred January 2020 through December 2020, paid through February 2021), and **Prior** (incurred January 2019 through December 2019, paid through February 2020) time periods. She added that the **benchmark** uses the comparison time period and includes all BCBSM self-insured plans with over 500 employees. Finally, **high costs claimants** are those with over \$75,000 in plan spend within the indicated time period. She went on to highlight the following from the report:

- Membership count was down by 12%
- Average age was 34.9 years, older than the benchmark of 33.3

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Presentations – Continued

- Average family size was 2.2, slightly larger than the benchmark of 2.1
- Membership was 53% female, more than the benchmark of 48%
- Member cost share was 6%, less than the benchmark of 14%
- Both employees and spouses spend more than their proportionate share while dependents spend less
- Plan Paid Per Member Per Month (PMPM) was at 16%, very close to benchmark
- Plan Paid High Case PMPM was trending at 28%, more than double the 13% benchmark
- All utilization trends were on par with the benchmark except for a 33% trend in outpatient visits where the benchmark is 18%
- 94% of members received services in 2021, the benchmark was 90% and this data point has grown by 1% for each of the past two years
- Total COVID plan spend was \$1.1 million accounting for 8% of all spend which was three percentage points above the benchmark
- Testing accounted for 55% of COVID spend which was higher than the benchmark of 33%
- High-Cost Cases (HCCs) represented 33% (benchmark 36%) of total spend and 1.7% (benchmark 1.24%) of total members
- Fourth quarter 2021 had 64 HCCs, up four from the comparison period
- Fifty percent of all claims came from one of these major practice categories:
 - Orthopedics/Rheumatology with 13 HCCs
 - Neoplasms with 14 HCCs
 - Gastroenterology with 6 HCCs
 - Endocrinology with 4 HCCs
 - Preventive and administrative
- Diabetes plan spend PMPM was at the \$22 benchmark with plan paid total spend coming in at \$1.0 million generated by 216 members
- Sixty six percent of diabetic members were contract holders, 29% were spouses and 5% were dependents
- Diabetic spend has been stable over all three time periods
- Orthopedic and Rheumatology (O/R) total spend was \$5.3 million, representing 17% of total spend
- Both claims and claimants were trending close to double digits in the O/R category
- O/R PMPM of \$114 was almost double the \$63 benchmark
- There were no joint degeneration HCCs driving spend in the O/R category
- Knee and leg joint degeneration PMPM was 143% of benchmark
- Adult rheumatoid arthritis PMPM was 138% of benchmark and has grown from \$12 in 4Q19 to over \$17 in 4Q21
- Behavioral Health (BH) plan paid PMPM of \$53 was above the benchmark of \$35 and trended up by 26%
- BH total paid was \$2.4 million accounting for 8% of total spend
- Mental health spend was five points below the benchmark while substance abuse was 5% above it

- There were 289 claimants per thousand with BH spend, an 11% trend but close to benchmark
- Dependents accounted for 48% of BH claimants
- Mental health telehealth utilization far exceeded the benchmark
- Emergency room visits were 12% avoidable and 12% above benchmark
- Urgent care visits increased by 18% from 2020 and were considerably higher than benchmark
- E-visits were right in line with benchmark and had an expected decrease from pandemic year 2020
- Well checks and cancer screening utilization were all above benchmark
- Prevalence of almost every chronic condition was above benchmark which is not surprising given that benefits were richer and members were older than the benchmark

Narina Farber highlighted the following from the report:

- The top three practice categories for HCCs were Neoplasms, Orthopedics/Rheumatology and Cardiology
- Adult Rheumatoid Arthritis, with seven cases, was the main diagnosis driving the spend within the Orthopedics/Rheumatology category
- Top 10 case overview included a kidney transplant, bariatric surgery, brain surgery, chemotherapy infusions (Tasigna), private nursing, oral cancer medications, and lesion removals
- Of the 3,866 members in the plan, 337 were identified for case management outreach, 98 were targeted, 36 were reached and 28 were engaged

Arnie Zopfi highlighted the following from the report:

- Specialty drug spend was up by \$600,000 while non-specialty drug spend fell by about \$313,000
- No concern over the 1% drop in generic utilization rate as this has been the norm during COVID and it is back up to almost 88% in 1Q22
- Sixty percent of total drug cost was in specialty with rheumatoid arthritis (RA) at the top and driving spend
- Among the top drugs by cost, six of ten were prescribed for RA and four out of the five cost drivers were RA
- Annual spend on RA drugs is over \$1million

Mr. Zopfi and Ms. Menor testified to an expected 20-40% decrease in cost for Humira when the biosimilar enters the market in 2023.

Discussion ensued regarding Diabetes prevalence (216 members or 6.5% of members), specifically access to and awareness of the Omada programs.

2. The next item from the agenda under Presentations was the *Learn to Live Update* (1:11:53) from Kari Erickson. Ms. Erickson provided a summary of the Learn to

Presentations - Continued

Live (L2L) platform and program as a reminder. She added that one of the newer on-demand webinars added to the library was “Handling Pressure from the Front Lines”. She shared the following statistics:

- 2021 utilization was 22%, about double the benchmark of 10-13%
- YTD utilization was 10.2% and is cumulative
- The March sleep help campaign resulted in 20 new program enrollments
- Average age of L2L user was 45
- The *Stress, Anxiety and Worry* program had the most utilization at 48%
- Ninety four percent of participants reported progress towards their goal
- Seventy percent said they were able to be more productive at work because of their engagement with L2L

OLD BUSINESS

3. The first item from the agenda under Old Business was the *2022 Subcommittee Updates* (1:24:30) from Beth Menor, Wade Rasch, Jim Gottschald and Krista Shopp.

a) Healthcare Resources Subcommittee

Ms. Menor reported that this committee is working on the goal to centralize access to healthcare resources. She reported that this committee is not meeting but communicating via email and only one member had responded or provided feedback. She committed to reaching out to the members of this subcommittee again.

b) Specialty Rx Copay Subcommittee

Mr. Gottschald reported that most specialty medications were covered at the \$20/month copay level. Estimated Savings (cost shift from plan to member spend) ranged from \$41,400 to \$96,306 for copays ranging from \$100 to \$250. Members could utilize a manufacturer coupon to keep or reduce their copay. The subcommittee will continue to study all the options and will report back in July if options are known in time.

c) Dependent Dental Subcommittee

Ms. Shopp reported that the subcommittee is waiting on quotes for premiums on a fully insured plan with enhanced benefits (to closely match employee dental plan) and premiums for self-insured with current or no changes to benefits. The subcommittee is also drafting an employee survey to gauge employee interest.

d) Medicare Supplement Plan Subcommittee

Mr. Rasch reported that there are currently 600 retiree or retiree spouses enrolled in the Senior Gold medigap plan. This subcommittee is interested in the long-range sustainability of post-retirement Medicare plans. Hence, members are studying the potential addition or replacement with a Medicare Part C advantage plan.

Old Business Continued

4. The next item from the agenda under Old Business was a *Collaborative Care Update* (1:37:00) from Beth Menor. Ms. Menor tabled this agenda item to the July meeting.

NEW BUSINESS

5. The first item from the agenda under New Business was the *Financial Report* (1:38:00) from County Auditor Nancy Nilsen. Ms. Nilsen reported a projected year-end balance of \$22,544,818 which was very close to the budgeted amount of \$22,341,823. Claims for April were higher than typical; she lamented potential release of some medical treatment/service pandemic buildup.

Mr. Gottschald shared that 91% - 92% of pharmacy rebates are refunded to the health fund, while BCBSM retains the remainder. Due to growth in Specialty Rx spend, the pharmacy rebates have now exceeded \$1 million in a year so two new line items have been added to the Health Fund financial report. These new line items were reported as an offset (negative) to claims. One line will be the rebate estimate and one line will be the adjustment made after the actual rebate arrives.

Ms. Shopp asked if the fund's ending balance can ever be too high. Mr. Gottschald recalled a year in the 1990s decade when there was twelve months of reserves that brought attention from the state auditor. In response, the County implemented a one-month premium holiday. Soon after, claims spiked and the premium holiday came under great scrutiny and blame for years and decades later. He didn't believe there was any appetite to repeat this course of action.

OTHER BUSINESS

6. The first and only item under Other Business was an inquiry by Sasha Lehto regarding the possibility of fitness centers on the Iron Range similar to the one in the basement level of the Duluth Government Services Center (GSC). Mr. Gottschald provided background that the fitness center in Duluth came about due to some space opening at the same time as a wellness grant from BlueCross and BlueShield. There was remaining wellness grant funds but what was currently lacking in other cities for a similar set up was space in county-owned buildings. Ms. Kari reported on exploration already completed for a fitness center in Hibbing where there was potential space. Estimates were already in hand but pending changes in space utilization from the shift to mobile work. Mr. Gottschald reported that the original construction plans for the Virginia GSC had dedicated fitness space which lost out to other business needs. He added that the public works spaces were not an option as these facilities primarily housing Teamster members who were in a different health plan. Ms. Lehto inquired about Cook where space is shared by several county departments and public works. Mr. Gottschald thought

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Other Business Continued

that an arrangement where the county health plan and the Teamsters health plan shared in the cost was a possibility after the larger population centers of Hibbing and Virginia had been vetted.

With no further business the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script that reads "Beth J. Menor".

Beth J. Menor
Senior Benefits Advisor