

**State and Public School Life and Health Insurance Board**  
**Minutes**  
**August 18, 2009**

The 101<sup>st</sup> meeting of the State and Public School Life and Health Insurance Board (hereinafter called the Board), met Tuesday, August 18, 2009 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, AR 72201.

**Members Present**

Janis Harrison  
Renee Mallory  
Joe Musgrove  
Vance Strange  
Dr. Joseph Thompson  
Shelby McCook  
William Goff  
Charlie Campbell / Proxy  
Lloyd Black  
Robert Watson

**Members Absent**

Dr. Andrew Kumpuris  
Anita Woodall

Jason Lee, Executive Director, Employee Benefits Division.

**Others Present:**

John Kirtley, AR Board of Pharmacy; Dr. William Golden, Medicaid Medical Director; John Herzog, EDS, an HP company; John Colberg, CHEIRON; Leigh Ann Chrouch, Michelle Hazelett, Doug Shackelford, Amy Tustison, Stella Greene, Donna Cook, Paige Harrington, Amy Redd, Tammy McGill, Latryce Taylor, Tracy Collins, Sherry Bryant, Florence Marvin, Pamela Lawrence, Cathy Harris, EBD; Rhonda Hill, ACHI/EBD; Kathy Ryan, Ron Deberry, Barbara Melugin., ABCBS/Health Advantage; Ronda Walthall, Wayne Whitley, AR Highway & Transportation Dept, Jeff Britt, Pfizer; Karen Henson, Pamela Hickman, AR Game & Fish Commission; Kim Henderson, AR Development Finance Authority; Dwight Davis, Susan Walker, Data Path; Carol White, Pam Wildschuetz, PDB Enterprise; Barry Fielder, Shonda Roche, Informed Rx; Sharon Marcum, LifeSynch; Derrick Smith, Mitchell Williams Law Firm; Roy Lamm, John Foose, Nancy Archer, Qual Choice; Steve Singleton, AR Retired Teacher Association; Peggy Nabors, AR Education Association; Marc Watts, AR State Employee Association; Judy Prewitt, AR State Highway Employee Retirement System; Christi Pittman, Delta Dental; Vicki Fleming, Doris Williams, AR Department of Health

**Call to Order**

Meeting was called to order by Janis Harrison, Chairman

**Approval of Minutes**

The request was made by Harrison to approve the June 16, 2009 minutes. Goff made the motion to approve minutes as amended. Strange seconded. Minutes approved.

## Subcommittee Reports

### 1. Benefits Subcommittee *by Lloyd Black*

Black reported the Benefits Subcommittee met on August 14, 2009 and then presented three recommendations for the Board's consideration.

#### a) Air Ambulance

February 09 the Board increased the ambulance benefit to \$2,000 dollars per member per plan year. However, this amount is not sufficient for air ambulance because the price can range up to \$20,000 dollars.

**Black made the motion** to offer air ambulance benefit without a cap; 10% coinsurance for in-network or out-of-network; co-insurance would apply to the out of pocket maximum. To be implemented in the 2010 plan year for ASE & PSE. McCook seconded.

Goff and Lee discussed restrictions. Lee said currently there are no restrictions and no precertification or preauthorization required, but they do require that it be for emergency use only. Lee said if they discover the benefit is being used for convenience use only or non-medically appropriate, they have steps they can take to review the case and possibly recoup the money.

All were in favor of the motion. Motion carried.

#### b) Temporomandibular Joint Disorder (TMJ)

The temporomandibular joint is the joint of the jaw and is frequently referred to as TMJ. TMJ is an umbrella term covering acute or chronic inflammation of the temporomandibular joint, which connects the mandible to the skull. The disorder and resultant dysfunction can result in significant pain and impairment.

In 2007 the Board decided to remove the cap for TMJ and move it into Case Management because the \$500 CAP was not sufficient to the members' needs. However, TMJ does not lend itself very well with Case Management.

**Black made the motion** to increase the cap to \$1,000 for TMJ with optional service coordination. Services that fall underneath the cap to be define by looking at the claims data from the last couple of years with assistance from the carriers. McCook seconded.

A discussion ensued about the type of specialist or provider licensed to provide TMJ services.

Lee said they do not have any restrictions as to the type of specialist or provider that can provide TMJ services but Health Advantage and Novasys

have contractual relationship with dentists and they will manage the benefit coverage as deemed appropriate.

Chairman Harrison invited the carriers to join the discussion.

Barbara Melugin with Health Advantage explained that when a member has jaw pain, they go to their primary care physician, and then he refers them to a dentist. Melugin said the member will receive splints and part of an x-ray for about \$1,000 dollars and the benefit will be exhausted at that point.

Lee explained that some of the services provided through oral surgeons are already listed as pure benefit exclusion, and so not all treatment options are covered by the plan. Lee said that is one of the reasons why they want to keep the nurses engaged in the process through care coordination.

Musgrove suggested they carefully monitor the claims going forward for any apparent abuse or misuse of the TMJ benefit to determine if there is going to be a problem.

Lee said they have multiple years of claims history at their discretion and they can do a claims analysis six months after the benefit goes in to effect.

McCook requested the BSPW check and see if there is any credentialing for TMJ treatment and report back to the Board; particularly for any special training or any certification process for credentialing.

Lee informed the Board that within the last year they have already taken some very aggressive steps through Novasys to see if they can create a TMJ proprietary network; but the physicians and dentists were reluctant to join because of the \$500 annual benefit. Lee said they will review how TMJ is being handled by other plans,

All were in favor of the motion to increase the cap to \$1,000 for TMJ with optional service coordination. To be implemented in the 2010 plan year for ASE & PSE. Services that fall underneath the cap to be define by looking at the claims data from the last couple of years with assistance from the carriers within the last year some very. Motion carried

**c) E-Prescribing**

Electronic prescribing (e-prescribing) is the use of an automated data entry system to generate a prescription, rather than writing it on paper. Under an e-prescribing system, a doctor uses a computer system to enter information about prescription medications that a patient needs, and then electronically transmits that data directly to the pharmacy computer.

Medicare began paying doctors a bonus if they switch their patients over to e-prescribing and private health plans have also begun offering some type of incentive as well.

Pharmacies pay transaction fees based on the number of electronic prescriptions and electronic prescription renewals received and no incentives are currently being offered to the Pharmacist.

**Black made the motion** to encourage the board to publicly embrace E-Prescribing and explore various incentives for the pharmacists. The committee suggested UAMS College of Pharmacy propose a structure as to how to provide an incentive to the pharmacists as part of the reimbursement program and bring to the Board. Musgrove seconded.

Musgrove explained the e-prescribing issue came up in the benefits meeting, but that it is certainly beyond the scope of the subcommittee. Musgrove said the committee is asking the board to charge itself with finding the most appropriate means to explore this avenue.

McCook commented there has always been a good deal of work about centralized computerized records, and the reason they have not gotten there yet is because of money. McCook said there is stimulus money available that can be funneled into this, and as the largest insurer in the state, it needs to take precedence, so they can participate in the innovation of electronic means of transmitting all information.

Dr. Golden and Herzog answered questions from the Board about E-prescribing.

Dr. Golden explained they came to EBD in order to get more people in more programs to use e-prescribing so that more docs would have more patients who would benefit from using it.

Herzog said the goal is to get a critical mass of patients that doctors can e-prescribe for, so that it works into their work flow easier. Physicians will be doing it more and start realizing the benefits, and pharmacies will get more of electronic prescriptions and they will start realizing some of the efficiencies by not getting all of the paper scripts. Herzog said it's really more of a trying to build a critical mass which is what Medicare is doing; but at some point, Medicare will start to disincentive providers that do not e-prescribe.

Dr. Thompson stated doctors are going to feel like this has cost them something on the front end even if it is beneficial from efficiency, quality of care and a cost savings perspective on the back end. Thompson said getting everybody to do e-prescribing at the same time probably offers some comfort, but there is going to be some challenge by the provider community.

Musgrove said they want to make sure that cost is distributed appropriately among the beneficiaries.

All were in favor of the motion. Motion carried.

## 2. **Quality of Care** by *Shelby McCook*

McCook reported the Quality of Care Committee met on July 8, 2009 and then presented the Board with a report from the committee.

The report included information about the previous HEDIS measures selected by the Quality committee, and the results of an additional measure; Anti-depressant medication management.

McCook said he was pleased to know that the EBD plan's rates are higher in all reported indicators when compared to the national Medicaid and Arkansas Connect Care results. McCook thanked The AR Center for Health Improvement (ACHI) for their good work on conducting the HEDIS analysis.

Lee informed the Board they are also taking strides to encourage the members of the Quality Committee to attend the meetings because there have been some attendance issues in the past. Lee said the Quality of Care will meet every two months as opposed to meeting every quarter.

McCook moved that the Board adopt the Quality of Care report. Mallory seconded. All were in favor. Motion carried.

## 3. **The Drug Utilization and Evaluation Committee (DUEC)** by *Dr. W. Golden* Dr. Golden commented that the DUEC is made up of a good group of people that are very active on the committee. The DUEC meet on July 6, 2009.

Dr. Golden presented several recommendations to the Board.

### a. **Skeletal Muscle Relaxants**

Skeletal muscle relaxants are used to relax certain muscles in your body and relieve the stiffness, pain, and discomfort caused by strains, sprains, or other injury to your muscles.

**Skeletal muscle relaxants**— Amrix; Baclofen; Carisoprodol; Chlorzoxazone; Cyclobenzapr; Fexmid; Metaxalone; Methocarbamol, Flexeril; Orphenadrine; Parafon; Robaxin; Skelaxin; Soma; Tizanidine; Zanaflex

Skelaxin (Metaxalone) is the highest price one and its brand only but most of the member utilization is for Cyclobenzaprine. Unfortunately there is not a lot of comparative data available.

Currently Skelaxin is covered at tier 2.

**Recommendation:** Move Skelaxin (Metaxalone) to tier 3.

McCook made the motion to move Skelaxin (Metaxalone) to tier 3. Musgrove seconded. All were in favor. Motion carried.

Dr. Golden explained the DUEC has some concerns with the continued use of brand name drugs when there is a well proven alternative generic product available. Golden provided an example of a brand name drug where the price differential even at the tier 3 level is still quite a cost to the plan. Golden said it has been the DUEC policy in the past to cover the generic and then move the brand to tier 3; but it is not necessarily cost effective in some cases. Golden requested guidance from the Board.

A discussion ensued regarding prior approval, case management, appeals process, a tier 4 approach, and brand vs. generics as it relates to biologic availability issues.

Dr. Golden stated the DUEC tries to maintain the benefit package and the needs of the beneficiaries. Golden said the DUEC can elect to use the tier 4 option on case by case bases in instances that warrant a change; and they will come back to the Board with a policy on how they are going to implement that approach after their next meeting.

Dr. Thompson suggested the DUEC have a communication mechanism for the members as they identify these drugs.

Dr. Thompson made the motion to extend the tier 4 recommendation authority to the DUEC for brand name drugs. It is the wish of the Board that this happens and charged the DUEC with developing the specifics of that approach. McCook seconded. All were in favor. Motion carried

## **b. New Drugs**

<b><u>Drug</u></b>	<b><u>Tier</u></b>
Vectical Ointment	T3
Vimpat tabs	T3 w/PA -Revisit upon request
Loseasonique	T3 / Review reference price option in future
Inova Kit	Exclude
Afinitor	T2 w/PA
Savella	T2 w/ QL of 100m
Nuvigil	T2 w/QL. 250mg
Simponi Inj	T3 w/PA
Coartem Tab	Tabled
Exforge HCT	T3
Asacol HD	Tabled /Consult with GI Doctors

Lamictal ODT kit and tab	Exclude / Monitor feedback from providers and members
Bwisvance Susp.	Exclude
Momexin Kit	Exclude
Samsca Tab	Tabled / Pending more information
Ulesfia Lotion	Exclude
BenzaClin Kit Care	Exclude
Cetraxal Sol	Exclude
Lamictal XR Kit and tab	Exclude / Monitor feedback from providers and members
Salvax Duo Kit	Exclude

Dr. Thompson made the motion to adopt the recommendations for new drugs. Strange seconded. All were in favor. Motion carried.

Dr. Golden commented on the other topics the DUEC discussed.

- Pristiq Presentation
- Inflammatory Bowel Agents
- Medication Management Program
- Review of previously excluded drugs

McCook made the motion to adopt the DUEC report. Mallory seconded. All were in favor. Motion carried.

**Financials** by Leigh Ann Chrouch

Chrouch presented detailed financial statements for the Arkansas State Employees (ASE) January 1, 2009 through May 31, 2009 and the Public School Employees (PSE) October 1, 2008 through May 31, 2009. Chrouch also presented the ASE Cafeteria Plan Financial 2009 for January 1, 2009 through March 31, 2009.

Chrouch provided a report of the penalties assessed for state and school agencies for May 2009. There was one state agency and two school districts penalized because the historical billing report and payments, or state contributions were not received by May 31, 2009 but they received a payment from one of the school district as of today. Chrouch reported there were no penalties assessed from for June 2009.

Chrouch said June and July financials will be presented at the next Board meeting.

Musgrove made the motion to accept the financial report. Strange seconded. All were in favor. Motion carried.

**Board Operating Guidelines Update** by Jason Lee, Executive Director-EBD

Lee informed the Board due to some of the questions raised about chair and vice-chair and the length of terms he reviewed the Board guidelines. Lee said some of the issues are not addressed in the current guidelines.

Lee recommended that with permission from the Board, he be allowed to restructure the Board Operating Guidelines during the next month. Lee said there will be no major changes, but only some formatting issues to clean up some of the holes in the document. Lee said he plans to put before the Board some proposed amendments at either the September or October meeting.

The Board agreed by consensus to allow Lee to proceed with the restructuring of the Board Operating Guidelines.

**Director's Report** by Jason Lee, Executive Director-EBD

Lee introduced John Colberg, the primary consultant with the plan's new actuarial consulting team CHEIRON. Colberg greeted the Board.

Lee reported they are two weeks into 2010 PSE Active open enrollment period; and at the end of business day on last Friday, they had received approximately 2,148 calls with a 1% abandonment rate. Lee said they received about 3,000 calls with a 2% abandonment rate during this time last year. Lee said it is a relative quiet open enrollment period compared to last year.

Lee informed the Board the plan's current Health Savings Account (HSA) vendor, Data path, has been awarded the new health savings account contract. The new contract will begin October 1, 2009 for PSE and January 1, 2010 for ASE.

Dr. Thompson requested that the Health Department be invited to present information to the Board on the swine flu changes in the October meeting. Thompson said the Board actuarially account for epidemic type issues and how it might impact the plan.

Chairman Harrison informed the members that the next Board meeting is scheduled for September 15<sup>th</sup>.

Musgrove made the motion to adjourn. Dr. Thompson seconded. All were in favor.

Meeting adjourned.