

State and Public School Life and Health Insurance Board Quality of Care Sub-Committee

Minutes

November 4, 2009

The State and Public Life and Health Insurance Board, Quality of Care Committee met on November 4, 2009 at 1:00 p.m. in the EBD Board Room, 501 Woodlane, Little Rock, Arkansas.

Members Present

Shelby McCook
Ray Montgomery
Carol Shockley
Dr. Michael Moody
Dr. William Golden
Scott Pace
Frazier Edwards

Members Absent

Dr. Joseph Thompson
Caryol Hendricks
Renee Mallory
Steve Madigan
Renee Mallory

Jason Lee, Executive Director, Employee Benefits Division, DFA

Others Present

George Platt, Amy Tustison, Doug Shackelford, Sherri Saxby, Jane Young, Tracy Collins, Latryce Taylor, Florence Marvin, Lori Eden, Cathy Harris, EBD; Bryan Meldrum, Nova Sys; Ronda Walthall, Wayne Whitley, AHTD; Jeff Britt, Pfizer; Lance Stewart, Merck

Call to Order

The meeting was called to order by Shelby McCook.

Approval of Minutes

The request was made to by McCook to approve minutes from the meetings in June 2008, April 2009 and July 2009. Montgomery made the motion to approve minutes. Dr. Moody seconded. Minutes approved.

Health Information Exchange (HIE) Project Update *by George Platt, EBD*

Platt informed the committee about the technical task force committee created for the HIE project. The committee is working to secure stimulus money the Federal Government has made available to help encourage health information exchange. Platt said the Governor and the Surgeon General strongly support the effort and have put together a committee to oversee the project. The task force has a variety of individuals from various department heads in upstate entities. Many of the subcommittee members have representation on the committee as well.

Platt explained each state was allocated a certain amount of money they can request. The state of AR share is \$7.9M for a 4 years period. Unfortunately, the state estimate it will cost \$16M in the first year, but there are a variety of other

grants currently being offered that will help with some of the costs as well. Platt said they will know in December 2009 if they meet the criteria and how much of the \$7.9M they will receive and they will have information about the other grants as well.

Platt explained the concept of HIE is to allow for the free flow of information from point to point within the healthcare system. Platt said they have already had some preliminary meeting in the August and September 2009 to help define what would be in the grant request. He then explained the roles of the Health plan, Governor, AR Surgeon General, HIE Coordinator and the Department of finance have in the project

Platt provided an in depth overview of the model used for the Health Information Exchange Project.

Lee said the ultimate goal is not to necessarily reduce the costs of healthcare, but to improve communications between all the parties involved; thereby, increase and improve quality. Lee said any reduced costs due to information exchange is only an ultimate benefit and by-product, but is not the stated upfront goal.

Member Questions from July *by Jason Lee, EBD Director*

Lee provided an overview of the committee member responses from the questionnaire provided in July 09.

Lee explained EBD is concerned about the quality of healthcare received by the members and is in a position to create a variety of health enhancement programs designed to improve member's awareness of their medical condition.

Lee said for quite some time, EBD has been trying to formalize and create a diabetic education program to help the members as part of the plan's standard schedule of benefits. Lee said the plan allows for a self management, hospital or physician based education program for diabetes; however there is almost a 0% percent penetration for that benefits. Lee said they are going to make serious efforts to improve their outreach regarding diabetes and diabetes education.

Lee said EBD has also had some conversations about a new initiative they plan to launch for a weight loss challenge. The benefit will not be tied to premiums, t-shirts or water bottles but it is going to be a concerted communication effort to help members make better choices.

Lee said it's hard to attack or go after the quality of the overall plan if they have not taken serious steps to educate the members as to their responsibility.

Election of Committee Chair

Lee explained the Board has a standing and annual election of Chair and Vice-Chair but the subcommittees don't have a rule and so the standard practice has been to follow the same election process as the Board.

Dr. Moody made the motion to nominate Scott Pace as Chairman of the Quality of Care Committee. Montgomery seconded and the nominations ceased and Mr. Pace was elected by acclamation. All were in favor of the motion. Motion carried.

AR Benefits Health Performance Indicators *by Jason Lee, EBD*

Lee provided the committee with report on how the plan has been operating compared to a national survey average regarding the cost of care.

The committee was provided information on the allocation of premium dollars spent in the 2008 Plan year.

- \$0.69 of every premium dollar is paid in medical claims
- \$0.22 paid for pharmacy claims.
- Vendor administration fees and Plan administration fees only account for \$0.07 of every dollar spent.

The committee also reviewed a breakdown of the percentage of the claim paid during the 2008 plan year for general medical type service.

- Physicians Fees excluding ancillary – 14.7%
- Total Inpatient – 34.8%
- Total Outpatient – 28.8%
- Total Other – 21.8%

Chairman McCook said he would like to know what percentage of procedures are outpatients vs. inpatients.

Lee said they will provide a more detail breakdown of how the claims were incurred and what they wanted to achieve by doing the analysis was to show a comparison of where they are in 2009 vs. 2008. Lee said they are seeing some of the good drugs like the cholesterol and hyper tension drugs actually come up on the list as the most commonly prescribed; and that's the type of increase they want see. Lee said these are base premiums without adjustments for state or school district contributions; the core benefit costs itself. Lee said these are base premiums without adjustments for state or school district contributions; the core benefit costs itself.

Director's Comments *by Jason Lee, EBD Director*

Committee members welcomed two new members; Frazier Edwards, Executive Director, *Arkansas Osteopathic Medical Association (AOMA)* and Scott Pace, Pharm.D. Associate Executive Vice President, *AR Pharmacist Association*

Meeting Adjourned.