State and Public School Life and Health Insurance Board Benefits Sub-Committee Minutes September 10, 2010

The Benefits Sub-Committee of the State and Public School Life and Health Insurance Board (hereinafter called the Committee) met on Friday, September 10, 2010 at 9:00 a.m. in the EBD Board Room, 501 Woodlane, Suite 500, Little Rock, Arkansas.

Members Present	**Members Absent**
Jeff Altemus	Janis Harrison
Bob Alexander	
Shelby McCook	
Lloyd Black	
Becky Walker	
Gwen Wiggins	

Jason Lee, Executive Director, Employee Benefits Division (EBD).

Others Present:
George Platt, Leigh Ann Chrouch, Michelle Hazelette, Amy Tustison, Doug Shackelford, Stella Greene, Lori Eden, Florence Marvin, Latryce Taylor, Paige Harrington, Kathy Johnson, Ellen Justus, Tracy Collins, Cathy Harris, EBD; Rhonda Hill, ACHI-EBD; Barbara Melugin, Kathy Ryan, Ron DeBerry, David Bridges, AR BC/BS Health Advantage; Ronda Walthall, Sarah Sanders, Highway & Transportation Dept; Sharon Marcum, LifeSynch; Shonda Rocke, InformedRx; Kim Henderson, AR Development Finance Authority; Dwane Tankersley, Bryan Meldrum, NovaSys; Mona Neal, Public Service Commission; George Burks, USAble; Donna Haven, AR Economic Development Commission; Marc Watts, AR State Employee Association; Robbie Weaver, Richard Hutchinson

Call to Order
The meeting was called to order by Jeff Altemus, Chairman.

Approval of Minutes
A request was made by Altemus to approve the July 9, 2010 minutes. Walker made the motion to approve. Black seconded. All were in favor. Minutes approved.

PSE ACTIVES OPEN ENROLLMENT UPDATE *by Jason Lee*

Lee reported the PSE Open Enrollment period was from August 1st through the 31st and it was very successful. Compared to April 2010 they had a net growth in enrollment of 1,316 primary subscribers, and a 77% increase in enrollment for the HD PPO plan. Lee said they maintained a relatively stable call volume throughout the open enrollment with less than a 1% abandonment rate.

EARLY RETIREE REINSURANCE PROGRAM (ERRP) *by Jason Lee*

Lee explained as part of the Patient Protection and Affordable Care Act of 2010, Congress appropriated funding of $5 billion for a temporary reinsurance program for group health plan providing health coverage for early retirees not Medicare eligible between the ages of 55 and 64. Lee reported their application for the Early Retiree Reinsurance Program (ERRP) has been accepted and they will begin the process of submitting claims once directions are established by the federal government.

Lee talked about an issue regarding the citizenship of a member. They may be required to verify that the member (retiree and dependent) is a citizen or legal resident of the United States. Lee explained the member had to be an active employee of the state or school district prior to being an active retiree. Lee said he does not believe there will be a significant issue with citizenship, but there may be some administrative challenges. Lee said they will continue to research this issue.

No action was required by the committee.

INTERNAL APPEALS & EXTERNAL REVIEW *by Jason Lee*

Lee said in July 23rd of this year, the Federal Register contained the Interim Final Rules regarding “Internal Claims and Appeals and External Review Processes”. Although historically excluded from many state or even federal regulations, this set of rules specifically incorporates their type of plan and holds them to the same standard as other plans across the country. As a non-federal governmental self-insured plan, they have the option to comply with the state’s external review rules or comply with the federal external review rules under which there are new rules issued on August 23rd.

Lee explained in an attempt to standardize the operations of health plans throughout the country, all plans are now required to incorporate the services of Independent Review Organizations (IRO) as a resource for the member who experiences any adverse benefit determination. This is a requirement that we have been exempt from due to our ERISA exemption and governmental plan configuration. Fully-insured plans have been subject to this for many years. The regulations may potentially adjust how the plan handles our internal appeals process.

Lee talked about the rules detailed in the Federal Register.

No action was taken by the Benefits Committee.

A detailed report will be presented in October regarding internal appeals and process.

SMOKING CESSATION MEDICATION *by Jason Lee*

Lee reported the current arrangement for the tobacco cessation program is not in compliance with the new federal rules; specifically the issue around the member's 50% co-pay for Chantix and Bupropion (generic for Wellbutrin).

Lee explained under the new rules, they are required to cover tobacco counseling and therapy at no cost to the member. Nicotine replacement patches are paid at 100% by the plan but not the prescription drugs. Lee reference the email he provided to the committee members before the meeting. It contained several options for the committee to consider. Lee provided the committee with some costs components as well.

McCook made the motion to cover all costs associated with Chantix & Bupropion for those members enrolled in the smoking cessation program subject to a 6-month prior-authorization and move the two medications to the formulary and assign a copay for those members electing not to participate in the smoking cessation program. A claims report will be provided to the Benefits Committee in 6-months to measure utilization. Black seconded the motion. All were in favor. Motion carried.

PLAN LIMITATIONS *by Jason Lee*

Lee explained federal law requires that they remove any dollar amount annual / lifetime limit on "essential" services. Lee said they have identified three current benefits that fall into this category.

- $2,000 limit for ground ambulance,
- $10,000 limit for durable medical equipment
- $1,000,000 for out-of-network lifetime limit

Lee recommended they do not put any limitation on the three items at this point since doing so would be taken as a benefit reduction and they have approached the 2011 plan year indicating that there are no benefit changes.

Lee said TMJ, Hearing Aids and travel for Transplant Services, can still have their annual limits because they believe they will be classified as non-essential benefits. Lee said they will have more information about non-essential benefits once they are defined by federal rules.

McCook made the motion to remove the durable medical equipment annual limit and the out of network lifetime limit; and convert the $2,000 annual limit for ground ambulance to a $2,000 “per-trip” limit, and that a claims report be provided to the Benefits Committee in 6-months to measure utilization. Black seconded. All were in favor. Motion carried.

PREVENTATIVE CARE SERVICES *by Jason Lee*

Lee explained that a series of recommendations were referred to the Benefits Committee by the Quality Committee regarding the new federal requirements for preventative care services. Lee presented the committee with the grade A and B recommendations of the United States Preventive Services Task Force.

Lee reported federal rules require screening mammography for women aged 40 and older. The current plan coverage has no age limit. Lee said implementing an age limit / family history requirement would be a benefit reduction.

Lee reported federal rules require Colorectal Cancer screenings to begin at age 50 and do not include Double Contrast Barium Enema (*DCBE*) as a recommended service. The current coverage begins at 50 and has no option for adults under the age of 50. Diagnostic evaluations are subject to co-pays / co-insurance / deductibles.

Lee presented the following recommendations from the Quality of Care Committee:

1. Annual screening mammography for women under age 40 with a family history of early breast cancer *and* that screening mammograms for women under who have no family history be considered for exclusion under the plan as a non-covered service.

2. Screenings for Colorectal Cancer for men or women age 40 to 50 with a history of early colon cancer, and remove DCBE as a preventative care service.

McCook made the motion to delay any action until the 2012 plan year so they can review other potential preventative care changes and to analyze the rating impact. Wiggins seconded. All were in favor motion carried.

STRATEGIC PLANNING WORKGROUP REPORT *by George Platt*

Platt reported the BSPW met on September 7th. The workgroup recommends the Benefits Subcommittee implement any recommendations from the US Preventative Services Task Force (USPSTF) to the extent legal by plan year

2012; either expanding or reducing benefits (as applicable) after a detailed analysis of the recommendations

Platt said BSPW fully supports the recommendations of the Quality subcommittee with the exception that they don't think that the changes beyond those required by law for 2011 can be made prior to the new plan year.

No action was required by the committee.

"INDIVIDUAL"MEDICAL NEEDS *by Jason Lee*

Lee informed the committee this issue was referred to them by the Board. A member has requested an exception to the reference pricing structure of the Statin class of drugs due to an individual side-effects of the lower priced medication option; a side effect that is known to exist with many medications within the class.

Lee said currently there are adjustments to the reference pricing allowed for children taking certain Proton Pump Inhibitors (PPI) medications where a co-pay is applicable instead of the reference pricing. As of now, the DUEC has not identified any rationale for adjustments to the Statin drug class

Platt informed the committee that the BSPW has discussed this topic as well and they agreed that the current practice of using the DUEC to identify potential medical issues is sufficient. Platt said the workgroup will propose some formulary management rules in a future meeting.

A discussion ensued. The discussion centered on administrative policies and how they are enforced and what grounds there are for financial appeals.

No action was taken by the committee.

DIRECTOR'S REPORT *by Jason lee*

Lee reported open enrollment for state employees will begin on October 1st through the 31st. Lee said they expect to have all of the communications pieces mailed out in time for the ASE open enrollment kick off.

Meeting adjourned.

AGENDA

State and Public School Life and Health Insurance Board
Benefit Sub-Committee
EBD Board Room
501 Building, 5th Floor
September 10, 2010 9:00 a.m.

1. **Call to Order** .....*Jeff Altemus, Chairman*

2. **Approval of Minutes** .....*Jeff Altemus, Chairman*

3. **PSE Open Enrollment Update** .....*Jason Lee, Executive Director*

4. **Early Retiree Reinsurance Program** .....*Jason Lee, Executive Director*
    a. *Citizenship Attestation & Verification*

5. **Internal Appeals & External Review** .....*Jason Lee, Executive Director*
    a. *Federal External Review Process*
    b. *New Requirement for Independent Review Organization (IRO)*
    c. *Question to Feds regarding "Fiduciary" / "Independent" internal review*

6. **Smoking Cessation Medication** .....*Jason Lee, Executive Director*
    a. *Covered at 100% or Co-pay on Formulary*

7. **Plan Limitations** .....*Jason Lee, Executive Director*
    a. *Plan Limitations on Essential Benefits*
        i. *Ambulance ($2,000)*
        ii. *Durable Medical Equipment ($10,000)*
        iii. *Out-of-Network Lifetime ($1,000,000)*
    b. *Plan Limitations on Non-Essential Benefits*
        i. *Travel for Transplant ($10,000)*
        ii. *TMJ ($1,000)*
        iii. *Hearing Aid ($1,400 per ear)*

8. **Strategic Planning Workgroup Report** ..... George Platt, Deputy Director

9. **Preventative Care Services** .....*Jason Lee, Executive Director*
    a. Quality Committee and BSPW Workgroup Recommendations

10. **"Individual" Medical Needs**.....*Jason Lee, Executive Director*
    a. BSPW Workgroup Report
    b. Statin Reference Pricing Issue

11. **Director's Report**.....*Jason Lee, Executive Director*

Next Meeting: October 8, 2010

Grade A and B Recommendations of the United States Preventive Services Task Force

Topic	Description	A/B	Date Effect	EBD status Current 9/1/2010
Screening for abdominal aortic aneurysm	The USPSTF recommends one-time screening for abdominal aortic aneurysm (AAA) by ultrasonography in men aged 65 to 75 who have ever smoked.	B	Feb 28, 2005	Covered
Screening and counseling to reduce alcohol misuse	The U.S. Preventive Services Task Force (USPSTF) recommends screening and behavioral counseling interventions to reduce alcohol misuse (go to Clinical Considerations) by adults, including pregnant women, in primary care settings.	B	April 30, 2004	Covered
Aspirin to prevent CVD: men	The USPSTF recommends the use of aspirin for men age 45 to 79 years when the potential benefit due to a reduction in myocardial infarctions outweighs the potential harm due to an increase in gastrointestinal hemorrhage.	A	March 30, 2009	Not Covered
Aspirin to prevent CVD: women	The USPSTF recommends the use of aspirin for women age 55 to 79 years when the potential benefit of a reduction in ischemic strokes outweighs the potential harm of an increase in gastrointestinal hemorrhage.	A	March 30, 2009	Not Covered
Screening for bacteriuria	The USPSTF recommends screening for asymptomatic bacteriuria with urine culture for pregnant women at 12 to 16 weeks' gestation or at the first prenatal visit, if later.	A	July 31, 2008	Covered
Screening for high blood pressure	The U.S. Preventive Services Task Force (USPSTF) recommends screening for high blood pressure in adults aged 18 and older.	A	Dec 31, 2007	Covered
Counseling related to BRCA screening	The USPSTF recommends that women whose family history is associated with an increased risk for deleterious mutations in BRCA1 or BRCA2 genes be referred for genetic counseling and evaluation for BRCA testing.	B	Sept 30, 2005	Covered
Screening for breast cancer (mammography)	The USPSTF recommends screening mammography for women with or without clinical breast examination (CBE), every 1-2 years for women aged 40 and older.	B	September 30, 2002	Covered - 1 mammogram per year with no age limit

http://www.healthcare.gov/center/regulations/prevention.html *Accessed 8/25/10*

Chemoprevention of breast cancer	The USPSTF recommends that clinicians discuss chemoprevention with women at high risk for breast cancer and at low risk for adverse effects of chemoprevention. Clinicians should inform patients of the potential benefits and harms of chemoprevention.	**B**	**July 31, 2002**	Covered
Interventions to support breast feeding	The USPSTF recommends interventions during pregnancy and after birth to promote and support breastfeeding.	B	Oct 31, 2008	Covered
Screening for cervical cancer	The USPSTF strongly recommends screening for cervical cancer in women who have been sexually active and have a cervix.	A	Jan 31, 2003	Covered
Screening for chlamydial infection: non-pregnant women	The U.S. Preventive Services Task Force (USPSTF) recommends screening for chlamydial infection for all sexually active non-pregnant young women aged 24 and younger and for older non-pregnant women who are at increased risk.	A	June 30, 2007	Covered
Screening for chlamydial infection: pregnant women	The USPSTF recommends screening for chlamydial infection for all pregnant women aged 24 and younger and for older pregnant women who are at increased risk.	B	June 30, 2007	Covered
Screening for cholesterol abnormalities: men 35 and older	The U.S. Preventive Services Task Force (USPSTF) strongly recommends screening men aged 35 and older for lipid disorders.	A	June 30, 2008	Covered
Screening for cholesterol abnormalities: men younger 35	The USPSTF recommends screening men aged 20 to 35 for lipid disorders if they are at increased risk for coronary heart disease.	B	June 30, 2008	Not Covered
Screening for cholesterol abnormalities: women 45 and older	The USPSTF strongly recommends screening women aged 45 and older for lipid disorders if they are at increased risk for coronary heart disease.	A	June 30, 2008	Covered
Screening for cholesterol abnormalities: women younger than 45	The USPSTF recommends screening women aged 20 to 45 for lipid disorders if they are at increased risk for coronary heart disease.	B	June 30, 2008	Not Covered

http://www.healthcare.gov/center/regulations/prevention.html *Accessed 8/25/10*

Screening for colorectal cancer	**The USPSTF recommends screening for colorectal cancer (CRC) using fecal occult blood testing, sigmoidoscopy, or colonoscopy, in adults, beginning at age 50 years and continuing until age 75 years. The risks and benefits of these screening methods vary.**	**A**	**Oct 31, 2008**	**Colorectal Screening to begin at age 50:** **FOBT every year and one of the following:** • **Sigmoidoscopy every 5 years** • **Colonoscopy every 10 years** • **DCBE every 5 years**
Chemoprevention of dental caries	The USPSTF recommends that primary care clinicians prescribe oral fluoride supplementation at currently recommended doses to preschool children older than 6 months of age whose primary water source is deficient in fluoride.	B	April 30, 2004	Not Covered
Screening for depression: adults	The USPSTF recommends screening adults for depression when staff-assisted depression care supports are in place to assure accurate diagnosis, effective treatment, and follow-up.	B	Dec 31, 2009	Covered
Screening for depression: adolescents	The USPSTF recommends screening of adolescents (12-18 years of age) for major depressive disorder (MDD) when systems are in place to ensure accurate diagnosis, psychotherapy (cognitive-behavioral or interpersonal), and follow-up.	B	March 30, 2009	Covered
Screening for diabetes	The USPSTF recommends screening for type 2 diabetes in asymptomatic adults with sustained blood pressure (either treated or untreated) greater than 135/80 mm Hg.	B	June 30, 2008	Covered
Counseling for a healthy diet	The USPSTF recommends intensive behavioral dietary counseling for adult patients with hyperlipidemia and other known risk factors for cardiovascular and diet-related chronic disease. Intensive counseling can be delivered by primary care clinicians or by referral to other specialists, such as nutritionists or dietitians.	B	Jan 30, 2003	Covered
Supplementation with folic acid	The USPSTF recommends that all women planning or capable of pregnancy take a daily supplement containing 0.4 to 0.8 mg (400 to 800 µg) of folic acid.	A	May 31, 2009	Covered

http://www.healthcare.gov/center/regulations/prevention.html Accessed 8/25/10

Screening for gonorrhea: wp,em	**The U.S. Preventive Services Task Force (USPSTF) recommends that clinicians screen all sexually active women, including those who are pregnant, for gonorrhea infection if they are at increased risk for infection (that is, if they are young or have other individual or population risk factors; go to Clinical Considerations for further discussion of risk factors).**	**B**	**May 31, 2005**	Covered
Prophylactic medication for gonorrhea: newborns	The USPSTF strongly recommends prophylactic ocular topical medication for all newborns against gonococcal ophthalmia neonatorum.	A	May 31, 2005	Covered
Screening for hearing loss	The USPSTF recommends screening for hearing loss in all newborn infants.	B	July 31, 2008	Covered
Screening for hemoglobinopathies	The U. S. Preventive Services Task Force (USPSTF) recommends screening for sickle cell disease in newborns.	A	Sept 30, 2007	Covered
Screening for hepatitis B	The U.S. Preventive Services Task Force (USPSTF) strongly recommends screening for hepatitis B virus (HBV) infection in pregnant women at their first prenatal visit.	A	June 30, 2009	Covered
Screening for HIV	The U.S. Preventive Services Task Force (USPSTF) strongly recommends that clinicians screen for human immunodeficiency virus (HIV) all adolescents and adults at increased risk for HIV infection (go to Clinical Considerations for discussion of risk factors).	A	July 31, 2005	Covered
Screening for congenital hypothyroidism	The USPSTF recommends screening for congenital hypothyroidism (CH) in newborns.	A	March 31, 2008	Covered
Screening for iron deficiency anemia	The USPSTF recommends routine screening for iron deficiency anemia in asymptomatic pregnant women.	B	May 31, 2006	Covered
Iron supplementation in children	The U.S. Preventive Services Task Force (USPSTF) recommends routine iron supplementation for asymptomatic children aged 6 to 12 months who are at increased risk for iron deficiency anemia (go to Clinical Considerations for a discussion of increased risk).	B	May 30, 2006	Covered
Screening and counseling for obesity: adults	The USPSTF recommends that clinicians screen all adult patients for obesity and offer intensive counseling and behavioral interventions to promote sustained weight loss for obese adults.	B	Dec 31, 2003	Covered
Screening and counseling for	The USPSTF recommends that clinicians screen children aged 6 years and older for obesity and offer	B	Jan 31,	Covered

obesity: children	them or refer them to comprehensive, intensive behavioral interventions to promote improvement in weight status.		2010	
Screening for osteoporosis	The U.S. Preventive Services Task Force (USPSTF) recommends that women aged 65 and older be screened routinely for osteoporosis. The USPSTF recommends that routine screening begin at age 60 for women at increased risk for osteoporotic fractures. (Go to Clinical Considerations for discussion of women at increased risk.)	B	Sept 30, 2002	Covered
Screening for PKU	The USPSTF recommends screening for phenylketonuria (PKU) in newborns.	A	March 31, 2008	Covered
Screening for Rh incompatibility: first pregnancy visit	The U.S. Preventive Services Task Force (USPSTF) strongly recommends Rh (D) blood typing and antibody testing for all pregnant women during their first visit for pregnancy-related care.	A	Feb 29, 2004	Covered
Screening for Rh incompatibility: 24-28 weeks gestation	The USPSTF recommends repeated Rh (D) antibody testing for all unsensitized Rh (D)-negative women at 24-28 weeks' gestation, unless the biological father is known to be Rh (D)-negative.	B	Feb 29, 2004	Covered
Counseling for STIs	The USPSTF recommends high-intensity behavioral counseling to prevent sexually transmitted infections (STIs) for all sexually active adolescents and for adults at increased risk for STIs.	B	Oct 31, 2008	Covered
Screening for syphilis: non-pregnant persons	The U.S. Preventive Services Task Force (USPSTF) strongly recommends that clinicians screen persons at increased risk for syphilis infection.	A	July 31, 2004	Covered
Screening for syphilis: pregnant women	The USPSTF recommends that clinicians screen all pregnant women for syphilis infection.	A	July 31, 2004	Covered
Counseling for tobacco use	The USPSTF recommends that clinicians ask all adults about tobacco use and provide tobacco cessation interventions for those who use tobacco products.	A	April 30, 2009	Covered
Counseling for tobacco use	The USPSTF recommends that clinicians ask all pregnant women about tobacco use and provide augmented, pregnancy-tailored counseling for those who smoke.	A	April 30, 2009	Covered
Screening for visual acuity in children	The USPSTF recommends screening to detect amblyopia, strabismus, and defects in visual acuity in children younger than age 5 years.	B	May 31, 2004	Covered

State and Public life and Health Insurance Board

Quality of Care Sub-Committee Report

Meeting Date: September 1, 2010

The committee viewed a presentation by EBD's Health Services Officer, Michelle Hazelett t about Healthcare Reform and Preventive Benefits. The committee was also provided with the Grade A and B Recommendations of the United States *Preventative Services* Task Force (USPSTF).

The Quality of Care Committee had the following recommendations for the **Benefits subcommittee:**

1. **SCREENING FOR BREAST CANCER (MAMMOGRAPHY)**
   The USPSTF recommends screening mammography for women with or without clinical breast examination (CBE), every 1-2 years for women aged 40 and older.

   Currently the Plan Covers - 1 mammogram per year with no age limit.

   Recommendation: Provide an annual screening mammogram for women 40 and older, and for women under the age of 40 with a family history of early breast cancer.

2. **SCREENING FOR COLORECTAL CANCER**
   The USPSTF recommends screening for colorectal cancer (CRC) using fecal occult blood testing (FOBT), sigmoidoscopy, or colonoscopy, in adults, beginning at age 50 years and continuing until age 75 years. The risks and benefits of these screening methods vary.

   Currently the Plan covers: Colorectal Screening to begin at age 50: FOBT every year and one of the following: Sigmoidoscopy every 5 years – Colonoscopy every 10 years – Double-Contrast Barium Enema (DCBE) every 5 years

   Recommendation #1: Adopt the USPSTF recommendation for screening for colorectal cancer - with the exception that the plan also include people over the age 40 with a family history of early colon cancer.

   Recommendation #2: If the examination of the utilization data for Double Contract Barium Enema (DCBE) proves minimum usage by the members of the

plan, the committee recommends the removal of DCBE as part of the screening for colorectal cancer benefit.

.

Benefits Strategic Planning Workgroup (BSPW)

Recommendations

Meeting Date: September 7, 2010

1) Preventative Services

Recommendation: That the Benefits Subcommittee implement any recommendations from the US Preventative Services Task Force (USPSTF) to the extent legal by plan year 2012 - either expanding or reducing benefits (as applicable) after a detailed analysis of the recommendations

Clarifying Notes: BSPW fully supports the recommendations of the Quality subcommittee with the exception that we don't think that the changes *beyond those required by law for 2011* can be made prior to the new plan year for the following reasons:

A. The fact that PSE OE is over and the meetings for ASE have started (and Highway cancelled all of their meetings because there were no changes to rates or benefits) plus the fact this service is already rated in
B. The team would like to do what Quality said and run an analysis across the taskforce recommendations and there isn't time
C. The processing of claims and the possible liability to the plan with more pended claims particularly with the new External review rules