



DAS General Services Building
1225 Ferry St. SE, Ste. B, Salem, OR

Health Engagement Model Meeting Agenda
Tues., May 17, 2011; 9:30 a.m. – 12:00 noon

- 1. **Introductions / Approval of April 25th Meeting Minutes**
(info/action: HEMatt.1)9:30–9:40
Joan Kapowich, Administrator
- 2. **Possible additions to Additional Cost Tier (info/action: HEMatt.2)9:40–10:15**
Joan Kapowich, Administrator
Handout will be available at the meeting.
- 3. **Update and Discussion (info/discuss)10:15–11:30**
Joan Kapowich, Administrator
- Public Comment.....11:30–12:00**
During this time period, PEBB members and members of the public may address the Health Engagement Subcommittee with comments, suggestions, recommendations or concerns regarding PEBB benefits or other Board business. The Board may proceed with agenda items between public presentations.
- Adjourn.....12:00**



DAS General Services Building
1225 Ferry St SE, Ste B, Salem

**Health Engagement Model (HEM)
Public Meeting Minutes**
Fri., May 5, 2011; 2:00-3:00 p.m.

DRAFT

NOTE: Time codes for the video stream (xx:xx) are provided at the beginning of each section. Please refer to the recorded video stream of this meeting for additional details. Items may be heard out of agenda order.

PEBB Board Members		
Rich Peppers, Chair	Rocky King	
Nora Leibowitz (absent)	Jeanene Smith (absent)	
Diane Lovell		
PEBB Staff		
Wendy Edwards	Kathy Loretz	
Joan Kapowich	Chérie Taylor	
Guests		
Donna Chastain, OSU	Cash Singleton, Providence	
Megan Myrick, Willamette Dental	Denise Yunker, OUS	
Cynthia Platonov, ODS	Andrea Zottola, PMG/Providence	
Jean Poling, Kaiser		
Agenda		
VIDEO STREAM: 00:00/58:14		
1.	Introductions and Approval of Minutes (info/ <u>action</u> : HEMAtt.1) Chair Peppers welcomed members and attendees, and called for approval of the Subcommittee's April 25, 2011 meeting minutes.	00:06
	ACTION: Diane Lovell requested a correction to the minutes (removing Rocky King as attendee) and moved to accept the minutes post-correction. Chair Peppers carried the motion, which passed unanimously.	00:59
2.	Research and Updates on Health Engagement Model (info/discussion: HEMAtts.2/2A/2B/2C) Administrator Kapowich updated the Subcommittee on research completed on biometric costs and reported on other entities' in-place HEM models, including Intel, Denise Honzel and Dr. Kothari Pranav, and HPN.	01:16

	Deputy Administrator Loretz shared current benefits v. Benefits Scenario A, as well as current benefits v. Benefits Scenario B.	21:19
	Administrator Kapowich continued her update, sharing recent discussions about HEM with the DOJ, although there was nothing definitive available at this time.	28:13
3.	Timeline (info/discussion) Administrator Kapowich discussed need for longer future meetings to enable the Subcommittee more time to discuss lengthier materials, especially from Kaiser.	37:56
4.	Next Steps / Schedule of Meetings (info/discussion) We need to have a sequence of decisions or steps to walk through in the HEM meetings. We then would take recommendations to the full Board for decisions and preparations going forward for the HEM. Those would form the foundation of next HEM meeting. Administrator Kapowich suggested that HEM should start up on Jan. 1, 2012. She also mentioned the need for a penalty process, including at what stage to levy such, as well as development of logistics for addressing privacy concerns.	40:30 41:31
	Written Public Comment No public comment was submitted.	
	Adjourn	56:26

OEBB SEOW Additional Cost Tier Potential Treatments

Additional Cost Tier Potential Treatments	OEBB Quality Workgroup, SEOW rating	Health Services Commission coverage or line	Essential Benefit Package Tier	Providence PEBB Annual Cost	Notes	Annual costs	Accumulative Costs / Possible Savings
Warts	11	not covered	IV	\$608,666	not plantar or sexually transmitted		Total savings if all Tier IV were excluded
Varicose vein	12	not covered	IV	\$197,000			
Varicose vein	12	not covered	IV	\$588,000			
TMJ surgery	15	not covered	IV	\$73,000			
Ganglion surgery	14	not covered	IV	\$225,000			
Corns, neuromas and Hammertoe	neuroma, corns, hammertoe	not covered	IV	\$480,000			
Bunionectomy	10	not covered	IV	\$841,000			
Breast reduction	14	not covered	IV	\$860,000			
Sinus surgery	16	498, 532	IV	\$1,780,000	not in Governor's Recommended Budget		

OEBS SEOW Additional Cost Tier Potential Treatments

Additional Cost Tier Potential Treatments	OEBS Quality Workgroup, SEOW rating	Health Services Commission coverage or line	Essential Benefit Package Tier	Providence PEBB Annual Cost	Notes	Annual costs	Accumulative Costs / Possible Savings
Cystocele repair	18	484	III	\$332,000	not in Governor's Recommended Budget		Annual savings \$1.64M if added to Add'l Cost Tier ²
Uterine prolapse repair	18	484	III	\$1,400,000	not in Governor's Recommended Budget		
Ptosis repair (eyelid droop)	9	487	III	\$290,000	not in Governor's Recommended Budget		
Hemorrhoidectomy	16	491	III	\$193,000	not in Governor's Recommended Budget		
Resurfacing knee/hip	16	knee not covered, hip w/guideline		\$838,000	OEBS to include in add'l cost tier for 2011-2012 with hip/knee joint replacement		
Viscosupplemenatio	15	not covered		\$2,230,000	not on HSC list		
Radio frequency ablation	23	not covered		\$35,000	HSC coverage for only with liver cancer, cancers excluded in add'l cost tier	\$5,318,000	\$10,970,666
Tonsillectomy	13	392, 564	IV, III	\$1,124,000	covered w/guidelines		Annual savings \$1.99M if added to Add'l Cost
Benign prostatic hypertrophy	15	354, 568, 602	IV, III	\$442,000	covered for cancer on line 354, unfunded on other lines		
Adult circumcision	12	349, 516, 642	IV, III	\$82,000	covered for obstruction on line 349, unfunded on other lines		
Adenoidectomy	13	392, 492,	IV, III	\$93,000	covered w/guidelines		
Ventral hernia repair	12	537	IV	\$600,000	exclude incarcerated hernias		

OEBB SEOW Additional Cost Tier Potential Treatments

Additional Cost Tier Potential Treatments	OEBB Quality Workgroup, SEOW rating	Health Services Commission coverage or line	Essential Benefit Package Tier	Providence PEBB Annual Cost	Notes	Annual costs	Accumulative Costs / Possible Savings
Hip arthroplasty	16	381	III	\$4,011,721	OEBB included in addl cost tier 2011-2012	\$7,459,721	Annual savings \$3.1M if added to Add'l Cost Tier4 \$20,771,387
Lower extremity claudication surgery	17	375	III	\$400,000	covered in specific circumstances		
Female incontinence	19	469	III	\$1,316,000	covered w/guidelines		
Ear tubes	12	449	III	\$711,000	covered w/guidelines		
Carpal tunnel release	14	434	III	\$1,021,000	covered in specific circumstances		
SPECT, nuclear imaging	Health Leadership Task Force list	diagnostics always covered		\$510,000	possibly include in \$100 additional copay for advanced imaging	\$510,000	Annual savings \$3.19M if added to Add'l Cost Tier ⁵
Bariatric surgery				\$5,800,000	Diabetics only in HSC,PEBB save \$4m	ACT now	

¹If total charges exceed \$5000, copay = \$500, if total charges are less than \$5000, copay = \$100

revised May 16, 2011

²Annual savings \$6.4M if all Tier IV excluded and this group added to Add'l Cost Tier

\$15,628,721

³Annual savings \$6.8M if all Tier IV excluded and others added to Add'l Cost Tier

⁴Annual savings of \$7.9M if all Tier IV excluded and others added to Add'l Cost Tier

⁵Annual savings of \$8M if all Tier IV excluded and others added to Add'l Cost Tier

OEBS SEOW Additional Cost Tier Potential Treatments

Recommended Add'l Co-Pay ¹
\$100
\$500
\$100
\$500
\$100
\$500
\$500
\$500

OEBS SEOW Additional Cost Tier Potential Treatments

Recommended Add'l Co-Pay ¹
\$500
\$500
\$100
\$500
\$500
\$100
\$100
\$500
\$500
\$100
\$500
\$500
\$500

OEBS SEOW Additional Cost Tier Potential Treatments

Recommended Add'l Co-Pay ¹
\$500
\$500
\$500
\$100
\$500
\$100
\$500



Health Engagement Model

May 17, 2011

Joan M. Kapowich

Overview

PEBB staff has been working with the plans to develop a HEM framework and process, with the goal of implementing January 1, 2012.

HEM Plan Framework:

The HEM would begin January 1, 2012 for employees and spouses/domestic partners:

- Employees will complete an on-line contract during open enrollment committing themselves and their spouses/domestic partners to participate in the required HEM activities.
- Employees and their spouses/domestic partners will complete a health risk assessment, biometric screening.
- Depending on the health status and habits, they will enroll in a tobacco cessation or weight management program or take health education courses.
- Both plans have coaching available for members with chronic diseases.
- If the employee or spouse/domestic partner chose not to participate in the HEM, the entire family would be moved to a lower valued plan.
- Member privacy is of the utmost concern – no personal health information will be shared with the employer. All information is subject to strict health privacy protections.
- A communication campaign would begin in July 2011.
- Premium contribution differentials are often used to create a lower value plan. Kaiser and Providence are willing to work with us if we decide to change the deductible, out of pocket maximum. Another option would be to assess a HEM surcharge.
- Lab work done with the past year would be accepted.
- Allow members to complete the Health Risk Assessment (HRA) through the end of February, if not completed they would be moved to the lower value plan April 1. Lack of cooperation with other requirements would initiate a move to a lower plan later in the year.
- Kaiser has option to have HRA sent to the member's PCP if the member "opts in" during the HRA process.
- Both plans are working with their compliance areas to determine what information can be shared with PEBB without disclosing private health information. PEBB will continue to work with Department of Justice and carriers on compliance with all health privacy issues relating to the HEM.
- Kaiser has pledged funds to be used in the HEM plan, Providence has Health Improvement Funds available that can be dedicated to the implementation of the HEM plan. Both plans have been providing staff with information and advice.

Timeline

Date	Action Item	Responsible Party
May 5, 2011	<ul style="list-style-type: none"> • Begin work with carrier on implementation of HEM 	Carriers, Staff
May 17, 2011	<ul style="list-style-type: none"> • Board discussion regarding HEM Framework 	Board, Staff
June 15, 2011	Final HEM plan/process determined	<u>Board</u>
July 1, 2011	<ul style="list-style-type: none"> • Communications begin regarding HEM • Begin pebb.benefits, payroll and carrier system changes to implement plan design changes 	<u>Staff</u>
Oct. 1 – Oct. 31, 2011	<ul style="list-style-type: none"> • Open enrollment • Members begin completing HRA and other requirements 	<u>Staff</u>
Jan 1, 2012	<ul style="list-style-type: none"> • Members enrolled in High Value Plan 	<u>Staff</u>
Feb 28, 2012	<ul style="list-style-type: none"> • Last day to complete HRA 	<u>Members</u>
April 1, 2012	<ul style="list-style-type: none"> • Members moved to Lower Value Plan if HRA not completed 	<u>Carriers, Staff</u>