

Owning Your Own Health Committee
August 17, 2016 – Approved
3:00 p.m.
Old Jail Conference Room

Present: Ted Schiele, Nancy Zahler, Jackie Kippola, Don Barber, Emily Mallar, Leslie Moskowitz; Brooke Jobin (via conference call)
Guests via conference call: Meghan Feeley, ProAct; Beth Miller, Ken Foresti, Excellus

Call to Order

Mr. Schiele, Chair, called the meeting to order at 3:07 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of July 27, 2016

It was MOVED by Ms. Zahler, seconded by Mr. Schiele, and unanimously adopted by voice vote by members present, to approve the minutes of July 27, 2016 as submitted. MINUTES APPROVED.

Executive Director's Report

Logo

Mr. Barber displayed the final logo proposal that will be considered by the Board of Directors at the September meeting. He said the September issue of the newsletter will contain articles on the upcoming flu clinics, work that has done on actuarial values by the Joint Committee on Plan Structure and Design, smoking cessation, out-of-network costs, and health insurance coverage when traveling abroad. A suggestion was made to also include information on Put Fruit to Work. Mr. Barber said he will send Ms. Jobin the article on out-of-network costs to review and asked that she provide feedback prior to publication.

Budget

Mr. Barber said there have been large increases in pharmaceutical expenses that have resulted in the budget being adjusted upward by \$1.8 million. Although all drug costs have increased, the bulk of the increase has been in specialty drugs. In looking at the long-range budget forecast he said premium rate increases cannot be in the 4% range with these significant increases and the Audit and Finance Committee is looking at different strategies to address this. He said at a recent conference hosted by Excellus they predicted specialty drugs will be 50% of the pharmaceutical spend by 2020; at this time they represent approximately 20%.

Ms. Feeley said ProAct has no way of knowing how much drugs are going to cost but as more members use specialty drugs and the prices rise a look needs to be taken at ways the Consortium can be proactive in trying to control those costs. Mr. Barber said the number of users of specialty drugs has not increased, this increase is due to the cost of the drug which is driven by the pharmaceutical company with there being no oversight on the costs by federal government.

Municipal Interest in the Consortium

Mr. Barber reported the Towns of Preble, Scipio, Springport, and the Village of Union Springs have passed resolutions to join the Consortium. The Towns of Moravia and Aurelius have also expressed interest in joining. All have Metal Level plans.

CanaRx

Mr. Barber referred to a summary document he prepared on CanaRx. Ms. Feeley said she reviewed the document and felt it summarized the background information well and stated the CanaRx program could provide the Consortium with significant savings. She noted the CanaRx formulary contains a couple of specialty medications and she doesn't believe the program would greatly diminish the generic drug utilization because a physician would need to complete a waiver and state why a member needs a brand name drug.

There was a brief discussion concerning a suggestion of there being a cost placed on drugs dispensed by CanaRx to avoid members switching to a brand name drug at no cost to avoid the copay associated with a generic drug. Ms. Feeley explained that attaching a copay would generate more cost to CanaRx to process the drug and would defeat the purpose of the program.

Ms. Zahler said the Consortium has a responsibility to exercise due diligence and to not encourage anything that would be illegal, inappropriate, or negative financially to the Consortium and she doesn't think moving towards CanaRx would have any of those consequences. She suggested if people are leary about people moving from a generic medication to a brand name medication that a pilot program could be done. Mr. Schiele responded that the County and TC3 have already been using CanaRx since 2007.

Mr. Barber read the following information provided by Ms. Feeley. "In regards to the CanaRx formulary that is monitored by ProAct, CanaRx offers many medications. What they do is send us the formulary on a quarterly basis; ProAct then prices out every medication on the formulary and decides if it is more beneficial to go through CanaRx or ProAct. Any medication that is deemed to be more beneficial to go through ProAct is removed from the CanaRx formulary. This assures that the member and the Plan is saving as much as possible." Ms. Feeley said anything that is cheaper with CanaRx would stay with CanaRx and anything that is cheaper through ProAct would stay with ProAct. ProAct does not benefit from CanaRx; it is a voluntary program to help their clients save money.

Mr. Schiele asked Ms. Jobin if the County, based on its experience, would choose to use CanaRx again. She said it is a good program for individuals but thinks some members do take advantage of switching to a brand name drug from a generic although she does not know how many members do that. She said Mr. Locey has run a report in the past that provides this information. Ms. Feeley said she could look into brand versus generic utilization but stressed again that a member cannot switch without a physician's involvement. Ms. Jobin said she believes some physicians will go along with a patient's request to switch to a brand name but would like to see statistics on usage. Ms. Zahler suggested notifying those who are using brand name drugs to let them know they are eligible for CanaRx as an alternative. Ms. Feeley said reports are run on a quarterly basis and ProAct notifies members who are eligible that the medication they are using is available through CanaRx.

Ms. Jobin asked Mr. Barber to talk with Mr. Locey about information she had received from him in the past indicating that generic medications in the United State becoming more expensive than brand name drugs internationally. Mr. Barber said this is a true statement. She said does not have a problem with CanaRx but would like to make sure that audits are in place to make sure that the program is the most efficient it can be and is used effectively. Ms. Zahler

said there will also be a small number of people who use a program inappropriately but doesn't believe a benefit should be canceled because of the overwhelming number of people who do use it appropriately. There was consensus that the Consortium should to the extent possible audit the program and attempt to keep the inappropriate use minimized as much as possible.

With regard to the Consortium moving forward with CanaRx Mr. Barber said each municipality would decide whether to offer this to its employees. As the present time the County and TC3 are billed directly by CanaRx; if the Consortium were to do this those bills would stop going to the County and TC3 and would come directly to the Consortium. Each municipality that has a bargaining unit would likely want to go through the same process as the County did in developing a memorandum of understanding about making this available to employees. The contract would be strictly between CanaRx and the member. The Consortium not have anything to do with the contract, it would only be paying the bill.

RECOMMENDATION TO MOVE CANARX FORWARD TO CONSORTIUM COMMITTEES

It was MOVED by Mr. Schiele, seconded by Ms. Zahler, and unanimously adopted by voice vote by members present, to approve the following motion:

RESOLVED, That the Owning Your Own Health Committee recommends that to the Joint Committee on Plan Structure and Design and the Audit and Finance Committee be introduced to CanaRx and be provided with information considered by the Committee, including an updated report prepared by ProAct on brand name and generic drug utilization along with meeting minutes of the Committee's discussions,

RESOLVED, further, That those Committees be asked to forward any questions that they would like answered back to the Owning Your Own Health Committee,

RESOLVED, further, That barring any impediments, That the Owning Your Own Health Committee would like the Board of Directors to consider requesting the Pharmaceutical Benefit manager to make CanaRx opportunities available to the Consortium's covered lives.

In response to a comment by Ms. Kippola Mr. Barber said the Consortium is currently in the process of interviewing finalists for the Consortium's Pharmaceutical Benefit Manager contract and will include this as a discussion topic during interviews.

2016 Flu Clinics

Mr. Barber distributed a copy of the flyer for the upcoming Flu Clinic. Following discussion the following revisions were suggested:

- Add language "as a covered benefit with no copay" to the first sentence after the chart;
- Add an address and contact number for each of the sites;
- Move Bolton Point to the afternoon column; and
- The name of the Consortium will be corrected on the flyer

Ms. Feeley will update the flyer and provide to Mr. Barber. A day prior to the Flu Clinic she will send an e-mail to benefit clerks informing them of the schedule of appointments (without employee names). The flyer will be distributed electronically to benefit clerks. Ms. Zahler suggested Board members receive the information as well. Ms. Feeley will also make sure ProAct has an adequate supply of documentation that members may request to show they received the vaccination.

Update on Put Fruit to Work

Mr. Schiele had no report at this time.

Next Agenda Topics

The following items were suggested for inclusion on the next agenda:

Update on Flu Clinics;

Update on CanaRx;

Update on Blue4U and discussion of how to market this and move this towards a longer-range approach for the Consortium

Adjournment

The meeting adjourned at 4:07 p.m.