MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

EXECUTIVE COMMITTEE STRATEGIC PLANNING MEETING
January 18, 2023

I. CALL TO ORDER

The meeting was called to order at 8:53 am.

II. ROLL CALL

EXECUTIVE COMMITTEE MEMBERS:

REGIONAL GOVERNMENT SERVICES	Christina Nygard
SANGER, CITY OF	Becky Ramirez, **Secretary/Treasurer**
SUPERIOR COURT OF CA, MENDOCINO COUNTY	Kim Turner, **Vice President**
TRUCKEE DONNER RECREATION & PARK DISTRICT	David Faris, **President**
REGIONAL GOVERNMENT SERVICES	Jennifer Bower, **President Emeritus**

MANAGERS:

KEENAN & ASSOCIATES	Peter McNamara
	Christine Hough

OTHERS:

KEENAN & ASSOCIATES	Laurie LoFranco
	Amy Donovan
	Melissa King
	Dayna Gowan*
ANTHEM	Kristyn Nelms
VIDA HEALTH	Stefan Van Doren

*for the Vida Health presentation portion of the meeting only.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA

Action
Presented by David Faris
2023-001

Motion to approve the January 18, 2023 Agenda: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

V. APPROVAL OF MINUTES – December 8, 2022 — Action

Presented by David Faris — **2023-002**

Motion to approve December 8, 2022 Minutes: 1. Kim Turner and 2. Christina Nygard. Motion unanimously approved by the Executive Committee.

VI. CORRESPONDENCE — Information

Presented by E. Peter McNamara — **2023-003**

The EmpiRx Information on PPACA 2023 Changes and Prescription Drug Data Collection Reporting confirmation was reviewed.

The fully executed 2022 Anthem Amendment to the Administrative Services Agreement effective January 1, 2022 was reviewed. The 2023 Amendment to the Administrative Services Agreement effective January 1, 2023 is being prepared.

VII. FINANCIAL

ANTHEM — Information

Presented by Kristyn Nelms — **2023-004**

Kristyn Nelms reviewed the December 2022 Anthem financial dashboard. There was membership growth in 2022 with approximately 1,200 subscribers at the end of year. High cost claims over $50k were down overall; there were more claims, but at lower amounts. Total in network utilization is 94%. The overall PEPM inpatient costs are down and outpatient costs are up; both of which are good trends.

Anthem's contract negotiations status with Community Medical Center (CMC) in the Fresno area was discussed. As of December 31, 2022, CMC terminated its contracts with Anthem, Cigna and United Healthcare. In August 2022, CMC requested a 30% increase in the amount paid for services. Anthem and CMC have gotten closer, but CMC's request is still an 18% increase. Accepting an increase such as CMC is requesting would increase health care costs for years and isn't sustainable. The situation is causing much angst in the local community and resolution is a top priority for Anthem.

While the HMO plans are not affected and the PPO plan claims will continue to be covered at the out of network level, PACE has 4-5 groups on Anthem EPO plans which allow for coverage only through the CMC network (there is no out of network benefit). PACE Management approved a special open enrollment for those agencies with members currently on EPO plans in the CMC network to move to PPO plans in the CMC network. The claims would still be considered out of network; however, at least there would be a benefit. Each agency should determine when to hold the special enrollment and BenefitBridge should be updated with any plan changes.

In addition to the Anthem discussion, PACE Management reminded the Executive Committee in August 2022 PACE added two programs through EmpiRx designed to reduce Rx costs which should have taken 60 – 90 days for implementation. Peter McNamara will contact EmpiRx to determine if any action has been taken through the Payer Matrix program to access reduced/no cost medication and what other actions have been taken now that the new cost containment programs have been implemented.

If the Payer Matrix program determines a member's specialty medication is no longer covered under the formulary, a one-time complimentary fill of the medication from a pharmacy may be offered. Payer Matrix will notify the manufacturer the medication is no longer covered and EmpiRx will notify members who may qualify for reduced/no cost medications via letter and phone call to file directly with the manufacturer. Eligibility is typically based on annual household income below a certain amount.

Kim Turner suggested education for the agency HR Departments be provided around the process to follow if a member receives a letter from Payer Matrix. Could an agency receive a general notification (without any specific member identifiers) from Payer Matrix if one of their members will be receiving a notice? Perhaps a flyer with sample letter language could be created and sent to PACE groups to provide each agency's HR team education around the Payer Matrix program and drug manufacturer subsidies. The goal is to allow transparency to agencies without violating HIPAA rules and provide an opportunity for the HR team to educate members and encourage action by the member if a letter is received.

VIDA HEALTH **Information**
Presented by Stefan Van Doren **2023-005**

The Executive Committee heard a presentation from Vida Health about their cardiometabolic care programs.

The member experience is based on behavior change over time to address preventive and chronic conditions with an integrated care model. Building a long term relationship between the member and the coach, based on accountability, provides the best opportunity for better outcomes. Coaches can interact with the member between sessions to keep up with the member's progress. Social determinants, such as lack of access to fresh fruits and vegetables, will be exposed during the screening process and options can be reviewed with the member's coach. The number of people in the United States with diabetes doubled in the last 10 years; to curb health care costs, the increase in diabetes needs to be curbed as the health care system cannot accommodate such exponential growth. Chronic conditions are best treated as part of an integrated whole person treatment plan, including diet, mental health and wellness. A primary

There are two options for service delivery: make the program available to all members or target those with cues for service, such as hypertension medication. The enrollment process takes approximately seven minutes, utilizing a self-assessment to determine the level of acuity. Members who enroll typically have at least three conditions to be considered. The program is app based; however, a member can access the coach via video conference on any device. Services include 1:1 coaching with short and long term goals and support groups led by Vida trained coaches.

Mental health surveys for depression and anxiety assessments are conducted during onboarding and every three months. Clinicians are trained in Cognitive Behavior Therapy to pick up changes in member behavior services/training. Although care is provided virtually, Vida employees must be licensed in the state in which the members are located. The coaches assist members with obtaining services from providers. If a member requires additional assistance to coordinate multiple types of care, Vida Health can provide Care Navigators to assist. Written tracking/written results will be provided to members to chart progress. Once Vida Health is in place, different modes of communication to obtain initial and ongoing enrollment could be used; Vida Health would work with PACE to determine the most effective options.

Pricing is a PEPM cost based on the total number of PACE members (employee, spouses and dependents 18 – 26) not enrollment in the program. The total number of PACE members would be determined by

eligibility files sent to Vida Health. Agency members not enrolled in a PACE medical plan would not be eligible. A future option might be if an agency decides to offer the program to non-PACE employees, the agency will pay the monthly costs for those employees. Because the program is employer based, an employee who has opted out of the PACE medical program is unable to participate on an individual basis.

Whether to include the Kaiser population in the eligibility would need to be determined. For 2023, the $5 PEPM wellness fee was added to the Kaiser renewal rates so all PACE members/spouses are eligible for the PACE wellness program. There are some wellness services available through Kaiser to Kaiser members, although not to the level of what the PACE wellness program provides. Having programs directed toward all members, rather than Anthem members only, such as ConsumerMedical, would make employee engagement easier.

There are pricing breakpoints at 2,500 employees and 7,500 employees. Currently PACE has approximately 1,800 subscribers between the Anthem and Kaiser. Vida Health would not replace the existing PACE wellness program, but rather become a piece of the overall PACE wellness strategy. When PACE Management held pricing discussions with Vida Health in 2022, the cost to offer the program to Anthem member only would be approximately $150k annually. Adding Kaiser employees would bring the cost to approximately $180k annually. For 2023, the wellness budget is based on $5 PEPM and $50k in wellness funds from Anthem. Adding the Vida Health annual cost to the budgeted wellness program cost would most likely be cost prohibitive.

Pricing options will be provided and discussed with the Executive Committee after discussions between PACE Management and Vida Health.

COMPLIANCE AND TRANSPARENCY UPDATE **Information**
Presented by Amy Donovan **2023-006**

The Executive Committee heard a report on compliance and transparency issues applicable to PACE.

- Brown Act/Teleconferencing Rules
  - Normal, AB 361 State or local State of Emergency and AB 2449 Personal Emergency pertaining to an individual Board Member regulations were reviewed.
  - PACE can continue to use the normal teleconferencing rules requiring each attendee attend from a location within the JPA jurisdiction (the state of California for PACE), the address is noted on the teleconference location sheet (including a home address), the location must be accessible to the public and votes are taken by roll call.

- Federal Transparency & Compliance
  - Mental Health Parity Comparative Analysis – the Mental Health Parity Act is a federal law passed in 1998 (expanded in 2008) and pertains to parity in both quantitative and non-quantitative treatment limitations.
    - The analyses should be updated every year.
    - Anthem/Kaiser have the initial analyses for PACE plans and PACE should request confirmation from the carriers the initial analyses have been prepared. Should a PACE plan be audited by the Department of Labor, the actual analyses can be requested from carriers.
    - EmpiRx will charge PACE to provide the actual analysis. Anthem/Kaiser will not charge

PACE.
- Keenan recommends
- To date during the audit process, the Department of Labor has not found any employer's comparative analysis to be sufficient.

- Machine-Readable Files
  - In network negotiated rates and out of network allowed amounts and associated billed charges are to be submitted by the carriers.
  - Not user friendly for individual cost research; the purpose is for data to be used for national cost analysis to drive down costs.
  - Files to be posted on the carrier's public website and updated monthly.
    - The employer is not responsible for maintaining a website with this information.
- Rx Data Collection
  - Data from every Rx plan in the country showing drug spend and the interaction drug spend has with the rest of medical plan spend. Not for use by an individual.
  - The purpose for federal regulators is to get a handle on drug pricing and utilization.
  - Challenges with carriers/PBMs/TPAs uploading the nine files per plan into the government computer system are anticipated.
  - Original reporting for 2020 and 2021 was due on December 27, 2022 with an extension granted to January 27, 2023. Annual reporting going forward will be due on June 1st of each year for the prior calendar year.
- Price comparison tools
  - Effective January 23, 2023, the purpose is for individuals to cost sharing information for 500 shoppable services for their carrier. An individual needs to be a member of a specific carrier to access the carrier's data.
  - Effective January 1, 2024, the tool must show cost information on all covered items and services.
- Air Ambulance Reporting
  - It's a low frequency high cost service at a potentially high cost if out of network.
  - Reporting for each claim per plan in 2022 will be due on March 31, 2023 and on March 30, 2024 for 2023 data. The carrier or TPA can file on behalf of the plan.
  - Air ambulance services are FAA regulated; the federal government may use this reporting to determine if cost controls might be warranted in the future.

- Federal COVID Declarations and how group medical plans are affected
  - COVID Public Health Emergency (PHE)
    - Issued in January 2020 and renewed 11 times. It was renewed again on January 11, 2023 for 90 days, expiring on March 1, 2023.
    - This determines the time period in which plans and carriers must pay for COVID-19 tests and related services without cost sharing.
    - During PHE out of network COVID vaccines must covered.
  - National Emergency
    - It expires March 1, 2023, unless renewed by President Biden.
    - The "outbreak period" is determined by the National Emergency declaration.
    - Additional one year from the time members would have had for:
      - COBRA notices and elections; payment of COBRA premiums.

    - HIPAA special enrollment rights.
    - File a claim or appeal for an adverse benefit determination.
- Telehealth Safe Harbor
    - Continues the Appropriations Act of 2023 by extending the HSA safe harbor allowing an HDHP plan to cover telehealth/remote services before the deductible is satisfied for plans beginning after December 31, 2022 and before January 1, 2025. It appears to create a gap for off calendar plan years.

MUNICIPAL DENTAL POOL DISCUSSION **Information**
Presented by Laurie LoFranco **2023-007**

The Executive Committee heard and discussed a report on the Municipal Dental Pool:

- MDP was originally created in 2014 as Municipal Services Authority (MSA) and made up of two agencies: Local Government Services (LGS) and Regional Government Services (RGS). When the Local Government Services disbanded, Delta Dental would not recognize MSA as a standalone JPA and required MSA find a new home.
- Richard Averett of RGS, agreed to take MSA, renamed to MDP, and bring it under RGS as an auxiliary member agency of RGS. Over time, some PACE agencies have been interested in a dental pool; however, they did not wish to become part of RGS. A new home for MDP with PACE may be advantageous for PACE growth.
- MDP grew to 32 agencies with six member agencies in both MDP and PACE (20% of membership).
- MDP is a self-insured pool; there was a rate pass for 2022 and 2023.
- If there are under 100 subscribers, plans are shelf plans; groups with over 100 subscribers can customize plans.
- A shortcoming of PACE is only medical is offered. Having dental and vision, in addition to medical, could assist in attracting members, including offering a la carte coverages.

Discussions around potentially bringing the Municipal Dental Pool into PACE:

- PACE Management would like to consider bringing MDP into PACE to make PACE stronger with additional benefit offerings and streamlined services for members. PACE Management will obtain additional information for consideration at a future Executive Committee meeting, possibly in April 2023.
- If additional lines of coverage are brought into PACE, funds for each individual plan type (medical/dental/vision) will be held separately by SETECH.
- Conversations to be held with RGS and Delta Dental to determine viability and interest by all parties.
- MDP could be brought in as a standalone JPA under the PACE JPA utilizing the same PACE officers.
- The earliest effective date would be January 1, 2024.
- Other possible benefit offerings to consider in the future are self-funded vision and fully insured basic life/AD&D.
- For file feeds for additional lines of coverage, there should be enough subscribers to ensure file feeds are accepted regardless of enrollment.

VIII. INFORMATION

EXECUTIVE COMMITTEE COMMENTS — Information

There were no Executive Committee Comments.

MANAGER COMMENTS — Information

PACE groups should take advantage of a special open enrollment due to the CMC contract expiration of for the members in the Anthem EPO plans due to the CMC contract expiration.

IX. AGENDA ITEMS NEXT MEETING — Information

Executive Committee Members and others may suggest items for consideration at the next meeting which will be held on February 22, 2023 via Zoom.

- Q4 Quarterly Financial Report, Anthem update, Ancillary updates and Wellness update.
- Follow up on Vida Health if available.
- Appointment of a new Non-Officer Executive Committee Member.

X. ADJOURNMENT

The meeting was adjourned at 1:30 pm.