

CHURCHILL COUNTY INSURANCE ADVISORY COMMITTEE
MINUTES OF MEETING NOVEMBER 15, 2016

The meeting was called to order at 1:30 p.m. by **Chairman Geof Stark** at Conference Room 102 of the Churchill County Administrative Complex, 155 N. Taylor Street, Fallon, NV.

Present: Geof Stark Debi Kissick Paul Loop Lacie McAfee Diane Wargo

Absent: Julie Guerrero Rochanne Downs

Others Present: Stacey Baldygo, Human Resources Assistant

Certification of Posting: **Chairman Stark** verified and confirmed that the agenda was posted in accordance with the NRS Open Meeting Law.

Public Comments: **Chairman Stark** introduced Stacey Baldygo who will be assisting him and will help when changes are made in the health insurance.

Review and Adoption of Agenda: **Paul Loop** made a motion to accept the Agenda as submitted. **Lacie McAfee** seconded the motion and the decision carried unanimously. An error in the September 20 date was noticed and the motion was amended and the vote remade and carried.

Approval of Minutes for the September 20, 2016 meeting. **Paul Loop** made a motion to approve the minutes. **Debi Kissick** seconded. **Lacie McAfee** cited a misspelling and a repeated statement. With corrections, the motion carried unanimously.

Review of Monthly Status Report: **Tim Holland** was unable to attend. He sent the September status reports which shows a 100% loss ratio from for the month. This put us at 79% for the plan year and for the Rolling 12. One large claim has been submitted.

General Discussion of Insurance Committee Matters, including Insurance Questions from County Employees: **Chairman Stark** distributed copies of a letter from Cigna concerning the changes in the prescription coverage which will begin in January. Cigna has contacted those employees that currently may be affected by the change. Less than 2% are expected to be affected.

A short discussion was held concerning the change in billing of non-preferred providers assisting preferred providers during non-emergency surgeries. Pre-approval does not mean all costs will be covered. Employees need to advocate for themselves when any procedures are planned, checking with their physicians in advance to ensure that any surgical assistants and/or anesthesiologists, etc. are in-network providers.

Public Comments: There were none.

Future Agenda Items: Elections to fill expiring terms for Rochanne Downs and Diane Wargo.

Set Next Meeting Date: The next regular meeting will be Tuesday, December 20th at 1:30 p.m. in Room 102.

Adjournment: **Lacie McAfee** moved to adjourn the meeting. **Paul Loop** seconded and the decision carried unanimously. The meeting was adjourned at 1:53 p.m.

Respectfully Submitted,



Diane Wargo
Recording Secretary



Churchill County

Group Health Plan
Cost Analysis Report

September 1, 2016

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EXHIBIT A



Churchill County
Monthly Claims Activity Executive Summary
For the Month of
September-16

CURRENT MONTH			
	Premium	Claims	Loss Ratio
TOTALS	\$152,531	\$152,531	100%

Plan Year			
	Premium	Claims	Loss Ratio
TOTALS	\$456,735	\$360,080	79%

Rolling 12 Months			
	Premium	Claims	Loss Ratio
TOTALS	\$1,793,164	\$1,425,563	79%

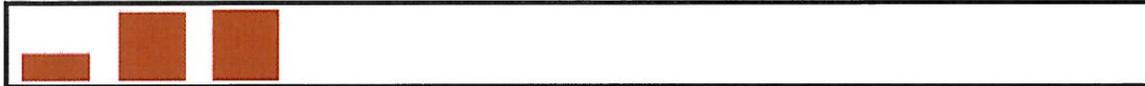


Churchill County Monthly Claims Activity

Plan Year

Month / 42614	Employee's	Members	Policy Premium	Employee Composite Premium	Medical Claims	Rx Claims	Total Claims	Employee Composite Claims	Paid Loss Ratio
Jul-16	187	336	153,196	\$819	47,548	12,812	\$60,360	\$323	39%
Aug-16	185	332	151,008	\$816	132,507	14,681	\$147,189	\$796	97%
Sep-16	186	333	152,531	\$820	139,841	12,691	\$152,531	\$820	100%
Oct-16									
Nov-16									
Dec-16									
Jan-17									
Feb-17									
Mar-17									
Apr-17									
May-17									
Jun-17									
Total	558	1,001	\$456,735	\$819	\$319,896	\$40,184	\$360,080	\$645	79%
Average	186	334	\$152,245	\$819	\$106,632	\$13,395	\$120,027	\$645	79%

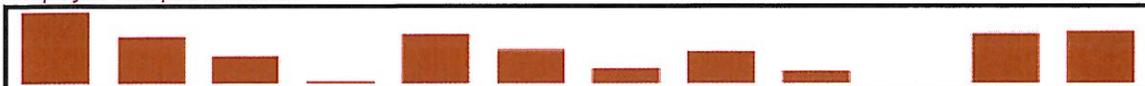
Employee Composite Claims



Rolling 12 Months

Month / Year	Employee's	Members	Policy Premium	Employee Composite Premium	Medical Claims	Rx Claims	Total Claims	Employee Composite Claims	Paid Loss Ratio
Oct-15	185	330	146,538	\$792	168,348	17,725	\$186,073	\$1,006	127%
Nov-15	191	337	150,324	\$787	129,470	17,080	\$146,549	\$767	97%
Dec-15	191	337	150,324	\$787	92,450	18,482	\$110,931	\$581	74%
Jan-16	189	333	149,179	\$789	41,350	22,412	\$63,762	\$337	43%
Feb-16	187	323	146,288	\$782	127,856	20,013	\$147,869	\$791	101%
Mar-16	187	327	146,288	\$782	102,594	16,874	\$119,468	\$639	82%
Apr-16	190	330	148,570	\$782	71,266	17,243	\$88,509	\$466	60%
May-16	190	331	148,891	\$784	103,498	14,925	\$118,423	\$623	80%
Jun-16	191	333	150,028	\$785	68,450	15,450	\$83,900	\$439	56%
Jul-16	187	336	153,196	\$819	47,548	12,812	\$60,360	\$323	39%
Aug-16	185	332	151,008	\$816	132,507	14,681	\$147,189	\$796	97%
Sep-16	186	333	152,531	\$820	139,841	12,691	\$152,531	\$820	100%
Total	2,259	3,982	\$1,793,164	\$794	\$1,225,176	\$200,387	\$1,425,563	\$631	79%
Average	188	332	\$149,430	\$794	\$102,098	\$16,699	\$118,797	\$631	79%

Employee Composite Claims



Source: Cigna unaudited Monthly Experience Report

Cigna



Churchill County

CLAIMS IN EXCESS OF \$50,000 (Accumulative Paid Amounts Year to Date)

Claim #	Total Amount of Claim Year to Date	CLAIMMANT														
		Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17			
1	Member	\$0	\$0	\$63,158												
2	Member	\$0	\$0	\$0												
3	Member	\$0	\$0	\$0												
4	Member	\$0	\$0	\$0												
5	Member	\$0	\$0	\$0												
6	Member	\$0	\$0	\$0												
Total		\$0	\$0	\$63,158												
Increase Over Previous Month:		\$0	\$0	\$63,158												

Claim #	Total Amount of Claim Year to Date	CLAIMMANT											
		Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16
1	Member	\$0	\$0	\$0	\$0	\$55,473	\$56,138	\$59,943	\$61,047	\$61,498	\$61,930	\$62,377	\$62,854
2	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$50,094	\$52,966	\$53,690	\$54,946	\$55,334	\$57,412
3	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,827	\$53,965	\$54,504	\$54,504
4	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$0	\$55,473	\$56,138	\$110,037	\$114,013	\$168,016	\$170,841	\$172,214	\$174,770
Increase Over Previous Month:		\$0	\$0	\$0	\$0	\$55,473	\$665	\$53,900	\$3,976	\$54,003	\$2,825	\$1,373	\$2,556

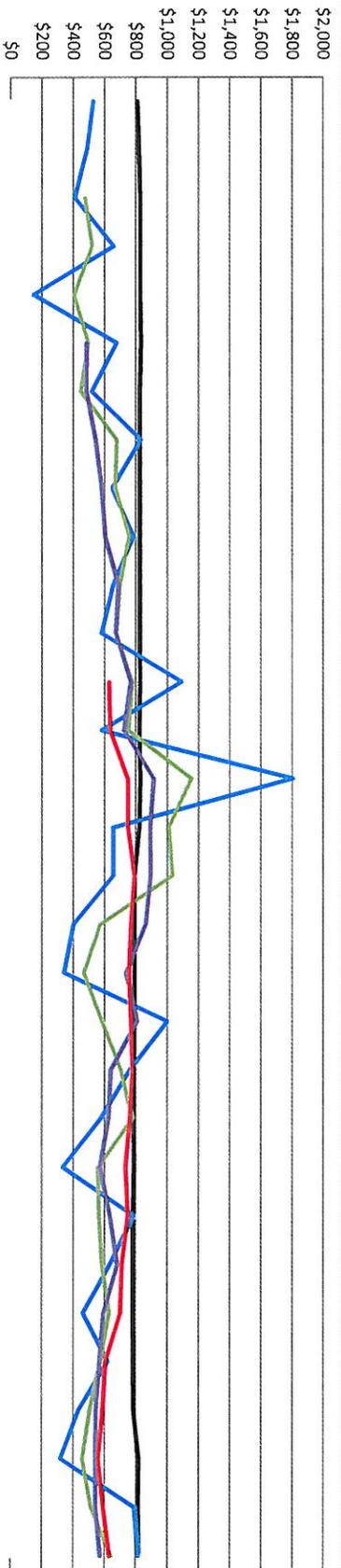
Claim #	Total Amount of Claim Year to Date	PRIOR YEAR CLAIMMANTS											
		Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
1	Member	\$0	\$0	\$0	\$0	\$0	\$82,587	\$83,854	\$83,894	\$83,861	\$83,864	\$83,868	\$83,871
2	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$102,689	\$115,576	\$118,355	\$118,916
3	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$275,754	\$279,943
4	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Member	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total		\$0	\$0	\$0	\$0	\$0	\$82,587	\$83,854	\$83,894	\$186,549	\$199,440	\$477,977	\$482,730
Increase Over Previous Month:		\$0	\$0	\$0	\$0	\$0	\$82,587	\$1,267	\$40	\$102,655	\$12,890	\$28,537	\$4,753



Churchill County



Premium as a Per Subscriber Per Month & Claims as Per Subscriber Per Month / Rolling 3-6-12 Month Averages



	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	
PremPEPM	811	820	829	829	829	833	826	825	826	826	826	826	827	823	828	822	793	792	792	792	787	787	789	782	782	782	782	784	785	819	816	820
ClaimsPEPM	531	492	416	663	151	681	522	837	653	790	658	585	1,096	586	1,809	660	661	407	346	1,006	767	581	337	791	639	466	623	439	323	796	820	
3MnthAvrg			480	523	410	499	452	681	672	760	701	678	780	756	1,159	1,013	1,037	576	472	587	708	782	563	569	588	631	576	509	462	518	645	
6MnthAvrg						489	488	546	585	606	691	675	770	728	918	896	896	866	741	811	642	629	575	638	686	597	572	548	546	547	577	
12MnthAvrg																																
PLR	65%	60%	50%	80%	18%	82%	63%	101%	79%	96%	80%	71%	133%	71%	218%	80%	83%	51%	44%	127%	97%	74%	43%	101%	82%	60%	80%	56%	39%	97%	100%	

~ as presented by Tim Holland

Cigna Pharmacy Management
900 Cottage Grove Road
Bloomfield, CT 06002



09/16/2016

RE: Helping clients achieve sustainable cost savings by managing drug costs starting 1/1/2017¹

It is estimated that by 2020, pharmacy costs will account for 31% of overall health care costs, becoming the number one driver of client expenses.²

Our 2016 formulary strategy to manage brand-name drugs decreased this trend by a full 3% for our clients. What's more, the formulary changes went smoothly because making it easy for you, our clients and customers was central to our planning – and we want to make it just as easy in 2017.

Cigna's formulary changes are typically made twice a year while reserving the majority of changes to occur on a 1/1 cycle. Our approach is to focus on three primary areas of opportunity.

Drugs with significant inflation or excessively priced compared to identical, or near identical, products (egregiously priced drugs).

Multisource drugs

- Brand-name drugs that often are significantly higher priced than the identical, or near identical, generic drug.
- Brand-name drugs with equivalent generics.
 - Generic drugs have active ingredients and are less expensive than their brand-name counterparts.
 - FDA approved as safe and as effective as their brand-name counterparts.

Therapeutic alternatives

- Some brand-name drugs don't have a generic alternative. In those cases there are typically drugs with similar clinical value for the treatment of a disease or condition. These drugs may or may not be chemically, bioequivalent or generically equivalent but are commonly used to treat the same condition.

Our approach allows us to work with pharmaceutical manufacturers offering preferred status within Cigna's formularies – which is a win for our clients, customers and the manufacturers. We use our integrated medical and pharmacy model to do this successfully with several manufacturers through our value-based agreements and we will continue this strategy on a larger scale within our formularies.

Types of changes customers could experience

- Drugs moving **from non-covered to preferred brand tier.**
- Drugs **moving tiers** to non-preferred brand.

EXHIBIT B

- Drugs being **removed from formulary** (not covered unless deemed medically necessary by Cigna).
- **Utilization management edits** being applied to some drugs (prior authorization, step therapy).

What you should know about cost savings and disruption

- We expect this strategy will significantly contribute to reduced claims cost in 2017 and beyond. Savings may not always be achieved
- We expect less than 2% of our customer base will be affected.⁴
- There will be a “**medical necessity**” process in place for customers who have exhausted drug alternatives and must use a non-formulary (not covered) drug.

Customer communications

- Impacted customers whose drug(s) are no longer covered or will cost more in 2017 due to tier change, will receive a letter 90 days in advance. The letter will suggest an alternative and they will be advised to talk with their doctor about changing prescriptions.
- We will send a second letter 60 days in advance of the change.
- We will proactively identify and contact customers (and their doctors) who take medications that require special or careful administration such as specialty medications. These customers will be offered personal coaching and resources as they switch to a covered drug for 1/1/17.
- Those affected by utilization management edits will be notified 90 days in advance.

Health care professional communications

To help facilitate drug conversions, we will:

- Notify network prescribers with an affected patient and provide a list of non-formulary, non-preferred medications and alternative covered medications for each drug class in October 2016.
- Post the formulary changes on our health care professional portal.
- Insert an article in our health care professional newsletter in fall 2016.

Our priority is to maintain affordability for our clients and customers now and in the future. We will continue to make enhancements to our formularies that will help drive sustainable cost savings and improve customer health outcomes.

Sincerely,



Jon Maesner, PharmD
Chief Pharmacy Officer
Cigna Pharmacy Management

1. In accordance with Texas and Louisiana state law, customers with affected benefit plans who receive coverage for medications that are removed from the prescription drug list during the plan year will continue to have those medications covered at the same benefit level until their plan renewal date. To find out if these state mandates apply to your plan, please call customer service.
2. Cigna's national book of business study, using full-year 2015 data.
3. Cigna's national book of business study of 1/1/16 formulary changes. Individual client results will vary.
4. Cigna's national book of business estimate of customers disrupted by 1/1/17 formulary changes. Individual client results will vary.