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Health Care Reform Committee

Kathy Allen, NDPERS
November 10, 2015

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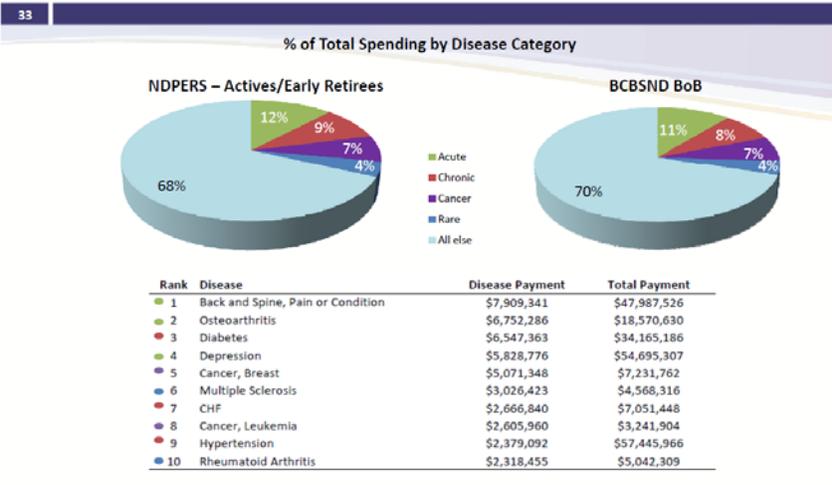
Breakout Claims Data by
Employee, Dependent, and
Spouses; Separate Between
Medical and Prescription
Expenses

EMPLOYEES, SPOUSES, & CHILDREN
PAID BY MEMBERSHIP & CLAIM TYPE
01/2014 - 12/2014

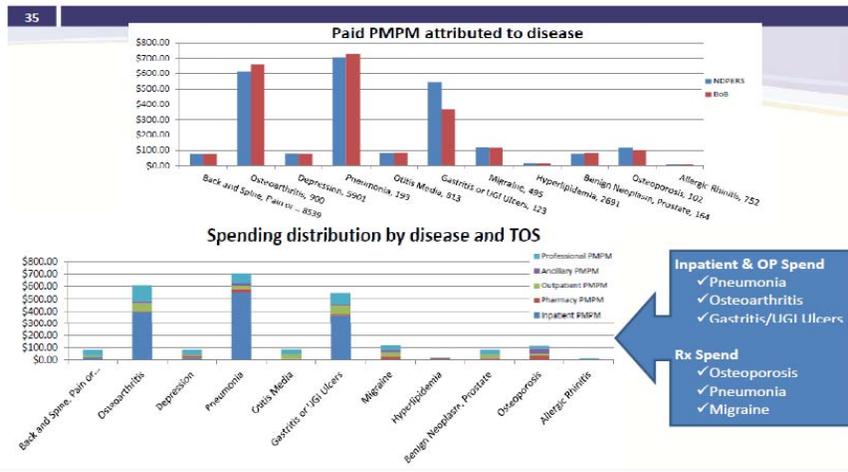
	MEMBERSHIP		HOSPITAL CLAIMS		PHYSICIAN SERVICES		PHARMACY CLAIMS	
	Sum	%	Sum	%	Sum	%	Sum	%
CHILDREN	21,750	39	26,231,518	26	23,705,022	27	6,816,284	18
EMPLOYEE	21,084	38	43,620,535	44	40,290,184	46	19,161,545	51
SPOUSE	12,358	22	29,332,334	30	24,232,227	27	11,727,589	31
TOTAL	55,192	100	\$99,184,387	100	\$88,227,433	100	\$37,705,418	100

Breakdown of Top 10 Diseases and Top 10 Acute Conditions

Top 10 Diseases



Top Acute Conditions



How many political subdivisions will be ineligible to remain on the PERS health plan when the threshold is raised to 100 under the provisions of the ACA?

- None will be ineligible as threshold only applies to non-grandfathered groups.
- We only have two non-grandfathered groups and both are over 100.

How many political subdivisions dropped NDPERS coverage and the number of employees.

- Four political subdivision groups dropped NDPERS coverage effective July 1, 2015.
- Ranged in size from 3 to 70 contracts.
- Total number of contracts = 119

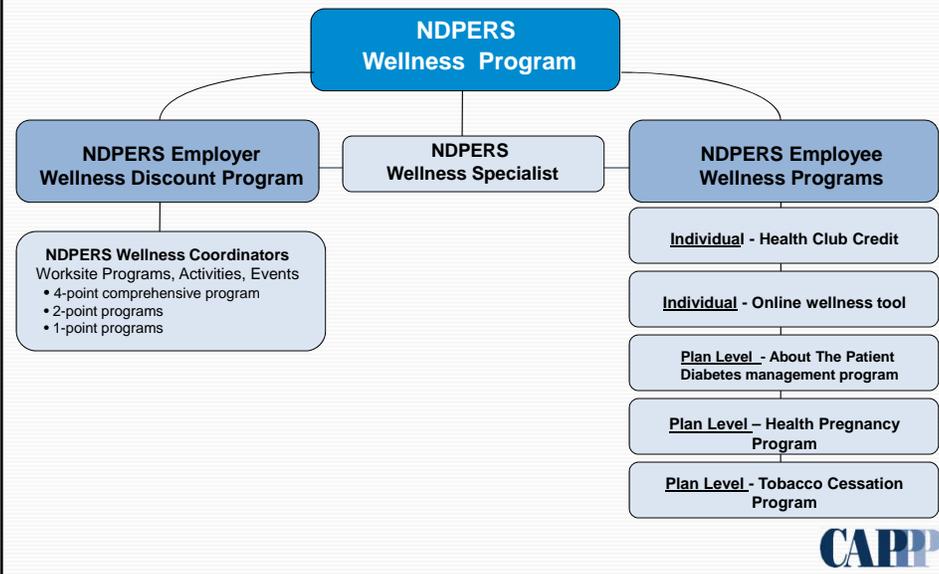
SUMMARY OF NDPERS WELLNESS PROGRAMS

Wellness

Types of Wellness

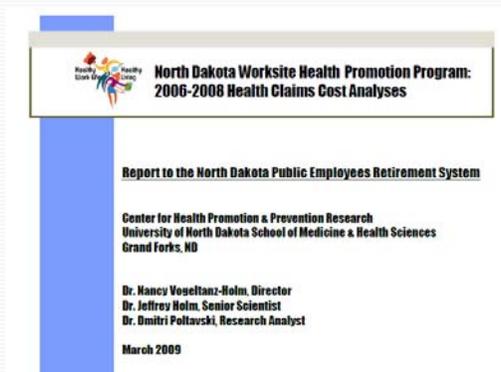
- Individual
- Employer Based
- Plan Level

NDPERS Wellness Partnership



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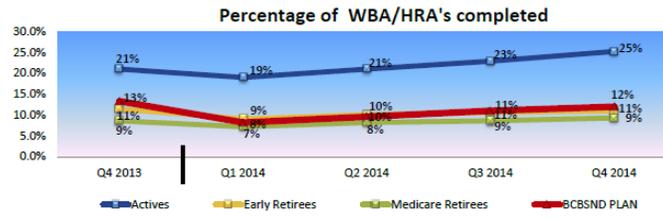
Pilot Project for Employer-Based Program



Individual – Employee

HealthyBlue

- 22% (up 2% from Q3) of total eligible members have completed a Health Risk Assessment (9,734 members).
 - BCBSND Plan HRA completion rate was 12% (up 1% from Q3)
- Point redemption through Q4 2014 - \$\$722,906 in redeemed prizes



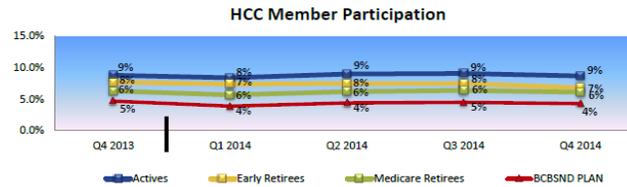
Q1 2014 begins over due to annual HRA completion requirement.

Quarters are cumulative to calendar year end

Individual – Employee

Health Club Credit

- 8% (1% decrease from Q3) participate in the Health Club Credit Program (3,635 members)
 - BCBSND Plan average is 4% (also down 1% from Q3)
- Members receiving credit 54% (same as Q3) - those participating in HCC exercise 12 or more days per month (1,950 members)
 - BCBSND Plan average is 53% (down from 54% Q3)
- Health club credits paid through Q4 2014 - \$483,525



Quarters are cumulative to calendar year end

About the
Patient



Collaborative Drug Therapy Program
Annual Report
2014

Plan Level - Diabetes

- **In 2014 there were 419 interventions (2011-2013 biennium there were 155 interventions) made by the pharmacists** in collaboration with the patient and their primary health provider in order to manage diabetes and prevent costly complications.

Hypertension Program

- The Pharmacy Association is currently working with NDPERS on a pilot hypertension program.
- Details are not yet available.

NDPERS Healthy Pregnancy Program

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FREE, voluntary educational support program for expectant mothers that provides assessment, intervention

Enrollees receive the following benefits:

- Deductible is waived for delivery services
- Packet of information concerning pregnancy and prenatal care

NDPERS Member Participation Rates (BCBS historical data)

- 28% of NDPERS members who delivered babies in 2011-13 participated in program

NDPERS Tobacco Cessation

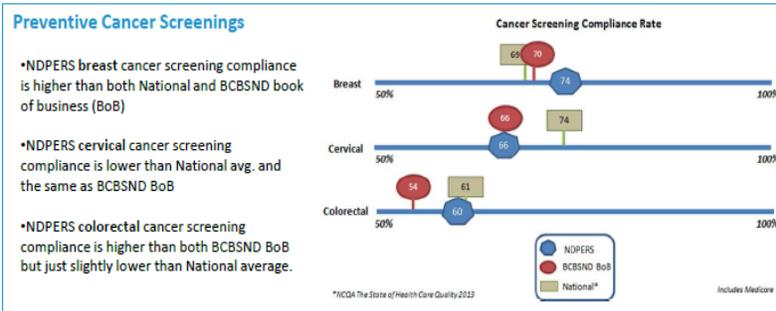
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- Program is funded by grant through Department of Health
- Available to eligible employees enrolled in health plan and dependents age 18 and over
- Enrollment: July 1, 2015 to April 30, 2016

Program Reimbursement:

- Office Visit, prescription & over the counter medications – 100% up to \$500
- Cessation Counseling up to \$200: ND Quitline, online –ND Quitnet or pre-approved face-to-face
- Participants receive a Debit Card to use for eligible expenses

Plan Level - Screenings



Consider Premium Discounts for Health Plan Premium - Legal Constraints

Katie Nermoe
Sanford Health Plan

HIPAA Nondiscrimination Requirements

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- **Under HIPAA, an individual cannot be denied eligibility for benefits or charged more for coverage because of any health factor.**
 - health status;
 - medical condition, including both physical and mental illnesses;
 - claims experience;
 - receipt of health care;
 - medical history;
 - genetic information;
 - evidence of insurability; and
 - disability.

Public Health Service Act section 2705,⁽¹⁴⁾ ERISA section 702, Code section 9802

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- Group health plans and health insurance issuers in the group and individual market are generally prohibited from discriminating against participants, beneficiaries, and individuals when establishing eligibility, benefits, or premiums based on a health factor.⁽¹⁵⁾
- An exception to this general prohibition allows **premium discounts, rebates, or modification of otherwise applicable cost sharing (including copayments, deductibles, or coinsurance) in return for adherence to certain programs of health promotion and disease prevention**, commonly referred to as wellness programs.

Two Types of Wellness Programs

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- **For regulatory purposes, there are two types of wellness programs:**

- **Participatory:** The member's reward is not based on a health factor.
 - Examples: Reimbursement of gym dues or a reward for completing a health risk assessment.
- **Health Contingent:** The member's reward is based on a health factor.
 - Examples: Must complete an activity, such as a weight loss program or tobacco-cessation program.

Health-contingent Programs

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- **Activity Only:** Must complete a specific activity to get the reward (walking program, wellness coaching, etc.)
- **Outcome-based:** A test or screen is performed following a specific activity to see if the health outcome was attained (reduction in BMI, quit smoking, etc.).

Conditions for all Health-contingent Programs ²⁵

1. Must allow reward to be earned at least once a year.
2. Combined rewards for all programs under the same plan **cannot exceed 30 percent** of the full cost (Cost of employee-only coverage or if a covered spouse is allowed to participate in the wellness program it would be employee and spouse coverage).
3. Must be designed to promote health or prevent disease.
4. The reward must be available to all similarly situated participants.
5. Reasonable alternatives must be disclosed fully in all plan documents.

Maximum Tobacco Incentives ²⁶

- **Honor System:** Smoking-cessation program that merely asks whether an employee uses tobacco.
 - This is not a disability-related inquiry under ADA.
 - Additional 20 percent tobacco incentive allowed by HIPAA, so up to 50 percent total incentive.
- **Medical Testing:** Smoking-cessation program that obtains tobacco-use information through a blood test.
 - This is considered a wellness program that incorporates a medical exam.
 - Incentive is limited to 30 percent under the ADA.
 - To leverage the additional 20 percent incentive, must stick with the Honor System.

Historical Application of Buy- Down Applied to Premiums

NDPERS Health Plan Buydown

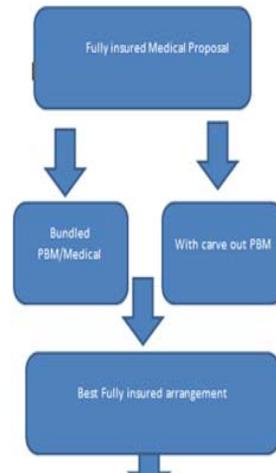
- 2003 – 2005 Biennium: \$ 6.0 Million
- 2005 – 2007 Biennium: \$14.3 Million
- 2013 – 2015 Biennium: \$11.0 Million

SELF-INSURED VS. FULLY INSURED

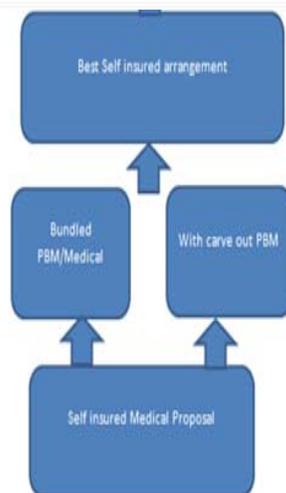
NDCC Sets Threshold for Self-Insurance

Any Self Insured plan under the section "may be established only if it is determined by the board that an administrative services only or third- party administrator plan is less costly than the lowest bid submitted by a carrier for underwriting the plan with equivalent

STEP 1 – ISSUE FULLY INSURED RFP

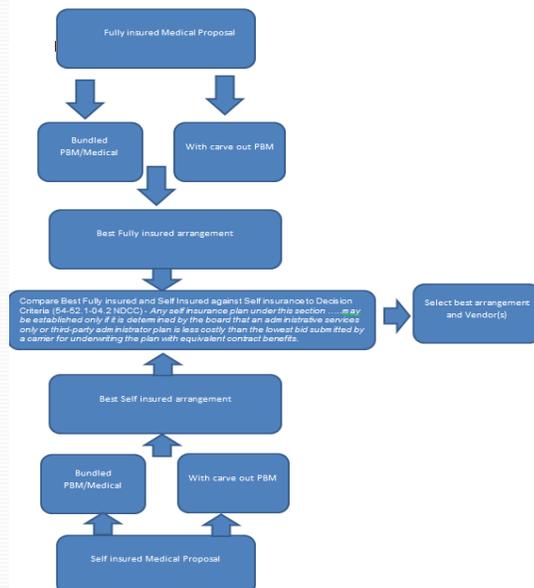


STEP 2 – ISSUE SELF-INSURED RFP



54-52.1-04.3. Contingency Reserve Fund

The board shall establish under a self-insurance plan a contingency reserve fund to provide for adverse fluctuations in future charges, claims, costs, or expenses of the uniform group insurance program. The board shall determine the amount necessary to provide a balance in the contingency reserve fund between one and one-half months and three months of claims paid based on the average monthly claims paid during the twelve-month period immediately preceding March first of each year. The board also shall determine the amount necessary to provide an additional balance in the contingency reserve fund between one month and one and one-half months for claims incurred but not yet reported. The board may arrange for the services of an actuarial consultant to assist the board in making these determinations. Upon the initial changeover from a contract for insurance pursuant to section 54-52.1-04 to a self-insurance plan pursuant to section 54-52.1-04.2, the board must have a plan in place which is reasonably calculated to meet the funding requirements of this chapter within sixty months. All moneys in the contingency reserve fund, not otherwise appropriated, are appropriated for the payment of claims and other costs of the uniform group insurance program during periods of adverse claims or cost fluctuations.



Board concluded fully insured was least financial risk to the state.



Questions