



Oregon Educators Benefit Board Minutes October 11, 2007

The Oregon Educators Benefit Board held a regular meeting on October 11, 2007, at the Willamette Education Service District building at 2600 Pringle Road in Salem, Oregon. Chair Steve McNannay called the meeting to order at 2:15 p.m.

Attendees

Board Members:

Steve H. McNannay
Brett M. Yancey
Michael J. Cannarella
Richard T. Clarke
Ron A. Gallinat
Victor S. Musial
Peter M. Tarzian
Thomas A. Husted

Board Members Absent:

Mylia Christensen
Alison S. Little, MD

OEBB Staff:

Jean Thorne, PEBB/OEBB Administrator
Carolyn Bader, Contracts Coordinator
Glenn Baly, Program/Policy Analyst
Ali Hassoun, Financial Coordinator
Scott Rupp, Communications Coordinator
Heidi Williams, Director of Operations
Rose Mann, Executive Assistant

Watson Wyatt Consultants:

Geoff Brown
Steve Carlson
Anne Thompson
Michael Marion
Carol Butterfield
Mike Wood
Kevin DeStefino

Guests:

Steve Schmick, Kaiser Permanente
Shelia Jameson, OEA Choice Trust
Doug Franz, Regence
Megan Myrick, Willamette Dental
Gordon Hoberg, ODS
Renee McDonald, Regence
Brian Riney, Providence
Tom Grimsley, Eugene Education Association
Randy Skinner, Advantage
Carolyn Van Dyke, CCIS



Steve McNannay welcomed Board members, OEBC staff and guests.

1. Approval of September 14, 2007, Board Retreat minutes and September 27, Board meeting minutes (Attachments 1-2).

Ron Gallinat moved to approve the Retreat minutes of September 14, 2007, and the Board Minutes of September 27, 2007. Tom Husted seconded the motion. The motion carried 8 - 0.

The Board agreed to accept all workgroup minutes of September 27, 2007 (Attachment 3 -6).

2. Work Plan Update - Anne Thompson, Watson Wyatt

Anne Thompson stated that the next critical items coming up on the work plan in the next two weeks are voting on temporary rules on comparability at the October 25 Board meeting and voting on the Plan Design slate at the November 8 Board meeting.

Jean Thorne stated that the Board needs to look at the plan designs in order to provide the context for the comparability rules.

Anne Thompson stated that the work plan is posted on the webpage and the Board is on target.

3. Issues Log Update (Attachment #7)

Jean Thorne stated that items 17 through 20 on the Issues Log should have Watson Wyatt listed to provide recommendations and 19 and 20 should have Board weighing in on the administrative elements. Additionally, item #11 has been closed - SB 989 was discussed at the September 27 Board meeting.

Any new issues identified by the Board or staff should be forwarded to Denise Hall.

4. Guiding Principles

Jean Thorne stated that at the September 27 Board meeting, the Board requested a “Vision Statement” be included in the Guiding Principles.

Richard Clarke asked if there should be something explicit about evidence-based issues included in the Guiding Principles.

Jean Thorne suggested the Board can revisit this document at a later date.

Richard Clarke moved to adopt the Guiding Principles and Roles and Responsibilities. Michael Cannarella seconded the motion. The motion carried 8-0.

5. Scenarios for District Phase-ins (Attachment 9)

Steve McNannay asked if there are additional scenarios to be added.

Jean Thorne stated that the Department of Justice reviewed these scenarios and agreed they are consistent with the temporary rules.

Steve McNannay asked Tom Husted if he would be willing to assist in developing a cover page that explains why these rules were developed. Tom agreed.

Victor Musial stated that there are groups in his union that had just organized and so did not have a collective bargaining agreement on the date of the Act. This scenario should be added.

Steve Carlson stated that there may be other scenarios that will come out of the survey.

Additional scenarios can be added as they are identified.

6. Other Business: Workgroup Timelines

Jean Thorne provided a handout on OEBC Workgroup Timelines and stated that at the October 25 Board meeting, preliminary recommendations will be presented by the workgroups. The Administration Workgroup will present options for enrollment, eligibility and premium processing. The Communications/Change Management Workgroup will present a preliminary

strategic plan on communications and change management. Plan Design and Quality will need to be merged at some point in time. Plan Design will make recommendations on the definition of comparability and plan design options. Quality will present preliminary recommendations on quality/health management elements that relate to RFPs. Each of these recommendations could result in long discussions and the Board will not be asked to make decisions on that day.

Between October 26 and November 8 the workgroups will meet to discuss the following:

- Administration – discuss member services model options
- Communications/Change Management – develop long-term communications/change management strategies and tactics, including recommendations of specific communication vehicles
- Plan Design – prepare final recommendation on comparability, plan design options and, in conjunction with the Quality Workgroup, RFP elements
- Quality – prepare final recommendation on quality/health management elements of plan designs and RFPs and coordinate with Plan Design Workgroup on final recommendations

At the November 8 Board meeting:

- Administration – Board votes on administrative model and is presented with preliminary recommendation on member services model
- Communications/Change Management – present OEBC Board with recommendations on long-term communications/change management strategies, tactics and vehicles
- Plan Design/Quality – present final recommendations on RFP components to the Board

At the November 29 Board meeting:

- Administration – Board votes on member services model
- Plan Design/Quality – Board votes on final recommendations on RFP components

Steve Carlson asked if 1:00 to 4:00 on October 25 will be enough time for the Board to meet and discuss recommendations.

Following discussion the Board agreed that the Communications and Administration Workgroups will meet from 9:00 to 10:15 and the Board will meet from 10:30 to 4:00 on October 25.

7. Administration Workgroup Report

Heidi Williams reported on the Administration Workgroup. The workgroup has talked with a number of stakeholders – school districts and carriers - regarding the current situation. Everyone seems to be very interested in on-line enrollment. The workgroup has looked at the pros and cons of full automation, third party administrator (TPA) and continuing a paper-based system. The workgroup has also been looking at high-level preliminary estimated costs, what can be done by October 1, 2008, and what can be done longer-term. The workgroup will present preliminary recommendations to the Board on October 25.

Richard Clarke stated that the workgroup is looking at a centralized system that uses PEBB.benefits as a model. We want to give school districts some level of control and some flexibility. The workgroup is looking at staging and this may change over time.

The workgroup is also having conversations about various customer service models. What questions will be handled by the school district, what questions or aspects will be handled by the carrier and what aspects will be handled by OEBS staff. How can we do a good blend? The recommendations will come to the Board on November 8.

8. Quality Workgroup Report

Jean Thorne reported on the Quality Workgroup meeting. The workgroup is looking at the quality components of the medical RFP in terms of the kinds of things that can be included in plan designs to support health and wellness. What kind of plan components should be included for the health plan? What are items we would want to look at in terms of a health and wellness program to include in health plans or possibly through carve-out disease management vendors? This will allow the Board to look at the strengths of including these benefits under the health plans or through a carve-out program and the cost of both of those.

The workgroup agreed to recommend requiring participation in eValue8 as a condition of submitting a proposal (the Department of Justice agreed this could be a requirement for bidding). EValue8 will serve as a baseline and will not be used for initial selection, but the information can be used when negotiating contract renewals. It is an annual survey that will allow those who are ultimately selected, to then be able to identify areas that they will work toward improvement in subsequent years. EValue8 is an online survey that is open from

December until February. Last year eight health plans in Oregon participated. Pacific Source has indicated that they will participate this year. We want to make sure all of the health plans know this will be a condition of submitting proposals. It won't be a part of the scoring process.

The workgroup is looking at a two-phased approach of what recommendations will be made for October of 2008 as well as recommendations for October 2009.

There are certain plan design elements the workgroup would like to see:

- 100% coverage of U.S. Preventive Services Task Force recommended periodic preventive screening
- 100% coverage of immunizations
- Lowest pharmacy co-pay levels for generic equivalents for preventive medications and medications used for chronic disease management. Tiered co-pays, specialty drugs, step therapy, etc., will be addressed in the larger prescription drug benefit design.
- Lowest prescription co-pay for insulin and diabetic supplies
- Lowest prescription co-pay levels for tobacco cessation aids
- 100% coverage on home-delivered over-the-counter nicotine replacement patches, lozenges or gums

If these are not incorporated in the plan design, the workgroup would want to see vendors bid separately on these. There are some elements that the workgroup would suggest should be part of the quality pieces that are scored for health plans who submit proposals. The workgroup discussed a number of issues around utilization management:

- Mandatory "notification" of non-emergency hospital admissions (stronger alternative: mandatory "pre-admission review") with financial penalty
- Length of stay management (concurrent review, including pro-active discharge planning at admission)
- Large case management
- Coordination with short-term disability, EAPs, health care decision-support
- Targeted retrospective review of non-preauthorized admissions to improve quality in future

There are a number of quality components the workgroup would want to ask the health plans about and also to score:

- Centers of Excellence for targeted procedures (e.g., major surgeries, transplants)

- Online provider quality and cost-rating tool, by procedure
- Active support of Leapfrog initiatives
- Active promotion of electronic medical records
- Provision of standard Personal Health Records for beneficiaries, with feeds from member and various data sources
- Required reporting on HEDIS measures by health plans (contract requirement)
- Study geographic variations in care and provide beneficiary and provider education
- Value-based plan design (e.g. Rx, pay-for-performance)
- Incentives for interoperable Health Information Technology

The workgroup would also look at establishing elements that would be contract requirements:

- Required reporting on HEDIS measures by health plans (contract requirement)
- Behavioral Health Networks with 24/7 support
- Providing support to community collaborative efforts on primary care measurement and reporting effort
- Participation in community collaborative efforts to create “medical homes”

The workgroup is also looking at having a health and disease management element. Disease management vendors could propose and bid. **Jean Thorne** stated that Michael Wood recommended the following, which are standard elements of most health plans:

- Online lifestyle change programs
 - Online health search engines
 - Online health information and telephonic tobacco cessation programs
 - Disease Management: cardiovascular, diabetes, lower back, high risk maternity
 - Competencies around predictive modeling, effective outreach, telephonic coaching by RNs
 - Other online and mailed educational programs, materials, tools and clinical monitoring
 - Coordination with short-term disability program, EAPs, utilization management, health care decision support
- ✓ Health Care Decision-Support
- Telephonic RN coaching for preference-sensitive conditions
 - Telephonic RN Coaching for triage of minor illnesses & injuries
 - Online tools

- Home-delivered self-care book to each family

The workgroup also discussed some elements that the Board might want to recommend to be phased in in 2009.

- ✓ Online and paper Health Risk Appraisals
- ✓ Onsite biometric screenings
- ✓ Telephonic lifestyle behavior change coaching (e.g., exercise, weight management, stress management, nutrition)
- ✓ Personalization of on-line health information tools and telephonic tools
- ✓ Expansion of disease management programs

The workgroup will engage in a more in-depth discussion regarding pharmacy at the next meeting.

Geoff Brown stated that the workgroup wants to be sure to have enough data from carriers to be able to evaluate the necessity for pharmacy benefit management.

Jean Thorne stated that the Quality Workgroup will be making recommendations to the Board on October 25 about what should be additional plan design options, areas on which to score the health plans around quality and contract requirements, recommendations for health and wellness programs for 2008 and 2009 that would be included in RFPs, any additional prescription drug utilization management pieces that would be part of the plan proposals, and recommendations around the data requirements that would be included in the RFP.

9. Plan Design Workgroup Report

Steve Carlson reported on the Plan Design Workgroup. The Plan Design Workgroup discussed current plan designs and reviewed those plan designs along with some actuarial values developed for those plans. Watson Wyatt brought a clustering of those plan designs that fit a proposed comparability standard in terms of a percentage range. There is clearly more work to be done. After the school district survey closes today, the workgroup will have more data to work with. Geoff Brown stated that as of this morning, 76 school districts have submitted data. The workgroup also reviewed plan design considerations such as the elements of plan design that should be common across all plans. The next steps for the Plan Design Workgroup will be analyzing the data from the survey. The workgroup will meet again on October 22 for a more in-depth discussion based on more data and information. The workgroup will also begin looking at dental plans.

Steve McNannay stated that it is important to get data from the other 30% of the districts that are not represented by the three major trusts. The Board needs this information in order to meet the comparability issue. Steve McNannay asked how WW tracks how many school districts have responded to the survey and who has and has not responded.

Geoff Brown stated that WW is keeping a spreadsheet on which school districts are in the trusts and which ones have responded to the survey. WW can add that together and see what the combined response is. It is imperative to have the highest possible response.

Steve McNannay stated that the Board would like to have the highest number of school districts as possible respond to the survey and asked if there is anything the Board members can do to get districts to respond.

OEBB staff will follow-up with districts not yet responding.

10. Communications/Change Management Workgroup

Carol Butterfield reported on the Communication/Change Management Workgroup meeting. The workgroup expressed its commitment to active communication in multiple forms using clear language. The workgroup discussed implementing change in the short-term (implement SB 426) and in the longer term to realize the vision (e.g., identify the stakeholders, change agents). The workgroup agreed that it is important to make sure that what is happening at the member experience-level aligns with the programs OEBB is trying to deliver – that there are no contradictions. OEBB needs to monitor progress and be reactive to emergent issues.

The workgroup discussed communicating in four phases: 1) making the case for change; 2) when RFP goes out beginning to educate members about issues and prospective plans; when plan decisions have been made, providing support to open enrollment; and 4) sustaining involvement beyond that time.

The workgroup discussed forming an outreach and feedback network with all the intact groups such as insurance committees and union representatives. Chartering those people to disseminate information as it is created centrally by OEBB, but also use them as sounding boards for receiving feedback. The workgroup also talked about proactively shaping the message in broader media by going out and talking to community newspapers and others to really get the message out about what OEBB is about. After the RFP is out the workgroup talked about rotating the Board meeting venues so that the local communities and people would have access to the Board. We understand that this presents

some cost and logistics issues. Communications is not just the stuff that gets put out but also the actions of the Board and its change agents.

Peter Tarzian stated that the Communications/Change Management Workgroup recommends to the Board that they create a distinction for the Board by taking it to the local level. The workgroup feels it is extremely important to reach out on a local level because the customers (the people in the school districts) are local in their orientation rather than “state” in their orientation.

Carol Butterfield stated that the workgroup is proposing developing a localization tool kit that individual schools or districts can use. OEBC controls the message, but the schools and districts can disseminate the message in any way necessary to get it out to as many members as possible.

Victor Musial stated that the workgroup discussed creating outreach groups and chartering them to be a part of the feedback network. He asked for a consensus from the Board to begin a recruitment process for this to begin in November or December.

Carol Butterfield explained the workgroup will bring a charter or logistics document that will keep the role structured so people don't feel they have a license to represent the Board. The chartering document will be brought to the Board on October 25.

Brett Yancey stated that he thinks this is a good idea not only for disseminating information but also getting feedback. A charter document is critical. This could be a very powerful tool.

Richard Clarke asked if the plan is to first identify people who are interested in being a part of these outreach groups.

Carol and Victor answered in the affirmative.

Steve McNannay stated that it is a good idea and a great way to get buy-in.

Jean Thorne suggested that the Board hold off until October 25 to make this decision.

Steve McNannay asked whether the Board wants the charter developed before anyone is recruited for the outreach groups. **Peter Tarzian** stated that the concept is a narrow relationship, not a broad relationship (i.e., they would not be proxies for the Board).

Brett Yancey noted that the OASBO is meeting in Portland on November 8. **Jean Thorne** suggested that the Board could meet in Portland on November 8 and start earlier and finish earlier allowing for possible involvement in the OASBO meeting. Brett will follow-up with Angie Peterman of OASBO.

Ron Gallinat stated that there is a breakout session on the agenda at the OSBA annual meeting on OEBC. Jean Thorne will follow-up with Kevin McCann to find out more about the session.

Richard Clarke stated that he thinks it is a great idea to have Board meetings around the state, perhaps after the RFPs go out. The other Board members agreed.

11. Public Comment

Tom Grimsley introduced himself and provided some background information. He is on the insurance committee of the Bethel School District.

Mr. Grimsley explained that Bethel School District has a very rich plan. It is a three tier plan. Every two years \$200.00 is provided outside the plan for any physical or test a member wishes to have done. Members are allowed to go to acupuncturists or naturopaths. Mr. Grimsley explained that his peers have told him that their "Cadillac" plan is important to them and they will forego salaries to keep their benefit plan.

Mr. Grimsley explained that the district is having problems completing the survey. He stated that the timeline needs to be extended so that districts like Bethel have an opportunity to respond to the survey and show you what they have.

Mr. Grimsley explained that they have a contract that is due to expire in June, 2008 and stated that Larry Wolfe and Gail Rasmussen from OEA told him via e-mail that Springfield and Bethel could stay out of the plan until 2010. Based on that information Bethel entered into a three year contract with Pacific Source. Within that contract they have a rate cap guarantee. OEBC has put Bethel in a precarious position with the temporary rules saying that because their contract will expire in June they will be forced to break a contract they signed last June.

Peter Tarzian suggested that Mr. Grimsley contact OEBC staff to determine the status of their contract. **Jean Thorne** asked Mr. Grimsley to let OEBC know what kind of rate guarantees they have. **Mr. Grimsley** stated that they have a guarantee of no greater than 20% and that is solely based on utilization.

Steve McNannay stated that someone from the OEBC staff will contact him to get further information on their plan.

12. Other Business

Jean Thorne stated that the PEBB Board selected Joan Kapowich for the PEBB/OEBC Administrator position. Joan is currently with SAIF Corporation as their medical services manager. She was with the Department of Human Services Office of Medical Assistance Programs as their evaluation analysis manager and the policy and program manager. Joan's start date has not yet been determined.

There being no further business before the Board the meeting adjourned at 3:50 p.m.