

## **Meeting Agenda | Health Care Policy Committee**

Thursday, October 20, 2016 | 10:00 a.m.

200 Arbor Lake Dr., Columbia, SC 29223 | Second Floor Conference Room

- I. Call to Order
- II. Adoption of Proposed Agenda
- III. Approval of Meeting Minutes- September 15, 2016
- IV. Overview of Evidence-Based Medicine Alerts Program
- V. Construction of the Express Scripts National Preferred Formulary
- VI. Proposed State Health Plan Annual Adult Well Exam
- VII. Strategic Action Plan Review
- VIII. Old Business/Director's Report
- IX. Executive Session for Purpose of Receiving Legal Advice Pursuant to S.C. Code of Laws § 30-4-70 (a)(2).
- X. Adjournment

### **Notice of Public Meeting**

This notice is given to meet the requirements of the S.C. Freedom of Information Act and the Americans with Disabilities Act. Furthermore, this facility is accessible to individuals with disabilities, and special accommodations will be provided if requested in advance.

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM**  
**Health Care Policy Committee**

**Meeting Date:** October 20, 2016

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**1. Subject:** Overview of Evidence-Based Medicine Alerts Program

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**2. Summary:** Drs. Madhavi Vemireddy and Paul Mendelowitz of ActiveHealth Management will present an overview of the evidence-based medicine alerts program that has been in place with the State Health Plan since 2006.

**3. What is Committee asked to do?** Receive as information

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**4. Supporting Documents:**

(a) Attached: 1. Overview of Evidence-Based Medicine Alerts Program

# ActiveHealth Management

## Overview of Evidence-Based Medicine Alerts Program



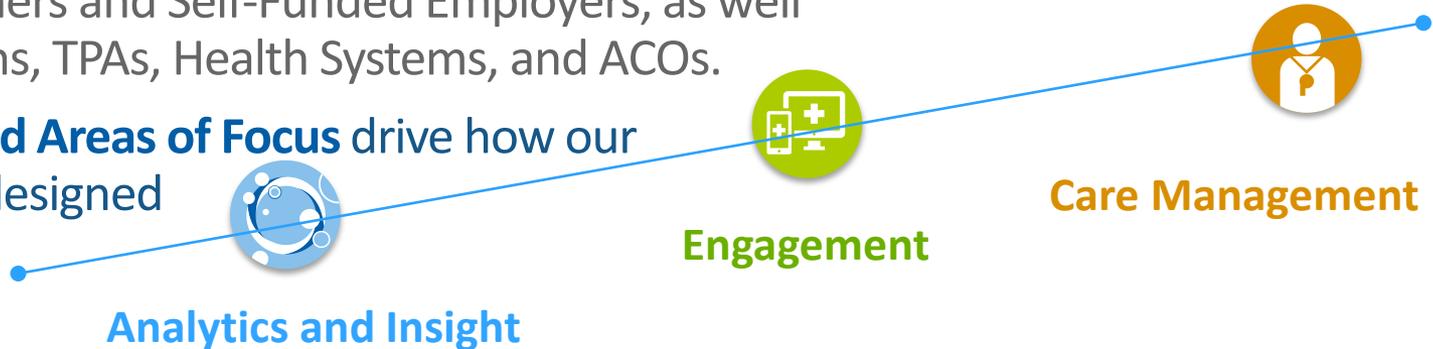
# Our company

- Evidence-based health and wellness solutions, delivering proven benefits in quality improvement and cost savings to **over 23 million individuals**
- **Patented CareEngine®** developed by physicians, for physicians—is the basis of our services, providing actionable clinical analytics and decision support
- **Broad, national customer base** includes 10 State Health Plans, Fortune 500 Employers, other Public Sector Customers and Self-Funded Employers, as well as, Health Plans, TPAs, Health Systems, and ACOs.
- **Interconnected Areas of Focus** drive how our products are designed

Founded in 1998



**1,000+** employees



# Deep expertise and experience to drive results

**Deep Expertise  
and Experience**

*Best Practices for State health  
Plans and Employees*

States (Partial list)	Lives
Alabama	152,000
Alaska	46,000
Mississippi	196,000
New Jersey	105,000
North Carolina	540,000
Pennsylvania	200,000
South Carolina	477,000
Virginia	135,000
West Virginia	150,000

**Industry  
Thought  
Leadership**

## SALGBA Participation

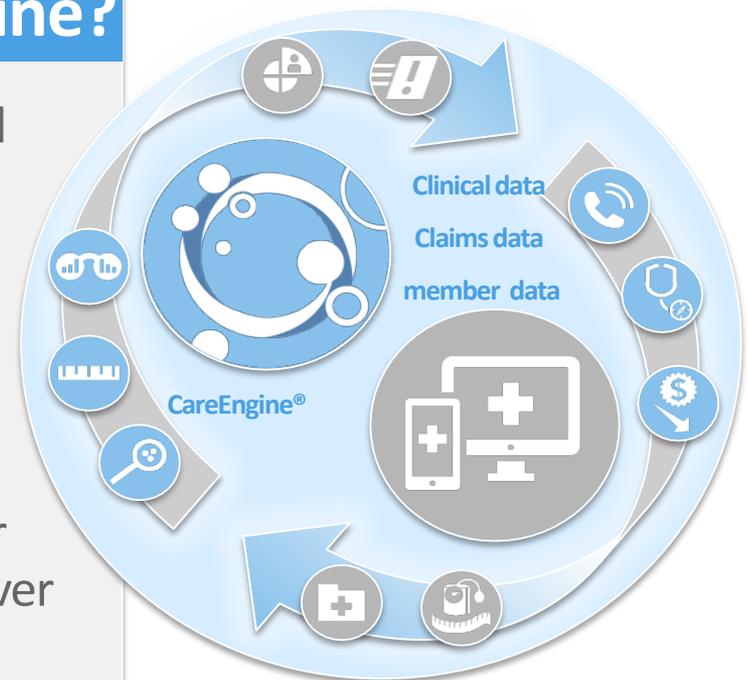
2006 , 2007	Value based Insurance Designs
2008	Member Messaging Study Results
2009	CareEngine Savings Experience
2011, 2012	Is Your Population Health Management Program Working?
2014	Member Engagement
2015	Predictive Analytics and Patient Behavior
2016	Motivating Change: Moving the needle on member health with provider incentives

# What makes CareEngine different?

Deep analytics and insights are the leading driver of **better clinical outcomes** and **effective care management**

## What creates the value of data analyzed by the CareEngine?

- Deep insight into health opportunities and actions—**stratified, scored and prioritized**
- Additional **understanding of individual provider performance**
- Evidence-based support with over **1,350 care recommendations**
- Provides insight and recommendations for over **250 health conditions**—leveraging over **8,900 rules**, updated monthly



# Continuous surveillance across the health spectrum

We are able to effectively manage the entire population, with insights and care management for over 250 conditions

<b>A</b>	<b>D</b>	Hemochromatosis	Lung Cancer	Restless Legs Syndrome
Acid-Base Imbalance	Delirium, Dementia, Amnestic, Cognitive Disorders	Hepatitis, Chronic B or C	Lung Diseases	Rheumatoid Arthritis
Alcohol-Related Disorders	Dental Health	Hepatolenticular Degeneration	Lung Diseases, Obstructive	Rhinitis
Allergy, Food	Depression	Human Immunodeficiency Virus (HIV)	Lupus Erythematosus, Systemic	<b>S</b>
Anemia	Diabetes	Hyperaldosteronism	<b>M</b>	Seizure Disorder
Angioneurotic Edema	Digestive System Diseases	Hypercoagulable State	Metabolic Syndrome X	Sexually Transmitted Diseases
Arrhythmia	Down Syndrome	Hyperglycemia	Migraines	Sickle Cell Disease
Arthritis	Drug Toxicity	Hyperlipidemia (High Cholesterol)	Multiple Sclerosis	Skin Neoplasms
Asthma	Dyslipidemias	Hyperprolactinemia	Muscular Diseases	Sleep Apnea Syndromes
Atrial Fibrillation	<b>E</b>	Hypertension	<b>N</b>	Sleep Disorders
<b>B</b>	Eating Disorders	Hypertension, Pulmonary	Nervous System Diseases	Substance-Related Disorders
Bacterial Infections	End Stage Renal Disease	Hyperuricemia	<b>O</b>	<b>T</b>
Bone Diseases	Esophageal Neoplasms	<b>I</b>	Obesity	Testicular Neoplasms
Breast Cancer	Eye Diseases	Immune System Diseases	Organ Transplantation	Thyroid Diseases
<b>C</b>	<b>F</b>	Infectious Diseases	Osteoporosis	Tics
Cancer	Frail Elderly	Inflammatory Bowel Disease (Crohn's Disease and Ulcerative Colitis)	<b>P</b>	<b>U</b>
Cardiomyopathies	Fungal Infections	Irritable Bowel Syndrome	Pain	Urinary Bladder Neoplasms
Cardiovascular Diseases	<b>G</b>	Ischemia	Pancreatitis	Urinary Calculi
Celiac Disease	Gastro Esophageal Reflux Disease	<b>K</b>	Parathyroid Diseases	Urinary Retention
Cerebrovascular Disease	Gastroparesis	Kidney Failure	Parkinson's Disease	Urination Disorders
Chronic Kidney Disease	Glaucoma	Kidney Transplantation	Peptic Ulcer Disease	Uterine Cervical Neoplasms
Chronic Obstructive Pulmonary Disease	Gynecomastia	<b>L</b>	Peripheral Arterial Disease	<b>V</b>
Colorectal Cancer	<b>H</b>	Lead Poisoning	Peritonitis	Vascular Diseases
Congenital, Hereditary, & Neonatal Diseases and Abnormalities	Hearing Disorders	Leukemia/Lymphoma	Prostate Cancer	Viral Infections
Coronary Artery Disease	Heart Failure	Liver Diseases	Psychotic Disorders	<b>W</b>
Cystic Fibrosis	Hematologic Diseases	Liver Neoplasms	<b>R</b>	Water-Electrolyte Imbalance
	Hematuria	Low Back Pain	Reproductive Health	Wegener Granulomatosis
			Respiratory Syncytial Virus Infections	

# Clinically robust and constantly evolving

Our clinical team continuously and proactively reviews medical literature to identify new opportunities to improve the health of your organization



JAMA®



The NEW ENGLAND  
JOURNAL of MEDICINE



National Heart  
Lung and Blood Institute



# Targeted, patient-specific alerts

Identify and communicate the best health practices in a timely manner



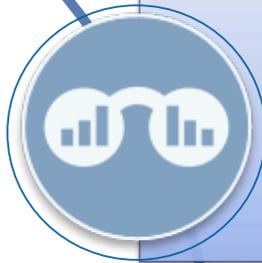
Patient Data



CareEngine®

Intelligent  
Personalization

ActiveHealth  
MANAGEMENT



## Analyze relevant clinical data

1. Age  $\geq 18$  years
2. ICD codes and medication for diabetes
3. Urine albumin/creatinine ratio 30-299mg/day



## Apply exclusion criteria

- Current ACE Inhibitor or angiotensin receptor blocker,
- Pregnancy,
- Angioedema, hyperkalemia, renovascular disease,
- Other contraindications



## Alert credible, actionable recommendation

The American Diabetes Association suggests treatment with an ACE inhibitor or an ARB in these patients in order to slow the progression of nephropathy.

# Three core technological capabilities

## Member Data Collection



## Clinical Analytics



## Ability to Deliver Insights



# Physician Care Consideration communication

Tracking Number: 12345678

Date: 7/8/2016

## Care Consideration: Statins - Avoid Use With Elevated CPK or Transaminases - #161C

Your patient has claims evidence for statins, and for lab data indicating elevated liver transaminases greater than 3 times upper limit of normal and/or an elevated creatine kinase. Statins should be avoided in the presence of liver dysfunction and/or myopathy. If your patient fits this clinical profile, and if not already done, consider reassessment of the risks/benefits of continuing statins.

Lexi-Comp Drug Information Handbook – 23rd Edition (2015-2016)

Physicians' Desk Reference 2016

Journal of the American College of Cardiology; ACC/AHA/NHLBI Clinical Advisory on the Use and Safety of Statins; 2002;40:567-572

Patient: John Doe

DOB: 06/05/40  
Physician: Dr. Jane Noone  
Tracking Number: 12345678  
Date: July 8, 2008



### ► 1. REVIEW THIS CARE CONSIDERATION for Patient John Doe

\*12345678\*

Clinical Issue

Tracking Number: 12345678 Date: 7/8/2008

#### Care Consideration: Bisphosphonates - Avoid Use in Renal Insufficiency - #99121C

Your patient is 55 years of age or older, has claims evidence for hypertension, another cardiovascular risk factor (MI, stroke, type 2 diabetes, atherosclerotic cardiovascular disease, HDL less than 35 mg/dL, smoking) and an alpha blocker. In the ALLIANT study, high risk patients treated with denosumab monotherapy had a greater risk of developing CHF than those treated with chlorthalidone alone, and the addition of other antihypertensives attenuated, but did not eliminate, this risk. If your patient fits this clinical profile, and if not already done, consider reassessing the risks/benefits of continuing the alpha blocker.

JACC/AHA/ACC Guidelines for the Evaluation and Management of Chronic Heart Failure in the Adult: Executive Summary 2001; 38:2102-2113

Circulation; Comparative Effects of Low and High Doses of the Angiotensin-Converting Enzyme Inhibitor, Lisinopril, on Morbidity and Mortality in Chronic Heart Failure (Atlas Study) 1999; 100:2312-2318

Code	Description	Occurs	Starting	Ending
51079045601	DIAB W/O MENTION COMP TYPE II/UNS-TYPE UNCNTRL	15	06/21/2006	10/20/2009
0002015000	AVANAVIA	11	02/15/2008	12/29/2009
0002000010	METFORMIN HCL	6	06/21/2008	12/29/2009
2157-6	DIAB W/O MENTION COMP TYPE II/UNS-TYPE UNCNTRL	15	06/21/2006	10/20/2009
0002015000	AVANAVIA	11	02/15/2008	12/29/2009
0002000010	METFORMIN HCL	6	06/21/2008	12/29/2009
2157-6	DIAB W/O MENTION COMP TYPE II/UNS-TYPE UNCNTRL	15	06/21/2006	10/20/2009
0002015000	AVANAVIA	11	02/15/2008	12/29/2009

See next page for answers to Frequently Asked Questions

Member Data

Code	Description	Occurs	Starting	Ending
51079045601	SIMVASTATIN 40 MG TABLET	15	6/21/2014	7/4/2016
2157-6	Creatine kinase	1	7/1/2016	7/1/2016
65243006515	SIMVASTATIN 20 MG TABLET	12	1/14/2014	4/24/2016

### ► 2. CHECK ONE OF THE FOLLOWING AND FAX TO 1-866-681-3980

I HAVE already implemented this Care Consideration

I PLAN to implement this Care Consideration

I will not implement this Care Consideration because...

- Patient does not have diagnosis/condition mentioned
- Patient is NOT known to me or any other clinician in my practice
- Patient stable on current regimen
- I am not treating the patient for the diagnosis/condition mentioned
- Patient is allergic/intolerant to the drug
- Patient is no longer treated in this prac
- Patient is noncompliant
- Patient is terminally ill or expired

To speak with a Clinician call 1-800-319-4454

IMPORTANT NOTICE: Carecenter and intended only for the person to whom it is addressed. If you received this communication in error, please destroy it and not use its contents in any way. According to our risk, you are the physician who most recently treated the patient and/or is most closely related to this Care Consideration. If you are no longer treating this patient, or are not in a position to respond, please contact our Clinical Information Center toll-free at 1-800-319-4454 or fax 1-855-661-3900.

Physician Survey

I HAVE already implemented this Care Consideration

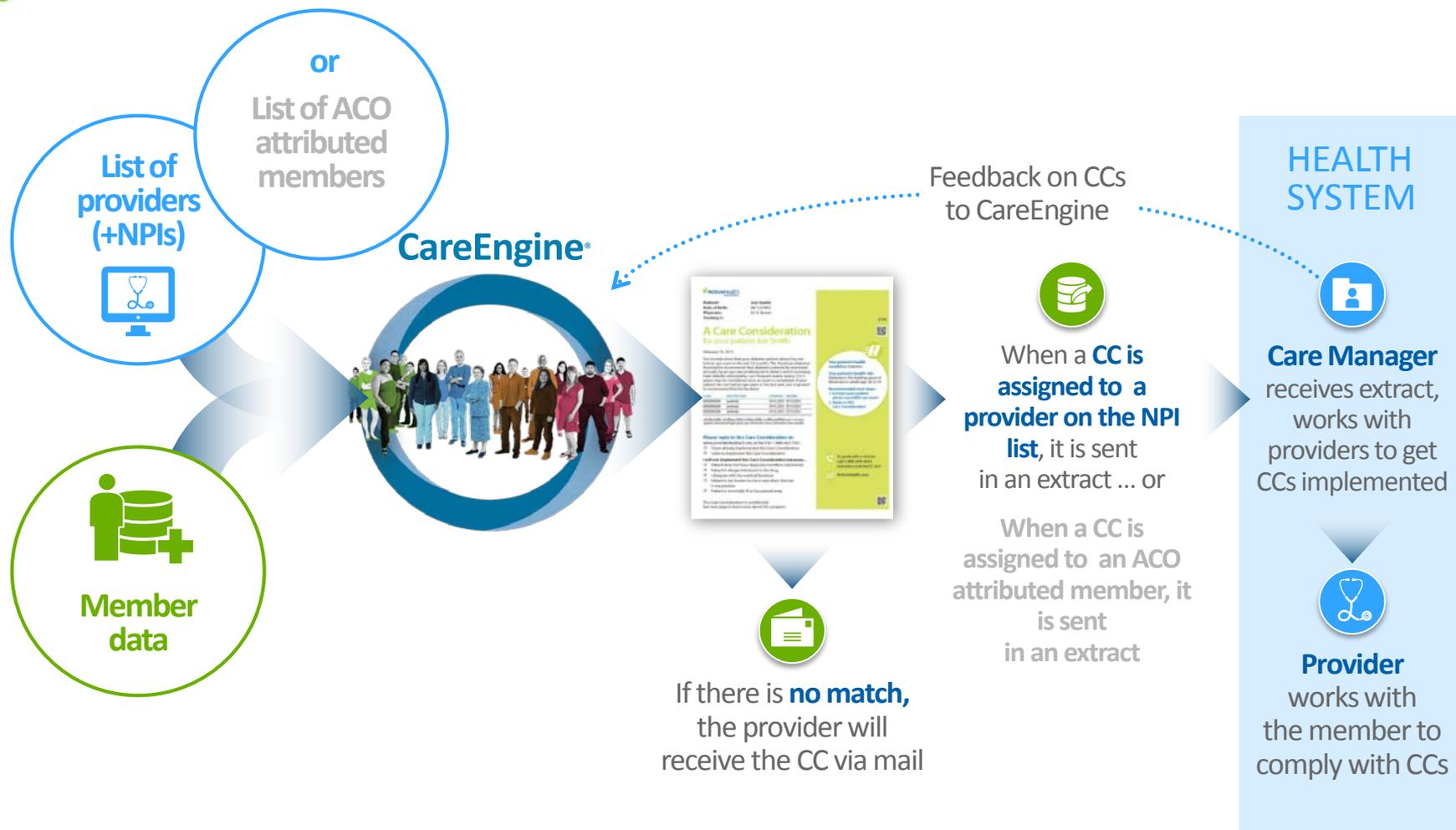
I PLAN to implement this Care Consideration

I will not implement this Care Consideration because...

- Patient does not have diagnosis/condition mentioned
- Patient is NOT known to me or any other clinician in my practice
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- Patient is terminally ill or expired



# Electronic Care Consideration delivery



# Examples of Care Considerations by severity level

## *Prioritize by clinical urgency*

Evidence-based support with over  
**1,350 health improvement opportunities**

### SEVERITY 1

**402 Metformin –  
Contraindicated with Renal  
Insufficiency**

**442 Lipid Lowering Drugs –  
Contraindicated During  
Pregnancy**

**454 ACE Inhibitors -  
Contraindicated in  
Angioneurotic Edema**

### SEVERITY 2

**72 Warfarin - Consider INR  
Monitoring**

**87 MI - Consider Adding a  
Beta Blocker**

**171 Decreased WBC -  
Caused or Exacerbated By  
Drugs**

### SEVERITY 3

**291 Cardiovascular Disease  
Prevention – Consider Lipid  
Panel Monitoring**

**1168 Diabetes – Consider  
Hepatitis B Vaccination**

**903 High Risk Condition –  
Consider Endocarditis  
Prophylaxis**

# CareEngine impact – improves care gap closure, avoidable hospitalizations and total cost



## Original Study

**GAP CLOSURE:** 42% greater

**HOSPITALIZATIONS:** 9.1% fewer overall; 19.2% fewer in those receiving care considerations

**PAID CLAIMS:** \$8.07 PMPM lower across the study population \$68 PMPM lower for those receiving care considerations



## Follow-Up Study

**Five months after the original study ended, CareEngine was turned on for all members of the health plan**

- Over approximately one year, costs for members of the former intervention and control groups converged
- Additional analytics on the original study revealed that savings occurred in patients with the top 10% of costs—suggesting that the main cost-saving effect of the CareEngine was on hospitalizations

Our accuracy leads  
to your savings

compliance rate is  
**138% higher**  
than spontaneous  
compliance<sup>1</sup>



- ▶ **Drawing on claims, data and clinical expertise, Care Considerations** provide a holistic picture of the individual
- ▶ **Our ability to create a full history of the member means more** personalized communications that are highly reliable and more likely to be followed
- ▶ **Spontaneous compliance occurs when** a provider takes an action that would resolve a care consideration without actually receiving a care consideration
- ▶ **When studied in a randomized, prospective manner,** spontaneous compliance rates were reported at 17%<sup>1</sup>

1. Javitt et al. Using a claims data-based sentinel system to improve compliance with clinical guidelines: Results of a randomized prospective study. *American Journal of Managed Care* . Feb 2005; 11:93-102

# Improving clinical outcomes

Findings from a 2013 study continue to support the effectiveness of CareEngine as a tool for improving outcomes, clinical prevention and reducing costs

Identifying and resolving gaps	<ul style="list-style-type: none"><li>• 54 opportunities for health improvements per 1,000 people</li><li>• 43% of the study group complied with the recommended alert</li></ul>
Improving clinical outcomes	<ul style="list-style-type: none"><li>• 8 of 13 important clinical indicators improved in the study group</li></ul>
Preventing ER and hospitalizations	<ul style="list-style-type: none"><li>• Reduced ER visits by 8%</li><li>• Reduced hospitalizations by 8%</li></ul>
Reducing medical spend costs	<ul style="list-style-type: none"><li>• CareEngine reduces medical cost by 3%</li><li>• Savings of \$2,295 for each resolved Care Consideration</li></ul>
<b>A retrospectively matched controlled cohort study with 163,000 members , utilizing over two consecutive years of data</b>	

\*CVA—Lipid pan monitoring, Diabetes— consider HbA1C monitoring, Diabetes— Nephropathy monitoring, Osteoporosis—Use of pharmacologic treatment, Rheumatoid arthritis and steroid use—BMD testing, Rheumatoid arthritis—Use of DMARD, Heart failure—ACE inhibitor therapy, PAD—Use of lipid lowering agents)



# South Carolina State Health Plan 2016 Care Considerations compliance rate

## Aggregate Care Considerations Results (% Compliance)

	SC SHP%	BOB %
Total Care Consideration Compliance	40.4%	30.6%
Severity 1 CC's	74.4%	61.0%
Severity 2 CC's	41.0%	31.7%
Severity 3 CC's	25.5%	28.2%

Compliance is measured based on the resolution rate of Care Considerations issued in the 1<sup>st</sup> 6 months and a projection of the resolution rate for the volume of Care Considerations issued in the last 6 months of a 12 month period. The State Health Plan includes actives and retirees. The SHP has performed better than our BOB for several years demonstrating awareness and understanding of Care Considerations across the state.

# How the CareEngine produces savings

IDENTIFY & MESSAGE POTENTIAL GAPS  
FROM EVIDENCE-BASED CARE



6 MOS LATER: CHECK GAPS FOR CLOSURE



FROM AN EVIDENCE-BASED HEALTH  
ECONOMIC MODEL (HEM) ATTACH  
SAVINGS TO EACH RESOLVED GAP



Only Severity 1 and 2 gaps (care considerations) that demonstrate closure *in the data* are given savings

# HEM example: high-risk Atrial Fibrillation / no Anti-coagulant (secondary prevention)

1 year probability of stroke **without** anticoagulation.

1 year probability of stroke **with** anticoagulation

Adverse Event	AE Rate Without Intervention	AE Rate With Intervention	Prevention Rate	Cost per Adverse Event	\$ Saved
Hospitalization for Stroke	6.84%	2.19%	4.65%	\$51,652	\$2,401.01
Cost of intervention per CC (medication, monitoring, MD visits and cost of bleeding complications @ \$405 per CC)	<p>PREVENTION RATE: Reduced probability of the AE over 1 year, due to resolving the CC (starting warfarin). Equates to preventing strokes in 4.65 people who resolve the CC.</p>				\$794.71
<b>Net HEM Saving per Resolved CC</b>					<b>\$1,606.30</b>

Adverse event costs are as allowed charges and are for illustration only.

Drug costs are from a standard database. This model does not account for use of newer anti-coagulants such as dabigatran.

# Achieving healthy outcomes & fewer hospitalizations with Care Considerations

## South Carolina State Health Plan – aggregate results



### Preventing worsening of heart disease

**903** Care Considerations sent  
**37%** Resolution Rate  
**11** Events prevented  
**\$2,131,066** In total savings



### Preventing worsening of asthma

**1,011** Care Considerations sent  
**51%** Resolution Rate  
**24** Events prevented  
**\$889,110** In total savings



### Vascular / kidney complications

**7,221** Care Considerations sent  
**24%** Resolution Rate  
**60** Events prevented  
**\$5,614,101** In total savings



### Preventing heart attacks

**37,715** Care Considerations sent  
**26%** Resolution Rate  
**152** Events prevented  
**\$7,862,108** In total savings

# Impacting SC state employees

- A 52 year old woman with several chronic conditions—diabetes, heart failure, coronary artery disease, GERD (chronic heartburn), high blood pressure, low thyroid function, chronic kidney disease, and pain. She takes many medications to treat these conditions, and to help manage her chronic pain and anxiety (narcotics, muscle relaxants, tri-cyclic antidepressant). She visited 6 providers in 2013 and frequently visited the ER.
- Between Jan to Jun of 2014, CareEngine communicated eight Care Considerations to one provider. The CareEngine algorithms determined this provider was best positioned to address the following concerns:
  - Consider adding certain medications:
    - ACEI or ARB to better control her heart failure and high blood pressure with diabetes. ACEI/ARBs protect the kidneys in diabetics, lower the risk of heart attack or stroke; and reduce hospitalizations and mortality in people like her.
    - A statin because she has cardiovascular disease; this will lower her risk of heart attack, stroke, and vessel blockage in her legs.
  - Consider monitoring:
    - HbA1c (monitors average blood sugar level over time) since she has diabetes but no evidence for monitoring in the past 6 months
    - Microalbuminuria (monitors protein in urine) since diabetes causes kidney problems but no evidence for monitoring in the past 12 months
    - Liver function because she is taking pioglitazone to treat her diabetes but no evidence for monitoring in the past 12 months
    - TSH because she is taking thyroid hormone, but has no evidence for monitoring in the past 12 months
    - Lipid (cholesterol) level to monitor an important risk factor for vascular disease but no evidence for the test in the past 12 months.
  - Consider a diagnostic work-up:
    - She was found to have blood in her urine (hematuria) but with no diagnosis or evidence of a workup to determine the cause. Patients with unexplained persistent hematuria should be evaluated for bladder or kidney disease including infection, stone or cancer.

**Averaging 40 days after AHM mailed the Care Considerations, AHM identified compliance with the recommendations (e.g. ACEI prescription filled, labs completed, and diagnostic work-up completed).**

**There have been no claims for an MI or stroke since June 2014.**

# Impacting SC state employees

- A 37 year old male with coronary artery disease with history of heart attack, high blood pressure (hypertension), and chronic back and neck pain. He is taking several medications.
- Between March to May of 2014, CareEngine sent five Care Considerations to one provider. AHM's proprietary algorithm determined this provider was best positioned to address the following concerns:
  - **Consider adding:**
    - ACEI or ARB because he has coronary artery disease with additional risk factors. ACEI/ARBs lower the risk of cardiovascular events (ex. MI or stroke), and reduce recurrent hospitalizations/mortality.
    - Beta-blocker because the member had a heart attack in the past. A Beta-blocker can reduce his risk of another heart attack and life-threatening abnormal heart rhythms.
  - **Consider monitoring:**
    - Lipid (cholesterol) level to monitor an important risk factor for further vascular disease (and effectiveness of cholesterol-lowering treatment) but he has no evidence for the test in the past 12 months.
  - **Stop:**
    - Taking NSAIDS because it may exacerbate hypertension and of a drug interaction antiplatelet agent (i.e. Plavix). NSAIDs may cause fluid retention and thereby make hypertension more difficult to control. Moreover, the combination of an NSAID with an antiplatelet agent may lead to increase risk for bleeding.

**Averaging 65 days after AHM mailed the Care Considerations, AHM identified compliance with the recommendations (e.g. ACEI prescription filled, labs completed, and stopping the chronic use of the NSAID).**



Thank you



**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM**  
**Health Care Policy Committee**

**Meeting Date:** October 20, 2016

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**1. Subject:** Construction of the Express Scripts National Preferred Formulary

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**2. Summary:** Shawn Davis of Express Scripts will discuss the National Preferred Formulary, which becomes effective in the State Health Plan with the start of 2017.

**3. What is Committee asked to do?** Receive as information

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**4. Supporting Documents:**

(a) Attached: 1. SC PEBA Formulary Overview

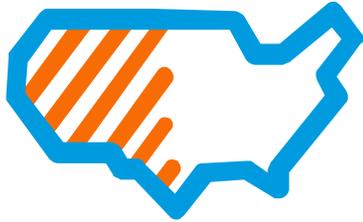
# SC PEBA Formulary Overview

**Shawn Davis, PharmD, MBA**

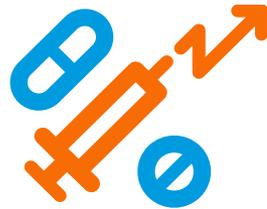
**Sr. Director, Formulary Solutions**



# Payers are challenged like never before



Almost **50%** of Americans have at least **one chronic condition**



**Specialty drug trend** in 2015 was **17.7%** dramatically outpacing economic inflation



**Inflammatory conditions, multiple sclerosis and cancer** are driving a specialty cost boom

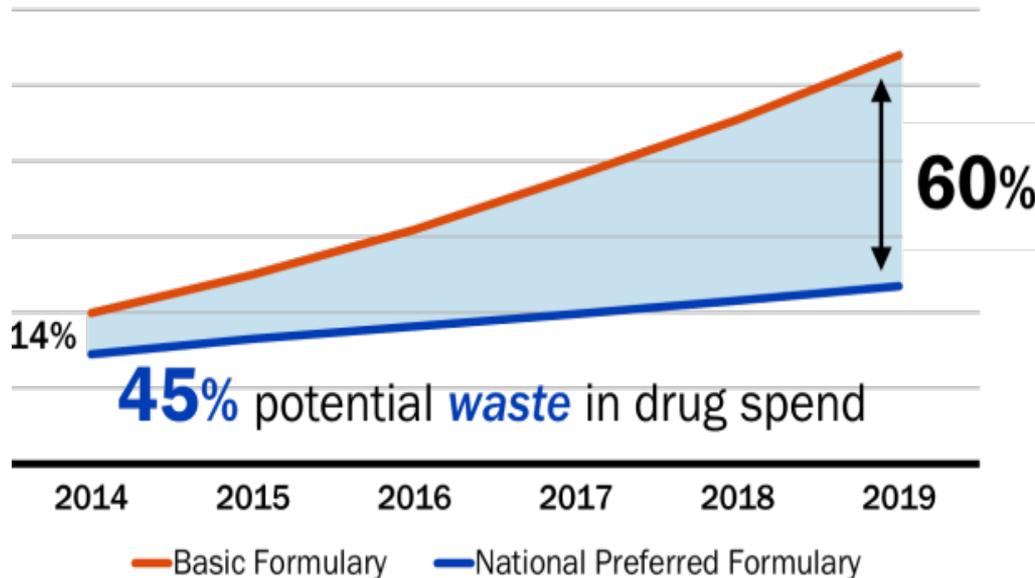


The average price of **brand medications** rose **164%** between 2008 and 2015

Our unique model of alignment delivers results

# Changing market dynamics push costs upward

## Projected spend for targeted classes



## Why prices soar

- Pharma innovations
- Price inflation
- Direct-to-consumer advertising
- Copay cards
- Expertise needed for managing rare/complex conditions
- Patients unaware of equivalent drugs with lower copays

Projected cost of worldwide drug sales in 2020<sup>1</sup>:

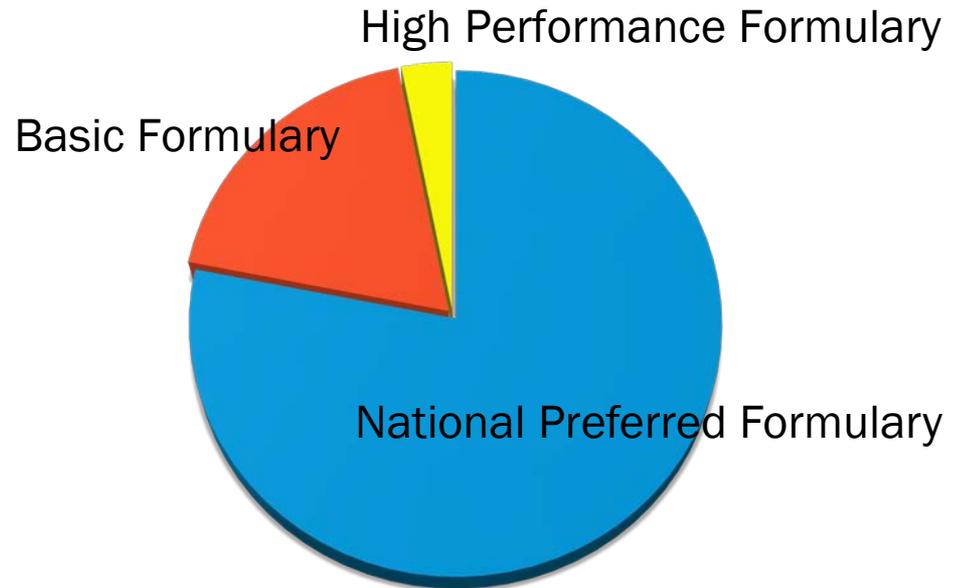
**\$1 trillion**

**11.3% expected rise in prescription coverage costs<sup>2</sup>**

1. 2014 EvaluatePharma. World Preview 2014  
2. For 2016, compared with an estimated 8.6% increase in the previous year; 2016 Segal Health Plan Cost Trend Survey

# National Preferred Formulary Overview

- National Preferred Formulary initiated in 2014
  - Provided clients ~\$5 Billion in additional rebates in 4 years
- ~80% Express Scripts' clients utilize the NPF
- South Carolina Employers
  - 94% (15/16) SC based employers utilize NPF



# Now is the time to move to the NPF for increased savings

- 25 million members on one formulary encourages manufacturers to provide their most competitive rates
- Threat of exclusion from our formulary enables us to limit overall exclusions by negotiating better rates

**Driving significant value  
through few formulary changes**



# Formulary Management Philosophy

1

Focus on clinical first to ensure unbiased clinical evaluation

2

Ensure adequate coverage in all therapy classes

3

Exclude few low value and high cost drugs

- Prevents coupon cards since not third tier
- Specialty drugs addressed via formulary management
- Establishes inflation protection on brands
- Formulary exception process for clinical necessity

4

Ensure smooth transition for members

- Targeted member notification letters
- *RapidResponse* letters

# Pharmacy and Therapeutics Committee

- Committee comprised of 15 physicians and 1 pharmacist
  - All non-Express Scripts employees

- ***Sub-specialties***

Allergy and Asthma

Geriatrics

Ophthalmology

Cardiology

Geriatric pharmacy

Pediatrics

Dermatology

Internal Medicine (2)

Psychiatry

Endocrinology

Obstetrics & Gynecology

Pulmonology

Gastroenterology

Oncology

Rheumatology

- Members are selected by the Committee based on:
  - Contributions to the medical and pharmacy literature
  - National recognition in their specialty
  - Involvement in clinical (patient care) practice (membership prerequisite)
  - Previous experience with P&T committees

<http://lab.express-scripts.com/about/~media/fb7c116a462a46fa95a5213e0af4bfc3.ashx>

# Express Scripts Formulary Development Committees

## THERAPEUTIC ASSESSMENT

- Reviews available evidence
- Creates monographs for P&T



## PHARMACY AND THERAPEUTICS

- Reviews monographs
- Determines clinical parameters for VAC



## VALUE ASSESSMENT

- Uses parameters to perform analysis
- Makes formulary recommendations for P&T

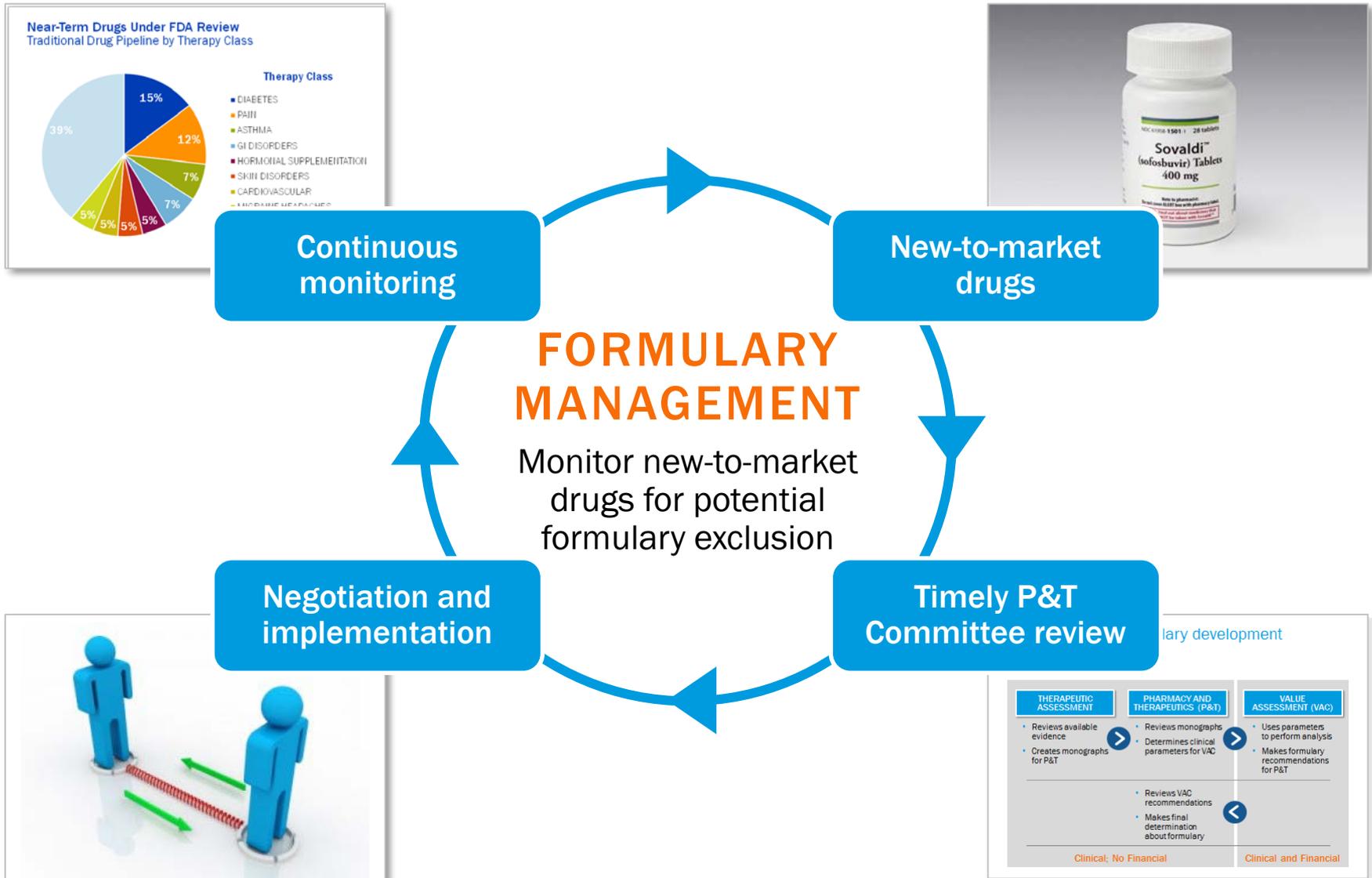
- Reviews VAC recommendations
- Makes final determination about formulary



**Clinical; No Financial**

**Clinical and Financial**

# Ongoing formulary management





**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM**  
**Health Care Policy Committee**

**Meeting Date:** October 20, 2016

---

**1. Subject:** Proposed State Health Plan Annual Adult Well Exam

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**2. Summary:**

**3. What is Committee asked to do?** Receive as information

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**4. Supporting Documents:**

(a) Attached: State Health Plan Proposed Annual Adult Checkup

## State Health Plan-proposed annual adult checkup

This document describes the proposed annual adult well exam, or checkup, benefit for coverage under the State Health Plan (SHP). The services, which are described in the section detailing the scope of coverage, assumed to be included in the benefit were based upon literature review, claims experience analysis, medical policy of other state employee/retiree systems, the United States Preventive Services Task Force (USPSTF) recommendations, and consultations with medical staff at Blue Cross and Blue Shield of South Carolina (BlueCross) and with actively practicing primary care physicians.

### Assumptions made in the development of the benefit

- The benefit would be available annually to all non-Medicare primary adults covered by the SHP
- The benefit would be "first dollar" in nature in that it would not be subject to general plan provisions (deductible or coinsurance)
- The benefit would cover all evidentially supported services typically performed in an adult checkup
- The benefit would cover all evidentially supported services typically performed in an adult well-woman checkup that are not currently covered by the SHP
- The benefit could also cover other commonly performed adult checkup related services
- The benefit assumes the adult checkup would be limited to primary care physician provider type or specialty to include physicians specializing in General Practice, Family Practice, Internal Medicine, and Obstetrics and Gynecology
- Follow-up services performed as a result of the adult checkup would be subject to existing plan provisions (per occurrence copays, deductible, and coinsurance subject to applicable out-of-pocket maximums)

### Data sources used in modeling the benefit

- Current enrollment, as supplied by PEBA
- 2016 non-Medicare primary member medical claims experience, as supplied by BlueCross
- Enrollment and claims data from other public sector employee plans to develop take-up rate assumptions

## Annual adult checkup- scope of coverage

### Evidentially supported services

- Preventive, comprehensive examination (office visit)
- Venipuncture
- Plasma glucose test
- Lipid panel lab test
- Weight counseling (if indicated)
- Tobacco cessation counseling (if indicated)
- Chlamydia screening
- Cervical cancer screening (Pap test currently covered at no member cost)
- Human papillomavirus (HPV) testing every five years in combination with cervical cancer screening (covered at no member liability as part of the current Pap test benefit by 2017)

### Commonly performed adult checkup related services

- Electrocardiogram (EKG or ECG)
- Hemogram, otherwise known as a complete blood count (CBC), test
- Prostate-specific antigen (PSA) test
- Basic metabolic panel (BMP)

Note: both the CBC and the BMP are included as part of the preventative biometric screening currently provided to SHP eligible members at no member cost.

## Cost impact to the State Health Plan – evidentially supported services package

- Total Plan cost impact with no patient liability: 2.2%
- Total Plan cost impact with \$50.00 patient copay: 1.7%

## Cost impact to the State Health Plan – evidentially supported services package plus inclusion of other commonly performed adult checkup related services

- Total Plan cost impact with no patient liability: 2.9%
- Total Plan cost impact with \$50.00 patient copay: 2.4%

**PUBLIC EMPLOYEE BENEFIT AUTHORITY AGENDA ITEM**  
**Health Care Policy Committee**

**Meeting Date:** October 20, 2016

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**1. Subject:** Strategic Action Plan Review

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**2. Summary:** Quarterly update on progress towards completion of the 2015-2018 PEBA Board Strategic Plan – Staff Action Plans.

**3. What is Committee asked to do?** Receive as information

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**4. Supporting Documents:**

Attached:     1. PEBA Strategic Plan Completed Items (Apr-Oct 2016)  
                  2. PEBA Board Strategic Plan- Staff Action Plan Open Items

# Health Care Policy - Open Items

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Target Completion Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
Health Care Policy	Compliance	3.1	Implementation of GASB 74 OPEB Standard	6/30/2017		Phyllis Buie Bob Avery	5/13/16 Broke Seq # 63 in to two sequence numbers to reflect GASB 74 and GASB 75. New Seq # is 158.		63
Health Care Policy	Compliance	3.1	Implementation of GASB 75 OPEB Standard	6/30/2018		Phyllis Buie Bob Avery	5/13/16 Broke Seq # 63 in to two sequence numbers to reflect GASB 74 and GASB 75.		158
Health Care Policy	Data Analysis	2.1	Collect and analyze applicable health care data in order to appropriately measure the effectiveness of current and future health care initiatives: <b>require workplace screening providers to electronically provide biometric data to the plan and / or the ASO</b>	1/1/2017		Laura Smoak Ken Turnbull Elliot McElveen	6/3/16 - Target completion date changed from 6/1/16 to 1/1/17 2/16/16 Target completion date changed to June 2016 from Jan 2016 per Sarah Corbett. 2/10/16 - Implementing onboarding of biometric value in a phased in approach with a targeted completion date of May 2016.		61
Health Care Policy	Planning and Execution	1.1	Communicate the proposed budget requirements for both the State Health Plan and Basic Dental Plan for the 2018 plan year.	11/15/2016		Rob Tester			160
Health Care Policy	Planning and Execution	2.1	Reach 40 percent of State Health Plan active employees through employer participation in PEBA Health Hub	12/31/2016		Laura Smoak			199
Health Care Policy	Planning and Execution	2.1	Increase unique count of members participating in tobacco cessation program or utilizing tobacco cessation prescription drugs by 5 percent	12/31/2016		Laura Smoak			200
Health Care Policy	Planning and Execution	2.1	Increase rate of State Health Plan members current with colorectal cancer screening by 1.5 percentage points	12/31/2016		Laura Smoak			201
Health Care Policy	Planning and Execution	1.2	Complete a review of the major cost drivers of the state health plan and develop methods for improvement.	2/28/2017		Rob Tester			189
Health Care Policy	Planning and Execution	2.1	Implement Rally with full launch to state health plan members	3/1/2017		Heather Young Laura Smoak	5/23/16 New Seq # is 159. Added per SNC.		159
Health Care Policy	Planning and Execution	2.1	Employer Engagement - Identify 5 worst performing employers and communicate	12/31/2017		Sarah Corbett	5/23/16 New Seq # is 161. Added per SNC.		161
Health Care Policy	Planning and Execution	2.1	Employer Engagement - Attend Group Meetings of "C Suite" to increase engagement	12/31/2017		Sarah Corbett	5/23/16 New Seq # is 162. Added per SNC.		162
Health Care Policy	Planning and Execution	2.1	Engage employers to host worksite or regional preventive screenings using participating PEBA screening providers and collaborate with employers using their own screening provider to potentially share biometric data.	12/31/2017		Sarah Corbett	5/23/16 New Seq # is 163. Added per SNC.		163
Health Care Policy	Planning and Execution	1.2	Continue to evaluate and implement referenced based pricing.	12/31/2017		Rob Tester			188
Health Care Policy	Planning Support	1.2	<b>PCMH Initiative:</b> evaluate plan effectiveness , provider accessibility and member participation; continue to evaluate PCMH cost effectiveness	12/31/2017		Rob Tester Laura Smoak	5/13/15: Working on map and presentation from Blue Cross team.		152

# Health Care Policy - Completed Items (Apr - Oct 2016)

## PEBA Board Strategic Plan - Staff Action Plans

Committee	Strategic Category	Goal/Strategy	Actions	Implementation Date	Status	Responsible Staff Leader	Notes	Funston	Seq #
Health Care Policy	Planning and Execution		Research alternate PBM structures	5/13/2016		Rob Tester	5/13/16 Eric St. Pierre submitted report on 4/29/16.		77
Health Care Policy	Planning and Execution	2.1	Wellness Health Management Initiatives: understand and document the current level of wellness participation to create an accurate baseline: develop a wellness scorecard to provide employers: <b>score card communicated</b>	5/23/2016		Laura Smoak	5/13/16 Email out Wed, May 18, 2016.		79
Health Care Policy	Planning and Execution	1.2	<b>Specialty Pharmacy:</b> develop strategies to address specialty pharmacy spend and to better manage specialty pharmacy sector; work collaboratively with pharmacy and medical contractors	7/21/2016		Rob Tester Laura Smoak			156
Health Care Policy	Planning and Execution	1.0	Complete <b>medical ASO</b> contracting process in a timely manner that permits sufficient time for implementation; conduct process in a manner which serves the best interest of the SHP and its membership; contract includes wellness programming to enhance product offerings which promote employee wellness	10/10/2016		Rob Tester David Quiat			148
Health Care Policy	Planning and Execution	1.0	Complete <b>Behavioral Health</b> contracting process in a timely manner that permits sufficient time for implementation; conduct process in a manner which serves the best interest of the SHP and its membership	10/10/2016		Rob Tester Georgia Gillens			149
Health Care Policy	Planning Support		Identify and implement a comprehensive health care consultant relationship for the health care plan: <b>complete procurement for consultant relationship</b>	5/13/2016		Georgia Gillens Rob Tester	3/18/16: Unsuccessful RFP.		71
Health Care Policy	Planning Support	1.2	<b>MUSC Health Plan Pilot:</b> continue financial analysis of plan performance and work collaboratively with MUSC on plan management	7/21/2016		Rob Tester Laura Smoak			151