

MINUTES

PUBLIC AGENCY COALITION ENTERPRISE (PACE)

EXECUTIVE COMMITTEE MEETING

October 19, 2022

2:00 pm

I. CALL TO ORDER

The meeting was called to order at 2:02 pm.

II. ROLL CALL

EXECUTIVE COMMITTEE MEMBERS:

REGIONAL GOVERNMENT SERVICES
SUPERIOR COURT OF CA, MENDOCINO COUNTY
TRUCKEE DONNER RECREATION & PARK DISTRICT
UPLAND, CITY OF
SANGER, CITY OF

Jennifer Bower, **President**
Kim Turner, **Secretary/Treasurer**
David Faris, **Vice President**
Theresa Doyle, Non-Officer Member*
Becky Ramirez, Non-Officer Member*

MANAGERS:

KEENAN & ASSOCIATES

Peter McNamara
Chris Jordan
Nancy Schott

OTHERS:

KEENAN & ASSOCIATES

Sam Mel-Chan
Dayna Gowan

VIDA HEALTH

Stefan Van Doren
Gretchen Zimmerman

REGIONAL GOVERNMENT SERVICES

Christina Nygard

*Not in attendance.

III. PUBLIC COMMENTS

There were no public comments.

IV. APPROVAL OF AGENDA – October 19, 2022

Presented by Jennifer Bower

Action
2022-065

Motion to approve the October 19, 2022 Agenda: 1. David Faris and 2. Kim Turner. Motion unanimously approved by the Executive Committee.

V. APPROVAL OF MINUTES – August 24, 2022 **Action**
2022-066
Presented by Jennifer Bower

Motion to approve August 24, 2022 Minutes: 1. Kim Turner and 2. David Faris. Motion unanimously approved by the Executive Committee.

VI. CORRESPONDENCE **Information**
2022-067
Presented by E. Peter McNamara

The communication from Anthem regarding a name change for the IngenioRX mail order and specialty RX program to CarelonRx for the HMO and HDHP plans was reviewed.

EmpiRx P&T changes effective October 1, 2022 were reviewed. Affected members will be contacted by EmpiRx 45 days prior to December 31, 2022. The 2022 Q1 EmpiRx Rebate Reconciliation report was reviewed with a rebate of \$50,840.

PACE received notification from EmpiRx about a member who was on a high cost drug. After discussions between EmpiRx and the provider, the provider agreed to switch to a medication as effective as the original drug at a lower cost. The member was consulted and agreed to the change. PACE Management is waiting for further information on the amount of savings generated by the switch and if all of the savings will be assigned to PACE.

VII. FINANCIAL

PRESENTATION BY VIDA HEALTH **Information**
2022-068
Presented by Stefan Van Doren and Gretchen Zimmerman

The Executive Committee heard a presentation from Vida Health on their cardio metabolic and mental health tools. Vida Health is a virtual care company focusing on behavior change through high engagement and services are accessed via mobile phone app. Vida Health can also assist with claim mitigation for self-funded groups.

Chronic cardiometabolic diseases include prediabetes, diabetes, obesity, hypertension, hyperlipidemia and overweight. Rates of diabetes, pre-diabetes and obesity have greatly increased in the last 10 years. Vida Health believes managing/mitigating those conditions through focusing on physical health, mental health and other contributing factors through an integrated care model is the way to achieve better outcomes and reduce health care costs. Establishing the human connection between a member and a primary care provider is critical for success in making health changes. The member centered program focuses on nutrition counseling through registered dietitians, certified diabetes educators, care navigators, endocrinologists and therapists working together with the primary care provider. Identifying social determinants for health/risk factors is part of Vida Health's holistic program. The goal is to teach members how to manage their chronic conditions on their own over time utilizing coaching and tools provided by Vida Health. The program can assist with general wellness goals as well. Several case studies were presented.

Member contact is established through Vida Health contacting members based on Anthem claims information as well as outreach from each agency promoting the program. Peter McNamara explained as with other third parties PACE works with, such as LiveHealth Online, EmpiRx and Anthem, a Business Associate Agreement will be signed allowing information sharing between Anthem and Vida.

Vida Health will provide an in depth presentation at the January 2023 Executive Committee Strategic Planning Meeting. Once the Executive Committee has discussed, a vote to potentially recommend approval to the Full Board will be taken.

The program cost is a PEPM model based on the level of services requested. Depending on what services PACE selects, the approximate cost might be \$5 -\$10 PEPM.

Members can opt out if they are not interested in the program. For those who participate, health outcomes can show great improvement.

Vida Health provides Account Managers for training and Keenan Account Managers would be involved in providing program information to their PACE groups.

The Vida program would augment the Wellness Program rather than replace it.

**QUARTERLY FINANCIAL REPORT AS OF SEPTEMBER 30, 2022 AND
2023 PRELIMINARY BUDGET**

Information

Presented by Sam Mel-Chan

2022-069

The Quarterly Financial Report as of September 30, 2022 and the Q3 LAIF Account Statement were reviewed. Revenues are primarily from premium payments, stop loss reimbursement and EmpiRx rebates. The cash balance at the end of 2022 is estimated to be approximately \$9,050,517.

The 2023 preliminary budget was also reviewed based on the 2023 rates.

PACE Management is considering increasing the stop loss specific deductible from \$250k to \$260k which could result in a reduction in the stop loss renewal for 2023 by as much as 30%. A new member who joined in 2022 has an ongoing large claim for a chronic condition of approximately \$1.8M for a dependent child. PACE Management is working to mitigate this ongoing claim by engaging Point 6, a new company focusing on high cost care management, to find a different pharmacy solution or determine a way to have the medication delivered in a less expensive setting.

Also, EmpiRx has been contacted to expedite the implementation of the two new cost mitigation programs, one of which should reduce this specific claim. Because of this ongoing large claim, the stop loss carriers are proposing the maximum increase of 40-50% for 2023. Increasing the attachment point would assist in reducing the 2023 increase as the stop loss policy is finalized.

ANTHEM UPDATE

Information

Presented by E. Peter McNamara

2022-070

The Anthem financial dashboard as of September 30, 2022 was reviewed. Claims are averaging \$252k per week for 2022.

MENTAL HEALTH PARITY UPDATE

Information

Presented by E. Peter McNamara

2022-071

The Executive Committee heard an update on the requirement of a written comparative analysis of compliance with the Mental Health Parity and Addition Equity Act (MHPAEA) regulations with regard to non-quantitative treatment limitations (NQTLs) for mental health/substance use disorders and medical/surgical benefits. The NQTLs must be the same.

The NQTL requirement is any health plan, self-insured or fully insured, is required to prepare a written analysis showing compliance with the MHPAEA if requested by auditors. Both Anthem and Kaiser have confirmed in writing they would prepare any required written analyses to show compliance if PACE is audited by the Federal Government.

ANCILLARY UPDATES

Presented by E. Peter McNamara

Information

2022-072

The LiveHealth Online and EmpiRx utilization reports were reviewed. There have been approximately 60 new members who have registered for LHO. When Anthem’s primary care telehealth program goes into effect, it should reduce claims costs.

For EmpiRx specialty claims are responsible for 64% of claim costs generated by 2% of members.

WELLNESS UPDATES

Presented by Dayna Gowan

Information or Action if need be

2022-073

An update on the PACE 2022 Health Management Program was heard. For 2022, 177 members have registered for the Wellness program with 29 participants already earning a reward; the program ends on November 15. The WellSteps report on the final behavior change campaign was reviewed. The Wellness Advisory Committee Meeting was held in September and discussions centered around how agencies are promoting the program to their employees and how engagement might be increased.

Recommendations for the 2023 Wellness Program were presented. Revenue will come from the \$5 PEPM cost and \$50k Wellness funds from Anthem. Dayna Gowan recommends staying with the WellSteps platform, with spouses included, as it is affordable and provides good value. Telephonic Health Coaching is available through WellSteps at \$30 per session call; PACE would pay based on the actual number of calls. Although the actual number of calls may not be high, coaching sessions can be a very helpful resource at a reasonable cost for those who participate. The meditation app, available to all members, was not implemented in 2022 due to contracting issues; however, it should be up and running for 2023.

A new proposed feature is an agency v. agency competition challenge through the Health Enhancement Systems (HES) platform to increase engagement within agencies and between agencies. A reward option might Snappy Gift prize drawings for the top agencies with a grand prize for the winning agency, which could be healthy snack boxes delivered to their agency. Dayna Gowan proposed increasing the highest reward from \$150 to \$175. Within the proposed 2023 Wellness Program budget, increasing the amount to \$175 would allow up to 228 members to receive the highest reward and in 2021, approximately 60 people earned award.

Revamping and simplifying the point structure for 2023 was also proposed.

Peter McNamara recommended the Executive Committee begin the 2023 Wellness Program in February using the 2022 Wellness Program features until it is determined if PACE will be incorporating the Vida Health program. He will be looking to Vida Health to present return on investment information at the Executive Committee Strategic Planning Meeting.

AGENCY REQUESTS TO WAIVE PREMIUM LATE FEES

Information or Action if need be

Presented by E. Peter McNamara

2022-074

There are two agencies requesting to waive late fees:

1. Compass Charter Schools – the group is new to PACE as of September 1, 2022 and paid their September and October premiums on the Anthem and Kaiser portals rather than to PACE/SETECH. Compass Charter Schools needs to pay PACE for their premiums and it is their responsibility to pursue refunds from Anthem and Kaiser for payments made in error on the portals.
2. Desert Hot Springs – This group has had a great deal of turnover in the Human Resources Department this year resulting in premium payments not being submitted in a timely manner. PACE already waived the late fee for the April 2022 premium. The outstanding late fee invoices for July (5% of premium) and August (2% of premium) total approximately \$8,000.

Motion to waive the late fees for September and October premium payments for Compass Charter Schools:

1. David Faris and 2. Kim Turner. Motion unanimously approved by the Executive Committee.

Motion to impose the 5% late fee for July and to waive the 2% August late fee for Desert Hot Springs; however, there will be no more waivers granted: 1. Kim Turner and 2. David Faris. Motion unanimously approved by the Executive Committee.

VIII. ADMINISTRATION

PACE NEW MEMBER ACTIVITY

Information

Presented by E. Peter McNamara

2022-075

There were three requests for evaluation since the last Executive Committee Meeting.

1. Classical Academies Charter School – Approximately 298 employees without any waivers with Aetna, Kaiser and Anthem plans. They are mainly interested in the Anthem HMO with a 4 tier rate structure. Anthem declined to quote an HMO 4 tier; waiting to see if the group is willing to accept a 3 tier rate structure. Christine Hough believes they would be a good risk.
2. San Diego In House Supportive Services – Approximately 61 employees with Anthem and small group rates. The risk factor is 15% higher than PACE. PACE is still determining whether to issue a quote.
3. City of Fullerton – Approximately 412 non-fire fighter employees with 50% in Kaiser, 35% in a Cigna HMO with 15% waiving coverage. The City is interested in having their fire fighters stay with CalPERS. Typically, PACE likes an entire agency to join PACE and if an agency would like to leave PACE, the entire agency must leave. However, the Bylaws do not disallow a specific bargaining unit joining PACE. They would be a good risk.

IX. INFORMATION

EXECUTIVE COMMITTEE COMMENTS

Information

The status of the website was discussed. Although it is up and running, PACE Management will have an update at the December Executive Committee Meeting.

MANAGER COMMENTS

Information

Peter proposed moving the December EC Meeting to Thursday, December 8 at 10:00 am. After discussion, the Executive Committee agreed and PACE Management will send an email to the Executive Committee to confirm the change with those Executive Committee Members who were not in attendance at today's meeting.

The Executive Committee Strategic Planning Meeting will take place on January 17 – January 18, 2023 at the LAX Marriott with a group dinner on January 17 at a restaurant in the hotel. PACE Management will send an email to the Executive Committee with additional details. The Meeting will be Brown Act compliant to allow for voting and/or deliberative discussion pertaining to PACE business.

Topics for the Strategic Planning Meeting will include a presentation by Vida Health, a presentation on upcoming required compliance and possibly a stop loss/reinsurance presentation.

X. AGENDA ITEMS NEXT MEETING

Information

Executive Committee Members and others suggested items for consideration at the next meeting scheduled for December 8, 2022 via Zoom.

- Take action on the 2023 Wellness Program Recommendations.
- Discussion of how Vida and Keenan's wellness program might be integrated.
- Appointment of a new Non-Officer Executive Committee Member eff. January 1, 2023.

XI. ADJOURNMENT

The meeting was adjourned at 3:38 pm.