

Benefits Advisory Committee (BAC)
May 28, 2020
Minutes of the Meeting

[**In these minutes:** Employee Benefits Update; Prime Therapeutics Plan Review; BAC Survey Comments - Prime Therapeutics; 2019 UPlan Annual Report]

PRESENT: Tina Falkner (chair), Dale Swanson (vice chair), Jon Christianson, Fred Morrison, Shannon Farrell, Cynthia Murdoch, Susanne Vandergon, Kim Little, Karen Lovro, Terri Wallace, Nancy Fulton, Greg Thurston, Mary Rohman Kuhl, Deb Pavlica, Mary Blissenbach, Jennifer Schultz

REGRETS: None

ABSENT: Nikos Papanikolopoulos, Amy Monahan, Christine Bakke, Brenda Reeves, Kenneth Horstman, Susan Kratz, Jakub Tolar, Christine O'Connor, Steff Yorek

GUESTS: Megan Besser, senior account executive, Prime Therapeutics; Amy DeVeney, clinical program manager, Prime Therapeutics; Julie Johnson, account manager, Prime Therapeutics; Doug Swyter, finance analyst, Office of Human Resources

OTHERS: Karen Chapin, Ryan Reisdorfer, Linda Blake, Laura Manydeeds, Annie Harvieux, Ryan Hanson, Curt Swenson, Lori Stotesbury, Karen Wallin

Chair Tina Falkner welcomed the committee and members introduced themselves. Falkner shared with the committee that she received a response from Ken Horstman, interim vice president, Office of Human Resources (OHR), regarding the letter the BAC drafted concerning the proposed rate increases to the UPlan. In his response, said Falkner, Horstman stated that they are continuing to monitor the ongoing claims prior to finalizing rates for 2021. This is a challenging question this year and one that has taken a great deal of thought beyond the typical calculations. OHR will sincerely continue to work at this and see what may be possible. Horstman does not see these rates being finalized this year until early July which will allow for more experience on the plan during 2020 to gauge, and then set 2021 rates. In the meantime, Horstman is open to thoughts, suggestions, and conversations on this topic.

1. Employee Benefits Update - Ryan Reisdorfer, health programs manager, Office of Human Resources (OHR), stated that a recent email was sent to all employees offering resources to help reduce stress. He stated that the suggestions from this committee helped in crafting the message and tone of the email and he thanked committee members for their input. Additionally, representatives from OHR met recently with representatives from Medica who will provide some interesting updates to this committee in two weeks. He said that the volume of virtual care visits has increased about ten times from where we were last year. Mary Rohman Kuhl, interim director total compensation, OHR, added that the IRS will soon come out with new guidance for employers to allow for employees to make changes to flexible spending accounts, including changing savings accounts for things like summer child care.

2. Prime Therapeutics Plan Review - Falkner then introduced representatives from Prime Therapeutics including Megan Besser, senior account executive, Amy DeVeney, clinical program manager, and Julie Johnson, account manager, to provide an update and overview regarding Prime's service to the UPlan. Besser began the presentation by providing a [slide deck](#) and giving an update about how the COVID-19 pandemic has impacted their services and what they are doing to monitor the situation and any drugs associated with treating the disease.

DeVeney explained that they have been monitoring the FDA and drug trials for possible medications to treat COVID-19, however, there are currently no FDA-approved drugs to treat the virus. Prime has developed a watch list for drugs that could likely be utilized to treat the disease including hydroxychloroquine, Tamiflu, and Esbriet. The National Institute of Health (NIH) has recently recommended against the use of hydroxychloroquine unless in a hospital setting or part of a clinical trial. Besser noted that there was an increase in the generic version of Tamiflu in March but this was prior to the pandemic. She added that since stay at home orders have been in place, the use of anxiety related medications have increased as well.

DeVeney stated that several drugs are going through trials here at the University which are looking for FDA approval to treat COVID-19. One medication, Remdesivir, has received FDA issued emergency use authorization as it helps to cut recovery time of the patient. She added that multiple companies in the United States are working on a vaccine and the U.S. government is offering an incentive program to expedite the development and then distribution of the vaccine. Prime has been working to remove barriers for patients to receive therapy for COVID-19 and other illnesses including extending all current prior authorizations (PA) for 90 days. Prime wants to be sure that people are also getting their normal prescriptions while under stay at home orders and also keeping its supply lines stable.

Besser then provided an executive summary of Prime's key metrics for the UPlan. The main trend noted was the fact that the total paid per member per month (PMPM) went up about 1.3% for UPlan members in 2019. This statistic was compared to Prime's book of business which saw an average increase of trend paid PMPM of 6.5% during the same time period. Besser added that they are seeing costs rising in the specialty drug market for medications that cover issues like autoimmune, anti inflammatory diseases, cancers, and multiple sclerosis.

DeVeney then provided information regarding drugs related to management of diabetes. She stated that diabetes drugs, like insulin, have recently gone down slightly which was likely caused by pressure from the government and the general public. However, diabetes drugs are a big cost driver to the UPlan and DeVeney provided some further detail about those drugs. She highlighted drugs such as Novolog, Victoza, and Trulicity and the different effects they have for people suffering from both Type-1 and Type-2 diabetes. There is a real drive to come up with a generic for Novolog, a fast acting insulin, as it is widely used on both types of diabetes. DeVeney added that there is a new drug that can treat both diabetes and heart failure called Farxiga.

DeVeney then provided information on the top autoimmune drugs including the most prescribed specialty drug, Humira. Utilization of Humira is high due to the fact that it can treat multiple

diseases, and each time a new disease is identified, it takes longer for the market to be allowed to create and sell a generic. Additionally, new drugs are available for the prevention of HIV including Truvada. The Affordable Care Act (ACA) now has a waiver program where a patient can apply for a waiver for a \$0 copay, effective July 1, 2020.

Besser then stated that it is always Prime's strategy to create a comprehensive plan design to make sure that they serve members with the most care. She said that the drug formulary and network are the things that impact the pharmacy benefit the most as they can help to keep costs down and provide access to the widest range of medications. Prime will soon be unveiling new programs to enhance customer experience including PA notifications, autorenewals of certain PAs, and a prescriber real-time benefit check. DeVeney added that the UPlan's Clinical Committee has had several accomplishments including reviewing nearly 400 new drug classes each year, reviewing clinical strategies to keep drug costs affordable, and reviewing, updating, and implementing several utilization management programs.

Johnson provided the committee with results from the BAC survey which indicated that about half of those who responded were satisfied with Prime's service or had no issues. The most common complaint or area of interest was with the formulary or cost share of the members. Some members had issues with customer service from AllianceRx Walgreens Prime (ARxWP) as the sole mail order program and many had complaints about the new PA system.

Fred Morrison commented that as he reviewed the BAC survey results, he saw a large theme of dissatisfaction in the quality of responses to questions or issues. The biggest area of concern was in the area of PA interactions. He encouraged the representatives from Prime to look at this issue with more care. Morrison also inquired why cheap generics are included on many PAs. Karen Chapin, pharmacy programs manager, OHR, replied that sometimes brands become generics on the formulary and the PA is still listed for the prior prescription. Kim Little commented that the PA trend is not an easy course to get through and can be very complicated.

3. BAC Survey Comments - Prime Therapeutics - Morrison provided an overview of comments regarding Prime Therapeutics from the BAC survey. Morrison stated that there were 290 individual responses, of which 130 were positive or supportive in nature and and additional 60 were classified as neutral in nature. As mentioned by the representative from Prime, some of the over 50 complaints involved issues with getting ID cards, drugs not on the formulary, and the appeals processes with PAs. Morrison opined that Prime's overall person to person customer service could be improved. Falkner agreed that customer service was an underlying theme to many of the complaints.

Chapin commented that the University has a large say in the decisions that go into creating the formulary and agreed with many of the opinions that Prime needs to step up in following through on performance guarantees. Morrison added that some of the proposed cost-saving ideas such as PAs can actually cost more money if a member needs to make additional medical visits to resolve their prescription issues. It can create an undue burden to patients and physicians alike.

Jon Christianson asked what the length of Prime's contract is with the University. Chapin said that the University entered into a six year contract with Prime in 2017. Christianson added that it could be time to start looking for a new vendor or at least put some competitive pressure on Prime to meet their guarantees. Chapin acknowledged that when the contract was signed, it did not involve ARxWP as the mail order vendor and further work needs to be done to strengthen that service.

Little commented that it would be helpful to have someone to advocate for complete forms in order to assist patients to save time and resources. Terri Wallace added that she has at least appreciated the three month extension of PAs for her mail order prescriptions as it keeps her from having to go out as much.

4. 2019 UPlan Annual Report - Falkner introduced Doug Swyter, finance analyst, OHR, to provide the committee highlights of the [2019 UPlan Annual Report](#). Swyter said that the report covered the UPlan from January to December of 2019. During that time, the plan saw an upward overall increase in expenses of 7.2% PMPY (Per Member Per Year). Much of the increase was due to a 26% increase in high cost claims (claims over \$50,000) that totaled over \$17 million. Swyter added that four claims made up 37% of this high cost claim increase. Prescription costs would have been higher had the trend not been offset by a \$1 million payment by Prime for missed performance guarantees and a \$1.6 million increase in pharmacy rebates.

Swyter continued by stating that in 2018 the gap between the UPlan's actual versus budgeted costs was less than 0.5%, while in 2019 actual costs exceeded budget estimates by over three percent. The average cost per employee per year (PEPY) is \$14,602, with the most expensive plan being the Choice National plan at \$23,631 PEPY, and the least expensive being the ACO plans at \$11,189 PEPY. About 82% of all expenses came via medical claims and 15% via prescription drug claims. As shown in slides 9 and 10 of the report, the top 5 areas of medical claims involve musculoskeletal issues, infections, newborns, respiratory issues, and mental health. An additional driver of the higher medical costs is the medical pharmacy where medications are administered by the medical plan. The highest drug has been Remicade at over \$3 million in costs to treat problems like Crohn's disease, rheumatoid arthritis, and ulcerative colitis.

Shannon Farrell asked when the medical rates for 2021 will be finalized and Curt Swenson asked how much money was taken in during 2019 from employee premiums. Rohman Kuhl and Swyter stated that they will have that information at the next meeting.

Hearing no further business, the meeting was adjourned.

Chris Kwapick
University Senate Office