MINUTES

**METROPOLITAN EMPLOYEE BENEFIT BOARD**

**MEDICAL & LIFE COMMITTEE**

**June 16, 2015**

The Metropolitan Employee Benefit Board’s Medical & Life Committee met on Tuesday, June 16, 2015 in the Sonny West Conference Room, Howard Office Building, 700 2nd Avenue North, Nashville, Tennessee immediately following the Study Session as approximately 10:33 a.m.

Committee Members present: Chair: Jerry Hall; Vice-Chair: Stephanie Bailey; Members: Charles D. Clariday, Veronica T. Frazier and B.R. Hall, Sr. and Richard Riebeling. Alternate members: Christine Bradley and W. Todd Henry.

Board Member(s) present: Edna J. Jones

Others present: Christina Hickey, Metro Human Resources and Nicki Eke, Attorney, Metro Legal Department.

# **BENEFIT BOARD ITEMS**

The Human Resources staff submitted the following for the Committee’s consideration and appropriate action:

1. Medical plan discussion.

Jerry Hall reported to the Committee that this item was referred to the Committee from the June Board meeting.

Christina Hickey distributed the information related to this item from the June Board meeting that highlights the recommendations.

Greg Drennan and Kelley Lewis, Deloitte, were present to review the recommendations.

Greg Drennan noted that if there any additional questions there will be at least one more opportunity, however, any recommendations would need to be approved by the end of next month.

There was some discussion as to what procedure is being followed on this issue and not having to have another Committee meeting.

Edna Jones noted that this item was referred to the Committee for discussion and recommendations.

The Committee discussed the recommendation to apply the CMS high risk medications list to the medical plans formularies.

Kelley Lewis stated that this will align the plans formularies and is not a cost issue.

After some discussion regarding employees being able to have a choice of certain medications, Richard Riebeling moved for approval of the recommendation to apply the CMS high risk medications list to the medical plan formularies effective January 1, 2016. Stephanie Bailey seconded and the Committee approved with Veronica Frazier, Stephanie Bailey and Richard Riebeling in favor and B.R. Hall and Doug Clariday opposing and Jerry Hall abstaining.

Kelley Lewis reviewed some recommended changes to the prescription drug utilization programs. She stated that specialty drugs and compound medications are increasing and reviewed Metro’s costs to date. She stated that with the BCBS plan the claims in 2013 were 375, 000 and 2.4 million in 2014 and 1 million for the first quarter of 2015. She stated that BlueCross is projecting upwards of approximately 3.5 million for the year. She also stated that compound medications are not FDA approved drugs and recommends implementing tighter controls (exclude coverage) around compound medications in the BCBS plan. She stated that Cigna has already been doing that to some effect as indicated in a memo previously submitted to the Board advising that Metro may opt out. She also noted that this recommendation is really for BCBS.

There was some discussion of being able to have pre-authorization and or appeals for specialty drugs and compound medications based on the physicians recommendation.

Debbie Sims, BCBS, stated that there will be an appeal process and notifications will be sent to members with regards to specialty drugs and compound medications.

Stephanie Bailey moved for approval.

There was further discussion of any prolonged savings in healthcare costs from the use of specialty drugs and compound medications that may cure a condition/illness.

Kelley Lewis stated that in speaking with the pharmacists with Blue Cross and Cigna typically compound medications are for off-label use and since they are not FDA approved there are other medications that will work.

There was discussion of compound drugs already in the network, how they got in network and why the cost is not controlled.

Greg Drennan, Deloitte, stated that because of the scripting it is hard to control the cost.

It was also noted that this recommendation be implemented as soon as possible.

Stephanie Bailey amended her motion to implement this recommendation as soon as possible. Richard Riebeling seconded and the Committee approved the recommendation to exclude coverage of compound medications effective as soon as administratively possible with B.R. Hall opposing and Doug Clariday abstaining.

Kelley Lewis referred to Nicki Eke, Legal Department, on the recommendation to implement the dispense as written program.

Nicki Eke stated that at this time there are no regulations or CMS guidelines on this and until further clarification is received it is her position not to recommend this as it may cause the plan to loose grandfathered status.

B.R. Hall moved to defer this recommendation pending review by the Legal Department. Richard Riebeling seconded and the Committee approved without objection.

Kelley Lewis stated that the next recommendation is solely for the Cigna Choice Fund plan. She stated that BCBS already has as step therapy program in place and this would get the plans in line with one another. She stated that they are recommending implementing a step therapy program for the Cigna plan. She also reviewed the estimated savings over a three year period.

Richard Riebeling moved for approval of the recommendation to implement a step therapy program for the Cigna Choice Fund plan. Veronica Frazier seconded and the Committee approved with B.R. Hall abstaining.

Kelley Lewis reviewed the recommendation to have exclusions from formulary with over the counter alternatives. She stated that this is for members who are prescribed a new script after January 1, 2016 not someone who has been on the medication. She stated that for medications that have an over the counter alternative it is recommended that the plans not cover the prescription drug form of the drug.

After some discussion that the over the counter alternative is just less of a dose and estimated savings, Stephanie Bailey moved for approval of the recommendation that the plans not cover the prescription form of the drug. Richard Riebeling seconded and the Committee approved with Doug Clariday opposing and B.R. Hall abstaining.

Kelley Lewis stated that the 6th recommendation is for both plans. She stated that most employers are excluding lifestyle drugs (erectile dysfunction, baldness, acne, hair loss). She stated that lifestyle is a term used within the industry that refers to things to enhance quality of life that are not medically necessary.

The Committee discussed the lifestyle aspect and that it may be a necessity, drugs used previously to enhance lifestyle, cost savings, limits on lifestyle drugs and the Board approving the drug when it first came out.

B.R. Hall moved to continue other standard formulary exclusions erectile dysfunction (lifestyle drugs).

After some discussion of including other various lifestyle drugs in this, Doug Clariday seconded and the Committee approved with Stephanie Bailey and Veronica Frazier opposing and Richard Riebeling abstaining.

Kelley Lewis stated that the exclusion of fish oils is a small cost savings, however, these are typically not covered under the plan and recommends they be excluded.

Stephanie Bailey moved for approval to exclude fish oils from the plans. Richard Riebeling seconded and the Committee approved with B.R. Hall abstaining.

With nothing further presented, the meeting adjourned at 11:11 a.m.

ATTEST: APPROVED:

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Veronica T. Frazier, Director Jerry Hall, Chair

#### Human Resources Medical & Life Committee