

MISSOURI CONSOLIDATED HEALTH CARE PLAN
BOARD MEETING
AUGUST 25, 2016

Attending: Chairperson Doug Nelson
Mark Langworthy (via conference call)
Linda Luebbering
Representative Caleb Rowden (via conference call)
Senator David Sater (via conference call)
Viola Schaefer
Senator Scott Sifton (via conference call)
Michael Warrick

Absent: Director John Huff
Representative Kip Kendrick
Director Peter Lyskowski

Others attending: Judith Muck, Executive Director; Kim Backes, Research Coordinator; Denise Chapel, Director of Vendor Relations; Shelley Farris, Director of Benefit Administration; Stacia Fischer, Chief Financial Officer; Tammy Flaughter, Senior Administrative Specialist; Bethany Goodin, Member Services Manager; Garry Kornrumpf, Internal Auditor; Chris Lindsey, Wellness Operations Manager; Bruce Lowe, Chief Information Officer; Mia Platz, Communication and Publication Manager; Kimberly Radmacher, Clinical Services Supervisor; Jennifer Stilabower, General Counsel; Julie Watson, Chief Population Health Officer; and visitors.

Chairperson Nelson called the meeting to order. There were no public comments.

Ms. Luebbering made a motion to move into closed executive session pursuant to §610.021 RSMo (1), (5) and (14) of §621.021 to discuss confidential or privileged communications between the board and its attorney; health proceedings involving identifiable persons; and records protected from disclosure by law. Ms. Schaefer seconded. A roll-call vote was taken, and the motion passed with Chairperson Nelson, Mr. Langworthy, Ms. Luebbering, Representative Rowden, Senator Sater, Ms. Schaefer, Senator Sifton and Mr. Warrick in favor.

Upon return from closed executive session, Ms. Schaefer made a motion to approve the open session minutes of the July 28, 2016, regular MCHCP Board of Trustees meeting. Mr. Warrick seconded. Motion passed unanimously.

Ms. Muck presented the 2017 plan design and rates outstanding issues.

Ms. Muck began with the outstanding rates. The board approved the 2017 rates last board meeting with Medicare rates not being final. The board authorized the executive director to implement final rates for Medicare as long as the final rates were not more than the presented preliminary rates. Ms. Muck provided the finalized rates for 2017 to the board. There are no changes to the active and non-Medicare rates that the board approved. Ms. Muck then reviewed the Medicare rates. Preliminary Medicare rates had a slight reduction, rating from a reduction of .06 percent to 3.2 percent depending on the plan and rate tier. Ms. Muck is pleased to announce the final rates have improved. The reduction ranges from a .09 percent reduction to 4.8 percent reduction, depending on the plan and rate tier. The reason for the reduction reflects the actuary's ability to update the Employer Group Waiver Plan (EGWP) assumptions, especially as it relates to the amount of subsidy MCHCP can expect to receive from the Center for Medicare and Medicaid Services (CMS) and manufacturers.

Ms. Muck then moved to the outstanding plan designs updates. She brought a few technical corrections to the board's attention. The board approved to continue with the 2016 plan designs going into 2017 with only a few adjustments. The table that was presented last month had a few places that reflected changes from 2016 plan design that were not intended. Ms. Muck began on page 5 of the plan design table. The table now accurately reflects that Non-Network Plan design only includes 100 percent coverage of services once the out-of-pocket (OOP) maximum has been reached. Last month we included the coverage of glucometer and diabetic test strips and lancets as well — they are only available under network just as they are in 2016.

On page 6 of the table, the prescription non-network OOP maximum for the PPO 600 Plan and PPO 300 Plan reflects the network OOP maximum. We will be changing this to reflect there is no OOP maximum for prescription coverage for out-of-network claims in the PPO Plans just as is the case for 2016.

Finally turning to the vision plan on pages 15 through 19 of the table, there are discounts applied to lens options and this will be updated to reflect the passage of House Bill 1682. This bill indicated that no agreement between a health carrier or other insurer that writes vision insurance and an optometrist for the provision of vision services on a preferred or in-network basis to plan members or insurance subscribers in connection with coverage under a stand-alone vision plan, medical plan, health benefit plan, or health insurance policy shall require that an optometrist provide optometric or ophthalmic services or materials at a fee limited or set by the plan or health carrier unless the services or materials are reimbursed as covered services under the contract. This tells us that the providers have the option to participate in the discounts as they desire. The discounts remain but it is up to the provider as to whether they honor the discount.

Based on NVA's past experience, most providers participate in the discount as it also attracts patients.

Ms. Luebbering asked if MCHCP would provide information to our members as to which providers are offering the discounts. Ms. Muck responded that members would have to check with their providers to determine if they are offering the discount since it is the provider's choice. Ms. Luebbering asked if MCHCP would provide this information in our OE materials. Ms. Muck responded that we would provide the information to our members. However, this applies only to vision plans in Missouri.

Next, Ms. Muck reviewed the 3-D mammography memorandum which was provided to the board. The board has discussed 3-D mammography during past meetings. MCHCP clinicians have reviewed the current published literature in regard to 3-D coverage and found varying conclusions. Ms. Muck reviewed their findings and Ms. Watson was available to answer any questions. In summary, MCHCP found that 3-D mammography is not viewed as experimental — it does have increased sensitivity and appears to have superior diagnostic accuracy relative to digital mammography. It displays abnormal lesions more clearly than 2-D and it may improve outcomes for women with dense breasts. What is still in question however, is that it is not yet proven to support that 3-D is any more effective than 2-D in reducing the mortality rate from breast cancer.

In reviewing many provider associations and governing bodies for their position in regard to 3-D mammography, most professional associations have not yet recommended 3-D with the exception of the American College of Radiology (ARC)/Society of Breast Imaging (SBI). The United States Preventive Services Task Force (USPSTF) rates it with insufficient evidence and grades it as I. MCHCP is mandated to cover those rated as A or B at 100 percent. But to be clear, the USPSTF has made no recommendation for or against the use of 3-D mammography — they conclude there is insufficient evidence to use 3-D for breast cancer screening in replacement of 2-D.

MCHCP's review has indicated that most commercial insurance plans have not moved to coverage based on the USPSTF grade of I. UMR and Aetna continue to recommend no coverage of 3-D mammography.

However, CMS has provided coverage under both Medicare and Medicaid. MCHCP also polled a few state plans and most do not yet cover 3-D mammography. The exceptions are Pennsylvania and the city of San Antonio, Texas, based on the states we were able to contact.

So what is our member's experience? The provider community is rapidly replacing their 2-D machines with 3-D. Many facilities no longer offer 2-D mammography as a standard. In general, they have been billing insurance for 3-D, accepting payment for the 2-D portion and either billing the member for the 3-

D portion or electing not to charge the member. It is dependent on the providers billing practice. The allowed amount for the 3-D portion ranges from \$25 to \$150 depending on the provider. Members are very concerned that MCHCP does not cover 3-D because this is what their provider is recommending and in some cases their only choice unless they travel a distance to obtain a 2-D mammogram.

MCHCP believes that it would cost MCHCP \$1 to \$1.5 million to add 3-D coverage. However, MCHCP believes this cost would be mitigated somewhat by the reduction of recall rates. In 2015, there were about 2,400 diagnostic mammograms in the three months following a screening mammogram. The cost is about \$255 per mammogram. While MCHCP does not believe we can eliminate all call backs, a reduction would offset some of the cost of providing 3-D coverage.

MCHCP believes coverage is warranted for 3-D mammography. It is approved by the Food and Drug Administration (FDA) for use, and it does have benefits — it can reduce recall rates, it can increase cancer detection especially for women with dense breasts and it has been shown to reduce false positives. This is also acknowledging that the provider community is rapidly moving to 3-D mammography.

Ms Muck stated that she would like to hear the board's concerns or support for this service to be included for coverage. With the board's consensus today — 3-D would be included in the coverage in our 2017 rules for benefits. The board would be voting at that time for final approval.

Following discussion, the board overall seemed to be in favor of coverage for 3-D mammography.

Senator Sater asked if there would be an increase in premiums for members. Ms. Muck responded that while there is an increased cost, when we spread the risk amongst all the members it would not increase premiums over what has been presented.

With the general board consensus, MCHCP will provide this information in our rules at a future board meeting and take a final vote at that time.

Ms. Muck presented emergency and proposed rules for the board's vote to be filed with the Secretary of State (SOS) and Joint Committee on Administrative Rules (JCAR).

Ms. Muck mentioned at the July board meeting that Lincoln University had sent MCHCP a letter electing to become a Participating Higher Education Entity (PHEE) under MCHCP's state plan. MCHCP also indicated that we would be filing an emergency rule due to their request. Since the board last met, Lincoln

University has sent MCHCP a letter withdrawing their election. They need additional time to understand the financial impact of such a decision. Ms. Muck believes their current plans offered to the employees have much higher member OOP through higher deductibles and they do not subsidize their dependent premium — only the employee portion of the premium by a flat dollar amount. They also do not provide direct coverage to retirees. MCHCP coverage has lower member OOP and does provide subsidy to dependent coverage as well as provide retiree coverage in concert with state law. So those additional elements could potentially increase the amount Lincoln University (the employer) would pay for coverage under MCHCP in comparison to what they provide today.

We have had one other college outreach to us by phone but have not received further contact.

So we do not feel the need to file an emergency rule for PHEE now and will be including the draft rule with all our other proposed rules that will be presented in a future board meeting.

Today, MCHCP has two emergency rules to present to the board.

MCHCP will be filing an emergency rescission of the current rule and replace with these two new rules. The two rules are 22 CSR 10-2.094 Tobacco-Free Incentive Provisions and Limitations and 22 CSR 10-2.120 Partnership Incentive Provisions and Limitations. MCHCP will be filing these now, because members will be taking action in October through December and need to have the provisions for these incentives in place so members may earn the incentive for their January premium and not have to wait.

The rules reflect board decisions made in the July meeting for both incentives. It also includes the provisions for the remainder of 2016 so that we may close out this year and start the new year.

Ms. Luebbering made a motion to authorize the executive director to file the emergency and proposed rules. Senator Sater seconded. Motion passed unanimously.

Ms. Muck announced that there was no financial update for this board meeting.

Ms. Schaefer made a motion to adjourn. Ms. Luebbering seconded. Motion passed unanimously. Meeting adjourned.