

**MEETING OF THE HEALTH BENEFITS COMMITTEE OF THE RETIREMENT BOARD OF
THE COUNTY EMPLOYEES' AND OFFICERS' ANNUITY AND BENEFIT FUND OF COOK
COUNTY AND EX OFFICIO FOR THE FOREST PRESERVE DISTRICT EMPLOYEES'
ANNUITY AND BENEFIT FUND OF COOK COUNTY**

**70 West Madison, St, Suite 1925
Chicago, Illinois 60602
9:30 a.m.**

Minutes for the June 15, 2023 Meeting

The County Employees' and Officers' Annuity and Benefit Fund of Cook County and the Forest Preserve District Employees' Annuity and Benefit Fund of Cook County Fund are herein collectively referred to as the "Fund." All committee recommendations are preliminary in nature and subject to review and approval by the full Retirement Board.

Call to Order and Roll Call:

Trustee Committee Members Present: Patrick McFadden (Chair), Diahann Goode, Kevin Ochalla, Jerry Pray, Tracy Reed, Samuel Richardson, Jr.

Staff Present: Brent Lewandowski, Executive Director; Margaret Fahrenbach, Legal Advisor; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist

Others Present: Dan Levin, Segal Consulting; Thomas Wyszomirski, Segal Consulting; Kathrine Goerges, CVS; James Hogan, CVS; Michael Heck, CVS; Patty Prince, United Healthcare ("UHC"); Matt Stout, UHC; Cayla Rhodes, UHC; Ashley Butterly, UHC; Phill Bellezza, UHC

It was moved by Trustee Richardson and seconded by Trustee Reed, the requirements of Section 7 of the Open Meetings Act having been satisfied, that Trustee Pray and Trustee Ochalla be allowed to participate in the Board meeting by an audio or video conference connection.

Vote Result: **MOTION ADOPTED BY VOICE VOTE**

Chairman McFadden asked if anyone present would like to address the Committee. There being no request for public comment, the meeting continued.

1. Review and Consideration of August 11, 2022, Health Benefits Committee Meeting Minutes

It was moved by Trustee Richardson and seconded by Trustee Goode that the presented minutes of the Health Benefits Committee on August 11, 2022, be adopted.

Vote Result: MOTION ADOPTED BY VOICE VOTE

2. Health Benefit Plan Overview

Mr. Dan Levin, of Segal Consulting, gave a presentation about the CCPF Retiree Health Care Plan's ("CCPF Plan" or "Plan") experience for 2022. Mr. Levin reported that the actual per capita expenses for 2022 were slightly less than projected for both Medicare and Non-Medicare enrollees. He provided a summary of the actual expenses compared to the projected expenses for each month in 2022. Mr. Levin stated that the Employer Group Waiver Plan ("EGWP") administered by SilverScript for Medicare members is the most efficient method to recover reimbursements and rebates for the pharmacy benefit. The Plan continued to provide medical benefits under both a Choice Plan and Choice Plus Plan. Most of the Medicare enrollees selected the Choice Plan. He presented preliminary projections for the costs expected in 2024 which were based upon claims experience through January, 2023. The rates presented included both the member's share and the Fund's subsidy. The final projections of the total costs would be prepared for the Health Benefits Committee meeting in August, 2023. The trustees would determine how the gross premiums would be allocated between the member and the Fund.

3. CVS 2022 Pharmacy Benefit Plans Performance Review

a. Medicare

Michael Heck of CVS, presented a summary of the Medicare Prescription Drug Plan administered through SilverScript. He stated that in 2022, there was an increase of 7.3% in the total gross cost of the prescription benefit for Medicare enrollees. The gross cost was reduced by the Fund's share of rebates, members' premiums, copays, EGWP offsets and subsidies. The total net cost after rebates was \$14,569,875, which was an increase of 2.2% over the prior year. The gross costs for prescriptions related to diabetes and cancer treatments were the highest for the CCPF Plan.

b. Non-Medicare

James Hogan and Kathrine Goerges of CVS presented a summary of the Non-Medicare Prescription Drug Plan administered through CVS. Mr. Hogan stated that in 2022, there was an increase of 1.4% of the total gross cost of the prescription benefit for Non-Medicare enrollees. The total net cost after rebates was \$9,447,826 which was a slight decrease over the prior year. The number of enrollees in the plan also declined from the prior year. It was noted that the Plan had success in having members using their prescriptions. The Fund might track the successful usage of prescriptions to determine if it was related to reducing costs under the medical benefits provided by the CCPF Plan. Ms. Goerges provided a summary of the top classes of drugs by gross cost and noted that the gross costs for prescriptions related to diabetes were the highest for the Plan. She stated that the plan does not cover weight-loss drugs and might need to place controls to ensure that drugs such as Ozempic were only used to treat diabetes and not for weight management.

4. United Healthcare 2022 Medical Plan Performance Review

Patti Prince, from United Healthcare, presented an overview of the experience of the medical benefits provided under the CCPF Plan. She noted that, generally, the number of members covered and the costs for all demographics were trending upward. The costs for the Non-Medicare members over 65 years of age showed the largest increases. Claims costs were driven by members with catastrophic illnesses who represented less than 1% of the enrollees, but accounted for 31% of the medical spend. Hypertension, diabetes and intervertebral disc disorders were the most prevalent conditions covered under the CCPF Plan. She noted that the number of emergency room visits was high. She stated that the Fund might be able to decrease the number of emergency room visits by introducing ‘virtual on demand care’ such as Tele Doc, Doctors on Demand or Optum Virtual Care. It was noted that emergency room visits were sometimes needed because it was becoming more difficult to see primary care physicians. Virtual care might help to reduce the number of emergency room visits when the need arose. It was noted that the CCPF Plan covers virtual visits with a member’s attending physician. The ‘virtual on demand care’ process would allow the member to see a physician who was not already providing services to the member when necessary.

The trustees discussed that it would be beneficial for all members to have annual visits with primary care physicians. They also discussed the need to give some directions to members about avoiding the expense incurred for emergency room visits by using virtual on demand care as an alternative. The trustees discussed the need to provide members with information about managing diabetes and whether the current lifetime limit on hearing aids was appropriate. They also considered whether adding a subsidy for enrollment at a fitness center would help members maintain and improve their health.

5. Segal 2022 Actual Health Plan Expenses vs. Budget Projections

Thomas Wyszomirski, of Segal Consulting, stated that Segal had prepared preliminary and illustrative monthly costs per individual for 2024. The costs presented included both the member’s share and the Fund’s portion. The preliminary rates did not reflect possible savings from the pending Request for Proposal (“RFP”) for a pharmaceutical benefits manager. The rates presented were based on claims experience through January, 2023. The final total costs would be updated for the HBC meeting in August.

In response to questions from the trustees, Segal stated that the monthly costs per individual did not include what the member paid directly to Medicare. The trustees asked that the costs for the members’ payments to Medicare be included in the projections so that the Board could get a complete understanding of the members’ total costs and to better compare the costs for Medicare and Non-Medicare members.

6. Old Business/New Business

The Executive Director reported that date to respond to the RFP for a pharmaceutical benefits manager had been initially set for June 15, 2023. There were some issues regarding the

presentation of the data to be used in the responses, so the deadline was extended to June 21, 2023.

It was reported that Guardian had agreed to provide dental coverage in 2024 and 2025 at the current rates. The proposal needed to be reduced to writing for Board approval.

It was also stated that the Federal Drug Administration had recently approved a new drug to treat Alzheimer's disease which, while costly, produced better results than medications in current use.

7. Adjournment

It was moved by Trustee Richardson and seconded by Trustee Goode that the Health Benefits Committee meeting be adjourned.

Vote Result: MOTION ADOPTED BY VOICE VOTE