



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**

Minutes for the March 21, 2019, 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: John Fitzgerald (Chair); Patrick McFadden; Robert De Graff; Diahann Goode, Kevin Ochalla

Staff Present: Regina Tuczak, Executive Director; Jane Hawes, Director of Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist

Others Present: Daniel Levin; Cristina De Leon, Segal Consulting.

Public Comment: Chairman Fitzgerald asked if anyone present would like to address the Committee. There being no public comment, the meeting continued.

Review and Consideration of November 14, 2018, Health Benefits Committee Meeting

Minutes: Trustee McFadden made a motion to approve the November 14, 2018, meeting minutes; Trustee DeGraff seconded the motion. The motion was approved.

Segal Contract Extension: Jane Hawes reported that Segal is offering to extend terms of their three year contract for an additional year until 12/31/21. Under Segal's existing contract with the Fund, an annual fee of \$170,000 includes consulting services performed every year and additional services provided once during the three year contract period. On-going consulting services performed each year account for \$107,000 of Segal's total annual fee, whereas \$63,000 is used to pay for additional consulting projects. Segal's proposal continues the same fee structure and gives

the Fund a choice of one additional consulting service, for example a commercial (non-Medicare) plan RFP; or a Medicare Advantage RFP, or other project mutually agreed upon by the Fund and Segal.

Trustee McFadden made a motion to recommend the Board approve Segal's proposed contract extension: Trustee Goode seconded the motion. The motion was approved.

Administrative Report: Ms. Hawes informed the Committee of the following:

- a) **HBC meeting topics for 2019.** A schedule of topics for each scheduled 2019 meeting was presented.
- b) **2018 Wellness Budget:** UnitedHealthcare (UHC) reimbursed CCPF \$114,386 for health benefits administrative expenses under the UHC wellness budget, specifically: \$58,200 for health benefits communications; \$29,500 for Medicare education and open enrollment events, and \$26,700 for a blood pressure monitor/scale health promotion campaign. UHC has approved the continued use of the \$120,000 wellness budget for health benefits administrative expenses in 2019.
- c) **CAR-T Therapy:** It was recently discovered that UHC added coverage for CAR-T gene therapy to the CCPF Choice and Choice Plus plans in 2018 without first obtaining the Fund's approval. The therapy costs range from \$373,000 to \$475,000 and do not include additional expenses for hospitalizations; testing; chemotherapy, and treating complications. Ms. Hawes stated that offering benefits for CART-T therapy exposes the Fund to significant financial risk because the Health Plan is self-insured and has no stop-loss insurance to protect against high dollar shock claims, and the Plan has no caps on life-time benefits. Furthermore, the Plan has no utilization controls to ensure Medicare members will receive therapy at UHC's network hospitals or designated treatment sites. Ms. Hawes has informed UHC that CAR-T therapy services should not be approved or paid since no decision was made by the Fund's authorized representatives to add this coverage. Ms. Hawes will follow up with a letter to UHC confirming that until further notice, benefits for CAR-T therapy are not included in the CCPF Health Plan.

Segal's Claim Audit of Pharmacy Plans: Dan Levin and Cristina De Leon of Segal Consulting presented the results of the pharmacy plans audits. Mr. Levin stated that claims audits are designed to determine if CVS has followed the plan design and terms of the contract with the Fund when adjudicating pharmacy claims.

Employer Group Waiver Program (EGWP) Audit - Claims Year 2017

The EGWP audit did not identify any coding errors relating to the method in which discounts were applied, rebates were calculated or dispensing fees were charged. Segal's audit found that no additional money was due the Fund by CVS. Mr. Levin recommended

the Fund accepts the financial guarantee reconciliation provided by CVS as accurate and closes the EGWP plan audit for CY2017.

Commercial (non-Medicare) Audit – Claims Year 2017

Audit results yielded no significant findings and CVS appears to be administering the plan appropriately. Claims for colonoscopy bowel prep medications are coded to charge members a copay, however, these claims are paid with a \$0 copay. This is consistent with the way other preventive services (including colonoscopies) are covered at no cost to the member. Mr. Levin recommended updating the Fund's CVS plan document to reflect the \$0 copay and close the commercial plan audit for CY2017.

EGWP Contract Renewal: CVS has offered significantly improved pricing and terms for a three year contract renewal retroactive to 1/1/2019 through 12/31/2021. Mr. Levin reported Segal has completed a detailed analysis of the impact of CVS's proposal on the Fund's EGWP and WRAP pharmacy claims and, as a result, Segal estimates the Fund and participating members will save \$3.1 million in 2019 and \$8.8 million over the three year contract period. Savings will accrue from improved rebates and discounts which will now also apply to WRAP claims. Mr. Levin confirmed these are gross savings which will be factored into premium rates and shared with members. Contract negotiations are in process with CVS and a final draft contract is expected to be ready soon; meanwhile CVS has coded rebates for the 1st Quarter to credit the Fund with improved rates.

Trustee McFadden made a motion to recommend the Board approve the EGWP renewal when a final contract is completed. Trustee DeGraff seconded the motion and the motion was approved.

New Business: Ms. Hawes reported that a representative from the American Civil Liberties Union has asked to meet with her regarding coverage for gender reassignment surgery, however, she has not agreed to meet or discuss the issue, as plan coverage issues are not determined by staff. The Committee directed that external legal counsel be advised of the situation for further guidance.

Adjournment: Trustee Ochalla made a motion to adjourn. Trustee DeGraff seconded the motion and the meeting was adjourned.