



**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**

**33 N Dearborn St, Suite 1000
Chicago, Illinois 60602**

Minutes for the September 21, 2017 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; Diahann Goode; Robert DeGraff; Andrew Jatiko; Bill Kouruklis and Dennis White.

Non-Committee Trustees Present: Joseph Nevius.

Staff Present: Nickol Hackett, Executive Director & CIO; Jane Hawes, Senior Manager of Health Benefits; Rachelle Howliet, Senior Health Benefits Specialist; Tonya Jackson, Health Benefits Specialist; Margaret Fahrenbach, Legal Advisor.

Others Present: Daniel Levin and Thomas Wyszomirski, 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 August 24, 2017 Health Benefits Committee Meeting Minutes

Trustee McFadden moved to approve the August 24, 2017 minutes, Trustee DeGraff seconded the motion. The motion was approved.

Administrative Report

Jane Hawes presented follow up information about average cost per member of top oncology drugs used in 2016. The committee asked for a broader analysis of the cost of oncology care for members and the Fund, including the impact of using out-of-network providers.

A member has requested a second level medical appeal. Ms. Hawes summarized the appeal process; the Fund's fiduciary responsibility for second level appeals, and the requirement for medical appeals to be reviewed by qualified professionals with expertise in the contested issue. Although UHC can assume fiduciary responsibility for the Plan and process second level appeals for a fee of \$.70 per annuitant per month (about \$85,000 a year), a vendor has been identified, Innovative Care Management, that performs reviews for a \$500 hourly fee. Ms. Hawes stated the volume of the Fund's second level medical appeals is low and ad hoc review charges are unlikely to exceed \$10,000 a year.

A motion was made by Trustee White to recommend the Retirement Board enters into an agreement with Innovative Care Management for the processing of second level appeals. The motion was seconded by Trustee McFadden.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

It was recently discovered that SilverScript EGWP WRAP smoking cessation coverage for Medicare members does not mirror the non-Medicare commercial plan. Coverage for smoking cessation in the commercial plan is mandated by the Affordable Care Act. In July 2016, the Committee approved the same smoking cessation coverage for members enrolled in the EGWP WRAP program as in the commercial plan, however, the benefit was not implemented for the WRAP pharmacy plan.

A motion was made by Trustee McFadden to amend the WRAP pharmacy plan design to align smoking cessation benefits with the commercial plan. The motion was seconded by Trustee Goode.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Segal Final Review of 2018 Rates

Dan Levin stated he will be the Segal client relationship manager for the Fund, going forward. He introduced Tom Wyszomirski who reviewed the rate recommendations approved by the Retirement Board or 2018. Mr. Levin noted the urgent care co-pay benefit change approved by the Retirement Board will not impact the final 2018 rates.

UHC is offering a revised fee proposal of a 1% increase each year over current fees. Mr. Levin outlined the cost of this fee structure over the three year contract term and stated there would be no impact on the final 2018 rates approved by the Retirement Board. He stated the revised fees amount to a reduction of approximately \$102,000 over UHC's initial proposal.

A motion was made by Trustee McFadden to accept UHC's revised fee proposal. The motion was seconded by Trustee Goode.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Mr. Levin reviewed the logic being used to adjudicate retail and mail order claims in the EGWP coverage gap period and noted this added an additional \$1.1 million to the Fund's pharmacy expense for 2017. Mr. Levin stated the logic typically used is the lessor of the drug cost or the copay, and noted this was how pharmacy claims were adjudicated prior to the EGWP implementation and also the way claims are currently paid in the commercial plan. Mr. Levin recommended the Fund consider returning to the more typical logic. If approved, CVS can implement the change for 1/1/2018.

A motion was made by Trustee McFadden to recommend the Retirement Board eliminates the current EGWP lessor of the discount or copay logic and approve a return to the more typical lessor of the drug cost or copay logic. The motion was seconded by Trustee Goode.

Vote Result: MOTION ADOPTED UNANIMOUSLY BY VOICE VOTE

Mr. Levin reported that UHC is currently working to provide additional information about UHC's urgent care network, and information on audiologists and hearing aid network providers.

A Segal memo outlining the Dental Request for Information (RFI) process was discussed. It was noted the fee quoted for the Dental RFI was on a project basis. Since Segal's agreement with the Fund terminates at the end of 2017, Mr. Levin offered three different fee structure approaches to a new contract: the first option is a flat annual fee for ongoing basic services with additional engagements priced on a per project basis; the second option is a bundled price for basic services over a three year period with project costs amortized, and the third option bundles health care consulting (basic and projects) with actuarial consulting amortized over a three year period. Segal is offering pricing discounts for options two and three.

After Mr. Levin and Mr. Wyszomirski excused themselves from the meeting, the Committee discussed Segal's various proposal options and the types of basic services and projects the Fund is expected to need during the proposed contract period. It was agreed that a medical RFP may not be required if UHC's performance is satisfactory. Trustee White suggested the Fund establish guidelines for how frequently the medical plan contract should be bid and offered to develop recommendations.

Ms. Hawes was directed to ask Segal to revise their proposal; clarify the bundled fee structure for options one and two, and illustrate how fee proposals would change if the medical RFP was eliminated.

Adjournment: Trustee McFadden made a motion to adjourn, Trustee Goode seconded the motion. The motion was approved.