



**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 July 12, 2018 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); Robert DeGraff; Diahann Goode; Bill Kouruklis; Patrick McFadden; Kevin Ochalla.

Non-Committee Trustees Present: Joseph Nevius

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

Others Present: Daniel Levin and Tom 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 May 17, 2018 Health Benefits Committee Meeting Minutes:

Trustee DeGraff made a motion to approve the May 17, 2018 meeting minutes. Trustee McFadden seconded the motion and the motion was approved.

Administrative Report:

Jane Hawes shared CVS's response to questions raised during the 2017 Pharmacy Plan Performance presentation:

Regarding the accuracy of the "Top 5 Pharmacy" report showing 200 scripts filled for one patient, CVS confirmed the report is accurate and explained that the pharmacy is part of a long-term care facility. Dan Levin added that this type of high utilization is not unusual for patients in long-term care.

CVS stated it can change the way drug manufacturer copay cards are administered by spreading the member's savings over time and applying the remaining value of the card to the Fund's expense. CVS estimates there are 85 non-Medicare members who would qualify for manufacturers' drug copay cards with the potential to save the Fund \$86,000 a year. CVS has been asked to provide written confirmation of the administration process and the basis for savings projections.

Ms. Hawes reported that the Coalition of Municipal Agencies will soon announce results of the Pharmacy Benefit Manager RFP. Segal is prepared to evaluate the fee proposal.

The next Medicare Education event will be held July 24, 2018 at 70 West Madison.

Cancer Support Program:

Ms. Hawes and Mr. Levin asked the HBC to consider offering UnitedHealthcare's (UHC) Cancer Support Program to Choice and Choice Plus members effective January 1, 2019.

Mr. Levin presented Segal data that showed the Fund's medical and pharmacy cancer claims have increased year-over-year. Cancer claims in 2017 accounted for approximately \$15 million of the Fund's health plan costs. This amount does not include members' out-of-pocket expenses which can increase significantly when providers are out-of-network.

The proposed Cancer Support Program involves telephone outreach by UHC Oncology nurse who help the patient and family members with treatment decisions, finding cancer specialists and enrolling in real clinical trials. Program fees will be approximately \$42,000 a year; Segal projects the program will achieve \$253,000 savings in the first year.

Trustee McFadden made a motion to recommend the Board consider offering the program in 2019 with the provision that a savings analysis be conducted on first year claims experience. Trustee DeGraff seconded the motion. The motion was approved.

Segal's Review of 2018 Health Plan Financial Performance:

Tom Wyszomirski and Mr. Levin presented the Fund's year-to-date benefit expenses which combined medical and prescription drug experience for January thru May 2018. Results of the YTD analysis was compared to Segal's projections which were based on experience from July 2014 thru June 2017.

Total 2018 YTD benefit expenses were \$42,166,579 which is 7.4% better than expected, on a per capita basis. Actual aggregate 2018 YTD experience thru May showed an 8% reduction in medical costs relative to 2017 medical experience through May. This was offset by a 24.3% increase in prescription drug costs for the period of Jan – May 2018 compared to Jan – May 2017. These prescription drug costs reflect estimated EGWP subsidies and manufacturers' rebates. The overall result was a 1.1% year-over-year per capita cost increase for the Jan – May comparison.

Segal will use data from July 2015 thru June 2018 to develop the Fund's premium rates for 2019.

Mr. Wyszomirski stated that the Fund's YTD cost trend of 1.1% is better than the market trend of 7% – 9%, although he stated this will not necessarily result in a rate decrease for 2019 since three full years of experience will be used to develop 2019 rates.

Disabled Dependent Eligibility:

Ms. Hawes reviewed the updated Disabled Dependent Eligibility Policy and outlined a timeline for re-certifying dependents' disability status. Trustee McFadden made a motion to recommend the Board approve the revised Disabled Dependent Eligibility Policy. Trustee DeGraff seconded the motion and the motion was approved.

Adjournment: Trustee DeGraff made a motion to adjourn. Trustee McFadden seconded the motion and the motion was approved.