

Recommending Potential Plan Changes

For

July 1, 2012 - June 30, 2013



PEIA/RHBT Finance Board

Public Hearing Presentation

November 2011

Agenda

- Call to order
- Introduction
 - Finance Board and staff members present
- Things Happening at PEIA
- Active Employees (State & Non-State), and Non-Medicare Retirees
- Active Employees (State & Non-State), and Non-Medicare Retirees Benefit Adjustments
- Active Employees (State & Non-State), and Non-Medicare Retirees Benefit Options
- Active Employees (State & Non-State), Non-Medicare Retirees and Special Medicare Plan Benefit Options
- Financial Plan
- Public Comment
 - Comments will be limited to 5 minutes per person
- Adjournment

THINGS HAPPENING AT PEIA:

1. Pharmacy Vendor Bid
2. Wellness Vendor Bid
3. Medicare Advantage Prescription Drug Program Bid

ACTIVE EMPLOYEES (STATE & NON-STATE), AND NON-MEDICARE RETIREES :

1. No Premium Increase
2. New Plan "D" with 5% Premium Decrease
3. Benefit Adjustments

THE FOLLOWING PREVENTIVE SERVICES WILL BE COVERED WITH NO DEDUCTIBLE, COINSURANCE OR COPAYMENT EFFECTIVE JULY 1, 2012:

- **Abdominal Aortic Aneurysm** one-time screening for men aged 65 to 75 who have ever smoked
- **Blood Pressure** screening for all adults (included in Annual Physical benefit)
- **Cholesterol** screening for men aged 35 and older and women aged 45 and older or others at higher risk
- **Colorectal Cancer** screening using fecal occult blood testing, sigmoidoscopy, or colonoscopy, in adults, beginning at age 50 years and continuing until age 75 years (currently covered)
- **Type 2 Diabetes** screening for adults with high blood pressure
- **HIV** screening for all adults at higher risk
- **Immunization** vaccines for adults--doses, recommended ages, and recommended populations vary:
 - Hepatitis A (currently covered)
 - Hepatitis B (currently covered)
 - Herpes Zoster

- Human Papillomavirus (currently covered)
- Influenza (currently covered)
- Measles, Mumps, Rubella (currently covered)
- Meningococcal (currently covered)
- Pneumococcal (currently covered)
- Tetanus, Diphtheria, Pertussis (currently covered)
- Varicella (currently covered)
- **Tobacco Use** screening for all adults and cessation interventions for tobacco users
- **Syphilis** screening for all adults at higher risk

THE FOLLOWING PREVENTIVE SERVICES FOR WOMEN, INCLUDING PREGNANT WOMEN WILL BE COVERED WITH NO DEDUCTIBLE, COINSURANCE OR COPAYMENT EFFECTIVE JULY 1, 2012:

- **Covered Preventive Services for Women, Including Pregnant Women**
- **Anemia** screening on a routine basis for pregnant women
- **Bacteriuria** urinary tract or other infection screening for pregnant women
- **BRCA** counseling about genetic testing for women at higher risk
- **Breast Cancer Mammography** screenings every 1 to 2 years for women over 40 (currently covered)
- **Cervical Cancer** screening for sexually active women (currently covered)
- **Folic Acid** supplements for women who may become pregnant
- **Hepatitis B** screening for pregnant women at their first prenatal visit
- **Osteoporosis** screening for women over age 60 depending on risk factors
- **Rh Incompatibility** screening for all pregnant women and follow-up testing for women at higher risk

- **Tobacco Use** screening and interventions for all women, and expanded counseling for pregnant tobacco users
- **Sexually Transmitted Disease Screenings** for Chlamydia, Gonorrhea and Syphilis for women at increased risk

THE FOLLOWING PREVENTIVE SERVICES FOR CHILDREN WILL BE COVERED WITH NO DEDUCTIBLE, COINSURANCE OR COPAYMENT EFFECTIVE JULY 1, 2012:

- **Alcohol and Drug Use** assessments for adolescents
- **Autism** screening for children at 18 and 24 months
- **Behavioral** assessments for children of all ages
- **Cervical Dysplasia** screening for sexually active females
- **Congenital Hypothyroidism** screening for newborns
- **Developmental** screening for children under age 3, and surveillance throughout childhood
- **Dyslipidemia** screening for children at higher risk of lipid disorders
- **Fluoride Chemoprevention** supplements for children without fluoride in their water source
- **Gonorrhea** preventive medication for the eyes of all newborns
- **Hearing** screening for all newborns (currently covered)
- **Height, Weight and Body Mass Index** measurements for children (currently covered)
- **Hematocrit or Hemoglobin** screening for children
- **Hemoglobinopathies** or sickle cell screening for newborns
- **HIV** screening for adolescents at higher risk
- **Immunization** vaccines for children from birth to age 18 –doses, recommended ages, and recommended populations vary:
 - Diphtheria, Tetanus, Pertussis (currently covered)

- Haemophilus influenzae type b (currently covered)
- Hepatitis A (currently covered)
- Hepatitis B (currently covered)
- Human Papillomavirus (currently covered)
- Inactivated Poliovirus (currently covered)
- Influenza (currently covered)
- Measles, Mumps, Rubella (currently covered)
- Meningococcal (currently covered)
- Pneumococcal (currently covered)
- Rotavirus (currently covered)
- Varicella (currently covered)
- **Iron** supplements for children ages 6 to 12 months at risk for anemia
- **Lead** screening for children at risk of exposure
- **Medical History** for all children throughout development
- **Obesity** screening and counseling
- **Oral Health** risk assessment for young children
- **Phenylketonuria (PKU)** screening for this genetic disorder in newborns (currently covered)
- **Tuberculin** testing for children at higher risk of tuberculosis
- **Vision** screening for all children

**ACTIVE EMPLOYEES (STATE & NON-STATE), AND NON-MEDICARE RETIREES
BENEFIT ADJUSTMENTS:**

Remove Coverage

1. Acupuncture
2. Massage Therapy

**ACTIVE EMPLOYEES (STATE & NON-STATE), AND NON-MEDICARE RETIREES
BENEFIT ADJUSTMENTS:**

Adjust Copays

- | | |
|--|-------|
| 1. Emergency Room | \$100 |
| 2. Urgent Care | \$25 |
| 3. Imaging | \$50 |
| 4. Specialty Physician | \$25 |
| 5. Physical, Occupational Therapy and Speech Therapy | \$10 |

**ACTIVE EMPLOYEES (STATE & NON-STATE), AND NON-MEDICARE RETIREES
BENEFIT ADJUSTMENTS:**

New \$500 Copays (These copays will apply and then these services will be subject to deductible and coinsurance.)

1. Spine Procedures
2. Knee Replacements
3. Hip Replacements
4. Shoulder Surgery
5. Gastric Bypass
6. Medically Necessary Dental Services

**ACTIVE EMPLOYEES (STATE & NON-STATE), AND NON-MEDICARE RETIREES
BENEFIT OPTIONS:**

Pharmacy Option A: Closed Formulary

- | | |
|------------------------|-------------|
| 1. Generic | \$5 |
| 2. Preferred Brand | \$15 |
| 3. Non-Preferred Brand | Not Covered |
| 4. Specialty | \$50 |

ACTIVE EMPLOYEES (STATE & NON-STATE), NON-MEDICARE RETIREES, AND SPECIAL MEDICARE PLAN BENEFIT OPTIONS:

Pharmacy Option A: Closed Formulary

Top 102 Non-Preferred Brand drugs that would not be covered are:

| Drug Brand Name | FORMULARY ALTERNATIVES |
|-----------------------------|--|
| SYNTHROID | LEVOTHYROXINE SODIUM |
| LEXAPRO | citalopram, fluoxetine, paroxetine, sertraline |
| LANTUS SOLOSTAR | LANTUS, LEVEMIR VIALS |
| VENTOLIN HFA | PROAIR HFA |
| PREMARIN | ESTRADIOL, MENEST |
| LIPITOR | CRESTOR, lovastatin, simvastatin |
| DIOVAN HCT | LOSARTAN-HCTZ, DIOVAN + HCTZ |
| PROVENTIL HFA | PROAIR HFA |
| CELEBREX | ibuprofen, diclofenac, indomethacin, naproxen, meloxicam |
| LYRICA | gabapentin |
| BENICAR | DIOVAN, GENERICS |
| BENICAR HCT | LOSARTAN-HCTZ, DIOVAN + HCTZ |
| HUMALOG | NOVOLOG |
| LOESTRIN 24 FE | generic oral contraceptives |
| VIVELLE-DOT | generic estradiol patches |
| VYTORIN | CRESTOR, lovastatin, simvastatin |
| WELCHOL | CHOLESTYRAMINE |
| PRISTIQ | VENLAFAXINE ER, BUPROPION ER, CYMBALTA |
| TRICOR | FENOFIBRATE |
| CONCERTA | METADATE CD, VYVANSE |
| ANDROGEL | TESTIM |
| DEXILANT | lansoprazole, omeprazole |
| ORTHO TRI-CYCLEN LO | generic oral contraceptives |
| BYSTOLIC | atenolol, bisoprolol, metoprolol |
| FOCALIN XR | METADATE CD, VYVANSE |
| NASONEX | FLUNISOLIDE, FLUTICASONE |
| NUVARING | generic oral contraceptives |
| VICTOZA 3-PAK | BYETTA |
| VICTOZA 2-PAK | BYETTA |
| FLOVENT HFA | PULMICORT FLEXHALER, QVAR |
| AVAPRO | GENERICS, DIOVAN |
| ACTONEL | ALENDRONATE TAB |
| TOPROL XL | atenolol, bisoprolol, metoprolol |
| TRAVATAN Z | latanoprost |
| METHYLPHENIDATE HCL | METADATE CD, VYVANSE |
| ONE TOUCH ULTRA TEST STRIPS | BREEZE/CONTOUR |
| TRILIPIX | FENOFIBRATE |
| ASACOL | BALSALAZIDE, APRISO |
| LUMIGAN | latanoprost |

| Drug Brand Name | FORMULARY ALTERNATIVES |
|--------------------------|---|
| ASMANEX | PULMICORT FLEXHALER, QVAR |
| TEKTURNA | generic ACE inhibitor, losartan |
| EFFEXOR XR | VENLFX ER(NOT UPSTATE),CYMBLTA |
| AZOR | amlodipine+losartn,EXFORGE |
| HUMULIN N | NOVOLIN N |
| ADDERALL XR | DEXTROAMPHETAMNE-AMPHETAMNE ER |
| SEASONIQUE | generic oral contraceptives |
| VESICARE | oxybutynin er, trospium |
| ACIPHEX | lansoprazole, omeprazole |
| AVODART | FINASTERIDE |
| XOPENEX HFA | PROAIR HFA |
| PREVIDENT | ETHEDENT, DENTAGEL 1.1% |
| RANEXA | GEN BETA BLOCKER, CCB, NITRATE |
| VERAMYST | FLUNISOLIDE,FLUTICASONE |
| SIMCOR | simvastatin + NIASPAN |
| YAZ | gianvi |
| GEODON | RISPERDNE,ABILFY,SEROQUL,ZYPRX |
| HUMULIN R | NOVOLIN R |
| COUMADIN | WARFARIN SODIUM |
| VOLTAREN | DICLOFENAC SODIUM |
| COMBIGAN | brimonidine, dorzolamide, ALPHAGAN P 0.1% |
| MICARDIS | LOSARTAN, DIOVAN |
| BONIVA | ALENDRONATE TAB |
| ATACAND | LOSARTAN, DIOVAN |
| NUVIGIL | PROVIGIL |
| MULTAQ | AMIODARONE,OTHER ANTIARRHYTH |
| INTUNIV | METHYLPHENIDATE ER |
| NASACORT AQ | FLUNISOLIDE,FLUTICASONE |
| DETROL LA | oxybutynin er, trospium |
| CLIMARA | ESTRADIOL PATCH |
| ORTHO EVRA | generic oral contraceptives |
| LIALDA | balsalazide, APRISO |
| VENLAFAXINE HCL ER | venlfx er(NOT UPSTATE),CYMBLTA |
| CLARINEX | fexofenadine, OTC lorat, cetir |
| BEYAZ | GIANVI |
| DILANTIN | PHENYTOIN SODIUM EXTENDED |
| ORTHO TRI-CYCLEN | TRINESSA, TRI-PREVIFEM |
| HUMALOG MIX 75-25 | NOVOLOG |
| FREESTYLE LITE STRIPS | BREEZE/CONTOUR |
| MICARDIS HCT | LOSARTAN-HCT,DIOVAN + HCT |
| ENJUVIA | ESTRADIOL, MENEST |
| VALTURNA | ACE INH,losartan,DIOVAN |
| FEMHRT | ee/noreth ac,PREMPHASE/PREMPRO |
| PREVIDENT 5000 SENSITIVE | SF 1.1% GEL |
| APIDRA | NOVOLOG |
| ACCU-CHEK AVIVA | BREEZE/CONTOUR |

| Drug Brand Name | FORMULARY ALTERNATIVES |
|-----------------|---|
| CADUET | amlod+gen HMG or CRESTOR |
| AVALIDE | LOSARTAN-HCT,DIOVAN + HCT |
| CARBATROL | CARBAMAZEPINE |
| LIVALO | CRESTOR, lovastatin, simvastatin |
| ASACOL HD | balsalazide, APRISO |
| XOPENEX | ALBUTEROL NEBULIZER SOLUTION |
| OMNARIS | FLUNISOLIDE,FLUTICASONE |
| PRANDIN | NATEGLINIDE |
| TRIBENZOR | amlodi+losartn-hct,EXFORGE |
| AVANDIA | ACTOS,ACTOPLUS MET/XR,DUETACT |
| APIDRA SOLOSTAR | NOVOLOG |
| CENESTIN | ESTRADIOL, MENEST |
| GLUMETZA | METFORMIN HCL ER |
| COREG CR | CARVEDILOL (IMMEDIATE RELEASE) |
| AZOPT | brimonidine, dorzolamide, ALPHAGAN P 0.1% |
| PROGRAF | TACROLIMUS ANHYDROUS |
| LYSTEDA | GEN. CONTRACEPT, MEDROXYPROG |
| ESTRING | ESTRADIOL, MENEST |

ACTIVE EMPLOYEES (STATE & NON-STATE), NON-MEDICARE RETIREES, AND SPECIAL MEDICARE PLAN BENEFIT OPTIONS:

Pharmacy Option B: Increase Copays

| | |
|------------------------|----------|
| 1. Generic | \$8 |
| 1. 90-day supply | \$16 |
| 2. Preferred Brand | \$50 |
| 1. 90-day supply | \$125 |
| 3. Non-Preferred Brand | \$85 |
| 1. 90-day supply | \$212.50 |
| 4. Specialty | \$100 |

ACTIVE EMPLOYEES (STATE & NON-STATE), NON-MEDICARE RETIREES, AND SPECIAL MEDICARE PLAN BENEFIT OPTIONS:

Pharmacy Option C:

Remove Proton-Pump Inhibitor (PPI) Coverage

ACTIVE EMPLOYEES (STATE & NON-STATE), NON-MEDICARE RETIREES, AND SPECIAL MEDICARE PLAN BENEFIT OPTIONS:

Pharmacy Option D:

No Coverage for \$4 Generics (Mostly for prescription of 30 units)

**MEDICARE ADVANTAGE AND SPECIAL MEDICARE PLAN RETIREES MEDICAL
BENEFIT OPTIONS:**

1. Option A: 9 % Premium Increase

2. Option B: Benefit Adjustments

1. Deductible \$100

2. Medical Out-of-Pocket Maximum \$1,350 (includes deductible and copays)

3. Adjust Copays

1. Specialist \$30

2. Outpatient Services \$100

3. Inpatient Services \$150

DRAFT - WV PEIA Financial Plan FY 2012 - FY 2016
Baseline Scenario - Current Benefits

| With Plan D | 2012 | 2013 | 2014 | 2015 | 2016 |
|--|--------------------|-----------------------|---------------------|----------------------|----------------------|
| Additional Employer Premium <i>Increase</i> | \$ - 0% | \$ 25,000,000 4% | \$ 38,000,000 6% | \$ 64,000,000 10% | \$ 46,000,000 6% |
| Local Fund Premium Increase <i>Increase</i> | \$ - 0% | \$ - 0% | \$ 2,000,000 2% | \$ 8,000,000 6% | \$ 21,000,000 15% |
| Employee Premium <i>Increase</i> | \$ - 0% | \$ (2,446,981) -2% | \$ 9,500,000 6% | \$ 16,000,000 10% | \$ 11,500,000 7% |
| State Direct Transfer | \$ 3,500,000 | \$ 3,500,000 | \$ - | \$ - | \$ - |
| Managed Care Capabilities <i>Increase</i> | \$ 2,196,990 6% | \$ 2,328,799 6% | \$ 2,468,577 6% | \$ 2,616,639 6% | \$ 2,773,637 6% |
| Benefit Reductions (Increase) | \$ - | \$ 42,175,000 | \$ - | \$ - | \$ - |
| Actium Bill Cost Adjustment | \$ - | \$ 6,300,000 | \$ - | \$ - | \$ - |
| PPACA Cost (Savings) Adjustment | \$ - | \$ 9,534,000 | \$ (1,000,000) | \$ - | \$ - |
| Administrative Increases <i>Increase</i> | \$ 1,143,567 2% | \$ 1,199,695 5% | \$ 1,259,680 5% | \$ 1,322,664 5% | \$ 1,388,797 5% |
| Pay Go Premium Transfer | \$ 150,000,000 | \$ 162,000,000 | \$ 172,900,000 | \$ 184,000,000 | \$ 195,300,000 |
| Total Fund | | | | | |
| Beginning Reserve | \$ 200,814,753 | \$ 187,402,121 | \$ 169,339,787 | \$ 145,190,533 | \$ 143,364,711 |
| Fiscal Year Results | (13,412,652) | (18,062,333) | (26,149,254) | 174,178 | 11,513,589 |
| Ending Reserve | \$ 187,402,121 | \$ 169,339,787 | \$ 143,190,533 | \$ 143,364,711 | \$ 154,878,300 |
| <i>Percent of Expenses</i> | 25% | 21% | 16% | 15% | 15% |
| State Fund | | | | | |
| Beginning Reserve | \$ 162,326,650 | \$ 146,904,332 | \$ 130,653,561 | \$ 112,229,697 | \$ 121,473,428 |
| Fiscal Year Results | (15,421,316) | (16,250,771) | (18,424,464) | 9,244,331 | 10,690,582 |
| Ending Reserve | \$ 146,904,332 | \$ 130,653,561 | \$ 112,229,697 | \$ 121,473,428 | \$ 131,564,010 |
| <i>Percent of Expenses</i> | 23% | 19% | 15% | 15% | 15% |
| Local Fund | | | | | |
| Beginning Reserve | \$ 38,488,103 | \$ 40,497,790 | \$ 38,686,236 | \$ 30,961,436 | \$ 21,891,287 |
| Fiscal Year Results | 2,009,687 | (1,811,564) | (7,724,790) | (9,070,149) | 1,423,007 |
| Ending Reserve | \$ 40,497,790 | \$ 38,686,236 | \$ 30,961,436 | \$ 21,891,287 | \$ 23,314,294 |
| <i>Percent of Expenses</i> | 36% | 32% | 24% | 16% | 15% |
| State Share | 79% | 80% | 80% | 80% | 80% |
| Employee Share | 21% | 20% | 20% | 20% | 20% |
| Growth In Program Expenses | 7.5% | 3.7% | 2.1% | 7.5% | 7.8% |

DRAFT - WV RHBT Financial Plan FY 2012 - FY 2016
Baseline Scenario - Current Benefits

| With Plan D | 2012 | 2013 | 2014 | 2015 | 2016 |
|---|------------------|------------------|------------------|------------------|------------------|
| Retiree Premium Increase | \$ - | \$ 6,902,907 | \$ 28,007,103 | \$ 25,843,636 | \$ 29,141,638 |
| Increase | 0% | 9% | 34% | 23% | 21% |
| Medicare Part D Revenue | \$ - | \$ - | \$ - | \$ - | \$ - |
| Non-Medicare Managed Care Capitation Increase | \$ 350,717 | \$ 378,774 | \$ 409,076 | \$ 441,802 | \$ 477,147 |
| Increase | 8% | 8% | 8% | 8% | 8% |
| Medicare Claims and XLAPD Capitation Increase | \$ 10,841,565 | \$ (1,325,674) | \$ 16,321,286 | \$ 19,160,645 | \$ 22,163,596 |
| Increase | 8% | -1% | 11% | 12% | 12% |
| Administrative Increases | \$ 2,194,772 | \$ 626,068 | \$ 657,372 | \$ 690,240 | \$ 724,752 |
| | 5% | 5% | 5% | 5% | 5% |
| Benefit Reductions/(Increase) | \$ - | \$ 1,894,000 | \$ - | \$ - | \$ - |
| PPACA Cost/(Savings) Adjustment | \$ 200,000 | \$ (12,000,000) | \$ - | \$ - | \$ - |
| Early Retiree Reinsurance Program (CRIS) | \$ - | \$ 10,000,000 | \$ - | \$ - | \$ - |
| Pay Go Premium Transfer | \$ 150,000,000 | \$ 162,000,000 | \$ 172,900,000 | \$ 184,000,000 | \$ 195,200,000 |
| Beginning Reserve | \$ 471,108,789 | \$ 468,694,474 | \$ 500,045,371 | \$ 533,531,510 | \$ 569,302,400 |
| Fiscal Year Results | (2,414,315) | 31,350,898 | 33,486,139 | 35,770,889 | 38,216,044 |
| Ending Reserve | \$ 468,694,474 | \$ 500,045,371 | \$ 533,531,510 | \$ 569,302,400 | \$ 607,518,444 |
| * Actuarial Accrued Liability | \$ 5,032,000,000 | \$ 5,020,000,000 | \$ 5,206,000,000 | \$ 5,335,000,000 | \$ 5,363,000,000 |
| Funded Status | 9.3% | 10.0% | 10.2% | 10.7% | 11.3% |
| Growth In Program Expenses | 11.5% | 7.0% | 11.7% | 13.3% | 12.8% |
| Retiree Subsidy | \$ 162,834,357 | \$ 172,000,000 | \$ 172,900,000 | \$ 183,999,999 | \$ 195,200,000 |
| Percent Paid By Retiree | 30.1% | 30.9% | 37.7% | 41.4% | 44.9% |

* Estimated Result

PUBLIC COMMENTS:

COMMENTS ARE LIMITED TO 5 MINUTES PER PERSON

ADJOURNMENT:

THANK YOU!