



News Brief 2020.02

You are receiving the *News Brief* as an individual who has been identified by your school district as a contact person, either as the Superintendent, Business Official, Union President, or Benefit Administrator.

Periodically email communication will be sent out from the NY44 Trust or from our consultants at Oswald Companies. The communications may include surveys, updates, Board/Annual meetings, or Sub Committee summaries of open forum meetings. We ask that at the district level a process to coordinate the delivery of information to your enrollees is implemented on the best practices you have already developed. Some successful areas used in the past are the internal staff intranet or emailing directly to the enrollee from HR-Benefits, Union Presidents, or depending on the message a mass email to all active and retired employees. The school has available the most current email addresses. We have found that the bswift enrollment system is missing or hasn't been updated with the current contact information. There will be other communication that will be sent from or on behalf of the NY44 Trust to the enrollees too, such as postcards and Newsletters.

The NY44 Health Benefits Plan Trust is a self-funded plan working in partnership with the school districts. As we continue to have the Committee Open forums, we appreciate your participation and ask that you join us. Thank you.

The following is information from the Benefit Sub-Committee Monthly Meeting (Open to all Participating Districts) held on February 24, 2020:

Areas covered during the WebEx meeting included a legally required plan design change, formulary change awareness, ER Observation Hold vs Inpatient Admission, and how exception requests impact the finances.

Pharmacy Benefit Dimensions announced **Changes taking effect on July 1, 2020:**

- What: Erythromycin 0.5% ophthalmologic ointment availability
- Used For: Prevention of ophthalmic bacterial infection (*gonococcal ophthalmia neonatorum*)
- Who: Required to offer to Plan members <1 year of age
- Enrollee Cost: \$0 Copay
- Plan Cost: Overall average cost less than \$20 per prescription

Formulary Change Awareness:

From Whom: Pharmacy Benefit Dimensions

Where can I find the information: www.pbdrx.com click on the box that is labeled Drugs Covered, then find the NY44/PBD Formulary and click on the View the 2020



NY44/PBD Formulary
 The NY44/PBD Formulary represents a list of drugs at their appropriate tiers for members of the NY44 Health Benefits Plan Trust only.

[View the 2020 NY44/Pharmacy Benefit Dimensions Formulary](#)

Contact phone number: 1.888.878.9172

Why: Formulary information changes frequently throughout the year.

Plan Exception Requests & Financial Impact:

The contribution rates you pay for coverage are determined by the benefits that have been designed.

Where can I find my Benefits? www.ny44.e1b.org Click on the box labeled Enrollees. Look for your region, click on the Medical heading, then the righthand side bar labeled Resources, click on Summary of Benefits and Coverages and Summary Plan Description.

ER Observation vs Inpatient Admission:

What is the difference between a hold versus an admission?

<p>Observation Hold</p> <ul style="list-style-type: none"> ▪ Observation status is for conditions which can generally be treated in 48 hours or less. This allows evaluation and to render medically necessary services if diagnosis/treatment is not expected to exceed 48 hours. ▪ Observation holds are still covered by an emergency room copay. 	<p>Inpatient Admission</p> <ul style="list-style-type: none"> ▪ A patient cannot be admitted unless they meet the medical criteria for an admission. ▪ The copay is waived when a hospital inpatient admission occurs.
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The following is information from the Financial Sub-Committee Monthly Meeting (Open to all Participating Districts) held on February 25, 2020:

BPAS, the NY44 Trust Actuaries, presented information on Premium Equivalent Rate Setting

The Why: project cost of the upcoming year's health plan effective July 1st.

What Data is Used: Analysis of 2.5 years of data, which includes the following:

- Medical & Pharmacy claims experience
- Population characteristics (age, geography)
- Prevalence & severity of health risks
- Number of employees & family members
- Current plan design

And must consider the following:

- Plan changes & new plan offerings
- Administrative costs
- Statistical analysis of trend
- Compliance with federal & state mandates

For the most accurate contribution rates the actuaries review claims projected on Incurred basis, reviewed over multiple years, and the population the plan covers.

Financial Status Update:

January's financial reports will be presented to the Board of Trustees at the March 9, 2020 Board Meeting. During the Financial Sub-Committee Open Forum February 25th a brief financial status was shared with the participants.

The Balance Sheet showed a strong Equity position of \$23 million. The IBNR (Incurred But Not yet Reported) was explained when a question came up on why the same amount was used throughout the year. The Reserves Report (IBNR) is calculated by the actuaries using projections of what claims run out might be and is a line item on the Balance Sheet and Annual Financial Report done by our auditors. The amount remains the same during the current fiscal year until the following year when the Reserves process is completed once again.

A Pharmacy rebate was received on January 28th in the amount of \$2 million dollars. The continued negotiation of Pharmacy Benefit Dimensions with their vendors increased the rebate amount, even with the decrease in enrollment. The Trust also received the RDS (Retiree Drug Subsidy) for Medicare eligible enrollees 65 and older. Upon completion of the reconciliation the total amount received was \$504,691 for the time period of 7.1.2018 – 6.30.19.



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Activity for the revenue and disbursements for the Trust on a monthly and year to date showed a continued strong positive revenue. This report is the full book of business. Last fiscal year 2018-19 ended with a revenue of \$7.9 million as the Trust moved to build the reserve amount as indicated in the 5-year Financial Plan. The Year to Date has a net revenue of \$15.8 million.

The Statement of Cash Flow for the Contribution Revenue vs. the Medical/RX Expenses has a net revenue of \$16.6 million. Throughout the year the monthly comparison varies due to the number of weeks in a month. Funding requirements are based by either weekly or bi-weekly payments to the carriers. Example: If there are five Mondays in a month the Independent Health funding requirements are paid three times instead of the twice a month. The MVP Healthcare funding requirements occur weekly on Wednesdays, so five in a month increases the expenditure portion of the report. The data for this report does not include the Dental or the Administrative Operations book of business.

The Trust will continue to work closely with the Actuaries, Financial Committees, and the Consultants.

Update on PCORI of the 2010 Patient Protection and Affordable Care Act:

The Federal tax for the Patient Centered Outcomes Research Institute (PCORI) was to sunset last year, however, the government on December 20, 2019 signed a law that extended the program for ten more years. The fee is imposed on all covered lives in the plan.

Committee Meeting:

The next subcommittee update will be from the Communications subcommittee which will be held on March 18th at 3:00 pm. Please watch for a future email notification and invite to the webinar.

Other Sharing Points:

- Video instructions on “How to Register” and use your specific CODE for WellNOW on our website. Receive convenient, quality virtual care from your home, office or any location in New York State — with no consultation fee.
- A link for the Urgent Care locations is now on the Website
- OPEN ENROLLMENT in the month of MAY. There is a WebEx workshop scheduled on March 26th from 10:00 am to 11:30 am for the Benefit Administrators. On February 11th I emailed the Benefit Administrators the 2020-21 Monthly Billing dates, the Benefit Admin Guide for Employers, and a 2020 Open Enrollment Calendar.

Thank you,

Alice B. Riley, Manager of Finance and Enrollment

Thoughts, comments, feedback? We can be reached at NY44Schools@OswaldCompanies.com