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NY44 Health Benefits Plan Trust Year in Review Newsletter

April 2020

A Message from the Chair and Vice Chair of the NY44 Health Benefits Plan Trust

As we navigate these challenging times, The NY44 Health Benefits Plan Trust (Trust) is fully prepared to respond to the evolving needs of our members with health and safety at the core of our protocols. Although the Trust staff is working remotely, we are still here to continue to serve your needs and will make a seamless transition back to “normal” when that day arrives! With this in mind, we are happy to announce we’ve updated our member website to make information easier to find, while providing the latest updates at our members’ fingertips: www.ny44.e1b.org.

In the meantime, we know the importance of our Annual Meeting and while it cannot be held in person this year, we’ve created a digital newsletter in its place containing an assessment of the Trust’s financials, health & wellness initiatives, improved communication plans, health benefit updates and more.

We value our commitment to increasing transparency and communication between the Trust and Participating Member Districts. As you will read in this newsletter, we have been busy over the past several months. We have been laying the foundation to increase member involvement in the Trust decision making process. With the guidance of our consultant, Oswald Companies, and the formation of the five sub-committees (Communications, Innovation, Benefits, Finance, Population Health) we have discussed and explored opportunities to potentially reduce the overall spend in the plan without negatively impacting the covered members. We have worked to integrate a clear understanding of the Trust’s unique voice, culture and workforce, updated our financial strategies and looked extensively at areas of plan design that will have immediate positive impact to the utilizing members and contain plan design cost.

We consider the Trust to be the most progressive and benefit-friendly health care plan for school districts in New York State and their employee associations. In 2020 and beyond, we have and will continue to explore opportunities that contribute to the long-term health of our members and the financial sustainability of the Trust. We encourage you to reach out to us if you have questions and comments and we will continue to work toward ensuring that you have a voice in how we move forward together.

Stay Safe, Stay Healthy!

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Table of Contents

Trust Fiscal Year Financial Update: Page 3

Trust Sub-Committee Purpose Statements: Page 4

Communications Sub-Committee Year in Review Summary:
Page 5

Innovation Sub-Committee Year in Review Summary: Page 6

Benefits Sub-Committee Year in Review Summary: Page 6

Finance Sub-Committee Year in Review Summary: Page 7

Population Health Sub-Committee Year in Review Summary:
Page 8



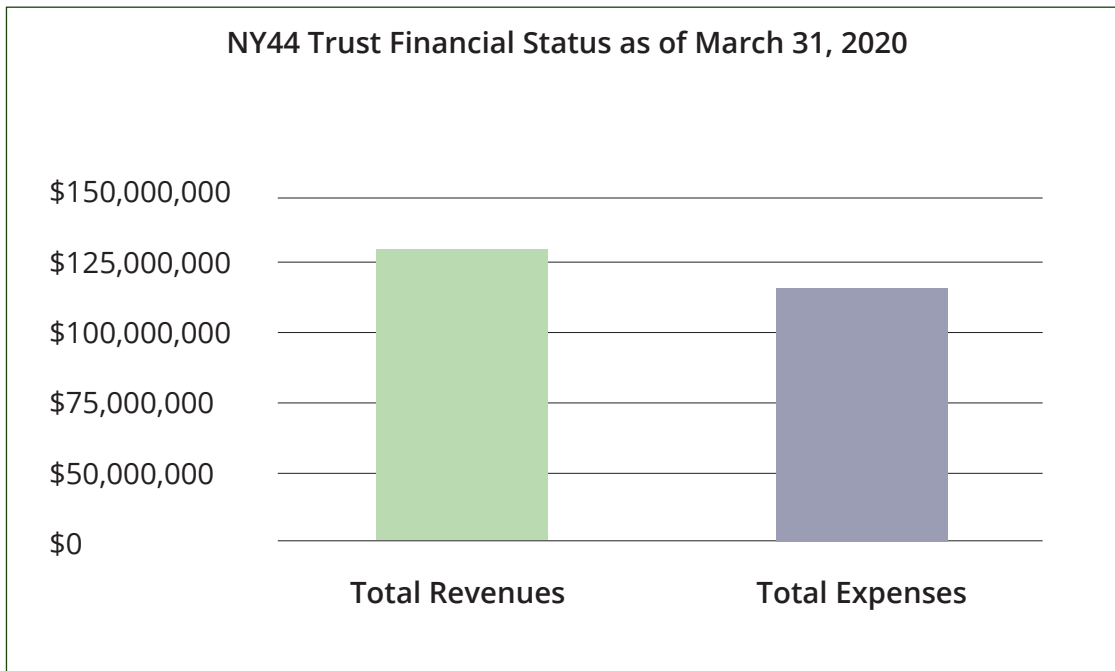
2020 Financial Update

As we approach the last two months of our fiscal year, the Trust is financially secure even as we experience a unique and challenging time in our country's history. The five years leading up to the current status took careful planning and implementation. Working with our partners, Independent Health, MVP Healthcare and Pharmacy Benefit Dimensions, we found ways together to embrace change for the betterment of the Trust as a whole. Oswald Companies, our health consultant, is guiding us with fresh eyes on delivery of communications to the schools and reporting methods on claims analysis.

Recent changes made to the Trust's benefit design, such as implementing the Member Pays the Difference, ending the wellness program and adjusting the emergency room copay have had positive financial impacts on the Trust. Additionally, the pharmacy rebates and retiree drug subsidy continue to be positive revenue sources that help keep the cost of the contribution rates down.

The contribution rate for the 2019-20 plan year helped to offset the exiting schools without compromising the Trust's reserves. The Trust's adjusted IBNR (Incurred But Not Reported) claims will be reflected after the 2019-20 actuarial analysis for the 2020-21 plan year.

Where is the Trust today financially? We are secure and committed to cost containment of healthcare coverage for the Participating Member Districts! Stop Loss has been provided since July 1, 2019, and will renew in the 2020-21 plan year. The chart below signifies an approximate net asset of \$14 million year-to-date. This reflects the claims run out and reserve needs that were actuarially built into the 2019-20 contribution rates.



The Trust sends out a monthly News Brief to keep you informed. Please visit the Trust's website at www.ny44.e1b.org for previous communications and current updates, as well as comprehensive information about benefit offerings and administration of the Trust.

NY44 Trust Sub-Committees

We value our commitment to increasing transparency and communication between the Trust and Participating Member Districts. As part of that commitment, we announced in 2019 the launch of five sub-committees: Communications, Innovation, Benefits, Finance and Population Health. Each month we highlight one sub-committee, in rotation, to provide updates and invite all Participating Member Districts to attend, provide feedback and ask questions.

Below you'll find each sub-committee's purpose statements.

■ **Communications Sub-Committee**

To provide oversight and direction to the communication plan for members including defining objectives, determining topics and identifying use of digital and print materials that will be developed and implemented by Oswald Companies.

■ **Innovation Sub-Committee**

To provide oversight and direction with the information provided by Oswald Companies to explore, analyze, introduce and implement innovative solutions to effectively and positively impact the overall Trust and the members it serves.

■ **Benefits Sub-Committee**

To provide oversight and direction with the information/work product provided by Oswald Companies related to benefit plan design and the financial impact to the plans cost and membership disruption.

■ **Finance Sub-Committee**

To collect, interpret, and maintain financial information for the management, oversight and direction of insurance and health products to policy makers, departments, and the committee so they can have confidence making informed decisions to achieve superior results using the information provided by Oswald Companies.

■ **Population Health Sub-Committee**

To provide oversight and direction to the necessary communication efforts targeting the utilization and prevailing health conditions present in our population to drive more cost-effective utilization and condition management.



Communications Sub-Committee Overview

Since the creation of the Communications Sub-Committee, we have worked to integrate a clear understanding of the Trust's unique voice, culture and workforce. With that understanding, we've identified key objectives to best effectively communicate to the members of the Trust with various digital and print materials. Below are some examples we've accomplished to meet the goal of the Communications Sub-Committee.

Creation of the Trust Website

- Click on the website image for a full tutorial of all the features members now have access to.



Update of District Liaisons

- In order to facilitate communications with the Trust, each Participating Member District is assigned individual Trustee contacts who serve as liaisons. There is one management and one labor Trustee who act as the liaisons for each Participating Member District. A list of liaisons for each Participating Member District can be found on the website.

Member Communication Materials To Date

- WellNow Mailer (Fall/Winter 2019)
- Open Enrollment Newsletter (May 2020)

Looking Ahead: 2020 & Beyond

- Communication workflow creation & researching best practices for use of available participant emails
- Member communication piece: Know Where To Go! (Summer 2020)
- Documentation of:
 - Audiences (Participating Member Districts, Trustees, Members)
 - Information (Trustee Meeting Minutes, Sub-Committee Open Forums, Vendor Communications)



Innovation Sub-Committee Overview

Over the past five months we have discussed and explored opportunities to potentially reduce the overall spend in the Trust plan without negatively impacting the members. One area which represents significant costs to the Trust is prescription drugs. After reviewing aggregate annual spend, we found that prescription drugs accounts for \$45M or 30.4% of the total annual healthcare costs to the Trust.

The Trust has contracted with Pharmacy Benefits Dimensions (PBD) since the inception of the Trust plan. PBD, as the pharmacy benefits manager, provides what appears to be a fair and reasonable contractual arrangement for the Trust. However, it is prudent and diligent for the Trust to ensure it is the best contractual arrangement available. Therefore, the Innovation Sub-Committee will be conducting a Request for Proposal (RFP) process which will include a comprehensive review of all components of the current contract in comparison to other pharmacy benefits managers. The extensive RFP process will allow us to either negotiate an improved contractual arrangement with PBD or consider a contract with another pharmacy benefits manager. This process has no impact on the benefits offered to the members but has the potential to reduce the overall cost to the Trust.

Along the same lines, the Innovation Sub-Committee has been exploring opportunities to reduce the spend on specialty drugs. Specialty drugs account for \$19.3M or 43% of the total of the prescription drug cost. Again, programs and solutions to reduce specialty drug cost will not impact members negatively but will reduce the ongoing cost to the Trust.



Benefits Sub-Committee Overview



This year we have looked extensively at areas of plan design that will have immediate positive impact to the utilizing members and contain plan design cost. Evidence of this can be demonstrated by the “common accident or injury” emergency room copay maximum that is in effect July 1, 2020.

We continue to explore incentives to all Participating Member Districts for behavior that will contribute to the long-term health of their members and the financial sustainability of the Trust.

Finance Sub-Committee Overview

The Finance Sub-Committee Organizes Claims Information in Two Methods:

- The Trust’s claim expenses are managed and reconciled by Alice Riley, Manager of Finance and Enrollment for the Trust. These include, but are not limited to, balancing of claims payments from the Trust’s accounts for the payment of claim expenses and fees on a weekly, monthly and annual basis.
- Claims utilization and expenses as managed by Medhat Kaldas, Senior Data Consultant at Oswald Companies on a monthly, quarterly and annual basis.

Although both methods have some purposeful overlap, they are assembled for varying reasons, one to track expenses and the other to track utilization. The utilization reporting aligns with underwriting time periods. In efforts to expedite utilization reporting and to improve effectiveness and tracking of utilization, the Trust, through the services of Oswald Companies, is streaming claims through a management database.

1 Month February 2020	3 Months December 2019- February 2020	12 Months March 2019- February 2020	8 Months(s) July 2019- February 2020
Month Per Employee Per Month: \$1,317	Quarter Average Per Employee Per Month: \$1,218	Year Average Per Employee Per Month: \$1,417	Fiscal Year Average Per Employee Per Month: \$1,358

The Finance Sub-Committee created a financial summary report that measures four different time periods that is easy to read and understand. Organized by expense type (medical, pharmacy, fees, and rebates), you can see above the current position and trend patterns.

As part of that commitment to increase communication to Participating Member Districts, the sub-committees have opened several sessions for Participating Member Districts to attend, listen in and ask questions. The Finance Sub-Committee opened their general monthly meeting to Participating Member Districts on January 21st. This meeting included a presentation detailing stop loss insurance coverage. This was followed by a Rates & Underwriting presentation which included rate release timing on March 25.

With efforts from the Finance Sub-Committee’s partners, BPAS Healthcare Consulting Services and Oswald Companies, the renewed 2020-2021 rates were among the most favorable renewal in recent years.

On a regular basis, the Finance Sub-Committee measures the effects of plan design decisions, from utilization to the impact they may have on the Trust’s expenses. Recently, these changes included the emergency room copay and covering the cost for testing of COVID-19.

As the Finance Sub-Committee moves forward, they have updated their financial strategies. Their multi-phase approach addresses short-term, mid-term and long-term initiatives on funding, partnerships, benefit package(s), risk management and Participating Member District communication/engagement.

Population Health Sub-Committee Overview

The Population Health Sub-Committee met for the first time in November 2019; it was reported there was only 30% participation by enrollees in past wellness initiatives. The focus going forward will be on members' intrinsic drive to develop knowledge regarding the importance of preventive care and building a relationship with their Primary Care Physician (PCP). An employee interest survey, health management communication calendar outlining specific topics (such as American Heart month) and the use of short videos and links on the website were also recommended as 2020 initiatives. In December 2019 and January 2020, the Population Health Sub-Committee finalized the questions for the employee interest survey and worked with the Communications Sub-Committee to deploy to the Trust.

The survey ran from February 6, 2020 – February 27, 2020. There were 613 responses from 14 Participating Member Districts. The survey indicated that the top communication preference is via email (88%) and the most popular wellness topic listed is "fitness/exercise" (58%). In addition, survey respondents indicated that they would be most interested in flu immunizations and were most likely to participate during professional development days. The Population Health Sub-Committee Using these results, the Population Health Sub-Committee has created the health management communication calendar.

As we enter the second quarter of 2020, the upcoming communication calendar content will focus on behavioral health, mindfulness and physical activity coinciding with the national health observances for April: Stress Awareness Month, May: Mental Health Awareness and June: Safety Month. Because of COVID-19, the Population Health Sub-Committee felt it was a good idea to include mindfulness and behavioral health information on the website as well.

There is a tentative calendar in place for the remaining six months but depending on how COVID-19 plays out it is subject to change. There will be a scheduled open meeting in July with Participating Member Districts invited to attend.



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