

NY44 Health Benefits Plan Trust Board Meeting

Minutes: Number 117, June 24, 2021

Opening of Meeting 3:07 PM

In attendance: Chair Jim Fregelette, Vice Chair Donna Walters, Candace Reimer, John Pope, Michelle Okal-Frink, Christa McHale, and Bob Giannicchi. Also attending: Darcie Falsioni, Esq., Representatives from Oswald Companies, Steve Baltas, Janet Lukacs, John Kertis, Medhat Kaldas, Cindi Morris and Amanda Walsh

Not in Attendance: Trustees Kate Huber, Elizabeth Freas and Deborah Piatek

1. Public Comments and Questions

Vice Chair Donna Walters indicated that she received an email from a member with a Payer Matrix issue. The individual indicated communication that has been received was not very clear. As a result, the member thought that if funding weren't available, they would have to pay out of pocket. Donna previously shared this email with Trust Chair Jim Fregelette, Trust Legal Counsel Darcie Falsioni and Trust Fiscal Agent Alice Riley. Donna further indicated that members are not understanding the information being sent out and that there is miscommunication between enrollees and Payer Matrix. Darcie indicated that Payer Matrix could be engaged to have a direct conversation with this member. Janet Lukacs, Oswald Companies, indicated that there is also a new Q&A regarding Payer Matrix posted to the Trust website to help give further information to members.

A. Presentations/ Informational Items

1. Fiscal Update

Alice Riley introduced everyone to Stacey Porter, the Trust's new Benefits Specialist.

Alice reported that PCORI will be paid out in July and will continue for another 10 years.

Cash and investments as of 5/31/21 were approximately \$54K and the equity position (assets minus liabilities) for 5/31/21 is \$46K with the IBNR being a little lower than usual.

The Wilmington Trust investments currently total \$17M which is a gain of approximately \$68K.

The Trust has received Rx Rebate revenue so far this year totaling approximately \$7.4M.

The Retiree Drug Subsidy (RDS) has applied a 2% reduction to the calculated subsidy amounts for final costs incurred in all plan months prior to 5/1/20 and in all plan months after December 31, 2021. Trust staff attended a RDS webinar yesterday showcasing the new website which has been updated to be much more user friendly.

There are 545 less enrollees on the plan for 7/1/21 than there were on the plan on 7/1/20.

The Dental fiscal report indicates a positive balance at this point with one month to go.

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B. Administrative Report

1. Annual CPA Audit

Alice Riley reported that she contacted our auditors, Bahgat & Laurito- Bahgat to confirm that they will be conducting the audit virtually again this year as all documentation has been saved digitally. This audit is typically done each year in August.

2. Capital Rx Implementation

Janet Lukacs and Jim Fregelette advised that the Implementation Team has been working with Capital Rx & Payer Matrix to get everything in order by 7/1/21. All eligibility has been loaded and ID cards and Welcome packets have gone out to enrollees. Network disruption letters have been sent to affected individuals. Formulary disruption letters will be sent out next week. Capital Rx will give a 30-day supply of meds to members while they work out any issues with their physician. Mail order script transfers will load on 7/1/21. Reliance specialty drugs are being loaded now. Payer Matrix began making outreach calls to impacted members the week of June 7th and there has been a positive response from members. There will be outreach to schools for members who have not returned calls or have an invalid phone number. Payer Matrix is giving weekly updates to Oswald on their progress.

Jim Fregelette advised that during a call with a school district, it was indicated that due to the large volume of spam calls that members are receiving and false unemployment claims that are being submitted, etc. people are afraid to answer the calls being made by Payer Matrix.

Jim wanted to ensure that districts were aware of the challenges the Trust has had with Pharmacy Benefit Dimensions (PBD), the Trust's prior pharmacy benefit manager, during the implementation. Since March, the Trust and Oswald have been meeting with Capital Rx on a weekly basis to ensure an effective and efficient transition of services from PBD to Capital Rx. Despite our best efforts, the unwillingness of PBD to provide critical data on a timely basis has caused significant delays in the work Capital Rx needed to do to get the Trust's enrollees information regarding any impact to their pharmacy benefits. It was not until Trust leadership and Trust counsel got involved in discussions with Independent Health's leadership (PBD's parent company) did PBD start cooperating in sharing data with Capital Rx. Some examples of the PBD delays are included on the attached Summary of PBD Transition Issues.

C. Consultant Report

1. Subcommittee Updates

a. Financial Committee

Medhat Kaldas, Oswald Companies, reported on the medical and Rx plan performance. This month the PEPM shows a 5% increase when compared to the fiscal year. March was a high claim month. Large claimant activity changed 6% over the previous 12-month period. Twenty Claimants since July 2020 had claims of \$300K or greater. Only 1 Claimant has reached the stop loss level of one million dollars.

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b. Communications Committee

John Kertis, Oswald Companies, reported on the website analytics. A lot of activity occurred, as was expected, on the Capital Rx page.

The committee supported the Capital Rx transition with a dedicated resource page on the website including a video regarding mail order and specialty drugs and member responsibility in ensuring a smooth transition. The committee sent out communication to all schools to share with enrollees regarding the WellNow virtual visit termination. A virtual open enrollment page was created for Erie 1 with over 1000 views.

c. Population Health Committee

Cindi Morris, Oswald Companies, reported that an Open Forum meeting is scheduled for July 21 at 10 a.m. During this meeting, the committee will be introducing claims performance dashboards created in collaboration with the Finance Committee. These are individual school dashboards with relevant population health data.

Monthly News Brief wellness topics include:

- The Healthy Vacation Guide
- National Safety Month
- SMART Health Newsletter

Amanda Walsh, Oswald Companies, provided a reminder that the following resources are available:

- Oswell for HR which has articles, toolkits, fliers, etc.
- Spark UnPlug for employees which has workouts, recipes, stress reduction, etc. and can be found on the Trust website.

d. Innovation Committee

Janet Lukacs reported that the committee met yesterday and discussed the Quality & Cost Transparency concept. The concept is to provide members with tools so they can locate quality providers assessed by outcomes and cost effectiveness. The committee is looking at financial rewards to reward members for better shopping. The committee is currently putting together information necessary to conduct a return-on-investment analysis.

e. Benefits Committee

Steve Baltas, Oswald Companies, reported that the committee had a meeting on June 15th and the next one is scheduled for July. The committee continues to evaluate the number of chiropractic visits to provide the benefit while managing costs. During the July meeting, the committee will see a demo of a virtual PT visit to determine whether this would be of value to members.

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D. General Trust Business

1. Status of Districts

Jim Fregelette reported that Kadimah School of Buffalo, with only one enrollee, has notified us that as of 5/31/22, they will be leaving. He also advised that Alden will be joining the Trust for dental benefits as of 7/1/21.

E. Approval of Minutes

1. Meeting Number 116, May 20, 2021

The motion to approve the minutes from Meeting Number 116, 5/20/21, was made by John Pope, seconded by Christa McHale and carried unanimously. **CARRIED (by both Management and Labor Units)**

F. Old Business

None

G. New Business

1. Vote on Board Resolutions:

a. Approval of Independent Health Renewal

The motion to approve the Independent Health Renewal, was made by Candy Reimer, seconded by Bob Giannicchi and carried unanimously. **CARRIED (by both Management and Labor Units)**

Adjournment

1. Next Board of Trustees' Meeting will be on Thursday, 8/19/21, at Noon

The motion to adjourn at 4:00 PM was made by Bob Giannicchi, seconded by Christa McHale and unanimously approved. **CARRIED (by both Management and Labor Units)**

Respectfully Submitted,

Lora L. Schasel
Secretary to the Board of Trustees

NY44 Health Benefits Plan Trust
Board Meeting Number 117
June 24, 2021, 3PM
Summary of PBD Transition Issues

As you are aware, the Trust made a decision to change its pharmacy benefit manager from Independent Health's Pharmacy Benefit Dimensions (PBD) to Capital Rx, effective July 1, 2021.

Since March, the Trust and Oswald have been meeting with Capital Rx on a weekly basis to ensure an effective and efficient transition of services from Capital Rx to PBD. Despite our best efforts, the unwillingness of PBD to provide critical data on a timely basis has caused significant delays in the work Capital Rx needed to do to get the Trust's enrollees information regarding any impact to their pharmacy benefits.

It was not until Trust leadership and Trust counsel got involved in discussions with Independent Health's leadership (PBD's parent company) did PBD start cooperating in sharing data with Capital Rx.

Some examples of the PBD delays include:

1. Historical Claims File –

- On March 8th, Capital Rx asked PBD to provide a historical claims file by May 7th to allow Capital Rx to perform a disruption analysis of drugs, co-payment tiers and pharmacies.
- This analysis was necessary for Capital Rx to provide critical information to enrollees regarding how their benefits may be impacted as of July 1st.
- These informational/disruption letters to enrollees are normally sent 3-4 weeks before the "go-live" date of July 1st.
- PBD did not provide Capital Rx with this file until June 17th (over 6 weeks late).
- The file sent by PBD also did not provide the critical information necessary for Capital Rx to run a complete disruptions report for tier co-payments, delaying that analysis even further.
- Independent Health leadership had to step in and provide Capital Rx with the information necessary to access the tier co-payment data.
- The delay in Capital Rx analyzing the data will and has delayed enrollees getting letters from Capital Rx describing any disruption particular enrollees may experience specific to formulary and mail order prescriptions.

2. Prior Authorization File –

- On March 8th, Capital Rx asked PBD to provide a prior authorization file and PBD agreed to provide such file.
- This file is needed to make sure Capital Rx provides continuation of therapy for those enrollees who had already had drugs and usage authorized under the Trust's Plan.
- Despite agreeing in March to send the file, on June 14th, PBD advised Capital Rx that it would not be sending the file.
- After legal and leadership discussions with Independent Health, PBD finally agreed to send the file but restricted the data given, excluding critical information like the enrollee's name and other essential data elements thereby rendering the file useless.
- Legal and leadership had to again intervene and PBD finally agreed and sent the necessary data.

3. Specialty Open Refill File (Reliance Rx)

- Reliance Rx, an affiliate and vendor of PBD, refused to send the requested file for current specialty drugs utilized by Trust enrollees.
- Instead of sending the industry standard file, Reliance is transferring files one by one.
- This process puts timely transfer by the July 1st "go-live" date at risk.
- Independent Health leadership is keeping the Trust updated on the transfer status and has assured the Trust 100% of files will be transferred by July 1st.

The additional delays and inability of PBD to provide accurate and timely data as promised has comprised the expected outcomes of Capital Rx. This should in no way be a reflection of Capital Rx's capabilities as they have made exhaustive attempts to obtain the necessary data for a smooth and seamless transition.

The Trust is incredibly disappointed in the way PBD has handled the transition to Capital Rx, especially given the Trust's long-standing and continued relationship with the Independent Health family of companies.

The Trust has made Independent Health leadership aware of PBD's actions and the Trust's dissatisfaction with PBD.