



# NEWSLETTER

## Summer

NY44 HEALTH BENEFITS PLAN TRUST | Summer 2021

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

The last 15 months have been full of unprecedented challenges and opportunities for the Trust to evolve and prosper. It is the tough times that test an organization's culture and values, but it's also a time that brings out the best in many people. It has further deepened our respect of, and gratitude to, our dynamic Trust members, Union Officials, Administrators and Trustees. You stepped up, came together, and exceeded expectations, demonstrating the power of teamwork. Thank you! We are staying vigilant but optimistic as our world begins to return to "normal."

With the guidance of our consultant, Oswald Companies, and the formation of the five subcommittees (Communications, Innovation, Benefits, Finance, Population Health) we strive to integrate a clear understanding of the Trust's unique voice, culture and workforce. With this in mind, our Trust website is your go-to source for all information from the latest Trust news, detailed benefit descriptions, wellness tips and more. It's the safest, easiest way to get our members the information they need 24 hours a day, 7 days a week.

As you will read in this newsletter, we have been busy in the first half of 2021! We made a switch in our dental vendor to Guardian which took place at the first of the year. Additionally, as of July 1, 2021, we transitioned to Capital Rx, our new prescription drug carrier, bringing significant savings to the Trust and its members, along with more benefits and a broad network of pharmacies. Together with the Innovations Subcommittee, the Communications Subcommittee created various materials for the transition including videos, emails, print collateral, and more. You can access all of the information at [www.e1b.ny44.org/capitalrx](http://www.e1b.ny44.org/capitalrx).

As we look to the second half of 2021, we will explore growth opportunities that contribute to the long-term health of our members and the financial sustainability of the Trust, including assisting and guiding our members in locating quality and cost-effective providers, analyzing population health data, reviewing network discounts and evaluating chiropractic care as it pertains to our members. Our goal is, and always will be, to make certain we are being as transparent as possible, bringing the greatest benefits value to our members.

We encourage you to reach out to your school liaisons if you have questions and comments. The Liaisons can be found on the Trust website under Participating Schools. We will continue to work toward ensuring that you have a voice in how we move forward together

Stay safe, stay healthy!

*James Fregelette*

James Fregelette, Chair  
[jfregelette@e1b.org](mailto:jfregelette@e1b.org)

*Donna Walters*

Donna Walters, Vice Chair  
[dwalters@e1b.org](mailto:dwalters@e1b.org)

## CAPITAL RX & PAYER MATRIX TRANSITION - JULY 1, 2021

It's hard to believe, but by the time you read this newsletter, we will be a full month into the prescription drug administrator change from Pharmacy Benefit Dimensions to Capital Rx and Payer Matrix. We recognize that change may be difficult for most and even scary for others. We thought it might be helpful to recap why and how we got here.

First let's start with the why. The Trustees were presented with an analysis of the historical and current prescription drug spend. The data showed prescription drug costs accounted for well over 30% of the total claims spend and specialty drugs represented 45% of the drug spend, which is much higher than benchmarks. Once the Trustees fully understood the extent of the increased prescription drug costs, it was clear we needed to explore solutions to ensure sustainability of the NY44 Trust plan for future years. After an extensive Request for Proposal process and evaluation in 2020, the Trustees approved a change in prescription drug administrators from Pharmacy Benefit Dimensions to Capital Rx.

During the first half of 2021, the NY44 Trust and representatives from Oswald worked collaboratively with our new vendors, Capital Rx and Payer Matrix, to evaluate all aspects of the plan to ensure the existing coverage was matched as closely as possible. We also worked closely with the Communications Subcommittee to develop communications throughout the transition. Initial communications focused on explaining what members could expect with Capital Rx as the new pharmacy benefits administrator. Additional communications were developed to notify members of important information such as how to register on Capital Rx, download member app, receipt of welcome packets and more.



Initial communication highlighted many of the positives including:

- Very few changes to plan design (Rx copays)
- A broader pharmacy network, with over 60,000 participating retail pharmacies.
- A mobile app with
  - » Greater online member tools through Capital Rx mobile app
  - » Electronic ID card
- 24/7 Dedicated customer service for NY44 members and their covered dependents

Additional communication provided information regarding some plan differences, such as:

- Mail order fulfillment through Walmart (replacing Wegmans and ProAct mail order)
- Specialty drugs managed by Payer Matrix alternate funding program
- Specialty drugs not eligible for Payer Matrix are filled through Walmart Specialty Pharmacy
- Minor differences in the formulary drug list (i.e. Capital Rx vs. PBD) – which is always expected when changing pharmacy plan administrators.

As we anticipated, with change we often experience some transitional issues that can lead to member confusion and frustration. We assure you that as the Trust was made aware of members concerns or issues, there was a collaborative and immediate effort by Capital Rx, Payer Matrix, Oswald and the Trust staff to identify the problem and bring it to an expedited resolution. The focus during resolution, was to ensure no member experienced a disruption/delay in their medication regimen or that they were denied their prescription.

We are pleased to report the issues have been resolved. Communication on the “How To’s” for your prescription drug plan will be sent out all members shortly.

For more information on the Rx transition or access to communication materials, visit [www.ny44.e1b.org/capitalrx](http://www.ny44.e1b.org/capitalrx) or contact your Benefit Administrator.

**Any specific member questions should be directed to Capital Rx via the dedicated 24/7 customer service line at 833-772-2779.**



## INNOVATIONS SUBCOMMITTEE UPDATE

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

### Transition to Capital Rx and Payer Matrix

In the first half of 2021, the Innovations Subcommittee was excited to finalize the Prescription Drug RFP process with the Trustees, approving a change in pharmacy benefits administration from Pharmacy Benefits Dimensions to Capital Rx and Payer Matrix (for specialty drugs), effective July 1, 2021.

As noted in the Innovations Subcommittee purpose statement, we want to “introduce and implement

innovative solutions to effectively and positively impact the overall Trust plan and the members it serves”. The Trustees approved the recommendation to make the switch to Capital Rx and Payer Matrix to meet the overall goals, which are to continue to ensure sustainability of the Trust plan not just now, but long term and in the years ahead. We believe these changes are necessary to help us accomplish these goals on behalf of the participating schools and their members.

The Innovations Subcommittee is continuing to explore new options to help members become better consumers of their healthcare and find ways to lower out of pocket costs. Currently, we are analyzing programs to create pricing transparency for hospitals and professional providers prior to rendering services. We will continue to share updates in the coming months as our research progresses.



## FINANCE SUBCOMMITTEE OVERVIEW

**Purpose Statement** | 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.

### The Finance Subcommittee 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 and the Trust’s Fiscal Agent. 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.

### Utilization performance through May 2021:

**1 Month**

May 2021

**3 Months**

March 2021 - May 2021

**12 Months**

June 2020 - May 2021

**11 Months**

July 2020 - May 2021

### Month

Per Employee Per Month:

**\$1,533**

September, 2020

### Quarter

Average Per Employee Per Month:

**\$1,782**

July 2020 - September 2020

### Year

Average Per Employee Per Month:

**\$1,550**

October 2019 - September 2020

### Fiscal Year

Average Per Employee Per Month:

**\$1,570**

July 2020 - September 2020

Total Costs include all Medical and Rx related charges, specifically: Claims, Stop-loss Premiums, Third-Party Administration Fees, Rebates, and Taxes.

**CONTINUED ON PAGE 4**

**FINANCE SUBCOMMITTEE OVERVIEW  
(CONTINUED)**

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.

The Finance Subcommittee 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 below the current position and trend patterns.

The 2020 fiscal year averaging fell slightly from last month's review of claims from \$1,576 Per Enrolled

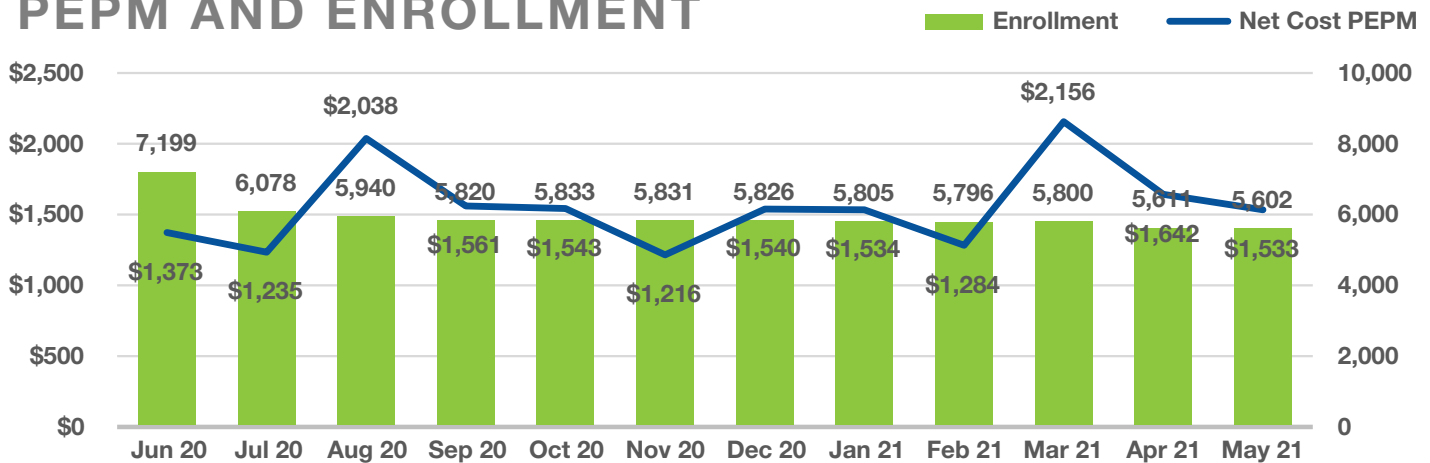
Per Month (PEPM), to \$1,570, up 1.3% compared to the annual total of \$1,550. The most recent month of May was \$1,533 which is 2.3% lower than the fiscal average. This is a substantial recovery compared to the quarter which was +13% above fiscal average.

Measuring a 12-month period, the average is \$1,550 PEPM. For the same span one year earlier, the PEPM averaged \$1,404. Including the large claimant activity, this is a change of 10.4%. The average inflation rate in the area is 8.3%.

Total Costs include all Medical and Rx related charges, specifically: Claims, Stop-loss Premiums, Third-Party Administration Fees, Rebates, and Taxes.

The exhibit titled 'PEPM and Enrollment' shows claim utilization (line) with the corresponding enrollment (bar) in that given month. This is generally consistent from month to month other than large claimant activity months of August 2020 and March of 2021.

**PEPM AND ENROLLMENT**



**BENEFITS  
SUBCOMMITTEE UPDATE**

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

The Benefits Subcommittee continues to evaluate chiropractic care to balance the need to provide the benefit while managing costs. In July, the committee saw demo of a virtual physical therapy visit to determine if this could be of value to

members. We are continuing our efforts to review network discounts and access to be certain we are bringing the greatest value to our members and to the Trust. We are also pleased to report new district inquiries in joining the new Guardian dental plan.





## COMMUNICATIONS SUBCOMMITTEE UPDATE

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

Since the creation of the Communications Subcommittee, we have worked to integrate a clear understanding of NY44's unique voice, culture and workforce. Below are some examples of communication materials we've developed to relay information to enrollees and meet the goal of the Communications Subcommittee within the first half of 2021:

- Open Enrollment Mailer
- Open Enrollment Virtual Open Enrollment Site for Erie 1 BOCES
- WellNow Virtual Care Services agreement expiration dedicated resource page: [www.ny44.e1b.org/wellnow](http://www.ny44.e1b.org/wellnow)

Communication materials for the transition to Capital Rx including:

- Dedicated resources page: [www.ny44.e1b.org/capitalrx](http://www.ny44.e1b.org/capitalrx)
- Links to dedicated page from home page and both pharmacy pages (East and West): <https://www.ny44.e1b.org/western-region/pharmacy/>
- FAQ document
- Postcard (mailed to all members)
- Introduction video
- Rx Mail Order video



## POPULATION HEALTH SUBCOMMITTEE UPDATE

**Purpose Statement** | 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.

Our Subcommittee has collaborated with the Finance Subcommittee to produce Claims Performance Dashboards with relevant population health data for such things as top chronic conditions, top prescription drug utilizations and spends and emergency room usage. The concept of the Claims Performance Dashboard was presented at the Population Health Subcommittee Open Forum on July 21.



As a reminder, the wellness information is now a part of the Trust's Monthly News Brief. SparkUNPLUG is always available on demand and is an excellent mindfulness, stress reduction and gratitude resource to share with your staff: SparkUNPLUG.



## FINANCIAL UPDATE

The NY44 Health Benefits Plan Trust (Trust) continues to work with the Trust’s partners to contain cost while continuing the health benefit coverage in each the Plan options: Traditional, Core, and Progressive Plans for the members.

You may wonder what are the Trust’s revenue sources. The revenue sources for the Trust include: School Contributions/COBRA payments, Pharmacy Rebates, Reimbursements from internal medical claims audits, and the Retiree Drug Subsidy (RDS).

The Trust’s expenses consist of the following: payment of medical & pharmacy claims, along with non claims expenses, NYS Health Care Reform Act (HCRA), third party administrative Fees (MVP, Nova, Pharmacy), administrative operational obligations, professional consultant fees (actuaries, consultants, enrollment system, legal), stop loss provider, and governmental tax-PCORI (Patient Centered Outcomes Research Institute).

### Fiscal Update as of June 2021

The chart labeled “Revenue and Disbursements” is the full book of business for the Trust. The accounts are organized in the same manner as the annual audited financial statements, which is done by Bahgat & Laurito-Bahgat, CPAs and posted to the Trust’s website when completed. The three columns are revenue and disbursements recorded monthly, running fiscal to date total, and the year end of the previous year for comparison. Line-item other expenses include operational expenses, insurance bond liability, secure email services, bank lockbox, etc.



### Revenue and Disbursements

| Revenues                                       | Time Period<br>06/30/2021 | Year to Date<br>7/1/2020 -<br>6/30/2021 | Audited Financial<br>Statement Ending<br>6/30/2020 (Year before) |
|--|---------------------------|---|--|
| Participants’ Premium Contributions            | \$ 9,592,061              | \$ 120,301,267                          | \$ 163,508,502   |
| Participants’ Assessments                      | \$ -                      | \$ -                                    | \$ -   |
| RDS-Drug Subsidy                               | \$ -                      | \$ 396,096.16                           | \$ 482,033   |
| Interest Income                                | \$ 24,873                 | \$ 216,800                              | \$ 142,357   |
| Trust Administrative Fee                       | \$ 66,528                 | \$ 830,640                              | \$ 1,146,385   |
| Realized Chg in Investments                    | \$ (49,735)               | \$ -                                    | \$ 16,941  |
| Pharmacy Rebates                               | \$ -                      | \$ 5,503,923                            | \$ 7,564,839   |
| Other Income - Stop Loss<br>Reimbursement      | \$ -                      | \$ 281,726                              | \$ -   |
| Med Reimburse claims by TPA internal<br>audits | \$ 9,643,715              | \$ 604,475                              | \$ 276,826   |
|  |                           |   |  |
| <b>Total Revenues</b>                          | \$11,663,649              | \$ 128,134,927                          | \$ 173,137,883   |

TABLE CONTINUED ON PAGE 7

| Disbursements                               | Time Period<br>06/30/2021 | Year to Date<br>7/1/2020 -<br>6/30/2021 | Audited Financial<br>Statement Ending<br>6/30/2020 (Year before) |
|---|---------------------------|---|--|
| Medical, Rx, and Dental Claim Payments      | \$ 9,545,381              | \$ 115,191,470                          | \$ 136,702,031   |
| Claim administrative fees-TPA               | \$ 58,074                 | \$ 2,710,817                            | \$ 3,800,044   |
| Salaries Payroll Taxes                      | \$ 46,618                 | \$ 263,988                              | \$ 89,431  |
| Legal and Consulting                        | \$ 78,242                 | \$ 835,313                              | \$ 1,016,855   |
| Insurance                                   | \$ 921                    | \$ 671,251                              | \$ 874,245   |
| PCORI                                       | \$ -                      | \$ 46,569                               | \$ 64,410  |
| Other                                       | \$ 7,081                  | \$ 56,084                               | \$ 231,846   |
|   |                           |   |  |
| Wellness Reimburse program ended<br>06/2019 | \$ -                      | \$ -                                    | \$ 297,801   |
|   |                           |   |  |
| <b>Total Expenses</b>                       | \$ 9,736,316              | \$ 119,775,493                          | \$ 143,076,663   |
| <b>Net Revenues - Disbursements</b>         | \$ (92,601)               | \$ 8,359,434                            | \$ 30,061,220  |
|   |                           |   |  |
| <b>Net Assests, at beginning of year</b>    |                           | \$ 38,054,722                           | \$ 7,993,502   |
| <b>Net Assests, at YTD and end of year</b>  |                           | \$ 46,414,156                           | \$ 38,054,722  |

The 2020-21 fiscal year is closing with a strong financial position for the Trust. The Trust is secure and committed to cost containment of healthcare coverage for the participating school districts.



### INVESTMENTS

The chart below reflects the Trust's investment account. The Morgan Stanley account is no longer funded and has a zero balance. The transition to Wilmington Trust has been completed and now fully funding the portfolio.

Investments are made in accordance with NYS General Municipal Law and Local Finance Law of the State of New York. The investment objectives are to safeguard the funds, be sufficiently liquid to meet obligations, if they arise, and invest to earn the maximum yield possible within the objectives.

| Investments      | Other: Reinvestment |
|------------------|---------------------|
| Morgan Stanley   | \$ -                |
| Wilmington Trust | \$ 17,137,666.00    |

### Enrollment throughout 2020-21

Closing the fiscal year with an estimation of 8.5% reduction for the 2020-21 enrollment year. Reduction consisted of retirements, one small unit left, others transitioned out of employment.

| Enrollment          | 7/1/2020 | 7/1/2021 | Change* |
|---------------------|----------|----------|---------|
| Family              | 3,000    | 2,722    | (278)   |
| Single              | 1,902    | 1,810    | (92)    |
| Employee + Children | 341      | 315      | (26)    |
| Two Adults          | 858      | 709      | (149)   |
| Total               | 6,101    | 5,576    | (525)   |



355 Harlem Road  
West Seneca, NY 14224  
716-821-7161



### Welcome to the NY44 Health Benefits Plan Trust

*The NY44 Health Benefits Plan Trust is actively monitoring the COVID-19 situation and is posting updates to the announcements section below. Check back often for the latest news.*



**Find all your benefits information online!**

**[www.ny44.e1b.org](http://www.ny44.e1b.org)**