



Greater Tompkins County Municipal Health Insurance Consortium

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"Individually and collectively we invest in realizing high quality, affordable, dependable health insurance."

Meeting Agenda Claims and Appeals Committee Town of Ithaca – Aurora Conference Room December 22, 2022 – 3:30 PM

1. Call to Order Bud Shattuck

2. Approval of Minutes – May 9, 2022

3. Executive Director Report Elin Dowd

4. Review RFPs for Claims Auditors Elin Dowd
 - a) J. Graham Inc.
 - b) Claim Technologies, Inc. (CTI)
 - c) Segal
 - d) BMI Audit Services

5. Resolution: Authorize Contract for Medical Claims Adjudication for Plan Years 2020 and 2021

6. Future agenda topics

7. Adjourn

Next Meeting: March 13, 2023

Minutes – DRAFT
Claims and Appeals Committee
May 9, 2022 – 3:30 p.m.
Zoom

Present: Bud Shattuck, Don Fischer, Tanya DiGennaro (arrived at 3:51 p.m.), Tom Brown, Donna Dawson (arrived at 3:39 p.m.)
Staff/Guests: Judy Drake, Board Chair; Elin Dowd, Executive Director; Kylie Rodrigues, Benefits Specialist; Rob Spenard, Steve Locey, Locey & Cahill

Call to Order

Mr. Shattuck, Chair, called the meeting to order at 3:30 p.m.

Changes to the Agenda

There were no changes to the agenda.

Approval of Minutes of September 14, 2022

It was MOVED by Mr. Fischer, seconded by Mr. Brown, and unanimously adopted by voice vote by members present, to approve the minutes of September 14, 2021 as submitted. MINTUES APPROVED.

Executive Director Report

Ms. Dowd arrived later in the meeting. At this time there were no questions relative to her report that was included in the agenda.

Prescription Drug Claims Audit Report

Mr. Locey explained every other year the Consortium undertakes an audit of prescription drug claims or medical claims. Over the past year an audit was conducted of prescription drug claims for 2019 and 2020. He referenced the summary provided and said comparing the audit to the previous audit there were several positive things noted. The summary included areas where expectations were met, areas where further review was needed, or if there was an area with a suspected systemic problem or something that was viewed as a systemic error needing further evaluation.

Mr. Locey said the last time the audit was done there wasn't anything identified that was a suspected systemic error but there was eight or nine items that needed further review and only two of those categories appeared on this audit. Those were the day supply limitation on certain drugs and some drugs classified for cosmetic purposes. BMI noted a couple of errors in these areas and a need for further evaluation. The areas where there was improvement included were acne products, biologicals, fertility drugs, fluoride products, prior authorizations, and step therapy. ProAct has updated its systems since the last audit and that seems to be working well with prior authorizations and step therapy.

He referenced the summary of agreed to or disputed errors and the dollar impact of those. In 2019 the Consortium had \$12.8 million in pharmaceutical claims paid by ProAct and in 2020 there was \$13.9 million in paid claims. From a dollar perspective, the issues that were found were fairly negligible for the Consortium. He reviewed the detailed findings that provides more information, calling attention to one item identified involving a retroactive termination. He said they will speak to ProAct and ask them if they notice a retroactive termination to see if there are any claims that would have gone through the window of time before they were notified and let the

Consortium know. Once that happens a decision can be made on how to proceed. He said normally this would result in a refund request because the benefit was paid after termination of the policy. Although the dollar amount for this particular claim was minimal, Mr. Locey said whatever policy put into place should be based on the circumstance and not the dollar amount.

Ms. Dawson arrived at this time.

Ms. Rodrigues said the Consortium is conducting a dependent certification process to check to make sure that those who don't qualify for insurance are being removed. Excellus does send aging-out notices to those who have a child who has reached age 26 letting them know coverage will automatically be dropped. In addition, a resolution will be coming forward that establishes a timeline for termination of coverage.

In response to a question from Mr. Shattuck about who is responsible to recoup monies that were paid out, Mr. Locey said it should be the responsibility of the medical or prescription drug administrator (ProAct or Excellus).

Mr. Brown spoke of his experience as a provider and the cost involved in trying to recoup a small amount of money. Mr. Locey said he understands Mr. Brown's concern in sending a refund letter for a small claim amount and said a discussion could be held with ProAct to see what reasonable threshold could be established to avoid spending more money than would be recouped.

Ms. Drake spoke of earlier in the year when members were being charged the wrong copays by ProAct and said although that was a different situation, she doesn't mind reimbursing members in these situations regardless of how small the amount. Mr. Locey agreed and said it is different when money is being brought back into the Consortium versus being owed to members.

Ms. Drake referenced the recommendation that the Consortium undertake a Financial Guarantee Audit. Mr. Locey this is going back to make sure the claims administrator is providing the discounts they indicated they would provide in their proposal. Because ProAct works through a third-party this may be a little more problematic because they are passing on a discount from someone the Consortium doesn't have a direct contractual relationship with. He said this is fairly common in the industry and will not change in 2022 with ProAct's new platform.

Mr. Locey referred to a question that was previously raised about prescription drug rebates and whether the Consortium was receiving all rebate dollars it was entitled to. He said ProAct indicated they had rebated all monies back to the Consortium that it had received on behalf of the Consortium. This was followed up with an audit to ensure rebate dollars went where they were supposed to go. He will follow-up on this to see if those audit results can be shared with the Consortium and will also ask if a closeout audit will be done with Optum since ProAct has moved to ESI.

Ms. DiGennaro arrived at this time.

Mr. Locey said a few items were identified under the Fraud, Waste, and Abuse category which could be related to refilling prescriptions too soon. ProAct agreed to the errors, and although it was not a high dollar amount that was identified, further conversations will take place and Mr. Locey will report back. He said from Locey and Cahill's perspective the audit is complete and was excellent from a financial perspective; however, they will follow-up on the items mentioned earlier.

Mr. Locey said the total financial impact of errors identified was slightly over \$14,000 which is within an acceptable range of errors from an error percentage basis with approximately \$13 million in annual claims or \$26 million during the audit period.

Discussion of Utilization Reports

Ms. Dowd said the Excellus and ProAct utilization reports were reviewed last week with the Joint Committee on Plan Structure and Design. Overall, in looking at the Consortium's utilization there are many areas that remain the same such as diabetes being a high cost claim and prescription drugs for mental health diagnosis of depression and anxiety increasing. She said there was nothing specific about claims that was a great concern, but information was received to help direct efforts in the next year. She said utilization was low in 2020, and 2021 was tracking back to previous levels and there were five high cost claims at the end of the year. The reports are being finalized and will be posted to the website soon.

Medical Claims Audit Update

Ms. Dowd said the Consortium has used BMI to conduct the last few medical claims audits and a suggestion was made to seek proposals as the Consortium has used BMI for several audit cycles. She asked if there is interest in issuing a Request for Proposals for both medical and prescription drug claims audit services. There was consensus to seek proposals for both of these services.

Next Agenda

The Committee will receive an update on the request for proposals for medical and prescription drug claims audit services at its next meeting.

Ms. Dowd said a special meeting may be necessary to consider an appeal.

Adjournment

The meeting adjourned at 4:10 p.m.

Respectfully submitted by Michelle Cocco, Clerk of the Board

Executive Director Report December 2022

We started the year with a rough start as ProAct changed their back-office platform and many subscribers found problems with refilling prescriptions at the beginning of the year. Our end of the year antics hasn't gone any smoother as we complete the Excellus Group Restructure project to add retiree classes to all municipalities and split the retiree class for over and under 65. Although this change should help us in the long run with reporting and group analysis, the process has been less than successful. Members have experienced termination of coverage or loss of benefits for small periods of time. Excellus, ProAct, and Kylie Rodrigues worked together tirelessly to keep the damage to a minimum and make sure our subscribers were back in the system immediately. The project is ending soon, and we are hoping all the obstacles are now behind us.

Cleaning up our systems now will help with our growth. Removing old plans and consolidating group codes with common nomenclature will allow for better management going forward. This Consortium, which started with thirteen members twelve years ago, will have sixty in 2023. I guess some growing pains are to be expected.

We are also working with our seven new members to make sure they are ready to commence benefits on January 1st. We welcome the Towns of Camillus, Dewitt, DeRuyter, Hastings and the Villages of Camillus, Skaneateles, and Dewitt Fire District. Unfortunately, Town of Onondaga rescinded their MCA signature and will remain with their current plan for 2023. Even though our new member process doesn't usually start until early spring we have already had a few prospective meetings for 2024 and a few more scheduled over the next month. I am also waiting to hear back from the Department of Financial Services on our expansion into two new counties.

Executive Committee

After nine long years of service, the December meeting will be the last meeting with Judy Drake as the Chair as she passes the gavel to Rordan Hart. The Consortium has grown significantly under Drake's direction, and we thank her for her leadership.

We have secured the services of Segal to provide a review of our premium equivalent rates. Teri Apalovich is heading up this project and has spent well over a month working with ProAct and Excellus to make sure Segal has all the information they need to do the analysis and report back effectively. We are hoping to have some initial feedback by the end of the year.

After reviewing the results of the Medicare Advantage RFP the decision was made to offer two fully insured Medicare Advantage Plans through Aetna. Two members had interest in pursuing additional information regarding offering this benefit, but no one has signed up to offer these benefits in 2023. We will continue to explore cost effective options available to municipalities for their retiree population.

The Executive Committee will continue to explore long term strategic planning objectives regarding our growth and the risk associated with it. In addition, several other operational objectives will be explored including the Segal review of premium equivalent rates, consolidation of plans, and if it is time to offer additional premium tiers. The following excerpt from an email demonstrates the level of inquiry the Consortium staff receives when it comes to single and family plans.

I'm very glad to hear that the Consortium is working on employee + spouse rates. I feel strongly that the most insurance plans were originally designed around ideas about "family" and workers which today we'd find sexist, ageist, ableist, and homophobic. If the committee's approval process would be helped by direct feedback from members, please let me know where SSA members should direct their letters or calls. I can pass this information on to my colleagues who expressed interest in two-person plans.

Audit and Finance Committee

Last week we received notice from the NYS Department of Financial Services that the examination (audit) for the period of 2016 – 2021 has commenced. Teri Apalovich is heading up this project and we have already met with the audit team to discuss how they would like us to report. Most of the information is due January 3rd so we have a short window to produce several reports and documents. We have already started reviewing our last audit reports with Steve Locey to make sure we don't spend time recreating what we already have in our files. We don't expect the audit to be too arduous, just very time consuming. We also must work with our third-party vendors to make sure they are able to get us the information requested regarding claims adjudication.

We are starting to see some positive results with our Wilmington Trust Investments as the Federal Reserve continues to raise interest rates. We have invited Insero to attend the December Audit and Finance Committee meeting to discuss the necessity to report losses on mark to market investment results at any point in time. This type of reporting is very misleading and confusing.

Rick Snyder, our Treasurer, has now retired and was very helpful with transferring all bank account information and securing new signatures for Teri Apalovich to be able to operate effectively in her position. Many thanks to Rick and the Tompkins County Finance team to get us to this point where we can now be self-sufficient.

Operations Committee

After several months in the works large group Benefit Clerks will now be able to access the ProAct Eligibility Website. This tool will help determine eligibility levels for subscribers and confirm other data without having to call customer service.

In compliance with new rules and regulations the Insulin benefit will be changed for Medicare eligible participants to not exceed a \$35 co-pay. In addition, we are in the process of an Insulin Benefit Correction regarding how insulin and where insulin prescriptions are filled. Anyone directly impacted by this change will receive a notice before 1/1/23.

There continues to be concerns raised about access to in network mental health benefits. Therefore, the Operations Committee will be exploring this benefit in 2023 and how to best deliver care to our members in need of these services.

Nominations and Engagement Committee

The Nominations and Engagement Committee was thrilled that some new labor representatives have stepped up to fill some vacancies on the Board and at the committee level. The new year will commence discussions on how to keep members engaged as our territory and membership continues to expand.

Claims and Appeals Committee

Four companies have responded to the RFP published for claims auditing services. The Committee will meet in the next month to review the results and determine the organization we wish to engage to perform our Excellus claims audit in 2023

Executive Director Report
December 2022

The Joint Committee on Plan Structure and Design

James Bower had to resign from his position as the Chair of the Joint Committee on Plan Structure and Design due to other conflicts. Kate DeVoe from the Tompkins County Public Library was elected as the new Chair and will commence her work immediately. Brian Weinstein, Jon Munson and Elizabeth Hujar were also elected at the meeting as new members to the Board of Directors.

Kylie Rodriguez presented the 2023 Wellness Calendar and asked for feedback. Kylie has hosted many wellness challenges this year and has increased participation in our programs.

Our Blue4U Clinics had a huge increase in participation with 749 registrations. The year-end Maintain Don't Gain program has 170 participants. Our presence on Facebook is growing to see what is happening in wellness each month, please visit our Facebook site. [Link to FB page](#)

The December 2022 Newsletter will be published soon. We are going paperless in 2023 please sign up on our website to continue to receive the newsletter electronically or follow this link to subscribe to the quarterly emails: <http://www.healthconsortium.net/newsletter>

Respectfully submitted by Elin R. Dowd, Executive Director, December 6th, 2022.

RFP - Claims Auditing Price Comparison

<u>Vendor</u>	<u>AKA</u>	<u>Med Only</u>	<u>Rx Only</u>	<u>RX Rebates</u>	<u>Both</u>	<u>Add'l Fee</u>	<u>Proprietary System</u>
BMI Audit Services		\$ 47,750.00	\$ 21,500.00	\$ 14,500.00	\$ 69,250.00	\$ 15,000.00 Financial (Pricing) Guarantee	AUDi iQ (Both)
Central Washington Public Utilities Unified Insurance Program Trust	J. Graham Inc.	\$ 25,000.00	\$ 20,000.00		\$ 35,000.00		MediSpan (Rx)
Claim Technologies Inc.	a Brown & Brown of Mashachusetts company	\$ 33,940.00	\$ 94,250.00	\$ 23,000.00	\$ 151,190.00		ESAS, AccuCAST & PharmaCAST
Segal		\$ 75,000.00	\$ 107,500.00	\$ 50,000.00	\$ 232,500.00		N/A



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RESOLUTION NO. xxx-2022 – AUTHORIZE CONTRACT FOR MEDICAL CLAIMS ADJUDICATION FOR PLAN YEARS 2020 and 2021

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium ("Consortium") is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued in accordance with Article 47 of the New York State Health Insurance Law, and

WHEREAS, being a self-insured health insurance plan the Consortium is responsible for the payment of claims as adjudicated by the Third Party Administrators, Excellus Blue Cross Blue Shield and ProAct, and

WHEREAS the Board of Directors believes that it is part of their fiduciary responsibility to conduct periodic medical claims audits to ensure the medical and RX claims are paid are in accordance with the benefit plan documents, Federal and State Laws, Rules, and Regulations, and industry standard practices, and

WHEREAS, a Request for Proposals for Medical Claims Auditing Services was issued on October 26, 2022, to perform medical claims auditing services for the Consortium for the 2020 and 2021 plan years, now therefore be it

RESOLVED, on recommendation of the Claims and Appeals Committee, the Executive Director is granted the authority to interview and finalize the terms of the agreement, with either of the top two finalists reviewed by the committee with terms and conditions agreed upon by the Committee.
