Agenda

I. Overview of State of MN Employee Group Insurance Program (SEGIP)

II. Advantage Health Plan
   - Background
   - Provider Tiering
   - Innovative Plan Design
   - Achievements

III. Employee Health Improvement
   - Diabetes Medication Therapy Management Program
   - Annual Health Assessment
   - Robust Carrier Referral Process
Overview of SEGIP

- Offer full suite of benefit programs to all three branches of government, MN State Colleges and Universities, and other entities such as the MN Historical Society
- 100 state agencies and approx. 21 Independent Billing Units (groups not on state payroll system)
- Cover 50,000 employees and pre-65 retirees, and 75,000 dependents. Total covered lives = 125,000
- Union environment – greater than 85% of state employees belong to a union.

Advantage Health Plan - Background

- Prior to 2002, healthcare provider groups had been rewarded on a pure cost basis
- Low costs may be due to healthier members rather than efficient healthcare delivery
- Directing members to low cost but inefficient providers will increase costs as their overall plan population becomes unhealthier
- Needed to be able to assess and reward efficiency
- Efficiency analysis includes the total cost of care
Advantage Health Plan

- An efficient provider is one whose actual costs are less than their expected costs
- Expected costs defined as the average cost across entire program for members with similar risk
- An efficient provider is more likely to have:
  - Lower than expected inpatient utilization
  - Lower than expected emergency room visits
  - Higher than expected preventive services
- Provider groups assigned to one of four cost level based on analysis of historical risk-adjusted cost
- Cost level 1 is most efficient; cost level 4 least efficient

Advantage Health Plan

- Current Advantage concept developed in 2002
- Goals of Advantage: Cost Containment, Accountability, and Choice
- Introduced cost sharing provisions at point of care to reinforce value of provider choice elected by members
- Competition introduced among provider groups rather than health plans
- Providers grouped into provider groups on statewide basis
  - Grouped by recognized care systems
  - Independent clinics grouped regionally
Advantage Health Plan

- Providers have opportunity to improve assigned cost level by reducing reimbursement levels sufficiently
- In 2013 we began implementing Accountable Care Organization (ACO) arrangements with relatively aggressive risk-sharing arrangements
  - Includes enhanced onboarding
  - Patient Centered Medical Homes

Advantage – Plan Design

- Cost sharing (copays, deductibles, etc.) greater for less efficient providers
- Employees and dependents each choose own provider group which determines their cost level
- “Gatekeeper model” – members must choose primary care physician who directs their care
- Three health plan administrators and one Pharmacy Benefit Manager (PBM) – maintains competition among the plans
- Premium and employee contribution same for all provider groups and plan administrators
- When members elect a higher cost level, they pay greater cost sharing each time they receive services

Advantage – Achievements

- Advantage program received Council of State Governments 2004 Innovation Award
- Stabilized premium contributions
- Consistently lower trends than corporate trends of participating health plans
- Offers wider choice of provider flexibility
  - All providers are “affordable”
- Utilization of services reduction due to rigorous health-risk management, and cost sharing at point-of-service
- Over 85% of Advantage members enroll in cost levels 1 & 2
- Reduced premium by 10% initial year
Improving Health – Diabetes Medication Therapy Management Program (MTM)

- Program added in 2013 for all state employees with diabetes
- Participating employees meet with pharmacist in MTM network every 3 or 6 months, as needed
- SEGIP pays for pharmacist consultations, and copays waived for diabetes medication and test supplies
- Employees encouraged to complete a lifestyle program through our Wellness vendor
- Employees eligible for up to $250 incentive payment for participation and completion

Diabetes MTM and Lifestyle Program

- High program satisfaction – 90% of members have enrolled in or completed a lifestyle program
- Spouses will be added in the future
- Discussions to expand to other health conditions such as COPD, asthma and depression
Annual Health Assessment

- Health Assessment (HA) through Wellness vendor available annually for employees to complete to receive incentive following calendar year
- If employee completes HA, office visit copays lowered by $5 for employee and all enrolled dependents for entire year
- 70% of employees complete HA annually
- Wellness vendor uses this data to contact employees for coaching around health conditions
- Employees are encouraged to enroll in lifestyle programs to meet their individual needs
- Programs benefit all regardless of health goals

Robust Cross-Referrals

- SEGIP continuously reinforces importance of cross-referrals to all health vendors
- Want our vendors to be aware of all programs SEGIP offers to employees
- Vendors meet to support program goals and initiatives quarterly
- Warm transfer available or vendor will reach out to member to offer referred service
- Vendors eager to cooperate
THANK YOU