



**Presentation to
NCSL Midwest States
Fiscal Leaders**

August 19, 2014

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.

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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

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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 Plan Design 2014 - 2015

2014 Benefit Features	Cost Level 1 - You Pay	Cost Level 2 - You Pay	Cost Level 3 - You Pay	Cost Level 4 - You Pay
A. Preventive Care Services * Routine medical exams, cancer screening * Child health preventive services, routine immunizations * Women's preventive healthcare services * Adult immunizations * Routine eye and hearing exams	Nothing	Nothing	Nothing	Nothing
B. Annual First Dollar Deductible (self)	\$75/150	\$100/300	\$100/300	\$1000/2000
C. Office visits for Illness/Injury, for Outpatient Physical, Occupational or Speech Therapy, and Urgent Care * Outpatient visits in a physician's office * Child specific services * Outpatient mental health and chemical dependency * Urgent Care clinic visits (in or out of network)	\$25/25* copy per visit Annual deductible applies	\$25/25* copy per visit Annual deductible applies	\$25/25* copy per visit Annual deductible applies	\$25/25* copy per visit Annual deductible applies
D. In-network Outpatient Clinics and Outpatient Care (deductible waived) * Emergency care (in or out of network) * Emergency care received in a hospital emergency room	\$0 copy \$00 copy Annual deductible applies	\$0 copy \$00 copy Annual deductible applies	\$0 copy \$00 copy Annual deductible applies	\$0 copy \$00 copay/service Annual deductible applies
E. Inpatient Hospital Copay (copay waived for procedures at designated Centers of Excellence)	\$200 copay Annual deductible applies	\$200 copay Annual deductible applies	\$200 copay Annual deductible applies	\$250 copay/service Annual deductible applies
H. Outpatient Surgery Copay	\$100 copay Annual deductible applies	\$100 copay Annual deductible applies	\$200 copay Annual deductible applies	\$250 copay/service Annual deductible applies
H. Hospital and Skilled Nursing Facility	Nothing	Nothing	Nothing	Nothing
I. Prosthetics, Durable Medical Equipment	20% coinsurance	20% coinsurance	20% coinsurance	20% coinsurance Annual deductible applies
J. Lab (including allergy shots), Radiology, and X-ray (not included as part of preventive care and not subject to office visit or facility copayment)	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies
K. MRI/CT Scans	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies	20% coinsurance Annual deductible applies
L. Other expenses not covered in A-K above, including but not limited to: * Ambulance * Home Health Care * Outpatient Hospital Services (non-surgical) * Radiation/Diathermy * Dialysis * Day treatment for mental health and chemical dependency * Out-of-network diagnostic or treatment related outpatient services	20% coinsurance annual deductible applies	20% coinsurance annual deductible applies	20% coinsurance annual deductible applies	20% coinsurance annual deductible applies
M. Prescription Drugs Under supply of Tier 1, Tier 2, or Tier 3 prescription drugs, including generics. Note: all Tier 1 generic and select branded oral contraceptives are covered at no cost.	\$12/1833	\$12/18/36	\$12/18/36	\$12/18/36
N. Plan Maximum Out-of-Pocket Expense for Prescription Drugs (excludes PRU, infertility, growth hormones) (single/family)	\$600/1,200	\$600/1,200	\$600/1,200	\$600/1,200
O. Plan Maximum Out-of-Pocket Expense (including prescription drugs) (single/family)	\$1,000/2,000	\$1,000/2,000	\$1,000/2,000	\$1,000/2,000

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

