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## Joint Health Care Committee Notes

April 30, 2008

### **Committee Members Present:**

**Union:** John O. Riley (UNAC), (UNAC), Tim Hinterberger (UNAC, Alternate), Tim Powers (ACCFT), Jane Weber (ACCFT), J. Sowell (6070), Colin Clausson (6070), Jennifer Madsen (6070 Alternate), Rick McDonald (ACCFT)

**Management:** Beth Behner, Stuart Roberts, Kris Racina, (Management Alternate) Heather Swanson, Lisa Sporleder (Alternate)

**Committee Members Absent:** Janel Thomson (Management), Jacob Joseph (UNAC)

**Guests:** Scott Jerome, UAF Coach, Summer Neuroth and Shannon Brady Garman (WIN for Alaska), Cyndee West (UNAC Contract Manager), Carl Shepro (UNAC President), Mike Humphrey (SW Benefits), Erika Van Flein (SW Benefits), Barbara Russell, John Limm and Sherrill Miller (Premera Blue Cross). Yvonne Boyce joined the group in progress.

Additions to the Agenda:

Discussion of registration for a webinar on wellness programs.

Notes of the March JHCC meetings were reviewed. No one had any requested changes.

### Summer Walking Program; UAF

Scott Jerome appeared before the group to discuss his proposal for a summer walking program using wellness funds. He had discussed the topic with Mike H. His focus is on creating a "16 lb. club" to assist employees who want to lose weight over the summer. He said the program is geared toward novices and those who do not exercise regularly. Goals will include promoting positive lifestyle changes and developing good exercise habits. A supportive team structure is intended to help people develop better habits. The proposal is to run this program in Fairbanks, from May 20 until Sept. Walkers would gather at the Patty Center, 3 times a week and would take various routes through campus based on their level of capability. A review of realistic goals for each individual would occur. Scott said that walking poles can increase caloric expenditure by 20%. Scott would accompany the walkers or send his substitute each day of scheduled activity. In his proposal, an employee's attendance at half or more of the sessions and a loss of 2 lbs would result in a gift card. Keeping the weight off for several months would result in another prize. His budget has been presented based on 30 participants. A high quality pedometer is a part of the budget proposal. T shirts and ski poles are also a part of the budget. The total comes to \$7,400 for the entire project.

The committee discussed that walking programs at other locations, such as on the Juneau campus, are already in place. Participation varies, with up to 10 people walking per day.

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WIN for Alaska provides a walking program every week. A WIN staff person could help with the BMIs for participants.

Scott said that he'd like to offer a monetary incentive to see if that helped to sustain participation and boost goal attainment.

Cyndee noted that Weight Watchers is not funded by UA, but is solely paid for by employees.

The group discussed whether this would be a pilot. Scott shared that he'd like to try the program this summer and see what the results are. We could then see whether we should put a similar program in place elsewhere. We could do a survey of the participants.

BCBS Alaska: "Over the Allowable Charge," aka "Development of Maximum Allowables"

Barbara Russell and Premera representatives joined the JHCC to discuss how BCBS develops their "maximum allowable charge" guidelines.

This is also known as a UCR profile. Barbara noted that their preparation of this presentation represented a significant work effort for people in their office. John Limm heads their team. BCBS has a large enough data set of Alaska claims to create the schedule of maximum allowables. Twice a year, the schedule is reviewed; 90% is set for a CPT code if there are sufficient claims. A CPT code defines the service that a patient gets when he/she sees a physician. This could represent anything from a general check up to specialized treatments. Updating occurs in May and November of each year. For the May update, the schedule is based on \$350 million in provider charges; all claims were from AK physicians. Claims may be in or out of network. There are 4 geographic areas in AK. Calculation: if there are sufficient claims (5 in each CPT code) to use the 90% of billed charges, they use that. Otherwise, a non data driven methodology is used, which is a more complicated methodology. If there are fewer than 5 claims statewide, they use the greater of 250% or an implied 90% conversion factor, as described on page 7 of the handout.

**Questions:**

Jennifer Madsen: How did Premera develop the geographic categories?

Barbara: This has been in place for years. When she came to Blue Cross in 1986, AK had 3 geographic areas. Then info was received that Ketchikan had much different patterns than the rest of the state. Premera then developed Ketchikan as a 4<sup>th</sup> area. The Division of Insurance lays out how UCR calculations should be done, by regulation. The regulation also discusses how frequently the data must be updated.

John Limm: Around 1999 or 2000, they studied the issues and the charge levels of the 4 geographic areas. There are about 15,000 CPT codes in existence. As far as utilization, a typical health plan sees about 3500 CPT codes. About 1400 in AK have 5 or more claims. In our market, about 2 to 3 % of claims are billed on non-data driven codes.

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Other information from a firm called Engenics (used by other payers) lumps Fairbanks in with Anchorage. Other payers won't have as much data as Blue Cross has in the state of Alaska.

Jenn: Usage in Bethel is much higher than in other parts of the state, possibly due to the Native health care facility. Would this cause the data to be skewed?

Barbara: When BCBS first became the claims administrator for UA, there was a different benefit in Bethel. In 1995 or 1996, there was a determination that it is not that much higher so a different area was not considered warranted.

Heather: In governance discussions, concerns are raised that the allowable charge is not set high enough in some situations.

Barbara: This only affects providers who are not in the network. In-network doctors cannot bill for the difference. She can look up the # of providers who are in Bethel and will let Mike H. know.

The administrative code states the 80% level. BCBS as a company has committed to the 90<sup>th</sup>%.

John Riley: Can you share information on the levels between the 4 geographic areas?

John Limm: Yes, he'll give that to Barbara to share with us.

Success level in obtaining contracts with the doctors is of high importance. They have almost 70% of the providers under contract as a part of the network in AK.

Heather: It's a problem obtaining network providers in many parts of the state

Barbara: It's prudent for patients to have a discussion with providers if they are not contracted.

John Riley: If there are other topics that members have for Barbara Russell, we can gather those for a later meeting agenda.

**WIN for Alaska**

Report about the IHP pilot occurring in Anchorage and Juneau

Usage numbers keep rising, even though Spring Break was in this timeframe.

Wellness Breaks done at the request of departments totaled 350.

Biometric data was included for IHP groups.

Blood and cholesterol tests are always done.

35 to 50% of individuals in our population have high levels in these areas.

Proposal

Adapted and expand the proposal to extend to the entire state.

Phase 1

Goal was up to 25% during the pilot

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367 was the goal; they are handling 303 right now.

Proposing to continue till June 30, Phase 2.

Staff and Faculty have asked that the program be held during the academic year, rather than the calendar or fiscal year. Therefore, WIN for Alaska may propose starting again in October.

On the "Get the point" program, there has been an increase in logs: Since December, the #s have doubled. Win for Alaska is very anxious to come to Fairbanks. June 30<sup>th</sup> of 2008 until June 30, 2009 is the period of time covered in the proposal. They'll plan to have the Health Risk Appraisal (HRA) available on line.

Carl Shepro: What are the costs per individual? Also, what will be the increase in the cost, given Win For Alaska's proposed expansion?

Original contract was for 4300 employees.

They feel it is possible to serve 25% of the employee population.

Original contract before the IHP program began cost \$7.50 per EE per month at that level.

Their proposal is based on the amount of \$31.50 per month per employee. This includes the cost of the expansion to Fairbanks. For comparison purposes, there were 490 participants for ANC and Juneau projected whereas 303 served. For Fairbanks, it is projected that there would be 503 participants or 25% of the base.

Questions were asked about increased rates for higher numbers of participants.

The explanation was given that as the usage goes up, the rates charged by Win For Alaska will go up as well, but not that fast. The Win for Alaska representatives noted that helping people decrease their blood pressure and reduce their weight will be beneficial to UA health care claims. So, even though the entire employee group cannot be served, Win for Alaska looks at the IHP program as a service to the entire UA population.

Discussion occurred of overlapping services to participating employees because of a new start date for the pilot areas currently served. No decisions have been made on how that should be handled.

Health risk assessment role of WIN Alaska

They look at modifiable and non-modifiable risks.

Win For Alaska then addressed the group with their thoughts on:

- \* The possible addition of other services.
- \* An expanded wellness incentive system

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\* The ideal time frame for expansion to Fairbanks  
They said that 12 weeks prior to start date would be needed to prepare for the expanded delivery of services. This means starting in July after a contract is signed. IHP consultants would be interviewed, and the ordering of supplies would begin, etc. They are basing their timing on the requested start date of September 2008. It was noted that this is less per month than a family membership in a health club.

Weight Watchers is a worthwhile program, but it is only available in Fairbanks. They don't have offerings in Anchorage and Juneau.

John Riley: We will look at more information and have a discussion at our next meeting.

Seattle visit update

Mike: We might want to break up the activities planned, as scheduling has been impossible. Perhaps setting up a plan to go to talk to Blue Cross and Mercer in one trip rather than trying to go see all 4 groups at once. PharmaCare could come to Anchorage to meet us.

Picking a week and going with it is an approach; regardless of whether all of our participants are available. It won't work to plan the Seattle trip in combination with other travel plans as it makes the trip too long.

The group discussed good dates for a Seattle trip in October 8-10 time frame.

Next meeting will be held on May 14, from 2 p.m. to 4 p.m.  
Agenda topics will be circulated ahead of time, and will include committee processes.