

Meeting Date
8/4/15



AGENDA	
Section	Consent
Item No.	II.C.1

AGENDA REPORT
 BREVARD COUNTY BOARD OF COUNTY COMMISSIONERS

SUBJECT:	2016 Group Health Plan Changes
DEPT/OFFICE:	Office of Human Resources / Employee Benefits

Requested Action:
 That the Board approves a Group Health Insurance program for CY2016 as recommended by the Office of Human Resources/Employee Benefits and the County's Employee Benefits Insurance Advisory Committee (EBIAC) and authorizes the EBIAC to move forward with developing additional plan design and premium options for Board review and approval.

Summary Explanation & Background:

FY15/16 budget development includes an increase of employer funding for the 2016 Group Health Insurance program. Taking into consideration plan experience over the last two years, a 4% employer premium increase has been included in the County Manager's proposed FY15/16 budget presented to the Board. It is anticipated that the combination of plan design changes made in prior years, the current and projected rate of medical inflation and the group health plan's projected 2015 utilization have stabilized the plan and begun the process of restoring Group Health Plan reserves that had been utilized for several years to offset funding shortfalls. Those reserves are now projected to meet statutorily required minimums, however without significant changes to a combination of plan funding and plan design affecting the coverage levels provided by this program, the Group Health Plan will see its costs continue to rise placing even greater demands on premiums.

This information was provided to the County's Employee Benefits Insurance Advisory Committee (EBIAC) by the Office of Human Resources/Employee Benefits for their consideration along with the County's Benefits Consultant's analysis of responses received to this office's RFP for fully-insured, self-insured and innovative alternatives to the current group health program. With an understanding that the Board of County Commissioners was interested in seeing multiple options from the health care marketplace, the EBIAC was tasked to evaluate several plan design options that would help the group health plan mitigate its future plan costs.

Health First Health Plans, Cigna and United Health Plans provided self-insured health plan options; several fully insured health plan options were provided by Health First; and several innovative solutions were provided by Health First, Cigna and Florida Health Care Plans. After comprehensive presentations and analysis of all these options, the EBIAC selected the best single health plan provider option for a full takeover of the current group program to be the self-insured option proposed by Cigna in a 12-1 vote. The EBIAC then selected the best dual-provider option and found that the combination of Cigna and Health First presented the best dual provider alternative also by a 12-1 vote.

When asked to recommend either the single provider or dual provider option the EBIAC voted 10-3 to recommend the Cigna/Health First dual provider option to the Board. This option will allow for the establishment of two low-cost EPO, narrow network plan options, two HRA's and two PPO's with each provider offering an EPO, HRA and PPO. Upon the Board's approval of a Group Health Insurance program for CY2016, the EBIAC will meet to develop premium and plan design recommendations for the Boards consideration and approval.

The Office of Human Resources/Employee Benefits requests that the Board review and approve the attached recommendations and authorize this office and the EBIAC to move forward with developing additional plan design and employee / retiree premium options for Board review and approval on the recommended dual provider option.

Fiscal Impact: To be determined by premium and plan design recommendations adopted by the Board.

Exhibits Attached: GHP Ranking Sheets: Single Provider Option; Dual Provider Option w/ EBIAC recommendation

Contract /Agreement (If attached): Reviewed by County Attorney		Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	PR	<input type="checkbox"/>
County Manager	Assistant County Manager	Department Director / Extension					
Stockton Whitten	Frank Abbate	Gerard Visco, Human Resources Director x/5-5446					



Tammy Etheridge, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972

August 5, 2015

MEMORANDUM

TO: Gerard Visco, Human Resources Office Director

RE: Item II.C.1., Approval of 2016 Health Plan Changes

The Board of County Commissioners, in regular session on August 4, 2015, approved the Group Health Insurance Program for CY2016 as recommended by Human Resources Office/Employee Benefits and the Employee Benefits Insurance Advisory Committee (EBIAC); and authorized the EBIAC to move forward with developing additional plan design and premium options for the Board's review, and approval.

Your continued cooperation is always appreciated.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Etheridge, Deputy Clerk

/ds

Health Plan 2016
#P-3-15-15

RANKING SHEET - SINGLE PROVIDER OPTION

MEETING DATE: 7/1/15 POSTING
DATE: 07/06/15 @ 11:30 a.m.
through 07/13/15

SINGLE PROVIDER OPTION	PROPOSALS			
	Cigna	Florida Health Care	Health First	United HealthCare
COMMITTEE MEMBER				
Frank Abbate	1	4	3	2
Liz Alward	1	3	2	3
Cecilia Burke	1	4	3	2
Karen Hirschmiller	1	4	2	3
Tom Jenkins	1	3	2	4
Linda Mannier	1	4	3	2
Darcie McGee	1	4	3	2
Marcia Newell	1	4	3	2
Greg Pelham	1	3	2	4
Tom Rosenberg	1	4	2	3
Woodrow Sweet	2	4	1	3
Molly Tice	1	4	3	2
Milo Zonka	1	4	3	2
TOTAL*	14	49	32	34
RANK**	1 *	4	2	3

*TOTAL EQUALS THE SUM OF INDIVIDUAL SCORER'S RANKS (i.e. 1st, 2nd, etc.)
**LOWEST TOTAL IS BEST RANKED OVERALL.
P31515Ranking.xls

Health Plan 2016
#P-3-15-15
RANKING SHEET - DUAL PROVIDER OPTION

MEETING DATE: 7/1/15 POSTING DATE: 07/06/15 @ 11:30 a.m. through 07/13/15		PROPOSALS		
		Cigna/Health First (ASO)	Health First/United Health Care (ASO)	CIGNA/United Health Care (ASO)
DUAL PROVIDER OPTION				
COMMITTEE MEMBER				
1	Frank Abbate	1	3	2
2	Liz Alward	1	3	2
3	Cecilia Burke	1	3	2
4	Karen Hirschmiller	1	3	2
5	Tom Jenkins	1	2	3
6	Linda Mannier	2	3	1
7	Darcie McGee	1	3	2
8	Marcia Newell	1	3	2
9	Greg Pelham	1	3	2
10	Tom Rosenberg	1	2	3
11	Woodrow Sweet	1	2	2
12	Molly Tice	1	2	3
13	Milo Zonka	1	2	3
14				
15				
TOTAL*		14	34	29
RANK**		1 *	3	2

- Committee scored and ranked both a Single Provider Option and a Dual Provider Option.
- Committee Ranking for Single Provider Option: (1) Cigna; (2) Health First; (3) FL Health Care
- Committee Ranking for Dual Provider Option: (1) Cigna/Health First; (2) Health First/United Health Care; (3) Cigna/United Health Care
- Committee voted 10 to 3 to recommend Dual Option Provider

*TOTAL EQUALS THE SUM OF INDIVIDUAL SCORER'S RANKS (i.e. 1st, 2nd, etc.)
 **LOWEST TOTAL IS BEST RANKED OVERALL.
 P31515FinalRankingDualProvider.xls

PBM - pharmacy benefit management company

Current PBM - is NOT CIGNA it is Catamaran - CIGNA started using Catamaran in an exclusive arrangement over 2 years ago
HealthFirst also uses Catamaran

March - Catamaran was purchased by UnitedHC and their pharmacy portion is called OptumRx

Currently Catamaran and Optum are merging plans and platforms. It is obvious that it is very likely that competitors to UnitedHC will NOT be utilizing UnitedHC/Optum for the pharmacy benefit portion of the plan.

PBM issues for plans:

PBMs work not necessarily on behalf of the payor - however, they are really good at making money for themselves. Some practices that benefit PBMs:

Spread pricing (PBM charges plan a certain amount and reimburses pharmacy at a lower amount - keep the difference). This difference is now quite significant.

MAC - maximum allowable cost -PBMs keep 2 lists for MACs- that aren't readily available and changed daily. (PBMs have been known to not share these lists with their end clients - the payor-upon request). It is the number whereby the plan is charged one MAC (a higher one) and the pharmacy is reimbursed (a lower one). The MAC pricing issue is really coming under fire now with the huge escalations (sometimes 4000% percent overnight) of cost increases in generics and PBMs refuse to update the MAC and pharmacies lose money. And IF they update the MAC (to more adequately reflect the cost in the marketplace for the drug - they only do so on a going forward basis NEVER in retrospect - so pharmacies are simply out of pocket on the costs of these drugs). Pharmacies have now resorted to state legislatures (and on the Federal level) to expose and recommend regulating these practices as they are "predatory" and in the self interest of the PBM at the expense of the pharmacy.

Zero balance logic - if inexpensive generic falls under the generic copay the plan makes the pharmacy charge the patient entire copay, reimburses pharmacy at a low rate and keeps the different. In these scenarios the difference is sometimes pharmacy makes 19 cents and PBM keeps \$13.50 (I'm NOT exaggerating and in these cases pharmacies can unbill the Rx - save the plan/patient money and PBM doesn't have access to this data).

GDR - generic dispensing rate thresholds - possibly using this as a mechanism to ENSURE that zero balance logic occurs as if pharmacies don't bill through the plan it doesn't count towards their GDRs.

Mail order: PBMs own their own mail order - no incentive to save plan money. I have several examples where mail order not only didn't save the plan money - but didn't save the patient money. With PBMs (or insurers) owning their own mail order or other pharmacies - it is an obvious conflict of interest

Specialty Pharmacy: PBMs have identified this as the area to which they will be profiting quite handsomely in the future as these are high cost/high touch items that require education/training, etc yet PBMs basically provide speciality as a mail order pharmacy that the patient can call on a 800 number if patient has any questions. And PBMs and insurers utilizing their own specialty pharmacies again is a conflict of interest. PBMs have stated in stock investor conference calls that they are counting on specialty pharmacy in the future for revenue/profit growth - notably absent are comments about meeting the needs of their end customer (the payors)

Problems with current Rx Plan:

Catamaran is now purchased by UnitedHC - opportunity to do RFP and get a TRANSPARENT PBM

Current plan steers patients to PBM owned mail/specialty for their financial purposes - not a cost saving strategy at this point

Although pharmacy spend is a cost effective component of healthcare - 20% of total healthcare costs attributed to pharmacy is notable- average now is 16%. And that does NOT include all of the under copay Rx's that pharmacies are NOT billing to insurance due to the zero balance logic (so in essence and reality even more \$\$ is being spent for pharmacy)

Lack of MAC updates, spreads and zero balance logic are all items that are now benefitting the PBM and simply getting a (free) quote to see what a transparent PBM would cost could be eye opening (one municipality saved over \$100k in one year with a transparent PBM - town with only 123 employees)

Large insurers/TPA (third party administrators)/PBMS are NOT local and money given to these companies for their own profit does NOT employ people in our county or add to the economic impact of our local area.

Having a more fiscally sound, cost saving Rx plan would mean MORE money to the county for either healthcare or salaries or even both

Providers and PBMs have an adversarial relationship with predatory contracting and business practices - this does NOT work to serve the county in the best manner.

With being self-insured with this plan there hasn't been any major initiatives to show "value" in the system for the dollars being paid to the PBM or broker. If nothing changes.... nothing changes.

The self insured plan options haven't been fully explored at this point with the county depending on self interested entities to make their decisions.

Suggestions:

A “cost plus” reimbursement model (transparent) for ALL providers (including hospitals)

RFP for pharmacy benefits and have selection criteria that reflects the desire for transparency
NOT desire for PBM profit (mandatory mail order, narrow specialty networks, etc).

Have a commissioner appoint one person to be involved on the health insurance committee - obviously someone with some experience in healthcare or healthcare financing from the business community.

Be nimble/flexible with contracts as there are disruptive forces now - mergers/acquisitions - flexibility - benefit of being self-insured.

Invite providers to the table to help with solutions

Have new broker of record on a more frequent basis (every 2-3 years max) to interject new ideas/strategies - or even NOT have a broker but consultant for purposes of negotiating own network and cost plus reimbursement

Have an outside company work with costly “outliers” of the plan and pay them ONLY for (positive changes in health status)

Consider a tobacco surcharge for smokers

Design a pharmacy benefit that encourages compliance but also encourages healthy living (versus simply taking medications)

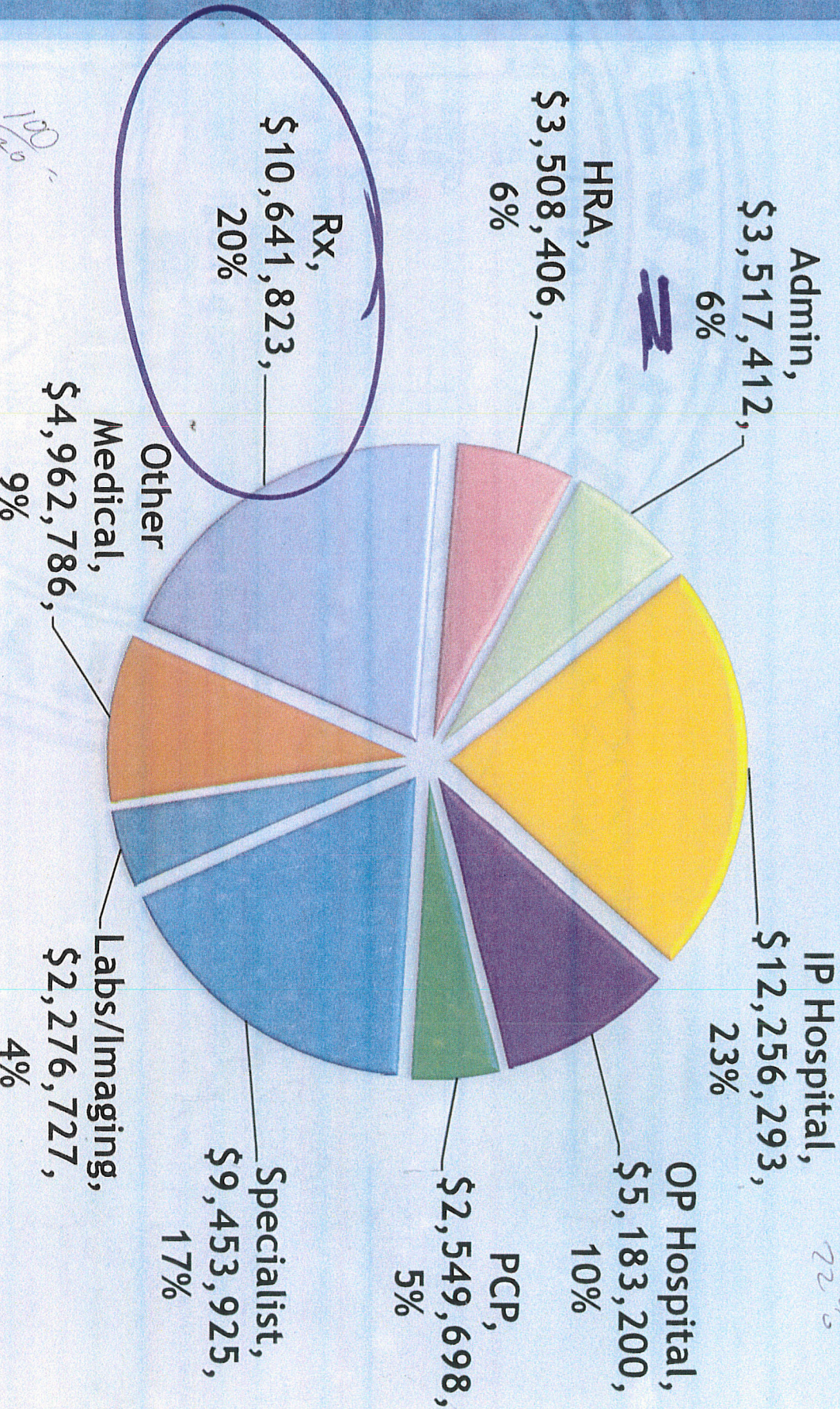
Utilize genomic testing for optimal pharmacy benefits

Utilize pharmacies as convenient locations to help with wellness initiatives and support (ie/blood pressure checks, weigh ins, etc)

Communicate plan changes with providers BEFORE they occur so they can explain these to the patients

Evaluate pharmacy claims and look for trends and address them at the pharmacy level (have the pharmacist address the suggestions to help with options for the patient)

Allocation of Plan Costs PY 2014



1 MIMS PHARMACY
2448 US HIGHWAY 1, MIMS, FL 32754
567-4919

2 ITANI FAMILY PHARMACY
2507 GARDEN STREET, TITUSVILLE FL 32796
269-7772
BASIL ITANI

3 EAST COAST PHARMACY
504 GARDEN ST, TITUSVILLE, FL 32796
P 321-747-0206 F 321-593-4319
DEEPAK AGGARWAL

4 CENTURY HEALTHMART PHARMACY
695 S WASHINGTON AVE, TITUSVILLE FL 32780
321-747-0600
CHRIS LENT

5 HOPKINS PHARMACY
4401 S HOPKINS AVE, TITUSVILLE FL 32780
P 321-607-6802 F 321-607-6804
WWW.TITUSVILLEHEALTH.COM
SUNNY AGGARWAL

6 FAMILY DRUG MART
7135 N COCOA BLVD, COCOA FL 32927
P 321-631-0300 F 321-631-2728
WWW.FDMPSJ.COM
M-F 9-9, SAT 9-6, SUN 1-6
BOB SOPOCY

7 PORT ST JOHN DISCOUNT PHARMACY
6801 N HIGHWAY 1 COCOA FL 32927
P 321-637-0911 F 321-639-0856
RAJ PATEL

8 WEST COCOA PHARMACY & COMPOUNDING
2711 CLEARLAKE ROAD, COCOA FL 32926
P 321-750-1922 F 321-248-0217
WWW.WESTCOCOAPHARMACY.COM
M-F 8:30-6, SAT 9:30-2
DAWN BUTTERFIELD

9 EMPIRE SPECIALTY HEALTHMART PHARMACY
1451 DIXON BLVD, COCOA FL 32922
P 321-549-5005 F 321-549-6226
RAO AND VEN

10 FIVE POINTS PHARMACY AND WELLNESS
1108 LAKE DRIVE, COCOA FL 32926
P 321-806-3951 F 321-806-4754
WWW.FIVEPOINTS RX.COM
M-F 9-6, SAT 10-2
JAMES WRIGHT

11 MERRITT ISLAND DISCOUNT PHARMACY
35 N COURTENAY PKWY MERRITT ISLAND FL 32953

12 ROSS CLARK'S THE PHARMACY - MERRITT ISLAND
110 S COURTENAY PKWY MERRITT ISLAND FL 32952
591-0765
ROSS CLARK

13 HOBBS PHARMACY
135 N BANANA RIVER DR
MERRITT ISLAND FL 32952
P 452-5058 F 452-6716
WWW.HOBBSRX.COM
M-F 9-9, SAT 9-5
MARK HOBBS

14 COCOA BEACH DISCOUNT PHARMACY
291 W COCOA BEACH CSWY, COCOA BEACH FL 32931
P 321-799-2030 F 321-799-2050

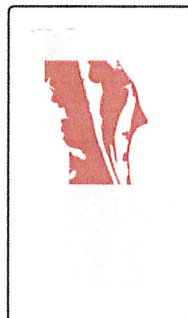
15 CITY DISCOUNT PHARMACY
1260 US HIGHWAY 1 ROCKLEDGE FL 32955
P 321-806-3972
MATT

16 ROCKLEDGE DISCOUNT PHARMACY
3650 MURRELL RD SUITE 120 ROCKLEDGE FL 32955
P 321-917-1204
M-F 8-8:30, SAT 9-3

INDEPENDENT PHARMACIES

In Brevard County

Titusville Discount Pharmacy
2175 Cheney Hwy, Titusville, FL 32780
(321) 268-0911



INDEPENDENT PHARMACIES In Brevard County

(continued)

SUNTREE PHARMACY
101 N WICKHAM ROAD MELBOURNE FL 32956
P 321-253-3535 F 321-253-2522
WWW.SUNTREEPHARMACY.COM
M-F 9-6 SAT 9-2
DIANN CLARK

Wickham Discount Pharmacy
1060 N Wickham Rd
Melbourne 32935
(321)241-6433

MEDICINE SHOPPE
1750 SARNO RD MELBOURNE FL 32935
P 321-1189-2425 F 321-1189-2125
WWW.MEDICINESHOPPE.COM
M-F 10-6 SAT 10-1

~~**MELBOURNE DISCOUNT PHARMACY**
401 N WICKHAM RD SUITE 100 X
MELBOURNE FL 32935
P 321-251-7885 F 321-251-7666
WWW.MELBOURNE-DISCOUNT-PHARMACY.COM
M-F 8:30-5:30 SAT 10-3~~

BLUE SKY DISCOUNT PHARMACY
115 HICKORY ST WEST MELBOURNE FL 32904
P 321-914-0823

AMEX PHARMACY
1515 ELIZABETH STREET MELBOURNE FL 32901
P 321-644-9431 F 800-562-3303
WWW.AMEXPHARMACY.COM
CHRISTINA BURMAN

closed & down

BROWNING'S PHARMACY
141 E HIBISCUS BLVD MELBOURNE FL 32901
P 321-723-6520 F 321-952-2318
WWW.BROWNING'S.NET
M-F 8-6 SAT 9-1

SPECIALTY PHARMACY
600 E MELBOURNE AVENUE MELBOURNE FL 32901
P 321-953-2004 F 321-953-2838
WWW.SPECIALTYPHARMACY.COM
BARBARA SWITZER

compound only

SAVERS DRUG MART
200 OCEAN AVE
MELBOURNE BEACH FL 32951
P 321-725-5400 F 321-728-8794
WWW.SAVERS-DRUGMART.COM
M-F 9-6 SAT 9-3
CARL ZIPPI

ACQUAVIVA PHARMACY
1555 PORT MALABAR BLVD #101 PALM BAY FL 32905
P 321-725-7188 F 321-728-1333
WWW.ACQUAVIVAPHARMACY.COM

MALABAR DISCOUNT PHARMACY
530 MALABAR ROAD SE PALM BAY FL 32907
P 321-775-0911
M-F 9-8 SAT 10-7 SUN 10-5
ANKUR SHAH

BAY STREET PHARMACY
7746 BAY STREET SEBASTIAN FL 32958
P 772-569-2043 F 772-388-2675
WWW.BAYSTREETPHARMACY.COM
M-F 9-6 SAT 9-1
THERESA TOLLE

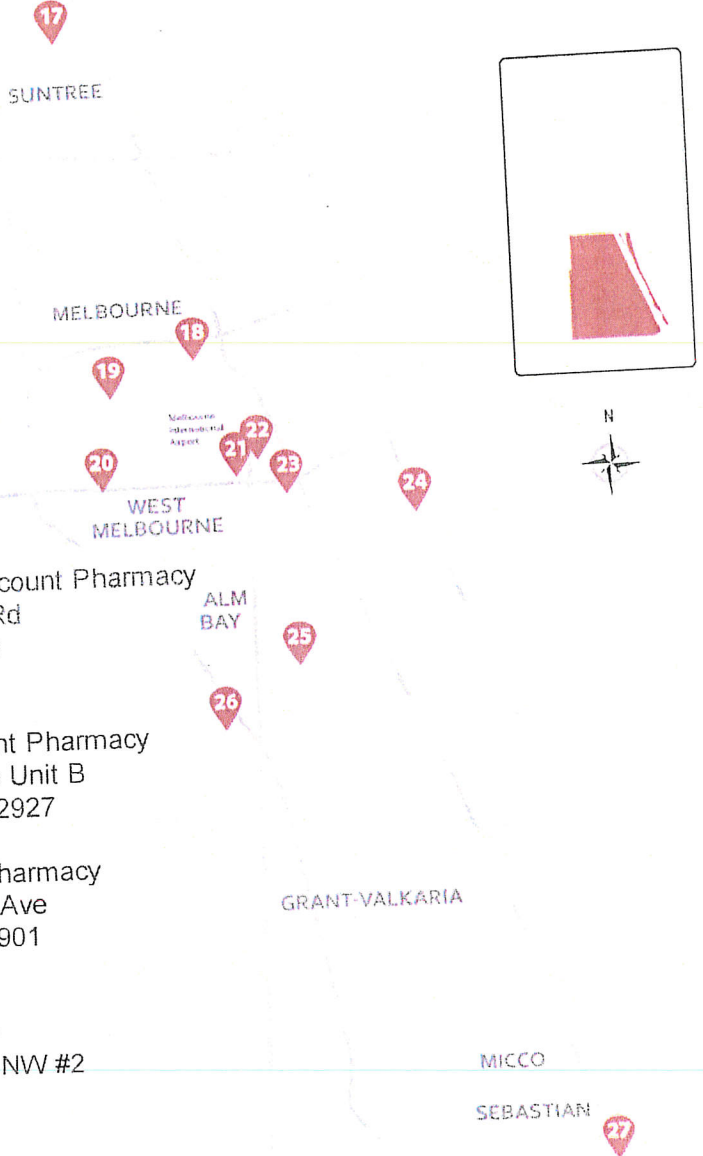
Add: Lourdoni Discount Pharmacy
6300 N Wickham Rd
Melbourne, 32940
(321) 610-3144

Eau Gallie Discount Pharmacy
1070 E Eau Gallie Unit B
Satellite Beach 32927

Thrifty Discount Pharmacy
32 W New Haven Ave
Melbourne, FL 32901
(321) 676-5999

Benzer Pharmacy
1270 Malabar Rd NW #2
Palm Bay 32907
(321)952-0656

Titusville Discount Pharmacy
2175 Cheney Hwy, Titusville, FL 32780
(321) 268-0911



"Independent Pharmacies consistently rank the highest for customer service out of all drug stores."
—JD Powers and Associates

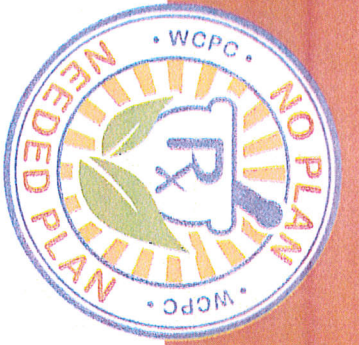
67 cents from
every dollar goes right back to the community when shopping local."

"Copayments for drug plans are the same for all pharmacies including independent pharmacies for the vast majority of prescription plans."

"Small business employ 70% of the entire workforce in America and are the job drivers."

"Independent pharmacies can offer products and services you can NOT find at chains - durable medical equipment, compounding, special item order delivery, health consultations, weight loss, smoking cessation and diabetes education class."

See your pharmacy for more details.



No Plan Needed Plan

NO card needed, NO mail order demanded and excellent customer service by our experienced, trained technicians and caring pharmacist.

Cash Pricing Comparison:

	CVS	WAG	Publix	Target	Walmart	
Clopidogrel, 75mg (generic Plavix)	#30 \$149.99 #90 \$428.99	\$153.99 \$449.89	\$49.95 \$143.95	\$62.49 \$187.49	\$30.00 \$90.00	\$10.00 \$20.00
Atorvastatin, 40 (generic Lipitor)	#30 \$145.99 #90 \$414.99	\$153.99 \$449.89	\$68.95 \$200.95	\$49.99 \$149.99	\$30.00 \$90.00	\$10.00 \$20.00
Simvastatin, 40mg (generic Zocor)	#30 \$41.00 #90 \$117.00	\$33.99 \$89.89	\$14.95 \$33.95	\$20.49 \$61.49	\$19.33 \$53.82	\$5.00 \$12.50
Losartan, 100/25 (generic Hyzaar)	#30 \$72.00 #90 \$207.00	\$79.99 \$227.89	\$85.95 \$248.95	\$41.49 \$124.49	\$76.01 \$212.86	\$10.00 \$20.00
Bupropion, 150mg SR (generic Wellbutrin)	#60 \$73.00 #180 \$215.00	\$73.19 \$207.59	\$93.95 \$260.95	\$50.49 \$151.49	\$42.63 \$119.99	\$20.00 \$45.00
Escitalopram, 20mg (generic Lexapro)	#30 \$119.99 #90 \$341.00	\$123.99 \$359.89	\$118.95 \$352.00	\$51.99 \$151.99	\$79.74 \$219.99	\$20.00 \$45.00
Omeprazole, 40mg (generic Prilosec)	#30 \$159.99 #90 \$509.99	\$168.99 \$494.89	\$65.95 \$189.95	\$34.99 \$104.99	\$56.29 \$157.72	\$10.00 \$20.00
Generic Cymbalta, 60mg	#60 \$422.00	\$523.99	\$330.95	\$423.99	\$248.07	\$65.00
Sumatriptan, 100mg (generic Imitrex)	#9 \$154.00	\$170.99	\$93.95	\$34.49	\$115.16	\$20.00
Voltaren Gel, 1 tube	\$58.00	\$62.99	\$62.95	\$62.99	\$61.33	\$50.00
Viagra, 100mg	#5 \$209.00	\$195.19	\$195.95	\$218.49	\$192.43	\$40.00**

** Generic Sildenafil 20mg x5 = 100mg



321.305.6909 2711 Clearlake Rd #C10, Cocoa, FL 32922
 MON-FRI 9am-6pm • SAT 9:30am-2pm • Closed SUN • After Hours Drop Off Box Available
 Due to the rapid escalation of generic pricing, these prices are subject to change, however our pharmacy is committed to offering the most cost effective, high quality generics we can find. If you are taking a medication not on this list, please call us for a price quote.

STAY CONNECTED WITH US!
 Follow us on Twitter & Like us on Facebook