

EXECUTIVE COMMITTEE WORKSHOP MINUTES  
MUNICIPALITIES, COLLEGES, SCHOOLS INSURANCE GROUP  
March 8, 2024

**Friday, March 8, 2024**

**MEMBERS PRESENT:** Steve McDougall, Ana Aguillon, Griselda Ortiz, Glen Hanneman, Ryan Altemeyer, Yvonne Perez, Kati Bassler, Nikki Herring

**MEMBERS ABSENT:**

**STAFF PRESENT:** Neddie Sarmiento, Executive Director  
Joanne Hilario, Deputy Executive Director  
Julia Hernandez, Executive Assistant

**OTHERS PRESENT:** Bordan Darm, Keenan & Associates  
Tom Edwards, Keenan & Associates  
Alexandria Van Brunt, Keenan & Associates  
Mignon Strong, Blue Shield of California  
Brandie Barrows, Taylor English Dumas, LLP  
Erika Yanez, CHOMP

**ADOPTION OF AGENDA – March 8, 2024**

Motion to adopt the agenda.

**MOTION:** Kati Bassler                      **SECONDED:** Glen Hanneman                      **MOTION CARRIED**

**YEA:** Steve McDougall, Yvonne Perez, Ryan Altemeyer, Ana Aguillon, Griselda Ortiz, Nikki Herring

**ABSENT:** None      **NAY:** None                      **ABSTAIN:** None

**DISCUSSION ITEMS:**

1. Legal Update/Review

MCSIG’s legal representative, Brandie Barrows, presented the October 30, 2023, Executive Order, which promotes the development and use of artificial intelligence (AI). Brandie Barrows informed the Executive Committee on ways AI can positively impact the JPA on the medicine side, which is by better patient care, better surgery outcomes, drug development, influence patient behavior and medical staff scheduling. On the benefits side, it can help with rapid data analysis, HR tasks, better analysis of plan experience, premiums, claim audits and personalization of benefits. Ways in which AI can impact the JPA negatively is through inaccurate data collection, data security and privacy, no accountability, loss of transparency, biased and distorted data, and the loss of knowledge and empathy and through legal lawsuits resulting from the mentioned negative impacts.

## 2. Utilization Review

### Medical Utilization Executive Summary

Mignon Strong of Blue Shield presented prior plan year October 2021-September 2022 data and how it compares to current data October 2022-September 2023, data only included PPO plans, excluded TRIO Plan. Key Findings:

- PPO Membership decreased.
- Overall PMPM trend increased.
- Core PMPM decreased and HCC PMPM increased.
- Cancer prevalence remained the same, but treatment costs increased.
- Cancer screenings are below benchmark.
- Metabolic conditions increased and are higher than benchmark.
- Mental health utilization increased.
  - The Executive Committee requested demographic data of members that are of age for preventative screenings, more specifically cancer, from Blue Shield.

### Virtual Blue

Mignon Strong of Blue Shield presented their new 24/7 virtual primary, behavioral health, and specialty care plan to the Executive Committee.

- The plan allows to assign a primary care physician to members.
- Behavioral health for adults and children 4 years and up
- Specialist/specialization care
- Recommendations regarding in-person care, as needed.
- Coordination of care with laboratories and pharmacies surrounding BSC network
- The plan includes all fifty states; therefore, the average cost of the plan includes all states not just Monterey County, which is roughly \$14 PMPM.
- \$0 cost to members
- An applicable cost share will be applied for in person care.
  - Tom Edwards of Keenan to provide cost comparison between Virtual Blue and other services MCSIG currently offers, including utilization.
  - Blue Shield to present a deeper presentation on Virtual Blue to the Executive Committee before rate setting & OE.

### KPPC-Rx Overview

Alexandria Van Brunt of Keenan presented the overview of the plan's performance in 2023, which increased by 17.4% from 2022. The clinical cost drivers were inflammatory conditions, diabetes, cancer, Hemophilia, and misc. conditions. She reviewed the programs that MCSIG currently has in place to help mitigate prescription costs. Since the increase in performance resulted from higher utilization of specialty drugs, Alexandria Van Brunt recommended to the Executive Committee implementing the KPCM Specialty Program, a clinical management program that would require prior authorization of all specialty medications. Which can result in significant savings for the JPA.

- Alexandria Van Brunt to provide a more robust presentation to the Executive Committee.

### Underwriting and Proposed Plan Design Changes

Tom Edwards of Keenan asked the Executive Committee for direction on the JPA's plans and goals for 2025. After a deliberate discussion, the Executive Committee 5 to 3 decided to eliminate PPO \$30 and PPO \$50 and implement a new PPO Select HSA Plan, with the same benefits as the current PPO Select Plan. For the underwriting timeline, the Executive Committee requested for April's meetings rate setting preliminary be kept at the current plan structure, however, the consolidation of rates with options to be changed to the June meetings, instead of August.

- The Executive Committee would like to hold an HRA discussion at a future meeting.

#### Other Plan Design Considerations

- CHOMP/Transarent Maternity Bundle
  - The Executive Committee reviewed a CHOMP maternity delivery proposal for their consideration. The bundle would be billed through Transarent. Under the current proposal, the PPO Select Program would be carved due to cost. Hospitals outside of Monterey County have lower cost deliveries. However, the JPA would generate savings of 24%-60% for the other PPO plans.

The Executive Committee rejected the proposal and requested additional data from Tom Edwards that provides actual costs and potential savings. Also, they would like to see migration between the PPO Select and other plans before and after maternity.

- Transarent/ Spring Health Behavioral Health
  - The Executive Committee was presented with a mental health option under the Transarent program for their consideration.
    - Cost is \$2.47 PEPM
    - The Executive Committee requested a comparison and evaluation of current mental health options, to compare against Spring Health Behavioral Health and Virtual Blue

#### Coming Attractions

Tom Edwards of Keenan informed the Executive Committee that Kaiser is expanding into Monterey County, which may drive costs down, bring new opportunities and growth to MCSIG.

#### Understanding the Group Concept

Bordan Darm of Keenan presented the Executive Committee with the Pareto Principle also known as the 80/20 rule, which states that 80% of outcomes come from 20% of causes, and how it applies to the JPA. He stated that the Pareto Principle helps identify where the problem is. If the Pareto Principle were to be applied to the JPA, 80% of the membership would have to incur 20% of the costs, which would decrease the rates by 75% while benefiting both the member and the JPA districts as employers. The goal and/or focus would be to reduce the cost for the 20% without transferring the cost to the 80%, which he proposes through:

- Medical tourism: regional, national, and international
- Medical Clinical Management Programs: weight loss programs, club sponsorship or healthy foods sponsorship
- Prescription Drug Clinical Management: PBM intervention with provider on high-cost drugs, prior authorization, step therapy, initial trial dosage

### Dental Market Report

Bordan Darm presented a dental Indemnity/Out-of-Network Plan because of the experienced disruption with the Delta Dental network and to mitigate members' complaints. The data yielded that the JPA would have to increase rates between 17.7%-42.8% and overall costs to the JPA and member disruption would increase if the indemnity/out-of-network plan were to be implemented. Therefore, the Executive Committee unanimously decided against implementation.

### Health & Management Programs

Mignon Strong of Blue Shield presented the Executive Committee with two recent programs that have been added to Wellvolution:

- Sworkit – an app-based fitness program
- Sword – digital physical therapy

She provided an overview of the BSC health and wellness programs network in Wellvolution, current enrollment of 525 members in Wellvolution and what the JPA can do to increase engagement. She also presented on the newly implemented Shield Support Care Management Program that became effective 3/1/2024 to help mitigate increasing costs of chronic conditions and to try and target those that are at risk of a chronic condition.

The workshop concluded at 4:30 p.m.