Minnesota Self-Funded User Group

Highlights
“TOP Five” Health Plan Management Topics

MASBO Annual Conference – Duluth
May 12, 2017
We all want the same thing ...  

... high quality health care 
at reasonable cost!
Panel

Jim Westrum  
Executive Director of Finance and Business Services, Wayzata Public Schools

Julie Cink  
Executive Director of Finance and Business Services, Prior Lake - Savage Area Schools

Gary Kawlewska  
Director of Finance and Operations, Buffalo-Hanover-Montrose ISD #877

Dale Sundstrom  
Executive Director of Business Services, Robbinsdale Area Schools

Thom Sturgeon  
Co-Founder/Co-Facilitator, MN Self-Funded User Group
from then ... to **Now**

**Old paradigm:**

**“Their Plan – Their Data”**

Outsource health plan management and technical competencies

**New paradigm:**

**“Our Plan – Our Data”**

Invest in health plan management competencies of administrators and labor leaders

**Goals:**

High quality health care at reasonable cost

Knowledge and confidence for decision-making

Employee engagement

Plan sponsor stewardship

Predictability, risk management

*Minnesota Self-Funded User Group*
e-Handouts

- Presentation slide set
- Charter of our Minnesota Self-Funded User Group
- Self-Funding Road Map
- Prior Lake – Savage Area Schools “Story” (MSBA Journal - June 2012)
- Plan Design Change Process Road Map
- User Group working session Topics Outline for 2016-17
Top 5 Topics

1. Pharmaceutical Trends & Strategies 140
2. Plan Sponsor Stewardship 70
3. Plan Design Goals and Change Process 30
4. Employee Engagement 25
5. Districts’ Stories 100

(MN Self-Funded User Group Member-Hours invested in this topic since January 2016)
Highlights: Pharmaceutical Trends & Strategies

Specialty drug spend now exceeds traditional retail pharmacy

- Specialty trend +20% annually
- Average per month: 2005: $1,300, 2015: $4,300, 2017 $5,100

Districts’ opportunities include

- Employee awareness
- Pharma network selectivity
- Maximize utilization of generics and bio-similars vs. brand name drugs
- Plan design (7-tiered formulary); inverse co-pays and compliance
- Couponing
- Rebates
- Medically dispensed / delivered drugs
- Legislative action
Highlights: Plan Sponsor Stewardship

Business office plan sponsor responsibilities:

Weekly
TPA claims cost and administrative fee draw request and funds transfer

Monthly
Insurance Committee / LMC meeting and status / progress reports:
- Reserve balance and claims trends
- Goals and progress on action plans

Monthly / Quarterly
Review Plan Performance with Broker/Consultant and TPA
- Claims trend
- Premiums and District Contributions

Annually
- Broker/Consultant, TPA, and other service providers Annual Performance Reviews
- Underwriting for the next plan year (district and employee premium contributions)
- Goals and action plans (examples: plan design change, provider networks, pharma network)
- RFPs for service providers
Highlights: Plan Design Goals and Change Process

Goals / Catalysts:

Plan Design “options analysis” as a continuous process
Simplify a district’s plan options
Reduce premiums
Modify deductibles and co-pays
Narrow networks

Road Map – Steps:

1. “Champion,” District Plan Administrators and Broker/Consultant identify potential changes;
2. Discussions with TPA executives/managers to identify potential changes;
3. TPA underwriters to propose cost increments/decrements for suggested change(s);
4. Insurance Committee discussion of ideas leading to Committee recommendation(s);
5. School Board approval and/or implementation of suggested change(s).
Highlights: Employee Engagement

1. The opportunity that underlies most topics / strategies
2. Most visible during open enrollment and in wellness programs
3. Encourage “Our Plan” mindset and behavior
4. Encourage tactful questioning of doctors / pharmacists about options
5. Technology is obviously emerging as a key to engagement:
   - District’s employee portal
   - Telemedicine
   - Consumer-driven provider shopping platforms
6. Ask employees what they need, want:
   - One recent district survey identified “financial planning” as #1 or #2 priority
Highlights: Districts’ Stories

Most popular and effective method of peer-to-peer learning

2-minute summaries:

- Year of Self-Funding
- % Premium increases for recent years
- Reserve Balance
- Current Goals and Challenges

Prior Lake - Savage Area Schools – Julie Cink

Robbinsdale Area Schools – Dale Sundstrom

Wayzata Public Schools – Jim Westrum
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Q & A

Thank You

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