Leveraging Healthcare Data to Drive Decisions

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Jeff Heap – Joliet Junior College

Spring 2021 ICCCFO Conference
Why data?
### Successful Strategies

<table>
<thead>
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<th>Strategy</th>
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<tbody>
<tr>
<td>1</td>
<td>Population health management programs</td>
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<td>2</td>
<td>Opioid dependency prevention and treatment</td>
</tr>
<tr>
<td>3</td>
<td>Proactive management of specialty pharmacy</td>
</tr>
<tr>
<td>4</td>
<td>Prescription drug contracting</td>
</tr>
</tbody>
</table>
1 - Promoting population health mgmt. programs

Prevent chronic health issues

- Across every employee population there’s a distribution of health status from top to bottom.
- With the support of health management programs, employees in need can work to prevent chronic health issues from developing or getting out of control.
- It’s imperative to help at-risk employees stay healthy through programs that identify and engage them in wellbeing programs and the healthcare system.
1 - Promoting population health mgmt. programs

Patient Advocacy

• Provide personalized patient advocacy support with research on cost and quality of providers
• 94% will choose a lower cost options
• **$3,400** average **employer** savings per cost & quality service request*
• **$400** average **employee** savings per cost & quality service request*

*Source: Direct Path Health
1 - Promoting population health mgmt. programs

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*Source: Direct Path Health

Diabetes Mgmt.
- Diabetes requires a comprehensive approach to care that is confidential, personalized and appealing
- 87% have other chronic conditions
- 20% claims attributed to members with diabetes
- The results:
  ✓ 40-60% engagement
  ✓ 15% reduction in A1c > 10
  ✓ 10% reduction in medical claims
  ✓ 9% reduction in hospital days

*Source: Abacus Health Solutions
1 - Promoting population health mgmt. programs

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*Source: Abacus Health Solutions

**Musculoskeletal Mgmt.**
- Monitor outcomes to keep treatment plans on track
- 80% of MSK issues are solved with early intervention of physical therapy
- Reduce over-utilization by eliminating unnecessary diagnostics and specialty care
- Considerations:
  - Benefit design
  - Access to care
  - Behavior change
  - Program management

*Source: ATI*
2 - Actively address opioid dependency

Focus on prevention and treatment

Prescription medications provided through employer-sponsored health plans contributed in large part to the crisis.

1. Manage chronic pain

2. Communicate and support employees.

3. Educate health plan members to self-advocate

4. Establishing a comprehensive drug-free workplace policy that includes testing for synthetic opioids supports these objectives.

* State of MSK Report 2021: Changing Musculoskeletal Trends Are Redefining MSK Care
3 - Proactively manage specialty pharmacy use

1-2% of your claims can drive 50% of costs

• Their redeeming quality is that many represent breakthrough, life-changing or life-saving therapies

• Predictive modeling can more sharply define the cost challenge of specialty drugs, and help employers identify appropriate plan designs and policies.

• In many cases, those policies will include prior authorization and step therapy as measures for verifying the patient is receiving the right therapy for their needs.
3 - Proactively manage specialty pharmacy use

Example: Saveon SP

- Utilizes ACA state benchmark to change client plan design
- Select drugs designated as Non-Essential Health Benefits
- Copays set to maximize manufacturer assistance dollars
- Targets 150+ specialty drugs in 19 therapy classes
- Reduces patient’s responsibility to zero

Case Study:
- 1,500 lives
- 163 impacted claims
- 22 members benefiting
- $144,000 annual plan savings
- $9 average member copay per Rx
- $8.16 PMPM client savings
- $0 remaining member cost

Average savings range form $2.50 - $4.50 PMPM*
*(net of program shared savings fee)
## 4 - Prescription Drug Contracting

**How do you protect yourself against these bad contracting practices?**

- Review the contract **first**, not last
- Value financial terms against their contract language
- Track unit costs and independently validate plan performance
- Secure full audit rights

<table>
<thead>
<tr>
<th>Rank</th>
<th>PBM/Health Plan</th>
<th>Projected Gross Cost (Allowed + Admin)</th>
<th>Cost Avoidance Gross Cost (Allowed + Admin)</th>
<th>Projected Rebates</th>
<th>Rebates Cost Avoidance</th>
<th>Total Cost Avoidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vendor A (Non-Fully Disclosed Pass-Through)</td>
<td>$73,792,000</td>
<td>$5,999,000</td>
<td>$8,186,000</td>
<td>$5,749,000</td>
<td>$11,748,000</td>
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<tr>
<td>2</td>
<td>Vendor B (Traditional)</td>
<td>$72,640,000</td>
<td>$7,151,000</td>
<td>$5,006,000</td>
<td>$2,568,000</td>
<td>$9,719,000</td>
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<td>3</td>
<td>Vendor C (Traditional)</td>
<td>$77,109,000</td>
<td>$2,681,000</td>
<td>$9,424,000</td>
<td>$6,986,000</td>
<td>$9,667,000</td>
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<td>4</td>
<td>Vendor B (Non-Fully Disclosed Pass-Through)</td>
<td>$72,942,000</td>
<td>$6,848,000</td>
<td>$5,006,000</td>
<td>$2,568,000</td>
<td>$9,416,000</td>
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<td>5</td>
<td>Vendor D (Pass-Through)</td>
<td>$73,726,000</td>
<td>$6,064,000</td>
<td>$4,995,000</td>
<td>$2,557,000</td>
<td>$8,621,000</td>
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<td>6</td>
<td>Vendor E (Pass-Through)</td>
<td>$73,206,000</td>
<td>$6,584,000</td>
<td>$4,103,000</td>
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<td>7</td>
<td>Vendor F (100% Pass-Through)</td>
<td>$73,905,000</td>
<td>$5,885,000</td>
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<td>8</td>
<td>Vendor G (100% Pass-Through)</td>
<td>$75,990,000</td>
<td>$3,801,000</td>
<td>$3,080,000</td>
<td>$643,000</td>
<td>$4,444,000</td>
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</table>
Joliet Junior College

Solution
- Through Gallagher Healthcare Analytics, we conducted a RFP soliciting several national PBMs
- Introduced telemedicine
- Carved-out stop loss

Overall Results
- Estimated 1st year savings ($617,000)
- Savings through contractual changes identified by Gallagher with no plan design changes including changes to copays, pharmacy access, plan protocols
- HCA RFP fees and ongoing audit fees paid by PBM

Three years later...
- We are still running below the 2016 budget!
- Implemented Gallagher Pharmacy Alliance with another ($302,899) in savings 1st year
# Renewal History

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Impact to</strong></td>
<td>0% PPO, -2.2% HMO, 0% dental, 0% vision</td>
<td>+0.9% PPO, +5.5% HMO, 0.5% dental, 0% vision, -18% basic life</td>
<td>0% PPO, -3.7% HMO, +4.8% dental, -4.6% vision</td>
<td>0% PPO, +1.7% HMO, 0% dental, 0% vision</td>
</tr>
<tr>
<td>**budget/</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>premium funding:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Employee</strong></td>
<td>No change</td>
<td>No change</td>
<td>No change</td>
<td>No change</td>
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<tr>
<td><strong>Rates</strong></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Budget</strong></td>
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<td>Continue current</td>
<td>Continue current</td>
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<tr>
<td><strong>Benefit</strong></td>
<td>Benchmarked benefit plans</td>
<td>Benchmarked benefit plans</td>
<td>Benchmarked benefit plans</td>
<td>Benchmarked benefit plans</td>
</tr>
<tr>
<td><strong>Actions</strong></td>
<td>Realized savings from Rx contract</td>
<td>($280,624) Rx rebates</td>
<td>Medical renewal with Gallagher Express Scripts Alliance = ($593,382) rebate savings</td>
<td>Flat renewal in a COVID year!</td>
</tr>
<tr>
<td></td>
<td>($77,424) in Rx rebates</td>
<td>Added MDLive (telemed)</td>
<td>Added vision buy-up</td>
<td>Conducted medical network analysis</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added Inside RxPets</td>
<td>Moved EAP to ComPsych</td>
<td>Extended COVID testing, treatment and telemedicine cost share waivers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conducted employee benefit survey</td>
<td>Managed COVID costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Added EAP for part-timers and PERKS EAP program</td>
<td>Virtual Benefit Fair</td>
<td></td>
</tr>
</tbody>
</table>
Thank You!

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Jeff Heap (Joliet Junior College): jheap@jjc.edu

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