

NDPERS RETIREE BENEFITS COMMITTEE

August 16, 2016

MINUTES

* - Present

BOARD MEMBERS: *Yvonne Smith

STAFF: *Sparb Collins, *Bryan Reinhardt, *Kathy Allen, *Rebecca Fricke,
*Sharon Schiermeister,

Guests:

Interest Groups: *Bill Kalanek - AFPE/NASW, Stuart Savelkohl - NDPEA

Membership Representatives:

*Dave Zentner, *Weldee Baetsch, David Gunkel, *Bill Lardy,
*Ron Leingang *Howard Sage, *Denae Kautzman

Fort Union Room (moved from Sakakawea Room)

Minutes

9:05 – Sparb started the meeting and covered the presentation. ESI sent utilization statistics for the retiree EGWP. The data is for the first six months of 2016. The plan will renew on Jan 1st, 2017. The group asked if there were statistics on rejected claims for new specialty drugs. There were not, NDPERS staff just got the ESI information yesterday. The slides moved to the topic of the renewal of the EGWP for 2017. The present plan monthly cost would increase from \$82 to \$90.33 (10.16%). ESI gave several plan design options to consider that would shift costs and reduce the premium increase.

#1 – Current plan \$90.33

#2 – Add a \$100 deductible \$86.72, the \$3.61 savings (\$43.32 per year) for potential \$100 cost

#3 – Allow only generics in the coverage gap \$81.29, big savings but may be hardship for some

#4 – Closed formulary \$88.95, \$1.38 savings, not much savings but may be hardship for some

#5 – Preferred network \$89.86, \$.47 savings, not much but may be hardship for some

#6 – Change to standard plan benefits \$68.26, big savings, but at this level of coverage it would probably be best to unbundle the plan.

Additional questions were asked:

Number of members with less than \$3,310 in costs?

How many reach and go through the “doughnut hole”?

Number of members that use preferred brand drugs?

Can we ID users of nonformulary drugs where a formulary drug is available?

Discussion followed if members would leave the plan with a 10% increase. Since the plan is still bundled with the medical side, the thought was not many would leave. Time is coming fast and if the plan were to go to bid, it would have to be done in the next few weeks.

The retiree group felt the NDPERS Board should continue with the current plan and pass along the \$90.33 premium. They also thought efforts should be made to target high cost members and nonformulary RX users with education on alternatives. The #3 and #4 options should be studied.

Rebecca noted that CMS changes now make it possible to add nonformulary generic drugs into the 3rd tier (higher cost sharing) instead of the 1st tier (generic cost sharing). This would involve 52 NDPERS members and would result in no premium cost reduction. The group felt this should not be done since it is a small number of members and there would be no cost savings. Maybe a reach out could be made to these members letting them know a change might be made in the future and if any lower cost alternative medications are available.

10:15 – Adjourn