



# STAYWELL

Mendocino County School Districts Health Plan

Steering Committee (ONLY) Meeting  
8:30 a.m. - 9:30 a.m.  
River Room

**AGENDA**  
**STAYWELL COMMITTEE MEETING**  
**Thursday, October 13, 2023**  
**MCOE – River Room**  
**2240 Old River Road**  
**Ukiah, CA 95482**  
**9:30 a.m. -12:30 p.m.**

Join Google Meet Meeting –  
**Approved Remote Access  
Required:**  
  
Video call link:  
[meet.google.com/gab-hnvg-jnu](https://meet.google.com/gab-hnvg-jnu)  
  
505-369-7515  
PIN 521 630 790#

9:30 Call to Order  
Roll Call  
Approval of Agenda  
Approval of Minutes (September 8, 2023)  
Public Input

9:45 Reports  
Steering Committee  
2022-2023 Claims Update  
2023-2024 Claims Update

10:00 **Discussion/Vote** - Flu & COVID clinics MCOE & FBUSD  
Staywell to pay for non-insured employees/families for Flu shots only

10:15 **Discussion**  
**Staywell Health Plan Review** Keith McNeil  
Plan Choice Primer – Discussion – Follow-up from 22/23 FY  
Stop-Loss Renewal – Discussion  
SCCC - Update  
Should Weight Loss Drugs be Covered – Discussion, Future Vote  
**Meeting Day of Week Survey** - Update

12:30 Adjourn

Upcoming Meetings: Attached

**VOTE**

**Approval of Minutes from 9/8/2023**



**STAYWELL COMMITTEE MEETING**

Friday, September 8, 2023  
MCOE River Room & Via Zoom  
2240 Old River Road – Birch Lab 1  
9:30 a.m. – 12:30 p.m.

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**PRESENT**

<b>Anderson Valley:</b>	Belma Rhoades	Casey Farber	Sara Hayward-Remote
<b>Arena Union Elementary:</b>	Bernadette Maul	Kelly Piper	Tansy Leiser-Remote
<b>Ft. Bragg:</b>	Danae Waugh	Wendy Boise	
<b>Laytonville:</b>	Jenet Carbaugh	Shannon Ford	
<b>Manchester:</b>	Jennifer Dempsey-Remote		
<b>MCOE:</b>	Craig Perry	Melissa Dale	Mike Nemeth
<b>Point Arena:</b>	Dunnell Daleuski	Mariyah Ortega	Teppi Cantin
<b>Potter Valley:</b>	Justus Hawks		
<b>Round Valley:</b>	Becky Vordermann-remote	Barbara Figueroa	
<b>Willits:</b>	Melissa Coughlin		
<b>Horicon:</b>	Darshan Hodges	Patti Pomplin	
<b>Staywell CFO:</b>			
<b>Staywell Recorder:</b>	Traci Doster*		
<b>Others:</b>	Suzanne Steely*		

\*Non-voting Participants

**ABSENT**

<b>Fort Bragg:</b>	Karen Leland		
<b>Leggett:</b>	Alia Schoettgen	Ruby Arias	
<b>Manchester:</b>	Stephanie Herrera		
<b>Potter Valley:</b>	Jolene Logan	Krista Looney	
<b>Roung Valley:</b>	Yardi Want		
<b>Willits:</b>	Jenni Wyatt	Melissa Ragsdale	
<b>Horicon:</b>	Stephanie Frazier		
<b>Charter Academy:</b>	Jim Switzer*	Elna Gordon*	
<b>MCYP</b>	Caroline Keller*		
<b>MCOE:</b>	Penny Lauseng*		
<b>Arrow Benefits Group:</b>	Keith McNeil*		

**CALL TO ORDER**

The meeting was called to order by Wendy Boise at 9:32 a.m.

**INTRODUCTIONS**

Roll call was conducted.

New board members were welcomed.

**APPROVAL OF AGENDA**

**MSC Patti Pomplin/Dunnell Daleuski**, to approve and adopt the agenda of September 8, 2023. **Motion carried (19/0).**

**APPROVAL OF MINUTES**

**MSC Justus Hawks/Patti Pomplin**, to approve the minutes from Staywell Meetings of January 20, 2023 & March 17, 2023. **Motion carried (19/0).**

**PUBLIC INPUT**

None.

**REPORTS****Steering Committee:**

The Steering Committee discussed today's agenda as well as in-person meetings vs. hybrid. The consensus is that the in-person meetings are important as attending remotely can/does lead to members multi-tasking and not giving their full attention to the meetings. It is felt that the Committee meetings are important enough that they need to remain in-person.

**2022-2023 Claims Update:** The claims update only goes through the end of April 2023. The committee is hoping to have the end of year numbers at the next meeting. There have been several large claims that have come in during the 2022-2023 FY so those won't hit the current year.

**2023-2024 Administrative Budget: Discussion/Vote:** Prior to asking for the motion and second for the Administrative Budget for the 2023-2024 fiscal year, clarification was provided regarding the two-meeting attendance requirement for voting rights. The bylaws state:

*4. Each voting member should have been a participant on the Staywell Board for two meetings of the current contract year when the next year's health contract is approved.*

Therefore, everyone present has the right to vote on items that are not the health contract approval (typically held at the April or May meeting).

**MSC Patti Pomplin/Teppi Canton**, to approve the 2023-2024 Administrative Budget of \$159,100. Discussion. The 2023-2024 budget was discussed as was the realization that the previously approved movement of the excess funds has not been completed yet. **Motion Carried (19/0).**

**STAYWELL HEALTH PLAN REVIEW - DISCUSSION/ACTION ITEMS****ALL**

**Lucent Renewal: MSC Pattie Pomplin/Bernie Maul** to approve the Lucent Renewal with a 3% rate increase. Discussion. The rate renewal had been requested at 5% however, Keith McNeil was able to get an agreement for 3%. Clarification for new members as to why we are voting on the increase now. As there was not a quorum present at the May 25, 2023 meeting, the meeting was cancelled and no rate increases were approved/denied. It was noted that Lucent has been providing services since July 1, 2023, without a signed contract. **Motion Carried (19/0).**

**Aware Health Renewal: Patti Pomplin/Melissa Coughlin** to approve the renewal of the Aware Health contract at \$12.00 PMPM, beginning October 1, 2023, for two years to include five (5) on-site visits per year for the next two years plus online mental health coaching. At the end of the two-year agreement, the Committee will have the option to revert back to \$8.72 PMPM. The agreement also includes a money back guarantee that if the PMPM rate increase does not result in an annual savings of at least \$3.28 PMPM of savings on MSK cost, the difference in the fees will be reimbursed at the end of each calendar year, minus and cash incentives already given to the employees (gift cards, etc.). The details of MSK cost savings are located in the presentation deck provided by Arrow Benefits on page 7. **Motion Carried (19/0).**

**OTHER ITEMS - DISCUSSION/VOTE:**

**ALL**

**Restate Summary Plan Description (SPD) by Lucent (\$1,500): MSC Patti Pomplin/Justus Hawks** to approve the Summary Plan Description restatement at \$1,500. Discussion: There have been several amendments to the SPD over the past several years and the SPD has not been updated to reflect those changes. The restatement of the SPD will incorporate all the approved amendments. **Motion Carried (19/0).**

**2023-2024 Meeting Calendar: MSC Patti Pomplin/Dunnell Daleuski** to approve the 2023-2024 Committee meeting calendar. Discussion. Committee members asked if we could review other days of the week for meetings for next year. **Motion Carried (19/0).**

**Elect two (2) New Steering Committee Members: MSC Mike Nemeth/Melissa Coughlin** to elect Justus Hawks (Certificated) and Melissa Dale (Classified) to the Steering Committee. **Motion Carried (19/0).**

**ADJOURNMENT**

**MSC Justus Hawks/Teppi Canton** to adjourn meeting. **Motion carried.** Meeting adjourned at 10:25 a.m.

## 2023 Flu & COVID Vaccine Dates & Pricing

Clinics to be held at from 10:00-4:00, closed from 12:00-1:00  
FBUSD on 10/17/2024 and  
MCOE on 10/24/2023

The cost of the vaccines is covered by our insurance however, we would like to ask if Staywell will cover the cost (\$40) of non-Staywell employees (only, not families) for the regular flu vaccine only (no Senior or COVID vaccines).

The non-Staywell employees would be asked first if they have other insurance and if they do, their insurance will be billed. Staywell would only pay if they do not have any other insurance. We feel staff would benefit from everyone being vaccinated that would like to be.

We also understand that some districts have already held clinics. If those districts have paid out of pocket for non-Staywell employees, they would be included in the reimbursements from Staywell as well.

The money could come from some of the excess in the Administrative budget.

There are approximately 160 non-Staywell employees throughout all of the Staywell districts. If ALL of them came to one or the other clinic it would cost \$6,400 additional.

Point Arena & Potter Valley have already held clinics this year.



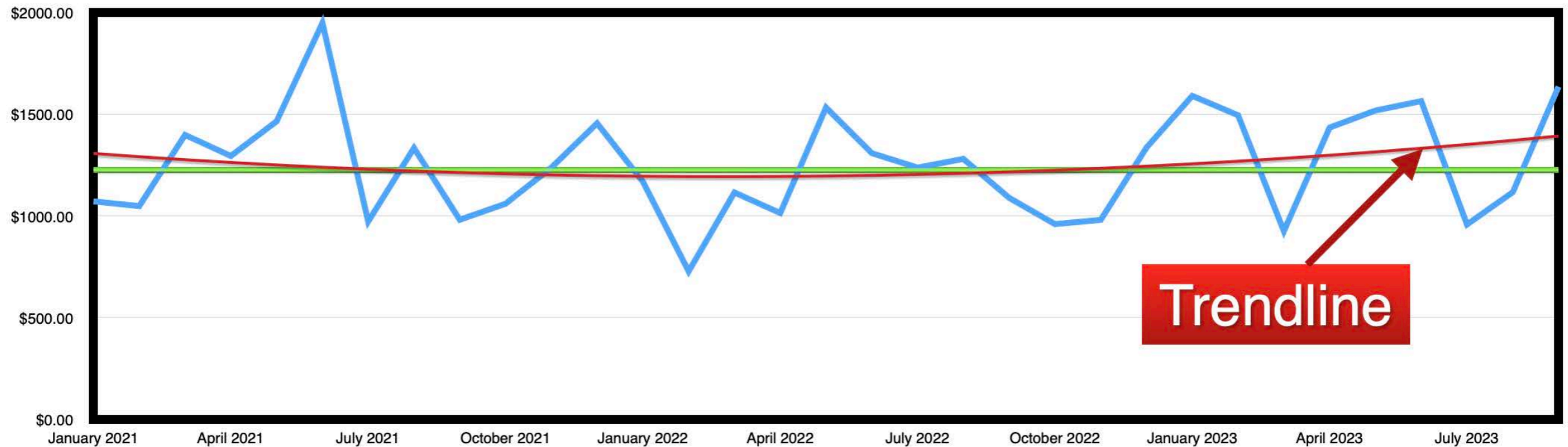
# Staywell Health Plan Review

October 13, 2023



# Here are total plan costs from **January 2021** through **September 2023**.

## STAYWELL COSTS JANUARY 2021 - SEPTEMBER 2023



— Claims Cost (presumed rebates)      — 2023-2024 Target

Note: showing the variability of claims, some summer months have seen some of the highest costs in a month as well as the lowest costs. Here are the number of claims that reached \$205,000 stop-loss by plan year:

2022-2023: 8  
2021-2022: 7  
2020-2021: 3  
2019-2020: 6

**In the new plan year starting July 1, there have been three claims over \$170,000 but below \$205,000.**



# ISSUES TO DISCUSS

**Stop-Loss renewal** (Informational only)

**SCCC Update** Tightening of the market, especially Humira

**Weight Loss** Discuss current exclusions and options. **Need feedback for a possible future vote.**

**Plan Design and Tier Options** Reminder of this issue for the January 2024 meeting

# Stop-Loss Renewal

Stop-Loss Comparison - Staywell 7/1/23 [Use of Anthem network presumed.]			
Presumed Employee Count	1007 [285   722]	1007 [285   722]	1007 [285   722]
Carrier Name	Benecon--Everest Re	Benecon--Highmark Renewal	Benecon--Highmark Renewal \$250K
Specific Stop-Loss (SSL) Deductible	\$205,000	\$205,000	\$250,000
Aggregating Specific Ded	N/A	N/A	N/A
Contract Type	48   12	60   12	60   12
No Laser on Renewal Indefinitely?	Yes	Yes	Yes
Maximum Renewal Increase	20% [Special Benecon Pool]	20% [Special Benecon Pool]	20% [Special Benecon Pool]
Loss Ratio [July 2022 - March 2023]	115.79%		
Maximum Lifetime Benefit	Unlimited	Unlimited	Unlimited
Specific Advance Feature?	Yes (Lucent)	Yes (Lucent)	Yes (Lucent)
Reimbursement Percentage	100%	100%	100%
Is the Terminal Liability Option included?	No but available when needed	No but available when needed	No but available when needed
Are specific rates confirmed for July 1, 2023 date?	Yes	Yes	Yes
Is monthly PEPM payment included for data analytics provider?	Yes, \$2.00	Yes, \$2.00	Yes, \$2.00
SSL Composite Rate [285   722]	\$175.31	\$198.94	\$163.92
Billed Rates	\$98.62 single   \$200.01 family	\$110.62 single   \$228.23 family	\$93.14 single   \$186.28 family
Percentage change to current—SSL		13.48%	-6.50%
Annualized SSL Premium	\$2,070,167	\$2,355,705	\$1,932,469
Approx. Break-Even if Change Made to Higher Deductible and Large Claims Reached New Level	N/A	N/A	N/A
Amounts of \$205k+ claims 7/22 - 3/23 [total amount including first \$205k]	Claims: \$375k, \$1,436k, \$530k, \$239k, and \$272k		
Number of large claims needed to equal renewal cost at the \$205,000 limit			9.41
Agg SL Composite Rate	\$4.00	\$4.00	\$4.00
Annualized Agg Premium	\$48,336	\$48,336	\$48,336
Reimbursement Percentage	100%	100%	100%
Are aggregate factors confirmed for July 1, 2023?	Yes	Yes	Yes
Aggregate Corridor	120%	120%	120%
Agg Max Annual Payment Limit	\$1,000,000	\$1,000,000	\$1,000,000
Contract Type	48   12	60   12	60   12
Combined Stop-Loss PEPM Fee	\$179.31	\$202.94	\$167.92
-----Annual Fixed SL Costs	\$2,118,503	\$2,404,041	\$1,980,805
Change to current—Combined	N/A	13.48%	-17.61%
Agg Factors:			
Composite	\$1,180.59	\$1,293.23	\$1,293.23
Agg Factors Used (max at 120%):	\$589.18 single   \$1,414.04 family	\$645.39 single   \$1,548.95 family	\$661.75 single   \$1,588.21 family
-----Annualized Attachment Point at 120%	\$14,266,238	\$15,627,337	\$16,023,436
Expected Claims (60   12 for new year)	\$11,888,532	\$13,022,781	\$13,352,863
Change to current agg limit		9.54%	12.32%
Minimum Attachment Point	Not stated	Not stated	Not stated
COMBINED TOTAL FIXED COSTS AND RISK	\$16,384,741	\$18,031,378	\$18,004,241
CHANGE IN TOTAL FIXED COSTS AND RISK		10.05%	-0.15%
Rate Finalization?	Yes	Yes	Yes

The Benecon quote is a pooled product that is designed to protect the insured group against catastrophically high renewal costs due to very high ongoing claims. Benecon does not laser on renewal, and the highest increase is 20%.

**Annual Premium Current:**  
\$2,118,503

**Annual Premium Renewal \$205k:**  
\$2,404,041

**Annual Premium Renewal \$250k:**  
\$1,980,805

The difference in premium on renewal between the two options is **\$423,236**. The increase in risk per member is \$45,000. **That equals 9.41 claims, while the average is 4-7 per year.** Thus if that average were to hold, Staywell would save money by switching to the higher stop-loss point.

**Changes in Deductible Must Wait until July 2024**

Number of claims \$205k or more:

2022-2023: 8

2021-2022: 7

2020-2021: 3

2019-2020: 6

# Direct Contracting Update

We have been negotiating with the Adventist Health system. We had a very good conversation with them and had been invited to a January 18, 2023, event (but that meeting evidently never happened). No word since then has been received despite several attempts. This email was sent on September 22, 2023:

I would like to reinvigorate our dormant discussions on aligning the Adventist system with the Staywell Health Plan. Our last data report shows Staywell paid to Adventist about \$3.9 million. There are many issues that we would like to discuss going forward that are a win-win for both parties.

Please let me know the next steps. We really need to do something on this.

# SCCC Update

## Potential savings being worked on

		April	May	June	July	August	September	October	November	December	Total
Sofos/Velpat Tab 400/100 (90 day fills)	Plan Cost	\$19,502.60			\$19,502.60			\$19,502.60			\$58,507.80
	40% SCCC Fee	\$7,801.04			\$7,801.04			\$7,801.04			\$23,403.12
	60% Savings	\$11,701.56			\$11,701.56			\$11,701.56			\$35,104.68
Palynziq Inj 20mg/ml	Plan Cost	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$33,929.28	\$305,363.52
	40% SCCC Fee	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$13,571.71	\$122,145.41
	60% Savings	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$20,357.57	\$183,218.11
Triumeq 600-50-300 Tab	Plan Cost	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	\$0.00
	40% SCCC Fee										\$0.00
	60% Savings										\$0.00
										Total Cost Addressed	\$363,871.32
										Total SCCC Fee	\$145,548.53
										Total Client Savings	\$218,322.79

If the members who have been approved so far stay for all of 2023, the net savings to Staywell after the vendor fee is **\$489,945**. That is up from the projected annualized savings of **\$369,826** that was reported in our October, 2022, meeting.

**Note: there has been “tightening” in the specialty drug PAP market, where drug companies are getting more stringent. This will definitely impact future savings. A lawsuit of one vendor, Payer Matrix, by AbbVie targets certain issues that do not apply to SCCC. Nonetheless, the drug companies can be more stringent if they choose to be. That is especially true of AbbVie and Johnson & Johnson.**

**Humira has gone off patent and much lower cost biosimilars are not mandated. SCCC and Costco can provide biosimilars for those who will lose access to Humira (free or otherwise).**

# Vital Incite Update

## Engagement of Future Cost Drivers

All Members Currently on Plan

**Future Cost Drivers**  
125 Members  
 5% Population → 52% Next 12 Month's Spend

**Chronic Disease Prevalence**

HYPERTENSION	68	54%
LIPID DISORDERS	57	46%
DEPRESSION	43	34%
DIABETES	40	32%
LOW BACK PAIN	36	29%

**Pivotal Future Cost Drivers**  
17 Members  
 1% Population → 30% Next 12 Month's Spend

**Chronic Disease Prevalence**

HYPERTENSION	10	59%
LIPID DISORDERS	10	59%
CANCER (NON-JH)	8	47%
DIABETES	5	29%
HYPOTHYROIDISM	5	29%

### Coordination of Care for "Future Cost Drivers" Members

Future Cost Drivers	Optimally Coordinated		Not Optimally Coordinated	
	Count	%	Count	%
Total Member Count	114	91%	11	9%
Generalist Seen	104	91%	10	9%
No Generalist Seen	10	91%	1	9%

Of Future Cost Drivers  
**9%**  
 are not optimally coordinated  
 vs Benchmark of 11%

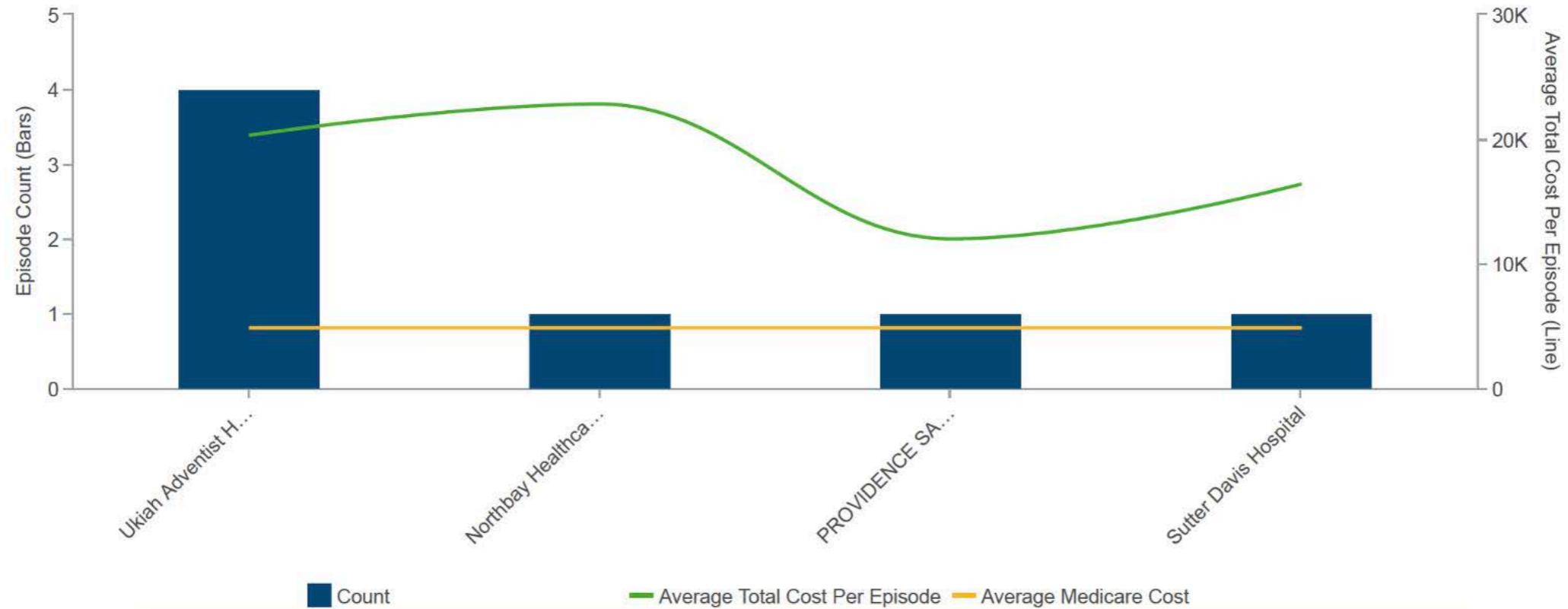


The future cost drivers identification was derived from analyzing historical data and identifying key JH values and other indicators in the year prior that are consistent with individuals with the highest spend in the next year. The logic behind this research is considered Vital Incite Intellectual Property and is

# Vital Incite Update

## Inpatient Efficiency

Average Cost per Episode  
VAGINAL DELIVERY WITHOUT STERILIZATION OR D&C WITHOUT CC/MCC (DRG: 807)



Provider	Count↓	Average Total Cost Per Episode	Average Plan Paid Per Episode	% of Medicare	Potential Waste
Ukiah Adventist Hospital	4	\$20,293	\$18,865	421%	\$35,964
Northbay Healthcare Group	1	\$22,800	\$21,596	473%	\$10,737
PROVIDENCE SANTA ROSA MEMORIAL HOSP	1	\$11,977	\$11,023	248%	\$4,317
Sutter Davis Hospital	1	\$16,380	\$15,672	339%	\$4,317

Vital Incite benchmark for DRG 807 is \$10,167. Consider requesting the carrier renegotiate DRG 807 to be more in line with average national rates.

Potential Waste – Total cost above and beyond 250% of the national Medicare average reimbursement rate

VITALincite



# Vital Incite Update

## Chronic Condition Summary

Through ongoing communication, inform members about Costco's Mail Order Service offering for convenient access to prescriptions and enhancing adherence. Work with Costco on other strategies such as reminders for medication refills.

Employee and Spouse

Condition Name	Member Count ↓	% of Pop ID'ed	Benchmark	% Treated w/ Rx	Benchmark	% on Medications with 2 or More Rx Gaps	Benchmark	Total Cost PMPY	Benchmark
NO CONDITIONS	837	49%	42%					\$2,606	\$2,940
HYPERTENSION	377	22%	28%	46%	51%	14%	8%	\$15,851	\$17,480
LIPID DISORDERS	344	20%	25%	39%	50%	4%	3%	\$14,362	\$15,689
DEPRESSION	258	15%	20%	66%	68%	15%	7%	\$13,927	\$16,494
LOW BACK PAIN	198	12%	12%					\$13,175	\$17,997
PERSISTENT ASTHMA	159	9%	11%	18%	10%	43%	26%	\$15,317	\$18,091
DIABETES	154	9%	12%	56%	65%	28%	15%	\$21,356	\$21,597
HYPOTHYROIDISM	132	8%	8%	61%	68%	8%	2%	\$15,013	\$16,960
CANCER (NON-JH)	79	5%	4%					\$35,478	\$42,059
ANEMIA	43	3%	3%					\$36,536	\$28,846

Employee and Spouse Comorbid Conditions

	Total	DEPRESSION	DIABETES	HYPERTENSION	LIPID DISORDERS	PERSISTENT ASTHMA	CHRONIC RENAL FAILURE
<b>Total</b>	<b>722</b>	<b>258</b>	<b>154</b>	<b>377</b>	<b>344</b>	<b>159</b>	<b>14</b>
DEPRESSION	258	258	33	97	88	48	5
DIABETES	154	33	154	111	97	21	6
HYPERTENSION	377	97	111	377	209	61	13
LIPID DISORDERS	344	88	97	209	344	52	13
PERSISTENT ASTHMA	159	48	21	61	52	159	
CHRONIC RENAL FAILURE	14	5	6	13	13		14

Chronic conditions are likely understated.



# Vital Incite Update

## Top 15 J Codes by Total Cost

J Code	Description	Drug Category	% OP	Total Cost Prev Prd	Total Cost↓	Mbr Count Prev Prd	Mbr Count	Service Count Prev Prd	Service Count	Avg Cost per Svc Count
J0178	Aflibercept injection	Inflammatory / Localized inflammation		\$20,175	\$18,062	2	1	22	20	\$903
J0585	Injection,onabotulinumtoxina	Neurologic / Muscle spasms		\$16,390	\$15,934	5	5	3,400	1,800	\$9
J0897	Denosumab injection	Endocrine/Metabolic / Bone disorders		\$6,232	\$4,649	2	2	3	123	\$38
J7298	Mirena, 52 mg	Female Reproductive / Contraception		\$7,692	\$3,941	8	4	8	4	\$985
J7307	Etonogestrel implant system	Female Reproductive / Contraception		\$3,494	\$2,800	4	3	4	3	\$933
J9217	Leuprolide acetate suspnsion	Malignancies / Moderate impact		\$898	\$939	1	1	2	5	\$188
J7297	Liletta, 52 mg	Female Reproductive / Contraception			\$863		1		1	\$863
J7308	Aminolevulinic acid hcl top	Skin / Acute and recurrent			\$783		1		2	\$391
J1050	Medroxyprogesterone acetate	Female Reproductive / Contraception		\$949	\$764	6	9	762	1,057	\$1
Q9967	Locm 300-399mg/ml iodine,1ml	Other / Other		\$2,582	\$501	24	3	573	220	\$2
J0561	Penicillin g benzathine inj	Infections / Acute minor			\$350		1		13	\$27
J3490	Drugs unclassified injection			\$1,810	\$293	41	8	104	34	\$9
J1040	Methylprednisolone 80 mg inj	Inflammatory / Systemic: high impact		\$134	\$250	6	11	7	17	\$15
J3301	Triamcinolone acet inj nos	Inflammatory / Systemic: high impact		\$286	\$219	33	30	110	73	\$3
J0702	Betamethasone acet&sod phosp	Inflammatory / Localized inflammation		\$27	\$160	3	7	10	19	\$8

*% OP – Displays percentage of total cost for injections performed in an Outpatient Hospital setting. Consider redirection opportunities. These services may be more cost efficient in an office or home setting (if applicable).*

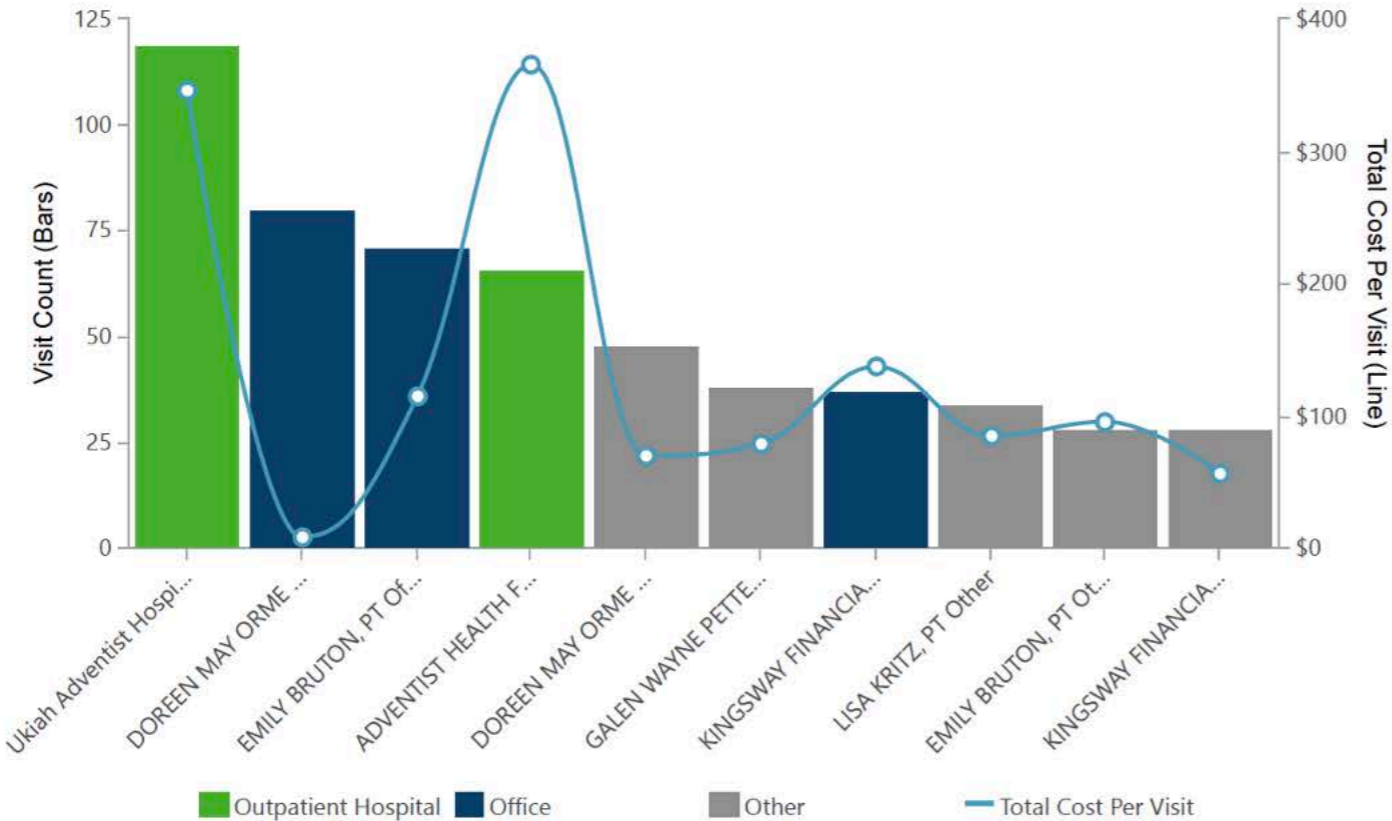
Note: Arrow is talking to a vendor that might be able to reduce costs for J Code drugs that bypass the PBM (i.e., Costco). We will report back when we have more information. The rough estimate savings is \$15,000-\$20,000 per year.



# Vital Incite Update

## Physical Therapy Efficiency

Average Total Cost per Visit by Provider



Of all MSK Spend  
**2%**  
is for Outpatient Physical Therapy

Facility Name	Place of Service	Visit Count↓	Total Cost Per Visit	Member Count	Visits Per Claimant
Ukiah Adventist Hospital	Outpatient Hospital	119	\$347	18	7
DOREEN MAY ORME PT	Office	80	\$8	2	40
EMILY BRUTON, PT	Office	71	\$114	10	7
ADVENTIST HEALTH FRANK R HOWARD MEM	Outpatient Hospital	66	\$365	18	4
DOREEN MAY ORME P.T.	Other	48	\$69	3	16
GALEN WAYNE PETTEY PT	Other	38	\$79	3	13
KINGSWAY FINANCIAL SERVICES	Office	37	\$137	5	7
LISA KRITZ, PT	Other	34	\$84	6	6
EMILY BRUTON, PT	Other	28	\$95	8	4
KINGSWAY FINANCIAL SERVICES	Other	28	\$56	6	5

All physical therapy services that are provided within the visit are included in the average cost per visit. Excludes inpatient physical therapy.

**Confidential:** This report contains information that is proprietary and protected by the carriers. Results can only be shared between Vital Incite, Mendocino Office of Education, and Advisor.



# —Staywell Plan Choice Primer—

While much has been reported thus far with great details, that level of detail might be too much for a general discussion with District members. A request has been made to provide summary information that might be helpful. Here is a possible summary of what has been discussed:

## Single Plan versus Multiple Plans

**1]** The current Staywell plan for active employees is a single plan (no choice) with a single composite rate (the same cost for a single employee or a large family).

**2]** Most School Districts offer several **choice of plans** but there are pros and cons to doing so:

### Pros:

- Some Districts say they need this to compete for talent
- Office visit co-payments could be added to make a new option
- A high deductible Health Savings Account-compatible plan could be offered to make a new option
- The number of options might range from 3-6, depending on the vote of the Staywell committee

### Cons:

- For the current plan, the rate will increase if lower cost options are offered
- Slightly increased administrative load, and unions will have to bargain over the employer contribution amount for the different plans
- Aware Health (and perhaps other vendors that are offered in the future) might not be available to those who elect an HSA plan, if offered.

# —Staywell Plan Choice Primer—

**3]** Some School Districts offer several **rate tiers (as opposed to a composite rate)** but there are pros and cons to doing so:

## Single Rate Tier versus Multiple Rate Tiers

### Pros:

- Provides help to single employees who would be billed and pay only for themselves
- Can potentially decrease dependent enrollment (district cost) if covered elsewhere
- Districts save money by paying less for single employees
- Might lead to some older members to elect Medicare instead of the Staywell plan

### Cons:

- Cost of the current plan will increase to account for adverse selection
- Districts may need to pay more for those who cover dependents, so families could be disadvantaged
- Slightly increased administrative load
- Districts that now allocate just one fixed amount towards health coverage may have to come up with variable amounts depending on whether the member elects to cover dependents. That could mean union bargaining issues at the very least.

Reminder: it is expected that a change to multiple tiers and/or multiple plans will require a significant lead time for Districts to negotiate with their unions and determine how much the District will pay for the new plan options. In January 2023 the Staywell committee determined that there was not enough time to determine how to vote for the 2023 plan year, so it was delayed until the 2024 plan year. District should at least have a sense of what they want by the January 2024 meeting.

# Allergychoices

Allergychoices is a special program for allergy treatment that avoids the need for shots. The intent is to offer this service via telemed. One doctor who was willing to do that, Dr. Gupta, is now requiring that they have an initial in-person visit to have their first treatment. He is in Temecula in Southern California, so that is a problem.

They now have an option in California in Arnold (in the Gold Country), Big Trees MD, with providers:

- Maryal Concepcion MD
- Jeremiah Fillo MD

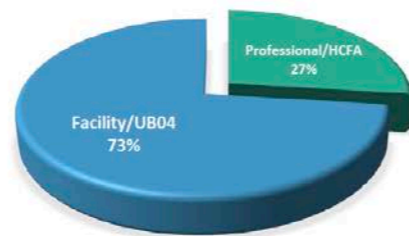
Their phone contact information is **(209) 653-2135**. Their address is 874 Henry Dr. Suite #4, Arnold, CA 95223.

They do not require an in-person visit. However, note that they are not in the Anthem PPO network. Their charges would be covered but as an out-of-network charge.

# Claim Informatics Update

Review of claims Paid from 10/23/2019 through 8/28/2023- 46 Months Incurred 10/01/2019 through 08/23/2023

- **\$40.2 Million**  
Total PLAN ASSETS analyzed
- **\$4.3 Million**  
Total MEMBER LIABILITY analyzed



**65,488**

Total Claims

**161,162**

Total Records

Findings \$2,689,680 in Plan Assets an was Error Detected (6% procedural error rate)

ClaimIntelligence™ Technology Platform

**\$ 2.68MM**

CI detected Error

**\$ 556K**

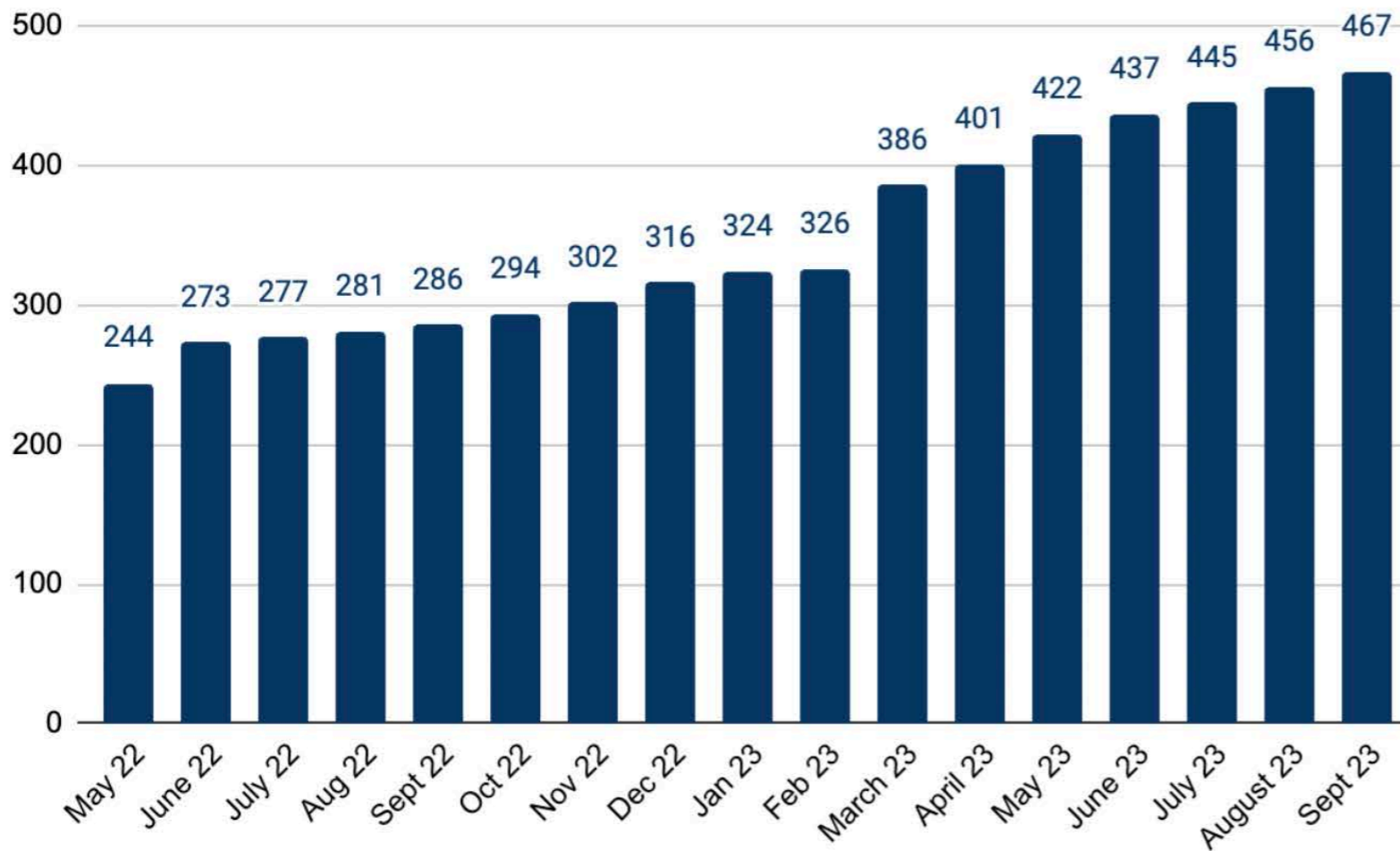
Total Error Amount  
Plan Assets Overcharged

**\$ 42K**

Total Error Amount  
Member Liability Overcharged

# Aware Health Update

## Utilization



**Total Episodes: 467**



**12.4%** of those **eligible** used Aware



**29%** users used Aware **2 or more times** for another problem



**1,839** visits **total** among 263 users



# Aware Health Update

## What's Next?



### Webinar

October 24th

Customer-wide webinar on Treating Knee Pain Without Surgery: Expert Assessment and Treatment Strategies

### Onsite

Week of December 4th

Confirmed onsite with Willits Unified and in the talks with Point Arena

### New resources

Blog launch: Aware Health's blog is now live! Written by our clinical team, our blog offers insight into best practices to address musculoskeletal issues. Subscribe to learn more and receive promos, offers, and Aware Health updates!

Landing page: a place for employees to subscribe and get the latest updates on Aware. It will include quarterly raffles.



# Aware Health Update



This is the second time I have turned to Aware Health for online guidance for my neck and back pain. Each time I did a round of treatments with an online physical therapist. Once again, I am beyond pleased by the treatment I received. My therapist this time was Dr. Hall. She showed me patience and compassion and handled all correspondence and zoom meetings with professionalism. She provided me with the proper exercises to manage my neck and back pain as well as provided support and encouragement on other areas of my life; including guiding me on weight loss, sleep, and stress goals. I've come to think of Dr. Hall as more than a physical therapist; she has become a life coach to me. I look forward to our meetings and I highly recommend these services. And one of the best parts, it's FREE! Though to be honest, I'd likely pay for her services.

STAYWELL MEMBER, MELISSA TAYLOR



**'Live more' reaching your goals!**



# Should Weight Loss Drugs be Covered?

There is a growing call for health plans to cover weight loss drugs.

**Is this the latest craze spawned by TikTok and the Kardashians or is it serious medicine whose time has come?** It is actually both, but the use of only drugs to lose weight can lead to sub-optimal results and at high cost. Weight Watchers recently purchased a telehealth company so that it can sell these drugs to its clients via telemedicine. **Novo Nordisk reports 40,000 new prescriptions per week for Wegovy, which acts as an appetite suppressant.**

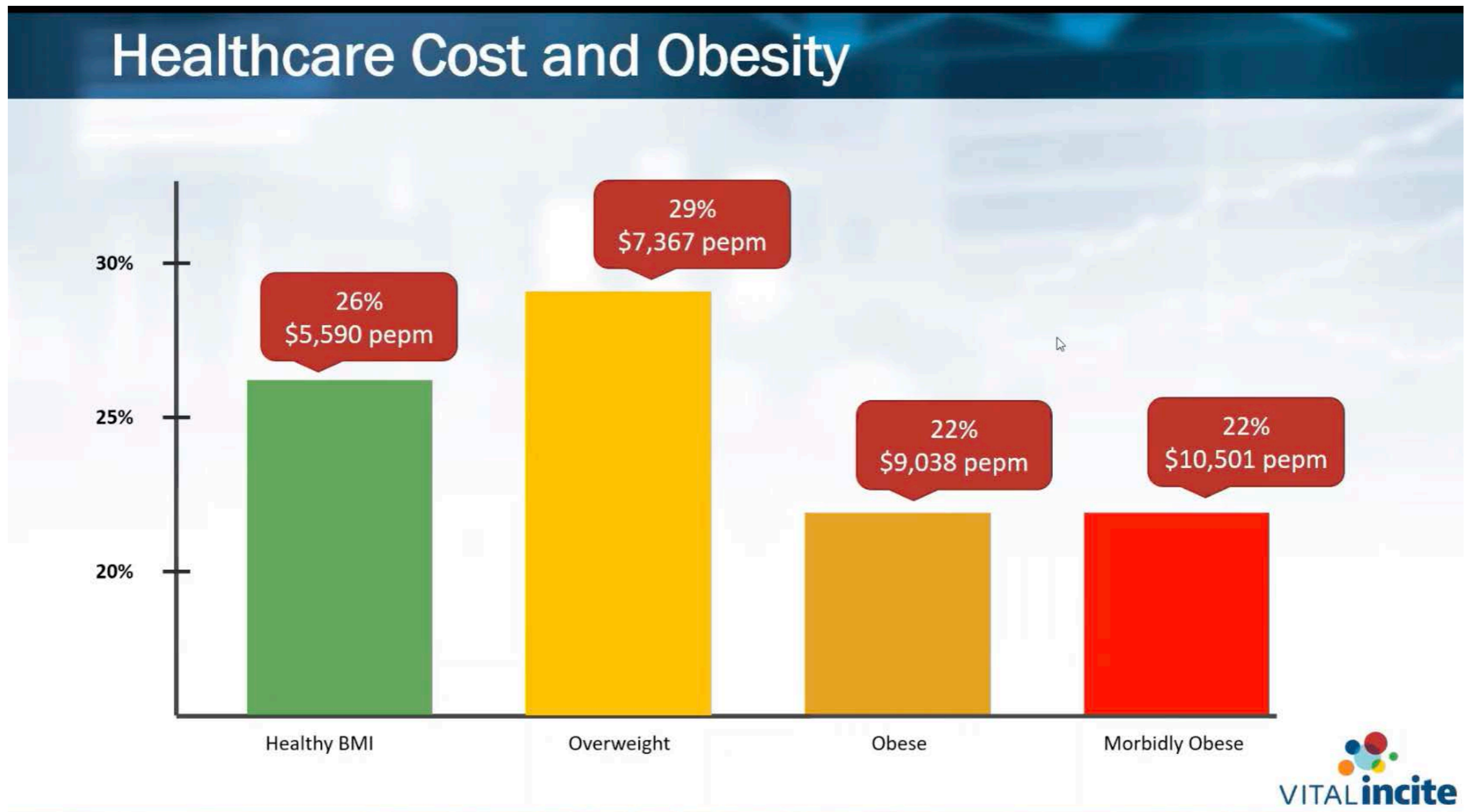
At present the only coverage for weight loss is in-network-only bariatric surgery. The drugs would be a significant change for the members; but, if approved, Staywell will have to define eligibility.

**In the last 10 years, dieters have spent over 600 billion dollars on diets and diet products. Yet we keep getting heavier.**

[GoLo advertisement]

# Should Weight Loss Drugs be Covered? (cont.)

Vital Incite on the medical problems tied to obesity:



# Should Weight Loss Drugs be Covered? (cont.)

Vital Incite on the medical problems tied to obesity:

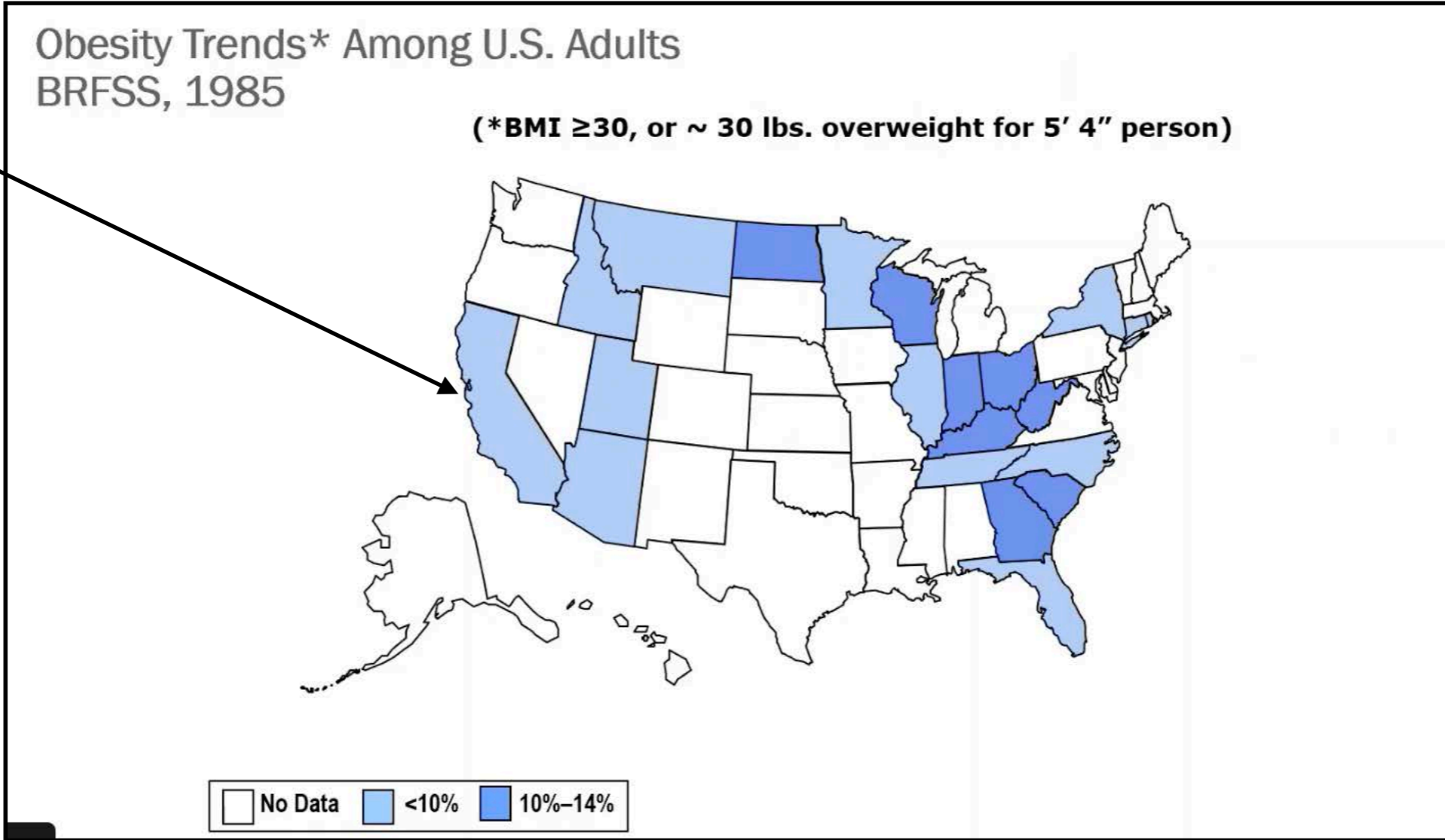


# Should Weight Loss Drugs be Covered? (cont.)

Increase in obesity 1985 - 2021:

1985

Calif. under 10% obese

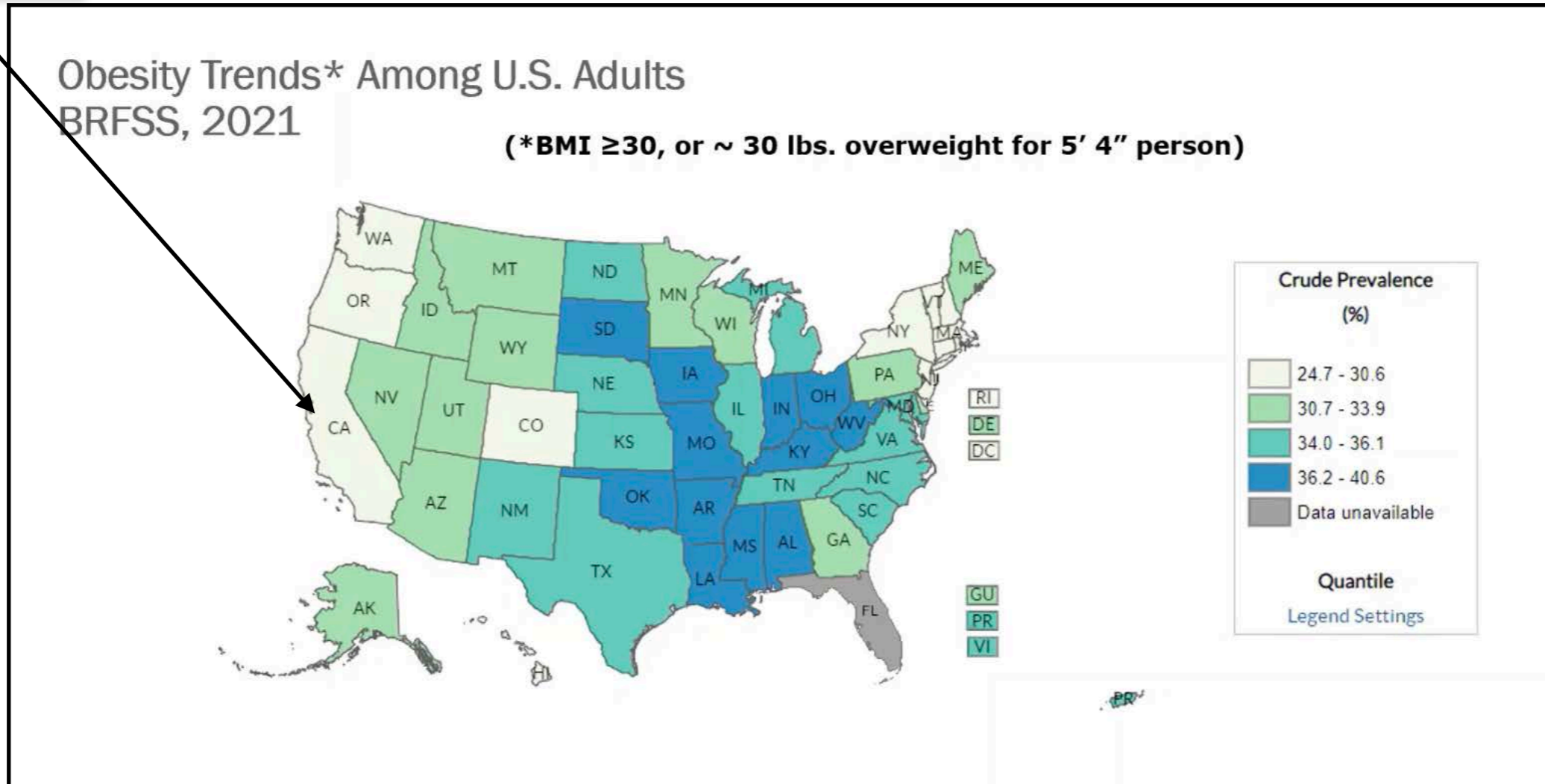


# Should Weight Loss Drugs be Covered? (cont.)

Increase in obesity 1985 - 2021:

2021

Calif. 25%-31% obese



# Should Weight Loss Drugs be Covered? (cont.)

CDC definition of BMI:

- If your BMI is less than 18.5, it falls within the underweight range.
- If your BMI is 18.5 to <25, it falls within the healthy weight range.
- If your BMI is 25.0 to <30, it falls within the overweight range.
- If your BMI is 30.0 or higher, it falls within the obesity range.

Obesity is frequently subdivided into categories:

- Class 1: BMI of 30 to < 35
- Class 2: BMI of 35 to < 40
- Class 3: BMI of 40 or higher. Class 3 obesity is sometimes categorized as “severe” obesity.

A UC Health report (i.e., Univ. of Colorado) included this:

## Who is eligible for Wegovy?

Under the FDA authorization, Wegovy is supposed to be used for people who are obese or overweight. Those who have a body mass index (or BMI) of 30 or greater are eligible along with those who have a BMI of 27 or greater who also have other health problems such as high blood pressure, diabetes or high cholesterol that make weight loss important.

In reality, some people who do not have obesity or weight-related health conditions have been saying that they’re using Wegovy or Ozempic to drop 10 pounds and “get skinny.”

# Should Weight Loss Drugs be Covered? (cont.)

Helpful information:

- 1) The four major drugs for weight loss (Wegovy, Saxenda [these two are only FDA approved drugs for weight loss], Ozempic, and Mounjaro are all injectables. Phentermine is a pill or injection.
- 2) Only 32% of those who start Wegovy are still on it after 68 weeks.
- 3) Those that stop Wegovy got two-thirds of their weight back after 2 years (and there are withdrawal symptoms)
- 4) According to Drugs.com, there are 247 drugs that interact with Wegovy.
- 5) While Ozempic and Wegovy are the same drug, Ozempic costs less in part because it is a lower dosage
- 6) Two large health systems (Univ. of Texas and Ascension), with almost 200,000 combined employees, announced they are dropping drugs for weight loss due to high cost and low adherence rates.
- 7) The Univ. of Texas had 3,100 members using the drugs. If their 73,000 employees equated to 182,000 total members, that would equal about 1.7% of members using the drugs. That percentage for Staywell would equate to about 41 members.

# Should Weight Loss Drugs be Covered? (cont.)

Helpful information:

8) Costco has these expected costs for Wegovy and Ozempic:

- **Wegovy** - Approved for weight loss only
  - The average total cost of a 28 day supply is about \$1,300
  - The average total net cost cost of a 28 day supply is about \$900
- **Ozempic** - Approved for diabetes only and requires diagnosis code at adjudication
  - The average total cost of a 28 day supply (3mL) is about \$850
  - The average total net cost cost of a 28 day supply is about \$450

9) A recent article in Healthline noted:

“According to a [clinical trial of Ozempic](#), after 68 weeks on the medication, 86.4% of participants lost 5% or more of their body weight, and 69.1% lost 10% or more of their body weight.”

However some estimates are higher, at a 15% weight loss.

10) Wegovy is designed to supplement coaching and exercise.



# Should Weight Loss Drugs be Covered? (cont.)

## ● What is Wegovy?

Wegovy is a glucagon-like peptide-1 (GLP-1) containing the active compound [semaglutide](#). Wegovy gained FDA approval in 2021, becoming the first FDA-approved weight loss medication [since 2014](#).

Wegovy contains a higher dose of semaglutide than the other available semaglutide GLP-1 medication, Ozempic—a medication primarily indicated for treating type 2 diabetes. Wegovy is an injectable medication taken once weekly and intended to treat overweight and obesity.

Wegovy is only approved for certain individuals—people with a body mass index (BMI) of 30 or greater or with a BMI of 27 or greater who also have a metabolic health condition, like type 2 diabetes or [hypertension](#). It's taken alongside behavioral modifications like diet and exercise to help promote weight loss.

**Net Cost: about \$900/month**

## ● What is Phentermine?

Phentermine is a short-term prescription medication used to decrease appetite. It's typically used alongside a low-calorie diet and exercise to promote weight loss. Phentermine is not intended for long-term use—it's meant to jumpstart weight loss and help people lose a significant amount of weight quickly. Most people take the medication for [3-6 weeks](#), but it's approved for up to 12 weeks.

Weight loss usually stops when the medication is discontinued. In some cases, people may gain weight back after stopping the medication.

**Net Cost: about \$10/month**

Source: [KHealth.com](#)

# Should Weight Loss Drugs be Covered? (cont.)

## ● Wegovy vs. Phentermine: How Do They Compare?

There are some significant differences to consider when comparing Wegovy and phentermine.

### **Efficacy**

Wegovy has been found to help people lose an average of 6-12% of their body weight. Research also suggests that semaglutide, the active ingredient in Wegovy, can help improve metabolic health and lower the rate of cardiovascular death, non-fatal heart attacks, and non-fatal stroke in people with type 2 diabetes at high risk of cardiovascular disease.

Phentermine has been shown to successfully help people lose weight quickly. One study of almost 800 obese patients found 45.6% of those taking phentermine lost 5% or more of their body weight. The mean weight loss was around 4 kilograms (about 8 pounds). A long-term controlled trial of phentermine took place in 1968 and found that people who took phentermine for one year lost approximately 13% of their initial weight.

# Should Weight Loss Drugs be Covered? (cont.)

Rx costs in 2022 averaged about 12% of total plan costs. Based on a small sample size with Vital Incite on those health plans that have decided to cover weight loss drugs, the Rx cost increase was in the range of 5-15% of Rx costs, depending on various factors. If those numbers are applicable to Staywell, the **overall** projected cost increase to the plan would be in the range of **0.6%** to **1.8%** to cover weight loss drugs. That presumes that such drugs would be only available to those with a high BMI and might require step-therapy. (As a dollar amount, based on a year of Rx costs for Staywell, a medium increase of 10% would yield  $\$1,772,837 \times 10\% = \$177,283$ . In comparison, based on the estimate from the Univ. of Texas of 41 members at a presumed annual cost of \$10,800 for Wegovy, that would yield approximately **\$443,000**.) However a much higher estimate is possible.

# Should Weight Loss Drugs be Covered? (cont.)

Quizzify

One top employee education vendor, **Quizzify**, has a special program for weight loss drug education, based on the complexity of the issue and the possibility that members uneducated in the medical details will take expensive drugs that are either not necessary at all or at least or sub-optimal. Their estimate is that by using their educational program as a requirement for members to obtain the drug, they, along with coaching, could reduce the increase in cost by about 50%. They charge \$60/year per participant on the drug regimen. Their quiz format is shown on the following slides.

**They point out the importance of weeding out those that might not need the drugs but want them for aesthetic purposes.**

# Should Weight Loss Drugs be Covered? (cont.)

Before asking for one of the new injectable diabetes/weight loss drugs like Ozempic, you should ask your doctor to check your:

 SHARE

✓ This question is complete

Bladder and urinary tract.



Eyes.



CORRECT. New research shows that people with existing retina issues (retinopathy) might get worse on Ozempic. (Possibly others too, since they are similar.) See [Learn More](#).

Feet.

Gums.

# Should Weight Loss Drugs be Covered? (cont.)

Ozempic and Wegovy curb your desire to eat, meaning that most things you eat should be nutritious. Which of these are the unhealthiest?

← SHARE

✓ This question is complete



[Samosas](#) ✓

CORRECT. Potato flour wrapped in dough and fried. Pure carbs. Oh, yeah, and some cooking oil.  
<https://bit.ly/2Nzf6z4>



Arby's Roast Chicken Salad ❗

INCORRECT. While fast food in general is not health food, this salad is a healthy choice. Just don't drown it with dressing. <https://bit.ly/3c9u0X5>



McDonalds Southwest Grilled Chicken Salad ❗

INCORRECT. This is a fine choice. But see that packet of dressing on the side? That's where the calories and carbs are. See [Learn More](#) for a good list of healthy fast food salads.



Taco Bell Grilled Stuffed Burrito ✓

CORRECT. 860 calories. Their [Fresco-style items](#) are very healthy, at least by fast food standards.

# Should Weight Loss Drugs be Covered? (cont.)

## Demand Rising for 'Bootlegged' Weight-Loss Drug

— As Novo Nordisk's Wegovy faces shortages, compounders step in to fill the gap, alarming doctors

by [Sophie Putka](#), Enterprise & Investigative Writer, MedPage Today July 7, 2022

Last Updated July 8, 2022

There are “low cost” options from vendors on the Internet (not necessarily “booleg” operations).

The screenshot shows the Henry website's advertisement for Semaglutide. At the top left is the Henry logo. To its right are navigation links: "Easy as 1-2-3", "FAQ", and "My Account". Below these is a dark green navigation bar with "Pricing", "Easy as 1 - 2 - 3", and "Testimonials". The main content area features the headline "Semaglutide Prescribed Online Only \$297 per Month" in green and black. Below this, it states "Includes Doctor & Medication" and "No Hidden Fees – No Insurance Needed". A prominent green button says "Get Started Now", and a white button below it says "How Henry Works". At the bottom, there is a small line of text: "Try with confidence – 30-day satisfaction guarantee."

**This is what Costco said in response to this online advertisement from Henry:**

Our clinical team has high concerns with this as the FDA has not approved semaglutide for compounding (*except in very specific circumstances*). More so since the FDA has sent out warnings against using off-branded compounded versions of semaglutide as it has not been verified for patient use. The FDA has even received reports that some versions contain salt thus changing the active ingredient. Our clinical team suggested if the plan is looking to reduce the diabetic drug shortage impact on their members to have members use Trulicity.

Our clinical team also advised that the FDA has sent out warnings about using off-branded semaglutide versions, noting that some are often lab versions and not verified for patient use, and went on to say that the law prohibits compounding of a copy of a commercially available drug (*exception(s) being a verified drug shortage*), and since not all compounding pharmacies are created equal there is no guarantee of quality or safety standards and no guarantee that the active ingredient(s) used are the same as the FDA approved product (*i.e.: salt*).

# Should Weight Loss Drugs be Covered? (cont.)

## Possible Options:

- 1]** Do nothing and leave it the way it is
- 2]** Cover only low-cost Phentermine [or even memberships in WW, GoLo, Nutrisystem, etc.]
- 3]** Cover GLP-I drugs (Wegovy, etc.) at minimum **30** BMI | **27** with comorbidities
- 4]** Cover GLP-I drugs (Wegovy, etc.) at minimum **35** BMI | **32** with comorbidities
- 5]** If 3 or 4 above are voted, include Quizzify to help keep utilization appropriate





# STAY WELL

Mendocino County School District Health Plan

## 2023-2024 COMMITTEE MEETING

### DATES Full Committee

<b>October 13, 2023</b>	9:30 a.m. – 12:30 p.m.	In Person
<b>January 19, 2024</b>	9:30 a.m. – 12:30 p.m.	In Person
<b>March 22, 2024</b>	9:30 a.m. - 12:30 p.m.	In Person
<b>April 26, 2024</b>	9:30 a.m. – 03:30 p.m.	In Person
<b>May 23, 2024*</b>	9:30 a.m. – 12:30 p.m.	In Person

\*May 23 is Thursday

### Steering Committee

October 5, 2023	8:30 a.m. – via phone	Discuss October Agenda
<b>October 13, 2023</b>	8:30 a.m. - 9:30 a.m.	In Person
January 11, 2024	8:30 a.m. – via phone	Discuss January Agenda
<b>January 19, 2024</b>	8:30 a.m. – 9:30 a.m.	In Person
March 14, 2024	8:30 a.m. – via phone	Discuss March Agenda
<b>March 22, 2024</b>	8:30 a.m. - 9:30 a.m.	In Person
April 18, 2024	8:30 a.m. – via phone	Discuss May Agenda
<b>April 26, 2024</b>	8:30 a.m. - 9:30 a.m.	In Person
May 16, 2024	8:30 a.m. – via phone	Discuss May Agenda
<b>May 23, 2024*</b>	8:30 a.m. – 9:30 a.m.	In Person

\*May 23 is Thursday

Approved 9/8/2023

td