



Key Healthcare Issues

Employer Event 2023

Normal Cost Sharing for Out-of-Network ER

- Baseball Arbitration
- Risk of Higher Payment for Employer
- Few Challenges to this Point

Practical Implications

- Reduced Need for Robust Out-of-State Network
- Just Go to Nearest Hospital in Emergency
- Fixes Air Ambulances; No Change for Ground Ambulances
- Includes Reluctant Providers like Urgent Care Clinics

Congress Eliminated Government Exemption

- **Standardize**
 - Benefit Design
 - Preauthorization
 - Network Rules
 - Day Limits

Practical Implications

- **Make Autism Benefit the Same**
- **Primary Care vs. Specialist Care**
- **Inpatient Hospital vs. Inpatient Facility**
 - Residential Treatment = Skilled Nursing Facility
 - Annual Limit of 60 Days Per Year
 - No Out-of-Network Benefit
 - Preauthorization
 - Non-Covered Provider List

First Responder Mental Health

- **Important Policy Issue**
- **Mental Health Services**
- **HB 59 Expands the “Who” for Three Years**
 - Retirees
 - Separated Employees
 - Spouses
- **Practical Implications**
 - First Responder Services and Providers
 - Life Assistance/Employee Assistance

Transgender Medical Limitations

Applies to Minors

- Hormonal Blockers
- Transgender Surgeries

Practical Implications

- Leave to Health Plans

Coverage for State Employees

HJR 8, Fertility Preservation Services

HB 415, Doulas and Birthing Centers

Practical Implications

- Potential Trends in Coverage

Reporting for 50 to 99 Groups

- **Disclosure of Medical Loss Ratio**
- **Two-Edge Sword**
 - Ensure Fair Treatment
 - Burden of Claims Experience

Emerging Problem of High Cost Drugs

- **Expensive Drugs**
- **Hospitals Doubling of Cost**
- **When Pooling Doesn't Work**
- **Gene Therapy Drugs on the Horizon**
- **Problem of Concentration Risk**
- **Need for a Global Solution**

Marketing Obesity as a Chronic Disease

- Lifelong Illness
- Lifelong Medication
- Lifelong Reliance

Wegovy: \$1,300 a month/\$15,600 a year

- Modest Results on Price Per Pound
- Known Side-effects
- Unknown Long-term Impact

Practical Implications

Cost Implications

- \$1300 a Month/\$15,600 a Year
- Adult Obesity Population of 42%
- \$260 PMPM if Only Half Eligible
- 3.5X Higher Than PMPM for All Drugs

Alternatives

- Generic Obesity Medications
- Bariatric Surgery
- Probably Not Competition

SB 193

- Would have eliminated low cost options
- Instead limits "Brown bagging"

SB 184

- Would have limited ability to offset copay assistance by requiring application of assistance to deductibles & max out-of-pocket

Quick Example

- 1. \$72,000 Drug with \$36,000 in Assistance**
- 2. Member has a \$3,000 Max Out-of-Pocket**
- 3. Drug is Accessed Monthly**

If Pharma Money is Counted

Of the \$72,000:

- Pharma pays \$3000 in 1st month and is done
- Member pays \$5 and is done for everything
- Employer pays \$69,000 + all other medical costs

Why?

- One Month of Copay Assistance is Enough to Meet Member's Out-of-Pocket Obligation

If Pharma Money Isn't Counted

Of the \$72,000:

- Pharma pays \$35,040
- Member pays \$60
- Employer pays \$36,000

Why?

- \$2995 can be Drawn Down Every Month because Out-of-pocket Max wasn't Met

Practical Implications

\$4 PMPM = 6% Increase in Drug Costs

Apply to State Regulated & Education

85% of Cost Would Benefit Pharma

Drug Cost Is Not Issue: \$220 Per Family

3X More Likely to Hit Max OOP

- Strategy: Individual Embedded MOOP
- \$9,000 Family/\$4,500 Individual

Mental Health Continuum

Suicide & Crisis: 988

Immediate: Rapid Response & Standalones

48 Hour Telepsychiatry: Brightside

Psychiatric Visit: Provider Directory

Counseling Services: Provider Directory

Life Assistance Counseling: Employer

Family Support: Noble

Home-based Care

Primary Care: Fia

- Digital
- Home Visits

At-Home Hospital Care

- Extension of Hospitals at Hospital Rates?
- Disruption of Hospitals at Disrupted Rates?

Right-size Health Care?

- You Should Help Decide as Ultimate Payer
- One Utah Health Collaborative as Forum

Eating an Elephant

1. Replacing 40-Year Old IT System
2. Implementation 5-Years in the Making
3. Reorganize to Meet New Needs
4. Historically Tight Labor Market
5. Key Losses at Inopportune Times
6. Inability to Find Replacement Talent
7. Challenge of New Training
8. Running Two Systems at the Same Time
9. Equivalent of Compressing 40 years of Customization
10. Trying Not to Completely Burn Everyone Out

So...

Please know we're doing all we can

Please know this is a temporary state

Please know PEHP will be infinitely stronger in the long-run

Please know that anything you can do to help troubleshoot would be sincerely appreciated

Things to Remember

1. Transitions Occur at Plan Year
2. Get Enrollment in On-Time
3. Members Will Get New Cards With M
4. Old and New Cards Align with Plan Year
5. Member Will Need New Portal Accounts
6. Providers Must Operate in Two Systems
7. Transition Ends September 2023
8. Please Reassure & Help Others Understand
9. Stay Abreast & Reach Out

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