

USG Benefits Update



Thursday, October 10, 2019

- ✓ *Place your phone or computer on mute*
- ✓ *Don't place your call on hold*
- ✓ *Let us know if you have difficulty hearing*



Housekeeping Items

- This session is being recorded and the archive/presentation will be distributed following today's meeting
- Feel free to post questions in the chat
- Please place phone on mute to prevent background noise



Agenda

- Known Issues
- Alight Updates
- ACA Update
- Dependent Audit
- Open Enrollment Update
- Northeast Georgia Health System
- Working Spouse Surcharge
- Tobacco Surcharge
- Well being Update
- Service Center Performance
- 2020 Pharmacy Changes
- Wrap-Up



Known Issues

Sporadic Issue with online changes to the Health Savings Plan

Employees who are attempting to make updates to their HSA plans online are getting an error message.

- **Population impacted:** Random
- **Root cause:** To be Determined
- **Corrective action steps:** Employees should call the call center for assistance

Alight Updates

Look-Back is Changing to 90 days

The look-back period for premium processing is moving from 60 to 90 days

DBP Impact:

One-time Extensions for Direct Billings and Payments will extend to 90 days



Alight Updates

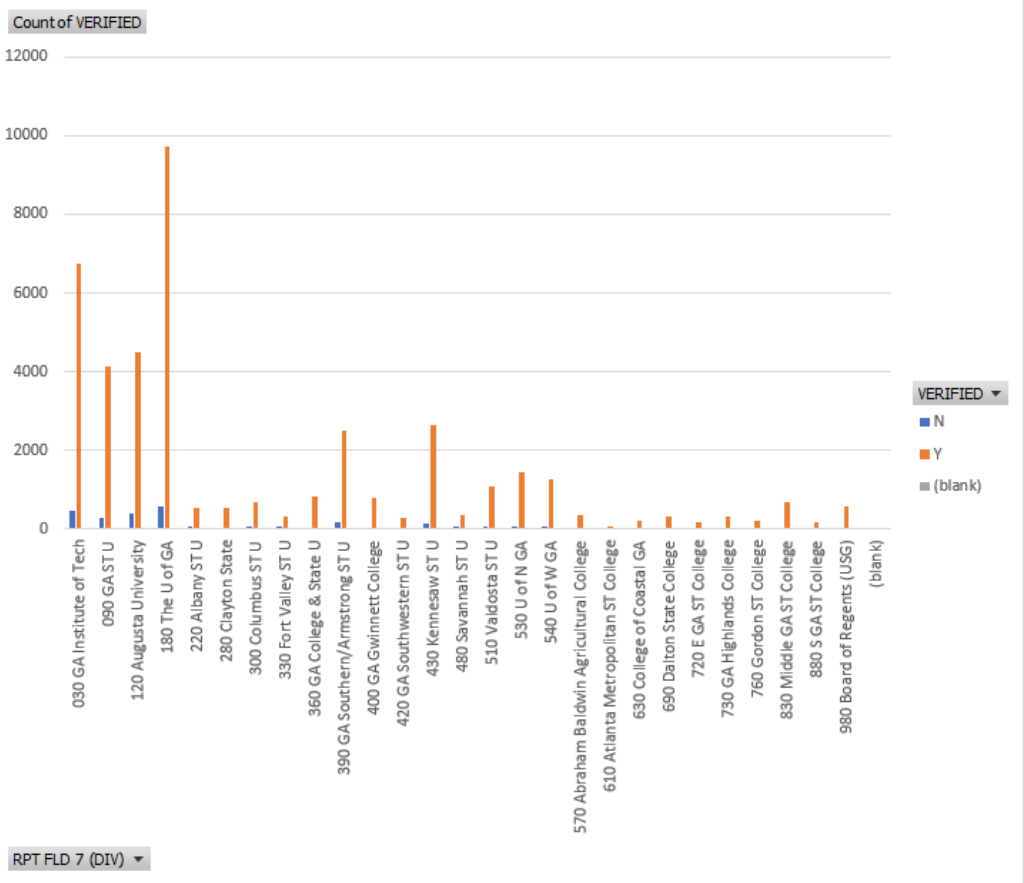
Employer Mandate – Annual Process

- **Measurement Window** – 10/3/2018 – 10/2/2019
- Assessments: All Employees
- Benefits Eligibility Threshold: 1,559.01
- Reporting: Provided to process owners for review and sign off on 10/23 (tentatively)
- Alight's Process following USG sign off is to extend an offer of coverage in the healthcare plan eff. 1/1/2020 – 12/31/2020 for all eligible employees and term eligibility for anyone currently eligible but below the threshold effective 12/31/2019



Dependent Audit

Count of VERIFIED	Column Labels			Grand Total
Row Labels	N	Y	(blank)	
030 GA Institute of Tech	454	6735		7189
090 GA ST U	301	4148		4449
120 Augusta University	403	4491		4894
180 The U of GA	567	9731		10298
220 Albany ST U	86	542		628
280 Clayton State	28	552		580
300 Columbus ST U	67	670		737
330 Fort Valley ST U	57	307		364
360 GA College & State U	46	849		895
390 GA Southern/Armstrong ST U	183	2514		2697
400 GA Gwinnett College	37	792		829
420 GA Southwestern ST U	11	280		291
430 Kennesaw ST U	138	2654		2792
480 Savannah ST U	56	366		422
510 Valdosta ST U	67	1085		1152
530 U of N GA	59	1441		1500
540 U of W GA	73	1275		1348
570 Abraham Baldwin Agricultural College	15	357		372
610 Atlanta Metropolitan ST College	37	88		125
630 College of Coastal GA	12	208		220
690 Dalton State College	4	307		311
720 E GA ST College	17	170		187
730 GA Highlands College	13	313		326
760 Gordon ST College	12	204		216
830 Middle GA ST College	19	669		688
880 S GA ST College	8	171		179
980 Board of Regents (USG)	25	581		606
(blank)				
Grand Total	2795	41500		44295



Dependent Audit Updates

Termination letters

- 1652 will be terminated
- Mailed on 10/5/2019
- Effective Date of Termination is 10/1/2019

Claims & Appeals

- After the grace period
- No action or incomplete submission
- Submitted to DVS team through proper channel
- Same documentation is required
- Decision can take up to 30 days; per case basis



Northeast Georgia Health System

- The previous agreement expired on Sept. 30, 2019.
- Effective October 1, 2019, Northeast Georgia Health System's providers and facilities are out-of-network.
- Employees or dependents currently under treatment may apply for Continuation of Care. If approved, providers and facilities will be considered in-network.
- Anthem's website is being updated with out-of-network claim processing information.



OE2020 Enhancements

Active Open Enrollment: October 28 – November 8

- Acceptance testing – 75% completion rate and only 1 issue identified
- Web Enhancements will be made to improve language on the ‘working spouse’ surcharge page
- Add text to the benefits summary page to explain the per pay period monthly rate for summer accrual pay groups
- Varied the Enrollment Worksheets and Confirmation Statements so that retirees will see tobacco surcharge information only if it applies



Open Enrollment Communications

Communcation	Date
OE Postcard	October 1
Website Updates	October 7
2020 Comparison Guide & Posters	October 11
OE Emails	Oct. 15, 28, 31 - Nov. 7
OE Text Messages	Oct. 9, 15, 20, 28 - Nov. 4, 7
Active & Retiree Newsletters w/ Enrollment Worksheet *Post 65 retirees with only USG dental, vision and life & Split families will receive separate communications	October 23
MetLife Enrollment Confirmations	October 23



Working Spouse Surcharge

FAQ's

Who does the spousal surcharge apply to?

- The spousal surcharge applies ONLY to a spouse who is working and has an offer of subsidized health insurance offered by his or her employer. Subsidized coverage means the employer contributes towards the cost of the coverage.

Is proof required? Will certification be dependent on the honor system?

- Proof of your spouse's employment status will not be required. Employees will be required to certify that they are making a true statement. Penalties may apply for answering falsely when certifying.

What happens if my spouse's coverage ends mid-year and they should no longer be subject to the surcharge?

- To change your working spouse surcharge status mid – year, call the OneUSG Connect call center at 1-844-5-USGBEN (1-844-587-4236)



Tobacco Cessation

Effective January 1, 2020, employees enrolled in the USG healthcare plans, and their covered dependents (age 18+) will be charged a **\$100** per tobacco user per month surcharge for using tobacco products.

- During the 2020 open enrollment period, you must certify your status as a tobacco user or non-tobacco user, as well as the status of any dependents (age 18+), enrolled in your USG healthcare plan through OneUSG Connect – Benefits.

A **reasonable alternative** is made available during the certification process for individuals who would like to become non-tobacco users.

- The alternative allows 90 days to complete a tobacco cessation program. Tobacco cessation programs are available at no cost to you and your dependents. Please contact these helpful resources for tobacco cessation programs:
 - Georgia Tobacco Quit Line: 1-877-270-7867
 - Kaiser Permanente: 1-866- 862-4295

If you or your dependent become tobacco-free for three (3) months or complete a tobacco cessation program at any time during the year while you are enrolled in a USG healthcare plan, you will notify USG within 30 days at OneUSG Connect — Benefits Call Center at 1-844-5-USGBEN (1-844-587-4236) to change your status.



Tobacco Cessation

USG healthcare plans

- Provides coverage with a \$0 copay (with a prescription) for most over the counter and prescription Nicotine Replacement Therapy resources.

Phone Coaching

- You have access to phone coaching resources that can help you quit — and stay tobacco free

Virgin Pulse Phone Coaching: Schedule by going to your well-being portal and selecting Programs. Choose Tobacco Cessation Coaching.

Georgia Tobacco Quit Line: 1-877-270-7867

Kaiser Permanente: 1-866- 862-4295



Well-being Update

Participation rate

- As of 10/07/2019 we are at 28%.
- 1st Dalton State College with 42.89%
- 2nd Abraham Baldwin Agri College with 42.48%
- 3rd Georgia Highlands College with 42.31%
- 2019 goal is 45% for all campus locations.

Money Monday

- Oct. 28 at 12 p.m., University System Office – ITS Athens
- Topic: The Purpose of Estate Planning- Is My Family's Legacy Protected?

Well-being Wednesday

- Nov. 13 at 1 p.m., Savannah State University
- Topic: Diabetes

USG Well-being email

- 10/9/2019: October Blood Pressure
- 11/05/2019: Diabetes
- 12/03/2019: Resiliency
- 12/09/2019: 2020 Program Coming Soon



Well-being Update

- In 2020, \$100/year incentive for well-being participation will continue
- RedBrick Health > Virgin Pulse
- Employees and spouses on a USG healthcare plan can access resources for
 - Diabetes prevention, management, and education
 - Weight loss/management support (at a reduced cost, if eligible)
- For more information about USG's 2020 well-being program, visit usg.edu/well-being



Call Center Performance

Performance Topic	Results
Call Center Forecast	Actual is 14% above the forecast
Call First Call resolution	87%
Calls Abandoned	2%
Trends	<ul style="list-style-type: none">• DVS Audit Related• QSC• DiBP

Service Connect—Performance

Performance Topic	Results
Service Tickets Pending in total	144
Service Tickets Pending > 5 days	82
Service Tickets pending an external response	4
Trends	<ul style="list-style-type: none">• Life Interaction (Death Process)• Exceptions• General information



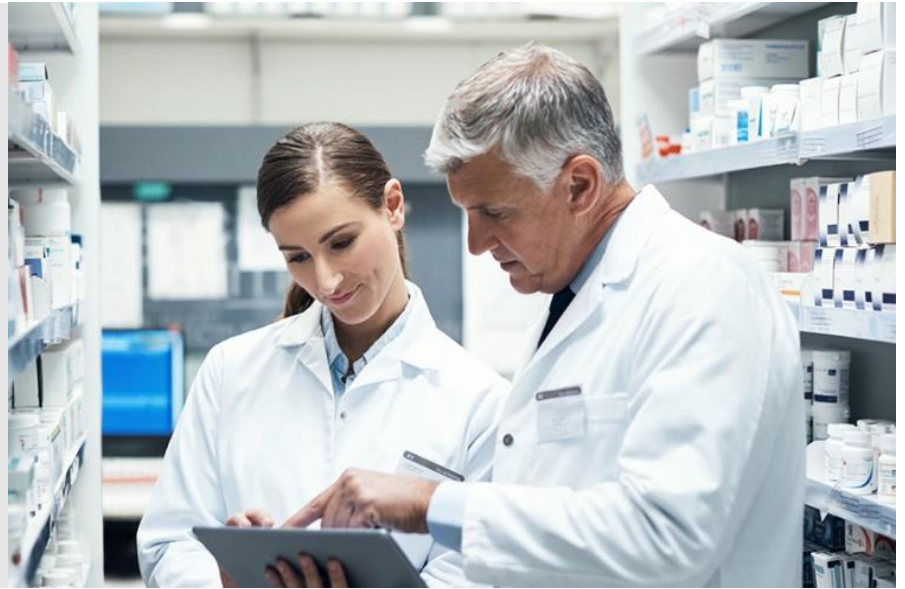


2020 Standard Control Formulary

—
Helping clients stay ahead of trends and better meet their cost control goals

 **CVS**Health.

CVS Caremark guiding principles of formulary management



Maintain clinical integrity

Target classes with sufficient generic availability, clinically appropriate brands; evaluate appropriate specialty classes

Secure competitive pricing for our clients

Continually assess marketplace to identify lower-cost options and opportunities to help maximize manufacturer rebate values

Educate and engage members & physicians

Help ensure access to clinically appropriate drugs that can help keep members healthy; provide resources for prescribers to support member transition



Drug prices can be increased at any time

Making payors and consumers vulnerable to the unpredictable market

3,400+ drugs

had price increases first half of 2019

+17%

compared to
first half 2018

+10.5% = 5x

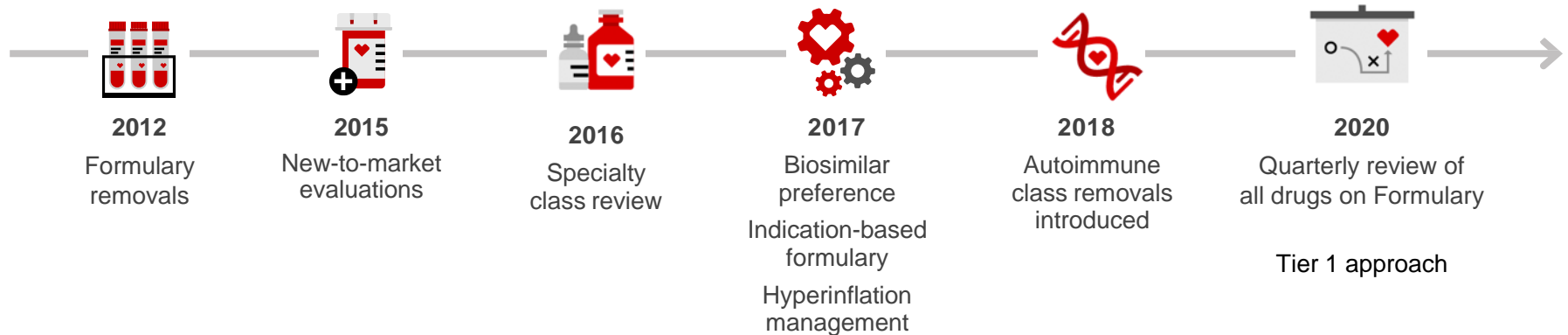
Average
increase Inflation
rate

Pressure to deliver **higher profits and public demand** may be driving increases

<https://www.cbsnews.com/news/drug-prices-in-2019-are-surg-ing-with-hikes-at-5-times-inflation/>, accessed August 26, 2019.

Evolving our formulary strategy to stay ahead of trends

Implementing strategies that enable greater flexibility to quickly respond to market changes



CVS managed formularies
help clients achieve an average
lower-net cost per 30-day supply

\$102.58

Without drug removals



\$88.30

With drug removals

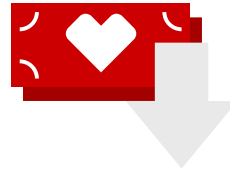
Expected to save payors more than \$4.3B in 2020

Total projected savings from 2012-2020 is more than \$23.4B¹



Fewer than 1% of members affected by changes²

32 drugs removed, 3 drugs added back to formulary*



Tier 1 approach leverages lowest net cost

Preferred placement to whichever drug, brand or generic, is the lower cost option; inclusive of rebates and member cost share is at Tier 1 copay/coinsurance

Does not require new prescription; change made at pharmacy



Quarterly review of comprehensive formulary drug list

Reviewed for potential removals and add-backs

Upcoming changes available approximately 60 days in advance

*Numbers may change quarterly

1. Savings are cumulative.

2. Based on changes for 1/1/20.

2020 Standard Control Formulary removals and updates

Standard Control Formulary removals

Drug class	Removed medications
Antiemetic	Transderm-Scop
Chronic pain	Butrans, Hysingla ER, Oxycontin, Zohydro ER
Continuous glucose monitor	Enlite Glucose Sensor, Freestyle Libre Reader/Sensor, Guardian Sensor
Contraceptives	Lo Loestrin FE, Natazia, Taytulla
Dermatologic	Epiceram, Kamdoy, Sil-K Pads
DPP4-SGLT2	Qtern
Folic acid	Ortho D
Laxatives	MoviPrep, Osmoprep
MS Beta-Interferons	Avonex, Plegridy
Ophthalmic	Alrex, Flarex, Lotemax/Lotemax SM, Timoptic Ocudose, Zylet
SABA/LAMA respiratory	Combivent Respimat
Scar Treatment	Beau Rx, Recedo
Short-acting beta agonists	ProAir HFA, ProAir RespiClick
Steroid inhalants	Asmanex Twisthaler/Asmanex HFA
Ulcer drugs	Carafate

Standard Control Formulary add backs

Drug class	Added-back medications
Alpha-1	Prolastin-C
Asthma	Fasenra
Opioid induced constipation	Relistor

ER (Extended release). DPP4 (dipeptidyl peptidase-4). SGLT2 (Sodium-glucose co-transporter-2). MS (Multiple sclerosis). SABA (Short-acting beta-antagonist). LAMA (Long-acting muscarinic antagonists).

Tier 1 Approach:

When the brand-name drug is more cost effective

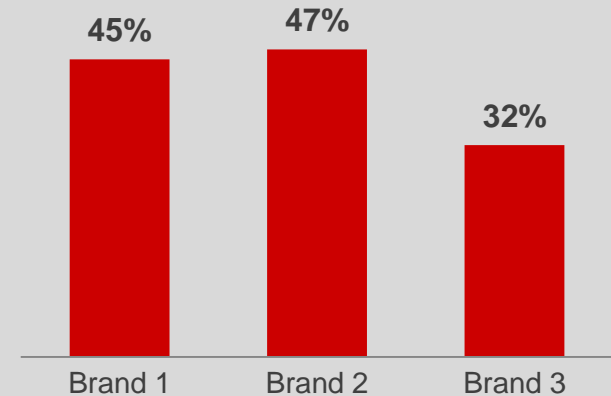
- ▶ **Brand or generic,** preferred placement to whichever is the lower-cost option, inclusive of rebates
- ▶ Incorporated into Standard Control Formulary
- ▶ Helps ensure member cost share is at Tier 1 copay/coinsurance regardless of plan design
- ▶ No need for new Rx; pharmacist can make the change

3 brand drugs, **Advair Diskus***, **Concerta** and **Adderall XR**, with significant savings over generics

Up to

47%

net savings for brand over generic based upon **average net cost per claim***



All 3 of these branded drugs remain as preferred formulary options on our standard template formularies

Processed at Tier 1 copay/coinsurance based on generic reference price for appropriate member cost share including the deductible phase.

*Implemented 2019. For 100/50 dosage. Includes typical average brand discounts and generic maximum allowable cost (MAC) pricing across our book of business. Other pricing arrangements may vary..

Robust member and prescriber support

Targeted and actionable communications enable us to focus our efforts where they are needed the most

- ▶ Focuses on new savings options and encourages outreach to prescriber
- ▶ Current drug and recommended drug are clearly listed
- ▶ Provide support in contacting their physician, if requested by members



Pre-Implementation

30 to 45 days prior

Targeted member and physician notifications



15 to 30 days prior

Live outbound calls to specialty patients



Post-Implementation

Quarterly

Targeted communications to affected members

Drug list information available online

2020 Standard Control Formulary

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Thank you

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All data sharing complies with applicable law, our information firewall and any applicable contractual limitations.

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Next USG Benefits Update

***Tentatively scheduled for
November 14, 2019***

