



BOARD OF DIRECTORS

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**Meeting Location:
County of Tulare
Board of Supervisors Chambers
2800 W. Burrel Ave.
Visalia, CA 93291
February 3, 2017 9:00 AM**

AGENDA DATE: February 3, 2017

ITEM NUMBER: Item 16

SUBJECT: Receive Update on Previous Direction on Emergency Room and Live Health Online Co-Pay Changes Under the Anthem HMO and PPO Health Plans and Give Appropriate Direction to Staff (A)

REQUEST(S): That the Board receive an update on emergency room and Live Health Online co-pay changes and provide direction to staff

DESCRIPTION:

At the December 8, 2016 meeting, your Board provided direction to increase the Emergency Room (ER) co-pay from \$100 to \$250, and decrease the Live Health Online co-pay from \$15 / \$20 to \$5. This was to encourage members to use alternative health care delivery models as opposed to going to an ER. In 2016, the SJVIA paid over \$1.7 million in avoidable ER costs. By encouraging the use of urgent care facilities and LHO, the plan will mitigate some avoidable costs.

The County of Fresno presented the co-pay recommendations to the Health Benefits Advisory Committee (HBAC) for consideration and discussion. Although the HBAC expressed interest in plan design changes and other possible cost savings options, they were unanimously opposed to a mid-year plan change based on concerns that it would negatively affect the members and the timing of the changes. The HBAC historically has evaluated and made recommendations only for future plan years and are willing to discuss all possible cost saving options for plan year 2018. The County of Tulare has scheduled a meeting with their Health Plan Advisory Group (HPAG).

Anthem has provided information regarding the out-of-network lab and durable medical equipment costs to the plan as well. Staff is requesting for approval to work with Anthem and the consultant to develop long-term strategies and interventions to address these and other high cost claims that have a negative impact on the SJVIA plans.

AGENDA: San Joaquin Valley Insurance Authority

DATE: February 3, 2017

This item requests confirmation of your Board's direction to increase the Emergency Room (ER) co-pay from \$100 to \$250, and decrease the Live Health Online co-pay from \$15 / \$20 to \$5 as soon as possible this Plan Year. Additionally, staff will work with Anthem Blue Cross and the new consultant on additional strategies that will help mitigate higher plan costs.

FISCAL IMPACT/FINANCING:

Potential savings is dependent on the effective date and reduced usage of the ER.

ADMINISTRATIVE SIGN-OFF:



Paul Nerland
SJVIA Manager



Rhonda Sjostrom
SJVIA Assistant Manager