

Human Resources Committee Meeting

**Douglas County, Nebraska**

Tuesday, January 10, 2017

The meeting convened at 12:19 P.M. in Room 903 of the Omaha-Douglas Civic Center, 1819 Farnam Street, Omaha, NE 68183. A copy of the Open Meetings Act is located on the wall near the entrance of the room. A notice of the meeting was published in the January 5, 2017 issue of *The Daily Record*. County Commissioners present at the meeting were Marc Kraft, Chris Rodgers, Mike Boyle, Jim Cavanaugh, Clare Duda and Mary Ann Borgeson. Others present at the meeting included Patrick Bloomingdale, Catherine Hall, Marcos San Martin, and Diane Carlson, Administration; Karen Buche, Kathy Adair, and Matt Oberle, Human Resources; Dan Esch, Douglas County Clerk/Comptroller; Tracy Krause, Aon; Jeff Huether, Mark Dolsky, Dan Alm, Lisa Shoup, Michaela Valentin, and Patty Dau, Blue Cross/Blue Shield of Nebraska. Mary Ann Borgeson chairs the Committee.

A video recording of the meeting is available on the Douglas County Website:

<http://commissioners.douglascounty-ne.gov/board-meetings/videos>

**Blue Cross Blue Shield Pharmacy Plan**

- Commissioner Borgeson said the meeting was called to discuss the transition to the Blue Cross Blue Shield (BCBS) pharmacy plan.
- Kathy Adair addressed membership issues and said there were bumps in the road during the initial enrollment into BCBS with the transfer of electronic files from Oracle over to BCBS. As of this meeting, 5 employees still need to be processed, but all others have been accommodated. Once employees get subscriber numbers, they are able to access services. BCBS was very responsive during the transition.
- Tracy Krause presented Pharmacy Information (Attachment). She explained that there are 2 different plans available for the County: a closed formulary and an open formulary. The County has been in a closed formulary with United Health Care (UHC). The Prescription Drug List, which lists the drugs available on the closed formulary plan, changes 4 times /year with BCBS; it changed 2 times/year with UHC.
- Under the closed formulary, if a doctor prescribes a brand name drug that is not on the list, a member could pay the brand name co-pay cost and the difference between the generic drug and the brand name. The alternative would be to ask for a generic drug that is on the closed formulary. The Prescription Drug List of all available drugs on the closed formulary plan is available on the BCBS website: [mynebraskablue.com](http://mynebraskablue.com)
- Ms. Krause discussed the historical pharmacy spend by Douglas County (Attachment, p.2). Douglas County covers 2,144 employees and 4,979 total members. The historical spend is

2013	\$3,448,840
2014	\$3,802,236
2015	\$4,539,031
2016	\$4,367,990 (through October only)

- Commissioner Kraft asked about the increase in drug costs. Ms. Krause said it was a combination of the high price of specialty drugs as well as the ageing population.
- Once pharmacy claims were received from UHC, BCBS ran a disruption report to determine how many members would be excluded from the closed formulary. Ms. Krause said 588 members would have to pay more for their prescriptions under the BCBS plan and 995 would have to pay less. If a drug is not available on the BCBS closed formulary, it is available as a generic.
- Ms. Krause noted the difference in the cost of the open formulary and the closed formulary: the total cost annualized would be \$207,239.52 more for the open formulary than for the closed formulary (Attachment, p. 3).
- Mr. Bloomingdale said the County can choose between an open or closed formulary. There is a significant cost savings to both the County and the member with the closed formulary. All drugs are available on the open formulary, but the cost is more. The County cannot choose which drugs are included in the closed formulary; that is up to the pharmacy managers.
- Ms. Krause presented information from BCBS about any drug that would not be offered on the closed formulary that had more than 5 members taking the drug (Attachment, p. 3).
- Karen Buche said that UHC made changes to its closed formulary twice per year. Some drugs would have been impacted in either UHC or BCBS. Human Resources is going to grandfather employees in for 3 months to give them the opportunity to work with their physicians if they want to make any changes to their prescriptions.
- Mr. Bloomingdale said the County made a conscious decision to stay with a closed formulary and that is how the current plan was set up. The County has been on a closed formulary plan for the past 15 years.
- Ms. Buche said no 2 closed formulary plans are exactly the same. Best projections, if the County stays on the closed formulary, indicate that the drug costs will be about the same for Blue Cross Blue Shield as it would be for United Health Care.
- Commissioner Morgan said the County should remain on the closed formulary and move forward.
- Commissioner Cavanaugh asked about the number of members who were disrupted in January with the move to BCBS. Ms. Buche said it was about 460 out of 4,000 members. This compared with 200 about a year ago. The change to BCBS created more problems. Nothing is more important than employee health care.
- Ms. Adair said approximately 50-75 members had problems getting cards or other issues and that BCBS was very responsive to the County's needs.
- Commissioner Borgeson said all issues have been taken care of and no employee is without insurance.
- Commissioner Cavanaugh asked what the differential is between the 588 members who would pay more for drugs and the 995 who would pay less. It is a concern if overall members are paying more for drugs. There was no discussion about increased costs for drugs when the BCBS contract was presented. The goal should be to get keep costs the same or lower than they were with UHC and to offer service that is as good or better.
- Jeff Huether said he would provide that number.

The meeting adjourned at 1:16 P.M.