

State of Idaho

Request for Information(RFI)
Group Medical, Prescription, Vision and
Employee Assistance Program Services

Executive Summary

October 24, 2018

Department of Administration
Office of Group Insurance
650 W. State Street, Room 145
P.O. Box 83720
Boise, ID 83720-0035

Executive Summary

Glossary of terms provided on Exhibit #2.

Overview

The state issued a Request for Information (RFI) on a variety of healthcare service options; sixteen responses were received. Of those responses:

- Six are traditional carriers that offer comprehensive medical, Rx, vision and EAP suites. Of those, four had statewide networks and two had regional or scattered networks.
- One response was received from a Third-Party Administrator (TPA) that integrates with various vendors to offer network access and a full suite of services.
- Two additional Pharmacy Benefit Manager (PBM) respondents offer Prescription Drug (Rx) solutions to be paired with a traditional carrier or TPA.
- Two responses were received from provider groups that offer Accountable Care Organizations (ACO), or value-based care, access to enrolled populations.
- Nine respondents offer telemedicine options either internally or via a 3rd party vendor.
- One respondent is solely focused on well-being, targeted point solutions, Employee Assistance Program (EAP) and vision administration.
- One response each was received for exclusive offerings of the following: EAP, Vision administration, telemedicine and Centers of Excellence.

All major healthcare vendors responded to the RFI with varying degrees of thoroughness. The carriers that responded with more detail enable us to gather additional intelligence regarding specific programs that could be beneficial for the State and allows for us to be more focused in the event a Request for Proposal (RFP) is issued. *Exhibits #1A and #1B illustrate a high-level summary of each organization's responses.*

Observations

- Services available across all the major medical carriers are very similar; however, they all seem to use slightly different terminology to make their offering seem unique. The State of Idaho currently utilizes, or has the ability to utilize, many of the strategies outlined in the RFI in some form or fashion. *Examples are access to value-based networks, care/case management, well-being, advocacy, etc.*
- The ability to partner with multiple vendors to offer a full suite of services to the enrolled population may be beneficial. The benefit to this strategy includes the ability to partner with the “best in class” for each particular service. The drawbacks are potentially higher administration costs and the possible inability to offer the entire population identical benefits due to location.
- Traditional carriers offer the most robust network access throughout the State.
- Each of the traditional carriers, and the TPA, either have internal PBMs or relationships with outside PBM vendors in place today. In most scenarios, other PBMs are also available to be coupled with a carrier partner.

- Well-being, advocacy, target point solutions and cost transparency are all recognized as increasingly valuable components to an employer's benefit offerings.
- The traditional carriers can accommodate multiple funding methodologies ranging from fully insured and self-insured. Five of the six traditional carrier respondents specified they could administer the State's current funding model.

Summary and Recommendations:

The RFI illustrates that the healthcare marketplace continues to evolve at a rapid rate and vendors are exploring non-traditional reimbursement methodologies in order to help mitigate healthcare cost inflation (trend) year over year. Carriers—and providers—also continue to attempt to improve the member experience with program enhancements around well-being, advocacy and care management. Some take the approach of a scaled down network, while others offer more inclusive approaches that employ traditional broad PPO networks.

Should the State desire to pursue opportunities via a formal RFP process, the following recommendations could help maximize the effectiveness of the entire process:

- Require each carrier/administrator RFP submission to be accompanied by a detailed network analysis (geo-access) to provide insight on any potential impacts to access of care for the current enrolled population.
- Enlist our actuarial partner, Milliman, to produce a thorough claims repricing analysis to ensure total expected claims cost differentials are identified by carrier/network.
- Proceed with obtaining proposals for unbundled services while also analyzing and quantifying the impact to the total administration and claims costs.
- Focus on (1) value-based reimbursements strategies (value-based care), (2) enhanced advocacy and well-being programs, and (3) pharmacy contractual financial terms as areas for the most potential for enhanced program features, employee engagement and cost savings solutions.
- Analyze and quantify the impacts of benefit and contribution modifications.
- Ensure all participating traditional carriers have the capability to administer the current funding model utilized by the State as well as self-funded variations that cap the claims risk while eliminating the Federal ACA tax.

The State currently has the statutory and functional capabilities to implement several cost containment strategies that have been brought forth within the RFI responses. *Examples include value-based payment strategies, PBM outsourcing with a 3rd party vendor, alternative benefit and contribution approaches, and enhanced member engagement via well-being, advocacy and targeted point solutions programs.*

EXHIBIT #1A

	Blue Cross of Idaho	United Healthcare / UMR	Aetna	Regence	PacificSource	SelectHealth	St. Luke's Health Partners	Saint Alphonsus Health System	AmeriBen (TPA)
Medical / TPA	✓	✓	✓	✓	✓	✓	✓	✓	✓
Telemedicine	YV3	YV3	YV3	YV3	YV3	YV3	Y	Y	YV3
Care Management / Case Management	Y	Y	Y	Y	Y	Y	Y	Y	Y
Expert Medical Opinion	Y	YV3	YV3	N	Y	YV3	Y	N	YV3
On-site/Near-site Clinics	YS3	YS3	YS3	YS3	YV3	YV3	Y	Y	YS3
Centers of Excellence	Y	Y	Y	Y	Y	Y	N	Y	Y
Idaho Statewide Healthcare Innovation (SHIP) - Healthcare Transformation	Y	Y	Y	N/A	Y	Y	Y	Y	N/A
Well-Being	Y	Y	Y	Y	Y	Y	Y	Y	Y
Target Point Solutions	Y	Y	Y	Y	Y	Y	Y	Y	Y
Transparency Tools	Y	Y	Y	Y	Y	Y	N	Y	YV3
Advocacy	Y	Y	Y	N	Y	Y	N	Y	Y
Tobacco/Nicotine Surcharge	Y	Y	Y	Y	Y	Y	Y	Y	N/A
Spousal Surcharge	Y	Y	Y	Y	Y	Y	N/A	Y	N/A
Retiree Health Insurance	Y	Y	Y	Y	Y	Y	N/A	N/A	N
Catastrophic Plan Options	Y	Y	Y	Y	Y	Y	N/A	Y	Y
Employee Assistance Program	YV3	Y	Y	YV3	YV3	Y	YV3	Y	YS3
Vision Benefit	YV3	Y	Y	YV3	Y	YV3	N	N	Y
Statewide Network	Y	Y	N	Y	Y	N	N	N	Y
Value Based Care	Y	Y	Y	Y	Y	Y	Y	Y	Y
Current Funding Model	Y	N	Y	Y	Y	Y	Y	N/A	Y
Rx - PBM or Integrated in Medical	✓	✓	✓	✓	✓	✓			✓
Vision Only									
Employee Assistance Program									
Telemedicine									
Care Management									
Centers of Excellence									

YS3 = Yes; supports 3rd party vendor

YV3 = Yes; via 3rd party vendor

N/A = Didn't furnish an answer or not applicable

N = Does not offer

EXHIBIT #1B

	AmeriBen (TPA)	Humana	OptumRx	ProCare Rx	American Well	BPA Health	BridgeHealth	National Vision Administrators
Medical / TPA	✓	✓						
Telemedicine	YV3	N						
Care Management / Case Management	Y	N						
Expert Medical Opinion	YV3	N						
On-site/Near-site Clinics	YS3	N						
Centers of Excellence	Y	N						
Idaho Statewide Healthcare Innovation (SHIP) - Healthcare Transformation	N/A	N						
Well-Being	Y	Y						
Target Point Solutions	Y	Y						
Transparency Tools	YV3	N						
Advocacy	Y	N						
Tobacco/Nicotine Surcharge	N/A	Y						
Spousal Surcharge	N/A	N/A						
Retiree Health Insurance	N	Y						
Catastrophic Plan Options	Y	N						
Employee Assistance Program	YS3	Y						
Vision Benefit	Y	Y						
Statewide Network	Y	N/A						
Value Based Care	Y	N						
Current Funding Model	Y	N/A	N	N	N	N	N	N
Rx - PBM or Integrated in Medical	✓		✓	✓				
Vision Only								✓
Employee Assistance Program						✓		
Telemedicine					✓			
Care Management								
Centers of Excellence							✓	

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Glossary

Affordable Care Act (ACA)	Patient Protection and Affordable Care Act, often shortened to the Affordable Care Act. A federal statute enacted in 2010 with annual fees (taxes) assessed on fully-insured health benefit plans.
Accountable Care Organization (ACO)	an organization of health care practitioners that agrees to be accountable for the quality, cost and overall care of participants; similar to the more well-known HMO model.
Case Management	a collaborative process of assessment, planning, facilitation, care coordination, evaluation, and advocacy for options and services to meet an individual's and family's comprehensive health needs through communication and available resources to promote quality cost effective outcomes
Centers of Excellence (CoE)	a multidisciplinary approach for disease-based medical management of chronic-type conditions by a hospital or health system.
Employee Assistance Program (EAP)	an employee benefit that provides short-term, in-person counseling and/or resources to assist employees with personal problems or work-related problems.
Pharmacy Benefit Manager (PBM)	a 3 rd party administrator of prescription drug programs responsible for developing and maintaining the formulary, contracting with pharmacies, negotiating discounts and rebates with drug manufacturers, and processing and paying prescription drug claims.
Preferred Provider Organization (PPO)	a managed care organization of medical doctors, hospitals, and other health care providers who provide health care at reduced rates to the insurer's clients.
Request for Information (RFI)	a process to collect written information about the capabilities of various suppliers and/or services specific to an industry or geographic location and is typically used to gather information to help make a decision on what steps to take next.
Request for Proposal (RFP)	a formal solicitation by an agency interested in the procurement of a commodity, service or valuable asset, to potential suppliers to submit business proposals.
Prescription Drugs (Rx)	a pharmaceutical drug that legally requires a medical prescription to be dispensed.
Targeted Point Solutions	programs targeted a specific population to address specific health concerns such as weight management, diabetes prevention, cancer, maternity or musculoskeletal.
Third-Party Administrator (TPA)	an organization that coordinates with carriers and processes insurance claims or certain aspects of employee benefits plans.
Value Based Care (VBC)	a healthcare delivery model in which providers, including hospitals and physicians, are paid based on patient health outcomes like an ACO. This model differs from a fee-for-service or capitated approach, in which providers are paid based on the amount of healthcare services they deliver.
Well-Being	evidenced based programs with outcomes based incentives that engage plan participants to improve the health status of the population and reduce health care costs.