

RESOLUTION 18-40 – RESOLUTION BY THE DELAWARE RIVER AND BAY
AUTHORITY AUTHORIZING MODIFICATIONS TO THE BENEFITS PLAN DESIGN

WHEREAS, the Delaware River and Bay Authority (the “Authority”) is committed to providing its employees and retirees with a comprehensive core benefits program; and

WHEREAS, the Authority is responsible for the prudent financial governance with respect to the core benefits program; and

WHEREAS, the Authority is responsible for taking appropriate action to control escalating core benefits costs; and

WHEREAS, the Personnel Committee has reviewed the proposed recommendations to the Authority to change its health (medical and prescription) plan and recommends approval thereof to the Commissioners.

NOW, THEREFORE, BE IT RESOLVED that the Authority hereby approves the following modifications to be implemented effective January 1, 2019 (as described in detail in Exhibit A which is incorporated herein by reference):

Under the prescription plan, implement the following options:

- a. Select Home Delivery-Incentive Choice
- b. Advantage-Plus Advanced Utilization Management (“AUM”)
- c. Opioid Management
- d. Diabetes, Pulmonary, and Multiple Sclerosis Care Value programs

EXHIBIT A

Proposed Benefit Plan Changes for 2019	
Prescription Plan	Anticipated Savings/(Cost)
2019 Rx: Select Home Delivery – Incentive Choice Drugs Supplied via Mail-Order: <ul style="list-style-type: none"> • 90-day Supply – 1x co-pay Drugs Supplied via Retail Pharmacy: <ul style="list-style-type: none"> • 90-day Supply – 3 x co-pay • 60-day Supply – 2x co-pay 	\$25,000
2019 Rx: Advanced Utilization Mgmt. (AUM) <ul style="list-style-type: none"> • Advantage-Plus - Prior Authorization • Advantage-Plus - Step Therapy • Advantage-Plus - Quantity Management 	\$162,027
2019 Rx: Opioid Management	Estimated at \$20,000 for one (1) avoided addiction
2019 Rx: Care Value Programs <ul style="list-style-type: none"> • Diabetes Care • Pulmonary Care • Multiple Sclerosis Care 	Healthcare cost avoidance achieved through increased adherence and utilization monitoring

Resolution 18-40 Executive Summary Sheet

Resolution: Authorizing Modifications to the Authority Benefits Plan Design

Committee: Personnel Committee

Committee Date: October 16, 2018

Board Date: October 16, 2018

Purpose of Resolution: To approve the proposed recommendations to core benefits plans by modifying the prescription drug program for active and pre-65 retirees.

Background for Resolution: The Authority is committed to the health and well-being of its employees and retirees.

During annual renewals, the Authority reviews administration and plan costs to determine if changes should be made in plan designs and/or vendor/carriers to better control escalating costs. Annual reviews include an analysis of employee and retiree populations plan utilization and comparisons to industry trends.

The Authority moved its Pharmacy Benefits Management (PBM) from CVS to Express Scripts, Inc. (ESI) in 2017. The decision was made to move to ESI but implement minimal changes in the plan co-pays and utilization management to minimize member disruption at that time. ESI offers industry-leading utilization management options as well as pharmacy condition management programs.

Annual prescription drug costs are trending at approximately 10.3% compared with medical trend of 7.7%. Prescription paid claims account for approximately 25% of total paid claims under the Authority's health plan. Implementation of the Select Home Delivery-Incentive Choice option will increase mail-order usage and the Advantage-Plus Advanced Utilization Management option will target most comprehensive traditional and specialty medications for optimal client and member savings. Both programs will result in significant savings as shown in Exhibit A and better control of future cost escalations. It is fiscally prudent to implement these options which have become industry standards.

Further, chronic conditions such as Diabetes and Pulmonary Disease are leading drivers of health care costs. Implementing the Care Value Programs offered by ESI as noted in Exhibit A will assist the Authority in better controlling costs related to Chronic Condition

Management. In addition, diseases such as Multiple Sclerosis (MS) are often treated with new 'break-through' medications that are costly and unfortunately those medications do not always bring relief to patients and continued usage of the very expensive medication is discontinued mid-treatment. The MS Care Value Program, in addition to providing specialized clinical support, will manage reimbursements for early discontinuation of these specialized drugs.