

**PEIA  
Annual Report to the  
Legislature's Joint Committee on Government and Finance  
Pursuant to  
W.Va. Code §5-16-3(e)**

PEIA reports the following programs and initiatives:

1. Increasing generic fill rates. PEIA is constantly looking at programs to increase the use of effective low-cost generic medications. PEIA has step therapy on several classes of medications. Step Therapy requires a trial of a generic medication in the same therapeutic class before a brand name medication is covered. The PEIA generic fill rate is up to 89.7%.
2. Managing specialty pharmacy costs. Specialty medications are managed by the TPA. Since PEIA will be moving to a new TPA effective July 1, 2019, we are exploring our options for the most advantageous management of this call going forward.
3. Implementing and evaluating medical home models and health care delivery. PEIA has been pursuing alternative payment models using a global fee based medical home model for several years. PEIA members who voluntarily participate choose a "comprehensive care" provider who coordinates the member's care and provides primary care for an agreed monthly global fee. We continue to explore new models and refine existing arrangements. We now have 20 practices with over 30,000 members in these programs. Aledade Accountable Care 20, LLC, Davis Regional Health Partners and WVU Medicine started July 1<sup>st</sup>, 2018. Kanawha County Emergency Ambulance Authority (KCEAA) is considering joining for FY 2020,
4. Coordinating with providers, private insurance carriers and, to the extent possible, Medicare to encourage the establishment of cost-effective accountable care organizations. Accountable Care Organizations (ACOs) have been very slow to develop in the state of WV; however, PEIA continues to explore ACO's and is in the second year of a contract with Aledade Accountable Care 20, LLC which is managing 10 primary care practices. This partnership yielded a \$63,000 savings in the first year.
5. Exploring and developing advanced payment methodologies for care delivery such as case rate, capitation and other potential risk-sharing models and partial risk-sharing models for ACO's and/or medical homes. PEIA is exploring the development of a high value network for total knee replacement and pain management.
6. Educated patients have better outcomes. Healthcare costs continue to rise; members can play a role in managing costs by becoming educated consumers of healthcare services. PEIA has teamed up with HealthSmart to offer Healthcare Bluebook, a guide that will help in determining a fair price for healthcare services by area.
7. Adopting measures identified by the Centers for Medicare and Medicaid Services to reduce cost and enhance quality. PEIA follows Medicare payment guidelines and is a rapid follower in adopting new Medicare programs.
8. Evaluating expenditures to reduce excessive use of emergency room visits, imaging services and other drivers of PEIA's medical rate of inflation. PEIA monitors ER usage monthly to identify high flyers and move these members to a medical home. "High Flyers" are those who over-utilize the ER for care that is provided at medical provider facilities or offices at a fraction of the cost. In an effort to direct care to the appropriate service levels, PEIA continues to limit members to 6 non-emergent ER visits per plan year. Emergency Room usage is down by 8% in this population. PEIA credits this policy change to decreasing the trend by redirecting care to the appropriate level.
9. In Wellness, the Go365 program was discontinued despite solid participation in the first three months. This program was a rewards-based platform that encouraged engagement by members and PEIA had

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23.5% engagement of eligible members. The taxability of the rewards and Governor's directive were cause for discontinuing. PEIA is working to identify a rewards system to encourage healthy behaviors and lifestyles that does not conflict with tax code.

10. We have brought the administration of the PEIA Weight Management Program in house, saving over \$400,000 for the plan. There continue to be over 1000 total members annually involved in the in-house wellness programs of Weight Management and Face to Face Diabetes.

11. We completed a small trial pilot of 50 members and have initiated a second online Weight Loss Pilot program with Naturally Slim. Approximately 1700 members started the pilot in October 2018. We are going to be initiating a pilot Diabetes Prevention Program (DPP) with a vendor early in 2019.

12. We continually evaluate other available wellness opportunities. Our communications department has been providing wellness and healthy lifestyle resources on our website and social media. We have updated our list of 700+ Worksite Wellness Coordinators list and will be training and utilizing these individuals more to get out messages and resources for healthy living. Through state wide collaborations we support and encourage healthy lifestyles programs and initiatives of other organizations that may impact our members and their communities. We continue to recommend cutting-edge benefit designs to the Finance Board to drive member behavior and control costs for the plan. PEIA evaluates the benefit design of the plan continuously. PEIA has been a leader in wellness programs and value-based copays for many years. New ideas are presented to the finance board and the public annually.

13. Per the PEIA task Force recommendations PEIA will present the following benefit changes at Public Hearing: (1) to move Plan A benefits to 80/20 coinsurance in WV external bordering counties only; (2) to move Plan B benefits back to 70/30 coinsurance in WV external bordering counties; (3) to remove facility fee limits from out of state facilities; (4) to remove the \$25 copay for out of state services; and (5) to add an appeal process for third tier non-preferred drugs to allow for reduced copays.

14. Identifying employees and retired employees who have multiple chronic illnesses and steering them to programs to coordinate the care of these patients through the Face to Face Diabetes Program, the Weight Management Program, and some new pilot initiatives.

15. The agency continues to adjust payments for the treatment of hospital acquired infections and related events consistent with the payment policies, operational guidelines and implementation timetable established by the Federal Centers of Medicare and Medicaid Services (CMS). The agency will attempt to protect employees and retired employees from any provider upward adjustment in payment for such hospital acquired infections. See number 7 above.

16. The agency continues to reduce the number of employees and retired employees who experience avoidable readmissions to a hospital for the same diagnosis related group illness within thirty days of being discharged, consistent with the payment policies, operations guidelines and implementation timetable established by the Federal Centers of Medicare and Medicaid Services (CMS). PEIA has been involved in the states various community paramedicine project to prevent readmission. Also, see number 7 above.

17. Pain management. In response to the overuse of prescription opioids in the state, the West Virginia Public Employees Insurance Agency and the West Virginia University's School of Pharmacy launched the "Safe and Effective Management of Pain Project" (SEMPP), November of 2016. Designed to ensure that

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patients experiencing pain are treated in keeping with federal guidelines, SEMPP pharmacists are working with the physician community in reviewing prescribing patterns; providing provider technical assistance; and conducting case reviews. In combination with this added benefit, PEIA has aligned its opioid prescribing policy with the Centers for Disease Control (CDC) effective September 2016.

18. Addiction services. PEIA has continued the pilot program with a hospital and a community behavioral health center to provide in state services to PEIA members needing detox and addiction treatment services while restricting coverage to out of state, out of network care.

19. 340B Program. PEIA partnered with Disproportionate Share Hospitals (DSH) in the state to participate in the 340B program under the guidelines of HRSA. The program will allow the hospitals to participate in the PEIA specialty drug program with our contracted specialty pharmacy partners and allow PEIA to share in the medication cost savings.

20. Colorectal cancer screening reminder initiative. Partner with The Cancer Society and WVU to distribute reminder cards to targeted members who have not had their screening in the last 10 years.

21. PEIA awarded a contract to UMR as our Third-Party Administrator (TPA) effective July 1, 2018. UMR will offer better national discounts as well as improved customer service and care management programs.

Respectfully submitted:

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Ted Cheatham, Director

Date