

WEST VIRGINIA LEGISLATURE

Select Committee on PEIA, Seniors and Long-Term Care

2017-2018 Interims

Senate Members

**Senator Mike Azinger, Chair
Senator Donna J. Boley
Senator Charles H. Clements
Senator Ed Gaunch
Senator Mike Romano
Senator Ryan Weld
Senator Mike Woelfel**

House Members

**Delegate Ruth Rowan, Chair
Delegate Tom Fast
Delegate John R. Kelly
Delegate Rick Moye
Delegate Tony Paynter
Delegate Rodney A. Pyles**

Final Report of the *Select Committee on PEIA, Seniors and Long-Term Care*

The Select Committee on PEIA, Seniors and Long-Term Care was appointed by the Joint Committee on Government and Finance following the 2017 Regular Session of the Legislature. The Committee was not assigned any specific topics or resolutions for study.

During the course of the 2017-1018 interim period, the Select Committee met and received information on topics of study regarding important issues relative to providing insurance coverage to state employees, protection for senior citizens and issues relative to continue improvement in the long-term care system in this state.

The Committee **REPORTS** as follows:

The Committee continued to investigate the Public Employees Insurance Agency (PEIA) in an attempt to gain insight into ways to make it more cost effective to members and the state. Throughout the course of the interim period, Ted Cheatham, Director of the Public Employees Insurance Agency appeared before the Committee. Mr. Cheatham first appeared in August. At that meeting he gave the members an overview of PEIA, its functionality, mission and purpose. He discussed the statutory authority for the agency, including the Finance Board and the West Virginia Retiree Health Benefit Trust Fund. He offered the Committee an organizational chart which provided detail on the functions of PEIA by department. He also provided some understanding of the vast number of services which are outsourced to third-party vendors. These included pharmacy benefit managers, wellness programs, weight management programs, and managed care organizations. He also provided some detail on the budget, the number of persons who are insured and provided the committee with the current liability and assets of the agency.

At the August meeting, Mr. Cheatham also discussed spousal eligibility and the concept of setting premium amounts by total family income and not basing it solely upon the income of the eligible employees. He also discussed the number of entities which “buy-in” to PEIA and their impact upon the agency.

One of the many ideas regarding PEIA is privatization. At the September meeting of the Committee, Greg Burton, CEO of BrickStreet Insurance appeared before the Committee. Mr. Burton discussed the process of how the state reached the decision in 2004 to privatize the workers compensation system in this state. He discussed marketplace competition, what prompted the decision to privatize, and the finances of the Workers Compensation Commission at the time the decision was made. He also gave the Committee insight into what worked, what didn't work, what he would change and who to bring to the table.

The final meeting of the Committee in 2017 again saw Mr. Cheatham appear to discuss potential changes to PEIA in the 2019 Plan Year. He provided the Committee with an overview of the financial pieces that prompted the agency to make recommendations to the Finance Board regarding changes to the plan. These changes included: rate increases, removal of certain pharmacy deductibles, changes to a number of options for brand name pharmaceuticals, and institution of the family income concept for setting premium rates. Additionally, he offered an overview of the changes to both Medicare and non-Medicare retirees.

Two new programs were also discussed. The first was iSelectMD and telemedicine service to allow members to speak with a physician via telemedicine with a \$40.00 copay. The second was Rx Savings Solutions which allow members to register on the PEIA webpage for to be alerted to lower prescription options. Finally, Mr. Cheatham discussed changes to the Healthy Tomorrows program to allow members to gain points through healthy living/diet/exercise which they may convert into savings with registered vendors.

At the January meeting of the Committee, Committee Counsel presented the final report of the Committee.

Senator Mike Azinger, Co-Chair
Chair

Delegate Ruth Rowan, Co-