

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

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 90.3%

2. Managing specialty pharmacy costs. Prior authorization of injectable specialty medications administered in a provider's office or facility are handled by UMR. Prior authorization of oral and self-administered injectable specialty medications is handled by CVS/Caremark. CVS Specialty Pharmacy is the exclusive specialty pharmacy of all specialty medications. PEIA continues to explore additional options for the most advantageous management of this class going forward. We are exploring options on the Foundation programs as well.

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. -WVU Medicine included additional locations beginning July 1, 2019- (Mid-Ohio Valley) and has included additional locations (Braxton, Jackson, Potomac Valley, Reynolds, and Summersville) beginning January 1, 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 third year of a contract with Aledade Accountable Care 20, LLC which is managing 10 primary care practices.

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 continues to explore the development of a high value network for total knee replacement and pain management.

6. 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.

7. Evaluating expenditures to reduce excessive use of emergency room visits, imaging services and other drivers of PEIA's medical rate of inflation. PEIA continues to monitor 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.

8. 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. There continues to be large numbers of policyholders, spouses, and dependents over 18 participating in these community- based disease management programs.

9. We completed a small pilot of 50 and a second larger pilot of 1700 policyholders with the online Weight Loss Pilot Program Naturally Slim. We had another pilot group of 1200 start an additional pilot in May 2019. We are going to be opening up both Naturally Slim and an online Diabetes Prevention Program type program- Cappa early in 2020. These online programs will be available to all policyholders who meet BMI qualifications for overweight or obesity.

10. An Obesity Roundtable was held on October 24<sup>th</sup>, 2019 to gather ideas from the experts of the state on how PEIA can better help address the obesity epidemic within West Virginia. PEIA's internal team is gathering additional input, reviewing the data and ideas presented as part of the roundtable. Current policies and programs related to obesity management, along with new strategies that have been implemented are being reviewed as well. The internal team is reviewing our current bariatric policy with regards to coverage and standards from the four Centers of Excellence in the state.

11. 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.

12. Through collaboration with UMR, the TPA will continue to identify employees and retirees who have multiple chronic illnesses and steer them to coordination of care programs Face to Face Diabetes and Weight Management Programs, as well as new pilot initiatives.

13. 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 6 above.

14. 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 state's various community paramedicine projects to prevent readmission. Also, see number 6 above.

15. 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 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. PEIA has seen a decrease of over seventy-five percent in members receiving doses of opioid medications that exceed the CDC's guidelines since the inception of this program.

16. 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. We are exploring a new location in the northern part of the state (WVU Medicine) to offer addiction treatment services as well.

17. 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.

18. In fiscal year 2019 PEIA began a partnership with WVU Cancer Institute for Colorectal cancer screening reminder initiative. The partnership allowed The Cancer Society and WVU Cancer Institute to work with PEIA to distribute reminder cards to targeted members who have not had their screening in the last 10 years. For fiscal year 2020 a targeted area of four counties in West Virginia are the focus of the next steps in the partnership. This next project will include identifying members outside of recommended screening timelines and not only sending written reminders, but also making telephonic contact to emphasize the importance of the colorectal screenings.

19. PEIA awarded a contract to UMR as our Third-Party Administrator (TPA) effective July 1, 2019. UMR offers better national discounts as well as improved customer service and care management programs.

20. UMR also provides community nurses, case management and maternity management. The Community Resource Consultants/Nurses are a new model/role for UMR and WV PEIA. The nurses are strategically positioned throughout the State of WV and live and work in the communities we serve. They work as an extension of the UMR Case Management, Disease Management (all nurses live in WV) and WV PEIA and many other areas to connect and educate providers and members about the resources available to assist them to make informed choices with their health care. The goal is to provide members with the best quality care within the State of WV and connect them with the providers and keep the overall cost to members and WV PEIA lower. They also work closely with providers to educate them on free programs for members on chronic and acute conditions that UMR and WV PEIA have to offer to improve the quality of life for members and overall outcomes. They have been effective in connecting members with community resources that have been able to assist with free transportation, DME supplies and lodging. They collaborate with UMR to keep care and costs down as well.

21. Telehealth updates. PEIA will be using United Health Care (UHC) Telehealth policy beginning January 1, 2020. With these changes the originating site will bill for the services as well.

22. iSelectMD- Is telehealth services for PPB Plan members, which allows them to connect with a physician via phone or video from their home for a non-emergent medical condition that needs treatment. Members are connected to a state-licensed, board-certified physician, ready to resolve the issue 24 hours a day for a \$10 copay.

Respectfully submitted:

  
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Ted Cheatham, Director

12/31/12  
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Date