



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: October 12, 2022

Agenda Section: Discussion and Possible Action

Agenda Item Title: Approve the 2022-23 Health Insurance Administrator, and Stop-Loss Provider for SSAISD

From: Tony Kingman, Chief Financial Officer

Additional Presenters if Applicable: N/A

Description: The District utilizes a Self-Insured Health Plan that requires a third party provider to administer the claims process. The District utilizes as Self-Insured Health Plan for its employees and transfers a portion of the overall risk to a stop-loss provider. Once total claims exceed either a specific amount for an insured individual, or an aggregate amount for the entire pool, the stop-loss provision kicks in to limit the District's overall risk exposure.

Historical Data: For the 2021-22 Health Plan Year, the District designated Signa to administer its claims. 2022-23 Health Plan Year would be year two of this contract.

Recommendation: Approval of Cigna as the administrator of the District's Self Insured Health Plan and the stop-loss provider for the 2022-23 Health Plan year.

Funding Budget Code and Amount: N/A

Amendment Provisions:

Section 6:

Section 6 has been amended to further describe audit rights available under this agreement.

Section 8.a:

Section 8.a has been amended to update the enrollment change percentage from 15% to 10%.

Section 9:

Section 9 has been updated in conjunction with its addition of a new section titled “Entire Agreement.” Additionally, CHLIC has edited this provision to remove the first sentence as concept is addressed in the section titled “Entire Agreement” and simplified the phrasing of the 2nd sentence.

Section 20:

Section 20 has been revised to clarify that the parties may agree to usage of each other’s “Marks” for purposes other than performance of their respective duties under the Agreement.

Exhibit C1:

Exhibit C1 has been added to outline CHLIC’s policy and procedures regarding clinical audits of in conjunction with Section 6 of the ASO Agreement.

Exhibit E:

CHLIC has revised Section I.A to align with streamlined internal processes. The Parties can now identify recovery agent through the normal course of doing business without having to amend client-specific contracts.

CHLIC has revised Section I.B in conjunction with its edit to paragraph A above; to clarify that a modification to the default recovery percentage will need to be communicated by our clients and that any modification will be effective on the next subsequent renewal date unless otherwise agreed to by CHLIC; streamlined internal process so that Parties can update applicable client contact information in the normal course of doing business without having to amend client-specific contracts to update such contact information.

Schedule of Financial Charges:

Fees (Administration Charges; Network Access Fees):

Products and associated fees may change year-over-year. Please communicate any and all product changes to the Client.

Amounts Owed to CHLIC:

CHLIC has rephrased this language for clarification purposes.

Cigna Home Delivery Pharmacy Disclosure:

The annual average discount rate has been revised from 12.5% to 19.00%. As such, CHLIC has updated this provision to reflect the revised rate. Note that this discount rate applies to specialty drugs dispensed under the Plan's **medical** benefit.

CHLIC Medical Cost Containment Fees:

Overall Changes:

CHLIC has added verbiage to clarify that applicable medical cost containment fees are charged to the client's Bank Account.

With the implementation of the No Surprises Act (NSA), CHLIC needed to provide transparency on how we will charge to administer those eligible claims. As a result:

- NSA information has been added to the overall Cost Containment section.
- A new "Section B" has been added, and provides details on NSA administration and charges. The previous "Section B" is now "Section C."
- Language regarding "Maximum Reimbursable Charge" (MRC) has been removed from the paragraph beginning, "For charges for covered services received from a non-Participating Provider..." as NSA claims are not administered using MRC.

Vendor Charges:

Percentage range has been updated from 7 – 11% to 5 – 11%, as CHLIC negotiated lower rates with vendor partners to administer NSA claims.

Section A:

Information regarding NSA has been added to Section A.

"Line Item Analysis Re-pricing" in line item #3 has been updated to reflect "Lesser of 5% of hospital bill or the gross savings achieved." This change is to more accurately reflect the fees associated with this program. This change does not impact the execution of the program.

Line item #4 has been added to provide transparency on other payment types for when state laws might exist.

Section B:

This new section outlines how CHLIC will administer and charge for NSA eligible claims. NSA claims do not use MRC pricing, which is included in Section A.

Section C:

This section matches the previous Section B. It was moved to accommodate the new Section B that covers NSA claim administration.

“Medical Bill Review” has been updated to “Clinical Complex Claim Review.” There is no change to this program; the naming convention was changed so as not to confuse this with the program listed as #3 in Section A and B.

Embarc Benefit Protection®:

CHLIC has added language to redirect client to Cigna.com for the complete list of included drugs at any point of time. These drugs are continually being evaluated and may be added after FDA approval.

CHLIC has also revised the language to clarify when PMPM charges do not apply.

Care Management/Cost Containment Program Fees:

Several changes were made to this section to align with business and pricing changes:

- New Programs:
 - High Tech Radiology Site of Care
 - Specialty Care Options Plus
 - Gastroenterology

- New Language:
 - Medical Management of Chiropractic Services is now disclosed in this section. Note this is not a new program, but is simply being added to the language.

- Pricing Changes:
 - **Integrated Medical Oncology Program:**
 - The **1/1/2021** fee increased from \$816.00 per EOC to \$1,000.00 per EOC, effective **1/1/2022**.
 - The **1/1/2022** fee will increase from \$1000.00 per EOC to \$1050.00 per EOC, effective **1/1/2023**.

 - **Radiation Therapy:**
 - The **1/1/2021** fee increased from \$842.79 per EOC to \$885.00 per EOC, effective **1/1/2022**.

- The **1/1/2022** fee will increase from \$885.00 to \$912.00 per EOC, effective **1/1/2023**.
- **Musculoskeletal Program:**
 - The **1/1/2021** fixed per member per month (PMPM) charge increased from \$0.37 PMPM to \$0.39 PMPM, effective **1/1/2022**.
 - The **1/1/2022** fixed per member per month (PMPM) charge will increase from \$0.39 PMPM to \$0.40 PMPM, effective **1/1/2023**.
- **Home Health / DME / Home Infusion Therapy Program:**
 - The fixed **1/1/2022** per member per month (PMPM) charge will increase from \$0.30 PMPM to \$0.31 PMPM, effective **1/1/2023**.
- **Cigna Sleep Management Program:**
 - The fixed **1/1/2022** per member per month (PMPM) charge will increase from \$0.10 PMPM to \$0.11 PMPM, effective **1/1/2023**.

Verbiage has also been added to the first row to clarify that applicable care management cost containment program fees are charged to the client's Bank Account.

Additional notes regarding this language:

- Fee increases are part of scheduled contractual escalators with a Cigna affiliate, and represent continued strong performance for: Integrated Oncology Management, Radiation Therapy, Musculoskeletal, Home Health / Durable Medical Equipment (DME) / Home Infusion Therapy, and Cigna Sleep Management precertification programs.
- **Episode of Care (EOC)** charges are assessed to the Bank Account only when a Member receives the service.
- **PMPM** fees are based on the number of monthly Members, multiplied by the PMPM fee and charged to the Bank Account on a monthly basis. These fees are not included in any applicable Medical Management fees.

Notice Regarding Payments from Third Parties:

The row for All Medical Products has been modified to include the phrase, "based on its book of business." This is a clarification change only.

Your Health First:

Language regarding outreach suppression has been removed, as CHLIC does not suppress outreach in its activities related to continued evolution of its Member outreach.

Transparency in Coverage:

The U.S. Departments of Health and Human Services, Labor, and the Treasury issued a final rule on October 29, 2020 on transparency in coverage, which requires most group health plans and health insurers to disclose price and cost-sharing information for all covered services. CHLIC is committed to transparency as it supports our mission of making healthcare simple, affordable, and predictable.

ASO clients are required to comply with the regulation and hold the compliance burden; Cigna will help them comply. ASO clients will be able to download machine readable files from Cigna through the secure portal, monthly, to edit and post on their own public website.

Exhibit B:

Banking and Administration:

CHLIC made two changes to the second row of language to coincide with Section 3 of the ASO Agreement:

- The word “properly” replaced with “sufficiently”;
- Additional sentence added to the end of the second paragraph to clarify client funding obligations.

Cost Containment:

CHLIC has generalized Cost Containment references in this section, as specific Cost Containment details are outlined in the Schedule of Financial Charges.

Reporting:

CHLIC has revised the header to remove ‘Customer’ as Agreement does not contractually use the term to refer to a client.

Additionally, language around Individual Stop Loss Reporting has been updated for clarity/transparency about what CHLIC will provide.

Medical Management Services:

In the eighth row, CHLIC has updated the description of its LifeSOURCE Transplant Network® to reflect its ongoing network expansion.

In the seventh row, CHLIC has modified its description of its Health Information Line service to more aptly describe the confidential services a Member can receive when phoning the Health Information Line.

Additionally, references to Cigna Behavioral Health (CBH) have been removed. The legal entity Cigna Behavioral Health, Inc. has transitioned to Evernorth Behavioral Health, Inc. However, CHLIC has determined that for contracting purposes it needs contract flexibility and use of “(details available upon request)” addresses current CHLIC affiliate and any future affiliate change.

Network Management Services:

CHLIC has updated the language regarding telehealth services. Virtual services, telehealth, under COVID special processing and now officially via Coverage Policy as of 1/1/21, is covered as appropriate for all medical products. The Reimbursement Policy outlines the rules. Additionally, the word “telehealth” is being removed as it does not describe the broad array of virtual care services available to members, which goes beyond telephone calls.

CMG Rate Schedules:

CHLIC has removed pharmacy rates from all CMG schedules, as applicable AWP discounts and dispensing fees set forth in the Schedule of Financial Charges will apply.

Cigna HealthCare of Arizona, Inc. owns/operates staff model health care centers and employs providers in the Phoenix metropolitan area (“Cigna Medical Group” or “CMG”). These CMG centers provide primary care, specialty, urgent care, pharmacy, ambulatory surgery, imaging, hearing and vision services, sometimes all under one roof within a single CMG’s multi-specialty center. Members residing or traveling in Arizona may receive medical services or have prescriptions filled at a Cigna Medical Group (CMG) facility. In that case, the CMG rate schedule will apply.

Include if Appendix A was disclosed last year and is retained for current year: