



The slant...

Volume 20 Issue 4

Winter 2008

Points of Interest

- SALGBA Conference Tentative Agenda
- Join SALGBA April 26-29, 2009 in majestic Denver, CO for the 27th Annual Conference & Expo

Join us in wishing Joe Golson, SALGBA Director, best wishes in his new career as retiree! Joe retired October 30th from the Employees Retirement System of Texas.

Inside this issue:

Board Information	2
Associates Article	3
Conference Tentative Agenda	4-5
State of Things Focus	5
Conference Information	6
Membership Information	7
Announcements	8

President's Letter..

By Debbie Juul

Happy New Year!

The SALGBA board met in October in Denver for our fall board meeting. We stayed at the 2009 conference hotel, the Omni Interlocken, which is a lovely facility with breathtaking views of the mountains.

We reviewed the SALGBA budget and heard reports from the Membership, Members Services & Internal Communications, Continuing Education & Certification, Nominating, and Constitution & By-Laws committees. We reviewed and approved a draft agenda for the 2009 conference which, because so many valuable session topics were submitted by speakers, will now have five concurrent breakout

sessions at a time instead of four. The 2010 conference in Indianapolis was discussed as well as possible 2011 locations. The board is very aware of the need to keep the conferences affordable in these economic times, and we considered that when suggesting possible 2011 locations.

We also heard a report from our two Associate Member Advisors and we reviewed our strategic plan, which will be updated next year. The board approved the appointment of Rob Tester to fill the board position vacated by Joe Golson's retirement.

In addition to formal board meeting, some of us tried out the adjacent golf course, which will be the

site of the golf tournament, while others went on an abbreviated tour of the area to preview the conference's optional Sunday tour. Remember to sign up for one of these events when you register.

I wish you and your family a happy, healthy, and prosperous 2009.

Warm regards,

Debbie Juul, CGBA,
CEBS
LACERA



State of Kansas Employee Health Plan

Submitted by: Jennifer Flory

For Plan Year 2008, the State of Kansas (SOK) implemented a value based plan design that emphasizes preventive care and use of primary care providers. The Institute for Health and Productivity Management (IHPM) has selected the State of Kansas employee health plan to receive the 2008 Initiative for Value-Based Health Benefits (IVB) Award for Public Employer. IHPM's IVB Awards recognize demonstrated leadership and innovation in value health management, including health benefits design. The award will be presented at the IHPM's Eighth Annual International Conference in Scottsdale, Arizona on October 15-17.

For Plan Year 2009 the SOK has made some plan design changes, encourages employees to participate in HealthQuest - our wellness programs, and re-implemented the non tobacco users premium discount. The SOK offers three standardized preferred provider organization (PPO) plan designs available from four vendors: Blue Cross Blue Shield of Kansas, Coventry Health Care, Preferred Health Systems and UMR a UnitedHealthCare Company.

...State of Kansas Employee Health Plan

Submitted by: Jennifer Flory
continued from Page 1

For 2009 a \$50 per person/\$100 per family deductible was added to Plan A along with an increase in coinsurance from 10% to 20%, and the coinsurance maximum increased by a \$100 to \$1,100 for single and \$200 for family to \$2,200. Plan B has no deductible and saw a reduction in the office visit copay for dependent children ages 18 and under to \$10 for a primary care provider (PCP) and \$25 copay for specialists. Adult office visit copays remain \$20 for PCP's and \$40 for specialists. The coinsurance was reduced to 30% and coinsurance maximums remain unchanged at \$2,200/\$4,400. The 100% payment for preventative care services available under Plans A and B for 2009 has been added to Plan C - the Qualified High Deductible Health Plan (QHDHP) with HSA. The other change to Plan C is a reduction in the out of pocket maximums from \$5,000/\$10,000 to \$3,000/\$6,000 for network providers and for non network providers to \$3,650/\$7,300 from \$6,000/\$10,000.

The HealthQuest program implemented a new wellness initiative for Plan Year 2008 with Health Dialog. The program includes a \$50 gift card incentive for completing a health screening and personal health assessment. Health coaching is available to all benefits eligible employees and spouse and children over age 18 that are covered by the health plan. A HealthQuest Health Coach can help you create a personalized plan to help you better manage your health. Health coaches are available to provide information and support for:

- ✦ *Healthy Lifestyle Programs (iCan):* weight management, tobacco cessation, and stress management
- ✦ Significant medical issues such as surgery or chronic conditions like diabetes, congestive heart failure, asthma or COPD
- ✦ Clear and concise, evidence-based information on available surgery and treatment options based on your needs and values

Working with you to better communicate with your doctor

The SOK wants to encourage employees to be tobacco free. Employees who do not use any form of tobacco products are eligible for a \$40 per month discount on their health insurance premiums. Employees who use tobacco products but agree to enroll and complete a telephonic tobacco cessation program through HealthQuest. Employees must complete the tobacco certification form to obtain the discount. Employees who are found to have misrepresented their tobacco use will lose the employer contribution toward the cost of the employee's health insurance.

2008-2009 SALGBA Board of Directors

OFFICERS

President

Debbie Juul, CGBA, CEBS
LACERA
300 N. Lake Ave., Ste. 510
Pasadena, CA 91101
djuul@lacera.com

President-Elect

Rick French, CGBA
City of Garland, TX
PO Box 460873
Garland, TX 75040
rfrench@ci.garland.tx.us

Treasurer

Cindy Kirk, CGBA
City of Bryan, TX
300 S. Texas Ave., Suite 213
Bryan, TX 77803
ckirk@bryantx.gov

DIRECTORS

Rob Tester
State of South Carolina
1201 Main Street, Ste. 300
Columbia, SC 29201
rtester@eip.sc.gov

Pete Hans, CGBA
Waukesha County, WI
1320 Pewaukee Rd., Rm 160
Waukesha, WI 53188
phans@waukesacounty.gov

Hubert Lincecum, CGBA
Office of Group Benefits, LA
7389 Florida Blvd., Ste. 400
Baton Rouge, LA 70806
hlincecum@ogb.state.la.us

Chuck Griffith, CGBA
Bernalillo County, NM
One Civic Plaza NW, 4th Floor
Albuquerque, NM 87102
cgriffith@bernco.gov

PAST PRESIDENTS

Cindy Downey, CGBA
The Best Health Plan
1200 Grant Street
Denver, CO 80203
cdowney@best-healthplan.com

Dan Stewart, CGBA
The University of TX System
702 Colorado, Suite 6-600
Austin, TX 78701
dstewart@utsystem.edu

ASSOCIATE MEMBER ADVISOR

Roger Holland
Medco
300 Oceangate, Suite 450
Long Beach, CA 90802
roger_holland@medco.com

Scott Mixon, CGBA
FBMC
3101 Sessions Rd.
Tallahassee, FL 32303
smixon@fbmc-benefits.com

EXECUTIVE DIRECTOR

Tina Scott
PO Box 220
Big Hill, KY 40405
tina.scott@salgba.com
P: 859-985-0720
F: 859-985-0723
C: 859-358-3443

Degrees of PBM Transparency: Why Mere Transparency Isn't Enough

By: Terry Seligman, Navitus Health Solutions

There's a great deal of talk about "transparency" in the health care industry today. And with good reason: health care companies that disclose their practices to consumers ensure their integrity.

The pharmacy benefit management (PBM) division of health care is no exception. In fact, the "transparent business model" has gained momentum, with many pharmacy plan sponsors seeking a "transparent quote" when bidding for services. With that, plan sponsors should know the degrees of transparency of different PBM business models.

Degrees of Transparency

Traditional

Traditional model PBMs are in no way transparent. They make money by charging low administrative fees and generating money from hidden revenue streams like "spread" and pharmacy data sales. These PBMs negotiate one rate with pharmacies and a higher rate with clients. When the PBM keeps the difference between the two rates, it's called spread.

To plan sponsors unfamiliar with degrees of transparency, the traditional PBM's low administrative fee looks enticing next to higher administrative fees often posed by transparent pass-through PBMs. Plan sponsors don't always realize that money attained from their drug spend often far surpasses money acquired from even a high administrative fee. That's why traditional PBMs don't disclose these revenue streams.

Bottom line: the traditional model PBM's interests aren't aligned with its clients. They're motivated to drive a higher volume of prescriptions through clients' programs – because they make money off every prescription.

Transparent Non-Pass-Through (Translucent)

A transparent, non-pass-through PBM may also make money from spread, pharmacy data sales and pharmaceutical manufacturers. This type of translucent PBM discloses some of these revenue streams to clients, but in many cases it doesn't report all of them – or *how much* money it retains.

Bottom line: the merely transparent (translucent) model PBM is also motivated to make money from clients' drug spend and rewards decisions contrary to its clients' interests.

Transparent Pass-Through

Transparent pass-through PBMs don't keep spread. They *only* make money from a per member per month administrative fee. All gains in pricing negotiated with pharmacy networks or pharmaceutical manufacturers are passed through to clients. And these PBMs operate under the belief that plan sponsors should be informed about all aspects of the PBM business.

Bottom line: the transparent pass-through PBM's interests are **completely aligned** with its clients. The PBM acts as a steward of clients instead of focusing on its own bottom line.

Your PBM's Degree of Transparency

As drug costs increase, it's imperative for pharmacy plan sponsors to know who their current or prospective PBM works for – their clients or themselves. Plan sponsors should pose the following to the "transparent" PBM:

How many MAC lists do you use? Can we see them? (Non-pass-through PBMs use multiple lists to attain spread.)

May we audit your contracts?

Is our administrative fee the *only* money you receive from our plan?

These responses reveal whether the PBM helps achieve client objectives or chases monetary incentives by using more costly drugs and increasing prescription volume.

Plan sponsors with a transparent pass-through PBM never have to wonder if their PBM works to save them money. They can be *absolutely certain* their PBM *always* has their best interests at heart.

2009 SALGBA Conference Agenda

Saturday, April 26, 2009								
3:00pm-7:00pm	Board Meeting							
3:00pm-6:00pm	Registration Open							
Sunday, April 26, 2009								
9:00am-2:00pm	Golf Tournament @ Omni Interlocken (Sponsored by Medco)							
8:00am-3:00pm	Frollicking in the Foothills Tour (Sponsored by FBMC)							
12:00pm-6:00pm	Registration Opens							
5:00pm-5:45pm	Board Reception (Invitation Only)							
6:00pm-8:00pm	Opening Night Networking Reception in Exhibit Hall							
Monday, April 27, 2009								
7:30am-4:00pm	Registration Open							
7:45am-8:30am	Continental Breakfast			F&B				
8:30am-10:00am	Welcome & Opening Keynote	A	3	*The BIG Picture--Seeing Healthcare from a New Perspective* by Mr. Gary Earl, SR Vice President, CIGNA Healthcare				
10:00am-10:45am	Break in Exhibit Hall			Break F&B				
10:45am-Noon	General Session (sponsored by Medco)	B	2	*Instability, Energy, and Terrorism in the Central Regions: Implications for the United States* by Rod Moore, Associate Director of Intelligence--United States Central Command				
Noon-1:15pm	Luncheon & Speaker			Humorist/Motivational--researching				
				Breakouts				
1:30pm-2:45pm	Breakout Sessions	C-G	2	Dependent Eligibility & Enrollment Verification	City of Milwaukee's Strategy for Managing Drug Trends	Total Health Management	Understanding Medicare Parts A, B, C & D	Re-Engineering Paid Time Off in the Public Sector: A Case Study
				Jennifer Flory, State of Kansas	Mike Brady, City of Milwaukee	Rick Johnson, Segal	Christine Bach	Sharon McCabe, City of Greeley, CO
				Daniel Montgomery, Claim Technologies, Inc.	Steve Jones, Navilus Health Solutions	Christopher Mathews, Segal	Ingenix	Don Hellman, Gallagher Benefits Services
2:45pm-3:15pm	Break in Exhibit Hall			Break F&B				
				Breakouts				
3:15pm-4:30pm	Roundtable Sessions			Local Entities	State Entities	Educational Entities	Retirement Entities	
Tuesday, April 28, 2009								
7:30am-4:00pm	Registration Open							
7:45am-8:30am	Continental Breakfast			F&B				
8:30am-10:00am	Tuesday Keynote (sponsored by Medco)	H	3	*Moral Values of Health Reform in America - A Benefits Perspective* by Howard Brody, M.D. Ph.D, University of Texas Medical Branch, Galveston, TX				
10:00am-10:30am	Break in Exhibit Hall			Break F&B				
10:30am-Noon	Breakout Sessions	I-M	2	Healthcare Policy: Challenges and Choices for the New President	Panel Discussion on Transparency in Healthcare & the Impact on Retiree & Employee Benefits	Early Intervention to Reduce Disability	Making Retiree Health care Budgetable, Affordable, & Manageable	Shopping for Wellness Programs: Assessing Quality
				Dr. James O'Connell	Reps from: Sherill Morgan, MedBen, Pharmaceutical Horizons, Inc., Commonwealth Health Corp., RDS Services	Jacqueline Willingham	Joe Altman	Leslie Johnstone, State of Nevada
				Ceridian Corp.		The Standard	UnitedHealthcare-United Retiree Solutions	John DuMoulin, URAC
Noon-1:00pm	Awards Luncheon			F&B				

2009 SALGBA Conference Agenda

1:15pm-2:30pm	Breakout Sessions	N-R	2	Consumerology: A Scientific Approach to Healthcare Communications	Federal Healthcare Reform	Results Not Promises: Using Healthcare Cost Control Initiatives to Prevent Budget Crisis	Medicare Advantage: The Retiree's Perspective	Effective and Targeted Diabetes Management
				Robert Nease	Bialne Bos, Mercer	Mark Dana, City of San Jose, CA	Robert Wait	Jeff Bernhard & Sally Imlig, Aetna
				Express Scripts		Sally Natcheck, IFEBP	Humans	
2:30pm-3:15pm	Break in Exhibit Hall—Door Prize Drawing (must be present to win)			Break F&B				
3:30pm-4:30pm	Breakout Sessions	S-W	2	The Oklahoma Experience: Partnering Open Enrollment for Employee Benefits & Deferred Compensation	The Impact of Value Based Drug Plan on Medication Use and Employer and Employee Costs	Consumerism & Account Based Health Benefit Plans in the Public Sector	Lessons Learned from the Initial Years of Operating Group Retiree Plans Under the Retiree Drug Subsidy Program and How to Measure the Costs and Benefits of Conversion to Part D	Measuring the Performance of Wellness Programs
				Frank Wade, OK-EBC; Ray Pool, OK-ERS	Stephen Rosenberg	Sander Domaszewicz, Mercer	Paul Kersling, Jerry Hencenberg, & Greg White	Ron Meyer, MCHCP
				Mike Abkowitz, GWRS	ActiveHealth Management	Tony Holmes, Mercer	Buck Consultants	
6:00pm-11:00pm	Gala Event			Wednesday, April 29, 2009				
				F&B				
8:00am-8:45am	Jurisdictional Members Business Meeting/Breakfast							
9:00am-10:15am	Wednesday Keynote	X-Y	3	Driving Alternatives & Pre-Tax Transit Benefits, Falz Khan, City & County of San Francisco			The Evolution of Retiree Rx Benefits: Staying Ahead of the Curve, Mary Donhoit, MEDCO	
				Breakouts				
10:30am-11:30am	Breakout Sessions	Z-DD	2	Self Funding Employee Long Term Care Benefit	What's On the Mind of Consumers When It Comes to Generics?	Is there a Difference: Public Sector versus Private Sector Cost	Retirement Session	A New Challenge for State & Local Government Health Care Coverage for US Hispanic Workforce
				Donna Blaflecky & Debra Welch, Virginia Retirement System	Emily Cox, Ph.D.	Tom Weatherup	TBA	Jaime Gonzalez & Russell Bennett, UnitedHealthcare
				Jon Shreve, Milliman	Express Scripts	Thomson Reuters		
				Breakouts				
11:45am-12:45pm	Breakout Sessions	EE-GG	2	Repeated session TBA	Repeated session TBA	HR and Benefit Plan Audit—Cost Saving Strategies That Produce Significant and Rapid Results	Funding Pensions: Looking at the Market Value of Liabilities	NH Local Government Centers Slice of Life Initiative—A Multi-Year Case Study
						Bruce Borgos, Secova	Paul Angelo	Scott Weden, NH Local Government Center
						MaryAnne Watson, SEGAL	Segal	Dr. Adam Long, Gordian Health Solutions
				Breakouts				
1:00pm	Adjourn—See you next year in Indianapolis, IN			April 19-21, 2010 at the Hyatt Regency				
	TOTAL CGBA CREDITS AVAILABLE		23					

The next edition State of Things section will focus on the

ROCKY MOUNTAIN REGION

COLORADO

IDAHO

MONTANA

NORTH DAKOTA

SOUTH DAKOTA

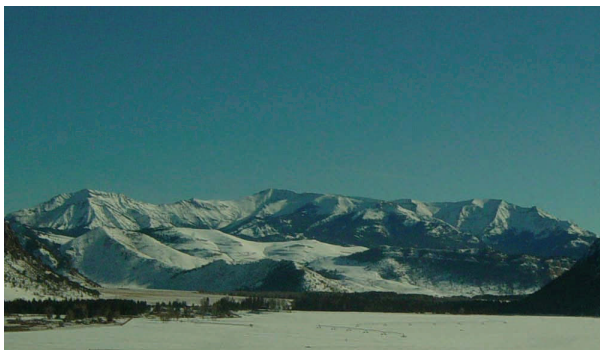
UTAH

WYOMING

April 26-29, 2009

SALGBA 27TH ANNUAL CONFERENCE

Denver, CO



Omni Interlocken Resort

SALGBA Room Rate

\$124.00 - Jurisdictional (Public Entity Employee)

\$169.00 - Associate (Corporate)



Registration for the conference will open in November 2008. We hope you will join fellow SALGBA Members and colleagues for another great SALGBA educational experience!

FUTURE CONFERENCE DATES / LOCATIONS

2010 SALGBA Conference
Indianapolis, IN

**2009 Call for
Presentations
&
2009 Sponsor/Exhibitor
Prospectus**

**have been
released. Forms can be
located at www.salgba.com
or
contact the National
Office at
salgba@salgba.com**

MARK YOUR CALENDARS

FOR THE
2010 SALGBA ANNUAL CONFERENCE
AT THE
HYATT REGENCY
IN
INDIANAPOLIS, INDIANA
APRIL 18-21

State and Local Government Benefits Association

...the premier organization for public sector benefits professionals

Membership Application

Entity _____

Address _____

City, State, Zip _____

Telephone _____ Fax _____

Name _____ Email _____

Position/Title _____

Website _____

Referral Source: Website SALGBA member Other _____

How did you hear about SALGBA? _____

What do you most hope to gain from your membership? _____

Membership Descriptions

Jurisdictional Member

A public sector entity actively engaged in administering an employee benefits program. Jurisdictional members may vote at the annual business meetings and are eligible to serve on the Board of Directors. The Secondary Member is a reduced fee for additional members from the same entity however there must be a Primary Member from the entity on file or applying.

Membership Type: **Primary Entity Member \$195** **Secondary Entity Member \$50**
 Local Government School/University State Entity Other: _____

Associate Member

A consultant organization, insurance company or other professional group that is a seller of employee benefits services, not a purchaser. Associate Members do not vote or serve on the Board, except in the nonvoting capacity of Associate Member Advisor. They are encouraged to serve on committees. The Secondary Member is a reduced fee for additional members from the same entity however there must be a Primary Member from the entity on file or applying.

Membership Type: **Primary Associate Member \$300** **Secondary Associate Member \$150**
 Company Type: Dental/Vision Health Insurance Pharmaceutical Company Software Management Consultant
 Other (Please explain) _____

Payment Information

The annual membership fee is due with this application. Payment may be made by check and payable to SALGBA, or by credit card. In order to pay by credit card please contact the SALGBA National Office at 859.622.2535 or visit www.salgba.com.

Please submit completed application with payment to:

SALGBA
 PO Box 220
 Big Hill, KY 40405
 Phone: 859-985-0720; Fax: 859-985-0723
salgba@salgba.com

NON-PROFIT EDUCATIONAL ORGANIZATION

Signature _____ Date _____

SALGBA
PO Box 220
Big Hill, KY 40405

Phone: 859-985-0720
Fax: 859-985-0723
E-mail: tina.scott@salgba.com

www.salgba.com

***PLEASE BE SURE TO NOTE
THE NEW SALGBA ADDRESS
FOR FUTURE
CORRESPONDENCE***

Don't forget nominations for the 2008 Jurisdictional Member of the Year, Associate Member of the Year, Jurisdictional Entity of the Year and Lifetime Achievement Award are now being accepted. Nomination forms are located at www.salgba.com under the Award link.

SALGBA is working to increase your member benefits...

- ***SALGBA is also undergoing some website renovations which will appear in the fall. We are trying to make our site more user-friendly and advantageous to our members! Some of the changes will include a more user friendly discussion board for email inquiries; a blog; an RFP depository where members can download sample RFP's or RFP links; and a downloadable membership directory so that information is always current. These are just a few of the changes that are being designed for members.***
- ***Membership renewal is right around the corner!***
- ***If you have suggestions for SALGBA please email to salgba@salgba.com.***