

CITIZENS HEALTH CARE OVERSIGHT COMMITTEE

April 17, 2009

Citizens Health Care Oversight Committee meeting was held in the County Commissioner's Chambers, Neil Combee Administration Building, Bartow.

The members present were as follows: Misilene Fulse, John McArthur, Gabriella O'Toole, Dr. Seoane, Jim Moody, Connie Kinnick and Stacy Campbell Domineck.

COC Members Absent: Nancy Thompson, Brian Hinton, Tonja Mosley and Dr. Nobo.

Other County Staff in attendance were as follows: Sam Johnson, Mike Kushner, Dr. Haight, Debi Curry, Fran Peek, Joy Johnson and Michael Duclos, ACA.

County Staff not in attendance: Lea Ann Thomas

The meeting was called to order by Connie Kinnick at 8:26:35 AM.

John McArthur led the Prayer and the Pledge of Allegiance.

Introductions of the members.

Approval of the March – there was one correction made Connie Kinnick's name was left off as being in attendance. (Correction made and sent out the afternoon of April 17th).

Motion for approval: Stacy Campbell-Domineck

Second: Jim Moody

March 20, 2009 minutes approved.

Polk HealthCare Plan Presentation – Jan Howell: she made her presentation to the members.

(Discussion on McKesson and Milliman Software)

Dr. Seoane: Asked about our goal to become like every other insurance company as far as reimbursement. The nice thing for the physicians if you submit a claim it gets paid.

J. Moody: Stated what he knows about the software if for this program to unbundle charges then to deny claims. He explained the process of the software.

M. Kushner: gave a further explanation of the software, he stated that the intent is not to send the patient away for 2-3 days that is not what the software will be doing.

J. McArthur: We keep talking about insurance plan; this is not an insurance plan. Insurance plans must have a reserve fund.

J. Howell: Stated that she didn't think that having a reserve fund isn't a bad idea and this plan maybe should have something that is a kin to the 16% that is required by the insurance industry.

J. McArthur: We should be more like Medicare then like United HealthCare.

J. Howell: This Plan will never look like United HealthCare. The way that we administer benefits what you are seeing it is very much in alignment with what other health plans do, but that doesn't mean that it is a bad thing, that just means that we are finally getting organized for the first time and what we are doing makes sense in the way that we administer our services and pay our claims. Our goal behind it is to insure the wisest use of tax payer's dollars and to insure that we have enough money to provide primary care for the maximum number of people possible. We are getting in line with the industry standards and I hope that everyone recognizes that there is a quality issue that we are now getting in line with.

J. Howell: Continued on her presentation.

Dr. Seoane: Stated that McKesson is an industry leader, they have been around a long time and will continue to be around a long time, they are just a little pricey at times. They are not always the cheapest but they do back up their work.

M. Fulse: She asked for an explanation on the staffing costs to run this system. Because a lot of these systems you need to hire someone with a lot of experience to run it? What is the out lay in terms of personal.

J. Howell: She gave an explanation regarding Milliman and McKesson.

J. Moody: Technically most of these outfits will give you one day free anything beyond that they will charge you, one day at a time.

M. Fulse: The McKesson products that I looked at had a daily charge from day one.

J. Howell: McKesson Claim Check – there is an implementation fee of \$65,000.00 and she had asked about what does that mean, when you hear implementation that sounds like a fee and there is more on top of that, actually with that charge that is their staffing cost that they give the implementation to us. On our side the question now becomes do we want to make significant changes to the McKesson Claim Check software and the answer to that is no. We want it to model where we are and we want very little changes.

Dr. Seoane: What about all of the software support does it include that?

J. Howell: I will have to go back and ask that question.

J. Moody: Doctor; typically it is 18 to 22% of the cost of the software beginning the second year. They call it maintenance for the second year.

Dr. Seoane: Stated that everything is negotiable with all of these software companies. He has found out over the past year just how much they are willing to negotiate the cost.

J. Howell: Stated that the maintenance fee for the first year is free this is all included. The hope is in the first year you will be able to get it up and running within that timeframe. Your staff internally should be educated at that point.

Dr. Seoane: Have we looked at any other companies?

J. Howell: She stated that the McKesson pretty much is the company in terms they cover 90% of the covered lives in America personal and public sector.

Stacy Campbell-Domineck: Asked for an explanation of the cost as seen in the presentation.

J. Howell: Gave the explanation. She continued on her presentation.

M. Kushner: stated that Milliman was recommended especially by some of the local physicians. This was something that was discussed at the UR committee that we purchase the Milliman. This is for a medical protocol standpoint the nurses need some approval process that is standard in the industry. Milliman is used all over the Country and we have looked at others in the Medical Management Software. That is really the gate keeper for this Plan the nurses have to know what the protocols are before they can approve anything. This piece was very highly recommended.

Dr. Seoane: So you looked at the other companies they don't meet the same standards.

J. Howell: She continued on her presentation.

S. Campbell-Domineck: the cost of these programs should come out of the savings for the original software purchase?

J. Howell: Yes, she continued on explaining the role of the new medical director. She told them that the Medical Director will be attending the UR and P&T committee meetings in the future.

J. Moody: Asked about is there any discretion that we can give the staff to allow a variation regarding the 100% for the members.

J. Howell: She stated that the person that she had met with was heart breaking she was at 102% of FPL, her husband had a VA pension and if it was 30 dollars less she would have qualified. Now my initial reaction of course is to put that leeway in the system, but at this point we are not adding members anyway, we really couldn't provide for those other people who are not at that 100% FPL. So we will be working with that group of people before we do anything else. I think that is the appropriate way to do it.

J. Moody: Did you start running parallel back in March?

J. Howell: That is correct.

J. Moody: you will be running another 30 days and you will be live in the new system. How is the new system flushing out?

J. Howell: there have been a few bugs that we have gone back to the vendor and had to work through those. She continued on her presentation.

M. Kushner: Gave an update on the HealthCare Financial Analyst position which would have been split between the Employee Health Plan and the Indigent Health Plan. He stated that there was an interview committee after the first round of interview this committee realized that the level of expertise that was

required for the Employee Health Plan and the level of expertise that was required for the Polk HealthCare Plan was different. The scope of work for both of these jobs was very different. We ran into a problem where neither one of the candidates could fit the criteria for both the panel members include, Jan, me, Budget Director, Finance and Accounting Auditor – Stacy Butterfield on the committee. He stated that when Steve Yaskal retired it became clear that they needed someone who can have a better understanding of analytical claims, more analysis of claims and can do the budgeting and keep track of the finances and do a little more than that. This will be one FTE which is the exact position that was vacated by Mr. Yaskal. The second item we will need a consensus vote on the software today that needs to be before the COC and how we proceed forward.

M. Fulse: she asked in regard to the projected number of claimed lives that we are going to be talking about for the next 5 years, I don't know about the increase in administrative costs without talking about the projected number of increase in patient lives that you are going to use this software to take care of because it is not balanced for me to have this amount of money being expended to take care of 1,100 lives. I need some idea, do we have a person that can do that type of projection but I need some type of idea what the projection is. I know you don't know what the tax dollars are but if you can project to manage them you need to be able to project the number of people that will be managed. I need some idea what we are talking about managing because 1,100 people doesn't sound like they will need this much software to manage. That is the first question. It seems like we are increasing the administrative costs or the computer cost faster than we are increasing the patient life costs (patients in the plan). We can not forget that we did suspend so many people under the poverty level and these people are now starting to have strokes and they are starting to have problems because they are still out there without coverage. That is the part of the program that I am interested in hearing before I vote on increasing the administrative costs and then maybe find out 2 more meetings from now that we are only planning on having a whopping 2,000 members in 5 years and we are paying so many of thousands of dollars.

C. Kinnick: \$425,000.00

M. Fulse: Where are the patients in this, I want to have that information first before we make so many administrative decisions. What is the plan for patients? Just this week alone I have 5 whose lives have completely fell apart. They are completely disabled and now social security is being applied for because 3 had strokes and 2 have recurring Lupus which has gone into renal failure and they were all on our Plan. Where are the patients in all of this money?

J. Howell: That is definitely where all of us are trying to gear a decision making. With regard to the administrative costs you can't manage what you can't measure and with regard to the way that the Plan has been structured and organized for the last several years it has lacked the measuring criteria and standardization that allow someone to get their hands around how to manage; in order to be able to increase the member benefits and the number of members. Now the cost saving that we are looking at in the future is 3,000 members for next year. The hope is that we will be able to increase it beyond that but that this will not be a Plan that serves 20,000 lives. The 20,000 lives was never the number that was ever served on one particular day by the health plan. It was more like 12,000 lives. The unduplicated version is about 17,500 or a little more. In the terms of the way that we serve people in the community I think that you have to put the building blocks in place, you have to measure what is there and then you have to work to be as creative as you can to increase that number as much as you can. You will do it in such a way that the rate is not too rapid for you to keep your hands around what is going on administratively. The goal for next year is 3,000 members.

M. Kushner: It all depends on the economy. Our tax revenue is down, we did a 10 year projection and 10 years is too far out. Based on that we can't foresee increasing an average daily membership of 3,000 to 3,500 lives for the next few years and in order to balance our budget if the revenues are down. With the increase of technology that we have not only would it save money on claims but with the automation it could save administrative (not saying it will) we may not need as many people processing claims. It could reduce staff costs depending on how automated this is and the intent of any technology is to reduce man power over the long term. We have to put the system in place first and see how it works. It could in the long term reduce costs not increase them.

Dr. Seoane: What about in 2 years if we find out that it is not working for us is there a way to get out of the deal?

J. Howell: We would have to look at the potential for yearly contracts and by doing that you increase the costs. We can revisit but I am suggested to you with regard to both of these pieces of software is this the bear minimum of what health plans normally do. In terms of whether we need these things or not I think that with many health care professional it is a forgone conclusion that you are going to need some standardized criteria for medical management in a health plan setting. In regard to claim check and the way health claims are paid that you want to insure that there is some double check that is an automated one and when there is such a handy product that is automated that you don't have to have your staff members go manually through and looking at the billing codes. At that point it only makes sense administratively and cost wise to buy it and at that point utilize your staff member's time and efforts in other ways. That is my goal in order to increase the care in the community. That is where I am focused.

S. Campbell-Domineck: Perhaps asking for an annual contract which would increase the amount on a 5 year span but in a perhaps a 5 year contract if there is some escape clause. She gave an example of how it works when she signs a contract because they are not a private company.

Joel Nicholson: he explained about the McKesson and how their contract works. In year 2, 3 if we don't want to pay the support and the maintenance, we should be able to continue to use the software, but Milliman is a little different. The annual costs that are there are your license as well as your support. So if we decide in year 2 or 3 that we don't want to use Milliman anymore then we would have to discontinue their use, verses claim check we could stay with, because we had actually purchased the software.

J. McArthur: If you decided not to use McKesson would you still be able to use Milliman?

J. Nicholson: Yes as long as we pay the annual license fee as well.

C. Kinnick: When you talked about the FTE what is the cost of that FTE what is the salary range.

M. Kushner: The salary mid-point is about \$65,000.00

C. Kinnick: that includes all of the benefits?

M. Kushner: Does not.

C. Kinnick: so it would be \$65,000 plus benefits and is it possible and I know that you have asked for a vote today are we voting on the FTE and the software, one or the other or a combination?

M. Kushner: I don't think there needs to be a vote on the FTE because what we are doing is replacing an existing position that has been there and we need a finance person to assist us with our fiscal responsibilities. The software piece yes.

J. Moody: We still have a \$132,000 in the budget to help us defray some of the initial costs of the software.

J. McArthur: It is my understanding that the contract with Dr. Yanuck is for just a limited time and we are suppose to be doing I believe an RFP for someone of professional status for full time medical director.

J. Howell: that is what Lea Ann Thomas had mentioned a few weeks ago.

J. McArthur: Has anything been done yet, that is the Plan that someone will replace Dr. Yanuck in 4 or 5 months from now.

J. Howell: The plan would be that we would put an RFP out as Ms. Thomas had stated if that is the direction that the Administration would like to take.

Dr. Seoane: **made a motion to accept Ms. Howell's proposal to have the Health Plan purchase the McKesson Claim Check and Milliman.**

J. Moody: **Second.**

C. Kinnick: Since this is a lot of money I would like to do a roll call vote.

Dr. Seoane I vote in favor, S. Campbell Domineck: AYE, M. Fulse: AYE, J. Moody: AYE, J. McArthur: AYE, C. Kinnick: AYE, G. O'Toole: AYE

Motion passes to purchase McKesson Claim Check and Milliman.

C. Kinnick: Last month Dr. Nobo had requested that the UR Committee and the P&T Committee Update be part of the agenda is there a report that needs to be given or do we need not worry about that for this meeting?

Dr. Seoane: Skip it for this meeting.

M. Kushner: Financial Update Presentation.

C. Kinnick: Asked when we will be talking about next year's budget. Because we usually make a recommendation and then it is presented to the BoCC.

M. Kushner: We are actually going through the budget process with the Board and until someone signs off on that budget I can't commit to and I need to have preliminary approval from the Board, we can give you something tentative if you like.

C. Kinnick: I am just going by what has normally happening the last 5 years that I have been on this board. What normally happens in the spring the Polk Healthcare Plan presents a preliminary budget to us and we sit and dissect it and ultimately vote on it and then our recommendation goes to the County Commissioners. Normally that is done in the April May time period.

M. Kushner: Then we should do it in May because there is suppose to be a joint session with the Board in June. I think that there is one scheduled.

C. Kinnick: I haven't heard that.

M. Kushner: I am not sure when I spoke to Mike Herr I think it was scheduled for the end of May maybe May 29th but there are a lot of items on the Agenda for the Board that day and he would prefer that the Board have a separate meeting with the COC as part of a Board meeting. He is thinking of doing it in June.

C. Kinnick: So tentatively that will be scheduled in June as a joint session and that would cancel out our normal COC meeting there wouldn't be 2 in the month of June.

M. Kushner: No there won't be. So I think in May we should be prepared to show you something very tentative in terms of what we budgeted. When is the next meeting in May, May 15th?

J. Howell: Why don't you let us take that back as a Action Item so we can look at some of the things that were presented in the past and try to come up with something for the committee.

M. Fulse: Are you saying that right now you are already meeting with the Board about the budget?

M. Kushner: They are going through a process, the problem this year because the revenues and the economy is the way it is, the Board is looking at any where from 20 to 40 million dollars deficit, not that it affects this fund in particular. In the general fund we are looking at a major hurdle for the County everything is being considered even our Employee Health Plan and other items. It is really a year of trying to set priorities we can give you something that is very preliminary in terms of what staff has put together but realize that management has not approved the budget, we will present to you our recommendations and we can talk to about that. Is that what normally happens.

C. Kinnick: She gave Mike Kushner an overview of how the budgeted was presented to the COC in the past. She explained that historically the County has tried to take money from the Plan. We have to fight to keep every light penny, it kind of scares me when I hear that you guys are meeting together for the Budget and you will present to us, if we are not going to have any input then why bother presenting it.

J. Howell: You our dealing with new management and I would like to go back and check on what has been done in the past.

Dr. Haight: He gave a history of the Health Department budget and stated there is a very strong partnership between the Health Department and the BoCC.

M. Kushner: We will present you our recommendations in terms of what staff is putting together and get your input and your priorities for next year. This will be presented by Jan and I. The budget will be the only thing on the agenda for that month.

C. Kinnick: It usually is a very heated meeting.

Dr. Seoane: It is a long meeting.

M. Fulse: The budget discussion usually historically has taken more than one meeting I just wanted to warn you. This meeting tends to go on and on because there are people from the community that will get involved.

C. Kinnick: The Polk HealthCare Alliance they are particularly interested in the Budget because they are thinking of coming and having a public comment portion.

M. Kushner: Do you want to schedule this for all morning?

M. Fulse: At least

M. Kushner: From 8:30 – Noon, I just want to make sure we allocate the appropriate amount of time. Debi will try to make sure that as many members of the COC can attend this important meeting. If May 15th doesn't work out for everybody we can look to another date to have this meeting. We are flexible.

C. Kinnick: I just want to speak for myself but in most cases we have the 15th mark off as a segment of time already, to try to change dates and e-mail back and forth 15 times of who is available on what day, I would rather see the 15th stay as the meeting making it from 8:30 to Noon and if we end at 10 then we can go home.

J. Moody: Can we limit the agenda to just the budget.

J. Howell: Can we reserve judgment on that because if there are any operational issues that can not absolutely wait I would like to be able to bring that back. We will try to minimize anything that we do bring back.

J. Moody: Is there any possibility 2 to 3 days before this May 15th meeting that we can get a copy of the preliminary budget where we can be looking at it instead of walking in at 8:00 and start studying.

C. Kinnick: That is a great idea.

M. Kushner: Yes, you all have excel?

M. Fulse: The last time we had the budget meeting I know that things that were being cut from the budget like the Mental Health, etc. we had numerous public comments in that type of arena. We need to get the word out that if anyone is being reduced or cut they have to be notified and then based on those cuts that is how you know how long the meeting will be going, because they come equipped.

M. Kushner: Thanks for the education and I am sure this meeting will be very enjoyable, thank you and have a great weekend.

C. Kinnick: she gave an update. They are working on a web-site and a collection of all health fairs and events that occur in Polk County. There is some duplication going on why have 5 diabetic health fairs, when if we have one big one or one in a couple sections of the County then more people can get to it and there wouldn't be some much duplication and work. (Lost sound) She discussed the upcoming event, it is \$15.00 and it is on the 28th she will bring some more flyers to the next COC meeting. Leave the 28th date open it is 8:30 AM to 3:00 it is an all day event. That is May 28, 2009. She discussed the Stanford Model. The next Alliance meeting is May 14th 8:30 – 10:00 no June meeting.

C. Kinnick: Asked for a Motion to adjourn this meeting.

Motion not heard who said it.

Second: Dr. Seoane.

Meeting Adjourned at 9:50:56 AM

Transcribed by: Debi Curry; Office Manager, IV
Risk Management Division