

New Rx Design for 2006

The Benefit Board will implement a new plan design for prescription drug coverage beginning in 2006. The Board's goal for this plan design is to encourage use of generic drugs whenever possible. In addition, the Board wants to encourage members to opt for lower-priced preferred-brand drugs that have been proven to be as effective as higher-priced non-preferred-brand drugs. The plan design will also require greater member participation in prescription drug choices.

In the preferred-provider organization (PPO) plans, the design:

- Decreases retail co-payment for generic drugs from \$10 to just \$5
- Maintains the current \$15 retail co-payment for preferred-brand drugs

Public Meetings

The Benefit Board and its subcommittees usually meet monthly. Times and locations are subject to change. For schedules, please check the Meetings section of the PEBB Web site: oregon.gov/DAS/PEBB/meetings.shtml.

(Please follow agency policy on use of the Internet at work.)

- Sets the retail payment for non-preferred brand drugs at the higher of \$50 or 50 percent of the cost but provides a patient-centered exception process.

This exception process will ensure that members whose medical needs can be met only by a non-preferred-brand drug will be able to purchase it at the preferred-brand co-payment of \$15.

Many drugs on the non-preferred brand list have generic or preferred-brand equivalents. The generic versions include exactly the same active ingredients at much lower cost. For some classes of drugs without generics, the best scientific evidence shows that preferred-brand equivalents are equally as effective as the non-preferred brands, again at lower cost.

If members choose to use a non-preferred brand drug when it is not medically necessary, all PEBB members pay more through increased claims costs. The new plan design will move more of the cost of that choice back to the individual member. But it will not disadvantage those who must use non-preferred brands when they are medically necessary.

This prescription drug plan design is also an incentive for providers to use electronic medical records (EMRs). With EMRs, providers can e-prescribe; check for previous drug reactions, side effects and non-responsiveness to generics or preferred brands; and seamlessly communicate with the medical carrier and pharmacy the need to prescribe a non-preferred brand at the preferred-brand cost.

The PEBB Web site (Oregon.gov/DAS/PEBB) will provide details about the prescription drug plan design for 2006 during August. More information will also be included in the September newsletter.

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Mail-order Rx Design for 2006

For 2006, the Benefit Board has elected to set higher co-payments for 90-day supplies of prescription drugs through mail order for the PPO plans. The Board set current co-payments based on anticipated discounts from the mail-order pharmacies. Analysis shows that current co-payments from members, combined with claims payments from carriers, do not cover the discounted costs.

The Board also saw that ordering 90-day supplies of new prescriptions can often result in waste. This happens when members first try a new medication and then quit taking it when it doesn't work for them or causes side effects they can't handle. Some members simply quit taking the medicine; others ask their providers to write a prescription for another drug. In these cases, the original 90-day prescription and dollars paid are wasted.

Mail-order will continue to be a convenient and cost-effective option for PEBB members – especially for those with chronic conditions that require long-term treatment. But the new plan design will no longer support waste and produce deficits.

Details on the new mail-order plan will be published on the PEBB Web site in August and in the September newsletter.

Welcome to Healthy Worksites

Eight state agencies have been chosen to participate in a pilot program designed to improve overall health and reduce the risks of chronic diseases. The Healthy Worksites initiative is being coordinated by the Department of Human Services' Physical Activity and Nutrition Program and PEBB. Its goal is to enhance worksite health promotions by offering on-site services and classes, model policies and communications tools.

The agencies applied to be part of the program, which is supported largely through grant funds. During the next three months, agency employees will have the opportunity to participate in on-site health screenings, the successful Walking Well program and other programs that encourage healthy choices.

Participating Agencies and Locations

Department of Administrative Services, Salem

Department of Human Services

- Human Services Building, Salem
- Oregon State Hospital, Salem
- Parkway Building, Salem
- State Office Building, Portland

Forestry Department, Salem and field offices

Oregon Housing and Community Services, Salem

Oregon Liquor Control Commission, Milwaukee

Oregon State Treasury, Salem

Oregon Student Assistance Commission, Eugene

University of Oregon, Eugene

New Benefit to Cover Bariatric Surgery for Some Members

The Benefit Board has voted to include a benefit for coverage of bariatric surgery for morbid obesity in PPO plans for the 2006 plan year.

In its RFP for medical services beginning in 2006, the Board asked proposers to respond to PEBB criteria for considering coverage of these surgeries. The Board's review of medical evidence on outcomes of such surgeries showed strong evidence for the following criteria:

- Patient body mass index of 35 or greater and a diagnosis of diabetes

- Patient participation in specific pre- and post-surgery intervention programs
- Provider requirements related to experience, outcomes, and pre- and post-surgery program support.

Each of the apparently successful vendors for 2006 medical plans has criteria that vary from the Board's. The Board is working with the vendors to align criteria as closely as possible.

More information on this coverage will be available during Open Enrollment.



Frequently Asked Questions on 2006 Medical Plans

Q *Why is the Board making changes?*

A In the face of the ongoing, national healthcare crisis, in 2002 the Benefit Board created a strategic Vision for PEBB in 2007 with the goal of improving member health, stabilizing costs and increasing the value of healthcare provided to members. This Vision has guided the Board's planning and procurement efforts going forward.

In its request for proposals for medical services beginning in 2006, the Board asked the healthcare market to articulate how its plans and providers would follow the Vision's guiding principles to meet quality criteria, not just costs. The quality criteria include:

- Whether plan providers can offer PEBB members a "medical home," evidence-based care and support to manage their own health.
- If the plan has infrastructure for information technology to integrate and avoid duplication of services, increase safety and track outcomes.
- If the plan makes information on costs, quality, outcomes and other data freely available.

In essence, the Board told the market, "No more business as usual.

Show us how you will improve outcomes of care, not just what you'll charge for services and administration."

Q *So what happened? What did the Board do?*

A The Proposal Selection Committee, made up of all eight voting Board members, carefully judged finalist proposals in light of PEBB's Vision. Committee members scored the proposals based on quality first (75 points), then on administration and cost (25 points each). The Board provided tentative awards to plans it judged as meeting or having the potential to meet the strategic Vision's quality criteria in the plans' service areas. All the vendors advance the PEBB Vision with new programs, systems and options. By region, the Board selected the following plans:

Multnomah, Clackamas, Washington, Yamhill

- Kaiser Permanente HMO
- Kaiser Added Choice PPO
- Providence Health Plan PPO
- Regence BlueCross BlueShield of Oregon PPO

Marion, Polk, Columbia, Hood River; Clark, WA

- Kaiser Permanente HMO
- Kaiser Added Choice PPO
- Regence BlueCross BlueShield of Oregon PPO

Linn, Benton, Lincoln

- Kaise HMO & Added Choice Linn, Benton
- Regence BlueCross BlueShield of Oregon PPO
- Samaritan Health Services PPO

Balance of state and out of state counties: Regence BlueCross BlueShield of Oregon PPO

Q *Will the plan designs change for 2006?*

A PEBB plan designs for medical services are generally the same for 2006 as they are this year. The plans are offered by one health maintenance organization (HMO) and four preferred-provider organizations (PPOs). Members in every county in the state have access to the PPO plan; the majority of members have access to the HMO plan; and members in some counties have even more choices than in previous years.

- The Kaiser Permanente HMO plan, available in its service area, provides care through Kaiser providers and facilities in an integrated healthcare system. Members in this plan typically pay less for services than in the PPO plans.
- The Kaiser Added Choice PPO plan offers three provider tiers in its service area: Tier 1, the HMO providers; Tier 2, a

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PEBB Health Center Update

775 Court St. NE • Salem, OR 97301

(800) 701-1333 • www.pebbhealth.org • (503) 362-1111 • pebbhealth@oregonwellness.com

Outside the Salem area? Call the Health Center to arrange a class or health screening at your worksite.

Programs at the PEBB Health Center

Registration required. Handouts may be available if you are unable to attend. Check the Health Center Web site at www.pebbhealth.org for updates. (Please follow agency rules on use of the Internet at work.) Feel free to bring a meal to any of these classes.

Bring it all Together

Presenter: Linda Spaulding, Certified Nutrition Consultant and Educator

Date: Thurs., Aug. 4, 5:15-6:15 pm

Food choice guidelines designed to help you sustain moderate fat loss. What to eat, how much, and how often. Learn the balance.

Coping with Change

Presenter: Cindy Aerni, EAP

Date: Tues., Aug. 16, noon-1 pm

In a work culture of constant change, can be a challenge. Learn what worked in the past and develop plans for the future.

Posture Class

Presenter: Brent E. Smith, D.C.

Date: Thurs., Aug. 18, noon-1 pm

This class will teach you ergonomically correct work postures and help you to go through your work day with more energy.

Healthy Kids

Presenter: Liz Marik, FNP

Date: Tues., Aug. 23, noon-1 pm

Learn how to help your kids eat healthier, move more and be happier A Family Nurse Practitioner helps you create a healthy environment for your family. Children five years and older welcome.

Resolving Conflict with Effective Communication

Presenter: EAP

Date: Thurs., Sept. 8, noon-1 pm

Resolve conflict and identify mutually acceptable goals through active listening and effective communication.

Preparing for a Healthy Pregnancy

Presenter: Liz Marik, FNP

Date: Tues., Sept. 20, noon-1 pm

Learn how to get ready for a healthy pregnancy with proper nutrition and lifestyle changes. Dads-to-be welcome.

Sneezing and Wheezing (*Allergies and Asthma*)

Presenter: Carolyn Buel, ANP

Date: Thurs., Sept. 29, noon-1 pm

Find out differences between asthma and allergies and how both can affect each other. Learn about lifestyle changes and medication for both conditions. Receive a peak flow meter.

Every Body, Every Size, Healthy Life

Presenter: Stacy Revay, Health Educator

Date: Thurs., Sept. 15-Oct. 6, 5:15-6:15 pm

Improve your self-esteem: set realistic goals, focus on accepting your body and making incremental changes. Understand your mind-body connection.

Get SASsy with the Summer Adventure Series!

Improve your Blood Pressure, Glucose Levels and Heart Health by Road or Mountain Biking

Presenter: Chris Morscheck, Biking Instructor

Date: Tues. Aug. 9, 5:15-6:15 pm

Interested in road or mountain biking? Roll on in! Learn how to pick the best bike for your journey along with biking etiquette.

Cultivating Health, Managing Diabetes

Presenter: Liz Marik, FNP; Carolyn Buel, ANP; Carole Kment, Health Educator; Stacy Revay, Health Educator

Date: Tues., Sept. 13-Oct. 4, 5:15-6:45 pm

Fee: \$15 for materials

Actively managing your diabetes can help you feel better and have more energy every day. Learn how to help prevent, delay or reduce the seriousness of potential complications.



The Health Center's lending library has materials related to these topics and more. Call or e-mail for your library card to take advantage of the resources available to all PEBB members statewide.

Electronic Medical Records in Practice

The VA and Kaiser Permanente Lead the Way

Did you know?

Did you know that more than twice as many medical groups are using electronic medical records than were using them two years ago? While the total number of medical groups, hospitals and health systems with electronic medical records (EMRs) is still relatively small, almost every day another adoptee announces implementation of this technology. While many organizations have been experimenting with EMRs, two systems stand out for their commitment to this technology – the Department of Veterans Affairs and Kaiser Permanente.

The Department of Veterans Affairs

The Department of Veterans Affairs (VA) has one of the largest EMR systems in the world. The VA began implementing the system 10 years ago. The EMR contains laboratory and test results, medical images, decision support, bar code medication administration, progress notes and appointments. The system allows VA health providers to access a patient's record from anywhere within the VA health system.

The VA's technology helps providers provide better care to patients and helps avoid medical errors. For example, the system reminds doctors to prescribe appropriate care for patients when they leave the hospital and can track when patients are due for a flu shot or a mammogram. Another benefit of EMRs is the centralization of

information – when the pharmaceutical company Merck recalled its popular arthritis medication, Vioxx, the VA quickly identified which patients were on the drug and switched them to different medications.

The VA has received accolades – and real results – because of its use of EMRs and related technology. A number of studies have shown that VA hospitals offer high quality care due, in large part, to their implementation of an EMR system. Patients are happier as well – a recent survey showed that 81 percent of VA hospital patients express satisfaction with the care they receive, compared to 77 percent of Medicare and Medicaid patients.

And the VA is constantly striving to improve privacy and security in its technology. Its servers are regularly updated with the latest security modifications, are protected by firewalls and are monitored for abnormal activities. The VA also has staff who attempt to gain access to the system on a regular basis, and the agency makes improvements to the system based on their recommendations.

Kaiser Permanente

Kaiser Permanente has undertaken a 10-year, \$3 billion effort to establish a comprehensive healthcare information system, called KP HealthConnect, which will serve all of Kaiser's eight million members. The system encompasses a range of functions, including an EMR,

“At Kaiser Permanente, technology has changed our practice significantly – for the better. We're more effective and efficient providers because we use EMRs. We know more about our patients and can give them better, higher-quality care.”

— Dr. Chin

scheduling, emergency department management, pharmacy and laboratory support, and reporting. In the future, patients will have online access to their records and be able to add to them.

Kaiser has long been committed to implementing an EMR system and has identified many benefits. One internal survey indicated that using EMRs reduced unnecessary lab and emergency department use and increased the effectiveness of telephone contacts. Kaiser researchers also found that patients are more satisfied with their care and communicate better with their doctors when computers are available in examination rooms. Once computers were introduced, patient satisfaction and communication about medical issues improved. Patients also felt that their doctors were more familiar with their personal medical and personal histories. They are pleased that they don't have to repeatedly provide the same information, and are confident the information is kept private.

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Questions & Answers

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preferred-provider network; and Tier 3, out-of-network providers. The preferred network includes most providers in the Kaiser service area. Members pay least when they access Tier 1 providers, and they pay less for preferred providers than for out-of-network providers.

- The Providence PPO plan provides care through Providence-employed preferred providers. Members may also access non-preferred providers in the plan's service area. Members pay less when they use the Providence preferred providers.
- The Regence PPO plan, offered in all counties, includes a preferred-provider and non-preferred-provider network. Members pay less when they use preferred providers.
- The Samaritan PPO plan,

offered in three counties, includes a proposed preferred provider and non-preferred-provider network. The preferred-provider network includes most providers in the plan's service area. Members pay less when they use preferred providers.

Q *Will there be additional options for part-time employees?*

A Eligible part-time employees will be able to select from the plans available to full-time employees in addition to a lower-cost, lower-benefit plan offered by the HMO or PPO they choose.

Q *What are the premium rates for the plans?*

A The Board is in the process of finalizing rates. They will be published in the September newsletter and on the PEBB Web site.

Electronic Medical Records in Practice

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Given widespread and valid concerns about privacy and security, Kaiser has taken a number of steps to protect members' health information. Only authorized personnel who have been screened and cleared may use the system. Kaiser's system tracks who has viewed a member's medical information and when and can determine whether a member's records have been inappropriately accessed. Such secure systems ensure that only authorized people have access to the records, and audit trails

keep track of who sees or changes the records.

Kaiser also stores member information on Kaiser servers only. Kaiser tests its network and servers against electronic intrusion on an ongoing basis to identify and fix potential problems.

The VA and Kaiser stories offer promising results for the widespread use of EMRs and related technology. As more systems and providers adopt EMRs, patients will be the true beneficiaries.

PEBB Resources

Access PEBB, insurance companies and other benefit resources using the contact information below. The insurance company Web sites include provider directories. You can also link to insurance company Web sites from the PEBB Web site.

PEBB

Phone: (503) 373-1102, (800) 788-0520

Fax: (503) 373-1654

Web: oregon.gov/DAS/PEBB

E-mail: inquiries.pebb@state.or.us

PEBB Health Center

Phone: (503) 362-1111, (800) 701-1333

Web: www.pebbhealth.org

BenefitHelp Solutions

(Healthcare and Dependent Care FSAs)

Phone: (800) 556-2230

Web site: www.benefithelpsolutions.com

Kaiser Permanente

(HMO & Dental Plans)

Phone: (503) 813-2000, (800) 813-2000

Web site: my.kp.org/nw/pebb

The ODS Companies

(Dental Plans)

Phone: (800) 452-1058

Web site: www.odscompanies.com/pebb

Regence BlueCross BlueShield of Oregon

(PPO Plans)

Phone: (800) 826-9813 (outside Portland);

(503) 220-3849 (Portland)

Web site: www.or.regence.com/pebb

The Standard Insurance Company

(Life and Disability Plans)

Phone: (800) 842-1707;

Disability (800) 242-1888

Web site: www.standard.com

UnumProvident

(Long Term Care Plan)

Phone: (800) 227-4165

Web site: www.unumprovident.com/enroll/pebb

VSP

(Vision Service Plan)

Phone: (800) 877-7195

Web site: www.vsp.com

Willamette Dental Insurance

(Dental Plan)

Phone: (800) 460-7644

Web site: www.willamettedental.com

PEBB Mission

To provide a high quality plan of health and other benefits that are affordable to both the employee and the state.