COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Connie Boehnke
Meeting Date:	Thursday, September 9, 2010	Type of Request:	New Business

Wording for the Agenda:

Consideration of staff's request to authorize the Chairman to sign the Summary of Material Modification and Amendment #1 agreement between Fayette County and Meritain amending the County's Employee's Health Insurance Plan by including a "Carry Over Provision" and by increasing the number of days the plan will pay for a stay at specified types of care facilities.

Background/History/Details:

On March 11, 2010, Fayette County changed its employee health benefit from a "fully insured plan" to a "self insured" plan. The County engaged the services of Meritain Health as its Third Party Administrator, and used Assurant to provide employee life insurance as well as short and long term disability benefits. This change was based, in part, after Blue Cross / Blue Shield notified Fayette County it could expect a 23% increase in premiums in the upcoming year.

Since the change has been enacted, staff has discovered that the agreement with Meritain should be amended to include a "Carry Over Provision" since the provision was part of the last Blue Cross / Blue Shield contract. As the challenge was to match the 2009 in-force BCBS contract, this verbiage is needed to administer the plan on a go-forward basis.

A second amendment that is requested pertains to the Skilled Nursing, Extended Care Facility and Rehabilitation Facilities benefit. The previous provider's Plan Document provided a 30 day calendar year maximum benefit, however it has been proposed by staff to increase the benefit to a 60 day maximum benefit.

What action are you seeking from the Board of Commissioners?

Authorization for the Chairman to sign the Summary of Material Modification and Amendment #1 agreement between Fayette County and Meritain.

If this item requires funding, please describe:

Not Applicable.

Has this issue come before the Commissioners in the past?		If so, when?	
Do you need audio-visual for the presentation?		Back-up Material Submitted?	

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Not Applicable	Approved by County Clerk	Yes
Administrator's Approval	Yes		

Staff Notes:

PACIFIC GENERAL FINANCIAL

FAYETTE COUNTY BOARD OF COMMISSIONERS

POINTS TO CONSIDER

AUGUST 30, 2010

I. First item of Plan Amendment – **Carry Over Provision** needed to be added as this was discovered to be part of the BCBS contract after the installation process had been completed. This deductible carry over provision according to BCBS was a part of their HMO even though we (Pacific General Financial and Meritain Installation Team) could not find the contract wording within the Certificate of Coverage (COC) provided by BCBS for the HMO plan. Their team had provided an email clarification to us and we were able to locate within the Point of Service COC. As the challenge was to match the 2009 in force BCBS contract, this verbiage is needed to administer the plan going forward.

II. Second item of Plan Amendment – **Skilled Nursing, Extended Care Facility and Rehabilitation Facilities benefit**. Currently the BCBS contract and the Plan Document are a 30 day calendar year maximum. It is proposed to amend the plan to a 60 day calendar year maximum.

Currently approximately 60% of Meritain's government based clients have 60 day calendar year maximum (cym) ; about 28% have 90 day calendar year maximum and the remaining have a 30 day calendar year maximum.

A consideration with increasing the calendar year maximum by an additional 30 days, is that there are certain safe guards in place to protect the Plan from over utilization and these are outlined as follows:

Meritain Health addresses these matters through their **URAC-accredited Utilization Management (UM) program**. Their teams include highly specialized board certified physicians and registered nurses who possess multiple years of specialized clinical experience. Their goal is to attain the best patient outcomes while ensuring that opportunities for cost savings are maximized. The result: patients in the UM program receive effective care in appropriate settings for the right length of time.

Admission Criteria is the first step within the UM process… pre-determining the medical necessity and anticipated outcomes of proposed treatment plans. They refer to this process as Admission Evaluation and Review. Cases are benchmarked against Milliman's Days/1,000, Admits/1,000 and Average Length of Stay criteria. These criteria are broadly accepted and utilized throughout the medical insurance industry.

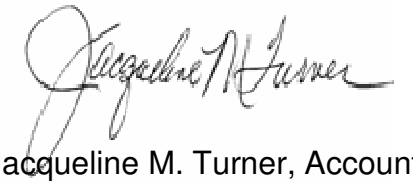
Concurrent Review – Once treatment begins, Meritain Health facilitates concurrent review—that is the process of guiding the patient's progress to ensure continued quality and appropriateness of care. At that point, the focus becomes moving patients

along a continuum from acute care in a hospital setting to a lower level of care and ultimately restored health.

While a patient within Skilled Nursing, Extended Care or Rehabilitation facility, the Concurrent Review process is conducted (on a rolling weekly bases). As part of the Utilization Management process Meritain utilizes a proprietary software program called *i-Suite*. This program:

- Places the patient at the center of all activities.
- Integrates all patient information, allowing coordination and monitoring of activities no matter where patients are in the care continuum.
- Supports flexibility, customization and integration of clinical rules with an employer's unique business objectives.
- Identifies and manages clinical risks through real-time reporting capabilities.

Respectfully submitted,



Jacqueline M. Turner, Account Executive
Pacific General Underwriters of Georgia, Inc.

SUMMARY OF MATERIAL MODIFICATION
and
AMENDMENT #1
to the
FAYETTE COUNTY, GEORGIA
EMPLOYEE BENEFIT PLAN
Group No. 12469

This Summary of Material Modification and Amendment describes changes to the Fayette County, Georgia Employee Benefit Plan effective June 1, 2010. **These changes are effective as of June 1, 2010** and will remain in effect until amended in writing by the Plan Administrator.

This document should be read carefully and attached to the Plan Document and Summary Plan Description. Please contact the Plan Administrator identified in the Summary Plan Description if you have any questions regarding the changes described in this Summary of Material Modification.

Fayette County, Georgia (the "Plan Administrator") is amending the Fayette County, Georgia Employee Benefit Plan (the "Plan") as follows:

The following provision is hereby added to "Deductibles/Copays Payable by Plan Participants" section under ***Schedule of Benefits:***

SCHEDULE OF BENEFITS

Deductibles/Copays Payable by Plan Participants

Carry-Over: If the medical deductible is satisfied in whole or in part by eligible expenses incurred during October, November, or December, those expenses will apply to the deductible applicable in the next Calendar Year.

The "Skilled Nursing Facility, Extended Care Facility and Rehabilitation Facility" benefit in the ***Schedule of Medical Benefits*** *is hereby deleted and replaced with the following:*

SCHEDULE OF MEDICAL BENEFITS

BENEFIT DESCRIPTION	PARTICIPATING PROVIDERS	NON-PARTICIPATING PROVIDERS	ADDITIONAL LIMITATIONS AND EXPLANATIONS
Hospital Services, Specialized Treatment Facilities and Services			
Skilled Nursing Facility, Extended Care Facility and Rehabilitation Facility	100% after deductible room and board limited to the facility's semi-private room rate 60 days calendar year maximum	60% U&C after deductible room and board limited to the facility's semi-private room rate 60 days calendar year maximum	The Plan's payment will be reduced if the requirements of the Medical Management Program section of the Plan are not followed. This penalty does not apply to the out-of-pocket maximum.

All other provisions of this Plan shall remain unchanged.

In Witness Whereof, Fayette County, Georgia has caused this Amendment to take effect, be attached to, and form a part of their Employee Benefit Plan.

Authorized Signature	Date	Title
Witness	Date	Title