

AGENDA
COMMITTEE OF THE WHOLE
Saginaw County Governmental Center
111 S. Michigan Ave., Rm. 200, Saginaw, MI 48602
Monday, April 13, 2020 – 4:00 p.m.
VIA TELECONFERENCE PER
EXECUTIVE ORDER 2020-15

Members: Carl Ruth - Committee Chair, Kathy Dwan, Cheryl Hadsall, Kyle Harris, Kirk Kilpatrick, Dennis Krafft, Sheldon Matthews, Amos O’Neal, Charles Stack, James Theisen, Michael Webster

Others: Controller/CAO, Civil Counsel, Norm Bamberger, Lee Peterson, Board Staff, Elected Officials, Department Heads

The meeting will remain unmuted to all until completion of Public Comment, so please remain aware of your surroundings while on the call. INSTRUCTIONS to call in using ZOOM audio conferencing:

County of Saginaw is inviting you to a scheduled Zoom meeting.

Topic: April 13, 2020 Saginaw County Committee of the Whole Meeting

Time: Apr 13, 2020 04:00 PM Eastern Time (US and Canada)

Call: 1 (888) 475-4499 US Toll-free OR 1 (877) 853-5257 US Toll-free and enter Meeting ID: 508 099 005

- I. Call to order
- II. Welcome
- III. Public comment (*Speakers limited to 3 minutes*)
- IV. Agenda
 1. **Jeff Nielson, Vice-President, Client Management, Aetna**, re: Presenting information on Aetna Healthcare transition issues
 2. Other Issues of Interest/Concern – Board of Commissioners
- V. Miscellaneous
- VI. Adjournment

Note: Upon completion of discussion, only motions to refer to an organized committee or to postpone indefinitely shall be allowed - Article IX, Section 9.5, 2020 Board Rules.



COUNTY OF SAGINAW

OFFICE OF COUNTY CONTROLLER

111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

ROBERT V. BELLEMAN

Controller/Chief Administrative Officer
rbelleman@saginawcounty.com

April 8, 2020

Honorable Michael A. Webster, Chairman
Board of Commissioners
County of Saginaw
111 S. Michigan Avenue
Saginaw MI 48602

**RE: COMMITTEE OF THE WHOLE – AETNA HEALTHCARE TRANSITION ISSUES
UPDATE**

Dear Chairman Webster:

I am requesting a Committee of the Whole meeting be scheduled for 4:00 p.m. on Monday, April 13, 2020 to provide Jeff Nielson, Vice President, Client Management/Public Labor Sector, to update the Board of Commissioners on how Aetna has or has not resolved implementation issues associated with the County of Saginaw's transition from Blue Cross/Blue Shield of Michigan to Aetna as its Third Party Administrator and Stop Loss provider. We are now into the fourth month of this transition and I am growing concerned we have not "turned the proverbial corner" in resolving and preventing these issues from continuing.

Mr. Nielson responded to several major themes around implementation issues at the March 9, 2020 Labor Relations Committee meeting. Those major themes included:

- 1) Peer to Peer Reviews
- 2) Aetna Formulary – This is one of the two biggest issues adversely impacting the County and our employees.
- 3) Summary of Plan Benefits – Aetna represented they would match our BCBS benefits. This is the other "big issue" area adversely impacting the County and our employees.
- 4) Cooperation with County's Agent of Record – Mymemberinsurance/Duclos – Lee Peterson and Norm Bamberger.
- 5) Time line to resolve issues/concerns on a global level.
- 6) Has Aetna identified the foundational issues with our coverage?

I have attached a copy of my March 8, 2020 letter to Jeff Nielson regarding the above-referenced issues. I am also including Mr. Nielson's notes dated March 27, 2020 for your review and use in our discussion on April 13, 2020.

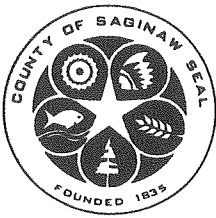
I plan on attending the Committee of the Whole meeting via Zoom on April 13, 2020. I have also extended an invitation to Mr. Nielson, Mr. Bamberger, and Ms. Peterson to attend this virtual meeting.

Sincerely,

A handwritten signature in cursive script that reads "Robert V. Belleman". The signature is written in black ink and is positioned below the word "Sincerely,".

Robert V. Belleman
Controller/CAO

C: Amy Deford, Retirement & Benefits Manager
Jennifer Broadfoot, Personnel Director
Kristina Rubis, Personnel Specialist
Dave Gilbert, Civil Counsel



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111 SOUTH MICHIGAN AVENUE
SAGINAW, MICHIGAN 48602

ROBERT V. BELLEMAN
Controller/Chief Administrative Officer
rbelleman@saginawcounty.com

March 8, 2020

Jeffrey Nielson,
Vice President Client Management, Public Sector & Labor
Aetna
28588 Northwestern Hwy, Suite 380 A
Southfield MI 48034

RE: COUNTY OF SAGINAW HEALTHCARE PLAN

Dear Jeff:

I would like to obtain an update from you regarding issues and concerns associated with Aetna providing healthcare administration services for County of Saginaw's active employees and pre-65 retirees. The County transitioned January 1, 2020 from Blue Cross Blue Shield of Michigan (BCBS) to Aetna after a thirty plus year relationship with BCBS because of increased healthcare costs. Aetna was one of three (3) Third Party Administrators/Healthcare providers who submitted a proposal to provide claims processing and stop loss services to the County under its self-insured healthcare plan covering approximately 514 contracts. You, throughout your various presentations, represented that Aetna was ready to match the same benefits the County had with BCBS at a lower cost to employees. The transition from BCBS to Aetna has not been smooth.

You attended the February 10, 2020 Labor Relations Committee meeting to explain how Aetna was addressing issues and concerns Saginaw County employees and retirees were experiencing with Aetna coverage and claim processing. You also indicated you would work with the County to ensure these issues would be resolved. You provided the County with a document entitled, Saginaw County Transition Debrief, dated February 2020. The Saginaw County Transition Debrief identified several areas of concerns, such as, (1) Issuance of ID Cards; (2) Medical Plan Design; (3) Pharmacy Plan Design; and (4) Member Generated Issues. I am interested in hearing from you on how the issues you identified in the Saginaw County Transition Debrief have been resolved. I also have become aware of new or continuing issues, since the February 10, 2020 Labor Relations Committee meeting, that I would like you to address on how Aetna plans to resolve them. Those issues are:

- (1) **Peer to Peer Reviews** – under what circumstances does Aetna require a Peer-to-Peer review? What is the time frame for Aetna to conduct a Peer-to-Peer Review? Is Saginaw County charged for a Peer-to-Peer Review? How many Peer-to-Peer Reviews have occurred on the Saginaw County claims? What is the cost, if any, to date for Peer-to-Peer reviews?

I became disappointed and frustrated to hear a situation where Aetna's Medical Director/Doctor contacted a County employee directly to discuss a request for surgery for the employee's child

under review by Aetna. The employee had already received approval from their other insurance carrier (coordination of benefit). The Aetna Medical Director/Doctor informed the County employee Aetna was denying the surgery the day before it was scheduled to take place. The Medical Director/Doctor proceeded to tell the County employee that the surgery was risky and as a mother she should really consider not having the surgery for her child. I also understand the Medical Director/Doctor asked to speak directly to the employee's child, which the employee declined. The Aetna Medical Director/Doctor ended the conversation by informing the employee she would be calling the child's doctor to discuss the surgical procedure. I understand Aetna's Medical Director/Doctor ultimately approved the surgery after having consulted the family's surgeon. Why was there a need to contract the employee prior to having spoken to the surgeon? Why did the Aetna Medical Director/Doctor state to the County employee "as a mother I would really seriously think twice about having this surgery because in her opinion it was too risky?" Is this standard practice? Is it standard practice for a Peer-to-Peer Review occur the day prior to scheduled surgery?

- (2) **Aetna Formulary** – How does Aetna's Formulary compare to BCBS' Formulary? The formulary seems to be the area of our greatest number of issues and complaints. Employees have indicated on numerous occasions the previous medication they were taking under BCBS is being denied by Aetna. Employees are also complaining the pricing of prescriptions have increased significantly under Aetna. Why are there so many issues involving Aetna's Formulary. You stated in our meeting on October 1, 2019 CVS advantage includes integration of health information and medication would be priced less. What options are there to resolve these issues?

Lee Peterson sent you an email, dated November 11, 2019, indicating BCBS needed information from Aetna before they could process our request to transfer pharmacy data from BCBS to Aetna. Lee sent a follow up email on December 9, 2019 inquiring about the status of this request for Aetna's information. You stated you requested BCBS provide pharmacy data in January 2020. Why did Aetna not request this information sooner? You also informed me this past week that you had informed BCBS to stop processing the pharmacy data request because it would have taken 90 days to receive the data. We are still struggling to match pharmacy benefits. Would we have been able to avoid these issues had Aetna requested BCBS provided the pharmacy data as we had originally discussed?

Aetna is approving Preferred Medications at Non-Preferred pricing (i.e. Brand name – Advair (Aetna Provides) and the Generic medication – Fluticasone- salmeterol is not Aetna approved); . How does this arrangement with the manufacturer affect the County financially as it is a self-insured plan?

I understand Aetna placed the pharmacy benefits under the High Deductible Plan (Plan C) in a "default" status, which allowed County employees, retirees, and beneficiaries to receive their medication for "free". How long did this situation of "default" status last? Who covered or covering the cost of these "free" prescriptions? Was the full price charged to the County? Will Aetna be reimbursing the County for any overcharge under the "default" status?

- (3) **Summary of Plan Benefits (SPD)** – Has Aetna completed its review of the County benefits and how those benefits have been coded in Aetna's claims processing system? The County has received many complaints of claims being denied (i.e. 2 day hospital stay; doctor's office visit;

specialty medications). Is there a requirement for Aetna to provide the Summary of Plan Benefit document to the County for its review? What is that time period?

- (4) **Cooperation with County's Agent of Record – Mymemberinsurance.** What are you doing to ensure Mymemberinsurance is kept abreast of issues/concerns; resolutions to issues/concerns; and our claim and stop loss data? Are you involving Lee Peterson in all discussions with regards to the Saginaw County Healthcare plan? Are you communicating directly with Lee Peterson on all communications with County employees, retirees, and beneficiaries?

You state in your February 2020 Saginaw County Transition Debrief, "Aetna would continue to encourage members to call member services directly, as current practices add additional layers of review and response time." Your preferred method of handling member issues would be nice; however, I do not believe Aetna is in a position with Saginaw County healthcare plan because Aetna has failed to accurately match benefits and properly process claims. Mr. Cascarano appears to maintain this approach too, as is evidenced in his email responses to Norm Bamberger, a copy of which is attached herewith. Saginaw County believes it is imperative our Agent of Record, Mymemberinsurance, continue to provide a local, in-person representative to assist employees and retirees in resolving issues and concerns. I understand Ms. Peterson is very effective in resolving member issues.

- (5) **Timeline to resolve issues/concerns on global level.** What is Aetna's timeline to resolve the issues Saginaw County is experiencing with its transition on a "global" basis? Saginaw County cannot afford to continue to have employees and retirees experience denial of claims, pharmacy benefits or increased costs.
- (6) **Has Aetna identified the foundational issues with our coverage?** Has Aetna identified the foundational issues that are resulting in claims being denied; such as, standard benefits required under ACA (i.e. well-baby visits) being denied or processed as "Out of Network" when clearly the doctor or service is In Network?

I look forward to hearing from you on these matters.

Sincerely,



Robert V. Belleman
Controller/CAO

C: Board of Commissioners

Amy Deford, Retirement & Benefits Administrator

Jennifer Broadfoot, Personnel Director

Dave Gilbert, Civil Counsel & Labor Special Counsel

Norm Bamberger, Agent of Record, MymemberInsurance/Duclos

Lee Peterson, Agent of Record, Mymemberinsurance/Duclos

Belleman, Robert

From: Norm Bamberger <nbamberger@mymemberinsurance.com>
Sent: Tuesday, March 3, 2020 4:44 PM
To: Cascarano, Robert A
Cc: Lee Peterson; Belleman, Robert
Subject: RE: Open Items/Issues

Robert,

Please review my updates to your reply. Call if you would like to discuss in detail. Thanks.

Norm

From: Cascarano, Robert A <CascaranoR@aetna.com>
Sent: Wednesday, February 26, 2020 11:44 PM
To: Norm Bamberger <nbamberger@mymemberinsurance.com>
Cc: Lee Peterson <lpeterson@mymemberinsurance.com>; Belleman, Robert <rbelleman@saginawcounty.com>
Subject: RE: Open Items/Issues

Norm,

Good evening, I hope you had a nice day. Thanks for our discussion yesterday. As follow-up to that conversation, I've tried to capture my comments below, per your request. We appreciate your continued collaboration as we work together to serve the members of Saginaw County.

- Robert Belleman's Question (that you included below): I'm told this is now resolved. If you have reason to believe otherwise, please let us know.

Actually No. Lee Ann is working on two outstanding issues.

- On-site Support: At the 2/10 meeting, we agreed Aetna would be present in Saginaw County on a regular, defined schedule. The individual(s) who will attend these sessions have direct access to a team member who can review claims. It sounds like our first session was effective, so I would suggest we continue this strategy before deploying alternative plans.

At this point Saginaw County doesn't think this situation is the optimum way to use Aetna personnel. Jeff is duplicating Lee Ann's efforts where an Aetna claims person could give the employee an on the spot answer or assist in getting the problem resolved now.

- Implementation: Let me again apologize for any challenges that may have been caused by Aetna. As we discussed yesterday, I think multiple factors influenced the transition, but we're looking ahead and remain focused on achieving successful resolution.

Could you be more specific when you mention "multiple factors"? By knowing what these factors are we can better look to correct them.

- Claims Adjudication: We are performing a detailed audit to clarify why some plan attributes were inconsistent. We will review with MyMember and the County to determine next steps.

This on hold waiting for BC/BS to reply.

- Reimbursement: The request for Aetna to reimburse your agency is unique. I will need to follow-up.

Can we provide anything further to help expedite this?

- Agency Licensure: The team is working on this.
- Claims Handling (Member Calls): We understand this is your preferred business model. We appreciate your efforts and will continue to support this model.

This isn't our preferred business model. It became necessary for our agencies involvement when the seamless transition wasn't executed. The employee's were looking for assistance and we stepped up to their needs.

- Collaboration and Accountability: I understand your candid feedback about our account team and we will address accordingly. Our whole team is focused and accountable for trying to improve the overall experience at multiple levels. For member service issues, Erin Donelan of our plan sponsor liaison (PSL) unit is the primary contact. For client/account or plan issues, Olivia Gulotta is the primary contact. For broader issues, you should continue to work with Jeff, our Vice President of Sales and Client Management. Feel free to contact me any time for support or assistance, as well.

Lee Ann has asked for claims reports twice. As of today Olivia has not provided them. These reports are vital to Lee Ann being able to perform her job.

Thanks again to you and your team. We look forward to working together in support of Saginaw County members.

-Robert

Proprietary

From: Norm Bamberger <nbamberger@mymemberinsurance.com>

Sent: Tuesday, February 25, 2020 1:16 PM

To: Cascarano, Robert A <CascaranoR@aetna.com>

Cc: Lee Peterson <lpeterson@mymemberinsurance.com>; Belleman, Robert <rbelleman@saginawcounty.com>

Subject: [EXTERNAL] Open Items/Issues

Importance: High

**** External Email - Use Caution ****

Robert,

Even though we talked about each item I would greatly appreciate having you provide us with a written response to each item in this email.

Thanks in advance for your assistance in this matter.

Norm

Norm:

The only question I am interested in having Aetna answer is where are they at mapping our benefits to the Aetna Claims systems. As you know, employees are having legitimate prescriptions denied or they are being required to receive prior approval. Why are we still dealing with prescription medication issues. I also believe there have been office visit or other provided benefit issues. Jeff provided a Transition Debrief after Labor Relations Committee meeting in February 2020. In the Transition Debrief, Jeff states, in relevant part, "Plans are being updated to include basic coverage, including ITC diabetes supplies, blood glucose monitors, prescription weight loss drugs, OTC pump inhibitors, and non-sedating antihistamines." Has this been done?

Robert

Mondays we would like to have a claims person in Saginaw. ½ day at the County building and ½ day at our agency. Not a person to take information but someone that can process claims and make decisions.

The implementation failed. WHY????

From all of the claims issues we are experiencing it appears the Plan was not mirrored as Jeff promised. WHY????

Does Aetna want to reimburse our agency for our man hours?

Jeff started out keeping our agency at arms length and it remains that way today. There are issues he has been emailed about and he still hasn't responded. It's as if Aetna wrote this as a direct account.

Lee Ann and our agency still aren't licensed with Aetna.

Claims Handling!! Jeff wants our agency to stay out of this process. Without our involvement many employees would still be in the dark. We have been an asset and not a liability.

We are having a difficult time defending Aetna in this whole process. Implementation, claims handling and public relations. The Employees, County Commissioners and County Management team want answers. Who is going to be the accountable person from Aetna????

Norm

Norm Bamberger

Agent

NBamberger@mymemberinsurance.com

www.mymemberinsurance.com

P: 989.781.2662

C: 989.751.0343



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Thank you. Aetna

Belleman, Robert

From: Norm Bamberger <nbamberger@mymemberinsurance.com>
Sent: Thursday, February 27, 2020 1:45 PM
To: Cascarano, Robert A
Cc: Lee Peterson; Belleman, Robert
Subject: RE: Implementation

Robert,

I've been in the insurance industry many, many years. I take a great deal of pride in thinking I am always looking for solutions and not dwelling on a failure. I try to learn from my mistakes, identify my shortcomings and attempt to correct them. If I can repeat my successes and eliminate my failures I am doing myself and my client a great service. Enough history about me.

If I am able to talk to two (2) or three (3) clients that you recently transitioned from Blue Cross to Aetna and review their implementation process it allows me to pinpoint what may have been our downfall with Saginaw County. Forever and ever we have been told we learn from our mistakes but I like to think we benefit even more by learning from our successes. Sharing both the good and the bad is a positive and can only help moving forward.

Plain and simple, that's my intent. Please call if you wish to discuss in greater detail.

Norm

Norm Bamberger

Agent

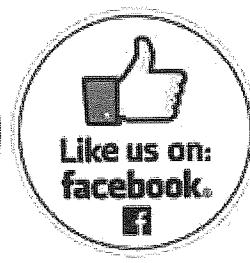
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From: Cascarano, Robert A <CascaranoR@aetna.com>
Sent: Wednesday, February 26, 2020 11:49 PM
To: Norm Bamberger <nbamberger@mymemberinsurance.com>
Subject: RE: Implementation

Norm,
Good evening. For confidentiality purposes, we don't release such contact information without prior consent of our customers. We'd be glad to work with you on this, but need to better understand your intent. Thanks.
-Robert

Robert Cascarano
Market Head
Public and Labor, Great Lakes
T: 312-438-1776
E: cascaranoR@aetna.com
333 W. Wacker Drive, Floor 21
Chicago, IL 60606



NOTICE TO RECIPIENT(S) OF INFORMATION:
Information disclosed to you pertaining to certain conditions, such as treatment for alcohol or drug abuse, HIV/AIDS and other sexually transmitted diseases, behavioral health, and genetic marker information is protected by various federal and state laws which prohibit any further disclosure of this information by you without the express written consent of the person to whom it pertains or as otherwise permitted by such laws. Any unauthorized further disclosure in violation of state or federal law may result in a fine or jail sentence or both. A general authorization for the release of medical or other information is NOT sufficient consent for release of these types of information. The federal rule at 42 CFR Part 2 restricts use of the information disclosed to criminally investigate or prosecute any alcohol or drug abuse patient.

Proprietary

From: Norm Bamberger <nbamberger@mymemberinsurance.com>
Sent: Tuesday, February 25, 2020 3:17 PM
To: Cascarano, Robert A <CascaranoR@aetna.com>
Cc: Lee Peterson <lpeterson@mymemberinsurance.com>; Belleman, Robert <rbelleman@saginawcounty.com>
Subject: [EXTERNAL] Implementation

**** External Email - Use Caution ****

Robert,

We had asked for names of recent accounts that Aetna wrote that came to you from Blue Cross like the Saginaw County account. Not receiving this information to date can you please provide us contact names and phone numbers. Thank you.

Norm

Norm Bamberger

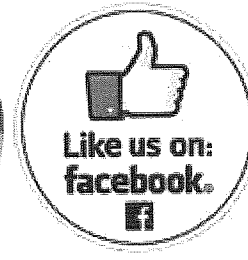
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- Collaboration and Accountability: I understand your candid feedback about our account team and we will address accordingly. Our whole team is focused and accountable for trying to improve the overall experience at multiple levels. For member service issues, Erin Donelan of our plan sponsor liaison (PSL) unit is the primary contact. For client/account or plan issues, Olivia Gulotta is the primary contact. For broader issues, you should continue to work with Jeff, our Vice President of Sales and Client Management. Feel free to contact me any time for support or assistance, as well.

Thanks again to you and your team. We look forward to working together in support of Saginaw County members.

-Robert

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Sent: Tuesday, February 25, 2020 1:16 PM
To: Cascarano, Robert A <CascaranoR@aetna.com>
Cc: Lee Peterson <lpeterson@mymemberinsurance.com>; Belleman, Robert <rbelleman@saginawcounty.com>
Subject: [EXTERNAL] Open Items/Issues
Importance: High

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Norm Bamberger

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Thank you. Aetna



Saginaw County
March 27, 2020

Medical Plan Benefit Review

- Aetna reviewed benefit coding for all 11 plans against available documentation from prior carrier
- On March 17 and 19 Aetna, MyMember and the County met to perform in-depth group review of all 11 plans; due to COVID-19 travel restrictions the meetings were via teleconference instead of onsite; the group covered 4 plans
- Due to Michigan “shelter in place” order, on March 23 MyMember advised Aetna that the series of benefit review meetings would be postponed until further notice

Pharmacy Updates

Claims processed without applicable deductibles and/or copays

- Aetna reviewed claims that were processed under “default status” during a coding update to the HDHP (member deductibles and/or copays were not applied)
- A total of 84 prescription were processed, representing the following impact to the County:
 - ✓ Plan Paid amount was \$15,142.67
 - ✓ Member Pay should have been \$3,157.30
 - ✓ Plan Paid amount would have been \$11,985.37
- Aetna will be processing a claim write-off of \$3,157.30 credited to the Saginaw County account

Formulary change

- The County utilizes Aetna’s standard formulary strategy which has certain exclusions to help manage cost and promote preferred medications
- Aetna offers a more “open-access” formulary strategy that does not have any exclusions
- The more generous formulary would address member disruption, but would also reduce pharmacy rebates and will likely increase claims cost due to lesser controls/management
- Assuming a May 1 change, rebates are estimated to decrease by \$27,000 for the remainder of 2020
- We will support whichever strategy the County wishes to pursue

Specialty pharmacy

- Aetna’s standard policy is for Specialty medications to be filled at Aetna Specialty Pharmacy after one fill at retail
- Aetna has turned this feature off for the remainder of 2020 in order to eliminate member impact

2019 pharmacy claims request

- March 2, prior carrier indicated the data would be provided in 4-6 weeks
- March 18 and March 23, prior carrier reinforced 4-6 week guidance
- As of March 27, data has not been received

Additional Relevant/Requested Updates

- Aetna shared its most recent listing of escalated member issues with MyMember on March 25; upon receipt of MyMember's similar issues log, Aetna will cross-reference and compare the list(s) to ensure all member issues are being addressed
- The Licensing and Appointment process for MyMember with Aetna has been completed; MyMember is scheduled to receive agreed upon Stop Loss premium commission(s) beginning March 31, 2020
- Aetna is offering Saginaw County an implementation allowance of up to \$10,000 that may be used to offset implementation related expenses incurred as a result of moving their business to us. This one-time credit applies to the January 1, 2020 through December 31, 2020 contract period. Standard implementation allowance terms shall apply, including:
 - ✓ Plan sponsor charges must be identifiable for the reasonable value of services performed
 - ✓ Appropriate documentation/invoices must be provided by the County
 - ✓ Any amounts paid by us for expenses incurred as a result of contracting with us for benefits plan administration services will be paid in accordance with applicable law
 - ✓ Any balance of this allowance fund remaining at the end of the policy year will be forfeited
 - ✓ Our preferred method of payment of implementation-related expenses is directly to vendor(s)
 - ✓ Payment will be made once expenses are incurred and invoice(s) are provided by the County