



HEALTH CARE & BENEFITS DIVISION

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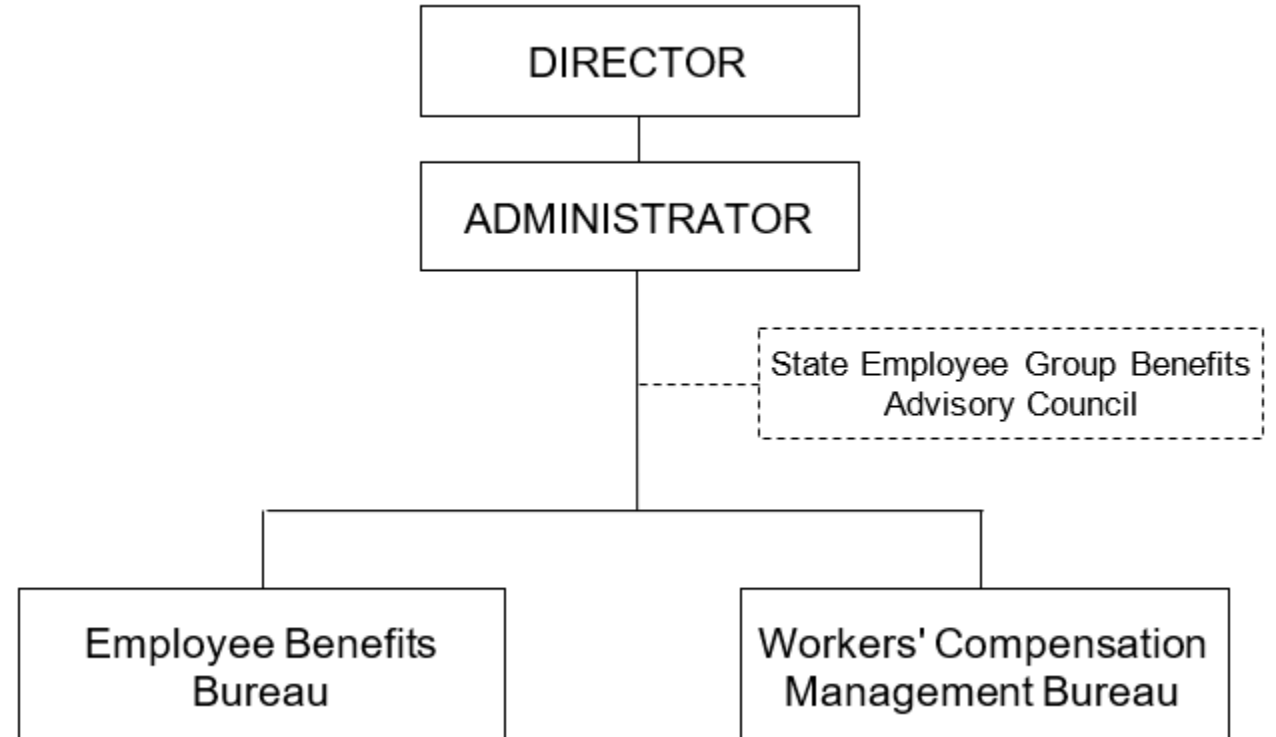
DIVISION STRUCTURE

HCBD manages the State of Montana Benefit Plan (State Plan) which provides benefits to State of Montana employees, retirees, legislators, survivors, and their covered dependents.

HCBD's Workers' Compensation Bureau performs workers' compensation policy management and oversight via its workplace safety and return to work programs.

Total FTE: 21.87

Total HB 2 FTE: 0



BACKGROUND



State Employee Group Benefit Advisory Council (SEGBAC)

- Established in 1979 pursuant to §2-15-122, MCA and §2-15-1016, MCA
- Body of state employees and retirees who provide advice on health plan matters
- Department of Administration recommends council members and Governor approves
- Employees, labor organizations, and retirees must be adequately represented
- Typically meets quarterly



BACKGROUND

State of Montana Benefit Plan (State Plan)

- Created in 1979
- Authorized in Title 2, Chapter 18, Parts 7 & 8, MCA
 - Officer and employee eligibility for the plan: §2-18-702, MCA
 - Continued coverage for employees affected by reduction in force: §2-18-1205, MCA
 - Employer contributions (State Share): §2-18-703, MCA
 - Retiree participation: §2-18-704, MCA
- Legislator participation in Title 5, Chapter 2, Part 303, MCA
 - Continued coverage authorized for term-limited legislators: §2-18-820, MCA
- State Plan covers approximately 29,000 employees, legislators, retirees, and their dependents
 - Provides for medical, prescription, vision, and dental self-funded benefits
 - Provides for fully insured life and long-term disability insurance



BACKGROUND

State of Montana Flexible Spending Accounts (FSA)

- Authorized in Title 2, Chapter 18, Part 812, MCA
- Allows employee to set aside a portion of earnings to pay for IRS-qualified medical and dependent care expenses
- Uniform coverage rules require medical FSA balance (annual election) to be available to employee on the first day of the plan year (calendar year)
- Maximum contributions for plan year 2021:
 - Medical FSA: \$2,750 per member
 - Dependent Care FSA: \$5,000 per household
- Medical FSA
 - \$550 rollover allowed for use in next plan year



BACKGROUND

Voluntary Employees' Beneficiary Association (VEBA) Act

Title 2, Chapter 18, Part 13, MCA

- Allows public employers to utilize a Montana VEBA HRA
 - a qualified tax-exempt organization
- After separating from their employer, employees can use their unused sick and vacation leave balances to pay for qualified health care expenses
 - expenses of the member, their dependents, and their beneficiaries
 - contributions, investment earnings, and payment are tax-exempt
- Non-budgeted
 - A pension and other employee benefit trust within the fiduciary fund type



FUNDING



State of Montana Benefit Plan

Contributions

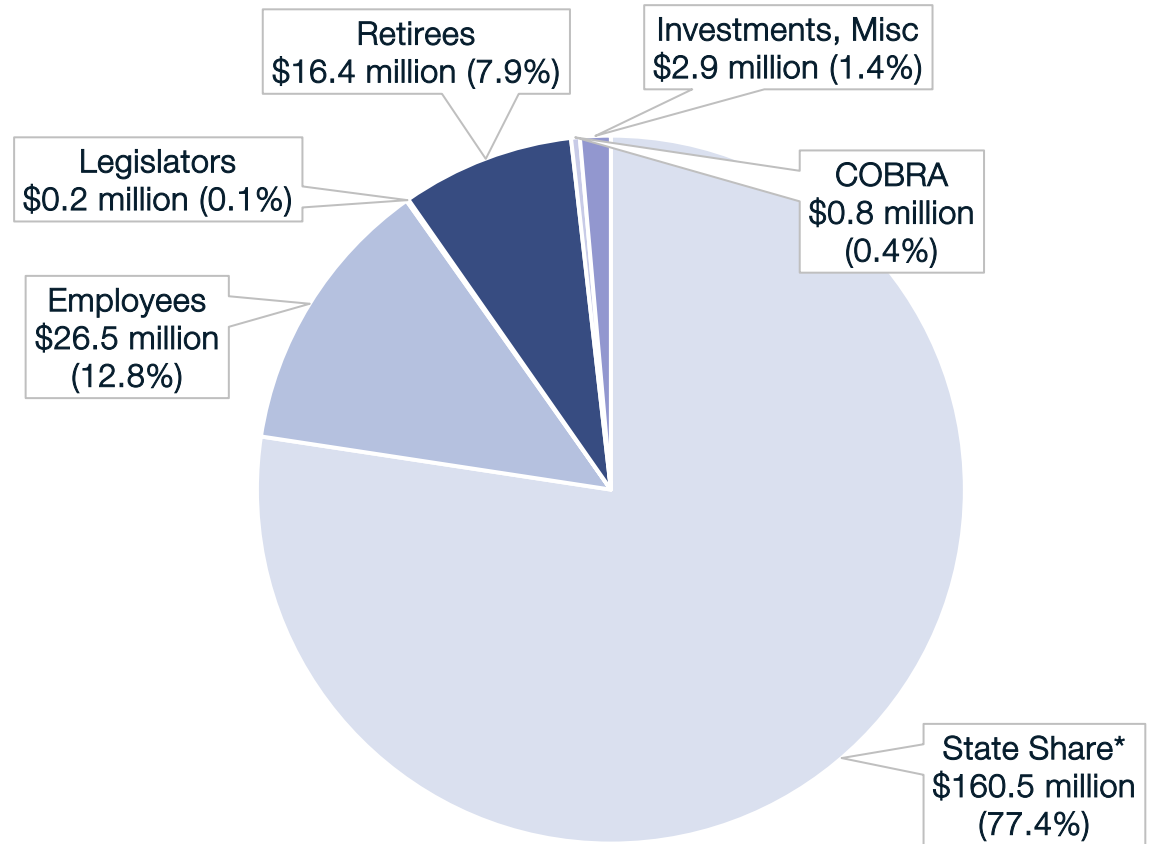
- Legislature defines “rates and fees” for state employee programs as State Share contribution toward employee group benefits
 - §2-18-703, MCA
- Employees and retiree contributions are reviewed annually and adjusted when necessary to meet requirements of §2-18-812(1), MCA
 - requires the department to maintain state employee group benefits plans on an actuarially sound basis



FUNDING

State of Montana Benefit Plan

Total revenue was **\$207.3 million**
for FY 2020



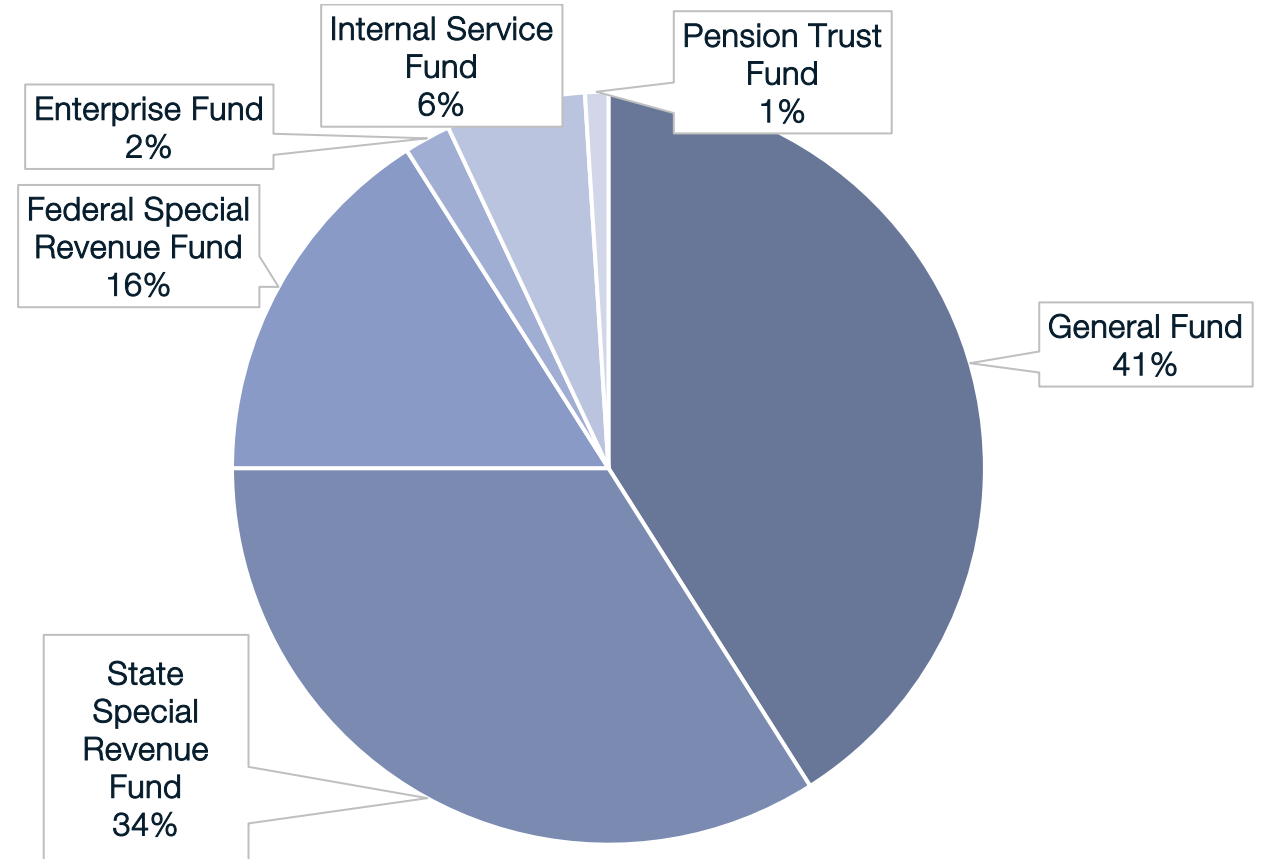
Revenue Breakdown



FUNDING

State of Montana Benefit Plan

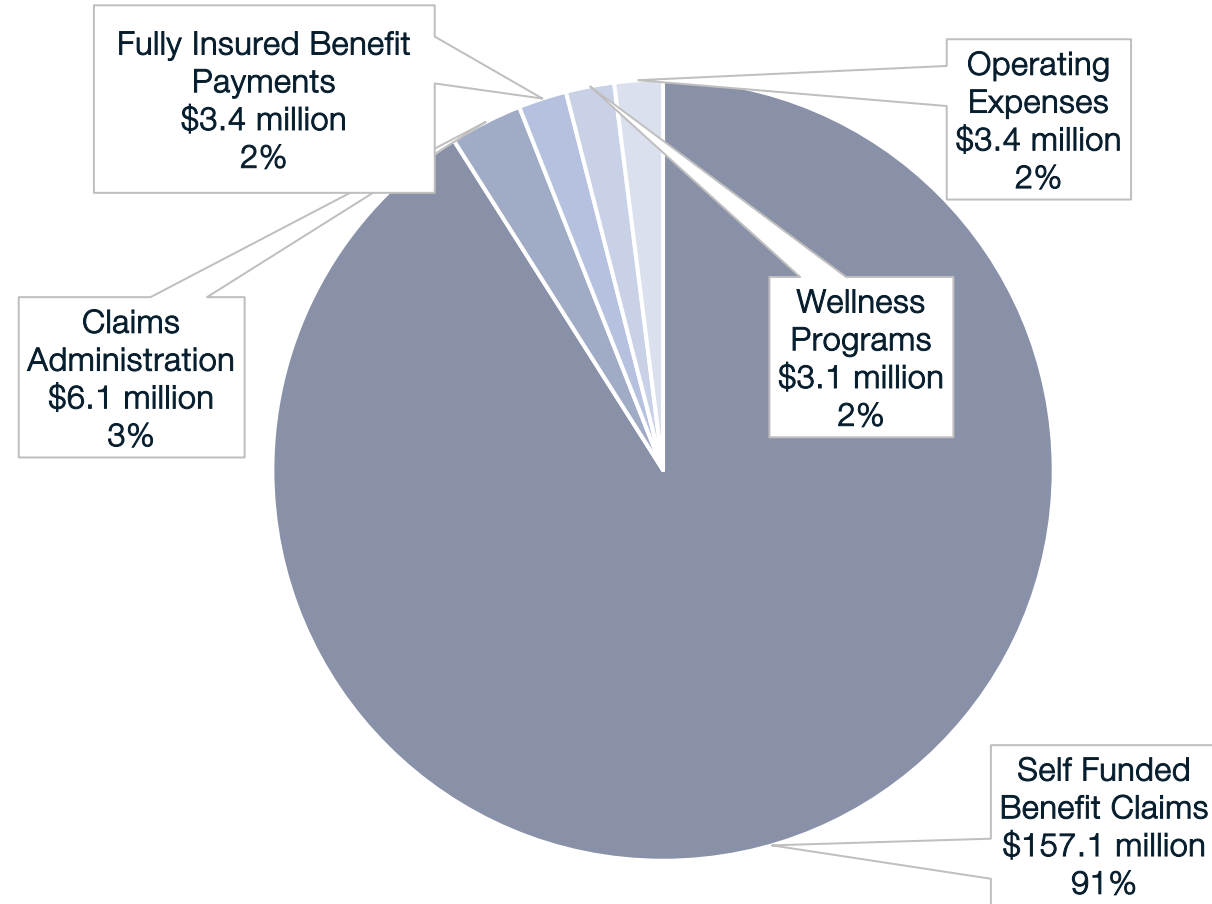
State Share by Fund Type



FUNDING

State of Montana Benefit Plan

Total expenditures for benefits was \$173.1 million for FY 2020



Expenditure Breakdown



FUNDING

State of Montana FSA

- Employee determines amount to contribute and pays contributions via a pre-tax payroll deduction
- Employee pays administration fee via pre-tax payroll deduction
- State of Montana may have accumulated funds due to forfeitures
 - Plan may waive participant fees to use accumulated funds

Requested Rates for Internal Service Funds				
Fee/Rate Information				
	Budgeted FY 2020	Budgeted FY 2021	Requested FY 2022	Requested FY 2023
Fee Description				
FSA Account	\$2.26	\$2.26	\$2.26	\$2.26



KEY ACCOMPLISHMENTS

Navitus Pharmacy Benefit Manager (PBM) – CoPay Max Program

- Implementation of CoPay Max Program effective January 1, 2019
- Allows State Plan access to Drug Manufacturer coupon programs and limits the amount of member responsibility for specialty medications
- Resulted in savings of \$4.9 million over FYs 2019 and 2020

Allegiance Specialty Drug Rebate Program

- Effective January 1, 2020
- Allows State Plan access to specialty drug rebates when drugs are administered in a medical setting

Live Life Well Incentive Program

- Implemented changes to the program that required an all-or-nothing participation – focused on additional engagement and accountability
- Changes for 2021 include the requirement of an annual provider visit

Tobacco Surcharge

- Effective January 1, 2021, implemented a Tobacco Surcharge which applies to State Plan members who use nicotine (employees and covered spouses)

Continuation of Transparent Pricing Efforts

- Revised contracts effective January 1, 2021
- Ongoing discussions with other MT facilities – contracts desired by January 1, 2021



KEY ACCOMPLISHMENTS

Montana Health Centers

- Contract oversight, renewed performance bonuses for 2019, implemented performance standards for 2020
- Pilot program with PureView for integrated Behavioral Health

Pilot Program with Bighorn Valley Health Center

- Effective January 1, 2020—one-year pilot program, includes primary care, behavioral health, and pharmacy
- Offers members in the Miles City area access to benefits with no out-of-pocket cost, similar to those previously available at the Montana Health Center

Pilot Programs

- Blood Pressure Management Program— statewide implementation
- Cancer Control Program – focus on colorectal and breast cancer, as well as education

Businessolver Implementation

- January 1, 2019: new benefits administration and eligibility system
- Eligibility, enrollment, billing
- Online access for all plan members

Deerwalk Data Warehouse Implementation

- Effective January 1, 2019
- Allows for development of key analytic reports for use in plan management, design, and savings opportunities

Montana VEBA HRA

- Updated ARM to reflect current plan administration to comply with the Affordable Care Act
- Updated Plan Document
- Issued and completed RFP process – awarded vendor contract January 1, 2021
- Legislative bill to update statute that will put the Montana VEBA HRA in compliance with the Affordable Care Act



UPCOMING PRIORITIES

GOAL 1

Montana Health Centers

- Transition/implementation of services sought in RFP
- Inclusion of integrated behavioral health services
- Transition to certified Electronic Health Record

GOAL 3

Pilot Programs

- Evaluation and continuation of current pilot programs
- Implementation of additional pilot programs such as diabetes, weight management, etc.

GOAL 2

Continued Transparent Pricing Efforts

GOAL 4

Contract Management and Data

- Continued contract management for all vendors
- Further utilization of Deerwalk analytics for plan management, design, and savings opportunities



UPCOMING PRIORITIES

GOAL 5

Program Enhancements

- Implementation of additional PBM services designed to create cost savings and improve member outcomes
- RFPs – seek out vendors that have been identified to provide potential value to the State Plan

GOAL 7

Enhanced Behavioral Health Opportunities

- Work with State Plan vendors to determine areas of opportunity to enhance behavioral health services to improve member outcomes and create cost savings

GOAL 6

Employee Engagement, Health & Wellness

- Assess wellness and incentive programs implemented during 2021
- Provide recommendations for improved program with focus on ROI

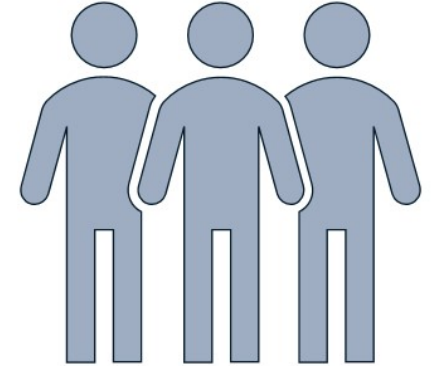
GOAL 8

Businessolver Enhancements

- Continue to evaluate effectiveness of platform and identify additional opportunities to streamline administration



BACKGROUND



Workers' Compensation Management Program

- Title 39, Chapter 71, Part 4, MCA
- Works with Montana State Fund to coordinate workers' compensation coverage and policy management
- Serves as central resource to agencies regarding policy, risk management, safety, loss-prevention, and return-to-work activities
- Covers approximately 14,000 state and volunteer employees



FUNDING

Workers' Compensation Management Program

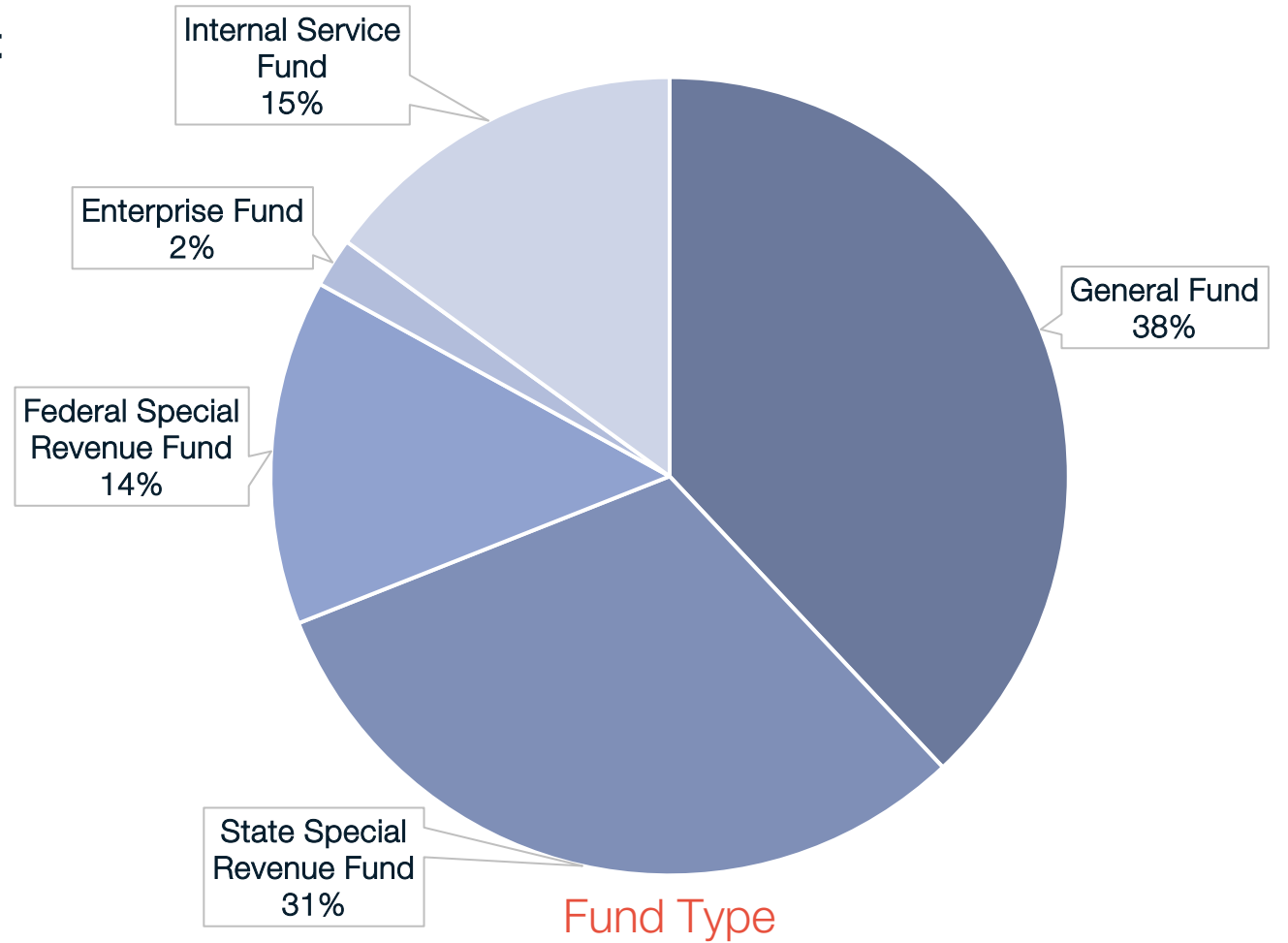
- Funded through internal service fund fees charged to state agencies
 - Allocated based on average number of payroll warrants issued
- Proposed rates for FYs 2022 and 2023
 - Refer to **LFD Budget Analysis HCBD-10**

	Actual FY2018	Actual FY2019	Actual FY2020	Actual FY2021	Budgeted FY2022	Budgeted FY2023
Fee Description	0.95	0.95	0.95	0.95	0.97	0.97



FUNDING

Workers' Compensation Management Program Fees by Fund Type



KEY ACCOMPLISHMENTS

Returned money to agencies & General Fund

- Returned \$1.54 million through discounts and premium reductions
- Returned \$841,700 to agencies and General Fund through policy dividends

Reduced number of claims

- Reduced number of claims filed between FY 2019 and FY 2020 by 133

Trained state agencies

- Trained state agencies quarterly on safety and return-to-work

OSHA training & reporting

- Implemented, trained, and audited all state agencies on payroll reporting compliance for new Occupational Safety and Health Administration (OSHA) reporting
- Provided training classes to state agencies



UPCOMING PRIORITIES

GOAL 1

Reporting

Improve current reporting, and develop new reporting tools, to further improve agency safety and return to work analytics

GOAL 3

Pilot Programs

- Evaluation and continuation of current agency pilot programs
- Implementation of additional employee safety pilot programs

GOAL 2

Climate Assessment Tool

Develop an in-house safety climate assessment tool to include training and management, ensuring recommendations from the tool are implemented

GOAL 4

Contract Management

- Expand utilization of Medical Surveillance contract. Ensure agencies comply with medical surveillance testing responsibilities.
- Continued contract management of State Fund responsibilities and expanded program oversight





THANK YOU