

**PUBLIC RISK, INNOVATION, SOLUTIONS, AND MANAGEMENT
(PRISM)**

PRISMHEALTH COMMITTEE

MEETING SUMMARY

75 Iron Point Circle, Suite 200
Folsom, California 95630
916-850-7300

Wednesday, May 22, 2024
10:00 a.m.
Second Meeting – 2024

Members Present

Mai Yang, Merced County
Jennifer Acfalle, City of Oceanside
Ashleigh Szkubiel, San Luis Obispo County
Brendan Shannon, SDMTS
Allison Bateman, SDRMA – Alternate
Coral Ferrin, Tehama County
Andrew Guzman, Turlock Irrigation District

Members Absent

Naomi Whatley, GSRMA
Brenda Olivas-Neujahr,
Imperial County - Alternate

PRISMHealth Strategic Plan

The Committee approved the PRISMHealth Strategic plan. The three-year rolling plan includes new program specific purpose and vision statements, long-term goals and key areas of focus/goals in the following areas:

- Program Benefits & Options
- Employee/Dependent Support
- Cost Containment
- Member Engagement and Program Management

The Committee also directed staff to establish an annual Strategic Planning meeting, to be conducted each July, beginning in 2025.

Program Performance Report (PPR) & Performance Guarantee Funds (PGF)

Staff presented the PPR, updated through March 31, 2024. Premium volume for all combined program segments is \$190M, with medical/pharmacy claims and fixed costs totaling \$178.5M, resulting in a program funding ratio of 94.1%.

Staff also reported that since last reported in May 2023, the PGF balance is \$940,222. Staff noted that since the agenda had been sent, an additional \$28,063 had been received, bringing the total PGF to \$968,285.

Program Consultant Compensation Change

Staff and Alliant provided background regarding their compensation and fee structure for the Program, stating that it had not changed since 2010, despite a 235% increase in program members and 258% growth in enrollment. In addition to growth, the PRISMHealth Program has increased in underwriting complexity and service administration. The current structure of a fixed dollar per employee, per month has not allowed Alliant compensation to increase at the same pace as inflationary costs. Alliant proposed moving to the standard compensation structure of a percentage of premium, with a not-to-exceed limit. Moving to this structure will allow Alliant to scale program infrastructure and expand overall services to PRISM members.

The Committee approved changing the Alliant compensation structure from a per employee, per month fixed cost allocation to a not-to-exceed percentage of aggregate premium, as follows:

- Alliant Underwriting Services – Not-to-Exceed 0.5% of Annual Aggregate Premium
- Alliant Client and Broker Service – Not-to-Exceed 1% of Annual Aggregate Premium

2025 Program Fixed Administrative Costs

The Committee approved the fixed administrative costs for the 2025 PRISMHealth Program renewal, effective January 1, 2025. The fixed costs include the fees associated with the carriers and vendors currently under contract with PRISM. Of note was the increase in the PRISM administrative fee from \$2.00 to \$3.00 per employee, per month, which is needed to address the increase in service expectation and the proposed addition to staff. The PRISMHealth Program administrative fixed costs represents 4% of total premium volume.

2025 PRISMHealth Program Renewal

Alliant presented the 2025 pool renewal and member specific CPRA adjustments for the PRISMHealth Program. As approved by the Committee, the 2025 PRISMHealth Program blended pool renewal is a 4.66% increase in premium. The 4.66% pool increase included the increase in Alliant compensation, the establishment of a separate Claims Reserve Fund in the amount of \$25M, and a new PRISMHealth subsidy allocation in the amount of \$5k for all program members.

2025 Express Scripts (ESI) Formulary and Legislative Update

The Committee reviewed the bi-annual ESI formulary changes that are effective July 1, 2024. Alliant included a list of excluded medications, affected members, and discussed the strategy to communicate with the 31 impacted subscribers.

Express Scripts (ESI) Market Check and Pharmacy Management Fund

Alliant reported that, as a result of the 2025 Market Check and subsequent improved pricing, estimated annual savings is \$2.8M, or 2.5% of pharmacy total spend. The Committee approved updating the current ESI contract with the new market check pricing terms, effective January 1, 2025, and approved the use of the program ESI Pharmacy Management Fund in the amount of \$134,900 to finance an independent contract audit with Caribou Systems.

Benefits Administration Update – Workterra Termination

Ongoing administrative issues with program benefits administrator Workterra were discussed at length, ultimately prompting the Committee to approve the termination of the Workterra contract, effective December 31, 2025. In addition, the Committee directed Alliant to provide a report of the impact to members and a termination implementation timeline.

Return of PRISM ARC Additional Capital Contribution

Staff informed the Committee that due to a \$76M surplus, capital contributions previously made by PRISM programs will be distributed back to the PRISMHealth program surplus in the amount of \$54,230.

Other Matters

- The Committee approved Kern Health Systems and San Geronio Memorial Hospital for membership into the PRISMHealth Program, large member segment, effective January 1, 2024.
- Staff provided a recap of the 2023 Strategic Planning Retreat.
- Staff announced that the topic for the inaugural Employee Benefits Forum, to be held in July, 2024, is Best Practices in EAP Communication.
- Staff informed those in attendance that if they are not receiving PRISMHealth or Employee Benefits committee meeting communications, inform a member of the PRISM Employee Benefits department and they will be sure you do.
- Staff reported that the 2024 Employee Benefits Symposium was a great success, and to look forward to the 2025 event.

Future Meetings

The next **PRISMHealth Committee** meeting is scheduled for **Wednesday, July 17, 2024**, at **9:30 a.m.**, to be held **via web conference**.