

**MEDICAL**

**VISION**

**DENTAL**

**LIFE &  
DISABILITY**



# **PRISM**

## **EMPLOYEE BENEFITS SYMPOSIUM 2024**

**PAID  
FAMILY  
LEAVE**

**EAP**

**GROUP  
VOLUNTARY  
BENEFITS**

**PLIP**

# Agenda

- **Inside PRISM: Where Passion Meets Purpose** **Page 2**

10:00 a.m. –

12:00 p.m.

- **Leaves, Leaves & More Leaves** **Page 26**

- **PRISM - Paid Family Leave** **Page 51**

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12:00 p.m. –

1:00 p.m.

- **Lunch/Visit Vendors/Raffle**
- 

- **Navigating the AI Revolution: Impacts in Healthcare and Health Benefits Now and Into the Future** **Page 54**

1:00 p.m. –

3:00 p.m.

- **Weighing the Cost: The Impending Impact of GLP-1s on Healthcare Costs** **Page 65**

- **Closing/Grand Prize Raffle**



# **Inside PRISM**

## **Where Passion Meets Purpose**

**Presented By:**  
**Sidney DiDomenico, Director of Employee Benefits**  
**PRISM**

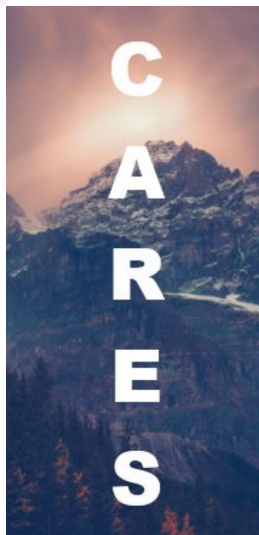
## About PRISM

- Established in 1979 – (Formerly CSAC EIA)
- Joint Power Authority with primary goal: serve CA public agencies
- Create cost effective/member directed insurance risk pools
- Contain costs & provide in-depth member services

### Mission Statement

Public Risk Innovation, Solutions, and Management is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices.

## Core Values



### Competitive...

in scope and price over the long term;

### Adaptable...

and customized to meet member needs, based on high-quality standards;

### Resolute...

in delivering timely solutions that address present and emerging risks;

### Equitable...

in allocating costs and services between various members in a fair and consistent manner;

### Stable...

in supporting cost-effective, fiscally prudent operations and long-term solvency, and in building long-term relationships with members and program/service partners.



## PRISM Membership



**55 of 58 CA Counties**

**311 CA Public Entities**  
Approx. 2k Organizations

**5 Non-California Participants**  
Approx. 260 Organizations

## Programs We Offer

### Property & Casualty and Employee Benefits

#### Major Programs Risk Sharing Pools

##### **PRISMHealth Dental**

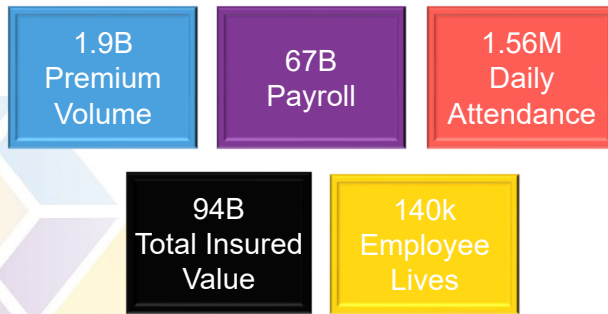
General Liability 1  
General Liability 2  
Primary Work Comp  
Excess Work Comp  
Medical Malpractice  
Property  
MR OCIP  
PRISMHealth  
Dental

#### Miscellaneous/Ancillary Pass Through

##### **Vision EAP ConcernPlus First Responder Life & Disability Personal Lines**

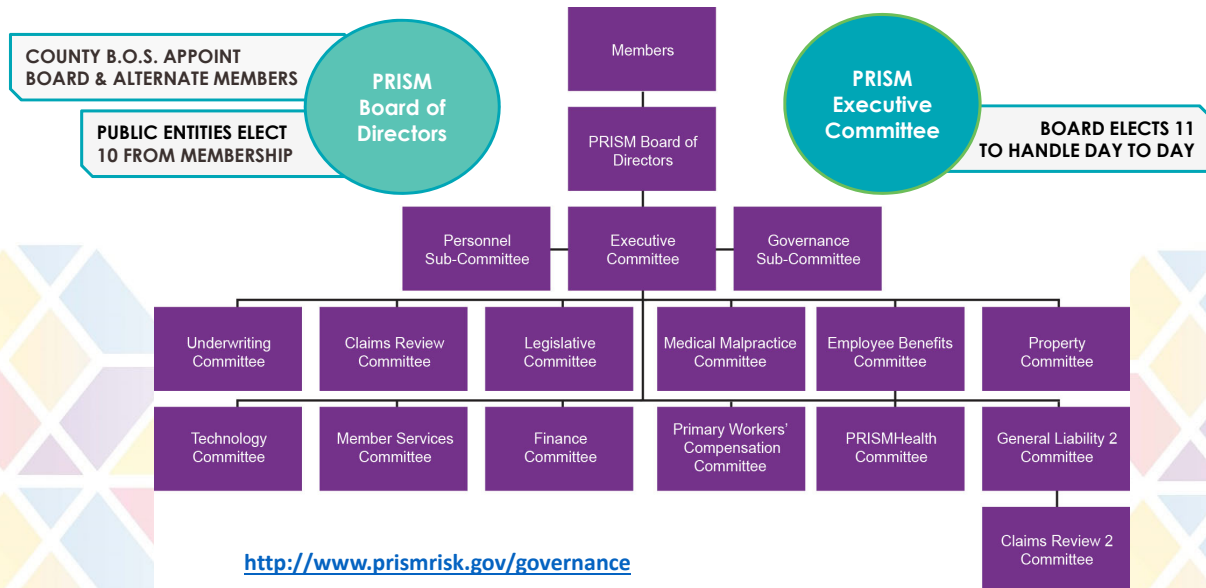
Aviation  
Master Crime  
Inmate Medical  
Cyber Liability  
Pollution  
Watercraft  
Excess Liability  
Equipment  
COC  
Fiduciary Liability  
Special Events

## PRISM is not traditional insurance, it is member-driven risk sharing pools

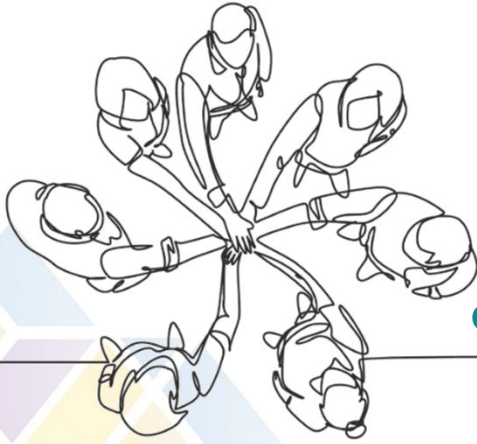


## Governance

Guides the Direction of Our Future



## Committee Leadership



Ashleigh Szkubiel  
County of San Luis Obispo  
Chair - PRISMHealth Committee

Andrew Guzman  
City of Visalia  
Chair - Employee Benefits Committee

## Code of Conduct

“... **actions taken** by the  
Authority are always made in the  
**best interests of the Authority’s  
membership...**”



## Program Administration Roles & Responsibility



PRISM JPA Administration encompasses:

- Program Financials
- Premium Billing Management
- Governance/Member Engagement
- Carrier/Vendor Contracts
- Legislative Initiatives
- Member Services



- Alliant is the exclusive contracted consultant to PRISM, representing all marketing and servicing of program members.
- Contract is reviewed by all Committees and approved by the Executive Committee.
- Exclusivity works to maintain integrity in program administration and continuity in service to the members.

**Membership Empowered  
Know your Resources!**



## Member Services Human Resources & Risk Management

### Resources

- On-Site & Telephonic Consultation
- Policy & Procedure Development & Review
- Online Toolbox
- Open Forums
- Background Checks
- CPR, First Aid, AED Training
- Cyber Security Services
- DMV Electronic Pull Notice Services
- Drug Alcohol Testing Services
- Return-to-Work Services
- Safety Data Sheets
- Strategic Planning Facilitation Services

### Training/Services

- On-Site Custom Programs
- Online Training (Vector Solutions)
- Professional Webinars
- PRISMtv On-Demand Viewing
- Regional Training
- Participation in Safety Training Days & Fairs

■ = Negotiated Rates

■ = Value Added Benefit

## Member Services Employee Benefit & Risk Management Resources

**CYBER  
SECURITY**  
TRAINING

**KnowBe4**  
Human error. Conquered.

**LABOR LAW/  
EMPLOYMENT  
PRACTICES**

**EYRES**  
LAW GROUP, LLP

**BACKGROUND  
CHECK  
SERVICES**

Table of Contents  
**plexusglobal**  
Driving Technology. Delivering Service.

**ACTIVE VIOLENCE  
EMERGENCY  
RESPONSE TRAINING**  
(AVERT)

**hsi**  
To get started, please contact:

**CPR, FIRST  
AID & AED**  
ONSITE TRAINING

## Member Services Employee Benefit & Risk Management Resources

**RETURN-  
TO-WORK**  
SERVICES



**DRUG &  
ALCOHOL  
TESTING**



**LEARNING  
MANAGEMENT  
SYSTEM**



**ON-DEMAND  
WEBCAST  
TRAINING  
SERVICES**



[www.prismrisk.gov](http://www.prismrisk.gov)



[About PRISM](#) [Coverages](#) [Governance](#) [Members](#) [Calendar](#) [Resources](#) [Services](#) [Contact](#)



### Addressing Homeless Encampments

Join us to discuss the process used by a northern California county to close a homeless encampment in a way that protects the agency while respecting those experiencing homelessness!



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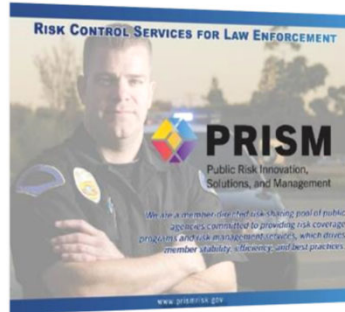
[Member Job Opportunities](#)

[Message Board](#)

[PRISM Documents](#)

Orange County Transportation Authority

## Membership Empowered



## Employee Benefits Major (Risk Sharing) Programs

## Employee Benefits Programs

### PRISMHealth Overview



- Established in 2003 – Primary goal: to offer an alternative to traditional Public Agency healthcare purchasing options.
  - Build a equitable shared risk arrangement, with stable renewals
  - Allow members to maintain their specific plan designs while benefitting from group/volume purchasing
  - Provide in-depth utilization reports to help members understand their cost drivers and take preventative action
  - Implement program options that assist in cost containment

**2024 PRISMHealth Program**  
**47 Members, 43k Employees/Retirees,**  
**Est. \$755M Premium Volume**

## PRISMHealth Program Partners





# Employee Benefits Programs

## PRISM Dental Overview



- Largest dental provider networks in the Country
- Members maintain their unique plan designs
- Pooled, equitable renewals
- Three participation segments:
  - Fixed-Rate PPO Pool
  - Dental HMO
  - Stand Alone Self-Funded
- Full service Benefits Administration included



**2024 PRISM Dental Program**  
**192 Members, 97k Employees/Retirees**  
**Est. \$98M Premium Volume**



# **PRISM**

## **Employee Benefits Programs**

### **History of Success**

**Presented By:**  
**Laurinda Newell, Senior Vice President**  
**Program and Analytics, Alliant**



We are committed to making PRISMHealth the premier Medical Program in CA, focused on initiatives in each of the areas listed



## PRISMHealth Success and Initiatives



- **Strategic Planning Member Sessions**
  - Focus on benefits and options, employee/dependent support, cost containment, member engagement/communication, and program management
- **Navigator PPO**
  - Simplify and improve the Healthcare experience
  - Improve access and cost transparency
- **Pharmacy Benefits**
  - Ensure best-in-class pricing and contractual provisions
- **Benefits Administration**
  - Added Benefit & Risk Management Services (BRMS)
- **Expansion of Cost Containment Programs**
  - Hinge Health and Livongo now available to all non-Kaiser plans
  - Expansion of existing programs and evaluation of future solutions

## PRISMHealth: A History of Stable Results

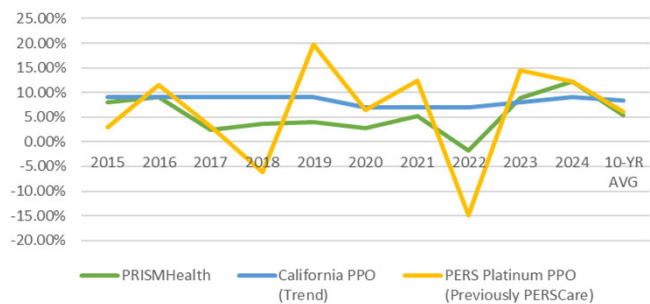


Alliant Insurance Services  
\*\*\*\*\*

RENEWAL HISTORY CHART

Plan Year	PRISMHealth	California PPO (Trend)	PERS Platinum PPO (Previously PERSCare)
2015	8.02%	9.00%	2.89%
2016	9.10%	9.00%	11.50%
2017	2.40%	9.00%	3.09%
2018	3.61%	9.00%	-6.07%
2019	3.97%	9.00%	19.80%
2020	2.83%	7.00%	6.45%
2021	5.22%	7.00%	12.32%
2022	-1.69%	7.00%	-14.85%
2023	8.88%	8.00%	14.48%
2024	12.26%	9.00%	12.18%
10-YR AVG	5.46%	8.30%	6.18%

California 10-Year Renewal History



Alliant Insurance Services  
\*\*\*\*\*



We are committed to making PRISM Employee Benefits Programs robust and creative, focused on initiatives in each of the areas listed

Membership Growth

Cost Containment

Product Choice

Increasing Access to Care

Vendor Accountability & Efficacy

Improved Administration

Communications & Marketing

Program Mgmt Support



## PRISM Employee Benefits Successes and Initiatives

Alliant Insurance Services  
■■■■■

- **Ameritas added as Second Dental Carrier Option**
  - Provider network and recruitment strategy
  - Out-of-network reimbursement strategies
- **ConcernPlus First Responder Program**
  - Exclusively dedicated to public safety employees and their families
- **Dental Program Dividend**
  - \$6 million in Dental Program Equity released to current pool members
- **Paid Family Leave Solution**
  - Alternative for members not participating in CA State Disability
- **Personal Lines Insurance Program**
  - Concierge, multi-carrier options for automobile, homeowners, renters, umbrella, recreational vehicles, watercraft, and pet insurances

NOTES \_\_\_\_\_

[illegible]



# **New EB Program Partners**

**Presented By:**  
**Laurinda Newell, Senior Vice President**  
**Program and Analytics, Alliant**

**Erin Thomas, First Vice President**  
**Public Entity Practice, Alliant**



## PRISM Dental – New Option with Ameritas

**Ameritas – Approved as PRISM's second dental carrier because of the following features:**

- Strong in-network discounts
- Ameritas pays out-of-network providers directly
  - Alleviates the need for members to pay dentists up front for the full cost of service and apply for reimbursement
- Extensive experience with California Public Agencies and joint purchasing pools
- Robust value-add options
  - Dental Rewards – carryover portion of unused annual maximum
  - Fusion Benefit – spend a portion of unused annual maximum toward eyecare
  - LASIK Advantage – provides coverage for LASIK and related procedures
- Strong Commitment to Provider Recruitment
  - Dedicated recruiter
  - Customizable
  - Recruitment guarantees





## PRISM Dental – Ameritas Member Experience

### Out of Network Claims:

- Ameritas allows the patient to 'assign' benefits to their out-of-network providers so the dentist gets paid directly and patients do not have to pay up front
- Members can also nominate an out-of-network provider to join the network by completing an on-line nomination form

### Balance Billing:

- Ameritas includes a different out-of-network reimbursement schedule than a maximum allowable amount
- Dentists are paid at the 90th percentile (payment based on 9 out of 10 dentist charges in geographical area). Other reimbursement levels can also be quoted.



## ConcernPlus First Responder EAP



## PRISM Public Safety Task Force



### 2021/22 – PRISM establishes a Public Safety Task Force to address the exponential need of First Responders

- Task Force represented the diversity and expertise of our members: Cities, Counties, Human Resources, Law Enforcement, Mental Health Providers, and Risk Management

#### **Primary Goal**

- Review and assess the immediate need
- Create an RFP for specific services that includes culturally competent providers
- Increase support for First Responder employees and their families

## PRISM Public Safety Task Force



### **Program Partner Selection**

PRISM Public Safety and First Responders Program Partners were evaluated based on:

- California Public Safety and Public Agency Experience
- **Culturally Competent Provider Network**
- Culturally Competent Critical Incident Response (CIR)
- Clinical Support of Internal Peer Teams
- Wellness Checks
- Customer Service Support
- Digital Access/Capabilities

## ConcernPlus – First Responder EAP

### Program Benefits and Support

- Addresses specific challenges FR's face in the course of their duties
- Trauma trained specialist support
- Culturally competent, uniquely qualified providers
- Providers with specialized experience (EMDR, CBT, Brainspotting)
- Available for fast response & critical incident stress debriefing
- More counseling sessions than standard EAP plans (8-15 sessions available)
- Culturally competent training
- Confidential, non-judgmental support and guidance
- Concern Provider Network
  - Video, phone, in-person
- BetterHelp Counselors
  - Video, phone, live chat, text



## ConcernPlus – First Responder EAP

### Who is a First Responder (FR)?

#### Typical FRs

- Police (sworn & non-sworn)
- Fire Fighters
- Emergency Medical Technicians (EMTs)
- Dispatchers

#### FRs can also be

- Disaster Relief Technicians
- Bailiffs & Court Officials
- Park Rangers
- Employees working in similar roles, dealing with similar circumstances

**Each member agency defines their own First Responder population**



# ConcernPlus – Culturally Competent Providers

## Who is a Culturally Competent Provider?

- Cognitive of First Responder working environment, values, beliefs & culture when providing care
- Builds trust, understands demands of the job
- Licensed, specifically trained to treat unique needs of first responders & their families
- Specialized Trauma Expertise & Training
  - Eye Movement Desensitization & Reprocessing (EMDR), Brainspotting, Critical Incident Stress Debriefing (CISD), Cognitive Behavioral Therapy (CBT)

## Recruiting Culturally Competent Providers

- Concern are experts at recruiting!
- Able to recruit clinicians who have existing relationship with agency (certain standards & requirements must be met)
- Current First Responder Panel
  - 200+ providers
  - More than 50% available for virtual counseling to cover rural areas



# ConcernPlus – Culturally Competent Training

### SEMINARS FOR 2024

ConcernPlus culturally competent training for First Responders features strategies to increase skills and understanding.

#### Seminar Length

Seminars are online and one hour in length unless otherwise noted.

#### First Responders

- Cultivating Resilient Responders (2 hrs)
- Mindfulness for Public Safety Officers
- Substance Abuse & Coping Strategies for FRs

#### Leaders/Management

- Motivating People in the Workplace
- Maintaining Leadership/Supervisor Boundaries
- Mission & Values for You & Your Team (2 hrs)

#### FR/Pro Staff

- Why Am I Feeling This Way: The New Normal
- Suicide Prevention/Intervention
- Grief & Bereavement
- Beyond Betrayal: Marriage, Friendships, Work
- Effects of Burnout & Compassion Fatigue (2 hrs)
- Finding Life Balance
- Effectively Cope with Change
- Dealing with Difficult People in the Workplace & the Public
- Wellness in the Workplace

#### FR Significant Others/Families

- SOS: Significant Other Survival (2 hrs)
- Surviving Holiday Stress

#### SCHEDULING A SEMINAR

Contact your Account Executive or send an email to Concern's Training Coordinator  
[theresa.gilmour@concernhealth.com](mailto:theresa.gilmour@concernhealth.com)

- ✓ The trainer is a culturally competent clinician, or a subject matter expert
- ✓ The topics are culturally relevant for first responders, professional staff, leadership, and families
- ✓ Trainings are offered in person or online as a webinar and are typically 1 - 2 hours in duration
- ✓ Regional/multi-department training is a possibility. Smaller agencies banding together pool in their training hours to organize an in-person training.
- ✓ Online Training is hosted by Training Vendor, The Counseling Team International (TCTI)

# Personal Lines Insurance Program (PLIP)



## An introduction to Confie and InsureOne Premier

### The Nation's Leading Personal Lines Agency

Personal lines leadership since 2016

Access to over 150 personal lines carriers in auto, home, and more serving 50 states

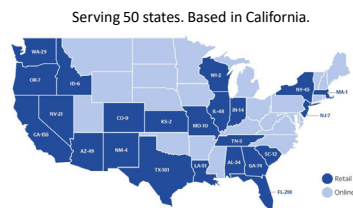
Full service, white-glove teams including bilingual skill to support sales and service

Online multi-carrier shopping tool that can integrate with client benefit and intranet sites; optimized for mobile and desktop

- PRISM and Alliant have a longstanding partnership serving California's Public Entities including a robust Voluntary Benefits (Home, Auto, and more) program serving CA employees
- In 2021, Alliant acquired Confie, the nation's leading independent personal lines agency
- We aspire to be the **most trusted** insurance solution each day by delivering:
- **Cost:** The best price & quality customized to each individual or family
- **Choice:** The widest breadth, with over 150 carriers and full insurance product range
- **Convenience:** Our white glove service meets customers where they prefer: Click, Call, Come-in



InsureOne is our premium brand with access to top carriers, experienced agents, and the dedicated white glove team.





## InsureOne Premier is a high-touch experience customized for PRISM

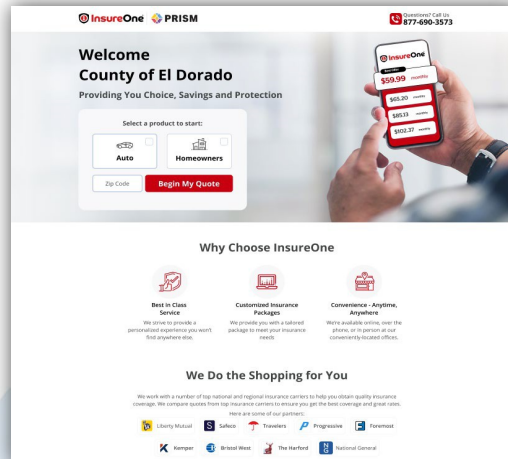
### InsureOne Premier Auto & Home Platform

Optimized for desktop and mobile

Full service, bilingual associates ready to support sales and service

#### Auto & Home - Entry Point Page

Customized launch page can reside within any company site page or via directed link. Page layout and branding is fully customizable.



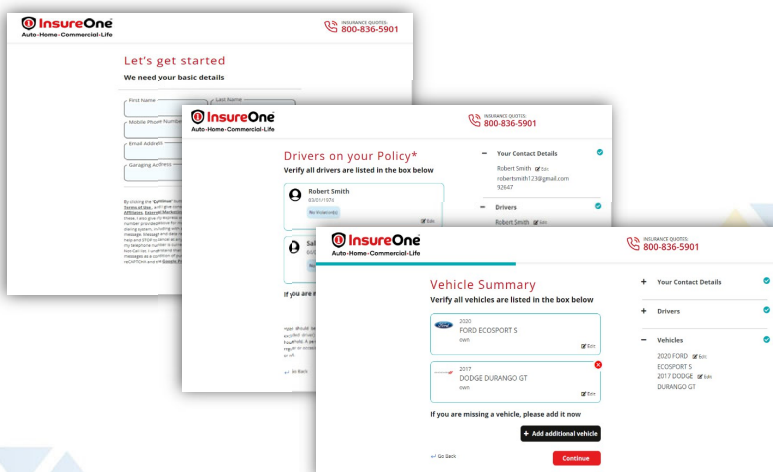
## Auto Insurance – Online Multi-Carrier Quoting leading to White-Glove Support

### Auto Quoting Platform

#### Initiating a Quote Request

Online quoting and rating platform is securely hosted on Microsoft's Azure cloud service.

It can include co-branding if preferred; important to show licensed agency name for consumer transparency.



## Homeowner's Insurance – Multi-Carrier Quoting

### Homeowner's Quoting Platform

Optimized for desktop and mobile

Full service, bilingual associates ready to support sales and service

### Intuitive 3-Page Application

Customer can opt to switch to a call for direct agent assistance at any time.

The screenshots show the InsureOne website interface for Homeowner's Insurance. The first page is titled 'START YOUR QUOTE! Homeowners Insurance' and features a progress bar with three steps: 1. Personal Information, 2. About Your Home, and 3. Additional Information. The first step is active, showing fields for Gender, First Name, Last Name, Marital Status, Date of Birth, Email, and Phone Number. Below the form is a 'CONTINUE' button. The second and third pages are partially visible behind the first, showing similar form structures and 'BACK' and 'CONTINUE' buttons.

## Employee Launch Communications are your proven techniques & tools!

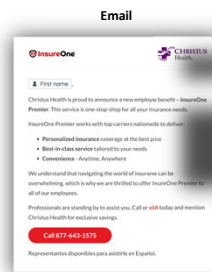
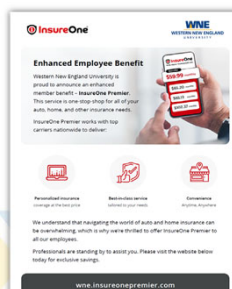
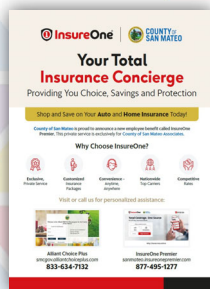
### Launching the Program and Communicating it to Employees

#### Suggested Program Launch

#### Evergreen

1. **Announcement** – Email, Flyers &/or Postcard
2. **Inclusion if avail** – e.g. Open Enrollment or Off - Cycle
3. **Reminder** – Repeat Announcement 60 days later

- **Digital Access** – Banner on Employee Portal
- **Ongoing Inclusion if available**
- **Your Best Tools & Techniques**



A decorative background pattern consisting of a repeating tessellation of triangles in shades of yellow, light blue, light pink, and light purple. The triangles are arranged in a way that creates a larger, complex geometric shape, possibly a stylized leaf or a honeycomb-like structure.

# **Leaves, Leaves & More Leaves**

**Presented By:  
Nicholas Grether, Esq.  
Liebert Cassidy Whitmore**





LIEBERT CASSIDY WHITMORE

# Leaves, Leaves and More Leaves

PRISM – Employee Benefits Symposium  
April 11, 2024

Presented By:  
Nicholas M. Grether

## Agenda

- California Paid Sick Leave Law
- FMLA/CFRA
- Pregnancy Disability Leave
- Paid Family Leave
- School-Related Leaves
- ... and more



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# Leaves, Leaves and More Leaves!

**NPLA**

**Vacation**

**Paid Sick Leave**

*ADA/FEHA Disability Leave*

**Voting Leave**

**Labor Code § 233**

**CTO**

**PDL**

*School Activities*

**Workers Comp. Leave**

**FMLA/CFRA**

**PFL**

**COVID-19**

**Military Leave (USERRA)**

*Jury Duty*



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## Paid Sick Leave Laws





# Paid Sick Leave Law

## Paid Sick Leave law accruals

- **Accruals**

- **Accrual:** 1 hour for every 30 hours worked
- **Frontload:** Frontload of 5 days or 40 hours each 12-month period – no carryover requirement (Starting January 1, 2024.)
- Alternative accrual methods where employee accrues or is provided 5 days/40 hours by 200th day of employment (Starting January 1, 2024)
- Grandfathered policies



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# Paid Sick Leave Law

## Paid Sick Leave law use

- **Sick Leave use (Beginning 1/1/2024)**

- 5 days or 40 hours of paid sick leave in a 12-month period
- Can accrue up to 10 days or 80 hours of paid sick leave that can carryover year-to-year (except for frontload)
- Can begin using sick leave on 90th day of employment



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## Paid Sick Leave Law and Labor Code § 233

### Both laws provide leave protections to covered employees for:

1. The diagnosis, care, or treatment of an existing health condition or preventative care for an employee;
2. The diagnosis, care, or treatment of an existing health condition or preventative care for or an employee's family members (parent, child, spouse, **domestic partner, sibling, parent-in-law, grandchild, and grandparent**);
3. For purposes related to being a victim of domestic violence, sexual assault, or stalking.

*Labor code § 233 provides that one-half of an employee's annual sick leave or PTO accrual used for one of the above purposes is protected*



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## “Designated Person”

- As of January 1, 2023, the Paid Sick Leave law now includes under the definition of “family member” a “designated person”
- No requirement of blood relation or “equivalent of a family relationship”. However, local paid sick leave laws may require a blood relation



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# Family and Medical Leave Act / California Family Rights Act



## Reasons for FMLA/CFRA Leave

- **FMLA and CFRA**

- Serious health condition that makes employee unable to perform functions of his or her position
- Care for child under 18 years, adult dependent child, parent, or spouse with serious health conditions
- Birth of an employee's child and to care for a newborn
- Placement of a child with an employee in connection with adoption and foster care
- "Qualifying Exigency" Family Military Leave to Assist Child, Spouse, or Parent on Active Military Leave (included in CFRA eff. 1/1/2021)



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## Reasons for FMLA/CFRA Leave

- **FMLA only**

- Care for covered service member with injury/illness (26 weeks)
- Leave for employee's serious health condition related to pregnancy (FMLA and PDL, not CFRA)

- **CFRA only**

- Care for registered domestic partner with serious health condition
- Care for adult non-dependent child, grandparent, grandchild, sibling, *parent-in-law\**, or *"designated person"\** with a serious health condition
- "Qualifying exigency" family military leave to assist employee's registered domestic partner

\* Following CFRA revision effective January 1, 2022

\* Following CFRA revision effective January 1, 2023



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## Reasons for FMLA/CFRA Leave

- **CFRA: AB 1949 (Bereavement Leave)**

- As of January 1, 2023, AB 1949 amends the FEHA to create a statutory right for employees to take up to five days of bereavement leave
- May be taken for the death of a family member
- Must be completed within 3 months of the death, but need not be taken consecutively



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## Reasons for FMLA/CFRA Leave

- **CFRA: AB 1949 (Bereavement Leave)**

- Works in conjunction with any existing bereavement leave policies an employer may have
- Does not have to be ***paid*** bereavement leave
- Employers may require employees to provide documentation of the death within 30 days of leave



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## Reasons for FMLA/CFRA Leave

- **CFRA: AB 1949 (Bereavement Leave Cont.)**

- Employers required to maintain the confidentiality of any employee requesting bereavement, and the documentation
- Unlawful employment practice to discriminate based on bereavement leave
- CBA can effect whether law applies or not



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## Reasons for FMLA/CFRA Leave

- **CFRA: SB 848 (Reproductive Loss Leave) – effective 1/1/24**
- Up to 5 days
  - Per event
  - May be taken nonconsecutively
  - May be intermittent
  - Law is silent on documentation requirement to support request
- Taken within 30 days of reproductive loss event
- Total of 20 days within 12-month period



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## Pregnancy Disability Leave (and more FMLA/CFRA)



## Pregnancy Disability Leave (PDL)

- Four months of leave for pregnancy-related disability
- Employer required to pay health insurance
  - PDL right to maintenance of health benefits is in addition to right to maintenance of health benefits under CFRA
- No eligibility requirements
- Applicable to all public employers, regardless of size



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## FMLA, CFRA, and PDL

### Interaction Between FMLA, CFRA, and PDL (example)

	Pre-birth Disability	Post-birth Disability		"Bonding"
Duration	8 Weeks	4 Weeks	4 Weeks	12 Weeks
Source of Leave	FMLA and/or PDL	FMLA and/or PDL	PDL	CFRA



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## CFRA Applicability

- Under FMLA, an employee is eligible for leave only if the employee:
  - Has more than 12 months of service with the employer;
  - Worked at least 1,250 hours during past 12 months; and
  - Works in a location with 50+ employees in a 75 mile radius
- Under CFRA (as of January 1, 2021), employee threshold reduced to 5 employees, with no geographical limit
  - Covers all public employers regardless of size
  - 12-month and 1,250-hour requirements still apply



LIEBERT CASSIDY WHITMORE

## Retroactive Designation of FMLA/CFRA Leave

Sherry is a human resources analyst for the City of Sunnydale. Her duties include designating leaves of absence as FMLA and/or CFRA leave to the extent they so qualify. However, on one occasion, she fails to carry out her duties and does not timely designate an employee's leave of absence as FMLA/CFRA leave.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

*Sherry can retroactively designate the employee's leave of absence as FMLA leave?*

**MAYBE**



LIEBERT CASSIDY WHITMORE

## FMLA/CFRA Recertification

### CFRA

- Upon expiration of the estimated time in certification and additional leave requested
- Allows for potential lifetime "certification"

### FMLA

- Generally, permitted every 30 days; employer may require every 6 month
- Employee expense unless otherwise provided by employer
- No second or third opinions

***CFRA Provides Greater Employee Rights on Recertification – Probably Cannot Follow FMLA Rules Where Leave is Concurrent with CFRA***

2 CCR § 11091(b)(2); 29 CFR § 825.308



LIEBERT CASSIDY WHITMORE

## Note on “Paid Family Leave”

- Despite the name, “paid family leave” is **NOT** a separate leave entitlement, but a paid benefit provided through payroll taxes and administered by the employment development department (EDD)
- Rather, PFL provides up to eight (8) weeks of wage replacement benefits to eligible employees who are taking unpaid family care leave
- Generally complements FMLA/CFRA leave used for family care or bonding

***Public agencies by default do not participate in PFL, but can voluntarily elect to participate (collectively or by bargaining unit)***



LIEBERT CASSIDY WHITMORE

## School-Related Leaves



## School-Related Absences

### Labor Code § 230.7

- Employee entitled to leave to attend school meeting if employee's child is suspended

### Labor Code § 230.8 (Family School Partnership Act)

- 40 hours/year for childcare-related activities
  - Finding, enrolling, or reenrolling a child in a school or with a licensed child care provider, or to participate in activities of the school or child care provider (*max 8 hours/month*)
  - Addressing a child care or school emergency
- Can require documentation to verify activity
- Can require employee to use vacation, CTO, or other paid personal leave accruals available



LIEBERT CASSIDY WHITMORE

## Disability-Related Leaves





## ADA/FEHA Disability Accommodation

- Even where FMLA/CFRA leave has expired or employee does not qualify for such leave, an employer may still be obligated to provide a medical leave as a reasonable accommodation of a disability
- Relevant laws
  - Americans with Disabilities Act (ADA)
  - Fair Employment and Housing Act (FEHA)
  - CalPERS Disability Retirement Laws



LIEBERT CASSIDY WHITMORE

## Military Leave (Including More FMLA/CFRA)



## Military Duty Leaves

	Temporary Military Leave (up to 180 days)	Military Leave Other Than Temporary (<180 days)	National Guard Service
Eligibility	1 year service	1 year service	Declared emergency or active duty only
Protected Leave	Yes	Reapply per USERRA	Yes, for duration of emergency
Paid Leave?	30 calendar days (optional for inactive duty)	30 calendar days	30 calendar days
Max 30 calendar days total in 1 fiscal year (unless resolution or MOU says otherwise)			



LIEBERT CASSIDY WHITMORE

## Military Caregiver Leave

### Leave to care for a covered service member with a serious injury or illness (up to 26 weeks)

- “Covered service member”
  - Employee’s spouse, son/daughter, parent, or “next of kin”
  - Current member of armed forces or veteran discharged within last 5 years
  - Undergoing treatment, recuperation or therapy for serious injury or illness

29 CFR § 825.127



LIEBERT CASSIDY WHITMORE

## Jury Leave

Carla is a new employee at the City of Hill Valley, starting her probationary period as a Program Analyst.

In her second week of work, she is called to jury duty.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

Because Carla has just started at the City, Carla's Supervisor, Michael, insists that Carla is not eligible for jury duty leave.

***Michael is right.***

**FALSE**



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

*Carla is not entitled to be paid for any of her time off for jury duty.*

**TRUE**, but an MOU or agency policy may provide paid leave, or she may be able to use vacation, personal leave, or compensatory time off.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

On her way back from the last day of jury duty, Carla witnesses a crime and is subpoenaed to testify at the trial.

*Carla is entitled to time off to testify at the criminal trial?*

**TRUE**



LIEBERT CASSIDY WHITMORE

## Leave to Vote



## Leave To Vote

It's now time for the next election for Governor. Turnout is expected to be huge. As Program Analyst, Carla works 8am-5pm. Carla notifies Michael that because she lives far away, she will need to take off work 4 hours early to vote. Michael is in the middle of preparing the Department's budget and needs Carla all day. She takes the time off anyway.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

*Carla is entitled to the time off she requested to vote?*

**FALSE**



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

**Twist on the Scenario:** Assume Carla is instead a City Firefighter who works 24-hour shifts and provides notice a week in advance of the need for two hours off to vote as election day is during her shift.

*Carla is entitled to paid leave to vote?*

**TRUE**



LIEBERT CASSIDY WHITMORE



# Workplace Injuries and Leave



## Industrial Injury Leaves

- Treated just like other medical leave of absence
- Run FMLA/CFRA leave concurrently
  - Exception: 4850 leave for covered police/fire
- Upon expiration of FMLA/CFRA leave, engage in disability interactive process to determine if additional leave can be provided as ADA/FEHA disability reasonable accommodation
- If employee is vested for disability retirement purposes under CalPERS/'37 Act, satisfy any obligations before separation of employment



LIEBERT CASSIDY WHITMORE

# Vacation



## Vacation Leave

The City of Cliffside has a vacation policy which states that if an employee does not use any vacation accrued during the calendar year, the employee loses such accrued vacation.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

*The City of Cliffside's "use it or lose it" vacation policy enforceable.*

**FALSE**

(Labor Code § 227.3)



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

Assume instead that this vacation policy is in the Cliffside City Employee's Association MOU with the City of Cliffside.

*Is the "use it or lose it" vacation MOU provision enforceable?*

**TRUE**

(MOU exception to Labor Code § 227.3)



LIEBERT CASSIDY WHITMORE

## Vacation Leave

The Town of Green Lake's vacation policy provides new employees 2 weeks of paid vacation annually. However, employees cannot use vacation time until the first day after the 1-year anniversary of their employment. Green Lake does not pay out vacation benefits to new employees released from probation before their anniversary date.



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

*Is Green Lake's vacation policy enforceable?*

**FALSE**



LIEBERT CASSIDY WHITMORE

## True, False or Maybe...

Assume instead that Green Lake's Policy does not provide a new employee any vacation accruals until the first day after the 1-year anniversary and no vacation benefits are paid out to new employees released from probation before their anniversary date.

***Is Green Lake's vacation policy enforceable?***

**TRUE**



LIEBERT CASSIDY WHITMORE

## Thank You!

**Nicholas M. Grether**

**Associate | Los Angeles**

310.981.2321 | [ngrether@lcwlegal.com](mailto:ngrether@lcwlegal.com)

[www.lcwlegal.com/people/nicholas-m-grether/](http://www.lcwlegal.com/people/nicholas-m-grether/)



LIEBERT CASSIDY WHITMORE

# PRISM Program Spotlight

## Paid Family Leave



**Presented By:**  
**Laurinda Newell, Senior Vice President**  
**Alliant**



## State PFL Background



- California's Paid Family Leave (PFL) program was enacted in 2002
- Provides disability compensation for individuals needing to take time off work to care for seriously ill family members or to bond with a new minor child.
- The CA PFL Program is administered by the State Disability Insurance (SDI) program and is funded by employees' contributions.
- For 2024, the cost of SDI (including PFL) is 1.1% of taxable wages, **with NO wage limit**
- Many Public Entity employers do not pay into CA SDI, which means their employees don't get a Paid Family Leave benefit; this could put these employers at a disadvantage when competing for talent with agencies that do pay into SDI.

## PRISM Paid Family Leave Solution



### **Paid Family Leave Benefits Offering**

- Up to 8 weeks of partial pay
- 60%-70% of the weekly wage
- Maximum benefit of \$1,620 per week; Minimum benefit of \$50 per week

### **Added to Short Term Disability (STD) Plan**

- Given the connectivity, the PFL solution is offered in conjunction with STD. PFL is not offered on a stand-alone basis.

**Eligibility:** PFL provides benefit payments to employees who need to take time off work to:

- Bond with new minor child
- Care for a seriously ill family member
- Participate in a qualifying event due to a family member's deployment

## PRISM Paid Family Leave Solution – Why?

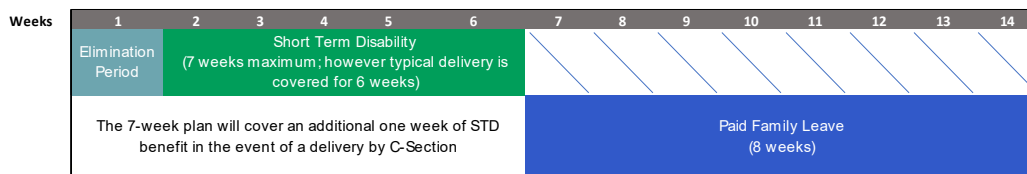
- There is currently no benefit for non-SDI employees to receive compensation when taking time off to bond with a new baby or to care for a sick family member.
- Employees who are not participating in SDI could be offered benefits equivalent to those employees that are participating in CA SDI benefits
- Employers can easily add the PFL benefit to their current employer paid STD Plans.
- There is no salary offset requirement before utilizing this benefit, not to exceed 100% of salary
- Policy to exhaust vacation or sick time before benefits are payable is eliminated
- Renews annually with enrollment in STD
- 100% employee participation required (can be implemented by bargaining unit)
- Can be 100% employee paid like CA SDI, 100% Employer paid or a shared expense by employer/employee
- Employees can use up to 8 weeks of PFL within 12 months for multiple qualifying events.
- Employees can take the time in one continuous leave or intermittently in one day increments.
- There is no waiting period

## PRISM Paid Family Leave – Examples



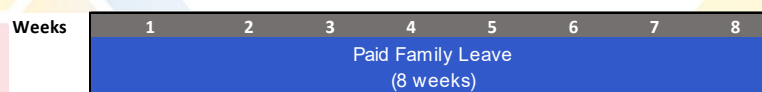
- Benefit coordination often looks like this – actual delivery date is the “qualifying event”

**Income replacement benefits for 7-week STD Plan.**  
**PFL pays up to 8 weeks continuous or intermittent within first 12 months of birth.**



- Non-maternity Care of Family Member PFL Claim

**Income replacement benefits**





# **Navigating the AI Revolution: Impacts in Healthcare and Benefits, Now and in the Future**

**Presented By:  
Dan Stuart, Senior Consultant  
Future Point of View (FPOV)**



The slide has a background of blurred code and a curved top edge. The word "AGENDA" is written in a large, bold, white font. Below the title, there is a list of four items in blue text:

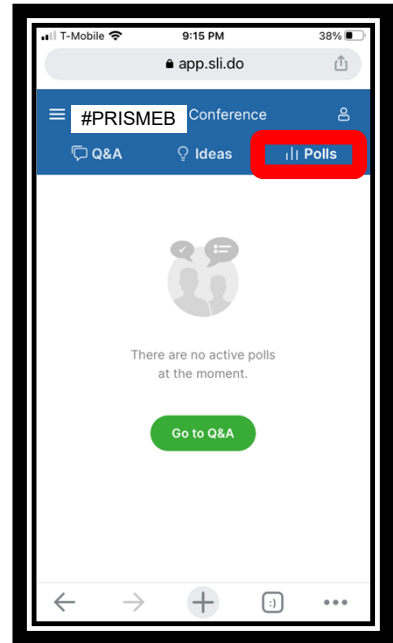
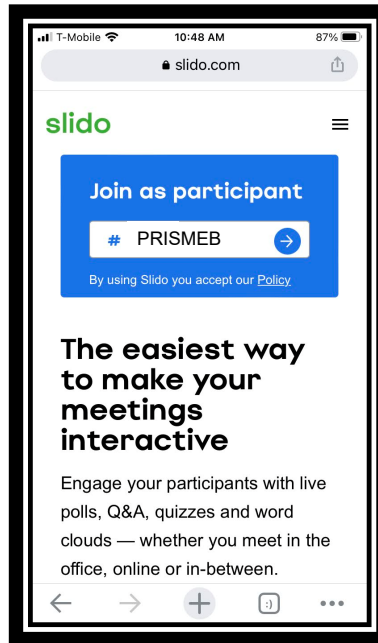
- AI Impacts Tomorrow to Today
- AI in Healthcare and Benefits
- Succeeding in an AI world
- Panel Discussion

In the bottom right corner, the FPOV logo is visible, consisting of the text "FPOV" and "FUTURE POINT OF VIEW" below it.

## Audience and Panelists



- All answers are anonymous
- You will only see the results of each poll if you participate

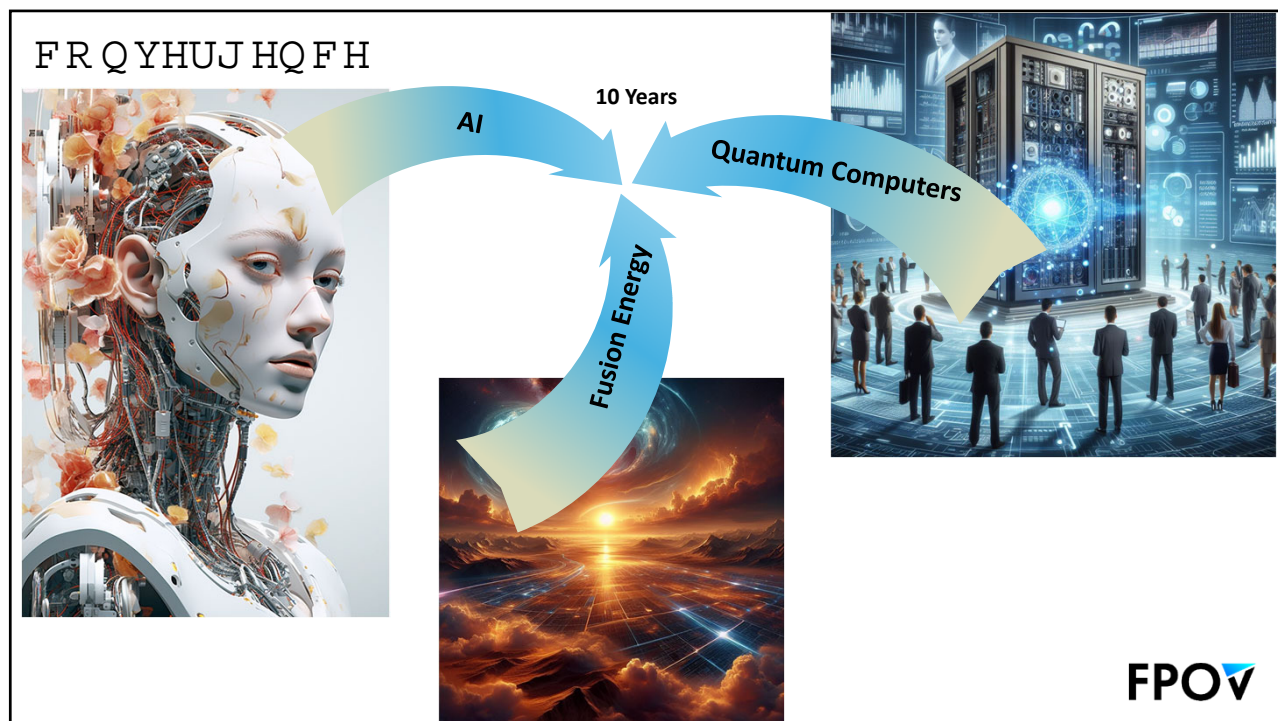


## AI IMPACTS TODAY AND TOMORROW

**The next 10 through 30 years will take us to a new threshold of humanity**







**FUTURE OF AI IN HEALTHCARE AND BENEFITS**

**Healthcare and its associated industries are making some of the most significant strides in AI applications.**

**There is not a single area of the entire healthcare ecosystem that will not be affected by AI innovation.**

FPOV  
FUTURE POINT OF VIEW



## AI in Benefits and Healthcare



**24/7 SUPPORT**

**INSTANT RESPONSE**

**PERSONALIZED RECOMMENDATIONS**

**CLAIMS ASSISTANCE**

**HEALTHCARE GUIDANCE**

**RISK ASSESSMENT & PREVENTION**

**POLICY MANAGEMENT**

**LANGUAGE SUPPORT**

**FEEDBACK ANALYSIS**

**CONTINUOUS LEARNING**



## SUCCESSING IN AN AI WORLD

**It will be imperative that you and your organization lean into AI.**

**Get educated in AI so you can make educated choices, stay competitive, and contribute to the future.**



[slido.com](https://slido.com)

Join As: #PRISMEB



FPOV

Let's Imagine the Unimaginable!

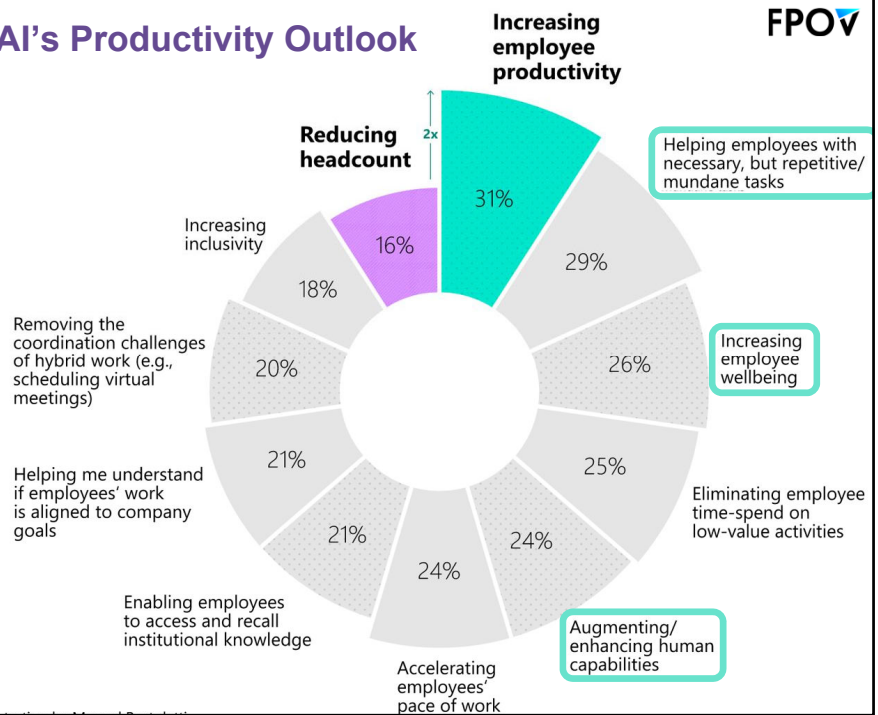
Will AI Take Our Jobs?

**"AI won't take your job. A person who knows how to use AI will take your job."**

- Scott Galloway

# Executive Survey: AI's Productivity Outlook

FPOV



FPOV

3rd Level AI

**Generative AI Capabilities**  
(ChatGPT, Content, Co-worker)

2nd Level AI

**Processes/Decisions/AI Tools**  
(Intelligent Automation, Bots, Build)

1st Level AI

**Embedded AI**  
(MS Copilot, Built into applications)

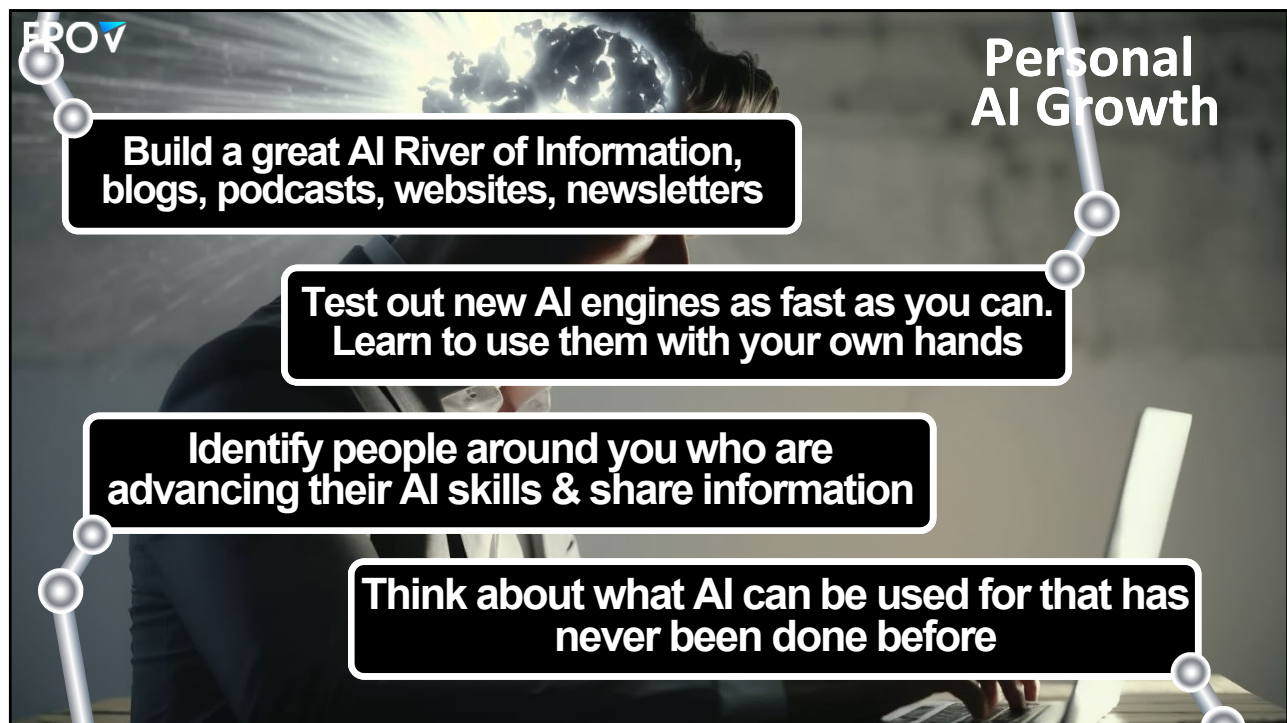
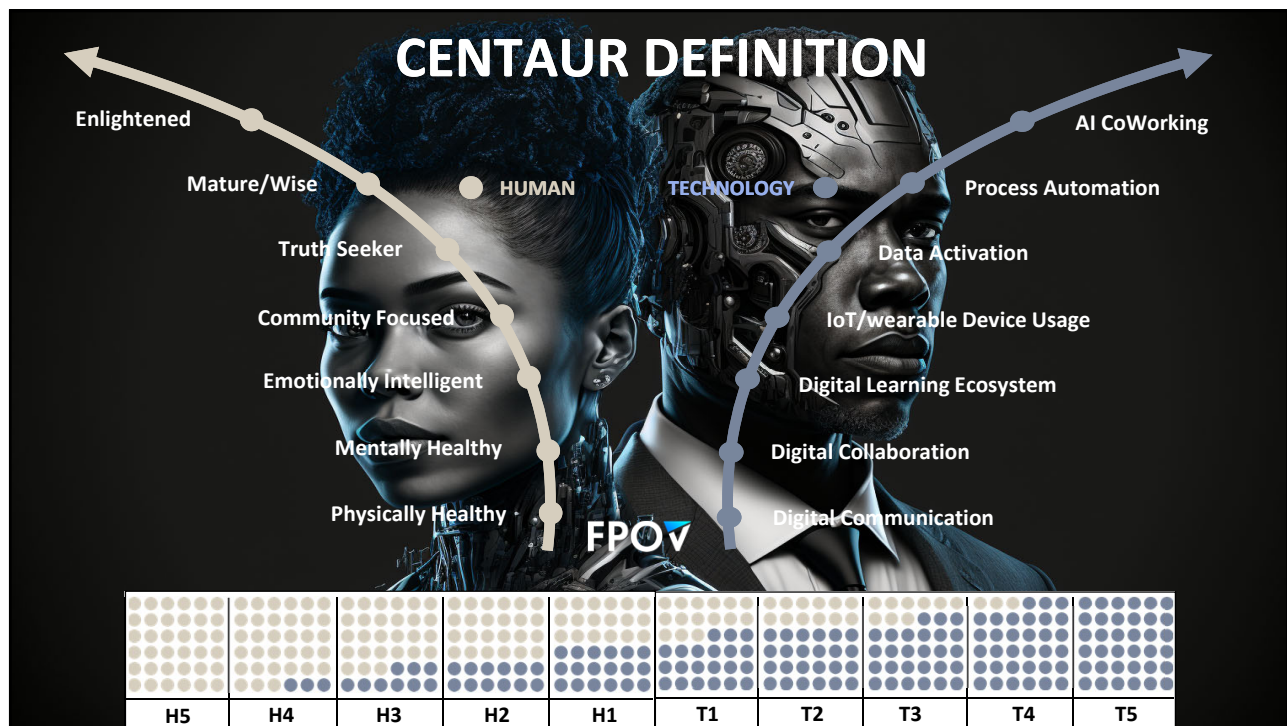
Foundation

**AI Infrastructure**  
(Watchdog, documentation, training)

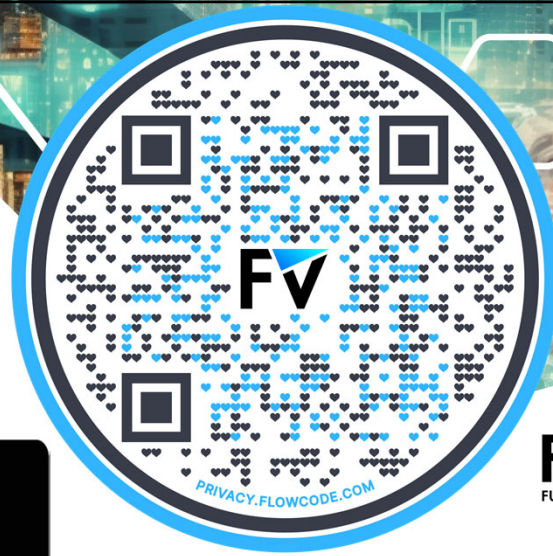
Foundation

**AI Governance Model**  
(Risk Oversight, Audits, Categorizing)





# RESOURCES



**FPOV**  
FUTURE POINT OF VIEW

**DOWNLOAD THE FULL DECK**  
FPOV.COM/PRESENTATION

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**LinkedIn**

**Continue the conversation...**

<https://www.linkedin.com/in/danshuart/>

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FUTURE POINT OF VIEW

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# Panel Discussion

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- **Andrew Guzman**
  - City of Visalia
- **Brendan Shannon**
  - San Diego Metropolitan Transit System
- **Ashleigh Szkubiel**
  - San Luis Obispo County







# **Weighing the Cost: The Impending Impact of GLP-1s on Healthcare Costs**

**Presented By:  
Michael Menerey, Senior Vice President  
Alliant**

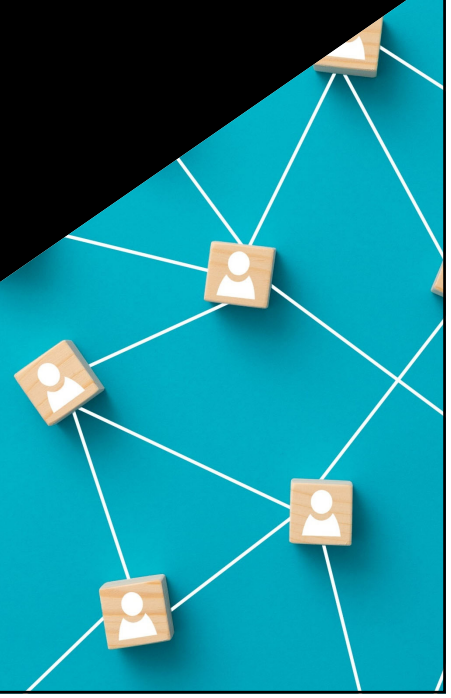
**Zach Petersen, First Vice President  
Pharmacy Benefits Consultant, Alliant**



# Weighing the Cost: The Impending Impact of GLP-1s on Healthcare Costs

PRISM Symposium 2024

4/11/24



## Agenda

- The Obesity (& Chronic Disease) Epidemic
- GLP-1 Basics & Marketplace Overview
- Cost Impacts and Concerns
- Strategies & Considerations
- Q&A Discussion

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# The Obesity Epidemic

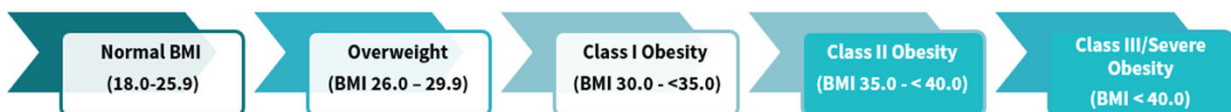
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Alliant Insurance Services



## What does it mean to be Obese?

Weight that is higher than what is considered healthy for a given height is described as overweight or obesity. Body Mass Index (BMI) is a screening tool for overweight and obesity.



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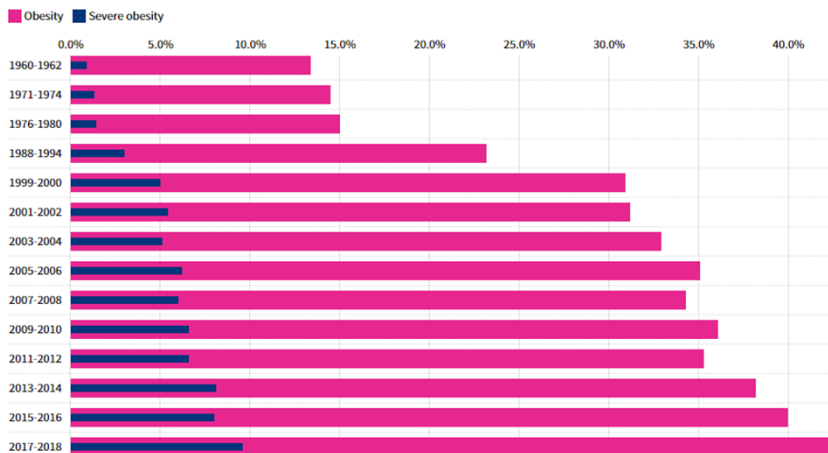


# The Obesity Epidemic - How Did We Get Here?

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 ~~~~~

## Nationwide obesity rates have more than tripled since the 1960s.

Age-adjusted nationwide obesity and severe obesity rates according to National Health and Nutrition Examination Surveys



This accounts for the population between the ages of 20-74. The obesity category already includes severe obesity.

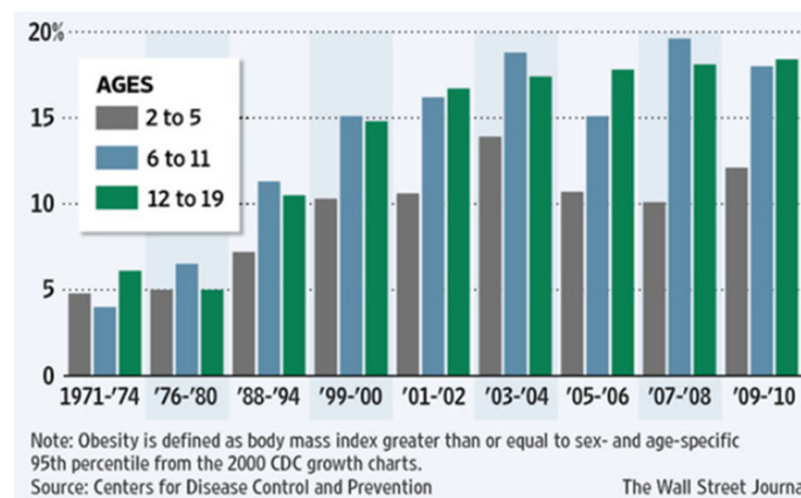
Source:  
<sup>1</sup> <https://www.fda.gov/report-details/state-of-obesity-2021/> and <https://www.cdc.gov/obesity/data/childhood.html>  
<sup>2</sup> <https://www.cdc.gov/nchs/data/hestat/obesity-adult-17-18/obesity-adult.htm#1>

Based on data collected between 2017 and 2020, **41.9%** of adults in the U.S. have obesity.<sup>1</sup>

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 ~~~~~

## The Obesity Epidemic - How Did We Get Here?

Childhood Obesity has increased significantly since the 1970's; as of 2020, **19.7%** of children and adolescents aged 2-19 are considered obese.



The Wall Street Journal

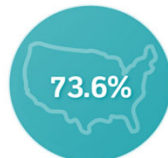


## The Cost of Obesity

The U.S. obesity prevalence is now 42.5%

Three-quarters of every dollar spent on medical costs in the U.S. are used to treat and manage chronic conditions associated with obesity

Adult Americans who are Overweight or Obese



Percent of adults age 20+ with obesity = 42.5%; adults age 20+ who are overweight, including obesity = 73.6%

Direct Health Care Costs



46% increase in inpatient costs; 27% increase in outpatient costs; 80% increase in Rx costs (vs those of normal weight)

Lost Productivity Costs



Estimated impact beyond medical claims and health care utilization in U.S.; costs are a result of work loss related to absenteeism and presenteeism, disability and Workers' Compensation

Greatest Contributor of Chronic Diseases in U.S.



At least 60 comorbidities and 13 cancers are attributed to obesity accounting for 47% of total costs nationwide

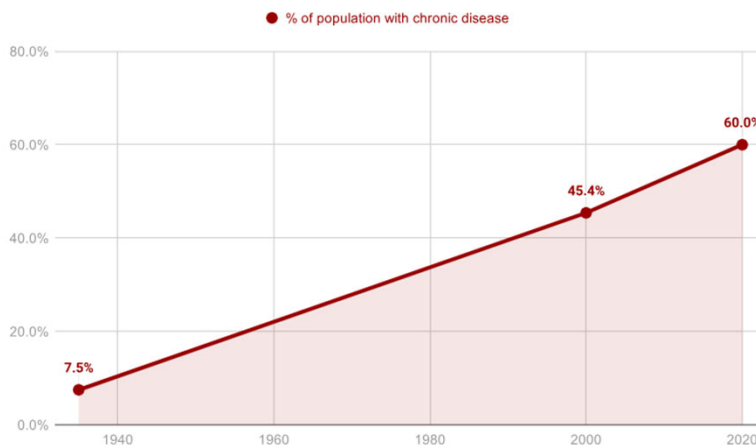
References: 1. <https://www.cdc.gov/nchs/fastats/obesity-overweight.htm>.  
2-4. <https://milkeninstitute.org/report/americas-obesity-crisis-health-and-economic-costs-excess-weight>.

## Chronic Disease Growth



Chronic Disease prevalence is increasing at a similar rate to Obesity prevalence

Chronic Disease Prevalence in America




Heart Disease	Cancer	Stroke
Alzheimer's	Diabetes	Chronic Kidney Disease
	Chronic Lung Disease	

A 1935 survey showed chronic disease and disability prevalence at 7.5% in American Adults. In 2000, 45% of Americans had at least one chronic disease and today it's 60%

Source: <https://www.cdc.gov/chronicdisease/resources/infographic/chronic-diseases.htm>, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5876976/>, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3036678/>

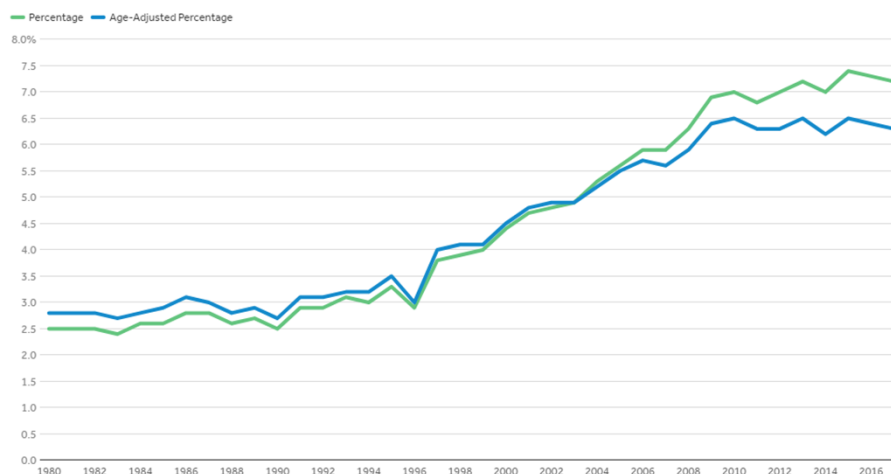
## Chronic Disease Growth - Diabetes

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In 1970 the incidence of Diabetes in women was 2% and 2.7% in men


In 2021, 11.6% of the population has Diabetes

Share of total population with diagnosed diabetes, 1980-2017



Source: US Diabetes Surveillance System

Peterson-KFF  
**Health System Tracker**

Alliant Insurance Services  


## Chronic Disease Growth - Cancer

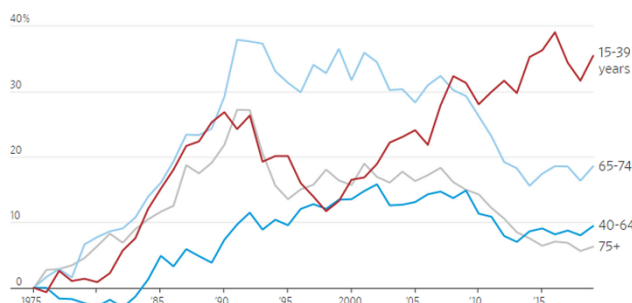
While deaths from Cancer are down due to earlier diagnosis and new (and expensive) treatments, the incidence of Cancer continues to grow.

### “Cancer Is Striking More Young People, and Doctors Are Alarmed and Baffled” - WSJ

#### Age Factor

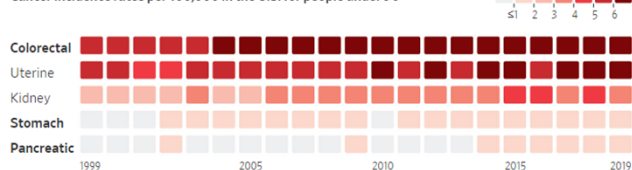
While cancer rates have fallen for older adults in recent years, they have risen for young adults.

Cumulative change in new U.S. cancer case rates, by age\*



Gastrointestinal cancers are among the cancers increasing the most rapidly in young people.


Cancer incidence rates per 100,000 in the U.S. for people under 50\*



Source: National Cancer Institute, <https://www.wsj.com/health/healthcare/cancer-young-people-doctors-baffled-49c766ed>

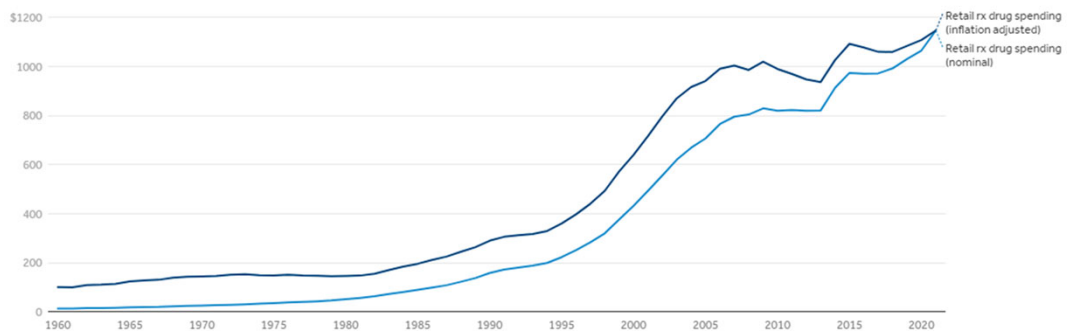
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## Modern Medicine: There's a Pill For That

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**66% of Americans are on at least one prescription drug; 27% of Americans take 4 or more prescriptions daily.**


Nominal and inflation-adjusted per capita spending on retail prescription drugs, 1960-2021



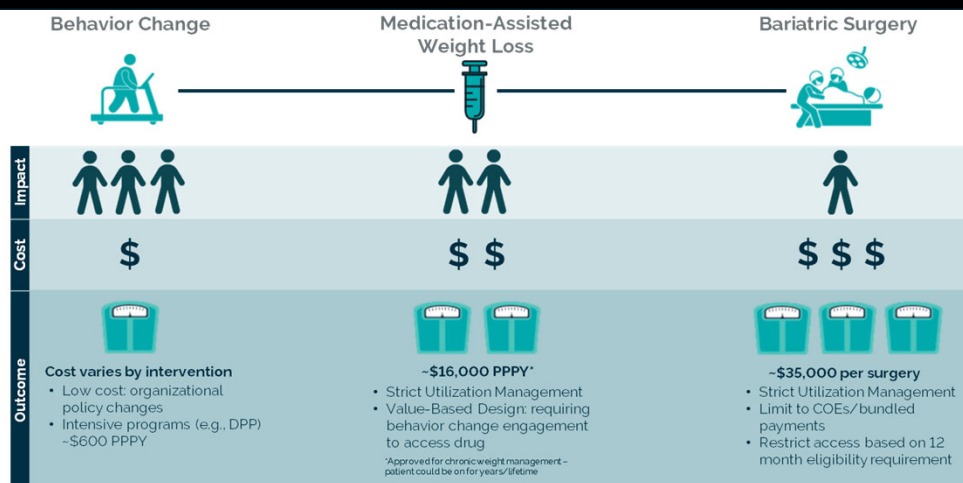
Source: KFF analysis of National Health Expenditures Accounts (NHEA) • Get the data • PNG

Peterson-KFF  
**Health System Tracker**

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Alliant Insurance Services  


## Obesity Management: Spectrum of Interventions



**The cost of weight loss medication can result in a higher lifetime cost than bariatric surgery depending on the tenure of the member**

5

# GLP-1 Basics & Marketplace Overview

Alliant Insurance Services

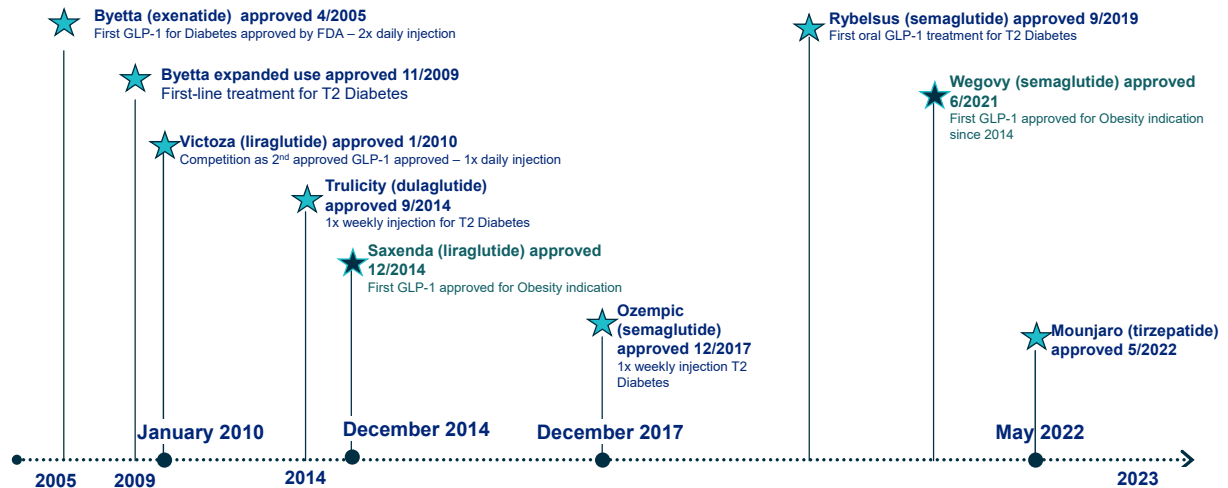


## GLP-1's

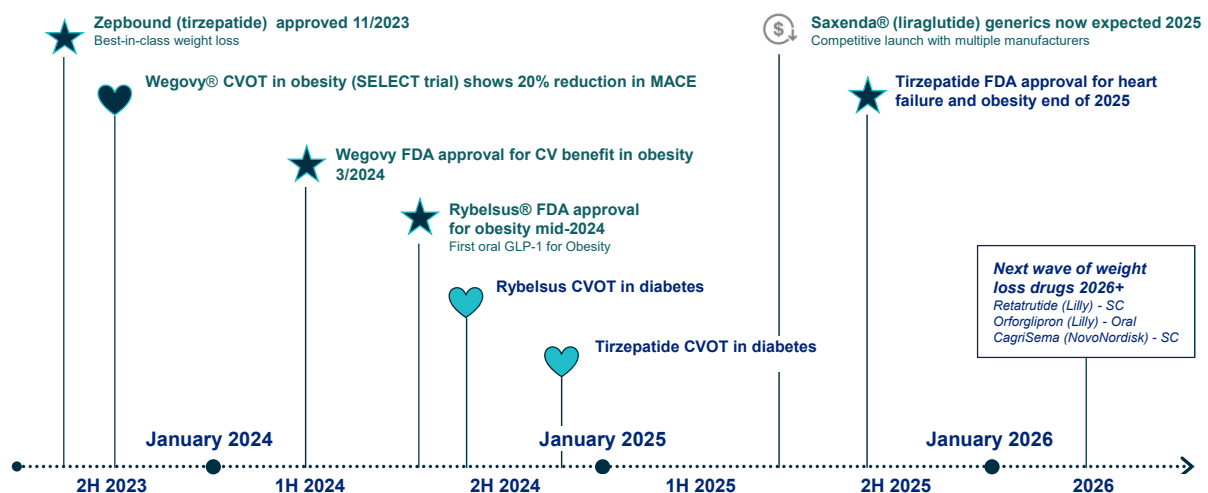
What are they and how do they work?

- ▶ Mimic the action of the naturally occurring hormone, glucagon-like peptide 1
- ▶ GLP-1's help:
  - Release insulin when blood sugar is too high
  - Remove excess sugar from the blood
  - Stop the liver from producing and releasing too much sugar
  - Reduction in food intake
  - Slows digestion in the stomach

## Historical key events in weight loss and GLP-1 agonist category



## Recent / Upcoming key events in weight loss and GLP-1 agonist category



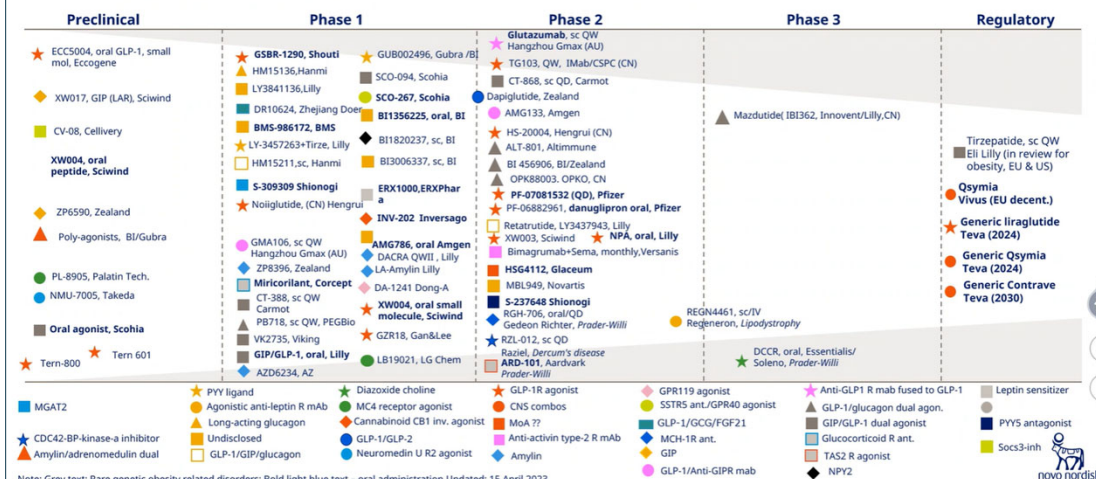


## Weight loss pipeline

Alliant Insurance Services

Novo Nordisk®

### Multiple weight loss compounds in development Many already in phase 2



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## Key GLP-1s in the marketplace

Alliant Insurance Services

Novo Nordisk®

	Saxenda (liraglutide)	Ozempic (semaglutide)	Wegovy (semaglutide)	Mounjaro (tirzepatide)	Zepbound (tirzepatide)
What is it FDA approved for?	Weight loss Approved as an adjunct to diet and exercise for chronic weight management in adults who are overweight (BMI ≥27 kg/m <sup>2</sup> ) or obese (BMI ≥30 kg/m <sup>2</sup> )	Approved to help control blood glucose (sugar) levels in patients with <b>type 2 diabetes</b> , but significant amounts of weight loss have also been seen in clinical trials	Weight loss Approved as an adjunct to diet and exercise for chronic weight management in adults who are overweight (BMI ≥27 kg/m <sup>2</sup> ) or obese (BMI ≥30 kg/m <sup>2</sup> )	Approved to help control blood glucose (sugar) levels in patients with <b>type 2 diabetes</b> , but significant amounts of weight loss have also been seen in clinical trials	Weight loss Approved as an adjunct to diet and exercise for chronic weight management in adults who are overweight (BMI ≥27 kg/m <sup>2</sup> ) or obese (BMI ≥30 kg/m <sup>2</sup> )
Year approved	2014	2017	2021	2022	2023 (November)
Manufacturer	Novo Nordisk	Novo Nordisk	Novo Nordisk	Eli Lilly	Eli Lilly
Efficacy	• About 5% to 10% over 56 weeks	• Not technically approved for weight loss • When used in patients with type 2 diabetes to manage blood glucose (sugar) levels, yields a 6% to 7% weight loss	• Approved for weight loss • About 12 to 15% over 68 weeks	• Not technically approved for weight loss • About 21% to 22.5% at the highest dose, in investigational clinical trials evaluating its use for weight management	• Approved for weight loss • Led to an average weight loss of 22.5% body weight, or about 52 pounds, surpassing all currently available weight loss medications on the market
Average gross cost per year (before discounts & rebates)	~\$16,500	~\$15,750	~\$16,200	~\$13,300	~\$12,700 
Route of administration	Injection	Injection	Injection	Injection	Injection

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## Weight Loss GLP-1s: Known vs. Unknown

### PROs

- Obesity is considered a chronic disease contributing to many other comorbid conditions
- Prior strategies focused on treating conditions after they happen
- Previous weight loss medications did not result in significant sustainable weight loss
- New medications offer promise of meaningful weight reduction (>15%)
- Positive psychological and social impacts

### CONs

- Significant cost burden: \$13K-\$16K/year
- Large population base would meet current FDA guidelines (40+% of U.S. adult population)
- Medications can be difficult to tolerate with high discontinuation rates
- Side effect profiles likely to increase as a larger populations utilize the medications
- Medication is intended to be ongoing/chronic
- Medications must be paired with exercise and lifestyle modifications to experience better clinical outcomes

### UNKNOWNs

- Will there be cost savings associated with positive health benefits of weight loss to offset the upfront cost?
- What is the timeline for potential positive health benefits to be realized by a patient and their benefit plan?
- What are the long-term health implications for patients on higher maintenance doses?

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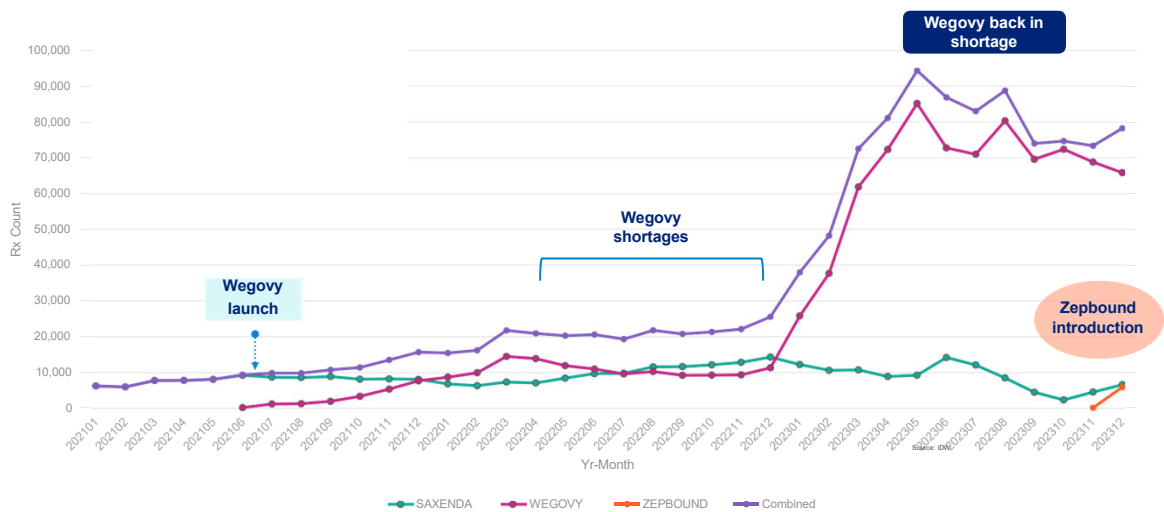
## Carrier Coverage for GLP-1s

Carrier	Cover (FI)	PA Required?	BMI > 30	BMI >40	Participation in Weight Mgmt Program Required?	Re-authorization
Aetna	★ Buy-up	★		★	★	7 Months
Anthem	★	★		★	★	Ineligible if BMI <40
Blue Shield	★	★	★		★	6 Months
Cigna	★	★		★	★	6 Months
UHC	★ Buy-up	★	★		★	6 Months

# Cost Impacts & Concerns

## Obesity GLP-1 trend is increasing\*

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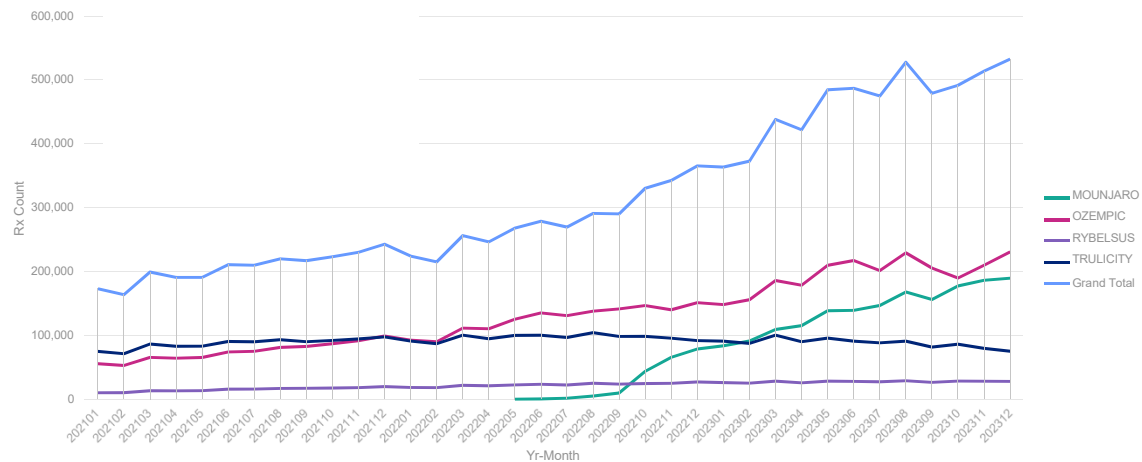


\*OptumRx commercial LOB

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## Diabetes GLP-1 trend is increasing

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## Wegovy: Clinical Data from FDA Approval

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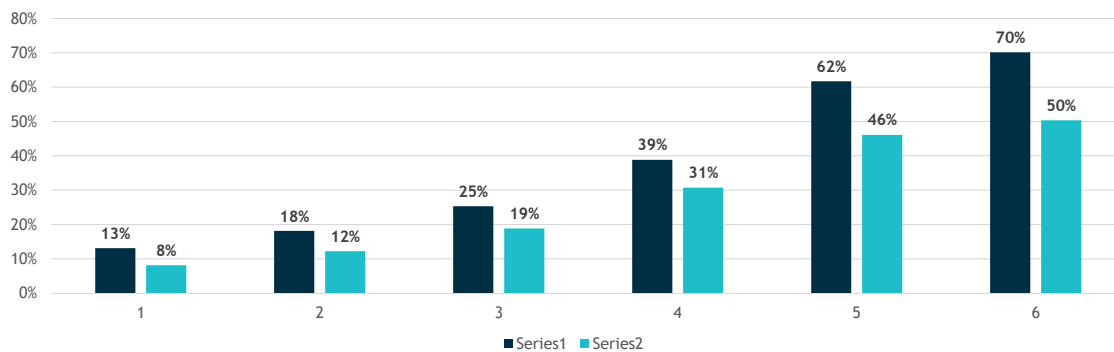
	Study 2 (Obesity or overweight with comorbidity)		Study 3 (Type 2 diabetes with obesity or overweight)		Study 4 (Obesity or overweight with comorbidity undergoing intensive lifestyle therapy)	
	PLACEBO N=655	WEGOVY® N=1306	PLACEBO N=403	WEGOVY® N=404	PLACEBO N=204	WEGOVY® N=407
Intention-to-Treat						
Body Weight						
Baseline mean (kg)	105.2	105.4	100.5	99.9	103.7	106.9
% change from baseline (LSMean)	-2.4	-14.9	-3.4	-9.6	-5.7	-16.0
% difference from placebo		-12.4		-6.2		-10.3
% of Patients losing greater than or equal to 5% body weight	31.1	83.5	30.2	67.4	47.8	84.8
% difference from placebo (LSMean)		52.4		37.2		37.0
% of Patients losing greater than or equal to 10% body weight	12.0	66.1	10.2	44.5	27.1	73.0
% difference from placebo (LSMean)		54.1		34.3		45.9
% of Patients losing greater than or equal to 15% body weight	4.8	47.9	4.3	25.1	13.2	53.4
% difference from placebo (LSMean)		43.1		20.7		40.2

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## GLP-1 Discontinuation Rates

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GLP-1 Discontinuation Rates - Obesity vs. Diabetes



- Approximately 38% of obesity utilizers remain on therapy after year vs. 54% of Diabetes utilizers
- Diabetes utilizers discontinue therapy at a lower rate across all periods compared to Obesity utilizers

\*OptumRx commercial LOB

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## Discontinuation, Side Effects and Black Box Warnings....oh my!

Pre and Post Marketing Adverse Reactions for Weight Loss GLP-1's

### Pre-Marketing Adverse Reactions

- Typical: Nausea, Diarrhea, Vomiting, Constipation, Headache, Fatigue, Dyspepsia, Hypoglycemia, Gastroenteritis, GERD, Nasopharyngitis
- Acute Pancreatitis
- Acute Gallbladder Disease
- Acute Kidney Injury
- Diabetic Retinopathy
- Gastroparesis

### Post-Marketing Adverse reactions

- Hypersensitivity Reactions
- Heart Rate Increases
- Changes in vision
- Suicidal Behavior and Ideation

#### WARNING: RISK OF THYROID C-CELL TUMORS

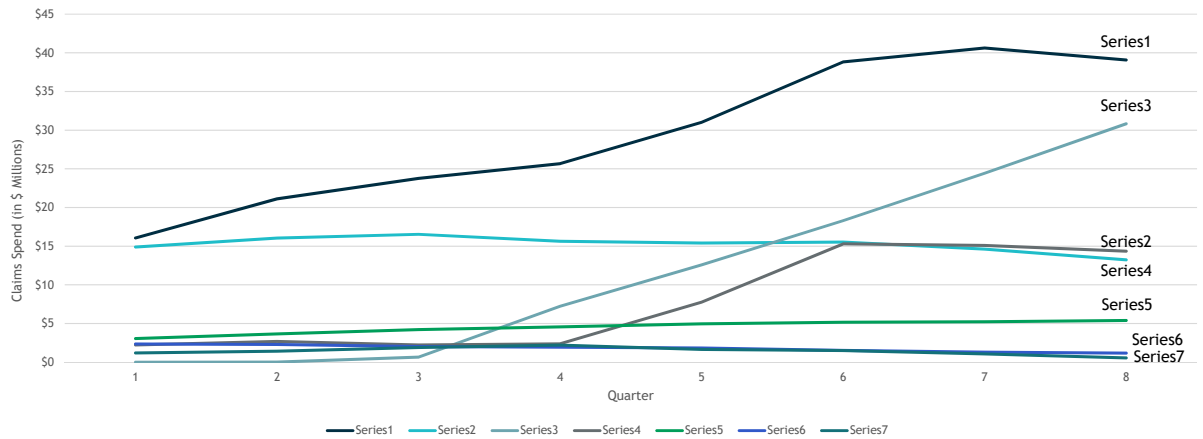
- In rodents, semaglutide causes dose-dependent and treatment-duration-dependent thyroid C-cell tumors at clinically relevant exposures. It is unknown whether WEGOVY™ causes thyroid C-cell tumors, including medullary thyroid carcinoma (MTC), in humans as human relevance of semaglutide-induced rodent thyroid C-cell tumors has not been determined (see Warnings and Precautions (5.1) and Nonclinical Toxicology (13.1)).
- WEGOVY™ is contraindicated in patients with a personal or family history of MTC or in patients with Multiple Endocrine Neoplasia syndrome type 2 (MEN 2) (see Contraindications (4)). Counsel patients regarding the potential risk for MTC with the use of WEGOVY™ and inform them of symptoms of thyroid tumors (e.g. a mass in the neck, dysphagia, dyspnea, persistent hoarseness). Routine monitoring of serum calcitonin or using thyroid ultrasound is of uncertain value for early detection of MTC in patients treated with WEGOVY™ (see Contraindications (4) and Warnings and Precautions (5.1)).

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## Rapid rise of spend on GLP1s

Alliant Analytics GLP-1 Drug Spend by Quarter (through Q4 2023)



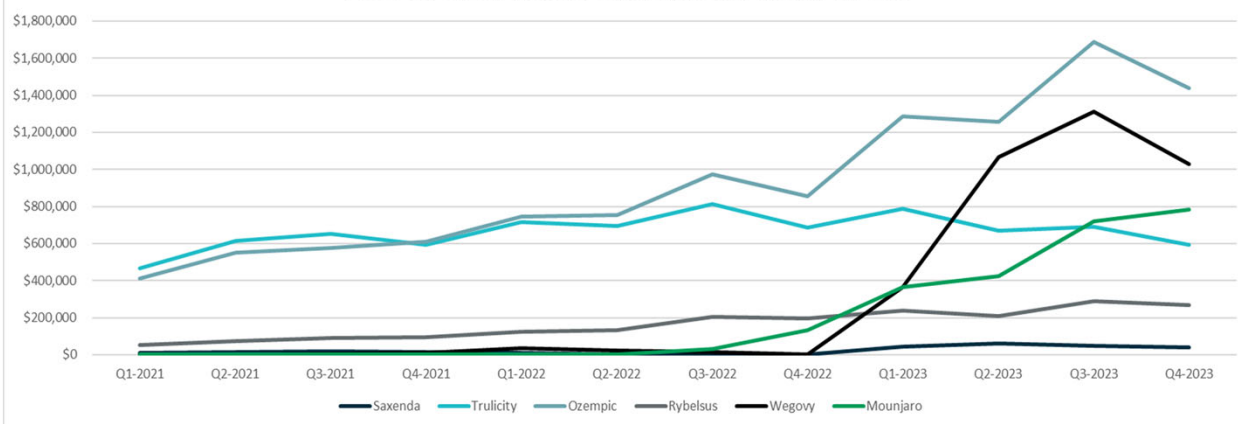
\*This analysis does not differentiate between Accounts that cover GLP-1s for weight loss and those who do not. Represents approx 730k EEs, 1.4M members within Alliant BoB.

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## Rapid rise of spend on GLP1s (PRISM)

PRISM GLP-1 Drug Spend by Quarter (Q1 2021 through Q4 2023)



7



## Factors Influencing Provider Prescribing

- Clinical
- Social
- Behavioral
- Financial
- Operational
- Organizational

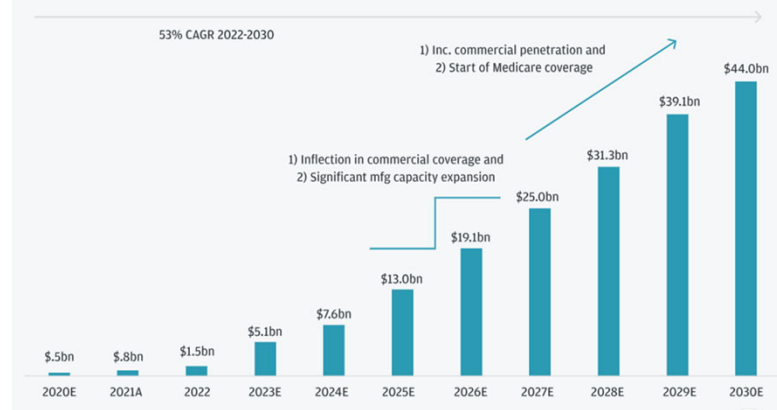


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## Wall Street's Perspective

"We believe this marks the beginning of a paradigm shift in the way that obesity is treated, with physicians moving to a weight-centric treatment of multiple co-morbidities associated with the condition. We expect this to drive substantial uptake of GLP-1s" – JP Morgan

### The U.S. obesity market is expanding rapidly



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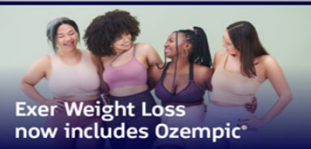
Headlines: Coming soon to an Email/Publication near you

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1:47 5G

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**Exer Weight Loss**  
now includes Ozempic®





Look and feel your best  
with Exer Weight Loss!


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Once the lab results are in, the doctor will have a virtual consultation with you to develop a personalized weight loss program, which may include a prescription medication such as Phentermine or Ozempic®, given during weekly visits.

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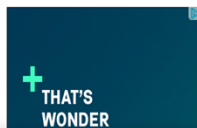
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## Compounding Pharmacies for Semaglutide Cause Concern

Lori Younshejikian and Vicki Tedeschi  
October 18, 2023





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### Novo Nordisk tackles harm from Ozempic fakes with global authorities

By Patrick Wingrove and Maggie Flick  
March 6, 2024 3:15 PM CMT -7 · Updated 10 days ago



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## Strategies & Considerations

## Insights on what the future may hold

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### What we know about GLP-1s

black box warnings suicidal ideation  
Media hype  
"Ozempic burp"  
Top driver of non-specialty spend  
Need combination therapy  
Pharma marketing  
\$\$\$ on employers  
Shortage concerns

### What we don't know

Effectiveness of new products?  
Weight regain?  
Vendor partnerships?  
Mandated coverage of weight loss drugs?  
Cost break?  
Diabetes reversal/remission?  
Long-term safety?  
Medical ROI?

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## Best practices in managing GLP-1s

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### For Diabetes

e.g., Mounjaro, Ozempic

- All plans **must** cover
- Ensure you have utilization management (UM) on these products
  - Can include step therapy, prior authorization (PA), and/or quantity limits
- Require PA to include documentation of diagnosis of diabetes
- Confirm approvals are not granted indefinitely
- Place 30-day supply

While medication is important for managing diabetes and weight loss, a cornerstone of success for both is **long term lifestyle management**

### For Weight Loss

e.g., Saxenda, Wegovy

- If you **do not** cover:
  - Do not add coverage at this time
  - Eliminate pathway to cover through medical necessity to align with intent
- If you **do** cover:
  - Consider excluding
  - Ensure you have PA
  - Ask your PBM if they offer "enhanced" or more stringent PA criteria
  - Require PA to include engagement in a lifestyle management program
  - Limit to a 30-day supply

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## GLP-1 Cost Saving Strategies



There are many creative options for weight loss beyond “Cover” and “Don’t Cover”

BMI of > 30	Limit to 30-day supply	Narrow network of prescribers
Exclude from Out of Pocket accumulator	Coinsurance/ Plan design	Tenure requirements
Maximum Allowable Treatment (cost or time)	Weight Loss Point Solutions (require participation)	Off-plan discounts/ External weight loss vendors



## GLP-1 Weight Management Program Considerations

- Is the program focused on weight management, prevention, or both?
  - If prevention, will it focus on all individuals or High Risk?
- Concurrent vs. Retrospective participation requirements
  - Will members need to actively participate prior to medication use?
- Carrier/PBM administered vs. 3rd party point solution?
  - Ability for all parties to integrate
- Services included in the program (coaching, meal plans, etc.)?
- Program communication modalities (phone, mail, app, etc.)
- Additional coverage criteria requirements (BMI, co-morbidities, etc.)
- Cost vs. ROI
- Reportable analytics

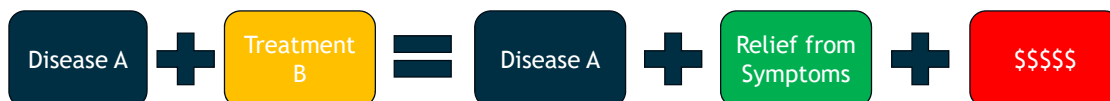
# A More Holistic Approach

## The Problem With Modern Medicine

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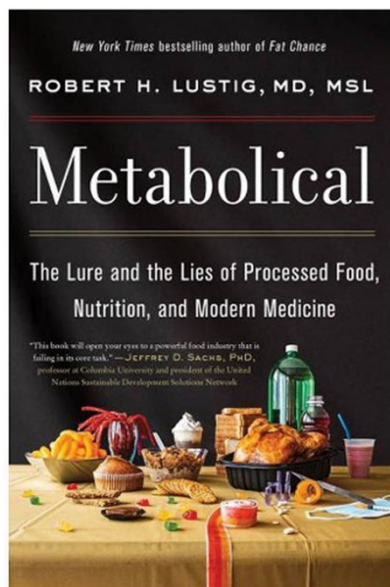
### Modern Medicine Treats Symptoms, Not Disease

- ▶ The treatment/drugs we are being prescribed are designed to treat symptoms and not root cause



*GLP-1 Medications are just more of the same*



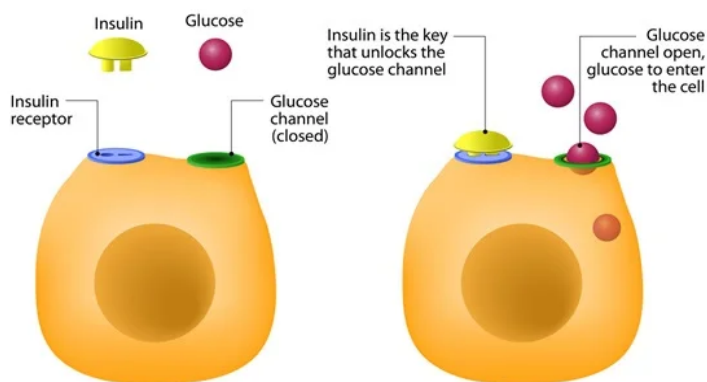


### Highlights

- We are poisoning ourselves every day with the food and drink that we consume
- The processed food and sugar in the American diet causes malfunctions in our cellular system that lead to obesity and chronic disease
- Processed Food is not just toxic, its addictive
- Obesity is a red herring - it's a symptom of metabolic disease, not the cause
- There is a magic pill...it's called Real Food
  - Choose foods that "Protect the liver, feed the gut" to restore normal cellular function

## Insulin 101

### HOW DOES INSULIN WORK?



Glucose is the body's primary source of fuel; Insulin allows Glucose to enter the cells of your body so that it can be burned

Source: <https://robertlustig.com/metabolical/>

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## Insulin Resistance

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Insulin resistance occurs when the cells in your muscles, fat and liver can no longer respond to the insulin signal - the glucose can't get in! The cells are starving so they send signals to the pancreas to create more glucose which leads to excess glucose build up in the blood, which is converted into fat.

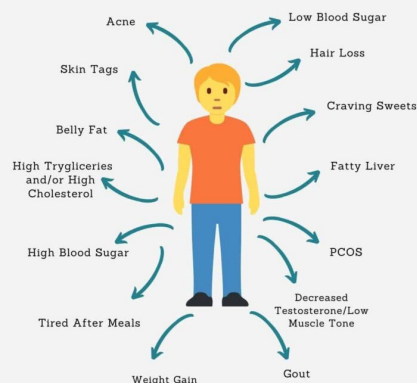
This insulin resistance leads to cellular dysfunction and manifests itself in a myriad of symptoms and chronic diseases that we suffer from today.

### Example:

- Leptin is the satiety hormone that signals to your brain: "I have enough energy; I can stop eating"
- When a person is insulin resistant, the Leptin signal is blocked impairing the body's ability to recognize fullness and contributing to overeating and weight gain.

Source: <https://robertlustig.com/metabolic/>

## symptoms of insulin resistance



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## What Causes Insulin Resistance? Food!

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Processed Food is full of ingredients that *promote insulin resistance* including significant amounts of excess sugar and fructose as well as refined carbohydrates, trans and saturated fats, additives, lack of fiber, etc.

### Refined Carbohydrates

- These carbohydrates are quickly broken down into glucose, leading to rapid spikes in blood sugar levels. Over time, frequent consumption of refined carbohydrates can strain the insulin-producing cells in the pancreas, contributing to insulin resistance.

### Excess Sugar and Fructose

- Excessive consumption of these sugars, especially fructose, can overwhelm the liver's capacity to metabolize them. The liver converts excess fructose into fat, which can accumulate in liver cells and interfere with insulin signaling pathways, leading to insulin resistance.

### Unhealthy Fats

- Processed foods may also contain unhealthy fats such as Trans fats and Saturated Fats. These fats can impair insulin signaling and interfere with the body's ability to regulate blood sugar levels.

### Lack of Fiber

- Processed foods are often low in fiber and essential nutrients compared to whole foods. Fiber helps slow down the absorption of glucose in the bloodstream and promotes satiety.

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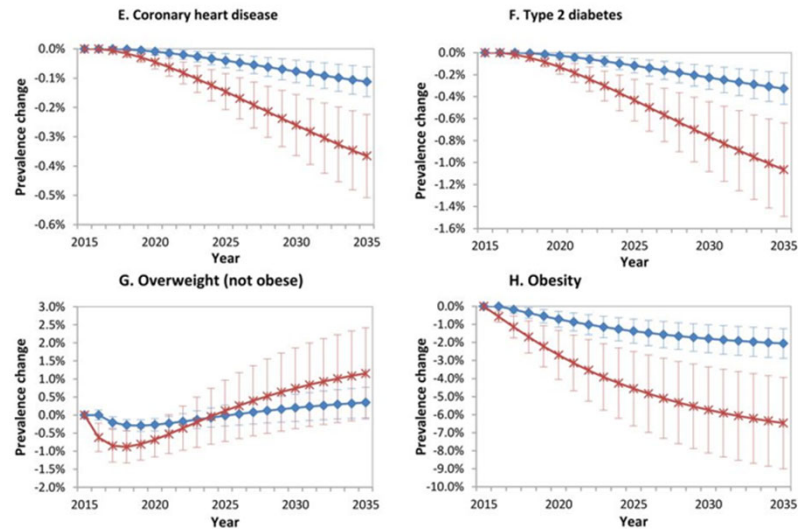


## Food as Poison

60% of the population has at least one Chronic Disease

### UCSF Health Study

If we removed 20% of sugar from the average American diet, data shows we could reduce obesity, type 2 diabetes, heart disease, death rates, and medical expenditures within 3 years, saving \$10 Billion in healthcare costs. A 50% reduction in sugar would save \$31.8 billion in healthcare costs.

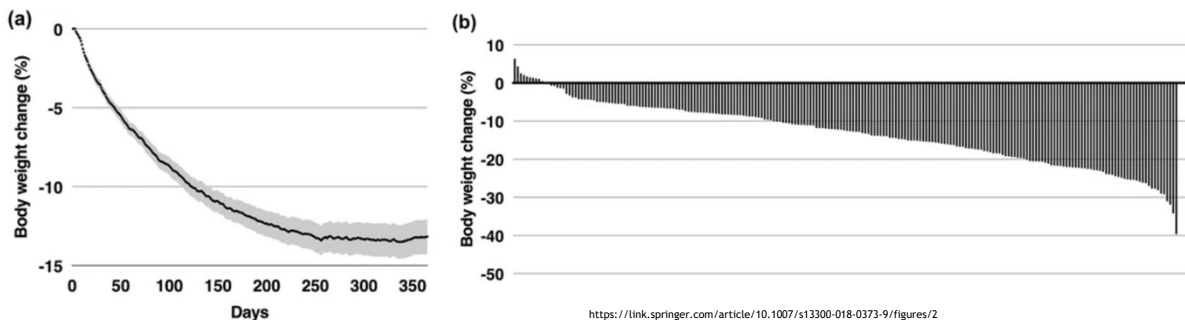


## Food as Medicine



Most chronic diseases and their symptoms can be prevented, mitigated and reversed by changes in diet.

- Study Purpose: to see if a very low dietary carbohydrate intake (with a focus on real food) and continuous supervision by a health coach and doctor could safely lower HbA1c, weight and need for medicines after 1 year in adults with Type 2 Diabetes.
- Results: Change in diet and NO calorie restriction reversed diabetes in 80% of patients, with 94% of patients able to discontinue insulin + 12% (29 lb average) weight loss





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## Food is Medicine - Employer Support

Employers can take an active role in reducing chronic disease and lowering healthcare costs by focusing on Food as medicine for their employees.

- Workplace Environment
- Nutrition education
- Weight Management & Coaching Programs
- Supporting access to healthy food
- Providing incentives for employee participation and engagement

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## Food Is Medicine - Employer Support

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**Workplace Environment** - Create an environment at work that supports the idea that nutritious food is critical to health, resilience and essential for well-being

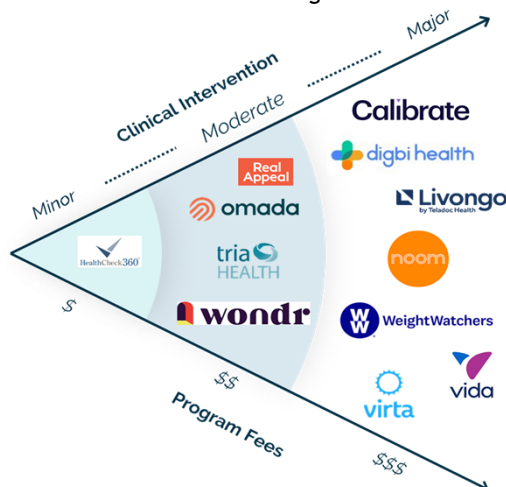
- Establish a nutrition health policy
  - Discount pricing of healthy food items onsite; increase pricing of non-healthy items
  - Established guidelines for cafes & vending machines
  - Offer access to local farmers markets
  - Reduce availability of Sugared Beverages and Products on site
- UCSF Case Study: from 2013-2015 implemented a workplace ban on sugared beverages including all sodas and flavored coffee drinks in the cafeteria and vending machines.
  - Studied a subgroup of 214 employees who regularly drank sugar sweetened beverages (SSB's) before and 1 year after the ban was put in place.
    - Pre-ban: average of 35 oz. of SSB's
    - Post Ban: average of 18oz of SSB's + reductions in waist circumference, insulin sensitivity and reduction in blood lipids

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## Food Is Medicine - Employer Support

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There are many weight management and diabetes prevention and management programs in the marketplace that include nutrition education and coaching resources for employees



### Obesity Management Solution Considerations

- For the purposes of this continuum, clinical intervention is described as the level of clinical team engagement in the participant's journey
- **Minor clinical intervention** reflects vendors that utilize Certified Health Coaches as the participant's health coach. These vendors may also focus on digitally delivered education to the participant - including AI technology.
- Vendors in the **moderate clinical intervention** category also leverage Certified Health Coaches as the participant's health coach. These solutions also integrate remote monitoring devices and app engagement in the participant's health journey. Many of these vendors also offer virtual care teams who work alongside the health coach. Care teams can consist of clinicians, including RNs, Medical Doctors, Pharmacists and Behavioral Therapists.
- Vendors that offer **major clinical interventions** lead with a clinician as the health coach or main point of contact for the participant. The clinicians also develop the participants treatment plan.
  - These vendors also to prescribe/deprescribe GLP-1s

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## Food Is Medicine - Employer Support

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### Supporting Access to Healthy Food - National and State Initiatives

The American Heart Association launched its **Health Care by Food Initiative in January of 2024**

*“Food is medicine is the provision of healthy food to prevent, manage and treat specific clinical conditions...this initiative is building the evidence needed to show clinical and cost effectiveness so patients with acute or chronic disease can access cost effective food is medicine programs as a covered benefit through public and private insurance.”*

#### Common Approaches:

- **Medically tailored meals (MTMs)** provide home delivery of fully prepared meals designed by a registered dietitian to meet the specific dietary needs of an individual living with one or more health conditions.
- **Medically tailored groceries (MTGs)** include a selection of groceries, such as vegetables, fruits, grains, beans, lean proteins and/or dairy prescribed by a registered dietitian nutritionist for a broader range of patients—those with diet-related acute and chronic conditions who can shop or pick up and prepare food at home.
- **Food prescription programs** (also called produce prescriptions) enable patients to more easily follow clinicians' advice regarding healthy eating. In these programs, clinicians “prescribe” fruits and vegetables, or other healthy foods, to at-risk patients in the form of coupons or vouchers for local farmers' markets, grocery stores or mobile markets.

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## Food Is Medicine - Employer Support

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### Access to Healthy Food - National and State Initiatives

California has a Food Is Medicine pilot program with Medi-Cal administered by the



- The following carriers are covering Medically tailored meals (MTMs), Medically tailored groceries (MTGs) and Food prescriptions under the pilot program



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## Food Is Medicine - Employer Support

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Create Incentives to help employees make good decisions

- What if part of your employee benefit package was a stipend for employees that could only be used at the farmer's market for fresh fruits and vegetables?
- What if the employer offered an incentive for employees to participate in nutrition education and weight management programs? It could be a dollar amount deposited into an HRA and that money could be used for other healthcare related expenses
- What if your health insurance plan provided nutrition and weight management programs and \$\$\$ incentives for employees to participate?



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## Food is Medicine - Employer Support

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What if your Health Insurance Plan paid for healthy food as a “prescription”?

- Foogal Overview ([www.foogal.com](http://www.foogal.com))
  - Doctor approved biochemical profile is put into the foogal platform (i.e. do you have hypertension, diabetes, high cholesterol, celiac, medications your are on, etc.)
  - Foogal combines individual's profile with preventive nutrition (avoidance of processed food) and then used to determine which foods would optimize your health
  - Individual searches for recipes for a meal and foogal provides recipes from groceries that conform to your biochemical profile to promote metabolic health
  - Foogal then orders the groceries to be delivered to your home
  - Instead of the grocery store sending you the bill, they charge the insurance company
  - The cost of the Real Food is the treatment for the chronic disease

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## Closing

- ▶ GLP-1s will be meaningful for a certain segment of the population, but it will come with a cost
- ▶ Employers have an opportunity to make a greater impact with their employees by addressing the root cause of chronic disease and our obesity epidemic

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# Thank You

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# Closing



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## **Michael Menerey**

Senior Vice President  
Public Entity Practice

As one of Alliant's Public Entity Practice Leaders, Michael is focused on consulting with clients to understand their challenges and identify employee benefit solutions to support their recruitment and retention objectives. Michael enjoys collaborating with his clients to challenge the status quo approach to benefits and is constantly evaluating new products, vendors and strategies that can drive lower costs and create value for employers, employees, and their dependents.

## **Laurinda Newell**

SVP, Manager of Programs and Analytics  
Public Entity Practice

Laurinda joined Alliant in a leadership capacity, managing Underwriting and Stop Loss, and oversight for the Public Entity Programs. as the Public Entity Program manager, she is focused on Alliant's relationship with several Joint Powers Authorities (JPA). The Program team provides service support to the JPAs and drives the implementation of strategic priorities. Dedicated attention to innovation, efficiency, and communication are essential in the leadership of the JPA Programs.

Laurinda earned her master's degree in business administration from Keller Graduate School of Management, and a Bachelor of Science degree in finance from Northern Arizona University. Laurinda has been with Alliant since 2016.



## **Zach Petersen**

FVP, Pharmacy Benefit Consultant

Zach Petersen serves as First Vice President and Pharmacy Benefit Consultant on Alliant's National Pharmacy Practice. He is located in Phoenix, AZ and has over 17 years' experience, all in the pharmacy and health benefits industry. He focuses on PBM contract review, financial analysis of client activity including identification of key trend drivers and benchmarking, claim audits, and managing vendor procurement. His areas of expertise are broad, with deep knowledge in all industries including, but not limited to employer, public entity, health systems, and Taft Hartley plans.

## Erin Thomas

FVP, Managing Consultant  
Public Entity Practice



Erin is a Consultant and Partner in the Alliant Public Entity Benefits Group. Erin provides strategic direction for management of employee benefit programs. Erin began her career on the carrier side becoming a subject matter expert in the Life, Disability, Stop Loss and Voluntary market. Erin has a Bachelor's of Science degree in Business Administration with an emphasis in Communication from Saint Mary's College of California and has her Group Benefit Disability Specialist (GBDS) designation.

Erin is part of several National Alliant groups including Women at Alliant, ARMS (Cancer) and the Consultant Innovation Lab. In 2023, Erin was nominated for Business Insurance Women to Watch. She has been with Alliant since 2012.

## Nicholas M. Grether

Associate, Liebert Cassidy Whitmore

Nick has devoted his legal career to providing labor and employment advice and representation to California's public and private employers. As a litigator, Nick has represented dozens of clients in arbitration, as well as in state and federal court, concerning alleged violations of employment laws. Nick also spent time working for the Office of the Governor of California providing research and recommendations on the legality of potential appointments to numerous state boards. Nick earned his J.D., with Distinction, from the University of the Pacific, McGeorge School of Law and his B.A., Cum Laude, from Washington State University.



## Dan Stuart

Speaker and Integrated Strategy Expert

Dan is a Senior Consultant for FPOV. He has over 35 years of proven success in Information Technology and has held multiple executive leadership positions. Dan has worked for a broad range of companies, from working in Silicon Valley for a start-up during the "Dot Com" era to fortune 100 companies.

Dan has a BS degree in Geology with a minor in Mathematics and Computer Science. He holds a Myers-Briggs Type Indicator Masters Certification from Wake Forest and Certified Facilitator from Achieve Global, and Dan's podcast and vlog "Digital Dan" provides insights and trends in the world of Information Technology and digital transformation.





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