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HEALTH PLAN TASK FORCE (HPTF)

MINUTES

THURSDAY, APRIL 6, 2000

10:00 - 12:00

317-18 DONHOWE BUILDING

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Campus Assembly; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate or Assembly, the Administration, or the Board of Regents.]

PRESENT: Dick McGehee (Chair), Linda Aaker, Carol Carrier, Amos Deinard, Keith Dunder, Robert Fahnhorst, Bart Finzel, George Green, Bev Hall, David Hamilton, Christopher Hulla, Ron Kubik, Mavis Madden, Kathryn Pouliot, Gailon Roen, Harlan Smith, Anna Sommers, Robert Sonkowsky, Larry Thompson, Gavin Watt.

1. CHAIR'S REPORT

Dick McGehee said that since the March 2 meeting, he and Carol Carrier have met with Sandra Gardebring in Institutional Relations regarding raising awareness of HPTF activities, namely the survey. It was decided that e-mails, ads, and articles in campus publications would be used.

Also on March 2, Robert Fahnhorst, Carol Carrier, and himself met with the Department of Employee Relations at the state regarding supplemental programs to address the needs of the University. Carol will have a report on this effort later in the meeting.

Lastly, he thanked the subcommittee members: Linda Aaker, Anna Sommers, Bev Hall, Larry Thompson, Gavin Watt, and Amos Deinard, for their hard work refining the survey.

2. BIG TEN INSURANCE INFORMATION

Kathryn Pouliot distributed the latest version of the Big Ten University participation in state employee health insurance programs. The number of eligible employees and the number of plans available were added since the last meeting, and all information was verified.

Michigan is one of the universities that does not participate in the state plan, and does not want to because its own health insurance covers same sex domestic partners whereas the state plan does not. Iowa also appears to be in a similar situation to what the University might face, since some groups stay with the state and other groups are self-insured. At Penn St., retirees are eligible for insurance after 25 years of service or 60 years of age and 15 years of service. At Iowa, retirees must be 62 years of age with 10 years of continuous service. At Wisconsin, the six

month waiting period for faculty and academic professionals was removed. These groups are now immediately eligible although other campus groups must still wait six months.

Q: Does the 12,500 Iowa employees include bargaining unit employees?

A: Yes since only 8300 of the total are faculty/academic professional employees.

Q: Are graduate students included in this information?

A: That question was not asked.

Q: Which universities cover domestic partners?

A: Only Michigan supplied this information since the question was not specifically asked.

3. SUPPLEMENTARY INSURANCE THROUGH SEGIP

Dick McGehee said that he was pleased and surprised at the March 2 meeting with the state since they still want to talk about possible changes. His only reservation at this point is that a new commissioner has just been appointed and the state is still undecided about Kathy Burek's old position.

Robert Fahnhorst said that five key items from a previous list were discussed in detail at the meeting. While the state was concerned with the impact to their costs when changes were suggested in the past, they are now more willing to look at variation because of the possibility of separate risk pools. He then distributed a handout on the five points and walked the committee through it.

The Point-of-Service option for all plans was discussed last year for all employees but the cost of \$10.7 million was too high so the proposal was dropped. To add this option for just University employees would cost \$2.8 million or \$192 per year per employee. To add just a mental health Point-of-Service option would cost \$1.3 million or \$88 per year per employee.

For Out-of-Area coverage, the state already permits employees to change to SHP with 70-30 coverage. Employees do not like this option since the plan is more expensive and employees still need to pay for 30%. It would be possible for the University to subsidize this 30%, at a cost of \$138,000 per year. The state did note several improvements, such as urgent care coverage in addition to emergency care and routine coverage that is arranged in advance at the 100% level.

The recognizing of Same-Sex Domestic Partners is a legislative issue. If the University had a separate risk pool and covered the cost, then this might be possible.

Regarding waiving coverage for those employees who do not use it, the state would be receiving less money in the form of premiums but the number of claims would not decrease. Therefore, the state proposed the University paying 60% of the premium for these employees to cover the

state's costs. An actuary would need to look at this claim since 60% seems high for the small percentage of employees that would fall into this category.

Waiving the waiting period is not a problem as long as the University covers the cost of \$732,000.

Robert Fahnhorst said that now that these changes has been discussed with the state, the University needs to look at its resources and then prioritize the issues.

Dick McGehee said that from a big picture standpoint, the state made concessions for the first time in ten years for things that do not cost them anything, but simply work to meet the needs of the University. The state is also willing to talk about a separate risk pool for the University.

Q: What is the difference between the University being a separate risk pool and separating from the state?

A: If the University separates from the state, it is responsible for setting up and administering its own program. If we separate the risk pool, the University still participates in the health plans, but with separate accounting which would allow the University to add features not offered to other state employees. Also, if the University operates as a separate risk pool for a few years, it would have better data and be in a better position to pursue separation later.

Q: What administrative differences would there be if the University separated from the state?

A: The University would be responsible for the RFP process, all administration, monitoring the network, and contract negotiations. If the University separates, employees will also lose all other state benefits.

Q: If the University is a separate risk pool, then does it pay costs according to the risks?

A: Yes so there is the potential for the University to lose money in this situation. Even though the University might have less risk now, it does not mean that this condition will continue. Costs would need to be managed in this situation.

Dick McGehee then said that Carol Carrier will be meeting with the new commissioner to decide what steps need to be taken next.

4. EMPLOYEE SURVEYS

Chris Hulla described the survey that will be sent to all employees. Each employee group will have a separate phone number, which will be printed on the front of the survey along with instructions and some information about the HPTF. The first section of questions are demographic while the second section will address the employee's health insurance. He said that the tool, as designed, is intended to meet the needs of the HPTF.

Q: What is the timing for the survey?

A: It will be sent no later than May 19th and phone lines will remain open until the end of the semester, although a closing date will be listed on the survey.

The committee then made the following comments and changes:

- Questions need to be kept workable
- Proposed scale is not a gradation
- The usability of the survey should be tested before it is sent
- The relative level between plans is what is most important
- If examples are listed, positive examples must be listed
- How many questions can be asked before people will not respond?
- Separate questions should be asked about administrative needs
- Should questions focus on medical care or the packaging of the care, including administration?
- If a question is asked about the management of a plan, it will be hard not to generate a negative response
- It is hard for people to distinguish between the administration of their plan and the care they receive
- Pairs of questions could be asked to distinguish between care/provider and management/administration
- If employees report bad administration, will that be publicized?
- Employees should make their own distinctions and examples
- Many people do not understand how their plan works
- Question 24 does not split mental, dental, and medical and does not ask about life or disability
- People interpret their experiences differently
- There is not question about which dental plan employees are participating in
- Should there be a question about major medical care?
- How the does the information being provided affect separation?
- What will make the HPTF look at separation, lack of satisfaction or the future needs?
- Long-term care insurance does not just affect retirees
- Congratulations should be given to DOER's accomplishments

Professor McGehee said that any additional changes should be e-mailed to Chris and the survey will go to the IRB for approval on Monday. He then thanked everyone for attending and adjourned the meeting.

Rebecca Hippert
University Senate