

[In these minutes: 1. Survey Response, 2. Plan Design Issues]

## **HEALTH PLAN TASK FORCE (HPTF)**

### **MINUTES**

**THURSDAY, JUNE 1, 2000**

**10:00 - 11:30**

**210 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, Allan Baumgarten, Carol Carrier, Amos Deinard, Keith Dunder, Robert Fahnhorst, Bart Finzel, George Green, Bev Hall, David Hamilton, Christopher Hulla, Priscilla Pope, Gailon Roen, Harlan Smith, Anna Sommers, Robert Sonkowsky.

**REGRETS:** Ron Kubik, Larry Thompson.

**ABSENT:** Avner Ben-Ner, Mavis Madden, Kathryn Pouliot, Gavin Watt.

### **1. CHAIR'S REPORT**

Dick McGehee proposed that the June 15 and July 6 HPTF meetings be cancelled and that a meeting instead be scheduled for June 29. This is still a tentative plan. An e-mail will be sent to all members to see if there are any problems and then a decision will be made later next week.

He then said that Allan Baumgarten will be making an abbreviated version of his Minnesota health care presentation to the Regents. Additionally, Dick will be providing a summary of where the HPTF is at now in the process.

Carol Carrier has managed to schedule a meeting next Friday for herself, Robert Fahnhorst, and Dick with the new Employee Relations commissioner. A report will be presented at the next meeting.

Today's items include the survey, which is complete but only preliminary results are available, and an RFI plan design since the HPTF needs to continue with the two track model.

### **2. SURVEY RESPONSE**

Chris Hulla reported that the phone lines closed on May 28 and now he is looking at the responses received to make comparisons and contrasts between the groups. For the employees that received the wrong survey, e-mails were sent and each person was called. 60% of those with

the wrong survey were contacted by telemarketers. When the statistics are completed, three different confidence levels will be given.

He was most concerned with the overlap between the civil service and academic professional employees, but from the preliminary results, these groups have several distinctions. Civil service employees rated plan selection and cost of premiums as their highest considerations and the average age was 44 years. Academic professionals ranked PCP as the highest consideration and the average age was 46 years.

Response rates were 33% across the board with the following rate per group: Civil Service 57%, Faculty 32%, Academic Professional 33%, AFSCME 27%, and Teamsters/Others 14%. He then presented some preliminary observations about the groups (retirees and students were not included since he did not have that data yet).

### AFSCME, TEAMSTERS, AND CIVIL SERVICE

- Employees were similar in their responses
- Rated premium level first, choice of PCP second, and co-pay third
- 82% satisfaction level for medical care; 80% is the benchmark used
- 60-65% satisfaction level for mental/behavioral health care
- 50% had no opinion on mental/behavioral health
- Teamsters/Others has the lowest concentration on the Twin Cities campus
- 28% of AFSCME responses were female
- 75% of Teamster/Civil Service responses were female
- For additional benefits, complementary/alternative medicine was first, improved out-of-area coverage was second, and improved mental/behavioral health was third

### ACADEMIC PROFESSIONALS

- Rates choice of PCP first, premium second, and co-pay third
- For additional benefits, complementary/alternative medicine and improved out-of-area coverage tied for first
- 62% of the respondents were female

### FACULTY

- 79% of the responses were from the Twin Cities
- 13% use the POS option
- This group has the lowest use of the SHPS option
- Rates PCP first, access to specialists second, and premiums third
- This group was the least satisfied with their plans; only 76% satisfaction for medical care and 46% satisfaction for mental/behavioral health care
- Average age was 52 years with 19 years of service

## OTHER OBSERVATIONS

- Satisfaction levels increased with increase usage of services
- Noticeable similarities between AFSCME, Teamsters, and Civil Service should continue even after mistakes are taken into consideration

Q: What is the benchmark for mental/behavioral health care?

A: There is nothing set because the lower usage means that the satisfaction is more varied. One would like to see at least 50% satisfaction with any service being offered.

Q: Is it possible to analyze a survey that only had a 33% response rate?

A: Yes, because we collected enough responses to make generalizations about the entire population. For surveys regarding medical benefits, the response rate is usually 60%. It will be hard to guarantee that a random sample was used since people were able to decide for themselves if they wanted to participate or not.

Q: Of the 60% that were reached by phone, how many had already responded?

A: The only information that I have is that 17% of the academic professional responses are really civil service.

Q: What was the plan utilization level?

A: I do not have that information yet.

Chris Hulla then asked what calculations and comparisons the committee would like to see from the data. The following responses were given:

- Is plan choice based on length of service?
- Pool demographics versus responses received
- Correlate out-of-pocket to health plan satisfaction
- Correlate non-utilization with premium level

### **3. PLAN DESIGN ISSUES**

Chris Hulla then turned to the proposed plan design for the RFI. He said that there are two extremes, asking providers to completely design a plan to fix all the current problems or pre-defining an entire plan. The HPTF will need to find a middle ground for its proposal. He then went through the handout with the members and asked what conditions needed to be included for employees to support separation.

Members then made the following comments:

- Health Partners has two roles: administrator and provider. One does not necessarily imply the other, but Health Partners will be reluctant to have a different administrator reviewing their data.
- University is not required to use a Minnesota-licensed administrator
- Any plan would need to include Health Partners Classic clinics and the University providers to receive employee buy-in
- Blue Cross/Blue Shield has discounts through its contracts with local providers
- For many out-state areas, Blue Cross/Blue Shield may be needed to ensure clinic participation
- Preferred One does not leverage the same discounts as Blue Cross/Blue Shield
- A single administrator would be much better for comparing data across plans, but this system is flawed since neither Health Partners or Blue Cross/Blue Shield will let the other serve in this capacity
- University might need to go outside the state to fill this role
- Blue Cross/Blue Shield could handle some parts of the administration without losing Health Partners
- Allan Baumgarten and Chris Hulla should assemble a list of possible options for the committee to look at
- If the University separates without retaining Health Partners or by losing Blue Cross/Blue Shield clinics, employees won't agree
- How many employees can be displaced and still have buy-in to the proposal?
- The state faced this same situation a few years ago when Medica was lost
- 5% is better than 30%, but it depends on the concentration. If the percentages are higher for the coordinate campuses, then it is not acceptable.
- POS option is becoming too expensive for many plans and might be dropped unless all plans were converted to POS with risk-based adjustments
- POS options on all plans would cost 2 - 3%, but this figure would be greater for SHPS
- If the University joined BHCAG, employees would have risk-based adjustment within each tier, across-the-board POS, 80-20 co-pay, and a flat \$10 office visit fee
- Some companies have employee medical contributions linked to their salary
- Many plans are moving towards co-pays versus first dollar coverage
- HPTF should be ready to think outside the box, consider radical ideas, and sacrifice some sacred cows at this stage, otherwise they might miss the opportunity
- Single employees already do not like to subsidize families, so the linked premiums and salary might be hard to sell
- Cafeteria benefits has an appeal to the administration because they can decide not to cover plan increases. This option is less appealing for employees.

Professor McGehee thanked everyone for attending and adjourned the meeting.

Rebecca Hippert  
University Senate