

Minutes
HEALTH PLAN TASK FORCE
Thursday, January 22, 1998
12:30-1:30
238 Morrill Hall

Present: Richard McGehee (Chair), Avner Ben-Ner, Amos Deinard, Robert Fahnhorst, Judith Gaston, David Hamilton, Matt Maciejewski, Richard Purple, Robert Sonkowsky, Mary Yamashita

Absent: None

Regrets: Bart Finzel, Harlan Smith

Guests: None

Others: None

[Meeting topics: Discussion of the Executive Summary and Final Report]

Approval of Minutes

Past meeting minutes will be considered at the next meeting.

Chair's Report

- The Executive Summary and Market Research Report were presented to FCC and SCFA on January 15. It was well-received by both groups and FCC would like the task force to continue its work.
- President Yudof has agreed to fund the market research and actuarial studies that are necessary to make an informed decision about staying with the State for the year 2000. However, he has requested that the committee develop a budget.
- The research and actuarial work should be done internally so Public Health will be asked for further assistance and the Carlson School of Management will also be considered.
- BHCAG will not give an estimate for the cost of their services until the University presents data that will help them determine the University's experience.
- It will take at least two weeks for Employee Benefits to gather the demographic information of University employees.
- The University's demographics can be reviewed by an Actuary to receive a general outlook or the University could obtain its experience data from the State to receive a more detailed outlook.
- Requesting the University's experience from the State may not be wise because the knowledge gained may not be valuable and it could be used against the University.
- If the University does request information from the State it should get information for all of its employees instead of just for faculty and academic professionals.
- External actuarial consultants will be contacted only as a last resort.

JLMC Meeting

- The main topic discussed at the last JLMC meeting was how to deal with the variance of low-cost carriers from county to county.
- Only five percent of the University employees are outside of the Twin Cities and Duluth areas, whereas this percentage is much higher for the state.
- The State is considering developing a BHCAG-like model instead of just joining BHCAG since the State has to negotiate contracts and the changing agreements may not fall within BHCAG guidelines.
- BHCAG member companies have unions, but their union represented employees are not offered the BHCAG plan.
- BHCAG is willing to offer flexibility for plan designs because it would like the State to at least be an ally in order to develop care systems in outstate areas.
- The other issue discussed at the meeting involved grouping all K-12 school employees under the same State Health Insurance plan. If K-12 school employees do join the State, the State purchasing block will become larger which would create a larger proportion of outstate employees and may bring better premium rates.
- If the University joins BHCAG, it would have to take the current plan design which includes deductibles and co-payments. However, the State does not have deductibles and co-payments because of the union contracts.

Open Discussion

Final Report

- The sentence, "This is especially important to outstate campuses where the referral network and the choice of unavailable networks is quite limited." will be added after, "...outside of the primary clinic and its referral network." in the non-managed care option in the body of the text.
- HealthPartners has said that adding a third tier for out-of-area service to a plan at a 80/20 coverage rate would add five percent to the total premium.
- The Access to University Providers section under Issues and the Outlook for 1999 should include the fact that employees who have the University as their primary care clinic under HealthPartners will have to find another plan in 1999.
- Mention should be made of non-resident dependents in the Out-of-Area Coverage section of Issues.
- It would be useful to add full costs of health care coverage for those who retire before the age of 65 under the Retirees section.
- For retirees under 65 years, HealthPartners Classic is \$168.86 per month for single coverage and the State Health Plan is \$237.93 per month for single coverage and \$356.87 per month for family coverage.
- There is a standard early retirement package (terminal agreement) that includes two years of contribution to medical care coverage.
- The term "good" should be clarified in the Retirees section when it refers to the coverage for post 65 year-old retirees.

- The plan for post 65 year-old retirees includes out-of-area coverage with 80/20 coverage and a \$680 annual deductible.
- Retirees do not want to lose their current plan because they are pleased with it, but the high cost is quite a concern.
- The report should include the fact that retirees over 65 years-old must pay for their own health care coverage and any deductibles as well as the actual costs for the coverage.
- A retiree over 65 years-old can purchase family coverage for dependent children through the State Health Plan.
- University psychiatrists are concerned with being excluded from referral processes.
- The State Health Plan covers mental health costs 100% in network but not at all for out-of-network care.
- Additional information is needed before anything more can be incorporated into the report on mental health care coverage.
- It would be helpful to review the booklet that was prepared for State and University employees which addresses mental health issues.
- The figures in the report only relate to medical care. Dental care should be included, but market data will have to be collected before that can happen.
- Any additional issues the committee discusses should be added to the final report as a supplemental report.
- Under 3a of the Recommendations, the end of the sentence should include, "as well as study of health coverage for all retirees."
- If the University separates from the State, University retirees and disabled employees will be separated as well and the University will have to take responsibility for them.
- Currently, the University has about fifty disabled employees (and that number is rapidly growing) and 460 supplemental payments are made to retirees (but the actual number of retirees is not known).
- The information that was requested in 1992 for the experience of University retirees as compared to State retirees was never received.
- The task force approved the motion to commend Professor McGehee and Mr. Maciejewski for their work on the final report.
- Changes will be incorporated into the final report and then posted at the website for review.

Website

- The website has been very helpful throughout this process and will continue at least through June 1998.
- One of the recommendations should ask the central administration to provide monetary support for the website.
- The budget should include support for the University Senate so it can provide a website similar to the Health Plan Task Force page.
- The importance of the website should be discussed at FCC.

Adjourn

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