

[In these minutes: Administrative Working Group, HBAC Priorities]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, JANUARY 4, 2001

10:00 - 12:00

510 MORRILL HALL

[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: Fred Morrison (Chair), Linda Aaker, Mary Austin, Carol Carrier, Dann Chapman, Marjorie Cowmeadow, Robert Fahnhorst, George Green, Bev Hall, David Hamilton, Ron Kubik, Anna Sommers, Larry Thompson, Gavin Watt.

REGRETS: Allan Baumgarten, Susan Brorson, Amos Deinard, Keith Dunder, Bart Finzel, Christopher Hulla, Priscilla Pope, Jason Reed, Gailon Roen, Harlan Smith, Robert Sonkowsky.

ABSENT: Sue Mauren.

GUESTS: Dr. Frank Cerra, Barbara Van Drasek.

1. ADMINISTRATIVE WORKING GROUP

Dr. Cerra thanked the HBAC for their work over the past three years and the excellent final report. He is attending the HBAC meetings so that he understands all the elements involved in health benefits and uses the same terms with the same meanings as the HBAC. Communication is also vital between the two groups.

The administrative working group is charged with implementing the task force report and working on the administrative issues identified by the report. The group's composition is a small, limber group to serve as a forum for developing the administrative steps necessary to implement the report.

The goal of both groups is to get employees the best health benefits package with the best cost structure. Another issue that both groups will be working on is the RFP that Carol Carrier asked Buck Consultants to develop. The RFP is designed with the assumption that the University will be separating from the state. A third role he would like to see is for the University to promote health awareness, something which has not been done in the past.

Dr. Cerra then stated that the Academic Health Center has no capital to become or interest in becoming its own health plan provider for the University. It only wishes to continue to provide health services as part of a health plan.

2. HBAC PRIORITIES

Professor Morrison reviewed his 1 + 4 + 1 strategy. The committee discussed this in greater detail and made the following modifications:

1 - Affordability to the University/to the consumer

- First dollar coverage
- Protect lower income employees

4 - Biggest issues from the employee survey

- Out of area coverage/portability
- Out of network coverage/POS
- CAM (with a possible cap)
- Improved mental health benefits

1 - Domestic Partner participation

Other issues mentioned were: annual/lifetime benefit caps (either that a plan only pays to a set point or that the consumer pays to a set point and then the plan picks up the rest of the cost), co-pays on benefits, and splitting premium costs between the University and the employee.

Committee members made the following comments:

- Caps are not favorable, but might be needed for CAM
- CAM could be considered an add-on benefit like long-term care insurance
- Co-pays will impact lower-income employees more
- University needs to look for ways to avoid premium splitting for lower-income employees
- What mechanisms are available to subsidize lower income employees?
- Four primary insurers are interested in developing options with the University
- Top quality is needed with the low-cost plans
- Possibility of buying-up benefits, such as portability
- Buy-up could allow haves and have nots
- Equivalent services are needed for coordinate campuses
- Provider stability is essential
- Domestic partner issue is mandatory and will be in the RFP
- Should domestic partner be classified as same sex only?
- Should opt-out be an option for employees who show proof of other insurance?

- POS option could address out of area and network problems, but 70/30 coverage is the issue
- Deficiencies in mental health should rank higher than CAM
- Mental health network needs to be expanded

With no further business, Professor Morrison thanked everyone for attending and adjourned the meeting.

Rebecca Hippert
University Senate