[In these minutes: RFP proposals]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, JANUARY 18, 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, Susan Brorson, Carol Carrier, Frank Cerra, Dann Chapman, Marjorie Cowmeadow, Keith Dunder, Robert Fahnhorst, George Green, David Hamilton, Christopher Hulla, Ron Kubik, Jason Reed, Gailon Roen, Harlan Smith, Anna Sommers, Robert Sonkowsky, Larry Thompson.

REGRETS: Allan Baumgarten, Amos Deinard, Bart Finzel, Bev Hall.

ABSENT: Sue Mauren, Priscilla Pope, Gavin Watt.

1. RFP PROPOSALS

Chris Hulla distributed a handout on the plan designs being proposed and the costs associated with each proposal. The four proposed options are: A, a limited HMO; B-1, an HMO as it currently exists; B-2, a POS option; and C, a high deductible PPO. He then walked the committee through the costs and features associated with each of these options.

The following comments were made:

- Cost might vary depending on insured versus self-insured
- Administrative working group is looking at self-insured but wants to keep all options open
- Decisions will need to be made by mid-February
- If all plans are self-insured, there in no risk to the providers since the University is liable
- It is unlikely that competitive insured or risk-shared plans will be received
- $500/year prescription maximum is a steep increase
- RFP should explore options for lower cost out-of-area and out-of-network
- 80/20 coverage out of state is likely the best that will be offered
- Higher office visit costs on the B-2 POS option
- Personal medical accounts will not be challenged by the IRS until they roll-over for the next year

- If accounts do not carry-over, then the cost will change
- CAM could cost $5.80 per pay period for all employees, regardless of use, or $0.71 for a discount network
- PCA in option C could be used for CAM
- Employees could also individually elect to pay additionally for CAM
- CAM coverage would be hard to cut once it is offered
- Survey response was high for CAM, but that was without an associated cost
- Present providers need to be included in the discount network
- Co-pays increase plan stability
- Availability across state is needed in the RFP responses
- Groups need to be able to opt-out of the RFP process
- Bargaining units can bargain for different plan options
- AFSCME does not want the University to administer its own program
- If the University leaves the state, can it return later?
- There is a concern for low-income employees

The committee discussed the following topics:

- Self-insured and the associated costs
- Birth control pills being viewed as life enhancement drugs
- What would be the cost impact on options A and B-1/B-2 if all the healthy people choose C?
- CAM being phased-in to keep costs low
- Confidentiality and data-mining
- Co-pays versus premium sharing
- Would the University continue to pay for A if C was the cheapest option?
- County of work versus residence affects plan choice
- Will employees choose B-2 with higher OOP costs?

Q: Would only one health plan be offered per option?

A: Employee Benefits would determine how many plans would be offered in each option although costs might be lower if a provider has a health plan in each option. The RFP might also determine that an option is not currently feasible.

Q: Could providers track CAM utilization?

A: This question can be asked in the RFP.

Q: Would a CAM discount network be possible in Minnesota?

A: It would be possible. The RFP can assess this for each respondent.

Q: Would a separate contract for CAM be possible?

A: CAM coverage could be considered once the health plans are in place.

Q: Would there be a cost benefit if the University offered a wellness plan?

A: Employees might take advantage of a wellness plan, but it would not significantly affect premiums.

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

Rebecca Hippert
University Senate