

[In these minutes: Discussion of proposed RFP plan designs and Discussion of HBAC schedule for upcoming meetings]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, FEBRUARY 15, 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, Allan Baumgarten, Susan Brorson, Carol Carrier, Frank Cerra, Dann Chapman, Marjorie Cowmeadow, Amos Deinard, Keith Dunder, Robert Fahnhorst, Bart Finzel, George Green, David Hamilton, Christopher Hulla, Gailon Roen, Harlan Smith, Anna Sommers, Robert Sonkowsky, Larry Thompson, Gavin Watt.

REGRETS: Bev Hall, Ron Kubik, Sue Mauren, Jason Reed.

GUESTS: Joe Jameson.

Professor Morrison began by noting that AFSCME has filed a grievance regarding the proposed RFP concerning whether the bargaining units should continue with the State. While the issue has not been resolved, the bargaining units will continue to participate on this committee.

It was then noted that today is Bev Hall's last day working for the AFSCME Council, so a new representative will begin attending HBAC meetings.

1. DISCUSSION OF PROPOSED RFP PLAN DESIGNS

Professor Morrison noted that the RFP will be sent out tomorrow, and will allow bidders four weeks to submit proposals. The due date for materials is Friday, March 16. Once the bidding is closed, a technical review will be performed to make sure that each bid meets the minimum RFP standards. Then Buck will conduct a statistical review and create spreadsheets for comparisons. Bidders will then be invited for presentations. After this is completed, information will be shared with the HBAC to discuss employee preferences, possible costs, and shaping the individual plans. Negotiations will then take place with the vendors so that a decision can be reached by late May.

Q: When will the State's position be known?

A: Sometime in May.

Q: For how long are the quoted prices good?

A: Until December 31, 2001, or the date that the contract is signed.

Professor Morrison discussed a sheet detailing the baseline services which will be present in all plans, the existing benefit set and same-sex domestic partner benefits. He then turned to a handout on the four plan designs and alternate options.

Q: Does the present OOP prescription maximum include lifestyle enhancing drugs?

A: Yes it does, but this can be looked at again when bids are received.

Q: How are networks created?

A: The introduction has some information on networks, but specific questions will be asked of all bidders.

Q: How is out-patient service defined?

A: The RFP will ask bidders how this works and will be defined. Bidders will be asked to define all terms in their response.

Q: The State already has a uniform benefit set. Will the University ask for the same?

A: The uniform benefit set includes a list of services, but does not define how these services are offered. Most bidders will already have documents on file with the state as to how services are offered, so they will not be able to deviate.

Q: Will co-pays be for each service or once for the entire package?

A: The University would prefer once for the package, but this question will be answered by the bidders.

Q: Would guesting services be available in France or Idaho?

A: Guesting is only available at HMO network clinics, therefore only emergency and urgent care would be available in these locations.

Q: Will someone be considering relating premium to salary?

A: This discussion has begun, but was postponed to complete the RFP. This issue will be brought to the HBAC.

Q: Is it possible to cap co-pays?

A: The co-pay maximum is \$2500.

Q: Is the RFP available publicly?

A: The RFP will be available tomorrow. It is over 50 pages, but Becky Hippert will contact Purchasing about obtaining copies for the committee.

Q: What is the timeline for talking with employee groups?

A: Once the RFP is out, meetings will be held with ASAC, the Civil Service Committee, and the Faculty Senate.

The committee then discussed problems that may arise in determining definitions between packages. It was decided that a sample set of medical scenarios would be distributed to all bidders, with answers expected during their presentations. A subset of HBAC would create the medical scenarios. This information would also be helpful to provide employees during open enrollment.

A discussion was also had over emergency and urgent care coverage in terms of what percentage should be covered and what co-pays should be. It was decided that 100% coverage in Plan A should be included on the alternate list. Also, out-of-network emergency and urgent care coverage at 100% coverage with a \$50 co-pay should be the baseline for all plans.

Members also talked about the tax status of the flexible spending account and whether it would roll-over. The University might need to wait and see what happens with current accounts in use in other businesses.

Changes to the RFP include:

- Deduct guesting on Plans A and B
- Deduct option for stand-alone mental health benefits
- Ask about co-pays on in-home and hospice care

In terms of alternate options, the committee decided to avoid making anything mandatory in that it could lose bids for the University. If questions were not answered in the RFP, then these same questions could be asked during the interviews.

Chris Hulla noted that demographic information is being included in the RFP so that vendors can bid accordingly.

2. DISCUSSION OF HBAC SCHEDULE FOR UPCOMING MEETINGS

Professor Morrison noted that the March 1 meeting agenda will consist of discussion of the permanent HBAC and the March 15 meeting will be cancelled. With no further business, he thanked everyone for attending and adjourned the meeting.

Rebecca Hippert
University Senate