

[In these minutes: SEGIP Plan, Plan Alternatives, Letter to President]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, APRIL 26, 2001

10:00 - 12:00

317-18 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: Fred Morrison (Chair), Linda Aaker, Mary Austin, Pete Benner, Susan Brorson, Carol Carrier, Dann Chapman, Marjorie Cowmeadow, Keith Dunder, Paul Enever, Kathy Ernst, George Green, David Hamilton, Priscilla Pope, Jason Reed, Gailon Roen, Harlan Smith, Anna Sommers, Larry Thompson, Barbara Van Drasek, Gavin Watt.

REGRETS: Frank Cerra, Amos Deinard, Robert Fahnhorst, Bart Finzel, Christopher Hulla, Ron Kubik, Robert Sonkowsky.

1. SEGIP PLAN

Linda Aaker said that last Friday DOER presented an outline of the plans that they will be offering in 2002. The plan design is based on 10 months of utilization data in their warehouse which has been analyzed to determine the per member per month cost per clinic. These 30 clinic costs ranged from \$217 to \$346.

DOER's proposal is that the new plan design would have one premium across all the plans with three co-pay groups inside, similar to the BHCAG model. The lowest group would offer no co-pays and would include the low-priced clinics. Co-pays would increase in the two higher cost clinic groups. Another feature of this plan is that employees would be able to change cost groups twice per year. DOER proposes that this plan would only be a 5% cost increase.

DOER did not disclose which clinics would fall into each price group although they said that there would be many surprises. The hope is that clinics may change their cost structure if people know how high their costs are.

A POS option would be offered through a national PPO or HMO with local coverage cost. Prescription co-pays would be grouped by cost and paired with the office visit co-pays. The measure of success for this plan would not be satisfaction, but money.

Q: How many of the task force recommended features are covered by this proposal?

A: DOER did not discuss expanded mental health benefits, domestic partner benefits, CAM, or major medical coverage. OOA and movement between plans was addressed.

Q: Will the University have a secure proposal before a decision needs to be made?

A: DOER is analyzing provider bids and hopes to release information by mid-May.

Q: Has Commissioner Carter been informed of the University's timetable?

A: He has been informed in writing numerous times.

The committee then discussed their deadline to make a decision before the Regents meeting on June 8. Professor Morrison told members to be prepared to meet any Thursday in May. He then noted that the committee and the University might need to make a decision before the legislature finishes since the University cannot wait until July or it will not have enough time to finish open enrollment information. The committee then discussed postponing open enrollment for 18 months for administrative reasons.

2. PLAN ALTERNATIVES

Professor Morrison said that the handout does not reflect any changes made last week but would be information that would be available during open enrollment. From last week's decision, the order for plan alternatives is: 1) Prescription OOP max decrease, 2) Inpatient/Outpatient co-pay decreases, and 3) Office visit co-pay decreases. He then asked the committee to consider items 6, 7, and 8.

Comments on item 6 included:

- Should be considered a high option
- While it does not solve the problem, it is a better option
- Very possible for Plan C
- Items 7 and 8 are alternatives to item 6
- Employees in Plan B could elect this option but a small number would make it unaffordable
- Incentive for pre-65 retirees
- More information is needed before a firm recommendation can be made, but in principal it sounds good

Comments on item 7 included:

- 70/30 coverage is still the best available

Comments on item 8 included:

- A POS option on Plan B would kill Plan C
- Option spreads high cost over more users
- Might deny employees access to an affordable Plan B and force them into narrow Plan A

The committee then decided not to continue with items 7 and 8.

3. LETTER TO PRESIDENT

Professor Morrison then turned to the draft letter to Frank Cerra and Carol Carrier regarding premium/co-pay tradeoffs and priorities. Committee members made the following comments:

- Recommendation from the committee should be included in letter
- Plans need to represent the interests from the survey and should not be developed in haste
- Survey did not involve any costs
- Constituents need to be talked to since they are confused and constant surveying is not possible
- Note in letter than plan details have yet to be provided to committee
- Should be sent to President

With no further time, Professor Morrison said that the HBAC charge item would be carried over to the next meeting. He then thanked everyone for attending and adjourned the meeting.

Rebecca Hippert
University Senate