

[In these minutes: Final recommendation]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, MAY 21, 2001

10:00 - 12:00

385 LAW SCHOOL

[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, Dann Chapman, Marjorie Cowmeadow, Amos Deinard, Keith Dunder, Kathy Ernst, George Green, Harlan Smith, Larry Thompson, Barbara Van Drasek, Gavin Watt.

REGRETS: Susan Brorson, Carol Carrier, Frank Cerra, Robert Fahnhorst, Bart Finzel, David Hamilton, Christopher Hull, Joe Jameson, Priscilla Pope, Jason Reed, Gailon Roen, Anna Sommers, Robert Sonkowsky.

1. FINAL RECOMMENDATION

Professor Morrison summarized that from the earlier informal meeting, committee members wanted disclosure of more information and a firm proposal from DOER before making a decision. DOER is supposed to have a proposal to the University by May 30, the HBAC is scheduled to meet on May 31, and the President will make a final decision by June 5. Members asked that the President not consider a DOER proposal without it first being brought to the committee.

Keith Dunder reminded members that if there is no award from the RFP, then all the bid information remains confidential. This is why it is hard to share information with the HBAC. As for DOER, they are proposing the same plans as they have now, not the advantage plan, but the University would be put into a separate group, free from legislative approval. DOER realizes that it will be a political embarrassment for the state if the University leaves.

Members made the following comments:

- Committee should be considered confidential and therefore allowed access to real numbers, plan names, and clinics
- Worst situation would be for the committee to be at the Regents meeting and say that because they never saw the information, they oppose the President's decision
- State advantage plan exposes high cost clinics and lets employees start in cheaper plans since they can move during the year

- University is big enough to offer the advantage plan itself, although it would take a few years to collect enough data to be confident of the results
- University always gives the state 'one more year' but nothing ever changes
- State never provides anything in writing
- If the legislature does not approve a separate University agreement, then the University is stuck with SEGIP
- If the University separates, then it chooses co-pays and premiums
- Co-pays and premiums need to be looked at in tandem so death spirals do not happen; SEGIP does not do this
- Unions will not subsidize a POS option
- DOER has only been interested in the University's business for the last 7 days; what will happen once they have the contract?
- DOER has been informed throughout the process what conditions are being sought by the University
- Less details in the DOER plan equals a greater disadvantage for them
- State did not believe that the University was serious about separation
- University costs less because there are fewer dependents and a greater concentration in the Twin Cities

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

Rebecca Hippert
University Senate