

[In these minutes: Introducing Steven Burrows, Update on Permanent Committee, Retiree Health Plans, Location of Clinics, Guesting, Definity Plan Options.]

HEALTH BENEFITS ADVISORY COMMITTEE (HBAC)

MINUTES

THURSDAY, JULY 12, 2001

10:00 - 12:00

238A 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 views of, nor are they binding on the Senate or Assembly, the Administration, or the Board of Regents.]

PRESENT: Fred Morrison (Chair), Linda Aaker, Steven Burrows, Carol Carrier, Marjorie Cowmeadow, Amos Deinard, Keith Dunder, Kathy Ernst, Robert Fahnhorst, Bart Finzel, George Green, Christopher Hulla, Joseph Jameson, Gailon Roen, Larry Thompson, Robert Sonkowsky, Barbara Van Drasek, Gavin Watt.

REGRETS: David Hamilton

1. INTRODUCTION OF STEVE BURROWS

Professor Morrison introduced Steven Burrows, the director of Health Programs at the University of Minnesota as of July 2001. Previous to that he was the CEO of HealthEast Care and held various other positions in the health care management capacity. He expressed his pleasure in working with the University and outlined some of his goals.

2. UPDATE ON PERMANENT COMMITTEE

The letter from President Yudof confirmed that the committee has been adopted. Letters were sent out to nominating groups with an August 15 due date. It is hoped the permanent committee will be running by the beginning of the school year.

3. RETIREE HEALTH PLANS

Professor Morrison provided the following update on retiree health plans:

- Post-65 retirees will be retained in the state for at least one more year. This is not a long-term arrangement. After a year, there will be a re-evaluation to decide the best course of action.
- All the options that are available to retirees from the state will be available to the University, as they always have been, for an administrative fee.
- Domestic partner coverage does not appear to be a problem with new retirees, but is unclear about older employees.

- The number of people affected by the domestic partner issue is small, perhaps between 3 and 10 retirees.
- Members expressed concern regarding adverse selection against plans.
- One problem: the state doesn't know who is a University retiree and who is a state retiree. They provide insurance for them both. Hopefully at this open enrollment there will be a list delineating who is who. There is not any good demographic data as of yet.
- There is a need to solicit the retiree's association for what they want. For the most part what they want is the same as the state offerings.
- There is not a difference in plan design between the two programs for the next year or two.
- No one could afford the premiums with the kind of plans that people want with 100% coverage.
- The University does not contribute to the retirement health plan.
- There is a need for communication to retirees; maybe not from this committee, but retirees should be informed why they were not included now.

4. EMPLOYEE HEALTH PLANS

Professor Morrison provided the following information to committee members:

Coverage Areas

- A zone has been added (the yellow zone on the handout) which is now called the Twin Cities and Central MN Zone.
- The Pink Zone is the Duluth Zone. BHCAG is present, but not HealthPartners Classic. BHCAG will provide the basic coverage with \$5 co-pay and the other premiums will be adjusted accordingly.
- The Green Zone is also a BCHAG zone and is called the Outer Metro. Most of them operate at BHCAG level 3, with A coverage. In the rest of Minnesota, Preferred One will provide A coverage (Plan Y) at the \$5 co-pay but it will be limited to only Minnesota providers plus emergency services out of state.
- Decisions on mandatory coverage will be looked at next year.

Guesting

- Guesting will work like a clinic choice. The choice must be made by the 15th of the previous month in order to take effect on the first of the month.
- Guesting clinic will then give access to BHCAG clinics/network with emergency coverage in the Twin Cities area.
- Special arrangements will be made for people in the Preferred One area

Definity Plan Options

Two items that previously remained undecided have now become mostly resolved.

Q: What happens when major family events happens?

A: The suggestion is if you retire, you will have three years to spend your accumulated balance. It can only be used for things that are qualified as medical care. The same would be true if you became disabled or if you die and have family coverage. However, if you just leave the University or you change plans away from Definity, your account would revert back to the University immediately. If the University discontinued Definity for any reason, the University would continue to maintain the accounts for a length of time. There would be some carry-forward as long as the employee does not leave the University or change plans.

Q: What expenses should the PCA (Personal Care Account) be available for?

A: There are certain things that are covered by insurance. There is a broader set of expenses that are permissible expenses under the federal tax law, but are not covered by insurance. If one chooses Definity, the University gives one a \$1000 PCA but doctor bills are not paid for until one spends his PCA.

- If people are permitted to use their PCA for that broader set of things, they might get a much higher deductible than they thought.
- This may be the only place to get alternative medicine. Next year, other forms of alternative care should be researched and considered for addition to the list of things covered.
- Committee members agreed the question comes down to how informed they expect people to be about the impact on their insurance when they use it.
- The majority of committee members agreed that the account should be all the things above the line and a few added from the below the line.

Committee members then voted on the categories below the line to determine what will be added to the plan. Those listed below were yes votes (unless otherwise noted).

- Acupuncture
- Three people voted for amounts over usual and customary
- Contact lenses
- Eyeglasses
- Dental treatment and dentures only as secondary
- Hearing Aids and hearing aid batteries
- 2 votes for home construction need for the installation of special, medically necessary equipment
- Infertility –need to know more about
- Laser Eye Surgery
- Massage Therapy, when determined medically necessary by a physician
- One vote for modification of a car by a disabled dependent
- Nursing home expenses, for medical reasons
- Smoking Cessation programs

- One vote for special schools and education for mentally impaired or physically disabled person
- One vote telephones or televisions for hearing impaired individuals
- Look into tuition fees for dependents with learning disabilities, when recommended by physician
- One vote for tutoring fees with learning disabilities, when recommended by physician

With no further business, Professor Morrison adjourned the meeting.

Katie Derdoski
University Senate