

BENEFITS ADVISORY COMMITTEE  
MINUTES OF MEETING  
MAY 6, 2004

[In these minutes: *ÆTrek Across the U<sup>1</sup>*, Employee Benefits Survey Summary, Medicare Approved Prescription Drug Discount Card, Guiding Principles, Future Meeting Dates/RFP Timeline, minuteclinic Update]

[These minutes reflect discussion and debate at a meeting of a committee of the University Senate or Twin Cities 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, Gavin Watt, Pam Wilson, Karen Wolterstorff, Peter Benner, Jody Ebert, Rhonda Jennen, Don Cavalier, Joseph Jameson, Carla Volkman-Lien, Wendy Williamson, Frank Cerra, George Green, Gailon Roen, Susan Brorson, Steve Chilton, Amos Deinard, Richard McGehee, Peh Ng, Theodor Litman, Rodney Loper, Dann Chapman

ABSENT: Ronald Enger, Carol Carrier, Keith Dunder

OTHERS: Linda Blake, Ted Butler, Karen Chapin, Jennifer Durocher, Shirley Kuehn Gladys McKenzie, Kathy Pouliot

I). Professor Morrison called the meeting to order.

II). Professor Morrison called on Karen Chapin to provide members with a walking program update. Ms. Chapin distributed the communication pieces, which will be used to promote the program, *ÆTrek Across the U<sup>1</sup>*.

Objectives of the program include:

- Encourage employees and their families to be more physically active on an on-going basis and/or to sustain an active lifestyle throughout this eight-week program as part of the University<sup>1</sup>'s Wellness initiative.
- Have fun while being more active.
- Build University community support for an active lifestyle.

Champions of the ŒTrek Across the U<sup>1</sup> campaign include:

- President Bruininks, the Chancellors, Vice Presidents and Provosts
- BAC Members
- AWG (Administrative Working Group) Members
- Deans, Department Heads and Directors
- All employees

All employees will receive a pedometer. Additional pedometers can be purchased at the University Bookstores for approximately \$5. Employees not on campus can mail their order for additional pedometers to the University Bookstores in Coffman Union on the Twin Cities campus.

Employees will receive three communication pieces regarding this program:

- A postcard, which will be sent to employees<sup>1</sup> homes.
- A letter from President Bruininks with a pedometer as well as an information sheet called ŒWarm Up Your Pedometer<sup>1</sup> and instructions on how to use the pedometer.
- A letter on how to participate in the program as well as a team trek journal and a personal trek log.

It was noted that the trek can be modified for employees with physical disabilities. These individuals are encouraged to contact Ruth Rounds at [rounds@umn.edu](mailto:rounds@umn.edu).

Ms. Chapin suggested that members visit the following URL:

<http://www1.umn.edu/ohr/eb/wellness/trek.htm> for additional information regarding the program and related events/resources.

Questions/comments from members included:

- Was this program modeled after programs at other universities and/or employers? It was noted that Ms. Rounds researched programs offered by other employers and was also personally involved in launching the Fairview University Medical Center walking program. This same member asked if the ŒTrek Across the U<sup>1</sup> program was specifically modeled after an existing program at another Big 10 university. Ms. Chapin stated that she did not know, but would find out.

- What is the expected participation rate for a program like this? Ms. Chapin recalled that Fairview University Medical Center had a participation rate over 50%, but stated whether the University<sup>1</sup>'s participation rate would be that high remains to be seen.
- What is the incentive to participate in this program? Ms. Chapin stated that one good incentive is to promote a healthy lifestyle. Another member stated a reason to participate is to encourage a culture shift at the University towards a more active lifestyle on the part of employees and their families. Ms. Chapin noted if employees choose not to participate in the program they can return their pedometers to the University Bookstores in Coffman Union.

III). Professor Morrison called on Ted Butler a financial analyst in Employee Benefits to share the results of the employee benefits survey, which was conducted in January 2004 to determine employees<sup>1</sup> satisfaction with medical plan options. Mr. Butler highlighted the following:

- 2,362 members (14.1%) completed the survey, which is a fairly good participation rate.
- Demographic information on survey respondents was shared.
- Members, when choosing a medical plan, indicated that plan cost, choice of a Primary Care Physician (PCP), premiums, and out-of-pocket costs were most important.
- Overall 87% of respondents indicated that they were at least somewhat satisfied with the University<sup>1</sup>'s medical benefits.
- There was some variance in satisfaction levels across Third Party Administrators (TPA) with PreferredOne and Definity having more members rating their satisfaction level as very satisfied.
- Employees in non-base plans did not indicate any higher level of satisfaction levels than employees in base plans.
- There was some variance in satisfaction levels with administrative services e.g. claims payment and customer service between the plans.
- Overall 77% of respondents indicated they have some level of satisfaction with their prescription drug benefits and 15% expressed that they were either somewhat or very dissatisfied with these benefits.
- All four plans were fairly comparable in terms of respondents overall satisfaction with mental health benefits; although PreferredOne and

Definity had more respondents that indicated a very high satisfaction level.

- Positive comments concerning the University<sup>1</sup>'s medical benefits included: good access to providers, overall satisfaction. Overriding negative comment themes were concerns about costs and claims administration.

Professor Morrison requested that Mr. Butler breakdown the substantial favorable and non-favorable comments by TPA (Third Party Administrator) for the Committee<sup>1</sup>'s next meeting on May 20th.

Employee Benefits will post these results to their website.

IV). Professor Morrison called on Karen Chapin to report on the Medicare Discount Cards. Ms. Chapin distributed a handout with this information to members. She noted that the information provided today is subject to change as the discount card programs evolve. Ms. Chapin shared the following general information about these cards:

- All UPlan retiree programs have relatively small co-pays, making the advantages of the discount cards limited.
- Medicare approved prescription drug discount cards will be effective through December 31, 2005 when Medicare Part D becomes effective on January 1, 2006.
- Forty-eight different Medicare approved prescription discount cards will be offered in Minnesota.
- These cards are approved by Medicare, but not offered by Medicare. All approved cards will have a Medicare RX approved seal.
- Cards cannot cost more than \$30 per year.
- Overall discounts are expected to be in the range of 10% - 25% depending on the drug purchased.
- Participants can only have one card at a time and are not permitted to share their card.
- Cardholders must only use pharmacies approved by the company that issued the card in order to receive a discount.
- Discounts apply to drugs on each company<sup>1</sup>'s formulary.
- In addition to receiving a drug discount when using the card, there is the ability for low-income participants (\$12,569 if single, \$16,862 if married) to apply for transitional prescription drug assistance. If

low-income participants apply for the transitional prescription drug assistance it includes up to a \$600 credit towards prescription drugs and additionally these individuals do not have to pay for the card. Low-income participants would apply for the transitional prescription drug assistance through the company they purchased the card from.

Next, Ms. Chapin noted specific information for UPlan retiree medical plan participants as it relates to the Medicare approved prescription drug discount cards:

- Advantages of the discount cards are very minimal for UPlan retiree participants because their co-pays are relatively low.
- HealthPartners 65+ and UCare will be offering the discount cards. These cards will be sent out automatically to participants
- Advantages for UPlan retiree participants include:
  - The UCare Medicare approved discount card provides an additional small discount for prescriptions that cost less than the UPlan co-pay for its members. The current HealthPartners 65+ card already provides a discount for prescriptions that cost less than the co-pay.
  - Both cards will provide a discount on drugs that are not covered on the UCare or HealthPartners 65+ formulary, but might be covered on the broader Medicare prescription discount card formulary.
  - Both cards would permit low-income University retirees to apply for the \$600 prescription drug credit.
- Neither Blue Cross/Blue Shield (BCBS) or Medica offer the discount cards. BCBS and Medica believe that retirees who already have prescription drug coverage through former employers will probably not find the cards particularly worthwhile for the following reasons:
  - Both plans have prescription drug coverage, with relatively low co-pay amounts.
  - Current BCBS and Medica cards already offer a discount on generic drugs that cost less than the UPlan co-pay.
  - Low-income individuals would not be eligible for the \$600 credit because they already have prescription drug coverage but no discount card.

Ms. Chapin referred members to the Medicare website at [www.medicare.gov](http://www.medicare.gov) for additional information on these discount cards.

In response to questions and comments raised concerning Medicare Part D, Professor Morrison recommended putting this topic on the agenda for early next year to determine whether modifications should be made to the UPlan<sup>1</sup>'s retiree prescription drug coverage. A member added that the Minnesota Senior Federation is an excellent resource for additional information on this and related subjects. Additionally, a suggestion was made to invite a Minnesota Senior Federation representative to a future BAC meeting to discuss this issue further.

V). Dr. Frank Cerra introduced the next topic, UPlan Guiding Principles. He reported that the Guiding Principles will be presented to the Board of Regents in June. At this time the Board of Regents will either accept the principles put forward, modify them or draft their own. Version II of the Guiding Principles includes the following principles:

- Provide quality, cost-effective health benefits
- Offer a basic <sup>3</sup>basket<sup>2</sup> of benefits and consider changes in coverage and eligibility after consultation with the Benefits Advisory Committee
- Continue to offer several choices of health plans
- Consider a variety of mechanisms to reduce the rate of rise of premium costs
- Give strong consideration to affordability and to the continuity of care
- Promote wellness and improvements in health status for the University community
- Approach the cost of health care as a partnership between employees and employer

Members were asked for their input as to whether these Guiding Principles seem reasonable or if they should be amended. Comments/questions from members:

- Please explain further what is meant by the final principle:  
<sup>3</sup> Approach the cost of health care as a partnership between employees and employer<sup>2</sup>. Dr. Cerra stated that it is the goal of this principle to address the social contract between the employer and

employee. It is the view of the AWG that they would like to keep any additional cost shifting to employees to a minimum. If this is to be achieved, the employer and employee need to develop effective ways to contain costs.

- There is nothing mentioned in this draft about how health plan benefits are bargained. Should this be added to this document? Dr. Cerra said that this is an assumption, which is written in to all the writings of the AWG. Professor Morrison stated that all health plan presentations to the Board of Regents include a notation on each slide, which states *Subject to Bargaining*<sup>1</sup>.
- A member expressed concern over the use of the term *consultation*<sup>2</sup> in the second bullet. In this member<sup>1</sup>'s opinion the term carries with it no promise of meaningful participation by the BAC. Ultimately, this member would like the BAC to have more representation on the AWG. In response, Dr. Cerra first requested that alternative language be proposed to accomplish the desired result in the second bullet. And, secondly, he noted that of the seven AWG members, four serve on the BAC. Professor Morrison noted that the President appoints AWG members. Members unanimously passed a motion to have Professor Morrison ask the President consider appointing another BAC representative to the AWG.
  - What are other businesses/organizations doing as a group to try to formulate policy at the federal level to try to hold down the rapidly escalating cost of health care? While steps are being taken in terms of coalescing, this is an uphill battle. In Dr. Cerra<sup>1</sup>'s opinion it will take a national crisis before the federal government deals with this issue and it definitely will not happen before the election. Dr. Cerra is optimistic that progress will be made under the statewide effort, of which he is a part, to control health care costs. Dr. Cerra called on Peter Benner to share his thoughts on this conundrum. Dann Chapman also noted that the University is represented at the Buyers Health Care Action Group (BHCAG).
- Professor Morrison suggested that another principle be added to the Guiding Principles, which would require participation by the University in state and national efforts to better manage and direct health care access and quality.

- A member requested that a principle be added, which specifically indicates the administration<sup>1</sup>'s intent to not do additional cost shifting to members. Additionally, this member suggested there be an exploration into a pro-rated premium structure. Lower paid employees are sharing a disproportionate share of the pain/burden.
- Professor Morrison stated it would be ill advisable to try to draft language changes to the Guiding Principles in this meeting. He suggested that a draft would be brought back at the next meeting.
- Certain members of the Benefits Advisory Committee voiced their concern over the fact that although issues are brought to the BAC for input/discussion, ultimately the AWG makes the final decisions, which at times is in opposition to recommendations by the BAC.
- Reword bullet #5: <sup>3</sup> Give strong consideration to affordability and to the continuity of care<sup>2</sup> to make it more specific in terms of who it refers to, the employee or the University.
- Permit BAC members to have access to confidential information from RFP respondents, thus allowing the BAC to give advice on the detailed choices. Without this information, the BAC is a passive consultant and not a meaningful partner in this process.
- Professor Morrison reported that he will chair the RFP Selection Committee and intends to work with the BAC in the same manner as four years ago.
- Dann Chapman announced that there would be a full day meeting on Friday, August 27<sup>th</sup> with the BAC, the AWG and the consultant to discuss the RFP process.

Prior to the next meeting, Professor Morrison will send out a draft of the revised Guiding Principles for members to review in preparation for continued discussion on this topic.

VI). Professor Morrison provided members with the remaining meeting dates for this academic year as well as meeting dates for the 2004 - 2005 academic year. He also shared information on the timeframe for the RFP process.

VII). Karen Chapin distributed an Employer Volume Report by Clinic for minuteclinic. She noted that overall there has been good participation by University employees and their dependents in minuteclinic. So far 357 UPlan



participants have visited a minuteclinic, with the Shoreview Target being the most visited location. Additional information from the report was shared with members.

Status of the Duluth minuteclinic remains in limbo, minuteclinic is concerned that the Duluth market will not be profitable for them, and this is a concern, particularly because they are a relatively new company. The University continues to try to persuade minuteclinic that in fact the Duluth market will be a profitable endeavor. It was noted that the University was under the impression it had a commitment from minuteclinic that in return for its business a minuteclinic would be established in Duluth. Dann Chapman noted that Duluth UPlan participants have a commitment from the University administration that it will do whatever it can to influence getting a minuteclinic in Duluth. A Duluth BAC representative expressed his disappointment regarding minuteclinic<sup>1</sup>'s reluctance to set up a clinic in Duluth and noted that oftentimes it feels as if coordinate campus are systematically oppressed not only related to this matter but other issues as well.

A University on-site minuteclinic is still being discussed. Professor Morrison stated that there should be an update at the June 17<sup>th</sup> meeting on this matter.

VIII). Hearing no further business, Professor Morriosn adjourned the meeting.

Renee Dempsey  
University Senate