

[In these minutes: Presentation to the Board of Regents, Update on issues previously raised, Agreed items that are not yet implemented, Recognition]

BENEFITS ADVISORY COMMITTEE (BAC) MINUTES

THURSDAY, JUNE 17, 2004

10:00 A.M. – 12:00 PM

385 MONDALE 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, Linda Blake, Ted Butler, Don Cavalier, Karen Chapin, Dann Chapman, Amos Deinard, Jennifer Durocher, Jody Ebert, Joe Jameson, Rhonda Jennen, Shirley Kuehn, Ted Litman, Rod Loper, Peh Ng, Kathy Pouliot, Gailon Roen, Ruth Rounds, Jackie Singer, Gavin Watt, Wendy Williamson, Pam Wilson.

REGRETS: Carol Carrier, Steve Chilton, George Green, Richard McGehee, Gladys McKenzie, Carla Volkman-Lien, Phyllis Walker.

1. PRESENTATION TO THE BOARD OF REGENTS

Dan Chapmann distributed a powerpoint slide handout and walked the committee through the same presentation that was given to the Regents on June 10. Following the presentation, Regents expressed feedback regarding cost-shifting to employees, as well as remaining competitive and fair.

Professor Morris then led the committee through the short presentation he gave to the Regents on the history behind the BAC and the accomplishments that have already been made.

Q: How does the University force providers to be competitive?

A: This is done through the network and plan designs, as well as risk-sharing adjustment between the plans. Without healthy competition, the number of plans will decrease.

Q: What is Health Partners' incentive to keep rates low?

A: There only incentive is to keep prices just below the next option, which is why risk adjustment is needed.

Q: Is the University considering running its own pharmacy?

A: If it does, this would operate separate from the health care plan designs. The University knows that 20 percent of health care costs are spent on prescriptions, and that savings could be

found if maintenance drugs were provided by a University owned and operated practice. This could be done via mail order as well as walk-in. In this next RFP, vendors might be asked to provide costs with and without a pharmacy option.

2. UPDATE ON ISSUES PREVIOUSLY RAISED

Professor Morrison reminded all members of the next meeting date, August 5, at which time the committee will review 2005 plans and projected rates. Members should also hold all day on August 27 for a retreat, at which time Watson Wyatt will talk about plan options, such as pharmacy and wellness, that the committee will be deciding on in September and October. Members should also remember to hold every Thursday from 10:00-12:00 in September and October for possible BAC meetings.

Karen Chapin then distributed information from all the health plans on verifying student status and other forms of insurance from its members. All plans have processes in place for these two types of verification, but each handles them differently. Three plans do require written verification, while one allows verification over the phone. These processes are not perfect and that each plan is working on improvements.

She noted that all plans terminate student coverage under four conditions:

- Student reaches the age of 25
- Employee notifies the plan to discontinue coverage
- Employee notifies the University to discontinue coverage
- Employee does not respond to written requests for verification

Q; How many incidents of parental fraud occur annually?

A: There is no way to know for sure, but providers ask for more verification when there are major claims being made.

3. AGREED ITEMS THAT ARE NOT YET IMPLEMENTED

Professor Morrison distributed a handout detailing three items that the committee will need to finalize for implementation during the next year: tiered premium levels, risk adjustment of premium levels, and recognizing the additional cost of UMP.

4. RECOGNITION

Professor Morrison thanked all members for their participation this year, and noted that they made his time as chair enjoyable. He said that even though he will no longer be chair after June 30, he will be continuing on the committee and will help with the RFP process. He announced that Gavin Watt assumes the committee chairmanship beginning July 1.

He then recognized three members whose terms end June 30 of this year: Amos Deinard, Gailon

Roen, and Wendy Williamson. The committee gave them a round of applause for their service.

Gavin Watt then thanked Professor Morrison for his years of leadership. He was also given a round of applause by the committee.

With no further business, Professor Fred Morrison thanked the members for attending and adjourned the meeting.

Becky Hippert
University Senate