

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
NOVEMBER 18, 2004

[In these minutes: AWG Update, Employee Benefits' Announcements, 2006 UPlan RFP Committee]

[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: Gavin Watt (chair), William Roberts, Karen Wolterstorff, Jody Ebert, Ronald Enger, Rhonda Jennen for Rita McCue, Don Cavalier, Michael Marotteck, Carla Volkman-Lien, Carol Carrier, Carl Anderson, Don Harriss, Fred Morrison, Richard McGehee, Peh Ng, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Linda Aaker, Pam Wilson, Peter Benner, Joseph Jameson

ABSENT: Frank Cerra, George Green, Susan Brorson, Keith Dunder

GUESTS: Sue Hoel, HealthPartners, Account Manager and Sue Cooper, HealthPartners, Director of Pharmacy

OTHERS: Linda Blake, Karen Chapin, Amos Deinard, Jennifer Durocher, Shirley Kuehn, Gladys McKenzie, Kathy Pouliot, Ruth Rounds, Curt Swenson, Phyllis Walker

I). Gavin Watt called the meeting to order.

II). Mr. Watt reported that at the last AWG (Administrative Working Group) meeting the following items were on the agenda:

- o Reports from PreferredOne, Definity Health and HealthPartners.
- o A preview of the RFP.
- o A CuraScript presentation/discussion.

III). Employee Benefits' Announcements:

- o Overall the on-line open enrollment process received positive feedback. Only a few minor problems were encountered, but nothing significant. Employee Benefits received approximately 8,000 open enrollment phone calls this year, a significant increase from previous years, and roughly 300 email inquiries. Employee Benefits, during the on-line open enrollment period, was very sensitive to the concern that some employees may not have access to a computer and/or are computer illiterate. As a result, Employee Benefits went above and beyond by making computer labs available and on certain dates extended their hours. Except for only a couple of these labs, many were either poorly attended or not attended

at all. The Benefits' Fairs were also a place where employees completed the on-line open enrollment process.

To date, only 15 appeals have been received from employees that want to make a change to their election. As in the past, these appeals will be handled on a case-by-case basis following established criteria.

Preliminary 2005 open enrollment numbers (final open enrollment numbers will be available in January 2005):

- 7,822 employees made some type of open enrollment election.
 - There was a large shift into PatientChoice Tier I in Duluth. Tier I enrollment stands at 1,266, Tier II – 40 and Tier III – 10.
 - PatientChoice outer metro enrolled 100 participants.
 - PatientChoice Twin Cities enrollment: Tier I – 662; Tier II – 1,001 and Tier III – 318.
 - Definity Health experienced a slight decline in 2005: Option 1 - 735 enrollees and Option 2 - 297.
 - HealthPartners Classic enrolled 9,528 University employees and dependents.
 - PreferredOne Regional enrollment: 1,024.
 - PreferredOne National experienced a fairly significant increase to 1,057 compared with 765 in 2004.
- Wellness Program Manager Ruth Rounds announced that a baseline survey is being conducted this year. The survey will be distributed electronically the week after Thanksgiving.

IV). Professor Morrison announced that the UPlan 2006 RFP Committee has been formed. The seven voting members include:

- Professor Morrison, chair
- Professor Richard McGehee
- Gavin Watt
- Carla Lien
- Dann Chapman
- Karen Chapin
- Keith Dunder

Additionally, Ruth Rounds will provide consultative services on matters related to wellness and a search is underway for an individual with pharmacy expertise to consult on pharmacy matters.

Professor Morrison added that two separate RFPs will be sent out:

1. An RFP that examines the feasibility of an employer-owned pharmacy.
2. A consolidated RFP for the medical plans, a stand-alone pharmacy benefits manager (PBM) and health improvement initiatives.

Professor Morrison shared with members the timeline for the RFP process. He noted that final conclusions will need to be reached by April 1, 2005, and these recommendations will be brought before the Board of Regents in May.

The BAC will be consulted regarding policy questions related to the RFP, but will not be consulted with on selection questions because the bidding law requires the RFP Committee keep this information confidential.

V). UPlan Research Advisory Committee Update: Because the University is now self-insured, it owns its own data. This data is available to the University to help manage the UPlan and for appropriate research purposes. Recently, two research requests for UPlan data were received. Both have been reviewed by the UPlan Research Advisory Committee and approved. The UPlan Data Policy for Research uses the following criteria to evaluate the proposals it receives:

1. The research proposal is meritorious to the UPlan or the greater healthcare community.
2. The need for thorough and adequate protection of data, including assurances of compliance with all applicable laws and regulations.
3. A demonstration of authorization and/or appropriate IRB or privacy board approval pursuant to applicable regulation.
4. An assessment of any potential cost or disruption to the UPlan, which could be caused by the research activity.
5. Completion of appropriate agreements or commitments in regard to the performance of the research activity.

VI). HealthPartners' Account Manager Sue Hoel and Director of Pharmacy Sue Cooper provided members with information on CuraScript, a specialty pharmacy program. The following information was highlighted:

- Characteristics of a specialty pharmacy include:
 - Comprised primarily of bio-pharmaceutical medications.
 - Typically used to treat chronic diseases.
 - Usually given by injection.
 - Generally very expensive with annual therapy costs ranging from \$12,000 - \$100,000.
 - Complex treatments often requiring customized dose calculations and/or special preparation.
 - Require monitoring and support to maximize benefit and minimize adverse effects.
 - Patients benefit from extensive education.
- Specialty vendors are now part of this new specialty pharmacy industry. In 2002, \$17 billion was spent in annual sales on specialty drugs and sales are expected to increase 20% - 40% annually.
- What has HealthPartners done to deal with these specialty drug issues?
 - Developed a ³specialty formulary² for self-administered specialty drugs.

- Mandated use of a specialty pharmacy, CuraScript, effective January 1, 2005.
- Assured affected members that they will not encounter any benefit changes.
- For more information about this program and a list of HealthPartners' specialty formulary drugs, visit the following URL:
<http://www.healthpartners.com/portal/480.html>
- CuraScript is:
 - One of the nation's largest specialty pharmacy providers. CuraScript has been a specialty pharmacy provider since 1989.
 - Headquartered in Orlando, Florida and has 6 satellite offices.
 - Dedicated to extensive patient care coordination and focuses its efforts on improving outcomes.
- CuraScript provides the following patient benefits:
 - Therapy support and education.
 - Coordinated product delivery to home or office.
 - Convenient access to pharmacists and nurses with expertise dealing with specialty drugs.
 - Supplies provided at no extra charge.
 - Refill reminders from personal patient care coordinators.
 - Extensive access to educational information.
- CuraScript provides the following provider benefits:
 - One step patient enrollment process including prior authorization.
 - Monthly patient follow-up to monitor for side-effects and compliance and ensure proper dosage.
 - Convenient access to pharmacists and nurses with expertise in the specialty drug arena.
- A detailed description of how the program works was shared with BAC members. This information is being communicated to affected members this week as well as encouragement to participate in the program even earlier than the required date of January 1, 2005.

Questions/comments from members included:

- How many HealthPartners' patients will be affected by this change? Fifty-nine patients will be affected.
- If a UPlan member takes other medication besides specialty drugs do they have to use two separate pharmacies? Yes, CuraScript only fills specialty drug prescription orders.
- Is participation in CuraScript voluntary for members that use specialty drugs? No, participation is mandatory.
- What kind of pricing has been negotiated with CuraScript for specialty drugs? A reduced rate (at least 3%) has been negotiated with CuraScript for these drugs. While this might not seem like much of a savings, it can be quite substantial when the price of these drugs is taken into account. These savings are then passed on to the UPlan.

- PreferredOne, as of October 1, 2004, has also required its members use CuraScript for their specialty drug prescriptions. No concern has been heard by Employee Benefits from any PreferredOne members regarding this change. Additionally, PatientChoice is encouraging (although there is no mandate at this point) all of their member companies to move to CuraScript by April 1, 2005. Definity Health's specialty drug service is linked with MedCo, Definity's mail order prescription service.

HealthPartners' representatives Sue Hoel and Sue Cooper thanked members for their time, and noted that if additional questions arise related to this topic to feel free to contact them.

VII). Hearing no further business, Gavin Watt adjourned the meeting.

Renee Dempsey
University Senate