

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
SEPTEMBER 22, 2005

[In these minutes: Announcements, Open Enrollment Presentation, Harris HealthTrends]

[These minutes reflect discussion and debate at a meeting of a committee of the University Senate; none of the comments, conclusions, or actions reported in these minutes represent the view of, nor are they binding on the Senate, the Administration, or the Board of Regents.]

PRESENT: Gavin Watt (chair), Linda Aaker, William Roberts, Pam Wilson, Karen Wolterstorff, Don Cavalier, Carla Volkman-Lien, Carl Anderson, Carol Carrier, George Green, Amos Deinard, Richard McGehee, Fred Morrison, Peh Ng, Theodor Litman, Rodney Loper, Dann Chapman, Keith Dunder

REGRETS: Peter Benner, Jody Ebert, Rhonda Jennen for Rita McCue, Eileen Zeitz, Joseph Jameson, Michael Marotteck

ABSENT: Ronald Enger, Frank Cerra

GUESTS: John Harris and Beth Dagostino from Harris HealthTrends, Inc.

OTHERS: Linda Blake, Karen Chapin, Nancy Fulton, Betty Gilchrist, Joe Kelly, Shirley Kuehn, Kathy Pouliot, Jackie Singer

D). Gavin Watt called the meeting to order. He announced that at the October 6th BAC meeting, Professor John Nyman from the School of Public Health will provide background information on the article that the committee received earlier, *The Moral Hazard Myth* (<http://www.sph.umn.edu/news/Inthenews/20050829nyman.html>). Members were encouraged to read this article prior to the next meeting if they have not already done so.

II). Employee Benefits Announcements:

- Open enrollment is on track and proceeding well. To date, eight employee information forums have been held; all of which have been well attended. An additional five forums are scheduled, which include sessions on each of the three coordinate campuses, Crookston, Duluth and Morris. Mr. Chapman characterized the forums as well received with little expressed employee dissatisfaction. In fact, there has been a noticeable amount of appreciation for the changes to the 2006 UPlan. The one exception, however, is the four-tier rate structure, which some employees view as a form of discrimination against the traditional family. In response to these concerns Dann Chapman explained the rationale behind the four-tier structure:
 - It better reflects the diversity of family units at the University.

- Is an effort to move the University toward benchmarks, matching a trend among employers.
- It helps position the UPlan in the marketplace so it does not draw risk from other employers.
- At the September Board of Regents meeting, Employee Benefits received approval for a majority of the UPlan medical 2006 contracts. The Harris HealthTrends contract will go before the Board at their October meeting.
- The fall wellness campaign has been launched, "Take Time To Be Active". This is a simple program, which aims to motivate employees and their dependents to spend 2,005 minutes involved in moderate-intensity physical activity. For more information regarding this program, members were encouraged to visit the following URL: <http://www1.umn.edu/ohr/eb/wellness/taketime/index.html>
- Retiree medical plan design and rate information is being finalized. This information should be available no later than the first week in October. As part of the Medicare Modernization Act (MMA), it was emphasized that retirees must sign up for Medicare Part D through the University's plans and not through another plan. This and other retiree medical plan design and rate information will be well communicated to retirees. A member suggested that Employee Benefits collect email addresses for all its retiree medical plan subscribers as a means to inexpensively communicate medical plan information with them.

III). Dann Chapman provided members with an overview of the information that is being shared at the employee forums, UPlan 2006: Know Your Options. A handout containing PowerPoint slides to supplement Mr. Chapman's presentation was distributed to members. To preface his presentation Mr. Chapman noted that significant changes were made to UPlan 2006, and these changes can be attributed to the fact that the University went back to the market. Mr. Chapman highlighted the following:

- Open enrollment (OE) will be November 1 – November 30, 2005. The enrollment period was maintained at 30 days and move later in the year. All employees who wish to have medical or dental coverage for 2006 MUST make an on-line election during open enrollment.
- Changes to UPlan 2006 have afforded the University the ability to:
 - Minimize the cost impact of medical trend.
 - Not reduce its percent of the employer contribution.
 - Not increase base plan out-of-pocket costs through co-payments.
 - Increase choice of plans at an affordable cost.
 - Offer out-of-network coverage in the base plan.
 - Offer a new pharmacy program.
 - Permit many UPlan participants to see their physician at the base rate for the first time since forming the UPlan.
 - Allow many UPlan participants to stay with their physician at the base rate.
 - Maintain UPlan access to University of Minnesota Physicians (UMP) and Boynton Health Service.
 - Expand health improvement/wellness services.
- The medical plan line-up for UPlan 2006 will include:

- Two tight network options, **Medica Elect & Essential** (base plan option for the Twin Cities and Duluth). This is a single plan with two major networks. Primary care clinic designation is required when selecting either the Elect network or the Essential network. While family members can choose different primary care clinics, all family members must be in the same network. Care systems for each of the two networks were noted.
- **U Classic Plus by HealthPartners:** Base plan co-payment and benefit set remain the same as the 2005 HealthPartners plan, which is also the same as the Medica Elect & Essential co-payment and benefit set. However, a difference for 2006 is that the cost to employees for this plan will be slightly higher. It was noted that HealthPartners has introduced a "no referral" policy, allowing members to see specialists in the network without a referral.
- A tiered network option, **Insights by Medica.** Insights by Medica will replace PatientChoice. While Insights is similar to PatientChoice in that it is a tiered-network product, it is different in that it is an open access plan. All employees will pay the same rate for the plan regardless of which tier is accessed, but the cost differential will occur at the point of service e.g. access to tier II providers will have a higher co-pay than access to tier I providers and access to tier III providers will have a higher co-pay than access to tier I and tier II providers. Slides depicting the Insights network and tier classification for the various providers were referenced.
- A PPO option, **Medica Choice National:** A broad, open access PPO, which is very similar to the PreferredOne product it is replacing. All providers in PreferredOne should be included in the Medica Choice National product. This plan will increase the number of providers that can be accessed outside Minnesota.

Medica Choice Regional, the base plan for Greater Minnesota, will replace PreferredOne Regional. Unlike, Medica Choice National, this plan does not include access to its national network. Other than the out-of-network benefit that has been added to all the base plans, Medica Choice Regional members are restricted to urgent and emergent care only outside of the network.

- Consumer-Driven Health Plan (CDHP) options include two **Medica Direct** products, a Health Reimbursement Account (HRA) and a Health Savings Account (HSA). Medica Direct uses the Medica Choice network, which is a broad, open-access network. A slide illustrating the deductibles and employer contributions to both the HRA and HSA accounts were highlighted. The full annual employer contribution goes into the HRA account on January 1, and employees with balances in their Definity account will automatically have these balances rolled into their Medica Direct HRA account. Under this plan, until the deductible is reached, the clinic bills the plan and the plan sends the check to the employee who in turn pays the physician. The same payment procedure applies to pharmacy expenses, meaning the member pays full cost at the pharmacy

and is reimbursed by the plan. A difference between the Medica Direct HRA plan and Definity is that once a member starts using the insurance portion of the product, a co-insurance payment is required. Therefore, out-of-pocket expenses under this plan may be higher than anticipated.

Next, member's attention was turned to the **HSA** option and it was noted that this option uniquely shelters money from taxes at three stages: 1). Contributions into the account go in tax-free, 2). Investment growth in the HSA account is tax-free, and 3). Withdrawals for eligible expenses are tax-free. Unlike the HRA, the University's contribution to the HSA is deposited into the employee's account in 26 equal installments over the course of the year (per pay period). Another significant difference from the HRA, is that employees own their accounts. Therefore, employees that leave the University take this account and any balances in it with them. It is entirely portable. Flexible Spending Account expenses under HSA guidelines stipulate that these funds can only be used for dental and vision expenses; all medical expenses must be paid from the HSA account. Definity balances cannot be rolled into an HSA account.

- The University has partnered with RxAmerica to provide a single pharmacy program across all UPlan medical plan options. RxAmerica is working with the University to match its current pharmacy network as closely as possible. The formulary will be finalized, and posted on the RxAmerica website prior to open enrollment at: <http://www.rxamerica.com/>
- Additional 2006 UPlan changes include:
 - Out-of-network benefits across all plans including the tight and tiered plans, which previously did not have out-of-network benefits.
 - Improved infertility benefit.
 - Improved diabetic supply benefit. Rather than employees having to pay 20% co-insurance for their diabetic supplies, these supplies will be covered under the pharmacy benefit. By making this change, diabetic supplies are also moved under the lower pharmacy maximum out-of-pocket threshold.
 - Pre-natal infusion will be covered at 100%.
 - No co-pay for all hospice care.
- MinuteClinic will open again in Coffman Memorial Union in October. The \$5 co-pay for visits at this location will be waived October – December.
- The UPlan will move to a four-tier rate structure in 2006.
- The University is partnering with Harris HealthTrends for wellness and health improvement services. This partnership is intended to expand on the University's current wellness program. These services will be available at no additional charge to employees. It was emphasized that participation in this program is voluntary and strictly confidential. While employees and their dependents will be encouraged to take advantage of Harris HealthTrends' services, monetary incentives will only be offered to employees, at least at this time.

- Dental is open for 2006. All employees must make an on-line election for their dental coverage. Also, because dental is only "Open" every other year, the choice made during open enrollment will be for the two-year period of 2006 – 2007. Dental coverage will also move to the four-tier rate structure.
- The combination of the change in medical plans and the shift from a two-tier to a four-tier rate structure made it necessary for the University to do a positive open enrollment requiring that employees make an election during open enrollment in order to have medical or dental benefits during 2006.
- Participation in a Flexible Spending Account requires employees to enroll in this program each year. The University cannot rollover an employee's election from one year to the next.
- There will be no changes to the Pre-Tax Dependent Care Reimbursement Account program.
- Members reviewed a chart illustrating the 2006 UPlan medical rates under the four-tier rate structure. It was noted that for those employees who receive the cash incentives for participating in two wellness programs in 2006, will see an effective decrease in the amount they are paying for the base plan in 2006. In many cases rates are increasing a relatively small amount or in some cases rates are even going down. The exception to this is employees in tier 4, employee + spouse/partner and child or children. In light of these substantial increases, the University is making lump sum payments to employees with a base salary less than \$65,000, \$300 in 2006 and \$150 in 2007, to directly mitigate this increase. It was noted that the Teamster's contract has settled with the four-tier structure in place.

IV). Gavin Watt introduced John Harris and Beth Dagostino who were invited to provide members with a presentation on their organization, Harris HealthTrends. Mr. Harris thanked members for the opportunity to attend today's meeting and began by providing members with a brief introduction to Harris HealthTrends. He noted that the company was established in 1987, is headquartered in Toledo, Ohio and has operations nationwide and programming throughout North America and abroad. Harris HealthTrends has 300 full-time employees and 60 part-time employees. Besides working with many Fortune 500 companies, Harris HealthTrends works with a number of insurance companies and governmental entities. There are three divisions within Harris HealthTrends: 1). Health Advising 2). Onsite Health, and 3). Consulting and Analysis. The Health Advising division will work most closely with the University account. This division conducts health risk assessments, offers web support programs and disease and lifestyle management telephonic programs.

Mr. Harris began by noting that wellness programs are not "one size fits all". In fact, they are most efficiently delivered and cost effective when they are customized for a given individual. It is the goal of Harris HealthTrends to keep healthy people healthy and mitigate the migration of healthy people to sick people.

A Wellness Assessment is one of the tools used by Harris HealthTrends to identify where individuals rank in terms of their health. Additionally, claims data analysis helps Harris

HealthTrends identify at-risk individuals. Recognizing that the use of claims data to identify at-risk individuals may be somewhat disconcerting, Harris HealthTrends uses a comprehensive communication plan to make sure individuals understand how the program works so they do not feel their privacy has been compromised.

Once risk levels have been determined, individuals are categorized into one of the three categories, low risk, moderate risk, and high risk & diseased. Different core programs are made available to each of the groups based on an individual's level of risk. Examples of core programs include: nursesline, on-line tools, health action plans, lifestyle management and disease management.

Collecting information on program participation, behavioral change, satisfaction, etc. is essential to the success of the program. This information is used for continuous quality improvement purposes and to determine if this partnership is a viable business opportunity for the University.

Communication to UPlan participants of the Harris HealthTrends' programs is another critical factor to the success of the program. Three primary types of communication are used with this program:

1. Orientation communication/promotion.
2. Program specific communication.
3. On-going communication/promotion.

The goal of the communication plan is to make the program part of the University culture.

Communicating the confidentiality aspect of the program is also vital to the success of the program. Communication around this issue in conjunction with stressing the benefits of health, should ultimately mobilize individuals to action.

Harris HealthTrends will use the following tools to support University employees and their dependents as they pursue healthy lifestyles:

- Wellness Assessments, which are web-based and easy to access.
- Web-based support – robust web services that provide a wealth of information on health related issues.
- Health action plans – programming to engage low to moderate risk people in health improving activities. The objective is to keep these programs fun and enjoyable.
- Lifestyle & disease management services - both of these services are telephonic coaching services designed to lower risk and/or reduce disease episodes. Degreed/licensed health professionals deliver these services, which are mentor oriented. These services are directed toward goal achievement.
- Nursesline and self-care tools – Harris HealthTrends uses the Mayo Clinic Nursesline. Besides the nursesline, Mayo Clinic has other support tools e.g. its website, the *Mayo Clinic Guide to Self-Care* book.

The University has chosen to monetarily incentivize employees to participate in wellness related activities starting in 2006. According to Mr. Harris, incentives work well for offense-sitters, those individuals that have some propensity to change their behaviors, but simply cannot get motivated.

In closing, Mr. Harris summarized his presentation, and highlighted the following:

- The program is comprehensive and will reach people of all health conditions.
- The program will be well-communicated to University employees and their dependents.
- The program starts with a Wellness Assessment and triages out from this point to other programs.
- The program will be continually monitored, and, if changes are necessary, program refinements will be made.
- The program is confidential, private and voluntary.
- The program is designed to have a lasting health impact on participants and to reduce associated health costs.

Mr. Harris opened the floor to questions from committee members. Comments and questions from members included:

- Are the two \$65 incentives rollout incentives for the first year only or will there be on-going incentives? Mr. Chapman stated that it is the intent that the incentives will continue into the future, and this will be evaluated based on the University's return on investment (ROI) over time.
- Is it cost effective for participants to take the Wellness Assessment every year? According to Mr. Harris, the field has concluded that with the web-based tools it is cost effective to have program participants take the Wellness Assessment every year. Because the assessment is a web-based tool, it is relatively inexpensive to administer. Readiness and behavioral change studies indicate that people are ready to change at different times, and, therefore, it is important to engage people when they are ready to make a change.
- What is the likelihood that a participant will actually interact with a health care professional? Mr. Harris stated that the disease management level is the level where this interaction is most likely to occur. Harris HealthTrends has a philosophy that it does not want to interrupt the patient/physician relationship and enable the patient to be a passive recipient of care. Harris HealthTrends has found it to be extremely beneficial when physicians validate the program and encourage their patients to continue their participation.
- Does Harris HealthTrends need people's approval to analyze their claims data? No, under HIPAA (Health Insurance Portability and Accountability Act) there is a provision that addresses disease management specifically, and it states that health professionals that are within the shroud of confidentiality have the right to access people's information without their express written permission. While it would be inappropriate for the University to collect this data, it is permissible for a third party vendor (Harris HealthTrends) to analyze this data without the person's permission. With this said, Harris HealthTrends believes that if people feel violated the program will be unsuccessful, and this is why the communication

piece of the program is so important. People need to know that Harris HealthTrends is a third party medical provider, and an extension of their care. Members spent a fair amount of time discussing the confidentiality aspects of this program and the importance of making sure all communication around this program stresses the confidentiality piece. It was noted that the UPlan maintains strict confidentiality of the data it collects, and, in fact goes beyond what the law requires in terms of maintaining confidentiality.

- Where will the assessment data collected by Harris HealthTrends reside? The data will not live within the University. Harris HealthTrends subcontracts with a local firm, StayWell Management, who will administer the assessments and the data they collect will reside in their space as well as at Harris HealthTrends.
- Can the assessment be taken anonymously? Mr. Harris stated that a participant must disclose his/her identity. Reasons for requiring disclosure of identity include:
 - Programs that are not compared to an eligibility file can be abused e.g. the UPlan could end up paying for assessments of non-UPlan participants.
 - If participants remain anonymous, the ability to have an impact on their health is lost.
 - Without identifying participants, Harris HealthTrends would be unable to study the data in order to determine the impact they are having on the University population as a whole.
- Are the On-Site programs offered by Harris HealthTrends conducted over the phone? According to Mr. Harris, if and when these types of programs are done, they are typically done in person.
- A member cautioned Harris HealthTrends to be careful in their initial communication to UPlan participants when it comes to explaining how their data was collected. Mr. Harris noted that Harris HealthTrends has written several communication pieces for its client base and they are extraordinarily sensitive to the wording. He added that because every culture is different, several draft versions are circulated prior to being sent out to participants in order to minimize any concerns.

It was noted that many employers are choosing to work with organizations that specialize in health improvement. Taking into account that academia is different from other employers and the confidentiality aspect may feel a little uncomfortable now, it was noted that this is not untested water. Mr. Chapman emphasized that the program is voluntary. He added that it is likely that there will be a segment of the UPlan population that will never participate in the program, but this should not stop the University from moving ahead and making a positive impact on the people that are willing and eager to participate.

V). Other Business:

Dann Chapman announced that Monday, September 19th was Ruth Rounds last day at the University. A search for a new Wellness Manager is underway.

Mr. Watt asked members to convey agenda items they have for the year to either him or Renee Dempsey, Senate Staff.

VI). Hearing no further business, Mr. Watt adjourned the meeting.

Renee Dempsey
University Senate