

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
NOVEMBER 3, 2005

[In these minutes: Nominees for BAC Chair and Vice Chair for 2006 – 2008 Term, Open Enrollment Update, MinuteClinic Update, UPlan Retiree Medical Plan and Medicare Part D, Dr. Amos Deinard receives the first "Outstanding Community Leadership Award" from the Minnesota Association of Community Health Centers, November 17, 2005 BAC Meeting Cancelled]

[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, Karen Wolterstorff, Ronald Enger, Eileen Zeitz, Don Cavalier, Joseph Jameson, George Green, Amos Deinard, Richard McGehee, Peh Ng, Theodor Litman, Dann Chapman

REGRETS: Pam Wilson, Peter Benner, Jody Ebert, Rhonda Jennen, Carl Anderson, Carol Carrier, Rodney Loper, Joe Kelly

ABSENT: Michael Marotteck, Carla Volkman-Lien, Frank Cerra, Fred Morrison, Keith Dunder

OTHERS: Karen Chapin, Shirley Kuehn, Kathy Pouliot, Curt Swenson

I). Gavin Watt called the meeting to order.

II). Mr. Watt reported that he and Professor McGehee have been nominated for BAC chair and vice chair, respectively, for the 2006 – 2008 term. A vote on these nominations will occur at the December 1st meeting.

III). Employee Benefits Announcements: Dann Chapman reported that Open Enrollment (OE) started on Tuesday, November 1st, and things are proceeding well. Benefit fairs were held Tuesday, November 1st and Wednesday, November 2nd, both of which were very well attended. As of this morning, 863 employees have made their enrollment elections on-line.

Mr. Chapman added that he and his staff have received very few complaints about the new benefit offerings/structure. Of the complaints received, most have to do with individuals experiencing problems getting their clinic number on-line. The installation of Spyware and/or Pop-Up Blocker on computers appears to be causing this problem. As an alternative means to get this same information, Mr. Chapman suggested clicking on the "Provider directory" on the Employee Benefits website. A few members expressed concern over this problem, and suggested that UPlan vendors redesign their websites to

eliminate this problem. Mr. Chapman indicated that he would share this feedback with the vendors.

Questions/comments from members:

- Has Employee Benefits received many complaints about the four-tier rate structure? Mr. Chapman stated that the vast majority of the comments received about the four-tier structure have been positive, with many employees commending the University for instituting this structure. Naturally, there are some employees who believe that the new rate structure discriminates against the traditional family. However, once these employees are given the explanation that it is not discriminatory to charge more for purchasing a larger quantity of a product or service e.g. insurance coverage, most understand.
- Has Employee Benefits received any pushback concerning Medica? Overall, no, stated Mr. Chapman. He added that a few people, early on, voiced concerns about Medica based on experiences they had had with this vendor five or more years ago. Since the Attorney General Mike Hatch debacle, Medica appears to be a dramatically transformed organization with new leadership and a new business approach.
- Have many employees expressed misgivings that Medica is now the low-cost provider rather than HealthPartners? Surprisingly, stated Mr. Chapman, no concerns have been voiced.
- Has Employee Benefits received concerns about the structure of the new consumer-driven plan? Mr. Chapman stated that current Definity members are most concerned about the higher out-of-pocket exposure (co-insurance) the Medica Direct product imposes. Karen Chapin added that Employee Benefits intends to send a letter to current Definity participants comparing the Definity products with the Medica products.
- Are employees confused about the difference between the HRA and HSA options? Yes, stated Mr. Chapman. He added that he spent a considerable amount of time at the forums providing information about these Medica Direct options. A suggestion was made that Employee Benefits should offer a workshop for employees contemplating choosing one of the Medica Direct options to provide them with the information they need to make an informed decision. Ms. Chapin stated that the letter and comparison grid that is being sent to current Definity members is intended to serve this same purpose. Also, Mr. Chapman stated that Employee Benefits provides one on one coaching for employees that have questions about the different medical plans.
- Sessions to assist people with their OE elections will be held on each campus.

III). Karen Chapin distributed a MinuteClinic activity report (January – September 2005). Ms. Chapin highlighted the following information from this report:

- There have been 1,348 MinuteClinic visits by University employees for the period January – September 2005. This is already more than then the total number of patients served for all of 2004.
- There were 385 visits at Coffman Memorial Union (CMU) between January – September 2005. For the month of October 2005 alone, there have already been

331 CMU visits. It is unclear whether this dramatic increase is attributable to increased communication about the facility, familiarity with and convenience of the clinic, or the fact that the \$5 co-pay has been waived through December.

- 41% of MinuteClinic visits were from repeat patients.
- A vast majority of the visits to MinuteClinic by children occur at locations other than the CMU site. By contrast, QuickCare in Duluth sees more children.
- Over half of MinuteClinic patients indicated that they heard about the service from the University or a coworker.
- Primary diagnoses treated by MinuteClinic included bladder infection, bronchitis, ear infection, pink eye, sinusitis and sore throats.

Questions/comments from members:

- What were the major diagnoses for the month of October for MinuteClinic? This information is not yet available.
- Is it intentional that the CMU MinuteClinic phone number is unpublished? Yes, stated Ms. Chapin. Because MinuteClinic does not take appointments, a conscious decision was made not to publish the phone number. If the phone number were published it could potentially create a situation where the nurse practitioner would be too busy answering phones to treat patients.

Ms. Chapin added that for confidentiality reasons, the visitor/reception area at the CMU MinuteClinic site has been separated from the actual clinic.

IV). Karen Chapin shared information concerning UPlan retiree medical coverage (retirees age 65 and over), and the impact of Medicare Part D. The following information was highlighted:

- Medicare Part D is the new Medicare prescription drug benefit, which will take effect January 1, 2006. Despite the fact the benefit was developed by the federal government, it will be administered by the private sector. The private sector can offer group and/or individual plans, and they can offer the straight Medicare Part D product and/or enhanced products.
- A diagram illustrating the design of the Medicare Part D (plain product) was shared with members. Ms. Chapin noted:
 - Retirees must pay the first \$250 (deductible).
 - Plan coverage from \$251 - \$2,250 is at 75%.
 - No coverage in the donut hole - \$2,251 - \$5,100.
 - Above \$5,100 in prescription expenses the plan pays 95%, and the retiree pays the greater of 5% of the drug cost, or a \$2 generic/\$5 brand co-pay.
- All four University retiree medical plans will continue with some changes. The biggest changes are to the Blue Cross/Blue Shield plan.
- All UPlan retirees will automatically be enrolled in Medicare Part D. Retirees do not need to re-enroll in a medical or dental plan UNLESS they are changing plans.
- Medicare Part D premiums are incorporated in the UPlan retiree premiums.
- UPlan retiree medical plan members should NOT enroll in other Medicare Part D products. The last product selected by the retiree will determine the coverage that

applies. Therefore, members that inadvertently apply for another program could lose their UPlan medical and prescription drug coverage.

- There is a 1%/month penalty for late enrollment in Medicare Part D. UPlan retiree medical participants who choose to leave the UPlan will not be impacted by this penalty because they will have been automatically enrolled in Part D as a UPlan participant.
- UPlan retirees 65 & over moving to another non-UPlan plan will need a Notice of Creditable Coverage. This notice is provided by the UPlan retiree medical vendor.
- Current UPlan retiree medical options:
 - Blue Cross/Blue Shield (BCBS)
 - HealthPartners 65+
 - Medica Group Prime Solution
 - UCare for Seniors
- Changes to UPlan retiree medical plans include:
 - BCBS – This plan will retain the University’s medical coverage component, and add a Medicare Blue Rx Prescription Drug Program piece. If no changes had been made to this plan, participants would have seen a 16% increase in their premiums for 2006. With the changes that were made to the plan for 2006, participants will realize a 25% reduction in their premiums from 2005. Besides a premium reduction, other changes to the BCBS plan include – medical program deductible indexed to Medicare Part B, out-of-pocket maximum for medical only increased to \$804, brand formulary co-pays increased from \$20 to \$30, elimination of non-formulary coverage and co-pay, \$750 out-of-pocket prescription maximum eliminated, significant changes to formulary, selected pharmacies will offer 2 co-pays for a 90 day supply of medication (equivalent to the mail order benefit).
 - Medica Group Prime Solution – 2006 monthly premiums will be \$235/month/person. 2006 co-pays: office visit \$10, generic drugs \$11, brand formulary drugs \$20, mail order – 2 co-pays for a 90 day supply of medication.
 - HealthPartners 65+ has been renamed HealthPartners Freedom. This plan is available in all counties across Minnesota. The 2006 monthly per person premium will be \$225.30. 2006 co-pays: office visit \$10, generic drugs \$10, brand formulary drugs \$20, mail order – 3 co-pays for 90 day supply of medication.
 - UCare is available in 64 Minnesota counties (NOT MORRIS, MN). The 2006 monthly per person premium will be \$202.00. 2006 co-pays: office visit \$10, generic drugs \$10, brand formulary drugs \$20, mail order – 2 co-pays for a 90 day supply of medication.
- All four plans offer a catastrophic pharmacy benefit. If member’s out-of-pocket expenses reach \$3,600 per year, co-pays are reduced to the greater of 5% of the drug cost or a \$2 generic co-pay or \$5 brand formulary co-pay. It was noted that there are separate medical and pharmacy out-of-pocket maximums; therefore,

- pharmacy co-pays do not apply toward medical out-of-pocket maximums. Additionally, the monthly supply for prescriptions will be 30 versus 34 days.
- All UPlan retiree medical plan premiums have gone down from 2005. The reductions in Medica, HealthPartners and UCare can be attributed to Medicare Part D. The rate decrease for BCBS is the result of Medicare Part D and benefit changes.

Next, Ms. Chapin shared important information relevant to under age 65 retirees, disabled and COBRA participants, RIO and other coverage extensions and active employees or covered dependents over 65:

- Under age 65 retirees, disabled and COBRA participants MUST make an open-enrollment election by completing a paper application.
- RIO (Retirement Incentive Option) participants and other coverage extensions (those over 65) must enroll in Medicare Part B, but do not need to enroll in Medicare Part D, for benefit coordination reasons.
- Active employees or covered dependents over age 65 do not need to enroll in Medicare Part B or D.

Questions/comments from members:

- Are the federal government or the private administrators of Medicare Part D communicating to Medicare participants about not signing up for more than one Part D product? Ms. Chapin was unsure, but stated that the University is making this point clear to its UPlan retiree medical plan participants.
- Do all Part D private administrators offer the same product? No, stated Ms. Chapin. Medicare participants will be given the option to buy the plain product, described earlier, or an enhanced product.
- Will UPlan retirees 65 & over be responsible for the "donut hole" portion of Medicare Part D? No. Medicare Part D under the UPlan is an enhanced product. Thus, co-pays will be used instead of the "donut hole".
- In terms of the mail and retail benefit of 2 co-pays for a 90-day supply of medication, is this cost effective for this fully insured plan? Employees Benefits asked this question, and was reassured by the plan administrator that such a benefit was cost effective. BCBS indicated they had negotiated strong discounts with the retail pharmacies offering 2 co-pays for a 90-day supply of medication.
- Is there a time limit after an individual retiree to enroll in Medicare Part B & D? If retirees 65 and over stay on the UPlan there is no need to enroll in Part D because these retirees are automatically enrolled. Retirees 65 and over MUST sign up for Part B immediately upon full retirement. It is best to complete this paperwork before retirement to avoid any problems.
- How do the four plans compare in terms of out of area coverage? BCBS is the only plan that allows plan participants to reside outside of Minnesota. HealthPartners and Medica allow their plan participants to be out of the state for up to nine months, but require Minnesota residency. UCare provides for urgent/emergency and other limited care while out of the area for up to 6 months.

In closing, Ms. Chapin made available copies of the retiree medical booklet for interested members to pick up on their way out.

V). Announcements:

Gavin Watt announced that Dr. Amos Deinard recently received the first "Outstanding Community Leadership Award" at the inaugural conference of the Minnesota Association of Community Health Centers. The award recognized Dr. Deinard's work advocating for the health care needs of low-income, uninsured and special needs patients. Members congratulated Dr. Deinard on this award.

The November 17th BAC meeting was cancelled. The committee's next meeting will be Thursday, December 1st from 10:00 – 12:00 in #101 Walter Library.

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

Renee Dempsey
University Senate