

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
JUNE 7, 2007

[In these minutes: Medica Plan Review]

[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), Don Cavalier, Dann Chapman, Jody Ebert, Tina Falkner, Jennifer Imsande, Joseph Jameson, Rhonda Jennen, Theodor Litman, Rodney Loper, Michael Marotteck, Richard McGehee, Jerremy Mlenar, Peh Ng.

REGRETS: George Green, William Roberts, Sandi Sherman, Carla Volkman-Lien, Karen Wolterstorff.

ABSENT: Linda Aaker, Carl Anderson, Carol Carrier, Frank Cerra, Amos Deinard, Keith Dunder, Fred Morrison.

OTHERS ATTENDING: Linda Blake, Ted Butler, Karen Chapin, Nancy Fulton, Murray Harber, Joe Kelly, Shirley Kuehn, Kathy Pouliot, Kelly Schrotberger.

GUESTS: Charlie Fazio, Christine Finn, Lynn Altmann, Judy Reger, Christel Webber.

1. EMPLOYEE BENEFITS' ANNOUNCEMENTS

Gavin Watt announced that Dann Chapman is providing a semi-annual report to the Regents this morning, so will be joining the meeting late. His report to the Regents is the same information that the committee received.

Murray Harber said that 8300 wellness surveys were completed this year, with 1600 being taken the last week it was offered. 6600 employees participated this year, which is 1400 less than last year, but 1600 spouses participated this year.

Karen Chapin said that the Farmer's Market will start the second week in July and end in September.

2. MEDICA PLAN REVIEW

Christine Finn, Vice President for Strategic Accounts, introduced the other Medica representatives and indicated the agenda for today's presentation. Now that Medica has been with the University for 18 months it is able to provide more information and update the presentation from five months ago, focusing on better service, Medica initiatives, and University-specific issues from 2006.

Lynn Altmann, Vice President for Customer Service, highlighted the member experience, focusing on three pieces, people, processes, and technology. She noted that there are 15 senior-level, designated representative that deal with the University. Her office analyzes call trends to provide customized additional training for these representatives. There is a call quality assessment team that has determined that University calls are being answered with 95 percent accuracy. Other duties of her office include call forecasting out to 90 days, on-going training, and a customer satisfaction survey to be sent this June.

Charlie Fazio, Executive Vice President and Chief Medical Officer, then discussed quality and cost overview, noting that while people are living longer, most are making poor life choices that lead to increased treatment and more medical innovations. In the United States, medical costs are higher per person than other developed countries. He compared UPlan inpatient, outpatient, and physician costs with the rest of Medica users. Medica is trying to engage members in health management through multiple sources, such as hospital outreach and predictive modeling.

Dr. Fazio then highlighted several Medica initiatives:

- Generic drug use has increased from 48 percent to 64 percent
- High-tech imaging initiative was started to prevent the 10-20 percent of patients who do not need these tests or have the wrong test ordered. Medica now requires consultation before a test is run, otherwise a clinic will not be reimbursed by Medica. There is no cost shift to the user for this change and no user complaints have been reported. Since implementation Medica has received 20-30 percent fewer calls for these services and only five percent of clinic calls have resulted in no test being performed. This will result in a \$40-60 million cost savings and less radiation exposure for users.
- Medica is transitioning patients from Lipitor to a generic equivalent with a \$35-65 per person/per month cost saving. Medica started with 32,000 Lipitor users, but as of April 1, 2007, that number has been reduced to 18,000. Users have been given 8 months to transition to another drug as part of a routine visit.
- Medica has put nurses back in hospitals to do more case management and help users with transitioning out of the hospital
- Five clinics have been designated as chronic care sites as a pilot project
- Group annual reminders are being sent to family units that have not yet completed their yearly check-ups

Judy Reger, Senior Strategic Account Executive, then reviewed Medica enrollment numbers for 2006 and 2007, noting a 10.5 percent total increase in users. She then compared enrollment numbers and usage between UPlan participants and the Medica aggregate, noting that there is a difference in enrollment and usage due to the average age of users in both groups and the level of benefits provided between the groups.

Lastly, she reviewed several comments that were received in 2006 and how these have been addressed by Medica. For 2007 she said that there is a commitment to respond to user feedback recently gathered, complete a user satisfaction survey in June, and continue to work with RxAmerica for users in the HRA and HSA plans.

Following the presentation, Christine Finn asked members for their comments and questions.

Q: How have HRA/HSA billing problems been corrected?

A: There were billing problems as this was a new plan offering, but enhancements have been made by Medica and concerns have been tracked. Also helping has been increased education for users since these plans function very differently from traditional plans.

Q: What is the preferred method for setting fractures, by a doctor at a clinic or at the hospital?

A: There is not one answer since it depends on the type of fracture and who is seeing the user. Some doctors are more comfortable setting routine fractures, but might send more complex cases to another facility for specialized care.

Q: Previously, the University contracted with Definity for its HRA/HSA plans, and user reported that that company had a smoother payment system. Has Medica incorporated any of this technology or processes into its plans?

A: Since the University offered Definity, the University plan has been changed so that users must pay for prescriptions when they are picked up. With an HSA account, a user can either pay directly from the account or pay personally and request reimbursement. Again, more education is needed since these concerns are not unique to Medica, but there have been improvements in the last six months.

Q: Is there a future for consumer-driven plans?

A: Yes. They are a viable option, but education by the health providers is needed before a user chooses this option and after they are enrolled.

Q: How would Medica recommend that the University improve relations between Medica and RxAmerica and Harris Health Trends?

A: Medica already has a working relationship with these vendors, so open communication on topics such as predictive modeling and generic drug use is key.

Q: What can be done to help doctors prescribe formulary medications?

A: RxAmerica can track user prescription data and change a formulary if necessary. To help doctors, RxAmerica should be sure that its formulary is downloadable to a doctor's palm pilot, since this is how Medica's formulary is communicated.

Q: User wellness is a hard issue since disease management is part of health care, but is also provided through another vendor. Which vendor should be contacting users?

A: Medica and Harris Health Trends are aware of the potential overlap, which is why predictive modeling data should be shared. Both vendors will need to design a system that caters to the user and is consistent and informed. Medica has worked with some care clinics to prove that they can provide consistent disease management care.

Dann Chapman said that the University could not find uniformity among clinics or care systems three years ago, which is why it carved out such services as health coaching and disease management. He said that he would be interested in Medica's data on care systems' ability to provide such services. He indicated interest in making such services available both locally, through those provider groups with a demonstrated ability to deliver, as well as through the Harris model. In that way coverage could be ensured for all participants, regardless of which providers they see, while services could be delivered in setting desired by the member. In response to a concern that it might mean multiple contacts from multiple vendors, he acknowledged this as a concern to be addressed, but stated that, ultimately, he would prefer that users potentially be contacted by multiple vendors instead of being missed completely.

The committee then thanked the Medica team for their presentation and the representatives left.

When asked for her views from the user feedback, Peh Ng noted that while the University's usage differs from the aggregated Medica data for the Choice National plan, she reminded members that user self-select this plan for broad access to providers in spite of the high co-pays. She would hope that the University does not eliminate this choice for members. A growing concern in the comments is the request for a health club subsidy.

Dann Chapman said that the University has been waiting on studies on the return on investment for a health club subsidy, which are now starting to emerge. These studies show positive enough results for the committee to discuss and recommend adding it in the near future.

Q: Is it a trend to hire an outside vendor, such as Harris Health Trends, as a backstop for disease management when it is not caught by the health plan?

A: This is not a trend yet and there seems to be a movement back to integrated disease management with the primary care system. Two years ago the University had four health providers with little or no disease management care. Now, the University has two health providers that both have disease management expertise. When the University asked for clinics to show that they could perform disease management, there was no proof. Now there is evidence that some care system can deliver these services. At this time, the University still needs both services since there is not consistency across all care systems.

3. OTHER BUSINESS

Gavin Watt asked members for an informal show of hands in regards to the discussed campus-wide smoking ban.

With no further business, Gavin Watt thanked members for attending and adjourned the meeting.

Becky Hippert
University Senate