

BENEFITS ADVISORY COMMITTEE  
MINUTES OF MEETING  
APRIL 17, 2008

[In these minutes: RxAmerica Annual Review, Announcements]

[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), Tina Falkner, William Roberts, Karen Wolterstorff, Jody Ebert, Jennifer Imsande, Rhonda Jennen, Sandi Sherman, Carla Volkman-Lien, Michael Marotteck, George Green, Amos Deinard, Richard McGehee, Fred Morrison, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Nancy Fulton, Joseph Jameson, Carl Anderson, Michael O'Reilly, Joyce Carlson, Kurt Erickson

ABSENT: Linda Aaker, Jerremy Mlenar, Carol Carrier, Frank Cerra, Keith Dunder

OTHERS ATTENDING: Ted Butler, Karen Chapin, Betty Gilchrist, Dan Kearney, Shirley Kuehn, Kathy Pouliot, Stephen Schondelmeyer, Kelly Schrotberger

GUESTS: RxAmerica representatives, John Gardynik, president; Ime Ekpenyong, senior account executive; Matt Briggs, account executive; Meng Yang, clinical programs manager

I). Gavin Watt called the meeting to order.

II). Mr. Watt welcomed the RxAmerica representatives who were invited to provide the committee with an annual review. John Gardynik, president, RxAmerica began by introducing his team. Highlights from the presentation included:

- RxAmerica continues to work with the University to recommend and implement solutions that encourage the use of generic drugs. For every 1% increase in the generic dispensing rate, the UPlan experiences a 1.5% decrease in overall net drug cost. The University has a very high generic dispensing rate; higher than the RxAmerica book of business. The generic dispensing rate for 2007 was almost 65%, which is almost 9.5% higher than the rate for 2006. The combination of increased generic dispensing in conjunction with an increase generic discounts has served to decrease the amount UPlan members pay in co-pays.
- RxAmerica continues to dedicate a significant amount of resources to ensure continuous improvement of customer service in all facets of the University's prescription benefit program. Examples of resources dedicated to the University include a dedicated clinical programs manager, dedicated customer service

representatives, dedicated prior authorization specialists, dedicated website, and new dedicated home delivery support.

- Clinical Programs update:
    - The UPlan formulary is updated every six months. Drug classes are constantly being evaluated based on drug costs and effectiveness.
    - RxAmerica works closely with the University to monitor prior authorization (PA) statistics and proactively make recommendations to modify PA requirements as needed.
    - No other employer in the RxAmerica book of business offers brand name drugs for a generic co-pay (Generic Plus).
    - Prescription savings programs such as 3 for Free have been put in place to encourage generic utilization.
    - A significant clinical initiative for 2007 was the liberalization of the early refill edit.
  - Mail service turn-around times are relatively quick, yet a disproportionate amount of dissatisfaction centers around this service. Average in-house turn around time for "clean" prescriptions in 2007 was 1.19 days as opposed to "not clean" prescriptions, which had an average turn around time of 2.14 days.
  - Prior authorizations constitute a minority of claims and are handled quickly. In 2006, 1.7% of claims required prior authorization, while in 2007 this number dropped to 0.5%. In both 2006 and 2007, 90% of prior authorizations were completed within 24 hours of receipt.
  - In terms of customer service statistics, the number of calls to RxAmerica by UPlan members decreased by 40% from 2006 to 2007. It is likely this significant decrease in calls can be attributed to improved service levels and plan knowledge on the part of RxAmerica, and greater understanding of the program among UPlan members.
  - RxAmerica answered 98% of the calls from UPlan members within the contract guarantee of 20 seconds.
  - The average duration of calls in 2007 was 5.23 minutes, which is down from 6.19 minutes in 2006. (Average call time is measured by adding the hold and call times together).
  - Three surveys were conducted of UPlan members in 2007:
    - Members could opt to complete a telephone survey (post call survey) regarding their most recent experience with RxAmerica.
    - A survey was mailed to select members inquiring into their general program experience.
    - A general UPlan vendor satisfaction survey was conducted.
- Of the approximately 33% of UPlan members that called RxAmerica, only 3% completed the telephone survey. Approximately 60% of the calls were inquiries related to plan design. Other call reasons included questions related to prior authorizations, billing and order status.
- The overwhelming majority (88%) of members in the post call survey stated that they had their question(s) answered; however, RxAmerica believes this number should be closer to 100%.

- On a scale of 1 – 5, with 5 indicating the UPlan member was extremely satisfied, the overall satisfaction rating received by RxAmerica from the telephone survey was 3.14. There is definitely room for improvement, noted Mr. Ekpenyong, and RxAmerica intends to increase this overall satisfaction rating.
- In terms of the random member satisfaction survey that was conducted in third quarter 2007, 2,500 UPlan members who used the plan were surveyed and 301 (12%) people responded.
- RxAmerica understands that its website needs improvement. Mr. Gardynik stated that RxAmerica has looked at its competitor's websites, and recognizes that its site needs to be re-engineered in order to improve functionality. A website enhancement project was launched this year, and RxAmerica's newly designed website is expected to be completed in early 2009.
- Overall, UPlan members understand RxAmerica's written member materials, but a majority of members are not overly enthusiastic about these materials. Again, there is room for improvement in this area.
- Seventy seven percent of members surveyed reported being neutral or positive about their RxAmerica experience. Mr. Gardynik stated that RxAmerica has set a goal to raise this percentage to 90% or better by next year.
- Mr. Gardynik stated that RxAmerica is committed to improving its home delivery service. In order to improve upon this service, RxAmerica intends have a supervisor dedicated to the UPlan account who will work in Mail Services and the Call Center. This person will act as the team lead and will be responsible for guiding and coaching employee decision-making. Also, RxAmerica will modify its mail order brochure to collect credit card information and create an authorization section, which will allow RxAmerica to 'auto-charge' customers for subsequent orders in order to reduce delays in obtaining payment.
- Mr. Gardynik added that RxAmerica will also use technology to improve its home delivery service. RxAmerica has implemented automated outbound calls notifying customers when their order has been shipped. Currently, live calls are made to UPlan members when an order is delayed for more than 3 days. Going forward, UPlan survey results will be used to guide RxAmerica in terms of uncovering other reasons for making outbound calls to members that will improve upon the service.
- RxAmerica is also committed to improving its home delivery infrastructure. Examples of how this will be accomplished include modifying its current packing slip to include a refill order slip to make reordering easier, surveying each member's experience with the home delivery service, and updating and creating more comprehensive policies and procedures to reinforce existing quality control measures.

To conclude, Mr. Gardynik stated that RxAmerica intends to preserve what is working, e.g. dedicated customer service staff, prior authorization review and turnaround times, increased generic dispensing and discounts, and its transparent and open relationship with the University. RxAmerica is also committed to fixing what is not working – the home delivery service. And, finally, RxAmerica will embrace the new enhancements to its website.

Comments/questions from members:

- The vacation override that allows members to obtain a longer-term prescription when they are going to be out of town should be communicated to UPlan members. Ms. Yang stated that this change was intentionally not broadly communicated to members but has been put in place to deal with instances when members need to get a prescription filled early, e.g. traveling abroad. Ms. Chapin added that these edits have been built into the system, and only when an override is necessary does the pharmacist need to call RxAmerica.
- In terms of prescription refills, please explain what kind of abuse is trying to be avoided. Mr. Gardynik stated that narcotics, for example, are closely monitored to minimize instances of dependency. Mr. Chapman added that from a business perspective, a primary reason employers design their plans to limit refills is to limit the amount of a medication a person can get before terminating employment. Dr. Schondelmeyer also cited medication sharing and hoarding as examples of misuse and reasons for limiting quantities. Ms. Yang stated that prior authorizations on medication refills are put in place to protect members and the plan.
- What percentage of mail order prescriptions are clean versus not clean? Approximately 80% of the University's mail order prescriptions are not clean. Largely, noted Mr. Gardynik, this is due to people requesting a refill before the prescription is eligible to be refilled.
- It would be interesting to know what the average hold time is for callers, and whether this is getting shorter or longer. Mr. Ekpenyong stated that he did not bring this statistic within him, but would make sure it is included in next year's presentation. He added that while he doesn't have the exact number, he knows it is under 2 minutes.
- In 2006, did RxAmerica conduct a mail order survey? Yes, stated Mr. Ekpenyong, and RxAmerica intends to conduct another mail order-specific survey in the future.
- In addition to surveying UPlan members, does RxAmerica survey their other customers, pharmacists and physicians? According to Mr. Ekpenyong, RxAmerica has not specifically surveyed pharmacists and physicians, but it is working on a survey for pharmacists now.
- Overall plan design, which the University determines, could easily influence a survey respondent's satisfaction rating of RxAmerica.
- Does RxAmerica have other customers that provide it with the intense feedback like that provided by the University community? Mr. Gardynik stated that the University operates much more like an HMO in this regard. Based on the RxAmerica book of business, the University of Minnesota is a unique and robust client.
- After reviewing the feedback from UPlan members about RxAmerica it is apparent that a fair number of members still do not understand the UPlan's pharmacy benefit. More should be done to educate members about the service/benefit.

Mr. Watt stated that a unique aspect of the RxAmerica/University relationship is the fact that it is very open and fully transparent. He asked Dr. Schondelmeyer for his comments concerning the information that was shared today. Dr. Schondelmeyer stated that after listening to today's presentation and reviewing the feedback from UPlan members he intends to think about ways to systematically make the pharmacy processes smoother and to generate ideas for educating members on dealing with their pharmacy benefit issues should they arise. Additionally, educational efforts should also include physicians and pharmacists. Pharmacy programs and healthcare systems in general are complex.

III). Announcements:

- a). Mr. Watt stated that the next two meetings are scheduled for May 1 & May 15. Healthways' plan review was initially scheduled for May 1, but has been rescheduled for May 15.
- b). Ms. Chapin distributed a handout, which she compiled from the feedback collected about RxAmerica that separates out the information into what are service, clinical program or plan design issues. Members were encouraged to review this document prior to the next meeting when time would be spent debriefing from today's meeting.
- c). Minnesota Life has implemented a new Beneficiary Management System for UPlan members. Employee Benefits plans initially to reach out to employees that have beneficiary designations, and ask them if their designation is still current, and, if not, will instruct them on how to go about changing this designation. Once this is done, Employee Benefits will reach out to employees who do not have a beneficiary designated. Currently, only 5,000 University employees have beneficiary designations out of 17,000 employees. Copies of the letters that will be sent to employees with and without beneficiary designations were distributed to members. An Employee Benefits' newsletter will be sent out soon including information about life insurance beneficiary designation in addition to a lot of other valuable information.
- d). Ms. Chapin reminded members that the last date to take the Wellness Assessment is April 30, 2008.
- e). Mr. Chapman encouraged members to take the Pulse Survey, and to encourage their co-workers to do the same.

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

Renee Dempsey  
University Senate

