

BENEFITS ADVISORY COMMITTEE  
MINUTES OF MEETING  
JUNE 5, 2008

[In these minutes: Healthways' Debriefing, Medica Annual Presentation, Employee Benefits' Updates]

[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, Karen Wolterstorff, Jennifer Imsande, Jody Ebert, Rhonda Jennen, Nancy Fulton, Joseph Jameson, Carla Volkman-Lien, Michael Marotteck, Carl Anderson, George Green, Amos Deinard, Michael O'Reilly, Theodor Litman, Rodney Loper, Dann Chapman,

REGRETS: William Roberts, Sandi Sherman, Richard McGehee, Fred Morrison, Carol Carrier, Joe Kelly

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

OTHERS ATTENDING: Linda Blake, Ted Butler, Karen Chapin, Joyce Carlson, Judy Garrard, Kelly Schrotberger, Dale Swanson

GUESTS: Medica representatives: Charlie Fazio, M.D., executive vice president and chief medical officer; Christine Finn, vice president, Strategic Accounts; Jane Tessman, director, Customer Service; Judy Reger, senior strategic account executive; Christel Webber, strategic account manager

I). Gavin Watt called the meeting to order.

II). Members spent the first portion of the meeting debriefing from the May 15 Healthways annual review. Comments from members included:

- Why is the University continuing to work with Healthways? It seems as if participation levels do not warrant a continued business relationship with them.
- There is overlap between the services provided by Healthways and other aspects of the UPlan, including services through some primary care clinics.
- The Healthways' coaches do not provide any information to program participants that they do not already know.
- The coaches should not be calling people at work.
- Based on the outcome data shared by Healthways, it is unclear if they are effectively reducing claims costs.
- The data and numbers that Healthways presented were very confusing, and upon further analysis the number of UPlan members actually participating in many of their programs is quite low.

- The Return on Investment (ROI) information shared by Healthways is only anecdotal at this point.
- The Healthways' website provides only very basic health/wellness information.
- The program does not seem very effective; however, additional ROI data needs to be collected in order to draw any solid conclusions.

Dann Chapman stated that he is very familiar with many of the concerns being voiced today. In terms of the University's Wellness Program, the Administrative Working Group (AWG) had struggled from the onset with the question of what would be the best way to make a positive health impact in UPlan member's lives. The University was well aware that health improvement services provided over the phone by a third party vendor were not ideal. The best health improvement services, noted Mr. Chapman, would be delivered through an individual's primary care clinic; however, this type of service does not exist consistently in an integrated fashion in most clinics or care systems today. When the University's Wellness Program was initially being conceived, the University was looking at how such a program could be paid for in the primary care setting. This does not mean, stated Mr. Chapman, this type of care does not exist anywhere. Since the University began its initial exploration of offering this type of program, certain clinic systems have made great strides in terms of providing these health improvement services, which the University originally tried to find. From the beginning, the University went into its relationship with Healthways knowing this type of program was second best, but it was the best that was available at the time and it was a service that could be made available to all UPlan members.

Mr. Chapman stated that the University went into its relationship with Healthways with the clear understanding that the services provided by Healthways needed to demonstrate an ROI. The University is not relying solely on the reporting from Healthways as it relates to ROI, but has contracted with Dr. John Nyman in the School of Public Health to investigate the ROI for this program. Dr. Nyman has recently completed his initial report, which will be published soon. Once published, this report will be shared with the committee. Early findings suggest that while it is too early to definitively know whether the program demonstrates a return on investment for the University, the findings do suggest that the University is seeing some return on its investment; maybe up to 2/3 of the cost for the program. The research at this point is only suggestive, and not conclusive. Ms. Chapin added that of all the programs offered through Healthways, the Disease Management Program is demonstrating the most significant return.

Assuming the University continues to have a third party vendor providing this service, noted Mr. Chapman, the question that needs to be asked is whether there is another company, other than Healthways, that will meet the needs of the University. Preliminary discussions have taken place concerning whether the RFP for these services should be moved up. When the initial RFP was issued, several vendors responded, and Healthways (formerly Harris HealthTrends) came out on top, albeit not by a wide margin.

In response to a comment that not that many UPlan members participate in the program, Mr. Chapman stated that there are a considerable number of people participating in the

program and that it is making a difference for these individuals. Dr. Nyman's research clearly demonstrates that the Disease Management Program is making a difference, and there are hopeful indicators that other aspects of the program are making a difference too. Mr. Chapman stated he does not want to overreact and jump to conclusions about the effectiveness of the program and cautioned members of the committee to not overreact as well. Ms. Chapin added that benefit audits will be conducted this year, and one of the audits will be of the Wellness Program. This audit is expected to shed additional light on the effectiveness of this program.

III). Mr. Watt welcomed today's guests from Medica. Christine Finn, vice president, Strategic Accounts, began by introducing her colleagues, Dr. Charlie Fazio, Jane Tessman, Judy Reger and Christel Webber. Copies of Medica's PowerPoint presentation were distributed to members.

Ms. Finn outlined Medica's agenda:

- Customer Service overview and statistics.
- Member Satisfaction Survey results.
- Commitments to cost and quality.
- Commitments to Business and Community Economic Development (BCED).
- Enrollment summary – 2006 – 2008.
- UPlan member feedback.
- Fit Choices Program.

Next, Jane Tessman, director, Customer Service, shared information about Medica's Customer Service team. Noteworthy highlights from her presentation included:

- Medica has 15 designated senior level customer care professionals and one designated manager assigned to the University of Minnesota account.
- Customer care professionals receive 8 – 10 weeks of initial training, plus on-going, just-in-time training.
- Customer care professionals are rewarded for quality, availability to UPlan employees, and overall average speed of answer and first call resolution rates.
- The mission of the team is to provide unparalleled service to all of their customers, and to help customers get the most value from their health plan.

Customer service statistics comparing 2006 – 2007 were noted. Members' attention was turned to a chart with this information.

Ms. Tessman reported that the Call Center uses Continuous Process Improvement (CPI) techniques to enhance member's experiences by:

- Having designated Call Center advocates assigned to the University account.
- Increasing first call resolution rates.
- Enhancing the issue resolution process.

A member asked whether the Call Center has any bilingual staff. Ms. Tessman reported that the Call Center has a couple of staff who are able to handle some non-English calls,

primarily Russian and Spanish. Medica uses a Language Line to conference an interpreter in on calls when necessary.

Moving on, Judy Reger, senior strategic account executive, shared information about the two satisfaction surveys that were conducted for the University account. The surveys were conducted to assess UPlan member's satisfaction levels with Medica's health plan administration and customer service. The survey queried members on:

- Health plan selection.
- Claims processing.
- Information provided.
- Provider choice.
- Customer service.

After sharing the survey methodology with the committee, Ms. Reger summarized the survey results and noted that in 2007, a majority of UPlan members were satisfied with Medica and said they would re-enroll in the future. Medica received its highest scores in extensive network, friendly, courteous and prompt customer service, and providing the information requested by the customer. Areas for improvement included enhancing the usefulness of the website, assistance finding a doctor, and providing easy to understand Explanation of Benefits statements.

The 2008 survey was very similar to the 2007 survey, but included questions regarding the Fit Choice Program. Again, in 2008 Medica received a high satisfaction rating, and many members indicated they would likely re-enroll in the plan. Strengths that were identified from the 2008 survey included Medica's extensive network, friendly, courteous and prompt customer service and prompt claims processing. Areas for improvement remained the same from 2007 - improving the website, assistance finding a doctor, and providing easy to understand Explanation of Benefits statements.

Medica takes the feedback it receives from UPlan participants very seriously and will continue to improve upon the service it delivers to the University.

Dr. Fazio, executive vice president and chief medical officer, provided information on:

- Medical costs.
- Care quality, safety, and cost initiatives.
- Utilization trends and highlights.

Dr. Fazio shared examples of what would happen if medical trend were left unchecked. Charts to illustrate the critical need to control medical costs nationwide were shared with the committee. In terms of the UPlan specifically, members use outpatient and physician services more than the national average, but inpatient services less.

The leading preventable health issue affecting plan performance is lifestyle risks. Healthcare costs follow risk, e.g. overweight, smoker, lack of exercise, noted Dr. Fazio. Anything the University can do to get its population to reduce their lifestyle risks will lead to a healthier population that will use fewer health care services.

Dr. Fazio highlighted information on various care quality, safety, and cost initiatives being undertaken by Medica. Examples of some of the initiatives that were mentioned included:

- High-Tech Imaging Pilot Program – Medica is partnering with HealthHelp to work on controlling ever-increasing radiology costs. Under this program, physicians ordering a high tech imaging service will complete a consultation process with HealthHelp to verify the need for the service.
- Pay-For-Performance Program – In 2008, Medica, in an attempt to try and stay consistent with Bridges to Excellence efforts, will center its pay for performance rewards on diabetes and heart disease. Over time, it is anticipated that depression will be added to this program.
- DIAMOND initiative - an evidence-based care management program for patients with depression in primary care medical groups across Minnesota.

Moving on, Dr. Fazio highlighted demographic information for the UPlan as compared to Medica's overall book of self-insured business. Significant findings included:

- The UPlan is comprised of a slightly older population.
- UPlan members have a higher than average risk scores.
- The UPlan's physician utilization is higher; however, it has lower inpatient utilization.
- The mix of services used by UPlan members indicates higher behavioral health and musculoskeletal utilization.
- UPlan members Urgent Care utilization is higher, but Emergency Room utilization is lower.

Dr. Fazio noted possible areas of concern:

- Higher incidents of neoplasms (cancer), particularly skin, breast, prostate and bone marrow. This, in part, could be driven by UPlan demographics.
- Higher than average mental health rates, which may be an opportunity to examine out-of-network utilization.
- Higher than average utilization for conditions such as degenerative joint disease and low back pain.

To the extent that some of these conditions might be chronic, this could serve as an opportunity for the University to explore whether chronic pain management should be used to help guide people through treatments that would be reasonable to pursue noted Dr. Fazio.

Dr. Fazio concluded by saying that 35% of all medical costs arise from conditions that are preventable or manageable, e.g. poor diet, lack of physical activity, tobacco use. Having said this, taking steps to help employees address these conditions can effectively reduce the University's medical trend. Examples of services available through Medica to help UPlan members improve their health include a Tobacco Cessation Program, Healthy Pregnancy Program. Another resource noted by Dr. Fazio is the website <http://mainstreetmedica.com/>, which helps prepare patients to discuss care recommendations with their physicians, and have patients be more informed consumers.

Next, Ms. Finn spoke to Medica's financial commitment to the University's Business and Community Economic Development (BCED) (<http://www.bced.umn.edu/>) efforts. With respect to this commitment, Medica is proud to report on their accomplishments. All totaled, since Medica's initial commitment to the University in 2006, Medica has contributed just under \$260,000 towards this partnership.

Accomplishments for 2006 include:

- Placement of a University of Minnesota intern at Medica.
- Grants totaling \$80,000 to support healthcare-related research were awarded to the University.

2007 accomplishments:

- Grants to support healthcare-related research - \$35,000.
- 13 healthcare scholarships to socially and economically disadvantaged students of color enrolled through the schools of Public Health, Medicine and Social Work - \$65,000.
- Sponsored the March 4, 2007 scholarship luncheon, which was held at the Weisman Art Museum.
- Financial support for design, production, marketing and distribution of BCED publications, brochures and other collateral.

2008 commitments are in the process of being finalized. Medica intends to provide grant and scholarship money, internship opportunities for students across the community, financial support for BCED marketing materials, and sponsor the annual scholarship luncheon.

Mr. Watt took a moment to commend Medica on actually delivering on their commitment to support the work of the BCED. Ms. Finn stated that Medica believes it is important to follow through on their commitments, and that Medica has a definite commitment to the BCED initiative with the University.

Ms. Reger shared enrollment data with the committee. Since 2006, enrollment in all but two of the plans (Insights and HRA) has increased fairly substantially. Then, using bar graphs, Ms. Reger shared annualized (2006 and 2007) per member per month claims costs by plan and first quarter 2008 per member per month claims costs by plan.

Ms. Reger broke down member feedback into several categories and shared this information with the committee. The following steps have been taken to address member's concerns:

- Medica redesigned the processing logic of the University's eligibility files for open enrollment 2008.
- The University added Medica's Fit Choices Program as of 2008.
- Medica redesigned the Explanation of Benefits format in April 2006, and additional enhancements are scheduled for 2008.
- Medica is working with the University to format a specific webpage for open

enrollment 2009.

- Medica continues to evaluate the behavioral health network to identify gaps in coverage.
- The chiropractic network was expanded in 2008 when over 200 new chiropractors were added to the network.

Ms. Reger reviewed a chart with the committee that highlighted the number of members enrolled in the Fit Choice Program during January, February and March 2008, and of those enrolled, the percentage who qualified for the \$20 incentive reward. Through March, an average of 59% of those enrolled in the program are qualifying for the \$20 incentive reward. Additional data on the clubs that UPlan members have joined was shared.

In closing, Ms. Reger outlined Medica's 2008 commitments to the University:

- Quarterly meetings with Employee Benefits.
- Conduct a member satisfaction survey.
- BCED commitment.
- Expand upon the number of fitness centers in the Fit Choice Program.
- Continue joint training sessions with Medica and Employee Benefits' customer service staff.

Ms. Finn stated that the University of Minnesota business is very important to Medica. Medica is very grateful and thankful for the partnership it has with the University.

The committee spent the remaining few minutes of the time allotted for this agenda item discussing plan design and coverage issues.

Mr. Watt thanked Medica for their presentation.

IV). Mr. Watt announced that the next meeting would take place on June 19, 2008. The primary agenda item for this meeting is the HealthPartners annual review.

V). ANNOUNCEMENTS:

a). Mr. Watt asked if any members would be interested in serving on a committee that is exploring the notion of making the Twin Cities campus smoke-free. Dann Chapman added that he hopes to see people involved in this process that can bring a balanced approach to the issue, and make sure all angles of the issue are thoroughly thought through. Serious thought needs to be given to what a smoke-free campus would mean in terms of employee relations, productivity and risk when people need to go off-campus to smoke. There are a lot of implications to making the campus smoke-free.

b). The medical coverage waiver report compiled by Employee Benefits will be shared with the committee at its next meeting on June 19<sup>th</sup>.

c). A UPlan survey will be conducted in the fall of 2008. Ted Butler, Jennifer Imsande

and Ted Litman have agreed to work on this project, in addition to other staff from Employee Benefits.

d). Carl Anderson reported that it looks likely that Boynton Health Service will lease the space in Coffman Memorial Union currently occupied by MinuteClinic for a Gopher Quick Clinic. This space will serve as a second location for Gopher Quick Clinic. Boynton Health Service is in the process of recruiting a new mid-level provider who will be one of three mid-level providers to staff the two locations (the other location is in Boynton). Decisions regarding whether a second provider will be assigned at the Boynton location 8 hours every day, or every working day of the year, or if the Coffman Union Quick Clinic would remain open year round. A committee has been set up to look at these operational issues.

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

Renee Dempsey  
University Senate