

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
JANUARY 22, 2009

[In these minutes: Budget Impact on Benefits, Wellness Assessment Update, 2008 – 2009 UPlan Open Enrollment Report, Medication Therapy Management]

[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, Dale Swanson, Karen Wolterstorff, Jennifer Imsande, Rhonda Jennen, Sara Parcels, Sandi Sherman, Joseph Jameson, Michael Marotteck, Carla Volkman-Lien, George Green, Richard McGehee, Michael O'Reilly, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Jody Ebert, Nancy Fulton, Carl Anderson, Amos Deinard, Fred Morrison

ABSENT: Carol Carrier, Frank Cerra, Judith Garrard, Keith Dunder

OTHERS ATTENDING: Linda Blake, Ted Butler, Karen Chapin, Joyce Carlson, Joe Kelly, Kathy Pouliot, Kelly Schrotberger, Sherri Stone, Curt Swenson

I). Gavin Watt called the meeting to order and welcomed all those present.

II). Mr. Watt commented on the challenging economic times. While the University does not want to change its “social contract” with its employees, noted Mr. Watt, budgetary concerns will necessitate changes in how the University does business. He stated that the Administrative Working Group (AWG) is discussing a variety of options for saving the UPlan money, which will be vetted through the BAC.

III). Karen Chapin reported that over 2,000 people have completed the Wellness Assessment. She encouraged those that have not yet taken the Wellness Assessment to do so, and reminded members that spouses/same sex domestic partners (SSDP) who are on the UPlan are eligible to complete the assessment and receive the \$65 reward.

Would it be possible to open up the Wellness Assessment to all University employees regardless if they are on the UPlan or not asked a member? Ms. Chapin stated that the Wellness Assessment is funded through the UPlan, and this is the primary reason it is only offered to UPlan participants. There are other aspects of the Wellness Program that are open to all University employees, e.g., farmer’s market, flu shots, and the HealthPartners’ 10,000 Steps® Program.

III). Ted Butler walked members through the *UPlan Open Enrollment Report 2008 – 2009*. Copies of this report were distributed to members. Highlights from Mr. Butler's presentation included:

- Medica Elect & Essential Twin Cities increased enrollment by approximately 6% for 2009, and Medica Elect & Essential Duluth increased enrollment by about 2.5%. The Medica HSA plan increased enrollment by 61.1%. This substantial increase can largely be attributed to the fact that the HRA plan was eliminated effective January 1, 2009. HealthPartners' lost nearly 3% of its enrollment.
- 1,015 employees had waived coverage as of December 2008, but only 890 waived coverage as of January 2009.
- Over 65 retiree medical enrollments did not change much. Increasingly, people that are retiring now are choosing the Medica plans over the Blue Cross/Blue Shield plan.
- Delta Dental Premier increased in enrollment by 3.1%. This increase is largely due to enrollment reductions in the HealthPartners' plans, which decreased by 1.5%, and a slight decrease in the Delta Dental PPO plan.
- Data on movement between the medical and dental plans was shared – members' attention was turned to two detailed charts, which conveyed this information.

A member asked what other companies are offering in terms of dental insurance. Dann Chapman stated that the University's dental benefits are quite rich compared to what is available in the marketplace. Ms. Chapin noted that the University's dental plans do not have any front-end deductibles, which are very common in the marketplace. She added that the University's \$1,500 annual maximum is very competitive. Kathy Pouliot stated that the University's orthodontic benefit is also quite rich.

In closing, Mr. Butler stated that there were not a lot of enrollment changes for 2009.

IV). Next, Ms. Chapin distributed two handouts, the Medication Therapy Management (MTM) program design statement, and a list of MTM applications that have been received thus far. Pending IRB approval, the program will be implemented either March 1, or April 1, 2009.

Ms. Chapin explained that members who participate in the MTM program are eligible for a co-pay reduction for their prescription medications. Each co-pay reduction lasts for six months. However, for 2009, members who initiate MTM services between March 1, 2009 (start date of the program) and June 30, 2009, they will receive co-pay reductions through December 31, 2009. The co-pay reduction is set up as follows:

- \$8 co-pay reduction for all Generic Plus medications on the UPlan formulary. This reduction results in \$0 co-pay for the member.
- \$8 co-pay reduction for all Brand medications on the UPlan formulary; this reduction results in \$12 co-pay for the member.
- There is no co-pay reduction for non-formulary medications or items that are not covered by the Pharmacy Benefit program.

A member asked whether it would be possible to automatically approve prior authorizations for individuals participating in this program, assuming they are taking medications the pharmacist is recommending. Ms. Chapin explained that the UPlan placed prior authorization requirements on drugs that have long-term safety concerns. Also, the UPlan has a feature that allows people who are unable to take a generic drug out of medical necessity to get a brand drug at the reduced Generic Plus co-pay level (with proper documentation from their physician – prior authorization). She added that an automatic prior authorization would be the same as having a co-pay reduction forever, and, given the University's budget constraints among other reasons, it is not in a position to do this. Using an asthma medication example, Mr. Butler illustrated the difference between a patient who takes a specific medication because it is the ONLY one that works versus a patient who takes a particular medication because it so happens to work for him/her. Mr. Chapman stated it is not the pharmacist's role to make these types of medical determinations. Simply because a person elects to use a brand drug because he/she is comfortable with that drug, and happens to participate in the MTM program does not constitute a prior authorization that would qualify that person for an \$8 co-pay.

The University, stated Ms. Chapin, originally intended to conduct outcomes research and return on investment (RIO) on MTM program through the Duluth pilot program. In order to conduct the outcomes research study more data was needed than that gathered through the Duluth pilot. Therefore, with the expansion of the program across the UPlan, in addition to the application that people complete to participate in the program, they will be asked to give permission to use their information in an outcomes research study.

How will this program be communicated to UPlan members asked Mr. Watt? Ms. Chapin stated that the program will be communicated through newsletters, website information, etc. Later, once the program has been implemented, targeted communication will be used to recruit participants. People who take a high number of prescription medications will be targeted first.

In order to have a network available for this program by the spring, network recruitment and development was undertaken by the College of Pharmacy. Once the network has been finalized, this information will be turned over to Medica and HealthPartners, and they will load these providers in their system. Providers will bill directly to Medica and HealthPartners versus having the billing run through the University. Ms. Chapin turned members' attention to a list of 85 initial providers who are expected to participate in the program (credentialing of 73 of the 85 providers on the list has been completed). In addition to Twin Cities' providers, some rural providers have also agreed to participate in the program. For example, there is a pharmacist in Thief River Falls who has agreed to go to the Crookston campus to have office hours. Employee Benefits is working with the Crookston campus to set up an office for this pharmacist on campus. To date, a number of provider contracts have been signed reported Ms. Chapin, and the remaining contracts should be signed in the near future.

A member noted that the list of MTM providers referenced by Ms. Chapin seems small compared to the number of pharmacies in Minnesota. Why, for example, isn't CVS on

the list? Ms. Chapin reported that some chains have not yet decided to provide MTM services. In order to provide this service, pharmacies must have a confidential room, trained personnel, etc.

A member asked whether MTM participants need to fill their prescriptions where they receive MTM services. No, stated Ms. Chapin. Mr. Chapman stated that all communication pieces concerning this program should emphasize this as well as the fact that program participation does not require a clinic affiliation.

A member stated that Target, for example, offers certain prescription medications at a price that is less than the UPlan co-pay. The University should consider promoting awareness of this fact because it saves the member and the UPlan money. Mr. Butler stated that most of the time if the same prescription was run through RxAmerica the discounted cost would be in the same range. Members were reminded that if the discounted cost of a medication is less than the UPlan co-pay, the member only pays the discounted price. Mr. Chapman stated that retail locations that are offering low priced prescription medications are already advertising this fact, and promoting certain pharmacies over others would likely irritate some UPlan participants who would speculate as to the University's motivation for doing this. He added that a potential downside of not running prescription fills through RxAmerica is that if a member is approaching their out-of-pocket maximum, these expenditures would not count towards this threshold.

Do some pharmacies charge more for certain drugs than other pharmacies asked a member? Mr. Butler stated that while the contractual terms from pharmacy to pharmacy can vary, they are usually fairly consistent. He also stated he would be hesitant to encourage UPlan members to purchase their drugs at a particular retail location versus running the prescription through RxAmerica. Mr. Chapman stated that when prescription claims are adjudicated through RxAmerica, members are getting the advantage of the University's negotiated discount. In Mr. Chapman's opinion, he cannot think of a downside for a participant in terms of showing a pharmacy his/her RxAmerica card.

V). Mr. Watt announced that vendor plan reviews would be conducted this spring. He asked for volunteers to collect plan comments, which will be solicited starting in February.

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

Renee Dempsey
University Senate

