

BENEFITS ADVISORY COMMITTEE (BAC)

October 8, 2015

Minutes of the Meeting

[**In these minutes:** Employee Benefits Update, Medical Cost Relief update, Wellness Program Update, 2014 UPlan Annual Report, Ratings of Plans on Exchanges, Other ACA Impacts, RFP Pharmacy Update]

PRESENT: Tina Falkner (chair), Pam Enrici, Karen Ross, Cynthia Murdoch, Jody Ebert, Susann Jackson, Joseph Jameson, Terri Wallace, Carl Anderson, Fred Morrison, Amy Monahan, Theodor Litman, Dale Swanson, Ken Horstman, Jennifer Schultz. Scott Marsalis

REGRETS: Amos Deinard, Ken Doyle

ABSENT: Sophia Benrud, Karen Connaker, Keith Dunder, Brenda Reeves, Brooks Jackson, Jean Abraham, Kathy Brown

GUESTS: Karen Chapin, health programs manager, Office of Human Resources; Kathy Pouliot, benefits services manager, Office of Human Resources; Ryan Reisdorfer, assistant health programs manager, Office of Human Resources; Hattie Lindahl, wellness program administrator, Office of Human Resources; Linda Blake, assistant to the director; Employee Benefits, Office of Human Resources

1. Welcome and Introductions: Tina Falkner, chair, convened the meeting and asked new representatives to introduce themselves.

2. Employee Benefits Update: Kathy Pouliot, benefits services manager, Office of Human Resources (OHR), stated that computer assistance will be available to help eligible employees enroll during the open enrollment period, which starts November 1. Short instructional videos will be posted on the Employee Benefits website. Additionally, she said, they will have staff available to help at benefits fairs on the Minneapolis, St. Paul, and Duluth campuses, and will staff computer labs the week of Thanksgiving, as well as the last day of open enrollment, to assist enrollees.

3. Medical Cost Relief Update: Ken Horstman, human resources director, OHR, stated that a total of 984 employees qualified for medical cost relief and only a handful of applicants were denied. First check refunds to these employees totaled \$169,000, which will mean \$338,000 for the year. This is slightly but not significantly higher than OHR had budgeted, he said.

4. Wellness Program Updates: Hattie Lindahl, wellness program administrator, Employee Benefits, provided an overview of University wellness achievements, as the Wellness Program year wrapped up on August 31, 2015. She stated that:

- A total of 4330 employee completers earned their 400 points (\$400 reduction in premium).
- A total of 2853 employee plus spouse with or without children completers, earned 600 points (\$600 reduction in premium).
- Total UPlan Employee completers equaled 40% of all UPlan employees.

- University employees, averaging 2.4 health risks per person, remain healthier than the StayWell book of business (SW BoB). StayWell is the University's health management company.
- Stress and weight continue to be the top drivers of health risk within the University population. On-campus weight management programs have been effective in reducing weight risk within program participants. Stress risk slightly declined from last year to this year, dropping from 61% of participating employees at risk to 59% at risk.
- Program engagement has improved but there is room for additional employee participation. OHR will conduct a survey of non-participants to try to find out why they are not participating.
- Of the total 25,668 eligible employees, 12,225 completed the Wellness Assessment, for a 55% participation rate. SW BoB participation rate is 50%. Wellness Assessment participation rate was 47% in 2006, so the University has seen an increase.
- For the 2014-2015 season, 8024 participants obtained a biometric health screening. This compares to the 2011-2012 participation total of 6970. (These numbers only include screenings that took place through Boynton Health Services). Many people are waiting until the last minute for the screening, so Boynton is working to increase participation throughout the year.
- The average number of health risks per employee has decreased by 16.9% since 2006, for those employees that have been participating the entire time.

Lindahl also talked about improvements to the Wellness Program:

Nice Ride:

- The Membership Program has been extremely successful. Approximately 1057 UPlan members participate at this time.
- There are a total of fifteen bike stations on the St. Paul and Minneapolis campuses.
- The bike commuter app Dero can be linked to the Nice Ride membership so that employees can earn wellness points even if they ride their own bike. A document on how to register is being assembled and should be available on the Employee Benefits website.
- The University is the largest partner with Nice Ride.
- Employees can contact [Nice Ride](#) or Steve Sanders with requests for additional bike station placements, although the University currently has a significant number of Nice Ride stations on the St. Paul and Minneapolis campus.

Wellness program participation for non-computer users:

- There will be computer labs open at the benefits fairs, during the open enrollment period - and possibly throughout the year - for participants to enroll and to fill out the Wellness Assessment. In response to concerns about availability for those employees working nonstandard hours, Pouliot stated that they have tried being open from 7:00 a.m. to 7:00 p.m. but people only showed up between 8:00 a.m. and 4:30 p.m. Concern for those employees working both slightly off campus and during non-business working hours was voiced, and Lindahl stated the Wellness Assessment is available both by hard copy and via smartphone. Concern about language availability of Wellness materials (Somali) was voiced. OHR has been engaged in discussions about reaching all employees and are working on ways to make that possible.

Options for system campus participants:

- Greater MN employees can have a biometric health screening by obtaining a home health kit or by providing their doctor's office with the Health Care Provider Form.
- Paper Bike Commuter Forms are available as well.
- The Virtual Mindfulness-Based Stress Reduction Course takes place fully online.
- All other programs are available to all employees.

Options for employees who already live a healthy lifestyle:

- FitChoices awards those going to a fitness center with both financial and point incentives.
- Biometric Health Screening allows healthy participants to know their numbers and stay on top of any health concerns.
- Wellness assessment allows healthy employees an opportunity to assess areas for improvement.
- University fitness classes are geared for all levels of fitness.
- The flu shot pledge and non-tobacco user pledge reward individuals already proactive about their health.

Lindahl also stated that the self-directed coaching program starts January 1, 2016, but the rest of the wellness programs started October 1, 2015. It was suggested that stating "Enroll no later than" is easier to understand than stating "Enroll by date."

She recommended that whenever employees who are enrolled in the FitChoices Gym program get a new medical insurance card - whether their coverage changed or not – that they go to their gym and assure that the gym is tracking their participation correctly.

5. 2014 UPlan Annual Report: Karen Chapin, health programs manager, OHR, shared data on the UPlan performance for the 2014-2015 plan year. UPlan medical claims went down by 5.3% and Chapin believed this was due to three things: wellness efforts, plan changes, and a larger number of employees choosing narrow network plans. Pharmacy claims went up by 21.3%, which she said partially reflects the cost of newly available Hepatitis C medications. The overall reduction in UPlan costs was -3.4%. The plan's medical loss ratio (MLR) is 94.9%. The MLR is the % of total costs that are used to pay for benefits, versus administer the plan. The law requires an MLR of 80-85%, and so Chapin stated that the University's MLR of 94.5% is considered very strong.

The budgeted cost per employee for 2014 was \$13,302 while the actual cost per employee was \$12,057. The lowest plan costs were seen in the ACO and Medica Direct while the highest costs were incurred in Medica Choice National.

Chapin said that the University was 9.6% over budget for dental claims. In regard to Pharmacy, costs have gone up, but cost per employee went down by the end of the year. This was typically because employees hit their out of pocket before year end, she said.

Chapin then shared the top twenty drugs by total dollars paid. Almost all of the top twenty are specialty medications, which means there are most often no generic drugs available for that

group of medications. Anti-inflammatory conditions are also high cost, which, said Chapin, makes sense considering the age of enrolled members. She said there is a clinical committee that works to help decide which medications should be covered, and this has assured use of cost effective, evidence-based medications within the UPlan.

Per Chapin, the top twenty drugs by total number of prescriptions filled included many drugs for chronic conditions. Five of the top twenty medications were antidepressants, which indicates plan members are getting pharmaceutical care for their depression. Nexium was removed from coverage on the plan and replaced by a generic version called Omeprazole, which she said has saved the plan and participants a lot of money.

In conclusion, Chapin shared that since the UPlan started, the University has contributed \$2.4 billion dollars to the plan. This includes University money and money paid by all covered individuals. A total of \$2.3 billion has been spent in expenses. Per legal requirements, an additional \$14.7 million has been set aside for incurred but not reported claims. This leads to a variance of only .8% over the thirteen years, which is very favorable on this large a plan.

6. Rating of Plans on Exchanges: Ryan Reisdorfer, assistant health programs manager, OHR, provided information on the insurance categories for MNSure plans on the market. Reisdorfer said that MNSure uses metal designations for their plans. Each designation requires a minimum level of cost coverage to earn that designation:

- Platinum: Plan must cover 90% of expected costs for the average individual.
- Gold: Plan must cover 80% of expected costs for the average individual.
- Silver: Plan must cover 70% of expected costs for the average individual.
- Bronze: Plan must cover 60% of expected costs for the average individual.

Reisdorfer said he was sharing this information to demonstrate how the University plan compares to other plans on the market: the UPlans are all in the platinum category, ranging from 91.4% for the HSA plan to 95.3% for the ACO plan, he said.

7. Other ACA Impacts: Reisdorfer gave a summary of current Affordable Care Act impacts that are not coverage related. They include the following:

- PCORI Fees: The Patient-Centered Outcomes Research Trust Fund Fee is a fee to assist the Patient-Centered Outcomes Research Institute (PCORI) in making more informed health decisions through comparative clinical effectiveness research findings. This fee cost the University \$64,500 in 2015 and \$62,310 in 2014.
- Transitional Reinsurance Fee: This was a temporary program established to help stabilize premiums on the market. The University paid \$1.95 million in 2015 for the 2014 UPlan year. Reisdorfer stated that it is estimated the University will pay \$1.4 million in 2016 for the 2015 UPlan year. This fee should be concluded as of 2017 for the 2016 year.
- 1095-C Employer-Provided Health Insurance Offer and Coverage Insurance: This is a form the University is required to provide to any employee who worked full time for at least one month of the calendar year. It requires time and an outside vendor to produce the forms, Reisdorfer said.

- **Employer Responsibility 30 Hour Requirement:** This requires the University to keep track of the hours each employee works in a twelve-month period. If an employee averaged 130 hours of work a month, the University is required to offer medical insurance for a 12-month period, in the event the employee had not already been offered coverage. Per Reisdorfer, this is a very labor-intensive process.

8. **RFP Pharmacy Update:** Fred Morrison, professor, Law School, stated that the Pharmacy RFP will go out in the next week and are due to be returned in December. The committee then will review the proposals and narrow the field of contenders down. A final decision will probably come in April.

Due to time constraints, the meeting was adjourned. Agenda item **Excise Tax Results, 2015 Testing** was tabled.

Patricia Straub
University Senate