

BENEFITS ADVISORY COMMITTEE (BAC)

March 24, 2016

Minutes of the Meeting

[In these minutes: Delta Dental Plan Review; Employee Benefits Update; Pharmacy RFP Committee Report; UPlan 2015-2016 “From/To” Report; Excise Taxes Regulation Changes and UPlan Results]

PRESENT: Dale Swanson (vice chair), Ken Doyle, Karen Connaker, Cynthia Murdoch, Pam Enrici, Jody Ebert, Teri Wallace, Fred Morrison, Sue Jackson, Joe Jameson, Linda Blake, Brenda Reeves, Ted Litman, Karen Ross

REGRETS: Tina Falkner, Amos Deinard

ABSENT: Sophia Benrud, Amy Monahan, Scott Marsalis, Jennifer Shultz

GUESTS: Kelly Petkovsek and Dr. Sheila Strock, Delta Dental; Ryan Reisdorfer, assistant health programs manager, Office of Human Resources (OHR); Ken Horstman, benefits director, OHR; Karen Chapin, health programs manager, OHR; Doug Swyter, financial analyst, Employee Benefits; Betty Gilchrist, communications, OHR

1. Delta Dental Plan Review: Dale Swanson, vice chair, invited Kelly Petkovsek and Dr. Sheila Strock, representatives from Delta Dental, to provide a review of the Delta Dental plan and utilization by UPlan members for 2015. Highlights of the review were as follows:

- The 2015 claim cost per employee was \$799, which compared to the national Delta Dental claim cost per employee of \$179. The 55-64-year-old age group was the group with the highest total amount of paid claims.
- Delta Dental is proud of the network they have developed; 98.24% of eligible employees have used a network provider.
- Total network discounts saved University employees a total of \$4,894,402.
- The current annual maximum for all plans is \$1800. Only 4.3% of members had benefits paid that exceeded \$1500.
- The plan is very market competitive. The University’s orthodontia coverage is very high compared to most plans.
- Some committee members questioned cost, and why there has not been an increase in the plan maximum to match cost increases. Petkovsek said she would put some numbers together comparing different scenarios: for instance, if the plan maximum was raised to \$2000, how many individuals would that benefit? Sometimes increasing the plan cost for everyone benefits a very few individuals, she said. It was requested that UPlan usage be studied rather than Delta’s Book of Business. Sue Jackson wondered if the University could add wellness points for preventive visits as an incentive to help reduce high cost procedures. Jody Ebert said that any increase to deductible would mean that lower paid employees would not get treatment, and increase to plan maximums may place the cost out of the reach of lower paid employees.
- The PPO plan does not cover white resin on back teeth. Professor Fred Morrison asked if they could provide information on the cost difference between a silver filling and a white resin filling.

- Delta Dental received 4297 phone calls from UPlan members in 2015. Their “first call” resolution rate was 96.64%. Petkovsek also added that Delta Dental has redesigned their website and a lot of valuable information is now available online.
- The University’s Oral Health Score is 66/100, which is at the 78th percentile of the national benchmark. Delta Dental’s Book of Business is at the 60th percentile. Approximately 42% of University members are in the healthy category, 20% are considered moderately healthy, 16% in the serious category and 22% having had no dental visits. The no-visit group is the highest risk because there is no information on the health of their teeth. The majority of the no-visit category is in the 20-34-year-old range.
- The total cost per member for individuals who had oral exams was \$407 less than for individuals who has no oral exam. Having regular check-ups makes a difference. About 72% of the University’s eligible employees had an oral exam.
- About 21% of all plan members had fillings, 10% had crowns, 3% had root canals, 1% had tooth implants, and 2% had dentures. Only 3% had non-surgical treatment for gum disease while 1% required surgical treatment.
- There are links between over-all health and oral health. Nationally, 15% of diabetic members have gum disease and 43% of diabetic members had no dental checkups last year.

Strock concluded by stating that prevention is key and just getting employees and dependents in to the dentist is very important. One trend in the field is dental therapists, who can do fillings, x-rays and some limited dental care, which frees up the dentists to see more patients.

Swanson thanked Strock and Petkovsek for coming. Ryan Reisdorfer, assistant health programs manager, OHR, then provided an overview of feedback received on the Delta Dental plan survey. He said level of satisfaction ranged from “plan is ok” to “excellent, my dentist said this is the best plan he has ever seen.” Comments on the PPO plan included requests to add coverage for adult orthodontia, fluoride treatment, white fillings, and complaints that premiums were too high for retirees. Level of satisfaction for the Premier plan ranged from “seems fine” to “Wow I couldn’t believe how high the annual maximum was.” Comments included requests for higher maximums and the need for the plan to pay more for implants and basic restoration services. Most University Choice plan members said they were satisfied. Reisdorfer thought it would be good if employees were willing to provide their name when filling out the survey, so that Employee Benefits could contact individuals to ask more questions for better information, and to provide education. However, less than 10% wanted to be followed up with.

Brenda Reeves commented that she had assumed the Premier plan would cover more benefits. She thought Premier meant a richer plan, but really it is just a different plan with different network dentists and the same maximum.

2: Employee Benefits Update: Chapin said that OHR sent out the 1095s, and that they experienced very few difficulties. A few people seemed to have lost their forms. She said that the second payment of the Medical Cost Relief Program will be made on April 13 of this year. Ken Horstman added that they are in the process of hiring a call center representative specializing in benefits. They are also hiring a wellness administrator and a financial specialist. A newsletter will shortly be distributed to all employees, he added.

3: Pharmacy RFP Committee Final Report: Chapin reported that the committee has completed the RFP process and the recommendation will go to the Board of Regents shortly. They received five Pharmacy Benefits Manager bids and six Specialty Pharmacy bids. The committee's recommendation is to continue to use Prime Therapeutics as the University's Pharmacy Benefits Manager and Fairview Specialty Pharmacy as the University's Specialty Pharmacy. She said the plans have been extremely cost effective for the University and their RFPs were quite comprehensive and well done. Prime's proposal showed a savings of at least \$22.2 million in claim costs over a six-year period she added, and Fairview's financial offer could save the University \$1.9 million from the current pricing over the next three years. Chapin cautioned that while the savings are significant, pharmacy trend rates continue to rise, so costs will still increase.

4: UPlan 2015-2016 "From/To" Report: Doug Swyter, financial analyst, Employee Benefits provided open enrollment comparisons from 2015 to 2016. He highlighted the following:

- Fewer people were on waivers in 2016, with the biggest increase in enrollment occurring in the ACO plan.
- Enrollments for retirees age 65+ stayed pretty level.
- Dental enrollments included 253 people that waived last year.

5. Excise Taxes Regulation Changes: Horstman reminded the committee that this is a tax that applies to self-funded plans with total values exceeding \$10,000 for individual coverage and \$27,500 for family coverage. It included employer and employee contributions for the medical plan, but not employee out-of-pocket costs.

Initially, in 2012, the University's actuarial analysis indicated that the cost to the University would be \$43.8 million from 2018-2022. Following the changes that were made in the Medical Plan in 2014, and plan costs that were absorbed by the University, as well as plan change for employees, the new projection is for \$5.1 million over 2021-2025. This is just a projection, he said, and may be influenced by a number of factors. The projection is based on the active employee population for January 2015, a consumer price index of 3%, a 6% increase for medical trends, no plan modifications, and an assumption that the transitional reinsurance fee would expire in 2016. He stated that there is some uncertainty in the political environment as to what will actually happen with this tax. Morrison added that there are ways to manipulate the plan that will push it out; not forever, but at least or a few years. He reminded the Committee that they had made the decision a few years ago to change the benefit plans to reduce the University's liability. Chapin said that the University assumed the cost of some charges so those costs no longer were a part of the plan costs for employees. In other words, the University and the employees shared the burden of the costs.

Hearing no further business, the meeting was adjourned.

Patricia Straub
University Senate Office