Benefits Advisory Committee (BAC)
February 9, 2017
Minutes of the Meeting

[**In these minutes:** Comments from the Chair; Employee Benefits Update; Affordable Care Act Updates; UHC Global Annual Report; Stress Coaching; Wellness Update; Medical/Wellness RFP Update; Annual Plan Reviews]

PRESENT: Tina Falkner (chair), Karen Ross, Susanne Vandergon, Jody Ebert, David Kremer, Jennifer Schultz, Steff Yorek, Susann Jackson, Joseph Jameson, Brenda Reeves, Amos Deinard, Jon Christianson, Fred Morrison, Dale Swanson, Ken Horstman

REGRETS: Cynthia Murdoch, Candice Kraemer, Patricia Miller

ABSENT: Terri Wallace, Carl Anderson, Kathy Brown, Brooks Jackson, Ken Doyle, Amy Monahan, Theodore Litman, Keith Dunder

GUESTS: Ryan Reisdorfer, assistant health programs manager, Office of Human Resources; Dave Golden, director of public health, Boynton Health; Maria Rudie, consultant, Boynton Health; Laura Manydeeds, program administrator, Office of Human Resources (OHR); Karen Chapin, health programs manager, Office of Human Resources

OTHERS: David Bodick, School of Dentistry; Curt Swenson, Housing and Residential Life; Kathryn Pouliot, Employee Benefits; Michelle Johnson, Employee Benefits

1. Comments from the chair - Chair Tina Falkner welcomed the committee and the members introduced themselves.

2. Employee Benefits update - Karen Chapin, health programs manager, Office of Human Resources, noted that a review committee was now being formed for a flexible spending account (FSA) RFP. Chapin asked for a member of BAC to serve on this RFP committee, and preferably someone who uses an FSA. RFP committee members will review materials submitted by vendors, attend meetings, and make the final vendor selection. The time commitment in April and May is approximately three days, depending on the number of finalists, she added. Committee members should let Chapin or assistant health programs manager, Office of Human Resources, know of their interest.

3. Affordable Care Act updates - Falkner turned to committee member Fred Morrison, professor, Law School, to give an update on the Affordable Care Act (ACA) in light of the new administration. Morrison began by noting that President Trump and congressional republicans have promised to repeal the ACA, and that while the republicans have majorities in both houses of Congress, they don't have the 60 votes necessary to stop a filibuster in the Senate; they can, however, cut supporting funds to zero as part of the budget reconciliation process. Congressional republicans have two choices: either repeal the ACA now, and replace it later, or repeal and replace the ACA in one bill.

Key elements of the ACA include the individual mandate, which requires enrollment or a penalty fee; Medicaid expansion for persons up to 138% of the poverty level, only effective in some states; federal and state exchanges; no exclusions for pre-existing conditions; limits on age rating; persons under the age of 26 eligible to remain on parent's policy; no lifetime or annual maximums; a "Cadillac tax" on high-cost policies (40% on amounts above specified levels); and, promotions of Affordable Care Organizations (ACO), and other innovations.

President Trump has said that he wants Congress to repeal and replace the ACA within his first hundred days in office, said Morrison. The House Freedom Caucus has advocated for a total, immediate repeal of the ACA, while other representatives favor repealing and replacing the ACA, either immediately, or with a delayed effective date. Congressional democrats will most likely oppose any attempt to repeal and/or to replace the ACA. While 60 votes are required to repeal the ACA and avoid a filibuster, only 50 votes are required for budget reconciliation bills (bills with budgetary impacts), which could defund the ACA. An additional option, said Morrison, is the so-called "Nuclear Option," where congressional republicans would formally change the 60 vote rule, and require only a simple majority. This may not be the best option for republicans, he added, since the filibuster also works in their favor at times.

Morrison posed that a repeal bill will pass before May, with an immediate effect, or with delayed implementation to the end of 2017. There will likely be a repeal of reproductive health provisions, and interstate sales of health insurance will likely be permitted without significant state or federal supervision. Additionally, federal funding for Medicaid expansion will likely be repealed, as will the "Cadillac tax," said Morrison. In one to three years, it is likely that the exchanges will be abolished, as well as the individual mandate. Some elements of the ACA may survive, specifically: no exclusions for pre-existing conditions; limits on "age rating;" persons under the age of 26 eligible to stay on parents' policy; no lifetime or annual maximums; and, promotion of ACOs and other innovations.

Morrison reviewed the economic "Iron Triangle," which dictates that guaranteed issue, mandatory enrollment, and limits on premium variance must be in concert; when they are out of line, prices will rise rapidly, plans will fail or lose money, or federal subsidies will be needed.

The repeal of the ACA is likely to affect communities in a number of ways, primarily from the termination of Medicaid for those above 100% of the poverty line, and the failure of exchanges for the low-mid income group, said Morrison. This will result in more unreimbursed care, and the cost will shift to paying patients, resulting in a higher cost trend and sicker people, he added. The University and UPlan will see the "Cadillac tax" removed as a financial limit, though cost increases will affect the cost of the plan. Morrison noted that increased claims for Medicaid funding will also compete with the University's budget requests at the Minnesota State Legislature. ACOs will likely continue, though they will be supported by insured persons and by employers, and not the government. The interstate sale of health insurance will likely proceed with very little regulation, and consolidation may become nationwide (Aetna, Humana, etc.). Furthermore, he said, pressure to eliminate "original Medicare" with the shift to Advantage plans will possibly result in higher out-of-pocket costs to patients.

Jody Ebert asked if the University is able to negotiate for better rates. Morrison replied that yes, negotiations will help in part since insurance providers want to work with the University, though they also want to remain solvent, resulting in higher costs for everyone. It is estimated that procedure and service costs will increase between 7%-10%, he added, which is magnified by expensive rural hospitals. Since the UPlan is self-insured, the University will be better able to manage this than others.

Karen Ross asked how long it would be before the University saw these changes. Morrison responded that the changes would be seen within two to three years. Ross asked if rising costs would ever come back down. Morrison replied that costs will likely not go back down over time; the increase in costs will need to be funded either by the University paying more from their appropriation, or by employees paying higher copays, deductibles, and premiums. He added that the "Cadillac tax" has been limiting the University, which cannot afford a 40% tax; this will likely be gone within the year. The Hill-Burton Free and Reduced-Cost Health Care Act (HRSA) will continue to protect those who cannot afford to pay for these increased services, requiring emergency rooms to treat them.

Ebert said that in anticipation of the "Cadillac tax," a $100 deductible was added onto the UPlan, which Ebert indicated some staff cannot afford. Falkner added that rising pharmaceutical costs were also a strain on employees. Steff Yorek asked about the $1.8 million that went into the UPlan in anticipation of the tax, and asked if staff could have this money back. Chapin responded that the majority of the $1.8 million was paid back to employees in in the initial year in various ways, and that a part of the amount has continued to be repaid through the Low-Income Relief Program on a regular basis. Susann Jackson added that the $1.8 million figure was not a yearly average.

Amos Deinard asked if insurance companies were tuned in to the importance of primary care. Morrison responded that they are tuned into controlling costs in any way possible. Jackson noted that cost disparities of plans between states will likely affect local markets if plans can be sold across state lines, driving up costs in Minnesota.

4. UHC Global Annual Report - Falkner introduced Ryan Reisdorfer, assistant health programs manager, Office of Human Resources. Reisdorfer provided an annual update of the UnitedHealthcare Global plan, the University's global travel insurance provider, noting that there has been an uptick in usage since 2015, and an increase in severe cases reported. There were 130 total cases reported domestically in 2016, eight in Canada, and 42 overseas. Medical cases were twice the number of the previous year. Reisdorfer noted that this is a very affordable benefit, and that Employee Benefits would try to make sure more people were aware of it. Dale Swenson asked what the total cost of the benefit was. Reisdorfer replied that claims are run through the Medica plan, including evacuation costs.

The plan includes all employee travel, including business and personal travel; the plan card can be requested on the Employee Benefits website. Chapin said that Employee Benefits would look into options for making this information more accessible to employees. Yorek responded that she was able to access plan information while travelling in Australia, and that the process was fairly easy. Horstman added that his son had a similar experience while travelling in Thailand.

5. Stress coaching - Falkner introduced Dave Golden, director of public health, Boynton Health, and Maria Rudie, consultant, Boynton Health, to provide an overview of stress management coaching options. Golden began by thanking the committee for their work on the planning phase for this new offering. Rudie noted that stress management coaching at Boynton was implemented in December of 2016, when Amy Bakken, stress management coach, was hired; Bakken has over three years of experience coaching employees. The goal of this program is to offer University employees access to a coach trained in stress management and mental well-being. The stress management coach works with University employees to identify and create management plans for everyday stressors (i.e., too much work, home/family issues, workplace conflicts, financial issues), and to develop and improve life skills to manage those stressors, said Rudie.

The program requires three appointments, after which 150 wellness points are granted (employees must begin coaching by April 30, and complete three sessions by August 31). These coaching sessions cannot be combined with other health coaching offerings for wellness points, Rudie said. Coaching appointments are 30 minutes long, and are spaced one month apart. As of February 1, 2017, 52 UPlan members have participated, their primary stressors included work/life balance, workplace conflict, and family crisis or change. Rudie noted that monthly emails to employees informing them of this program are planned through July 2017.

Rudie reported that Bakken has said that employees are generally open and willing to share, and have indicated that they feel that they are in a safe place to talk. Appointment times are varied so that most employees are able to find a time that works for them. For employees who may need additional help (including mental health services), Bakken refers to the Employee Assistance Program (EAP).

There have been a very low number of cancellations and/or no-shows to these counseling appointments, Rudie added, so there is a sense that additional appointment offerings would be utilized if offered. Currently, all appointments take place on the East Bank campus in the Twin Cities. Chapin noted that stress coaches are also available at both UMD and Morris. Rochester and Crookston, plus the remainder of greater Minnesota have a phone-based coaching option from StayWell.

Chapin asked if there was an option for employees with need beyond three sessions. Rudie replied that there is a soft rule of five appointments; if an employee requires more than those five appointments, they may be referred out for a higher level of care.

6. Wellness update - Falkner introduced Laura Manydeeds, wellness program administrator, Office of Human Resources (OHR). Manydeeds began by reporting that participation levels in the Wellness Program are similar to the same time last year, with over 6,000 wellness assessments and over 2,000 biometric health screenings completed. A postcard will go out to employees encouraging them to take the wellness assessment, and use the results as a tool to evaluate health and make behavior changes. Additionally, she said, an employee wellness survey will be sent in early April to ascertain: what do employees want from the Wellness Program? What are the barriers to participation, and what can be done to remove those barriers? How effective are the current offerings?

Manydeeds added that the Farmer's Market will run from July 12 to October 22, 2017, on the Gateway Plaza by McNamera Alumni Center.

Yorek asked what the communication to supervisors has been; in her case, staff members were told by supervisors not to leave their computers during lunch, creating barriers to participation in wellness activities. Manydeeds replied that employees are able to complete their wellness assessment on work time. Also, communications to employees have encouraged, but not required, participation in wellness activities; she suggested that supervisors might make suggestions or share helpful statistics with their employees for those unable to leave their desks.

Curt Swenson, Housing and Residential Life, said that a major barrier to wellness participation for his group is that many of the new offerings are only available on the Twin Cities campus and require access to a computer, noting that there are many employees who work off campus in non-office settings. Chapin replied that many times, offerings will start on the Twin Cities campus so that they can be closely monitored, and then offered more broadly.

7. Annual plan reviews - Chapin asked the committee for volunteers to review plan comments and talk the committee through the annual plan survey results, with the goal of identifying trends. Karen Ross, Amos Deinard, Brenda Reeves, Susann Jackson, Amy Monahan, and Tina Falkner volunteered.

8. Update on Medical/Wellness RFPs - Chapin said that members had been named to the Medical and Wellness RFP committees; Fred Morrison, Dale Swanson, and Karen Ross for the Medical RFP, and Tina Falkner, Terri Wallace, and Amy Monahan for the Wellness RFP. Two finalists have been identified for each group. Final committee recommendations will be sent to Ken Horstman and Kathy Brown, then to the Board of Regents for approval.

Hearing no further business, the meeting was adjourned.

Barbara Irish
University Senate Office