

Minutes
HEALTH PLAN TASK FORCE
Thursday, November 4, 1997
9:00-11:00
300 Morrill Hall

Present: Richard McGehee (Chair), Avner Ben-Ner, Amos Deinard, Robert Fahnhorst, Bart Finzell, David Hamilton, Harlan Smith

Absent: Richard Purple

Regrets: None

Guests: None

Other Interested Groups

AFSCME

- AFSCME is unhappy with Medica because of the withdrawal of the Premier option and because clinics were not added to the Primary option as promised during the bargaining period.
- AFSCME is nervous about the future of the State Health Plan because it could dramatically change in 1999 and the first time the state has the opportunity to switch to something like the Buyers' Health Care Action Group (BHCAG) is 2000.
- Health care resources could be utilized on campus since half of those covered by Medica Premier at the University are civil service employees who are part of AFSCME.
- Interested in meeting with the Health Plan Task Force to discuss common issues.
- There is a local bargaining unit within AFSCME but it adopts the same benefits that are negotiated at the state level with the addition of minor benefits.

Civil Service Committee (CSC) and Academic Staff Advisory Committee (ASAC)

- Each committee will keep this group informed of their proceedings and meet jointly if necessary.

Buyers' Health Care Action Group (BHCAG)

- BHCAG is a group of corporations that come together to buy service directly from care plans, bypassing the health plans.
- Representatives will meet with this group to discuss their future plans and what they have to offer.
- Main Feature: An employee could select a care system instead of a health plan and the employer would negotiate contracts directly with the care system. It would help eliminate an employee having to change health plans every year. Providers can only be in one care

system, but they are able to determine the premium rate so there is no negotiation with the care system. The care system would include both primary physicians and specialists.

Issue Resolved

- The question of whether University employees can purchase individual health insurance in addition to their employee benefits has been a difficult one to answer over the years. The answer appears now to be "yes." Blue Cross Blue Shield will sell an individual policy to an employee. However, the employee must enroll in one of the plans offered by the state.

The following issues were raised during the general discussion:

- Are other bargaining units willing to move out of the state plan with the Faculty so the whole University could move as a group?
- The University local of AFSCME should consider opting out of the benefits plan accepted by AFSCME at the state level.
- A preliminary report of this committee is due by January 15 so a work schedule and goals with deadlines will need to be established.
- Pete Benner represents the nine different unions at the state level when benefits are discussed so he should be invited to a meeting.
- More University representatives should be placed on the Coalition of Labor Management to make sure the University's interests are covered.
- The roles and responsibilities of each of the players should be clarified so it is understood who has the appointed and negotiated power.
- Follow up with the General Counsel's Office should occur since it has a multi-million dollar budget and some money may be available to help resolve this issue.
- A definition for the position of the Research Assistant should be established so that person can be hired as soon as possible.
- Research of what other large employers offer as health care coverage should take place.
- The report should include a list of conditions that includes an alternative to the state plan so it can be utilized if the state plan is unacceptable.
- A list of concerns would be very helpful so the University can have a more structured approach when it goes to the state for negotiations.
- It is not clear if the final report will be a recommendation that the University form a large group to discuss these issues or that the faculty want to separate from the state on their own.
- The University should consider producing its own HMO and combining students, staff, and faculty to spread the risk.
- The University is dissatisfied with the fact that even though the network was reduced, premiums increased dramatically. However, this issue can only be resolved at the state level by working with the Department of Employee Relations to come up with an alternative solution.
- Some faculty may be willing to pay a higher price for more freedom to choose doctors.

The following items emerged by consensus:

- Do not form another task force that will do a three-year study.
- Examine other options such as the Buyers' Health Care Action Group.
- Do a web based survey with fixed and limited open-ended questions.
- The final report should include proper coverage for retired and disabled employees.

Resources available to the Committee

- Vice President Cerra will fund a Research Assistant to gather market data.
- Julie Sweitzer from the General Counsel's Office is available for legal advice.

Robert Fahnhorst reported on deliberations of the State Joint Labor Management Committee.

- The group has looked at the elimination of Medica Premier and the dramatic increase in the State Health Plan premiums.
- The group determined that the relative premium increases have been held at bay, the evaluation of quality of care has been successful and there is large access to physicians.
- The group discovered that the Managed Competition model is out of date, there is instability with providers, and there was a substantial increase in premiums.
- Future options under consideration include: continuing with the same Managed Care Model with minor modifications, adopt a care system design similar to BHCAG, adopt the Health Partners' insured product, sign multi-year contracts with an non-increasing premium agreement, or implementation of a flexible benefits program or catastrophic coverage.
- Health plans with different tiers should down-scale to only offer a basic coverage package to group plans and provide the other tiers at an extra cost to those who want more protection.
- Goals include controlling cost, stability and predictability of costs, stability with providers, offer choice, simplify all plans so they are similar, quality of assessment, long term proactive focus, catastrophic coverage, preventive services, out-of-area portability while attending school or on sabbatical, benefit comparability, true price competition instead of risk selection.
- The group consists of representatives from AFSCME, MnSCU, State Junior College System, MAPE, Middle Management Professional Union, State Professional Union, Technical Engineers' Union, the state, and labor relations.

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