

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
APRIL 4, 2002

[In these minutes: Review of Dental, Life and Retiree Proposals, Agenda Items for Future Meetings]

[These minutes reflect discussion and debate at a meeting of a committee of the University of Minnesota Senate or Twin Cities Assembly; none of the comments, conclusions or actions reported in these minutes represent the views of, nor are they binding on, the Senate or Assembly, the Administration or the Board of Regents.]

PRESENT: Fred Morrison, Chair, Linda Aaker, David Johnson, Gavin Watt, Pam Wilson, Jody Ebert, Nancy Wilson, Joseph Jameson, Carla Volkman-Lien, Wendy Williamson, George Green, Gailon Roen, Susan Brorson, Amos Deinard, Richard McGehee, Peh Ng, Larry Thompson, Marjorie Cowmeadow, Theodor Litman, Steve Burrows, Keith Dunder, Barry Melcher

REGRETS: Phyllis Walker, Don Cavalier, Rachel Estroff,

ABSENT: Carol Carrier, Frank Cerra, Dann Chapman,

OTHER(S): Kathy Pouliot, Linda Blake, Tom Messervey

GUEST(S): Chris Hulla

I). Professor Morrison called the meeting to order.

II). **Dental Insurance:** The Committee discussed in what order, assuming funds are available, the benefits it would like to add to its existing dental coverage. Consultant, Chris Hulla, spoke to the dental proposals that were received and highlighted nuances between the 2002 plans and the 2003 plans that are being considered. Generic plan descriptions are outlined below:

- Plan A – a limited network only plan
- Plan B – statewide network plan with an out-of-network option
- Plan C – metro area network with out-of-plan network option
- Plan D – an indemnity non-network dental plan

Mr. Hulla recommended making coverage levels between the plans as uniform as possible for ease of understanding the differences between the plans and for ease of decision- making.

Dental Subcommittee Chair, Wendy Williamson, prioritized the Subcommittee's recommendations. Mr. Hulla added that it is imperative that RFP respondents understand exactly what the University wants included in its benefits sets or it will not be included in

the 2003 plans. Additionally, he mentioned that there are true costs associated with expanding benefits sets.

The Committee engaged in a discussion of the various plans.

The full Committee unanimously endorsed the following recommendations:

1. Increase annual maximum to \$1,500
2. Add preventive visits and implants
3. Increase annual benefit maximum to \$2,000 (this recommendation cancels #1)
4. Omit \$50 in-network deductible
5. Do not offer adult orthodontia but consider adjusting the current age restrictions
6. Premium structure by zone with base premiums
7. Include Plan D only if it can be fully insured

Life Insurance: Consultant Chris Hulla gave members an overview of the life insurance plans. The Committee contrasted the current employer paid and optional life insurance plans with the proposed 2003 offerings. Members unanimously recommended the following as it pertains to employer paid insurance, optional insurance and AD& D:

- Introduce an ADEA (Age Discrimination in Employment Act) qualified reduction schedule and put the monetary savings towards dental benefits. To offset this benefit reduction, continue offering optional insurance allowing employees to buy back coverage reduced by instituting ADEA.

Optional life insurance recommendations:

- Get rid of the 15% paid up retirement feature. The Committee, however, has not decided how this will be eliminated.
- Remove the \$500 death benefit feature. Again savings can be put into the dental benefit pool.

AD & D (Accidental Death and Disability):

- Eliminate AD & D coverage for new employees but consider allowing current employees with this coverage to continue.

Retiree Insurance: Chris Hulla outlined Medicare eligible retiree coverage options. Currently three types of products are offered and the same is proposed for 2003. All the plan provisions are the same as today, the only difference being premiums and increasing plan availability:

- Medicare + Choice (also known as Medicare Risk HMOs or Medicare Part C). Medicare assignment is required. Only available in the Twin Cities.
- Medicare Cost HMOs – do not required Medicare assignment. Coverage in Twin Cities and the other campuses but not all in one plan.

- Coordinated Plans – not HMOs but rather PPOs or old-fashioned indemnity plans where Medicare pays the providers and the retiree pays the rest based on plan provisions. These plans are not network based so they are available anywhere.

Recommendations:

- Offer an additional coordinated plan with lower premiums but higher deductible and prescription costs and, as a result, higher overall out-of-pocket costs with a cap. Professor Morrison suggested surveying current coordinated plan subscribers as to whether they were be interested in adding a coordinated plan such as this.
- Consider adding preventive dental care as part of the various plan options as long as it made medical and dental coverage lower cost for Medicare retirees and as long as the network is the same or better.
- Uniform pharmacy co-pays and add an office visit co-pay.
- Include a statewide plan.

These recommendations will require carriers to answer more questions before any decisions can be made.

III). Other Business: Future agenda items for upcoming BAC meetings:

- Complaints have arisen regarding the Definity product and service. It was decided that Definity would be asked to attend the next BAC meeting as well as the FCC meeting on May 2, 2002 to address these concerns.
- Discuss implications related to privacy issues that may result if the University builds its own database (data warehouse).
- Continued discussion of instituting a wellness program.

IV). Professor Morrison on behalf of the Committee recognized Steve Burrows, Human Resources, and all his hard work during the design and implementation of the new medical plans, UPlan. Mr. Burrows will be leaving the University next week.

V). With no further business, Professor Morrison adjourned the meeting.

Renee Dempsey
University Senate