

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
FEBRUARY 19, 2004

[In these minutes: HealthPartners Plan Review, Open Enrollment Update]

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

PRESENT: Fred Morrison (chair), Linda Aaker, Gavin Watt, Pam Wilson, Karen Wolterstorff, Peter Benner, Rita McCue, Don Cavalier, Joseph Jameson, Carla Volkman-Lien, Wendy Williamson, George Green, Gailon Roen, Susan Brorson, Steve Chilton, Amos Deinard, Richard McGehee, Peh Ng, Theodor Litman, Rod Loper, Dann Chapman

REGRETS: Jody Ebert

ABSENT: Ronald Enger, Carol Carrier, Frank Cerra, Keith Dunder

GUESTS: HealthPartners representatives - Tony Anderson, Director of Employee Reporting; Sue Hoel, Senior Account Executive; Carla McCormick, Nancy McKay, Manager of Sales & Government Accounts; Dr. David Gregg, Vice President and Medical Officer of Health Initiatives and Business Development

OTHERS: Linda Blake, Ted Butler, Karen Chapin, Jennifer Durocher, Gladys McKenzie, Kathy Pouliot, Ruth Rounds, Jackie Singer, Sue Smith, Katie Theis, Phyllis Walker

I). Professor Morrison called the meeting to order.

II). Professor Morrison called on Gavin Watt to introduce the first agenda item, which is the HealthPartners plan review. Mr. Watt distributed a handout that summarized responses by University employees regarding their experiences, positive, mediocre or negative, with HealthPartners. Based on

the responses received, it is Mr. Watt¹'s observation that people are generally satisfied or very satisfied with HealthPartners.

In terms of areas of concern, two comments reoccurring themes were voiced multiple:

- Turn over in physicians.
- Insufficient number of specialists.

Next, Mr. Watt turned the presentation over to Sue Hoel, HeathPartners Senior Account Executive. Ms. Hoel introduced the other HealthPartners representatives presenting with her today. To begin, Ms. Hoel highlighted the following information:

- HealthPartners has partnered with the University in one form or another over the past 30 years.
- As of January 2004, over 58% of University employees have chosen HealthPartners as their health plan. This translates into almost 20,000 University employees and their dependents covered under HealthPartners.
- Sixty-seven percent of HealthPartners plan participants have chosen the HealthPartners Medical Group for their care.
- Through the OEPursuing Perfection Initiative¹ HealthPartners is working to provide its participants with the highest quality of care and the best possible service. In addition, HealthPartners is working hard to control medical cost trends. The cost per unit of service is something HealthPartners, plan participants and the University need to work on jointly in order to control costs.
 - HealthPartners has a responsibility to make sure patients get the care they need, when they need it, and, also through HealthPartners¹ disease and case management strategy they will be aggressively pursuing patients with chronic conditions or other diseases that drive health care costs.
 - The University plays a role in controlling costs in terms of how it designs its health plan.
 - Plan participants play an important role as well and need to be good consumers in terms of their health care.

Ms. Hoel turned the presentation over to Tony Anderson to provide the Committee with information regarding the University¹'s claim utilization. He shared the following information:

- In 2002, the University ran 5% above target in terms of actual claim results. For 2003, claims per member came in below target.
- Trends are made up of fee schedule adjustments and utilization. Regarding fee schedule adjustments, HealthPartners anticipates this will track at approximately the same rate as last year. Concerning utilization, HealthPartners is expecting this to trend slightly lower than last year. Therefore, for the near-term future, HealthPartners is expecting trend to be between 10% - 11% overall and 11% - 12% on the pharmacy side of the business.
- In terms of claim breakdown information for 2002 and 2003, there is a slight shift from inpatient hospital/outpatient hospital services to professional and pharmacy services.
- Generic usage has increased between 2002 and the first two quarters of 2003. Generics are substantially cheaper.
- The University¹'s non-formulary usage has been consistently quite low.
- An overwhelming majority of pharmacy prescriptions are purchased at retail locations versus through mail order. According to Mr. Anderson, the promotion of mail order has not been a corporate strategy for HealthPartners until recently.
- Top 10 medical/pharmacy claims were outlined.
- The University¹'s top 10 prescription drugs by cost were summarized.

Next, Ms. Hoel presented information on HealthPartners¹ pharmacy program and noted that so far this year pharmacy has made up 17% of the University¹'s claims dollars. HealthPartners¹ pharmacy program priorities include:

- Promote generics and over the counter options.
- Promote appropriate use/safety of prescription drugs.
- Integrate pharmacy data with patient medical/disease management information.

Other pharmacy highlights:

- HealthPartners as a whole is up to 53% for generic drug use.
- Generic drug usage saves both members and the UPlan money.

- When HealthPartners became aware that Prilosec was going to be sold over-the-counter (OTC) they worked with their physicians to determine the safety and effectiveness of the OTC option as compared to the formulary. It was determined that PPI (proton pump inhibitors) drugs generally work equally well for most patients. Therefore, cost becomes the major issue. It was decided that for those patients on long-term use of Prilosec, their drug usage would be tracked and monitored by a physician, hence they will continue to receive a prescription. Whereas patients that use Prilosec intermittently would be able to purchase their medication OTC. Mr. Chapman interjected that this example illustrates the generic issue well and suggested the Committee consider a plan design that would tier out the University¹'s pharmacy benefits more precisely than is currently the case.
- HealthPartners has launched a 'Eco-pay counselor¹ program in an attempt to help members realize the actual cost of prescription drugs. With the 'Eco-pay¹ counselor, HealthPartners hopes to engage the consumer in order to raise their awareness of the spiraling costs of prescription drugs and better understand the benefits that they receive from their medical plan.
- Ms. Hoel highlighted HealthPartners¹ therapeutic drug class changes in terms of use and cost between 2002 and 2003 for antidepressants, cholesterol, ulcer, antibiotic and antihistamine drugs.
- HealthPartners has launched a new depression initiative in January 2004. This initiative identifies members who are on an antidepressant. HealthPartners then contacts the physician to get permission to contact the patient to share information regarding the program, which is called 'EOn Your Way¹. 'EOn Your Way¹ provides members with periodic educational-type mailings regarding depression. This initiative is also a way to track to see if patients are staying on their medications and getting their prescriptions refilled. If not, HealthPartners can intervene to identify any potential problems.
- Ms. Hoel shared HealthPartners¹ objectives around its 'ESpecialty RX Management Program¹, which has not yet been rolled-out. These 'ESpecialty¹ drugs are also known as biotech drugs, which are used for chronic conditions such as rheumatoid arthritis, MS, etc. and they typically are very expensive. By using a preferred provider network the goal of this program is to:

- Improve quality, efficiency and appropriateness of injectable drug administration.
- Reduce costs, inappropriate utilization and billing errors.
- Improve data capture and total healthcare outcomes.

Questions/comments from members:

- Does HealthPartners conduct an analysis to determine if there are certain physicians that continually prescribe name brand versus generic drugs? According to Ms. Hoel, HealthPartners provides each clinic system with regular reports regarding their usage. Besides paying clinics for the services they deliver, HealthPartners aligns its incentive payments to clinics based on their performance e.g. how well has the clinic performed in terms of following formulary guidelines compared to other clinics, etc.
- How does the University¹'s prescription drug use compare to HealthPartners¹ standard book of business? Mr. Anderson suggested the University compare itself to an organization with a similar employee demographic population rather than HealthPartners¹ standard book of business. The University should compare itself to other governmental institutions. HealthPartners can prepare this information for the University.
- Explain HealthPartners¹ generic voucher program? When the program was rolled out, members were offered a voucher to receive a free one-month supply of the generic equivalent to the brand drug they were taking with no co-pay.
- HealthPartners appears to have a "positive disincentive"¹ for a member to use mail order pharmacy services. In many instances the patient pays more and the plan pays less for mail order. In response to these comments it was noted that HealthPartners prices its mail order prescription service to roughly break-even; this service is not a moneymaker for HealthPartners.
- Are bi-polar patients being incorporated into the depression initiative? No, this is an initiative focused specifically around depression. However, HealthPartners does case management around its bi-polar patients.

Next, Dr. Dave Gregg addressed disease management and the importance of managing disease as a way to help control health care costs. He noted that,

in general, 20% of patients generate 80% of claims dollars. At the University, 37% of HealthPartners¹ members drive 88% of claims dollars. This statistic suggests that the University¹'s employee population has chronic disease, diseases that would benefit from disease management.

HealthPartners¹ disease management strategy:

- Be proactive and find the high-risk groups by engaging those who will develop disease states within the next 2-3 years.
- Focus on the members that need the care now by:
 - Assuring the highest quality of care.
 - Assuring best practice by physician and patient.
 - Assuring that cost is an accurate reflection of quality.
- Be relentless and identify and engage those people that will need care in the next 12 months.

Disease Management:

- A system of coordinated health care interventions and communications for populations with conditions in which self-care efforts are significant.
- Applicable to all conditions, but most relevant to chronic illnesses.
- Realizes its greatest return lies in delivering effective interventions as early as possible in the course of the disease.
- Requires that care and treatment be viewed across the health care system rather than episodically.

Disease Management program components include:

- Identification and stratification of the population.
- Evidence-based practice guidelines.
- Collaboration with the care system.
- Member outreach, engagement and enrollment.
- Patient self-management education.
- Process and outcomes measurement, evaluation and management.
- Routine comprehensive reporting and feedback loop.

Next, Dr. Gregg briefly described HealthPartners¹ first generation and next generation disease management models to members.

Finally, Ms. Hoel responded to questions raised by HealthPartners members across the University. She reminded Committee members if they ever come across someone that is having problems with HealthPartners to have that individual contact member services to resolve the problem. Some of her answers included:

- Both the HealthPartners¹ website and the provider directory outline which physicians can be seen without a referral from a primary care physician.
- Some specialty areas e.g. dermatology, child psychiatry, endodontics etc. have a shortage of providers and this problem does not exist just within HealthPartners; these shortages can be statewide or even nationwide.
- It is HealthPartners¹ goal to provide appointments when it is most convenient for members. Currently, for members in the HealthPartners Medical Group, patients can call the appointment center between 7:00 a.m. 9:00 p.m. to make an appointment. Also, in the not too distant future, these members will be able to make their appointments on-line. (67% of University of Minnesota employees are enrolled in HealthPartners Medical Group as opposed to other affiliated clinics).
- The University has a co-pay for an office visit with a physician, however, there is no co-pay for preventive visits. It appears confusion remains regarding the difference between these two types of appointments. Maybe during open enrollment a better job can be done to explain the difference.

Professor Morrison thanked the HealthPartners¹ representatives for today¹s presentation.

It was decided that the HealthPartners¹ PowerPoint presentation would be posted to the BAC website at:

<http://www1.umn.edu/usenate/committees/bac.html>.

Comments/questions following the HealthPartners presentation included:

- HealthPartners appears to be putting a lot of effort into developing a solid disease management program. The Committee agreed that disease management is something that should be an integral part of

the UPlan and made a commitment to investigating these services further.

- Should the University do more to promote the use of mail order pharmacy services? Mr. Chapman noted that the University is in the process of checking to see if promoting mail order pharmacy services will actually save the University money. If so, promotion of such a program would have to be an employer-centered effort because the University does not have uniform customer services for mail-in pharmacy across all vendors.

III). Professor Morrison called on Karen Chapin for an open enrollment update. Ms. Chapin shared the following information:

- With respect to open enrollment for retirees, it was noted that the CEPartners for Seniors¹ benefit was eliminated in 2004. A majority of participants that had been enrolled in this plan moved into the CEHealthPartners 65 Plus¹ product.
- PatientChoice experienced a significant fall off of approximately 29% out of the active employee group.
- Blue Cross/Blue Shield will start using identification cards without social security numbers soon. For the retiree plans, all vendors will be using identification numbers without social security numbers except Medica. Also, it was noted that Delta Dental now only uses a member¹'s name on its identification cards. The only plan for active employees still using social security numbers (ssn) for identification purposes is PreferredOne and they will stop using ssn for identification purposes by January 1, 2005. However, members can make a special request to get a card earlier without a ssn by contacting PreferredOne.
- UCare premiums for Plus 65 retirees are going down as part of the new Medicare legislation.

IV). Other announcements:

- Professor Morrison announced that the next BAC meeting is on March 4, 2004.
- Peter Benner distributed a handout which he extracted from the website for the *Center for Studying Health System Change*, <http://www.hschange.org/CONTENT/643/>. The information in the handout is only part of the information provided at the above URL.

Mr. Benner believes this material could be helpful in future plan design discussions. Professor Morrison encouraged members to bring this material to the March 4, 2004 BAC meeting as there may be time to discuss it.

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

Renee Dempsey
University Senate