BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
SEPTEMBER 17, 2009

[In these minutes: Seasonal Flu Shot Update, 2009 – 2010 Agenda Items, Absence Policy as it Relates to H1N1 Influenza, Health Care Reform Update, Open Enrollment Communications Plan, H1N1 Vaccine Update, Summary Report of Wellness Return on Investment Analysis, 2010 Wellness Program Update, John Hancock Long Term Care]

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

PRESENT: Gavin Watt (chair), Tina Falkner, William Roberts, Dale Swanson, Karen Wolterstorff, Jennifer Imsande, Rhonda Jennen, Sara Parcells, Sandi Sherman, Nancy Fulton, Joseph Jameson, Michael Marotteck, Carl Anderson, George Green, Judith Garrard, Richard McGehee, Fred Morrison, Michael O'Reilly, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Jody Ebert, Sam Firoozi, Amos Deinard

ABSENT: Carol Carrier, Frank Cerra, Keith Dunder

OTHERS ATTENDING: Linda Blake, Ted Butler, Joyce Carlson, Karen Chapin, Kurt Errickson, Betty Gilchrist, Joe Kelly, Shirley Kuehn, Kathy Pouliot, Kelly Schrotberger, Sheri Stone, Curt Swenson, Jill Thielen, Karen Young

I). Gavin Watt called the meeting to order and welcomed all those present.

II). Mr. Watt reported that Boynton Health Service has scheduled 3 walk-in flu clinics for the purpose of administering seasonal flu shots. The walk-in clinic dates are September 16, 23, and 30 from 8:00 – 4:00 in Boynton Health Service.

Ms. Chapin cautioned members that in order for the UPlan to cover the cost of the flu vaccination that individuals must go to a facility that files claims on behalf of plan participants. If the facility is not filing claims then UPlan members are responsible for paying for the full cost of the vaccination. Flu shots provided by Boynton Health Service, MinuteClinic, and UPlan members' primary care clinics are covered. The principal concern is for flu shots provided at walk-in clinics at a retail store (such as a Walgreens), which are typically not submitted to the UPlan, and, therefore, would not be covered.

III). Mr. Watt shared upcoming agenda items for the 2009 – 2010 academic year:

- Third molar extraction update.
- Health care reform update.

- Pandemic flu updates.
- UPlan reports.
- Wellness survey results - Professor Jean Abraham.
- Portable health records presentation.
- Medication Therapy Management (MTM) update.
- UPlan vendor plan reviews (spring).

Members who have additional suggestions for agenda items were encouraged to forward them to Mr. Watt or Renee Dempsey, Senate staff.

IV). Mr. Watt noted that today's meeting room is obviously too small, and, as a result, Ms. Dempsey is actively trying to identify another meeting room on campus in which to hold BAC meetings. Suggested spaces included:

- 717 Delaware Street S.E. (former Minnesota Department of Health building).
- Donhowe Building.
- Mondale Hall.
- #140 WBOB.
- #555 Diehl Hall.
- Gailon Roen Room in Boynton Health Service.

Mr. Watt urged members to watch their agendas closely in the event of a meeting room change.

V). A member asked for clarification around the University's absence policy as it relates to the flu. Currently, certain employee groups are technically required to provide a written doctor's excuse if they miss 3 or more days of work. Having said this, the Centers for Disease Control and Prevention is advising employers not require a doctor's note for students, faculty, or staff to confirm their illness or to return to work, as doctor's offices and medical facilities will likely be extremely busy and may not be able to provide such documentation in a timely manner.

Joe Kelly, chief of staff, Office of Human Resources, stated that given that experts are advising people not to go to the doctor for influenza unless they are at high risk of flu complications, the Office of Human Resources (OHR) is spreading the message through the human resource directors that departments should waive/curb any requirements they may have requiring a doctor's note in order to return to work.

It was suggested that the Office of Human Resources broaden its communication efforts around this topic beyond the human resource directors. Mr. Kelly stated that OHR is not saying that departments cannot require a doctor's note under any circumstance; rather OHR is simply encouraging departments to curb any doctor's note requirements they have this flu season. He assured the committee that this message would be communicated broadly beyond the human resource directors. The University will be issuing weekly H1N1 flu updates to all students, staff, and faculty to keep them apprised of developments related to H1N1.

It was also mentioned that there have been issues related to the Family and Medical Leave Act (FMLA) and the flu. Although the flu does not qualify for FMLA unless there are extenuating circumstances, to be granted FMLA, a doctor's note is required. This will have financial implications for the UPlan. Mr. Kelly stated that OHR is addressing this issue as well as other flu-related issues, which are not so much issues for the Benefits Advisory Committee, but other venues on campus. He added that the University's Employee Relations staff will be meeting with the unions soon to clarify these matters.

VI). Employee Benefits' Announcements:
a). Mr. Chapman noted the Employee Benefits is monitoring what is taking place with respect to health care reform. This is a very fluid issue. It is unclear at this time whether this reform will or will not impact the University's plan offerings. Mr. Chapman stated that he will share more information at an October meeting, and then again later once the dust settles around this matter. Currently, there is very little detail in any of the bills; instead, the bills contain general information about the type of health care system that should be created.

b). Betty Gilchrist reminded the committee that open enrollment (OE) will take place November 1 – 30, 2009. The first of the communication pieces are being finalized. The goals for the OE communication plan are to:

- Inform employees and retirees of OE options and process.
- Communicate 2010 medical and pharmacy program changes.
- Provide targeted communications to members using prescription medications or devices that are impacted by 2010 program changes.

Ms. Gilchrist turned members' attention to a handout that outlined the month-by-month OE communication plan. She noted that while Employee Benefits will still print an OE guide, it will do so in limited quantities. Given the fact that the newsletters provide so much OE information, there is no need to issue an OE guide to all employees. Instead, employees will be encouraged to view the guide on line.

In closing, Ms. Gilchrist highlighted the Employee Benefits' Fair schedule:

- Minneapolis – November 3/St. Paul – November 4.
- Duluth – November 5.
- Morris – November 13.

VII). Mr. Watt called on Carl Anderson, operations director, Boynton Health Service, to provide the committee with a brief update concerning the H1N1 influenza vaccine. Mr. Anderson stated that Boynton Health Service (BHS) is still awaiting information on vaccine availability, but it is being assumed that it will be available sometime in October. He added that contrary to what was previously thought, the vaccine will be delivered in one shot versus two shots. Clinical trials have demonstrated that one shot is efficacious. In terms of cost, BHS under the impression that there may be federal grant money to cover the cost of the vaccine, which would mean the only cost to the University would be for administering the vaccine.

Mr. Anderson reported that 10 nurses administered 2,000 seasonal flu shots yesterday, September 16, 2009 at BHS. Never before has BHS given that many vaccinations in one day. For the next two consecutive Wednesdays, BHS will expand the space where these shots will be given as well as increase the number of shot stations.

VIII). Mr. Watt introduced the next agenda item, a high level overview of the Wellness Program return on investment (ROI) analysis conducted by Professor John Nyman, and his research assistant, Nathan Barleen. Ted Butler distributed copies of a PowerPoint presentation, which he used to supplement this report.

Mr. Butler noted that the ROI analysis of the University's Wellness Program was requested by the Administrative Working Group (AWG) as a means to assess the effectiveness of the various wellness program components in helping to control health care costs. The programs that were evaluated for cost savings included:

- Phone-based Disease Management coaching.
- Phone-based Lifestyle Management coaching.
- On-line Healthy Living Programs.
- Wellness Assessment.

Programs that were not evaluated for cost savings included:

- *Ask Mayo Clinic* 24/7 Nurse Line.
- On-site flu shot clinics.
- Farmer's market.
- Health action programs.

These programs were not evaluated for cost savings because the data needed to conduct an analysis of each of these programs was not readily available.

The costs evaluated for savings, noted Mr. Butler, were evaluated by examining de-identified health care claims from the data warehouse, and de-identified sick leave data for Civil Service and Bargaining Unit staff (only tracked sick leave with a level of rigor at the University) as a proxy for absenteeism. In terms of the methodology used as part of this analysis, the "difference in differences" in cost changes between program participants and those who were eligible to participate but did not were tracked. In other words, individual health care trend was tracked to see if this trend was affected by participation in the various wellness programs. Claims and absence data from 2004 – 2007 was used to reflect pre and post implementation data. In addition, participation in one or more wellness programs was evaluated as one of many factors that could influence health care cost changes.

The Disease Management program showed a positive, statistically significant return on investment in each of the first two years following implementation based on medical claims data as well as absenteeism data, although the absenteeism correlation was weak.

In response to questions concerning what diseases are covered under the Disease Management program and how many people participated, Mr. Butler reported that for the participant years of 2006 and 2007 there were 4,941 participants, or approximately 2,500 each year. He added that the Disease Management program works with about 14 diseases such as diabetes, asthma, etc. Particular disease management programs have proven to be more effective than others at controlling costs. These diseases include coronary artery disease, congestive heart failure, and asthma. Based on the claims data from 2006 and 2007, the UPlan saved $3.9 million in health care claims and roughly $230,000 in absenteeism costs, which equates to about a 4 hour per year decrease in the amount of sick leave used by participants who participated in the Disease Management program.

Next, Mr. Butler turned members' attention to a chart that illustrated the return on investment by program for 2006 and 2007 including all Wellness Program costs. The Disease Management program was the only program that was evaluated that showed a statistically significant ROI. The ROI for this program was roughly $4.2 million as compared to the total cost of the entire Wellness Program, which costs $4.84 million. Hence, the ROI on the entire Wellness Program for the first two years was 0.87:1. While this was not quite a positive return, it is important to note that Disease Management savings singlehandedly paid for almost all of the Wellness Program expenditures.

A member stated that from a business perspective, based on this ROI, wellness components that failed to demonstrate a positive ROI should be further scrutinized to determine whether they should be retained or eliminated. What is the value in keeping all the offerings when only one program is carrying the other programs? Mr. Butler stated that for some programs, such as the Lifestyle Management program, savings will likely not be realized until the program has been in place a minimum of 3 – 5 years. It is clear, however, from the data collected by Healthways' coaches, and via the Wellness Assessment that there has been a reduction in health risks by people participating in the Lifestyle Management program. Generally speaking, the typical way of evaluating ROI in the wellness industry involves taking a particular risk reduction and multiplying this by the cost savings associated with the risk reduction, and projecting these savings forward. Dann Chapman noted that "not statistically significant" on the ROI chart does NOT mean a program is costing the University money without any benefit. "Not statistically significant" at this point in the analysis simply means that it is impossible to know whether there is a positive or negative correlation about how a program is performing because there is not enough statistically significant data to make this judgment.

A member asked whether the statistical concepts of confidence intervals and p-values were used as part of this analysis. Yes, stated Mr. Butler. He added that if anyone is interested in seeing these calculations he would be more than happy to share this data.

Mr. Butler stated that if certain assumptions were made such as a 2:1 return on the Nurse Line ($1.4 million in savings), and a ROI of 2.9:1 for flu shots would put the Wellness Program solidly in positive ROI territory. The ROI results shared today do not reflect these assumptions because these returns were not been applied to the UPlan population.

A member stated that once enough data has been collected to evaluate individual wellness programs, each program should be expected to demonstrate a positive ROI in order to be considered a good investment. If some programs demonstrate they have no demonstrable impact on participants' health, they should be further scrutinized as to their value to the program. Mr. Chapman stated he agrees that the programs need to be looked at on a one-by-one basis. With this said, however, doing so is not a simple equation of ‘if this than that’. Simply because a program cannot demonstrate it has a positive ROI is not necessarily a good reason for not offering that program. For example, the farmer’s market will never produce hard research data demonstrating it has a positive ROI. Yet, the farmer’s market has a lot of value for the University community beyond this number in terms of morale, community, etc. Another example cited by Mr. Chapman was Fitness Rewards, and he gently reminded members what would happen if this program were eliminated. While each of the Wellness Program components should be evaluated on its own merit, a lot of thought beyond the ROI data needs to go into deciding whether certain components of the Wellness Program should actually be eliminated. Mr. Butler added that between the two years 2006 and 2007, the University spent approximately $300,000 on the Wellness Assessment. Even Healthways’ senior management acknowledges that the Wellness Assessment alone will never provide a positive ROI; instead, its usefulness comes from the fact that it serves as a gateway for getting people into the various wellness programs that will provide a return on investment.

A member stated that the chart in this presentation should be modified and all programs that were not evaluated should be removed. If this were done, the total cost of the program would be reduced and the ROI would be in positive territory. With this said, Mr. Butler turned members’ attention to two other charts:

- ROI by program for 2006 – 2007 without the Nurse Line.
- ROI by program for 2006 – 2007 evaluated programs only.

Mr. Butler noted that by just removing the Nurse Line cost alone puts the Wellness Program in positive ROI territory at 1.02:1. He added that technically it could be argued that the Nurse Line is not a wellness program per se, but rather a health care decision-making tool. Mr. Chapman stated that the Nurse Line could be looked at as a supplement to the clinical side of the UPlan. Next, if the ROI is measured for only evaluated programs, the return is 1.34:1.

Next steps, noted Mr. Butler, will include:

- Wellness programming will continue.
- Professor Nyman will re-visit ROI calculations with additional data in future years, and begin to look at the ROI of the Fitness Rewards program when final 2008 data is available.
- Dr. Jean Abraham from the School of Public Health will continue to evaluate satisfaction levels and perceived impact of the Fitness Rewards program.

Mr. Chapman added that currently there is nothing in this ROI analysis that measures health outcomes. Professor Nyman has indicated that there is a lot of literature about self-reported health status information, and its validity using a 5-step scale of excellent, very good, good, fair, and poor. Professor Nyman plans to use this 5-step scale to measure health outcomes, which will be added into the value of the ROI analysis. The analysis being conducted by Professor Nyman is the most rigorous study of its kind being conducted in terms of isolating values for outside, uncontrolled effects in order to determine results directly attributable to the University’s wellness programs.

Mr. Watt thanked Mr. Butler for his presentation.

IX). Ms. Chapin distributed a handout, which outlined components of the 2010 Wellness Program. Before walking members through the changes that are being made to the program in 2010, Ms. Chapin shared the 2010 Wellness Program objectives, which included:

- Encourage a culture of wellness among University employees.
- Incorporate recommendations from Professor Nyman's ROI research to adjust phone-based Medical Condition Management and lifestyle coaching programs with higher return on investment.
- Introduce new Wellness Advocates Program to increase wellness initiatives and involvement at the college or department level.
- Continue to expand the use of University experts and resources in development of wellness program offerings.
- Stay within the Wellness Program budget, which is included in the 2010 UPlan rates.

Changes to the Wellness Program include:

- Continue to offer phone-based Medical Condition Management program through Healthways with 3 adjustments:
    1. Focus on core conditions identified as having the highest ROI through Professor Nyman's research, plus two additional core conditions recommended by Healthways – asthma, heart failure, coronary artery disease, diabetes, and chronic obstructive pulmonary disease.
    2. Transition to a clinical-based program for medical management through Healthways versus original behavior-based program, which was originally advocated for by Harris HealthTrends.
    3. All phone-based medical condition and lifestyle coaching will be transferred to the Minnesota Healthways office.
- Work with the College of Nursing to determine whether on-site Medical Condition Management coaching is a viable option for Twin Cities' employees.
- The HealthCare Choices program will be discontinued.
- Explore transmitting the data collected through health screenings into the Wellness Assessment.
- Provide H1N1 flu vaccinations to all UPlan members at no cost.
- Offer two new weight management programs to address the overall population weight management issue, which continues to represent a high lifestyle risk for UPlan members – Weight Watchers at Work, and Create Your Weight offered through Fairview.
- Launch the Wellness Advocates Program.
- Develop, issue, and review responses to medical and health improvement RFPs for implementation in January 2012. (During fall 2009, develop, issue, and review Nurse Line RFP responses).

Moving on, Jill Thielen shared information on the new Wellness Advocates Program. The purpose of this program is to develop a network of individuals within different departments across the University to serve as wellness advocates. Currently, wellness advocates are being recruited using a grassroots approach. To date, approximately 60 advocates have been recruited, which includes employees from each of the coordinate campuses.

A series of wellness advocate events will be held throughout the year. Although not mandatory, these events will be helpful for the advocates to acquire information about wellness-related programs on campus that they can inform their department about. Examples of wellness advocate events include an annual wellness advocate training session, an annual wellness advocate celebration, and attending quarterly Wellness Speaker's Bureau presentations.

A member asked how the wellness advocates have been recruited thus far. Ms. Thielen explained that the wellness coordinators who had worked on different projects previously were contacted to see if they would be interested in volunteering to be wellness advocates. Additionally, people have been recruited at different wellness venues on campus, e.g., health screenings, farmer's market, new employee orientation, Staff Day, HR Pros. In response, this member suggested putting an announcement in The Brief. Ms. Thielen noted that there will be an article in the upcoming *Wellness Works* magazine. Once the grassroots approach for recruiting volunteers has been exhausted, a more targeted approach will be used to find volunteers for those departments where no wellness advocates have been identified.

Next, Ms. Thielen turned members' attention to a list of Wellness Speaker's Bureau topics. Experts in a variety of fields have been recruited to volunteer their time to speak to groups across campus on a variety of wellness-related subjects, e.g., general nutrition, fitness and health to name a couple.

In addition, regular health action campaigns will be launched. For example, the first such campaign is the *Take the Stairs!* challenge. Wellness advocates will be asked to send out weekly, pre-written emails encouraging people to take the stairs as well as posting elevator signs. The Wellness Program will provide volunteers with the resources they need to get these wellness messages out.

Before moving on, Ms. Thielen distributed a flyer outlining the benefits of being a wellness advocate and encouraged people to volunteer.

In addition to new the Wellness Advocates Program, the Wellness Program will offer two new weight management programs to address the overall population weight management issue, which continues to represent a high lifestyle risk for UPlan members – Weight Watchers at Work, and Create Your Weight offered through Fairview. UPlan members and their UPlan-covered spouses or same sex domestic partners will have an opportunity to enroll in either the 17-week Weight Watchers at Work program (including Crookston, Duluth, Morris, Rochester, and the Twin Cities), or the 10-week Create Your Weight program offered by Fairview (Twin Cities only). Participants will need to cover the upfront registration cost for whichever program they choose to join, but then have the opportunity to be reimbursed for 100% of this cost if they attend a minimum of 80% of the program sessions. This reimbursement is being considered independently from the $65 incentive rewards offered through the health improvement programs. Ms. Thielen turned members' attention to a comparison chart of the two different programs.

A member asked whether people who already belong to Weight Watchers can transfer into this program. Ms. Thielen stated the Wellness Program is only offering the Weight Watchers at Work program. People who belong to one of the two groups that already meet on campus, Johnston Hall and the Mayo Building, would not qualify for this award.

The Create Your Weight program only allows 10 – 15 participants at each of its two meeting times stated a member. Does this mean that the University expects only 20 – 30 people across the entire University to be interested in this program? Ms. Thielen stated that the Create Your Weight program will be offered every 10 weeks. If a person is not able to enroll the first time they try they can enroll for a subsequent class. Alternatively, a person can always enroll in the Weight Watchers at Work program if they were unable to get into the Create Your Weight program.

Mr. Watt thanked Ms. Chapin and Ms. Thielen for their respective presentations.

X). Mr. Watt called on Ms. Chapin to provide the committee with information on a situation that has arisen with John Hancock, the University's long-term care vendor. She noted that a select group of employees with long-term care coverage will be getting a letter from John Hancock indicating that either the member owes John Hancock money or John Hancock owes them money. The reason for this problem is two-fold:

1. There are people who purchased long-term care coverage and then went out on a leave of absence but did not notify John Hancock when they returned to work to let them know to start their payroll deductions again, or terminated their employment with the University. As a result, John Hancock has not caught these individuals up on deductions for missed time.

2. There is another group of people who either owe John Hancock money or John Hancock owes them money because of a difference between the monthly premiums John Hancock filed and the University's bi-weekly premiums. John Hancock premiums are filed with the insurance commission as monthly, not bi-weekly premiums. Therefore, when John Hancock converted their monthly premiums to bi-weekly, they used a simple calculation of monthly premiums times 12 divided by 26.   Because the University missed a three pay period month at the implementation of the program (3-pay month occurred in March 2007, and the John Hancock coverage started later that spring), John Hancock feels each participant owes them money for a portion of that 3-pay month that was missed when the program was implemented.

At the University's request, John Hancock has agreed to absorb all amounts owed that are under $20, which affects 1,156 individuals. However, there are still 400-plus people in one of the two categories above who owe John Hancock money. (FYI, there are approximately 70 people to whom John Hancock owes money).

As noted above, John Hancock does not have a bi-weekly premium filed with the state insurance commission. This means that at any given point in time depending on whether it is a 2-pay month period or a 3-pay month period, a member could owe John Hancock money or John Hancock could owe that member money.

Ms. Chapin noted that John Hancock plans to start collecting the money owed them in October. She added that when John Hancock starts collecting their money they will never do more than double premium deduction. Ms. Chapin emphasize that the University is continuing to pursue other options with John Hancock other than the double deduction process.

To avoid the discrepancies between monthly file premiums and the University's bi-weekly premium deductions going forward, noted Ms. Chapin, would be to deduct premiums 24 times per year (the last deduction in each of the 3-pay months would be skipped) as opposed to 26 times per year.

A member suggested that the University ask John Hancock to consider a 1.5 maximum catch-up premium deduction rather than a double premium deduction. Or, alternatively, to ask John Hancock to adjust the maximum catch-up premium deduction for people who owe higher amounts money. Mr. Chapman stated that while the University can ask John Hancock to reduce the catch-up premium maximum to a 1.5 deduction, it would be difficult to determine a fair cut-off point between the 1.5 deduction and a double deduction.

Has the University thought through what the John Hancock customer service will be like when they start receiving complaint calls from people that owe them money asked a member? Ms. Chapin stated that the University has had this discussion with John Hancock, and, as a result, has sent written correspondence to John Hancock requiring them to have trained customer service staff who are able to handle these calls and clearly explain the situation.

A member strongly endorsed the change to a 24 versus 26 times per year deductions, especially in light of the fact the University has not been with John Hancock long enough for them to start offering buy-ups. Unless all the buy-ups occur in January, this will be an on-going problem for the University. Mr. Chapman stated that this is a very good observation.

A member made a motion that the University move to a 24 times per year premium deduction for long-term care insurance rather than the current 26 times per year deduction as soon as possible. Members endorsed this motion.

XI). Hearing no further business, Mr. Watt adjourned the meeting.

Renee Dempsey
University Senate