

## **Benefits Advisory Committee (BAC)**

**May 30, 2024**

### **Minutes of the Meeting**

[**In these minutes:** Welcome; Employee Benefits Update; Medica Plan Review; Medica Employee Survey Results; 2025 Medical and Dental Rates;]

**PRESENT:** Dale Swanson (chair), Linda R Blake, Lynn Blewett, Mary Blissenbach, Karen M Chapin, Scott W Creer, Rikita Davis, Kim Dery, Alexis M Elder, Shannon L Farrell, Laura Fiero, Nancy L. Fulton, Maria J Hanratty, Nora Hayes, Ken Horstman, Jackson Kerr, Katie Kolodge, Kim Little, Shane M Lueck, Russell V Luepker, Jennifer J Marshall, Amy Monahan, Ryan Reisdorfer, Mary Rohman Kuhl, Shereen S Sabet, Carmen Sims, Libby Stille, Curt Swenson, Douglas Swyter, Greg Thurston

**GUESTS:** Dawn Fogel, strategic account executive, markets growth & retention; Stephanie Kelly, director, customer service operations; Dr. Kris Kopski, senior medical director, value-based care; Dan Plocker, population health consultant; Rebecca Spartz, director, behavioral health and Nancy Stieg, director, strategic accounts, Medica

#### **1. Welcome**

Chair Dale Swanson welcomed everyone to the meeting.

#### **2. Employee Benefits Update**

Mary Rohman Kuhl, senior director, total rewards, Office of Human Resources (OHR) provided the following update:

- OHR will be hiring for 3 new positions: Two Benefit Consultants, One Pharm D Pharmacist.
- Linda Blake is retiring on May 31st, 2024.
- Ryan Reisdorfer is Retiring in January.
- Karen Chapin is retiring and her last day is in July.

Rohman Kuhl thanked Blake, Reisdorfer, and Chapin for their work at the University and on the BAC.

#### **3. Medica Plan Review**

Dawn Fogel, strategic account executive; Stephanie Kelly director, customer service operations; Dr. Kris Kopski, senior medical director, value-based care; Dan Plocker, population health consultant; Rebecca Spartz, director, behavioral health; and Nancy Stieg, director, strategic accounts, Medica, shared the following [presentation](#) with the committee. They highlighted Medica's 2024 strategic priorities, enrollment data, utilization, and a customer service overview. They also shared that as of June 1, 2024, Hazelton is an in-network provider.

#### **4. Medica Employee survey results**

- Scott Creer shared the [employee survey results](#) for Medica's Elect Essential Medica Plan.
- Russell Luepker shared the [employee survey results](#) for Medica's Choice Regional, Accountable Care Organization (ACO), Choice National, and Health Savings Account.

## 5. 2025 Medical – Dental Rates

Doug Swyter gave a [presentation](#) on the benefit rates for 2025.

- Dental rates: 6.6% increase
- Medical rates: 6.6% increase

Swyter discussed developing medical and dental rates for 2025. The administrative work group presented and approved the rates.

### Rate Development Process:

- Rates for the next plan year are determined annually using actuarial services to establish initial claim factors.
- Final claim factors are determined with the help of these services, factoring in stop-loss insurance, administrative fees, and a well-being budget.

### 24 Rates Overview:

- The medical plan was budgeted at a 6% increase per employee annually, while dental was budgeted at 3.5%.
- Claims data through May 1, 2024, shows medical and pharmacy claims are 8.5% higher than the same period in 2023, which is not considered alarming. However, dental claims have increased by 11.7%, higher than the typical 5% increase, attributed to higher utilization and more procedures.

### Historical Claims Data:

- Past increases: 2022 medical claims had a 5% budgeted increase with an actual increase of 7.9%. For 2023, the budgeted increase was 4.8% with an actual increase of 6.2%. For 2024, the claim factor increase was 7.3% with a final budgeted increase of 6%, and the actual employee rate increase was 6.9%.

### Current and Projected Rates:

- For 2025, a 6.8% increase in claim factors is recommended, translating to a 6.6% increase in employee rates.
- Dental claims have been stable in previous years but showed a significant increase this year, potentially due to increased early-year utilization

### Dental Claims Increase:

- Factors: The addition of mouthguard coverage led to a 1.5% increase in claims. Labor shortages also contributed to higher provider costs.
- Catch-up: There was no increase in rates for 2022 and 2023, which was contrary to recommendations. A catch-up adjustment was made for these years.
- Current Trends: The trend in claims has increased to 11.7%.
- Utilization: Delta Dental reported higher utilization of the dental plan, with more members using it and undergoing more procedures.

- COVID impact: There is a suspicion that the COVID-19 pandemic led to people postponing dental procedures, contributing to the increase in claims as these procedures are now being addressed.

With nothing additional, Swanson adjourned the meeting.

Deena Barker  
University Senate Office