

BENEFITS ADVISORY COMMITTEE  
MINUTES OF MEETING  
FEBRUARY 21, 2008

[In these minutes: Preventive Health Screenings, Wellness Assessment Update, Bridges to Excellence – Optimal Care Rewards, 2007 UPlan Dashboard Metrics Summary, Medex Report, Dental Plans Debriefing, Miscellaneous Announcements]

[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), Linda Aaker, William Roberts, Karen Wolterstorff, Jennifer Imsande, Rhonda Jennen, Jeremy Mlenar, Sandi Sherman, Nancy Fulton, Joseph Jameson, Michael Marotteck, Carla Volkman-Lien, Amos Deinard, Richard McGehee, Michael O’Reilly, Theodor Litman, Dann Chapman

REGRETS: Tina Falkner, Jody Ebert, Carl Anderson, George Green

ABSENT: Carol Carrier, Frank Cerra, Fred Morrison, Rodney Loper, Keith Dunder

OTHERS: Linda Blake, Ted Butler, Karen Chapin, Joyce Carlson, Kathy Pouliot, Kelly Schrotberger

I). Gavin Watt called the meeting to order.

II). Employee Benefits' Announcements:

a). Karen Chapin distributed a postcard with information about the upcoming Preventive Health Screenings that will be conducted. Members were encouraged to attend, and know their numbers.

b). Ms. Chapin announced that 3,900 people have taken the Wellness Assessment to date.

c). In 2006, Bridges to Excellence (<http://www.bridgestoexcellence.org/>), a healthcare provider pay for performance initiative, began rewarding clinics and provider groups for their Optimal Diabetes Care results. Then, in mid 2007, Optimal Coronary Artery Disease Care was added to the Minnesota Bridges to Excellence pay for performance program. The University of Minnesota Primary Care Center was one of 64 clinic sites across Minnesota recognized for their Optimal Coronary Artery Disease Care performance. Rewards for optimal care in other areas will likely be added in the future.

III). Copies of the 2007 UPlan Dashboard Metrics Summary for the period January through December 2007 were distributed to members. Ted Butler walked members through this report and highlighted the following:

- Three sets of metrics are used for reporting on the UPlan medical program:
  - Overall financial metrics (medical claims including pharmacy benefits).
  - Pharmacy program metrics.
  - Medical utilization metrics.
- Overall, UPlan expenditures only increased by 6.1% from fourth quarter 2006 to fourth quarter 2007.
- In 2007, the University spent 1.6% less than what it projected to spend on the UPlan.
- Based on the 2007 National Survey of Employer-Sponsored Health Plans conducted by Mercer, large employers average healthcare cost per employee was \$8,229, an increase of 5.1% after benefit design changes which included some employers shifting more costs to employees. If these large employers had not made these plan design changes, the cost increase would have been 7.9%.
- According to Watson Wyatt, the UPlan's claims costs, which are higher than the National Data Cooperative norm, can be attributed to, at least in part, the older age of the University population, the percentage of "catastrophic" claims (>\$50,000), and low member out-of-pocket costs.
- 2007 was the first year since the UPlan was established in which the Plan's actual costs came in under what was projected. Employee Benefits in collaboration with Watson Wyatt is working diligently to project within 2% of actual plan costs.
- Less healthy employees, and employees that tend to be higher care service users tend to elect Medica Choice Nation and Insights by Medica.
- Actual pharmacy costs for 2007 came in below projected costs. Generic utilization essentially drove these savings.
- In 2007, UPlan members paid less out of pocket for prescriptions than in 2006 (\$11.52) and 2005 (\$12.60).
- Total generic utilization for 2007 was 64.2%, which was up from 56.8% in 2006 and 50.4% in 2005.
- From 2006 to 2007, while generic drug ingredient costs increased from \$20 to \$30, brand, single-source drug ingredient costs increased from \$148 to \$171 per prescription.
- Given that medical claims have longer processing time than pharmacy, reporting is delayed.
- There tends to be a spike in UPlan medical utilization during the fourth quarter of every year.
- Beginning in late 2005 the UPlan saw an increase in emergency room visits; however, since early 2006 that increased utilization has leveled off and stayed fairly consistent.

Questions/comments from members:

- What is being done to uncover why people are choosing to go to the emergency room versus urgent care, or waiting to go into their physician the next day? Mr. Watt explained that Employee Benefits attempted to look into finding out about

the increased emergency room utilization, but, as it turned out, this information was not as easy to extrapolate from diagnosis codes as was initially thought. This is because numerous events can lead to the same diagnosis code. In light of the complexity of the research that would be required to uncover why people increased their emergency room utilization, there currently are inadequate resources to conduct this research.

- When presenting this information in the future, more comparisons should be made to other employers in the National Data Consortium. Mr. Chapman stated that these are not easy comparisons to make given the fact the University is significantly different than the average employer National Data Consortium (NDC). Regarding the data in this report, it will come in useful when looking at the how the UPlan performs overtime in terms of trend. This data serves to inform the Administrative Working Group (AWG) as it makes decisions about the UPlan. The University acknowledges that it will not outperform a lot of employers given its rich benefit set, and older employee population than most employers.
- It would be interesting to track the pharmacy pricing trend before RxAmerica became the University's pharmacy benefits manager (PBM) and after. Mr. Chapman stated it would be possible to track pharmacy trend pre and post RxAmerica.

IV). Karen Chapin distributed copies of the 2007 Medex report, and highlighted the following:

- In 2007, 104 UPlan members used Medex, which was the same as in 2006. Out of the 104 cases in 2007, 63 were non-medical, and 41 were medical, e.g. fractures, dental, infectious disorders.
- In 2007, there were 23 overseas cases and in 2006 there were 21.
- In terms of United States cases, there were 78 in 2007 and 83 in 2006.
- In 2007, there were 3 cases in Canada.
- In terms of the types of cases in 2007, there were 62 inquiries, 1 in-patient medical, 35 outpatient medical, 2 travel assistance, and 4 travel intelligence.

When the University decided to contract with Medex, noted Ms. Chapin, it did not expect that there would be a high volume of cases. The service, however, continues to do what the University intended, which is to be a resource for people who are traveling.

IV). Mr. Watt stated that at the last meeting the dental plan reviews took place. To summarize this meeting, it was noted that both plans, Delta Dental and HealthPartners Dental Group Plan gave similar responses to the question about prophylactic extraction of third molars. Additionally, he reported that regarding the comments that were received in which some UPlan dental members felt the plan design does not pay for a sufficient number of visits for routine cleaning, if there is a periodontal management diagnosis, it was learned that the plan would pay for up to 4 cleaning visits per year. Mr. Chapman stated that special communication; however, between the dentist's office and the claims administrator needs to take place explaining that a periodontal disease condition exists in order to get additional cleanings authorized.

Nancy Fulton, the BAC member who collected the dental plan comments, outlined some of the issues that generated comments:

- Annual maximum limit and the ever-increasing cost of having dental work done. Given the fact that the University recently raised the maximum, this should serve to minimize this concern.
- Termination date of effective coverage when a student graduates from college.
- Dentist no longer in the network. Mr. Chapman stated that all provider contracts, medical and dental, allow providers to terminate with relatively short notice. While medical clinics tend to stay in a plan's network, dental providers more frequently go in and out of contracts. He added that dental contracting is done provider by provider rather than by clinic systems.
- Composite fillings.
- Orthodontic concerns.

A member noted that the Delta Dental plan names are too similar. Mr. Chapman stated that the University approached Delta Dental regarding this issue and they only marginally modified their plan names. While the University contemplated creating its own names for the plans, it was decided that this would not be a good idea because the providers would not know these names, and likely create even more confusion.

Mr. Chapman noted that there are a lot of dentists that accept Delta Dental PPO plan who consistently stay in the plan. This plan has a fairly consistent network. Regardless of the network, there are no guarantees that dentists will stay in a network. Many dentists are deciding not to contract with dental plans because they have enough patients that are willing to pay billed charges, and, therefore, they do not need to accept discounts.

Mr. Watt stated that after the meeting a couple of questions were sent to the dental plans. One question had to do with coverage for a procedure for detecting precancerous cells in the mouth using a rinse. Delta Dental replied to this question, and stated that they have evaluated this procedure and did not deem it evidence-based enough to warrant coverage.

Delta Dental also replied to a question about the possibility of allowing members to carry over an unused portion of their maximum from year to year. They said their system was not set up to handle this type of transaction. Mr. Chapman clarified that regarding the \$1,500 maximum, this is not a product of the RFP process, but rather a benefit design issue, which the University controls. It is a financial consideration for the University, which can be incrementally addressed overtime without the RFP process.

A member asked about the prophylactic extraction of third molars discussion with Delta and HealthPartners. Mr. Chapman stated that what he took away from the discussion with HealthPartners was that it would be almost impossible to change this practice. Dr. Amundson from HealthPartners more or less stated that third molar extraction was too gray of an area to try and define parameters around.

What did Delta and HealthPartners have to say about amalgam versus composite fillings asked a member. What can the University do to encourage dentists to explain the pros and cons of each to their patients as opposed to having the dentists make the decision. Mr. Watt stated that the BAC learned that many dentists consider the amalgam, although cheaper, a better material than composite for the back teeth, especially for adults. Mr. Chapman stated that because the University does not have a relationship with the providers, the only way to inform patients about the amalgam versus composite debate would be to put this information in its communication pieces to employees from time to time.

V). Mr. Watt noted that the March 6<sup>th</sup> meeting would be cancelled and that the meeting that generally occurs the third Thursday of the month has been pushed back to the fourth Thursday, March 27, due to spring break during the third week of March.

Plan reviews will be conducted this spring starting with RxAmerica. Volunteers to collect plan comments include:

Jennifer Imsande – Medica Direct, Medica National and Medica Regional.

Tina Falkner – Medica Elect and Medica Essential.

Joe Jameson – HealthPartners.

Jody Ebert – RxAmerica.

Linda Aaker – Healthways.

Nancy Fulton – Delta Dental and HealthPartners Dental Group Plan (already completed).

The Pharmacy Program Work Group will meet on February 28<sup>th</sup> to discuss if there are any medications that the UPlan should not be covering. Discussion highlights/recommendations will be reported back to the BAC.

VI). Hearing no other business, Mr. Watt adjourned the meeting.

Renee Dempsey  
University Senate