

BENEFITS ADVISORY COMMITTEE
MINUTES OF MEETING
JANUARY 18, 2007

[In these minutes: Open Enrollment Update; Life, Dental & Retiree Medical Insurance RFP Updates; Wellness Update; Buy 1 – Get 3 Months Free Program Update; Long-Term Care Update; Plan Reviews; 2005 UPlan Annual Report Overview]

[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: Richard McGehee (chair), Linda Aaker, Barb Bezat for Jody Ebert, Jennifer Imsande, Rhonda Jennen, Jeremy Mlenar, Joseph Jameson, Michael Marotteck, Carla Volkman-Lien, Carl Anderson, Carol Carrier, George Green, Fred Morrison, Peh Ng, Theodor Litman, Rodney Loper, Dann Chapman

REGRETS: Gavin Watt, Tina Falkner, William Roberts, Karen Wolterstorff, Sandi Sherman

ABSENT: Don Cavalier, Frank Cerra, Amos Deinard, Keith Dunder

OTHERS: Linda Blake, Ted Butler, Karen Chapin, Nancy Fulton, Shirley Kuehn, Gladys McKenzie, Kelly Schrotberger

I). Professor McGehee, acting chair, called the meeting to order.

II). Ted Butler provided the committee with an open enrollment update. A handout to supplement his presentation was distributed to members for their reference. Highlights from his presentation included:

- Medica Elect & Essential, the base plan for the Twin Cities and Duluth, had an increase in enrollment and HealthPartners had a slight decrease in enrollment.
- Slightly over 70% of the UPlan participants are enrolled in one of the tight network options, Medica Elect & Essential or HealthPartners U Classic Plus.
- Enrollment in Insights by Medica decreased by about 13%. This is likely attributable to the rate increase for this plan.
- Enrollment in Medica Choice National increased. More than likely some Insights by Medica members moved to Medica Choice National.
- Enrollment in the consumer driven plans, Medica Direct HRA and Medica Direct HSA, decreased by approximately 15%.
- The number of people waiving medical coverage decreased from 1,015 in 2006 to 949 in 2007.
- There was very little change in enrollment numbers from 2006 to 2007 for retiree health insurance.
- Enrollment in Delta Dental PPO decreased by 4.6%.

- Approximately 150 former HealthPartners U Classic Plus members moved to Medica Elect & Essential in 2007, and approximately 70 former Medica Elect & Essential members moved to HealthPartners U Classic Plus in 2007.
- Over 300 2006 Delta Preferred Option members switched to Delta Premier in 2007.

III). RFP Updates:

Professor Morrison reported that RFPs would be issued for life insurance, dental insurance and retiree medical insurance. He noted for efficiency reasons a single RFP committee was established to deal with both life and dental insurance.

With respect to life insurance coverage, very few changes are being proposed. Plan administrators are being asked to submit prices for insured coverage and self-insured coverage.

Dental insurance coverage will remain virtually the same. Plan administrators are being asked for a price on raising the annual cap from \$1,250 to \$1,500.

The life and dental RFPs will be sent out around February 1st. Responses will be due by March 1st, and the month of March will be spent evaluating proposals. Recommendations will be submitted through Purchasing Services to the Board of Regents, and a final decision is anticipated in mid May.

Karen Chapin reported the University currently has four retiree health care plan options, Medica, HealthPartners, Blue Cross/Blue Shield and UCare. There are plans to bid the same models that are currently in place (how each plan relates to Medicare), which includes:

- Medicare Advantage Plan, which is like the current UCare option where retirees give up their Medicare and benefits are provided exclusively by UCare or the Medicare Advantage Plan.
- Medicare Cost Plan – currently the Medica and HealthPartners retiree plans fall into this category. In this plan, Medicare coverage is retained when out of the area.
- A plan that coordinates with Medicare and has a Medicare prescription drug plan. Currently, the Blue Cross/Blue Shield plan falls into this category.

Vendors can bid all three models or just one or two if they prefer. Plan administrators are being asked to include a Medicare prescription drug program/feature with the understanding that when retirees pay their premiums they are also paying for the cost of Medicare Part D. Vendors are being asked to submit rates for fully insured products only. The retiree health care insurance RFP has the same timeline as the life and dental RFPs.

IV). Murray Harber provided the committee with a 2006 wellness summary and highlighted the following:

- Over 8,500 people completed the Wellness Assessment.

- Approximately 5,500 people participated in some sort of follow-up program.
- Roughly 3,800 people to date have enrolled in the 10,000 Steps Program.

In 2007, in addition to employees being able to earn two \$65 rewards for participating in wellness initiatives, employee's spouses and same sex domestic partners will be able to do the same. Also in 2007, the Wellness Program will partner with University Relations to promote wellness at the University using the Driven to Discover campaign approach.

Before closing, Mr. Harber walked members through a flow chart that illustrates how the health promotion process should work and how the different phases of this process are linked. Following his explanation of this process, members engaged in a brief discussion concerning how best to grow the University's wellness program in a smart and effective way.

V). Karen Chapin reported that the Buy 1 – Get 3 Months Free Program was recently kicked-off. A handout describing the program was distributed to members. Ms. Chapin noted that the program encourages the use of generic drug alternatives for certain medications. She went on to explain the program.

VI). Karen Chapin noted that as of April 1, 2007 the University's Long-Term Care (LTC) Program will move from CNA to John Hancock. A handout comparing the two programs and a detailed John Hancock plan design summary were distributed to members for their review. Open enrollment will take place from February 19 through March 16. During this time period there will be guaranteed issue for active employees. Other eligible people interested in purchasing coverage would be subject to medical underwriting.

Employees with current LTC coverage will have 3 options:

1. Retain coverage through CNA.
2. Move coverage to John Hancock.
3. Continue CNA coverage and add John Hancock coverage.

The John Hancock option is a comprehensive program, which covers care in both facilities and at home. The CNA program had a facilities only option, but this is not the trend in LTC so this option will not be offered through John Hancock.

Ms. Chapin highlighted some of the features of the John Hancock plan, which include, but are not limited to the following benefits:

- A stay at home benefit.
- A bed hold benefit.
- Restoration of benefits feature.
- International benefits.
- Seven-year rate guarantee.

VII). Karen Chapin reported that plan reviews for the UPlan's vendors (Medica, HealthPartners, Harris HealthTrends and RxAmerica) would be conducted this spring. Once dates have been finalized the committee will be notified.

VIII). Ted Butler distributed a copy of the 2005 UPlan Annual Report and briefly provided members with an overview. A copy of this report can be found at:
<http://www1.umn.edu/ohr/img/assets/19302/2005annualreport.pdf>

IX). Hearing no further business, Professor McGehee adjourned the meeting.

Renee Dempsey
University Senate