

BENEFITS ADVISORY COMMITTEE  
MINUTES OF MEETING  
JUNE 3, 2010

[In these minutes: Delta Dental Plan Review, HealthPartners Dental Plan Review, Employee Benefits' Announcements – Open Enrollment for Dependents to Age 26; 3 For Free; Dann Chapman; AWG Update Deferred]

[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), Pam Enrici, Tina Falkner, William Roberts, Dale Swanson, Sharon Binek, Jody Ebert, Sara Parcells, Sandi Sherman, Nancy Fulton, Joseph Jameson, Michael Marotteck, Amos Deinard, George Green, Judith Garrard, Richard McGehee, Fred Morrison, Theodor Litman, Rodney Loper

REGRETS: Jennifer Imsande, Michael O'Reilly, Dann Chapman

ABSENT: Sam Firoozi, Carl Anderson, Carol Carrier, Frank Cerra, Keith Dunder

OTHERS ATTENDING: Joyce Carlson, Karen Chapin, Kurt Errickson, Betty Gilchrist, Shirley Kuehn, Kathy Pouliot, Kelly Schrotberger, Sheri Stone, Curt Swenson, Karen Young

GUESTS: Delta Dental representatives: Andrea Allred, senior account manager; Dr. Richard Hastreiter, DDS, dental director and vice president of oral health analytics; Bob Mikkelson, chief actuary; Valerie Sorenson, vice president – Sales & Marketing

HealthPartners Dental representatives: Forrest Flint, vice president, HealthPartners Dental Plan; Dr. David Gesko, DDS, dental director & senior vice president; Sue Hoel, key account executive

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

II). Mr. Watt stated that the main agenda item for today is the Delta Dental and HealthPartners Dental plan reviews. With that introduction, Mr. Watt welcomed the representatives from Delta Dental.

To begin, Andrea Allred, senior account manager, introduced her colleagues from Delta Dental:

- Dr. Richard Hastreiter, DDS, dental director
- Bob Mikkelson, chief actuary
- Valerie Sorenson, vice president – Sales & Marketing

Ms. Allred then walked members through a PowerPoint presentation and began by providing a brief overview of Delta Dental. Delta Dental has been in business for 40 years, and doing business with the University of Minnesota for over 25 years.

The University offers three different dental plans administered by Delta Dental:

1. Delta Dental PPO – narrow network base plan, which uses Delta Dental’s strongest discounted network.
2. Delta Dental Premier – offers two networks (Delta Dental Premier & Delta Dental PPO), which provides broad access and significant pricing discounts.
3. University Choice – created in 2003 for the purpose of creating access for members. This plan initially started as an open access, no network plan but later added the Delta Dental Premier network in order to leverage the cost savings associated with that network. The deductible is waived for members with University Choice who use a Delta Dental Premier network dentist.

Nationwide, 75% of all licensed dentists across the United States participate with Delta Dental. In Minnesota, 1,600 individual dentists participate in the Delta Dental PPO plan and 2,900 individual dentists participate in the Delta Dental Premier plan. Ninety-five percent of UPlan members use an in-network provider (53% of members use a PPO provider and 42% use a Premier provider). The overall cost savings in 2009 for using network providers resulted in \$3.2 million in negotiated discounts, which was an increase over 2008 by over 7%.

Examples of some of the 2009 administrative highlights cited by Ms. Allred included:

- 99.4% of claims processed within 14 days.
- Over 65,000 claims were processed.
- UPlan paid \$10.9 million for member claims, and members’ savings totaled approximately \$2.9 million.
- Enrollment across the three plans was 15,216 people. Fifty percent of enrolled employees elected “employee-only” coverage.
- Audit results indicate 99% claims payment and processing accuracy.
- 90% of 2009 annual member survey respondents reported being satisfied with the service provided.
- Over 10,000 phone calls were answered from UPlan participants with an average 7-second speed of answer.
- 53 written requests for an appeal were considered, and all were upheld and denied.
- Average age of UPlan member population across all plans was 38.1 years old compared to Delta Dental’s book of business, which is 34.2 years old. Age impacts utilization.
- Almost \$11 million was paid out in claims – 41% diagnostic/preventative; 29% major restorative/prosthetics; 6.7% orthodontia. Average cost per claim was \$166.81 as compared to \$142.17 for Delta Dental’s book of business. While the UPlan cost per claim was higher, it is important to note that most of Delta Dental’s book of business employers do not cover 80% of a crown, or \$2,800 toward orthodontia, for example. (The average benefit for other employers with

Delta Dental is 50% for major restorative (e.g., crown) and an average of \$1,000 - \$1,500 for orthodontia for dependent children.)

- For 2009, there was a 5.2% increase in claims costs, and a 2.3% increase in claims volume.

Ms. Allred went on to share key findings for each of the three plans:

Delta Dental PPO (base plan):

- Average age of member population was 32.5 years old. This plan has the lowest average age, which serves to drive down the cost of this plan.
- 5,733 UPlan members were covered under this plan in 2009; an increase of 2.5% from 2008.
- \$3.3 million in claims were paid. This plan, in particular, has a higher percentage of claims paid for diagnostic/preventative services (48%), and lower utilization of major restorative services (<20%). The average cost per claim was \$151.42.

Delta Dental Premier:

- Lower concentration of “employee only” coverage in this plan than the Delta Dental PPO. Or, in other words, there are more family contracts in this plan, which drives utilization up.
- Average age of member population was 41.2 years old.
- 8,461 members were covered under this plan; an increase of 3% from 2008.
- \$6.7 million in claims were paid in 2009. This plan has a high utilization for major restorative/prosthetics (34%) compared to the Delta Dental PPO plan (<20%). The average cost per claim was \$173.18.

University Choice:

- Average age of member population was 44.7 years old.
- An average of 1,000 members were covered under this plan, which remained stable from 2008.
- \$820,262 in claims were paid. The average cost per claim was \$187.01, the highest of the three plans.

Ms. Allred then turned members’ attention to a series of charts and graphs that compared plan performance from 2008 to 2009.

The committee then spent the remaining time discussing third molar extractions. Mr. Mikkelson, chief actuary, noted that 615 unique UPlan patients had third molar extractions in 2009 for a total cost of \$365,000. At the request of a member, representatives from Delta Dental agreed to further breakdown the number of extractions per patient, particularly for patients who are 16 to 25 years old.

Mr. Mikkelson walked members through a chart that categorized the number of third molar extractions by oral surgery codes, number of patients, number of claims, frequency of services by surgery codes, submitted and covered charges, Delta Dental paid amounts and patient paid amounts. The \$365,000 cost for third molar extractions in 2009 represented 3.4% of the total claims for 2009 (\$10.9 million).

As part of the third molar extraction procedure, noted a member, many patients have x-rays taken and the actual procedure done under IV sedation or general anesthesia. Are these costs reflected in the \$365,000 total? No, stated Mr. Mikkelson, but that information can be retrieved. The \$365,000 only covers the cost of the extractions.

It was also suggested that it would be interesting to hear about the percentage of patients who have drug-related problems that have wrecked their mouths. Representatives from Delta Dental said the only way this information could be obtained is by extracting clinical records. HIPAA exceptions are granted when management-based research is being conducted.

Mr. Watt stated that it is clear that for both health and cost reasons, prophylactic third molar extractions are debatable. With this said, he asked Delta Dental representatives to share information on their third molar extraction management plan with the committee. Dr. Hastreiter stated that he and Mr. Mikkelson have reviewed a significant amount of research on extractions of third molars as well as recommendations from the professional associations. In western industrialized countries, except for the United States, the consensus of opinion is that prophylactic removal of third molars is unnecessary and could be dangerous. The only group that Dr. Hastreiter is aware of that promotes the extraction of all third molars is the American Association of Oral and Maxillofacial Surgeons. Delta Dental administers a program for Medicaid patients and other government programs patients that only allows the surgical extraction of third molars if a third molar is pathologic or symptomatic. This program does not get a lot of appeals from patients, but oral surgeons are pushing back on this program. Dr. Hastreiter cited research conducted by the Cochrane Collaboration (<http://www.cochrane.org/>) that finds that there is insufficient evidence to prove or disprove the need for the extraction of prophylactic third molars. There are other people in the United States that make a strong case for only extracting pathologic or symptomatic third molars, and to do otherwise creates a public health hazard. These people believe that the risk of prophylactically removing third molars on a large population incurs too much risk in relationship to the benefits provided. Dr. Hastreiter noted that HealthPartners has developed criteria to help doctors decide whether a third molar needs to be extracted. HealthPartners' criteria requires that a third molar must be pathologic or symptomatic to be extracted.

At the request of a member, Dr. Hastreiter highlighted some of the major risks associated with the removal of third molars:

- Paraesthesia of the mandible.
- Fracture of the mandible.
- IV sedation and general anesthesia-related complications/problems.
- Periodontal surgery.

These are just some of the more common risks, noted Dr. Hastreiter.

What steps should the committee take to change its plan design to limit the number of third molar extractions, asked a member? Dr. Hastreiter stated that the committee just needs to make the decision to change this benefit. Delta Dental and HealthPartners have

criteria developed to make this change. Once the plan design is changed, members would need to get a prior authorization, which includes an x-ray, narrative and a predetermination. Ms. Sorenson added that at this point no other Delta Dental employer groups have made this change. While this does not mean the University should not be a leader and make the change, it simply means that University's dental program would be different than other employer groups.

In response to a question about what constitutes a pathological extraction of third molars, Dr. Hastreiter stated that there is no definitive evidence that the eruption of third molars will cause the rest of the teeth to shift. This, however, is one of the justifications used to extract impacted third molars.

Responding to a question about the percentage of cases with a pathologic diagnosis for third molar extraction, Dr. Hastreiter stated that 60% - 65% of third molar extractions are non-pathologic and non-symptomatic. Legitimate reasons for having third molars extracted need to be clearly identified.

Who requests the prior authorization, the dentist or the oral surgeon? Dr. Hastreiter stated that this is a decision between the dentist and the oral surgeon. Many times the oral surgeon will send in a pre-estimate of benefits that includes information provided by the dentist. Delta Dental always tries to stay out of the relationships between the dentists, oral surgeons and patients.

If the University changed its plan design to require a prior authorization for the extraction of third molars, would patients run into problems because their dentists would not know a prior authorization is required, asked a member? Dr. Hastreiter stated that this benefit change would need to be widely communicated to UPlan members. Ms. Sorenson added that if a patient and oral surgeon went ahead with the procedure without a prior authorization, the patient would likely be upset when their claim is denied.

In light of time, Mr. Watt asked Ms. Allred to wrap up the Delta Dental presentation. Regarding the third molar extraction discussion, Mr. Watt stated that it is his sense from today's discussion that the clinical side of Delta Dental is sympathetic to the University considering changing its plan design for third molar extractions, and if the University decides to go ahead that Delta Dental would be able to execute this change.

Ms. Allred stated that Delta Dental is willing to work with the University on any program changes the University believes will be beneficial. Dr. Hastreiter stated that if the University decides to change its plan design for the extraction of third molars that, for equity purposes, HealthPartners and Delta Dental should sit down and discuss the criteria to ensure they are both on the same page.

Mr. Watt asked Professor Litman, the BAC member who collected the Delta Dental comments, for his remarks. Professor Litman stated that over 530 Delta Dental comments were collected, and most were generally positive. A majority of the concerns raised in the comments had to do with:

- \$1,500 annual maximum for all benefits per person per contract year.
- Restrictions on certain covered benefits.
- Confusion between Delta Dental PPO and Delta Dental Premier, particularly related to the network.

Mr. Watt thanked the Delta Dental representatives for their informative presentation.

III). Moving on, Mr. Watt welcomed representatives from HealthPartners. He called on Sue Hoel, key account executive, to introduce her colleagues. Ms. Hoel introduced:

- Dr. David Gesko, dental director and senior vice president.
- Forrest Flint, vice president, Dental Plan.

HealthPartners Dental offers two plans at the University, HealthPartners Dental (smaller network) and HealthPartners Dental Choice (national network with more than 100,000 locations covered at in-network benefit). Over 4,700 University employees have chosen HealthPartners Dental and enrollment in each of the plans is 5,638 and 4,003, respectively.

Sixty percent of University members use HealthPartners Dental Group (HealthPartners' owned clinics) noted Ms. Hoel, and this is of importance because of the economic value it provides the University. Previously HealthPartners Dental was fairly small, but now 85% of all metro dentists and 65% of all dentists statewide are in the network. HealthPartners Dental continues to grow its network of contracted providers with an emphasis on Greater Minnesota. The average discount for this network of dentists is 15% - 18%.

Enrollment, noted Ms. Hoel, has remained fairly constant. There are a lot of University members who are loyal HealthPartners dental patients. Currently, the average University member age is 40 years old.

Next, Ms. Hoel turned members' attention to a chart that showed utilization per employee per contract year. From this chart, which dates back to 2007, she noted that HealthPartners' costs have stayed relatively flat. For example, the change from 2008 to 2009 went up just over 2%. HealthPartners works hard to control costs for its members. Principles that guide HealthPartners Dental Group are preventive and conservative, which serves to save the plan and patients money. Ms. Hoel then cited a personal example to illustrate this approach and referenced a slide on the HealthPartners Dental Group total cost of care.

A member remarked that while HealthPartners boasts about its expanded network, and that the HealthPartners Dental Group clinics are less costly, there is no mechanism to drive members from HealthPartners Dental Choice to HealthPartners Dental (in-network plan with fewer contracted providers, which is less expensive). Ms. Hoel stated that this would be a University decision because the University created this benefit program. If the University wanted to offer a tiered dental network, HealthPartners would be able to accommodate that request. Mr. Flint stated that the big difference between

HealthPartners Dental and HealthPartners Dental Choice is in the metro area where HealthPartners makes less choice available to members if an effort to drive members to the HealthPartners Dental plan (the network only plan).

A member asked what percentage of HealthPartners' University membership is non-metro. Ms. Hoel stated that she would get this figure and provide it to Employee Benefits who could share it with the committee. Mr. Flint noted that HealthPartners has had a fair amount of success in the Duluth area in expanding its network.

How many dentists are in HealthPartners Dental Group, asked a member? Mr. Flint stated that there are 60 dentists in the HealthPartners Dental Group.

Next, Dr. Gesko provided the committee with information on dental therapists. Recent legislation signed by Governor Pawlenty has created a licensed provider with a bachelor's degree in dental therapy who will work with Minnesota-licensed dentists to provide preventive dental services, restoration of primary and permanent teeth, extraction of primary teeth and select other dental treatments. The University of Minnesota is one of two sites training these individuals. The State of Minnesota is the only state that has enacted this type of legislation, which demonstrates its progressiveness. A member stated that the State of Alaska's dental rehab program should be mentioned here. Dr. Gesko acknowledged the Alaska program, which the State of Minnesota used as a model for its "extenders" program.

The rationale behind creating the dental therapist position had to do with:

- Population growth versus stagnant dental class sizes.
- Demographic factors.
- Cost.
- Access to care.
- Immigration trends.

For these reasons, the State of Minnesota felt the need to create a new member of the oral health team. Dr. Gesko turned members' attention to a slide that Dr. Frank Cerra, senior vice president and dean of the Medical School, has used to illustrate that Minnesota cannot afford to educate more of the same health professionals to do the same work within the same model.

Dr. Gesko stated that roughly 70% of dentists in Minnesota are over age 45. Historically, dentists retire before age 65. With this said, the state faces the situation of a growing population who have teeth that need to be maintained, and less dentists to take care of these teeth.

Minnesota is growing more diverse, noted Dr. Gesko. Over half of the total population growth in the decade ahead will be minority. Dr. Gesko stated he brings this up because the dental therapist provider will focus largely on the treatment of the under-served population, e.g. government programs, Medicaid population.

Over the years, noted Dr. Gesko, there have been significant changes in the practice of dentistry. In addition to changes in technical quality, there has been an increased emphasis on:

- Improved health outcomes.
- Proven results.
- Reduced risk.
- Excellent care experience.
- Greater value proposition.
- Cost-effective results.

HealthPartners is re-designing its care model in order to produce Triple Aim results, which seek to:

1. Improve the individual experience of care.
2. Improve the health of populations.
3. Reduce the per capita cost of care for populations.

Using consistency, convenience, customization of treatment plans, and coordination of care, HealthPartners believes it can achieve the goals set out in the Triple Aim.

An example of one of the strategies HealthPartners is using to produce Triple Aim results is implementing a new payment approach, the RTU payment model. This model is very radical in dentistry because it doesn't simply pay claims, which can promote inappropriate care and overtreatment. With this said, Dr. Gesko highlighted HealthPartners Dental Groups' practice principles:

- Delivery of care based on evidence-based care guidelines.
- Focus on disease management, disease risk assessment and risk reduction.
- Preservation of hard and soft tissue.
- Application of a medical model of care to dentistry.
- Maintain/improve on overall cost-of-care.

Evidence-based dentistry is a term that is used quite liberally, but HealthPartners is actually walking this talk. HealthPartners has care guidelines that are nationally recognized and that reside on a federal website, <http://guideline.gov/>. Members were encouraged to type in 'HealthPartners' Dental Guidelines' on this site, which will bring up the guidelines for a variety of different conditions - [http://guideline.gov/summary/summary.aspx?doc\\_id=12538&nbr=006455&string=healthpartners+AND+care+AND+guidelines](http://guideline.gov/summary/summary.aspx?doc_id=12538&nbr=006455&string=healthpartners+AND+care+AND+guidelines). Currently, HealthPartners has guidelines for the following dental conditions:

- Caries.
- Periodontal disease.
- Oral cancer.
- Treatment planning.
- Endodontic care.
- Third molar care.

Next, Dr. Gesko shared information on four new technologies:



1. CEREC - a dental restoration product that allows a dentist to produce an indirect ceramic dental restoration using different computer assisted technologies.
2. ViziLite technology – used to detect oral lesions.
3. DIAGNOdent, a laser-aided cavity detection system.
4. Zoom!®, a tooth whitening process.

Dr. Gesko stated that while these technologies are innovative and exciting, he cautioned that they can incite overtreatment. Currently, HealthPartners has not adopted any of these technologies, but intends to evaluate them. HealthPartners believes strongly in not over treating its member patients.

In her closing remarks, Ms. Hoel stated that HealthPartners is working hard to bring its services to its members. As an example, she highlighted a HealthPartners' website (<http://m.healthpartners.com/mobile/home.do;JSESSIONIDMobile=7zkmMR6CVJYgfGTk6LTOZMLZCkjQZZvZBZm75JkQJLH1klGsbbcT!-1375857904!948115237>) that allows members to view their member id cards from their smartphones, and this same site allows members to look up clinics, hospitals and urgent care centers on their smartphones.

Of the 246 HealthPartners Dental comments that were collected, 73% (179) were positive comments, noted Ms. Hoel. There were also comments that had to do with coverage, which, in most cases, were members stating that the \$1,500 annual maximum for all benefits per person per contract year was insufficient.

The comment was made that for a vast majority of people the \$1,500 annual maximum benefit per year is more than adequate. What percent of members go over this annual max? Ms. Hoel stated until people need extensive dental work, e.g., crown or bridge, they do not realize the expense and think the benefit cap should be higher. She added that when she started selling insurance in 1985, the annual maximum was about \$1,500.

According to Ms. Hoel, other comments/concerns voiced by members had to do with:

- Co-pays.
- White versus silver fillings.
- Scheduling and clinic hours.
- Plan/network confusion.

Mr. Flint thanked the committee for committing the time and resources in order to collect this feedback from UPlan members. This feedback is invaluable for HealthPartners. He added that HealthPartners conducts an annual dental plan survey of all its members too. The feedback from the University mirrors the feedback from the HealthPartners survey. He encouraged members who have any problems with HealthPartners Dental to contact the Member Services Department.

Mr. Watt asked Bill Roberts, who collected the HealthPartners Dental comments if he had anything to add. He stated that as mentioned earlier, a majority of the comments were positive. He mentioned that there were also comments about the \$1,500 cap. Mr.

Watt stated that a vast majority of UPlan members do not understand that the dental benefit is not an insurance plan, but it is pre-paid dental care.

Next, a third molar discussion ensued. Mr. Watt asked HealthPartners whether it would be possible to change the University's dental plan design to limit the number of third molar extractions. Yes, stated Dr. Gesko. HealthPartners' practices in accordance with its care guidelines, which say that every third molar isn't there to be extracted. HealthPartners focuses on care guidelines to make sure its providers are following nationally recognized research.

Mr. Watt asked HealthPartners whether they are able to expand the evidence-based third molar extraction guidelines beyond HealthPartners Dental Group (HealthPartners' owned clinics)? HealthPartners Dental Group, noted Dr. Gesko, is the starting place for working on these type of care issues. The goal would be to incorporate these evidence-based principles into a product that dentists outside the HealthPartners Dental Group clinics would be willing to adhere to.

Does HealthPartners Dental have any current customers that require prior authorizations for third molar extractions, asked Mr. Watt? Yes, stated Dr. Gesko, the State of Minnesota for its Medicaid population requires prior authorizations for third molar extractions.

Mr. Flint stated that HealthPartners would be able to administer prior authorizations for third molar extractions should the University decide to make this change. Dr. Gesko added that doing this could result in an increase in the number of complaints if a patient, for example, only has one symptomatic third molar at a particular time, but the oral surgeon believes there is a likelihood that one or more of the other third molars could be symptomatic in the future. Rather than putting a patient through multiple surgeries, consideration should be given to removing not only the symptomatic third molar(s), but any other third molars that are likely to become symptomatic. Oral surgeons are able to predict with a fair amount of certainty whether any of a patient's other third molars will become symptomatic at a later date because of its position in the mouth. A member stated that this could greatly complicate the prior authorization process. In response, Dr. Gesko stated guidelines should not be used as directives to dentists or physicians. Instead, guidelines should serve to inform dentists and physicians about how to best care for their patients. There are exceptions to guidelines and there are gray areas when it comes to guidelines. Mr. Flint cited an example of a dentist who went on to become the national director of Cigna. This dentist tried to institute a national policy for Cigna that would only remove third molars if they were symptomatic and had pathology. This policy only lasted six months because Cigna ended up spending so much time on appeals and trying to administer the prior authorizations, etc., that they retracted this policy. Cigna went back to relying on the clinical judgment of the dentists. Translating guidelines into the administration of a benefit requiring a prior authorization is a very challenging process. A better way to change an outcome is to convince dentists not to remove third molars unless it is clinically necessary. Dr. Gesko agreed and stated that the

best way to get longer, sustaining results, is to get the clinicians onboard in terms of being discriminating about how they approach the extraction of third molars.

Mr. Watt thanked HealthPartners for their annual review presentation and the third molar discussion.

III). Employee Benefits' announcements:

a). Employee Benefits is in the midst of open enrollment for employees who want to add medical, dental and/or life insurance for their dependent children up to age 26, noted Ms. Chapin.

b). Ms. Chapin stated that before the contract with CVS Caremark is terminated, there will be another 3 for Free offering for UPlan members.

c). Mr. Watt reported that Dann Chapman, director, Employee Benefits, is in good spirits and feeling better, but has another surgery scheduled for June 11. Members were encouraged to follow Mr. Chapman's progress on the Caring Bridge website at <http://www.caringbridge.org/> (login using the website name dannchapman).

d). Mr. Watt deferred the Administrative Working Group (AWG) update to the next meeting on June 24.

IV). Mr. Watt stated that out of today's discussion he is hearing members say that there are two dental issues that need to be addressed:

1. Plan design for extraction of third molars.
2. \$1,500 annual dental maximum.

A member requested that in order to facilitate this discussion it would be helpful to know what it would cost increase the annual dental maximum. Ms. Chapin stated that she would provide this information to members.

The next meeting is June 24, 2010 from 9:30 – 11:30 in W120 Boynton (Gailon Roen Room), stated Mr. Watt. Hearing no further business, he adjourned the meeting.

Renee Dempsey  
University Senate