Staff Health Care Committee

11/27/12

Meeting Notes by Gary Newman

With input from Linda and Melodee

Attendees:
• Melodee Monson, chair
• Elizabeth Williams
• Connie Dennis
• Linda Hall
• Gary Newman
• Deb Coxon
• Heather Arana
• Maureen Hunt
• Ivan Leibbrandt
• Gwenna Richardson
• Erika Van Flein – ex officio
• Donald Smith – ex officio
• David Hinkley (Lockton) – ex-officio
• Juella Spark – Staff Alliance president

The meeting was called to order by Melodee Monson, chair

A. Agenda approved

B. October 23, 2012 SHCC meeting notes approved with correction that Heather Arana was present

C. Melodee noted that there were no JHCC meetings since the last SHCC meeting. Next JHCC meetings 11/29/12 and 12/13-12/14

D. SHCC position on JHCC recommendations. Gary had just forwarded to the committee the official letter detailing JHCC motions from JHCC Chair Abel Bult-Ito of December 1, 2012 which provided a guide for the discussion. Erika had noted this letter was superseded by a corrected Dec. 8, 2012 motion and had forwarded it similarly just before this meeting. There was extensive discussion on the recommendations, particularly the spousal surcharge and the elimination of opt-out for all but dual UA employed couples.

Opt-out: in FY’12, there were a total of 585 who opted out of the UA plan, allowed with demonstration of other coverage. 113 of these had spouses who were also employees of UA, so there was no fiscal impact other than a family deductible difference had they been individually insured. This leaves 472 employees that would be affected by the opt-out elimination.

Previous information provided to SHCC indicated that 110 opt outs in FY’13 = $470k of lost premiums, but potentially $1.2 mm of total health care charges. 18% of that total health care charges = $216k.
Erika noted an anticipated under-recovery in FY’13 due to more employees moving from higher premium plans and opting out of the plan than anticipated. Gary expressed that it should have been evident as, with the increase in deductibles and structuring of the premiums, the only plan that made economic sense was the HDHP. Also, that if folks were opting out, it was because they either had or felt they had a better plan elsewhere.

Erika noted that other government jurisdictions such as the State of Alaska did not allow opt-outs. Heather indicated that she viewed health care as a social contract and that lower deductibles would be a big plus. [ed. I think Heather meant premiums, not deductibles]

Ivan asked about grandfathering in current opt-outs. Erika indicated that would defeat the purpose.

Elizabeth asked what other universities’ policies were regarding opt-out. Donald Smith replied it was one of the areas the Health Care Task Force looked at.

Erika noted that the opt-out was introduced in 2003 to see how well it worked.

**Spousal surcharge.** This was to charge those UA employees whose spouses opted IN to the UA plan as primary coverage when they had alternate coverage elsewhere. The JHCC recommended approval of this with a cap of $1200/year/employee. Erika noted that other government jurisdictions had this surcharge.

Erika indicated that verification would be by a self-certified form, similar to dependent verification. She did note that new employees are now required to provide birth certificates for dependents to be covered on our health care plan.

Gary asked for a comparison of estimated costs with the policy and without the policy. Erika indicated the projections wouldn’t be available until Feb. 2013. Gary also noted that, with both the spousal surcharge and the elimination of opt-out that a communication plan can be implemented to provide employees with a clear understanding of what is being done and how it fiscally impacts both the university and the employees. He also suggested the university look toward the carrot vs. the stick in approaching changes to our health care plan. Patient Advocacy was a good example of the carrot, as might be medical tourism.

**Change in dependent tiers** from any number of dependents to tiers up to and including 3 dependents. Erika indicated that there were relatively high numbers of employees with up to 3 dependents, but substantively fewer for 4 or more. Spouses represented 40% of the cost but 26% of the plan population. Employees were 47% of the cost vs. 44% of the plan population.

Wellness plan changes: Change in approach to a 3 year plan. It was noted that providing biometric screening at IHPs can be either performed on site or by providing the info collected from prior testing from a lab or doctor. Biometric data is provided without attributable identifying information to Lockton by WIN. It was noted that claims data is analyzed by hi-med-low risk, but low risk would include those
with no claims or triggers. Low risk thus wouldn’t indicate an absence of health issues, could be just not being aware of them. WIN currently has 1600 employees at least participating in one IHP session or 42% of covered, but active participation is more around 16-18%. FY’14 wellness credits would be included on paycheck instead of by debit card or reduction in premiums.

Wellness RFP is being prepared. Other RFPs for medical, dental and pharmacy responses being evaluated. Gary asked if RFPs were available. Answer, yes, but responses to RFPs are not.

E. The UAF Staff Council blogsite was referenced. The updated letter from JHCC chair was also updated on the blogsite by Juella. There had been some comments from employees regarding the JHCC motions/recommendations.

F. Next meetings. The next SHCC meeting Dec. 18, 2012 will not be video conferenced, but Jan-May 2013 meetings will be in Fairbanks: Butrovich 212B (add other rooms for locations and audio in case someone can’t be in a vidcon room). The Dec. 18, 2012 meeting will discuss a communication plan to let employees know of changes to the FY’14 UA health care plan