

UNIVERSITY of ALASKA

Staff Alliance Staff Health Care Committee

Meeting Notes
3/4/13
9:00am – 10:30am

Committee Members:

UAA Voting Member	UAF Voting Member
Melodee Monson, chair Present	Gary Newman Present
Connie Dennis Present	Debbie Coxon Present
Alt	Alt
Maureen Hunt Present	Deb Gonzalez
	Mary Sue Dates
SAA Voting Member	UAS Voting Member
Ivan Leibbrandt	Gwenna Richardson Present
Linda Hall	Elizabeth Williams
Alt	Alt
Monique Musick	Mae Delcastillo
Heather Arana Present	
Alliance Representative	
Monique Musick	
Ex-Officio	
Erika Van Flein Present	Juella Sparks
David Hinckley	Michelle Rizk

Handouts distributed for the meeting can be found on the JHCC website:

<http://www.alaska.edu/benefits/joint-health-care-committ/2-27-2013/>

A. Approval of Agenda

The Agenda was approved as written

B. Approval of Meeting notes – February 4/13 meeting

The meeting notes from February 4 were approved as written

C. EPIC discount program for Hearing benefit

EPIC hearing has a group of providers that can offer a discount. Without changing our benefit, they can offer assistance in finding providers and getting discounts for our members. There is no charge for the service. They also offer customer service, care and warranty assistance (including

free batteries). New hearing aids are longer lasting and plans are increasing their time for replacements from 3 years to 5 years and increasing the benefit amount. The new hearing aids are digital and adjustable and do not need to be replaced when a hearing change occurs. The JHCC has requested members to bring this back to their constituent groups for feedback. The JHCC will vote on this item at their next meeting. SHCC members are requested to solicit feedback from their groups and send any comments/feedback to Gwenna or Melodee by March 18th for discussion at the Staff Alliance retreat.

D. FY13 2nd Quarter Utilization report

Inpatient services went up considerably as compared to FY12, along with length of stay. There is also an increase in large claims. Outpatient services have gone down. Emergency room visit costs have decreased slightly but still below Premera norm, indicating the utilization is appropriate. High claims are cyclical and – FY11 was a high year, FY12 was a low year and FY13 is on track to be another high year that we think could extend into FY14. The major diagnostic category is now Health Status and Services which is the category that has general doctor visits and wellness visits. Musculoskeletal has dropped to number 2. The Circulatory systems category has climbed to number 3 (from 8 last year). Member responsibility has stayed relatively stable. Pharmacy shows that the generic dispensing rate is up to 75.3% - a 9.6% increase. Specialty drug costs have increased by about 30% this year. .7% of the members use specialty drugs, which account for 21.1% of the pharmacy costs.

E. RFP Update

Premera will be our medical and pharmacy administrator in the new contract. The Pharmacy will be through Express Scripts. New ID cards will be issued with the new vendors information. The HSA vendor has been chosen – Bank of America will administer our HSAs. Enrollment and implementation details are being worked out to be ready for open enrollment. Wellness is overdue, but procurement has been bogged down. A new procurement rep has been assigned and is working get the RFP out. The plan is to still have the new contract in place by July 1 with the biometrics campaign information going out by January 1. The patient care/cost transparency and telemedicine are on hold until the Wellness is completed.

F. Plan Design – Preventative medication list

Premera has a list of preventative generic medications that are available at no cost for the Consumer Directed Health Plan option. The CDHP requires the pharmacy costs to be imbedded in the deductible. These preventative medications help members who chose the CDHP to stay compliant with their medication therapy without an upfront cost.

G. Health Care projections/employee contributions

We have done very well this year. We have recovered all of last year's under recovery. We set rates this year to recover 80%, but are projecting to recover it all. This is primarily due to the fact that JHCC set the FY13 rates using a higher trend than the administration originally used. This higher projected trend combined with actual trend being less led to additional recovery from employees. There are 3 trends, high, low and blended. The JHCC looked at the blended trend to set this year's contribution rates. Using this trend lowers our employee contribution rates slightly. The trend used also considers a projected amount of high claims for the rest of FY13. The projections also show enough recovery to pay the Affordable Care Act fees that are due in FY2014. The per child rates are calculated differently this year. In the past 80% of one person's

rates was used – this year one child is 50%, 2 children are 90% and three plus children are at 120%. The rates are factored at the 18/82 split (employee/university obligation). These rates were voted on and approved by the JHCC at their Feb. 27 meeting.

H. Other JHCC updates

Other items discussed at JHCC included the \$300,000 for wellness incentives. The system used last year was very cumbersome and did not reach a large amount of employees. The funds will not be used this year for group activities. The JHCC has asked Lockton to bring information on salary based programs where contribution rates are based on employee salaries. Lockton has also been requested to bring a report on the location of the cancers which show on our high dollar claim to see if they cluster at any particular location. The disease management program will also be looked at to see if we will move from Alere as they are tied to Caremark, which we will not be using. International/medical tourism was not discussed, but is still being looked at for the future. The travel benefit from Premera is being looked at first.

Other topics: A train the trainers session as a webinar on CDHP and HSAs is being set up for HR consultants throughout the system. This will be available for JHCC members, and SHCC members are also invited to participate. There will be forums for employees during open enrollment to help explain how the CDHP works.

Premera will come to present workshops at staff development days on campuses. They need ample time to be informed of the requests.

Communications will be sent out regarding changes to the plan as follows: A letter on plan changes will be going out. A post card will be going out from Lockton with the Open Enrollment dates. The Open Enrollment packets will be going out from Fairbanks in April. Individual campus HR offices will set up employee forums.

E. Next meeting (March 26, 2013)

The meeting adjourned at 10:10 am.