

Employee Benefits Advisory Committee

Minutes from the June 17, 2009 Meeting MCC, Room 462

In attendance:

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| Christine Arab (Chairperson) | Yvonne Horner (Resource) |
| Ron Allen (APC) | Stan Jurewicz (Resource) |
| Bill Barfield (APC) | Janet Meigs (Minutes Recorder) |
| Robert Peeples (Career) | Sonya Polke (Resource) |
| Belinda Potts (Career) | Judy Robbins (Resource) |
| Jack Spears (Retirees) | Larry Snell (Resource/APC Alt) |
| | Dawn Swed (Resource) |
| | Elaine Tisdale (Resource) |

Absent:

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| Troianne Grayson (Faculty Alt.) | Steve Bowers (Resource) |
| Jerry Lewis (Career Alt.) | |
| Steve Milczanowski (Faculty) | |
| Kenneth Whitten (Faculty) | |

The meeting commenced at approximately 9:00 a.m. The minutes from the previous meeting were not available for review or approval.

Chris Arab made note that no faculty members were present. As several items need approval, she will attempt to convey the information through virtual means and solicit the faculty members' input.

Subcommittee Report

The subcommittee (Stan Jurewicz [Chair], Chris Arab, Judy Robbins and Larry Snell) were charged with identifying best practices and looking at long-term growth options. The following points were presented.

1. Plan costs can be reduced by employee life style choices and early intervention efforts. A restructuring of the College's plan focusing on ways to encourage employees to make changes on the front end (i.e., reduced costs for certain procedures) would be beneficial to the College on the back end, as well as to individual employees.
2. The Wellness Program can be a vehicle for generating/encouraging voluntary activity in support of long-term behavior change and interventions. To use this venue successfully, an operating budget as part of health benefits would need to be created for the Wellness Program.
3. An audit of raw claims data by an external consultant/firm may help ensure full value is being received for dollars spent in claims. Other companies who have

gone through this process have realized up to four times the cost of a consultant in savings. For example, BCBS may have paid a hospital too much with the costs transferred to the College.

4. The health insurance plan should be rebid in 2010 for 2011 implementation. This would allow the College to review other plan offerings for the best overall plan recommendation for the employees. The Duval County School Board ended up breaking out the pharmacy plan from the health insurance plan which is an option for us as well.
5. An independent contractor could be used to extract data on local hospitals, facilities and physician performance to help identify the most efficient quality providers in the area.
6. The new health plan could include behavior modifying incentives such as discounted premiums for non-smokers, rebates for annual physicals, etc.
7. The new health plan could also include "up charges" or increased premiums for unhealthy habits such as smoking, not receiving an annual physical, etc.
8. Examine utilizing the FSA plan as a motivation tool for encouraging healthy behavior by way of College contributions for Wellness Program participants, fitness centers (if eligible), alternative therapies (if eligible), etc.
9. Examine industry experience to date on self-insured medical plans with regards to HSA and HRA options.

Highlights of the Committee discussion:

- A financial analysis has not been done on any of the points above.
- The bill establishing the College as a state college does not permit us to participate in the state university insurance plan.
- The College will continue to be self-insured.
- While placing a heavier emphasis on prevention and wellness now would initially increase costs for the College, the long-term result should be a reduction in claims expense and increased employee productivity.
- When further developing a prevention/wellness program, employees must be educated on the benefits of being proactive. Otherwise, the return on investment will not be realized.
- Items 1 and 2 contemplate examining comparable employers in the market for real life data on elements such as the approach taken, incentives offered if any, etc.
- The Benefits Department has seen a noticeable increase in the number of calls from employees regarding keeping out of pocket costs down when procedures are needed indicating a realization of cost shifting to employees.

Those present reached a consensus that points 1 and 2 should be pursued. The discussion continued with the following points made.

- Point 3 has upfront costs associated with it in that a consultant is needed to do a raw data dump from BCBS and conduct an independent analysis.

- The College currently has the capability of downloading reports on claims which is done monthly but not our raw data. Reports can be generated on our costs, identification of high risk groups (i.e., diabetes), claims related to specific illnesses, etc. However, the time and detail it takes analyze data is enormous.
- Current risk factor data is on the 300 employees who completed the Health Risk Assessment.
- The claims data is obviously only pertinent to employees who have done something about their illness or medical concerns. This issue is how to take it a step further.
- Through an accurate data analysis decisions could be made regarding treatments/interventions through the Wellness Program.
- Case management would have to be through the insurance provider or a contracted entity, not worked through the College to remain in compliance with HIPAA.
- In the data analysis process, proof of concept is important as is employee privacy and issue sensitivity.
- The College can piggyback on other contracts so we won't have to go out for bid for a contractor.

Those present reached a consensus that point 3 should be pursued. The discussion continued with the following points made.

- Rebidding the medical benefits contract is easily three months of work.
- Use of a consultant to both extract data on local hospitals, facilities and physician performance (outcomes and costs) and assist with the formation of the RFP will be paramount to the process.
- BCBS will have to compete for the contract along with all other vendors.
- During the building of the RFP creative options need to be explored such as the possibility of contracting separately for a prescription plan.
- Belinda Potts, Bill Barfield and Elaine Tisdale volunteered to work with Larry Snell on the RFP process.

Those present reached a consensus that points 4 and 5 should be pursued.

Discussion of points 6 and 7 will be deferred until the faculty members are present. The discussion continued with the following points made.

- We are conceptualizing that there are things other companies do with employer contributions to FSAs.
- The law allows several employer options that need to be taken advantage of.
- Changes will need to be written into the College's plan document.
- The subcommittee can meet with the FSA vendor (Medcom) to explore all alternatives.

Those present reached a consensus that point 8 should be pursued. The discussion continued with the following points made.

- HSA plans are basically designed for the young and healthy.
- This can be explored in conjunction with points 4 and 5 above.

Those present reached a consensus that point 9 should be pursued. The discussion continued with the following points made.

Chris Arab will communicate with the faculty members regarding the recommendations above. With the faculty members' concurrence, the subcommittee will pursue the recommendations. Discussion of the recommendations should remain within the EBAC until faculty members have been updated.

Other Items

- In-house clinics were part of the presentation by external parties at the February meeting. The subcommittee did not discuss this option but will include in on their discussion list.
- If a procedure is not covered in our policy, the appeal process begins by contacting Elaine Tisdale.

There being no other business, the meeting adjourned at 10:12 a.m.