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AGENDA
 UAF STAFF COUNCIL MEETING #91
 Friday, June 6, 1997
 8:30 - 10:40 a.m.
 Wood Center Ballroom

Time	Item	Length of Time
8:30	I Call to Order - R. Pierce	10 Min.
	A. Roll Call	
	B. Adopt Agenda	
	C. Approval of Minutes to Meeting #90	
8:40	II President's Report - R. Pierce and P. Long	15 Min.
8:55	III Chancellor's Remarks - J. Wadlow	5 Min.
9:00	IV Vice Chancellor for Administrative Services Remarks - M. Rice	5 Min.
9:05	V Governance Reports	
	A. Faculty Senate - M Schatz	5 Min.
	B. ASUAF - S. Nuss	5 Min.
9:15	VI Guest Speaker	
	A. Wendy Redman, Vice President for University Relations - Legislative Recap	10 Min.
9:25	VII Committee Reports	
	A. Elections, Membership & Rules - L. Bender	5 Min.
	B. Rural Affairs - B. Oleson	5 Min.
	C. Staff Affairs - B. Frey	5 Min.
	1. Resolution on Health Benefits (Attachment 91/1)	
	D. Staff Training - D. Powell & E. Ritchie	5 Min.
	E. System Governance Council - M. Scholle	10 Min.
	F. Task Force on Health Benefits - I. Downes	20 Min.
	1. Executive Summary from Health Benefits Task Force - Mike Humphrey, Director, Statewide Benefits (Attachment 91/2)	
	G. Picnic Committee - S. Jordan	10 Min.
	1. Turn in Raffle Tickets (Attachment 91/3)	
10:25	VIII Other Business	5 Min.
10:30	IX Comments and Questions	5 Min.
10:35	X Announcements	5 Min.

health plan; and

WHEREAS, The options for change presented in the summary included individual suggestions which were not supported by the entire committee; and

WHEREAS, The committee disagreed on four options in particular (dental deductible, elimination of 4th quarter deductible carryover, vision care, and \$100 per employee charge for the benefit package); and

WHEREAS, The summary does not specify which changes may or may not be implemented or dates of implementation, nor have University of Alaska employees at large been advised of the changes or asked to comment; and

WHEREAS, Informed consent of University of Alaska employees is essential to any proposed changes to the health benefits package; and

WHEREAS, The request of the Fairbanks members of the HBTF for an employee survey and open discussion forums regarding benefit package changes has not as yet been implemented; and

WHEREAS, The proposed timeline prevents the meaningful involvement in the decision process of those employees who are off contract during the summer months; now

THEREFORE BE IT RESOLVED, That NO CHANGES TO THE HEALTH BENEFITS PACKAGE be brought before the Board of Regents for voting and implementation until information on these proposed changes has been disseminated to all University of Alaska employees by direct mail, and until one to two opportunities have been provided for employee discussion in an open forum.

Dated this 6th day of June, 1997.

ATTACHMENT 91/2
UAF STAFF COUNCIL MEETING #91
JUNE 6, 1997
SUBMITTED BY THE TASK FORCE ON HEALTH BENEFITS

HEALTH BENEFITS TASK FORCE
EXECUTIVE SUMMARY
MAY 1997

BACKGROUND

The University of Alaska has always had a specific health benefits contract

It was considered unreasonable, given the diversity of the task force participants and the range of employees' health care needs, to expect the task force to arrive at a consensus on health care plan modification options.

CONCEPTS

The task force agreed on the following concepts:

If the cost of the health care plan grows unchecked, the University of Alaska would have fewer resources to serve students

As the health care plan evolves, the overall increase in the cost of the plan must be controlled

Any new or additional coverage must be offset by new resources or reductions elsewhere in the plan

The health care plan needs to tap into regional health care delivery options to optimize the cost of the plan

For the health care plan as a whole, plan modifications should be incremental

Employees and dependents need to be educated to use the health care plan more effectively

The benefits task force should be continued and charged with reviewing health care options to identify ways to provide optimum coverage for the least dollars

FACTORS AFFECTING THE HEALTH CARE PROGRAM

The task force identified the following factors as affecting the University of Alaska's health care program:

- legislative funding for the University of Alaska
- the increasing cost of health care
- more care and more sophisticated care being delivered in-state
- more health care services are generally needed as the average age of University employees increases

HEALTH CARE PROGRAM OBJECTIVES

HBTF affirmed that the health care programs should meet the following objectives:

- continue to meet the diverse coverage needs of employees and their dependents
- operate within the cost constraints of the University of Alaska
- must be valued by employees
- must develop long-term wellness options

AREAS REVIEWED

HBTF reviewed and discussed:

- national, state, and University of Alaska health care trends
- the demographics of people covered by the University's health care plan
- the University of Alaska's current plan design
- current plan utilization and costs (1996 S.H.A.P.E. Report)
- short-term and long-term plan options
- current and future methods for communicating health care plan information

SHORT-TERM OPTIONS

The task force recognized early in its discussion that short-term options for controlling cost increases in the next two years were limited. Traditional plan design options would have to be used to control cost increases.

LONG-TERM OPTIONS

HBTF recognized that to slow down the future cost increases of the health care plan to the employees and the University, long-term options would have to be identified which include:

- developing a managed care network
- expanding physician networks
- changing participants' lifestyles
- maximizing regional health care delivery differences

CURRENT COMMUNICATIONS

The task force identified the need for a genuine marketing effort to get information about the health care plan to employees through the use of the following methods:

- selective printed pieces mailed to employees' homes
- e-mail distribution of topical information
- training or re-orientation programs regarding the health care plan
- posters or fliers in the workplace
- creating resource centers where people can turn for information
- using easy-to-understand terminology in benefit communications
- training key staff to function as resource people who would know simple answers or know where to look for answers on more complicated issues
- a frequently-asked-questions document
- flyer-type pieces to post or put on-line

HEALTH CARE PLAN OPTIONS

HBTF identified the following list of options for controlling 1998 health care plan costs:

PLAN OPTIONS: Eliminate first \$100 coverage on Lab and X-ray

IMPACT ON 1996 CLAIMS EXPERIENCE: \$82,000

PROS: Eliminates a confusing element of the health care plan with minimal cost impact to employee.

CONS: Increases cost to employee by \$20 if they have \$300 in lab and X-ray services.

PLAN OPTIONS: Vision Care, increase exam reimbursement to \$45 and delete coverage for lenses, frames, contacts

IMPACT ON 1996 CLAIMS EXPERIENCE: \$150,000

PROS: Large cost recovery maintains a routine eye examination while providing a good savings to the plan.

CONS: Loss of lens coverage may cause some employees to avoid getting new glasses or contacts.

PLAN OPTIONS: \$100 per employee charge for being on health plan

IMPACT ON 1996 CLAIMS EXPERIENCE: \$350,000

PROS: Potentially large cost recovery with a predictable reduction in bi-weekly take home pay for all employees.

CONS: Impacts all employees regardless of plan usage or family size.

PLAN OPTIONS: Increase deductible to \$150 individual/\$450 family

IMPACT ON 1996 CLAIMS EXPERIENCE: \$288,000

PROS: Large cost recovery; only a \$50 annual per-individual increase in the deductible; deductible would still be less than most plans.

CONS: Additional cost to employee with a possibility of an additional family cost of \$150 for three or more dependents who reach their deductible.

PLAN OPTIONS: Increase Out-of-Pocket Maximum to \$500/\$1,000

IMPACT ON 1996 CLAIMS EXPERIENCE: \$152,000

PROS: Large cost recovery; would not effect most employees.

CONS: Additional expense for those incur high claims.

PLAN OPTIONS: Increase Dependent charge to add "4+" tier

IMPACT ON 1996 CLAIMS EXPERIENCE: \$52,000

PROS: More equitable distribution of cost based upon family size and potential increased use of the plan.

CONS: Affects employees with larger families who may have higher health care costs.

PLAN OPTIONS: Dental deductible of \$25 on level two and level three serves (not on preventative/diagnostic)

IMPACT ON 1996 CLAIMS EXPERIENCE: \$82,000

PROS: Moderate savings while still maintaining a comprehensive annual cleaning.

CONS: Additional deductible to track for employees; additional communications to employees and dental community; savings small when compared to "cost" or hassle.

PLAN OPTIONS: Increase pharmacy maximum out-of-pocket to \$150

IMPACT ON 1996 CLAIMS EXPERIENCE: \$27,000

PROS: Cost shift based upon utilization; would not effect most employees who do not reach the pharmacy maximum out-of-pocket.

CONS: An additional out-of-pocket cost for employees who have high pharmacy claims.

PLAN OPTIONS: Increase pharmacy mail order copay to 90/10% from 80/20%

IMPACT ON 1996 CLAIMS EXPERIENCE: (\$13,000)

PROS: Long-term savings to employees and the University

CONS: Short term increased cost of the pharmacy program and the "hassle" of getting medications by mail order.

PLAN OPTIONS: Eliminate 4th quarter deductible carryover.

IMPACT ON 1996 CLAIMS EXPERIENCE: \$68,000

PROS: Not noticed by most employees since most use all of deductible during the year.

CONS: Loss of positive "incentive" for those employees who do not reach their deductible in a given year.

SUMMARY COMMENTS

