

EXECUTIVE COMMITTEE MINUTES

Present: Belli, Buan, Dawes, Fech, Hanrahan, Leiter, Peterson, Rudy, Vakilzadian

Absent: Adenwalla, Franco Cruz, Purcell, Renaud

Guests: Assistant VC Bruce Currin and Assistant Director of University-wide Benefits Brian Schlichting

Date: Tuesday, July 24, 2018

Location: 203 Alexander Building

Note: These are not verbatim minutes. They are a summary of the discussions at the Executive Committee meeting as corrected by those participating.

1.0 Call (*Rudy*)

Rudy called the meeting to order at 2:30 p.m.

2.0 Changes with Health Care Carrier - Assistant VC Bruce Currin and Assistant Director of University-wide Benefits Brian Schlichting

Rudy asked Currin and Schlichting if they could talk about how the RFP went out and who reviews it. Rudy asked is why the announcement regarding the change with the health care carrier was done through the BRT rather than Human Resources. Currin pointed out that the idea to generate an RFP started over a year ago with the hiring of a benefits consultant and after reviewing what other universities had been able to save when they went through an RFP process. He noted that the last time the University went through the process was in the 1990's, but from a business perspective we should be doing this every 3-5 years because it could be beneficial for the employees and the University.

Currin stated that last year each Chancellor was asked to identify three people to serve on an HR committee that would review the RFPs. He noted that the committee was represented by faculty members, managerial/professional members, and office/service employees. He reported that requests for an RFP was sent to both local and national insurance entities and starting in mid-January through March the RFP committee reviewed the proposals. Buan asked if Blue Cross/Blue Shield was included in the list of insurance companies who were invited to submit proposals. Currin stated that they were definitely included.

Hanrahan asked if companies were allowed to see what other companies were offering in their bids. Currin stated that generally both written and finalist oral presentations are given by the companies submitting bids. He noted that the University also uses a best and final process which informs firms that they are in the final running and then asked them if they would like to improve their bids.

Currin pointed out that the University is self-insured, and there is a big difference between buying insurance versus being self-insured because companies who provide insurance assume the risk. He stated that with our self-insured program the premiums paid by the employee and the University go into a Wells Fargo trust account, and a 3rd party is hired to administer the claims, but it is the University that decides the parameters of the insurance program. Belli asked when a claim is denied if the rejection is based on the criteria that the University has set. Currin stated that this is correct. Schlichting added that the University also uses help from the insurance carriers to determine best practices in claim approvals.

Currin pointed out that the RFP that went out was to see who would be our third party administrator. The RFP was not to change our insurance plan design which is totally under our control, so our plan design will still provide the same coverage.

Currin reported the committee that reviewed the RFP asked the companies two main components, financial and non-financial, such as customer service. He noted that the committee unanimously recommended going with UMR, a United Healthcare company, and the Board of Regents have approved the change. He reported that the University is now in the process of finalizing the contracts. He stated that our pharmacy plan will continue with CVS, our dental plan will now be with Ameritas, and the vision plan will still be with EyeMed Vision Care. He stated work is being done to determine how best to get the information out to all of the employees of the University using various formats for disseminating the information.

Rudy noted that Blue Cross/Blue Shield took umbrage at the Board meeting that there were complaints regarding customer service and asked Currin and Schlichting if they received complaints about BC/BS service. Currin reported that the RFP review committee considered three very good companies, and all were good, but UMR was selected by the committee.

Rudy stated that BC/BS claims that there is no way that UMR can provide \$12 million in savings to the University. He noted that UMR is charging the University approximately \$27 per employee per month, and asked what BC/BS charged. Currin stated that both companies charge per employee, and the University paid BC/BS about \$4.7 million to administer the program, whereas United Healthcare will be about \$4.2 million. Rudy asked where the savings are coming from. Currin stated that it will be through network savings. Schlichting reported that the \$12 million in savings to the University includes the dental, life, medical, and pharmacy plans and noted that CVS came back to the University with an improved pricing plan.

Hanrahan asked if there are changes to the dental plan, and questioned how well the dental plan will interface with the medical plan since it will now be handled by two different companies. Currin pointed out that we have always had two separate contracts, one for dental and one for medical. He noted that the coverage will be the same and payments for dental will be made under the University contract. He stated that if a

condition is determined to be medical, rather than dental, the coverage will go over to the medical plan.

Fech stated that some medical providers bristled at the thought of a change because they believe they will be paid less for their service so they will not accept the University's plan under United Healthcare. He noted that this occurred with employees of Nebraska Medicine. He noted that the University has been informed that only about 2% of health care providers currently in the BC/BS network will not be in the United Healthcare network. He stated that for those employees whose doctors are in the United Healthcare network they shouldn't see any difference.

Vakilzadian questioned whether the quality of service from health care providers will go down because doctors are getting paid less. Currin stated that he has never heard that a doctor would spend less time with a patient because their patient had a different insurance carrier. He pointed out that many employers in the State already have United Healthcare plans.

Currin reported that when Nebraska Medicine went to United Healthcare they went to a different health care plan design which was much different from their previous plan design. He pointed out that this will not happen with us because we are not changing our plan design.

Belli asked if there is an easier way for employees to see if their health care provider is in United's network. Hanrahan noted that it is possible to get this information on the website that was provided to employees, but it is not user friendly and can take some time to find. Currin reported that the Board just recently approved the change to United. He pointed out that United will have a dedicated website for NU faculty and staff, but it will take some time to get up and running. He noted that the Benefits Office can see whether your health care provider is in the network. He stated that our plan will fall under the United Choice Plus program.

Hanrahan noted that UMR is charging us less to administer our plan and also paying health care providers less. He asked who benefits from the savings. Currin stated that the savings went towards addressing our budget cuts which helped to avoid making program cuts. Hanrahan pointed out that our costs have remained the same so in essence the university is cutting our benefits. Schlichting noted that our premium rates will remain flat. He reported that an employee pays 29% of their health care coverage and the University pays 71%. He stated that the savings goes to both parties because our rates are not increasing.

Hanrahan noted that our health care fund has been running a surplus and asked if our rates could be re-evaluated. Currin pointed out that the money in the trust fund can only pay for health insurance costs and there was recently a time when employees weren't charged for health insurance for three months because of the surplus. He stated that NU works with an actuarial firm that advises us on what level of money we should have in the trust fund, and reported that recently the fund has dropped significantly due to the

amount of claims. He stated that sometimes there are more claims in a month being withdrawn from the fund than funds being put into it. He pointed out that we are much better off than many other employers when it comes to health care coverage and costs.

Belli asked if a health care provider could have a contract to serve only University patients with United Healthcare rather than serving everyone who has insurance through United Healthcare. Currin and Schlichting will explore this question.

Fech asked what it would take to get some health care providers to accept United Healthcare. He stated that there seems to be a lack of information for the health care providers and asked if University employees are going to have to advocate to their doctors to join United's network. He pointed out that there can be strong relationships between doctors and employees, particularly in small towns. Currin stated that we have not reached that stage yet. The first step is to try the methodology of letting United Healthcare to speak directly with the providers. He noted that UMR has indicated that they are open to encouraging providers to join their network.

Rudy asked if the 2% that are not in the network are spread evenly amongst health care providers. Currin stated that some of the 2% are specialty clinics, specialty hospitals, surgery centers, and outpatient surgical centers. Rudy pointed out that outpatient surgical centers could have a big impact.

Rudy asked if there is confidence that our Extension people will not be left hanging in the rural areas. Currin stated that at this point, there should be no differences, but there could be some disruption with providers not in the network. He reported that the committee felt that the 2% was a low enough number that could be addressed to warrant accepting United Healthcare's proposal.

Fech asked if there was concern about the erosion of the list of providers because they do not want to accept lower payment for their service. Currin pointed out that United Healthcare wants our business because we are one of the largest employers in the state, and if we have unrest or unhappiness that will send United Health a message that they need to make some improvements. Schlichting pointed out that the possibility of a provider no longer wanting to be in a network is always a risk.

Buan asked if feedback will be sought before the University goes out to bid again in five years. Currin stated that NU would more likely want to know faculty/staff input.

Hanrahan noted that the health insurance for graduate students was changed to United Healthcare and he has spoken with graduate students who have reported that they did not have a good experience with United Healthcare, especially during the transition phase. Currin reported that not many insurance companies offer student health insurance and the insurance plan for students is separate and distinct from the employee insurance. He stated that the BC/BS student health insurance rates were going to increase by 50%. He pointed out that there will be much more lead time before the transition for the employee plan and during open enrollment there will be opportunities for employees to ask

questions. He noted that the change for student insurance had to occur more quickly. Schlichting reported that the open enrollment period for employees is tentatively set for October 29 - November 16.

Hanrahan stated that he is concerned that people could be caught in the transition period which could result in them having to pay a bill that would normally be paid through insurance. Schichtling pointed out that the University would pay for medical claims and there will be a run out period of six months after the January 1 switch. Currin noted that someone receiving medical care prior to January 1, say for pregnancy would still be able to see their health care provider even if they are not in United's network for a period of six months, although there might be some parameters.

Fech asked if there is a contact number which an employee can give to their health care provider to start the conversation of joining United's network. He noted that there seems to be some misinformation regarding United and it would be helpful if there were some proactive steps that employees could take. Currin stated that a contact number will be available and the logistics of this are being worked out. Leiter pointed out that it was an easy process to get his dentist into the network.

Currin noted that NU had an eight hour meeting with UMR and Schlichting stated that they went through the health insurance coverages line by line. Currin noted that one of the appealing things with UMR is the flexibility that they are offering us. He noted that since we are self-insured they want to know what we want to do with our plan. Schlichting reported that UMR has agreed to set up a dedicated service line just for University employees and there will be a dedicated website for the University. Currin noted that the majority of the concerns will be with the medical insurance and the people involved in our dedicated service will be trained on the specifics of our plan. Schlichting noted that United also has a concierge service that will even help set up appointments for you.

Hanrahan asked who an employee should contact if a healthcare provider seeks to charge an employee for the difference in payment for services once UMR takes over the management of the University's health plan. Currin pointed out that this will not happen if the healthcare provider is in United's network because claims will first be covered through BC/BS and then come January 1 through United and the doctors have agreed to be a member of the network.

Buan asked if patients are charged the same price for services. Currin stated that doctors get a different rate of reimbursement because there are so many different insurance plans.

Fech asked if the local pharmacy option is still available. Schlichting stated yes because the pharmacy network is remaining the same. Fech asked if employees should verify with their pharmacy that they will still get insurance coverage. Currin pointed out that there will be no changes with the CVS pharmacy plan.

Fech asked if the appeals process will be similar to BC/BS. Currin stated that the appeals process steps are the same with the last option being an external review process.

Vakilzadian asked how pre-existing conditions will be handled. Schlichting stated that they will be treated the same as now as required by the Affordable Care Act. Vakilzadian asked about coverage for retirees living out of state. Schlichting stated that the coverage will remain the same and United Healthcare has a national network. He stated that every state has physicians and hospitals in United's Choice Plus Network.

Belli asked if the mental health coverage both in network and out of network will remain the same. Currin stated that they will. Vakilzadian asked if co-payments will be a part of our plan. Currin stated that it will not. Vakilzadian asked if preventive care coverage will remain. Currin stated that it will still be covered.

Currin reported that a communication strategy is being planned to help provide information to employees. He stated that the idea is to get information out by early September if possible. He noted that they are trying to determine the best avenues for disseminating the information.

Fech asked if a side-by-side comparison has been done with illnesses such as diabetes, and if so, how much would remain the same. Currin stated that everything presently covered with our plan will remain the same. Hanrahan asked how someone can check to see if a medical supplier is in the network. Schlichting stated that this information should be available on United Healthcare's website. Hanrahan asked what would happen for an employee who might have to switch to a different treatment plan. Currin stated that doctors and patients will need to look at what the different choices are and United Healthcare's customer service program will need to help with this.

Currin stated that general questions can be answered through the UNL Benefits Office at (402) 472-2600. He stated that specific questions can be addressed near the beginning of the semester as the University and UMR are still currently working on ironing out all of the last details. He pointed out there could be some disruption for a small group of people, but the goal is to help these people resolve any problems as quickly as possible.

Belli asked if there are any changes with the vision plan. Currin stated that the plan was not put out for bid and currently the employee pays for all of the cost of this insurance, however this could be a program that could be included for an RFP in the future to insure the best rates are given to faculty and staff. Schlichting noted that we are currently in the second year of a three year contract so there could be renegotiations down the road.

Currin pointed out that we might have one insurance card to cover both medical and pharmacy.

Fech asked if Currin and Schlichting would be amenable to live stream a discussion with Extension Educators located throughout the state to address any questions they may have. Currin stated that they would be happy to do this, but suggested that it occur once

everything has been finalized between the University and United Healthcare. Rudy asked if they would also like to speak to the full Senate. Currin stated that the communication plan should be viewed first and then a determination made if a visit would be helpful.

3.0 Announcements

3.1 Travel BRT

Rudy reported that Professor Mathias Schubert has agreed to replace Professor John Duplissis on the Travel BRT.

3.2 Ad Hoc Committee to Review Policies and Procedures in Place and Executed Following the Suspension of Courtney Lawton

Rudy reported that he is still working on completing the membership of the Ad Hoc Committee and asked the Executive Committee for recommendations of a few more members.

3.3 Search Committees for Dean of Arts & Sciences and Dean of Education & Human Sciences

Rudy reported that he received a request from EVC Plowman to submit recommendations of faculty members to the searches for the Dean of Arts & Sciences and the Dean of Education & Human Sciences. He stated that he will share with the Executive Committee the tentative list of faculty members for the search committees once he receives it from EVC Plowman.

3.4 Faculty Member Needed for Search Committee for ADA Compliance Officer

Rudy stated that he still needs a faculty member to serve on the search committee for ADA Compliance Officer and asked that anyone with recommendations contact him.

4.0 Approval of July 10, 2018 Minutes

Leiter moved for approval of the minutes as revised. Motion seconded by Peterson and approved by the Executive Committee, with one abstention.

5.0 Unfinished Business

No unfinished business was discussed.

6.0 New Business

6.1 Executive Committee Meeting for August 7

Due to the lack of a quorum for the August 7 Executive Committee meeting, Rudy made a motion to cancel the meeting. Motion seconded by Hanrahan and approved by the Committee.

The meeting was adjourned at 4:22 p.m. The next meeting of the Executive Committee will be on Tuesday, August 21, 2018 at 2:30 pm. The meeting will be held in 203 Alexander. The minutes are respectfully submitted by Karen Griffin, Coordinator and Lorna Dawes, Secretary.