



Faculty & Staff Benefits Committee

DRAFT 2

Minutes

Tuesday May 8, 2018

3:30pm to 4:30pm

Herzstein Latin American Reading Room, Zimmerman Library

Attendees: (taken from sign-in sheet – for those who signed in)

Fran Wilkinson	University Libraries & Learning Sciences
Carol Bernhard	College of Education
Joey Evans	Human Resources
Leslie Jones Easom	UNM Retiree Association
Brooke Cholka	Research & Compliance
Dimitiev Vassilev	Mathematics/Statistics
Trudi Flynn	Payroll
Pamina Deutsch	Policy Office
Shawn Berman	Anderson School
Keeta Harnett	Law Library
Gene Henley	Public Administration
Mark Maddaleni	Arts & Sciences
Codruta Soneru	Anesthesiology

Excused: Marcia Sletten Health Science Center

Absent:

Guests: Kathy Guimond UNM Retiree Association
Donna Smith UNM Retiree Association

Minutes: Dennis Dunn Office of University Secretary

Meeting called to order @ 3:35pm.

Quorum was met.

Review and Approve Agenda:

Agenda was approved.

Review and Approve Meeting Minutes:

Draft 3 of the April 10, 2018 meeting minutes passed, with one abstention.



Faculty & Staff Benefits Committee

Updates:

Human Resources -

Joey Evans

Prior to Joey's presentation Fran asked that all committee members present introduce themselves to Joey, who has taken over for Brenda De La Pena. Joey's presentation followed.

- Joey addressed, and reviewed, questions raised during the April Benefits meeting with Amy Daily, from Express Scripts, and Mark Tyndall, from Aon. Amy and Mark will be returning for the June 12th Benefits meeting.
- Using a handout, Joey reviewed the recent history of prescription benefits for UNM employees and UNM's relationship with Express Scripts and Aon.
- The Senior Medical Plan RFP will be released this week. A presentation will be made to the Regents in August 2018.
- Joey will be working with Aon to put together a new Life Insurance RFP.
- *The handout Joey presented to the committee is posted at the end of these minutes.*

Policy Changes -

Pamina Deutsch

- Policy 3600: Eligibility for Benefits. Pamina explained minor changes to this policy. The changes affect Section 2.1 and 3.6.

VEBA -

Fran Wilkinson

- No update.

Budget Leadership Team (BLT) –

Gene Henley

- No update.

Retiree Association –

Leslie Easom

- No update.
- Kathy Guimond, Past UNM Retiree Association President, and Donna Smith, current UNM Retiree Association President, thanked the FSBC for its good work and support.

Other Business:

None.

Next Meeting:

June 12, 2018

3:30pm – 4:15pm

Zimmerman Library, Herzstein Latin American Reading Room

Adjourn: 4:30 pm

Faculty Staff Benefits Committee
May 8, 2018*Recommended Items for June 12 Express Scripts and Aon Presentation*

1. Clarify relationship between UNM-Aon Coalition-Express Scripts
 - a. Role of Aon Coalition
 - b. Role of ESI as PBM
2. Review UNM's adherence data since FY 2016 (July 1, 2015)
 - a. Specific Categories?
3. Clarify concepts for the following
 - a. Premium/premium development
 - b. Cost-share (deductibles, co-pays, coinsurance, out-of-pocket maximums)
 - c. Manufacturer rebates/rebate guarantees
 - d. Pricing guarantees
4. Patient Education
 - a. Member portal
 - b. ESI cost calculator

Cost Mitigation Changes

FY 2016 Cost Mitigation

- Moved Stop Loss to BCBS (7/1/15); \$350,000 in savings
- Dependent Eligibility Audit (7/1/15); \$550,000 in projected savings
- Rx Coalition (9/1/15); \$1,900,000 in projected annual savings

FY 2017 Cost Mitigation

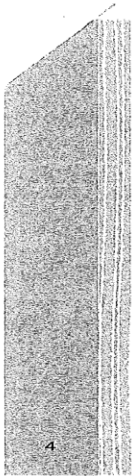
- Dependent Eligibility Ongoing Audit (11/1/15); \$285,000 in projected annual savings
- Increased member cost share for brand and mail order prescriptions; \$400k projected savings
- Increased In-Network Out of Pocket Maximum to \$3,000/\$6,000; \$900k projected savings
- Cost sharing increases in accordance with national benchmarks
- Plan audit of BCBS NM

FY 2018 Cost Mitigation

- Dependent Eligibility Ongoing Audit
- Rx Coalition savings have exceed original estimates; \$3.9 million projected savings

FY 2019 Cost Mitigation

- Work toward expanding and leveraging relationship with UNM Medical Group to improve care coordination
 - Increase membership served by UNM Medical Group where capacity allows
 - Establish guidelines for value-based reimbursement



Medical & Rx Plan Design Changes for Approval

- **Increase the In-Network Out of Pocket Maximums to \$3,000/\$6,000**
 - Saves \$900,000 to the plan / \$562,500 net to UNM or 1.2%
- **Change the Preferred Brand copay to a 25% coinsurance with a minimum copay of \$35 and maximum copay of \$70, and**
- **Change the Non-Preferred Brand copay to a 25% coinsurance with a minimum copay of \$55 and maximum copay of \$110**
 - Saves \$230,000 to the plan / \$143,750 net to UNM or 0.3%
- **Make Diabetic Rx, subject to plan copays**
 - Saves \$125,000 to the plan / \$78,125 net to UNM or 0.2%
- **Change 90 days supply to 2.5 times 30 days supply costs**
 - Saves \$70,000 to the plan / \$43,750 net to UNM or 0.1%

FY17 Health Plan Updated Projection

- Revised increase is 6.4%
- With the proposed changes on the prior page the resulting increase is 4.5%
 - Used 12 months of claims through December 2015
 - Claims for March 2015 – June 2015 were unusually high, we have made assumptions related to these abnormal claim months
 - Annual trend rate used in the projection is 7.0%

1) Diabetic Rx subject to copays, 2) 2.5 times for 90 Days Supply, 3) 25% Coinsurance for Brand Rx, 4) OOP Max \$3,000/\$6,000

	FY16 ¹		FY17 ²		Increase		% Increase ⁴	
	UNM	Employees	UNM	Employees	UNM	Employees	UNM	Employees
Active Employees	\$39,546,011	\$21,963,558	\$41,318,361	\$22,947,908	\$1,772,350	\$984,350	4.5%	4.5%
Pre-65 Retirees ³	\$2,747,545	\$2,526,669	\$2,595,488	\$2,915,102	-\$152,057	\$388,434	-5.5%	15.4%
Dependents of Post-65 Retirees	\$236,246	\$551,241	\$246,834	\$575,946	\$10,588	\$24,705	4.5%	4.5%
Subtotal	\$42,529,802	\$25,041,467	\$44,160,683	\$26,438,956	\$1,630,881	\$1,397,489	3.8%	5.6%
Total	\$67,571,269		\$70,599,639		\$3,028,370			4.5%

1. FY 2016 Projection adjusted for current enrollment
2. 7% medical/Rx trend; 7,086 enrolled contracts; using Paid Claims (1/1/15 - 12/31/15)
3. Retiree cost share increased by an additional 5% in FY 17
4. Weighted average percentage increase, actual increases will vary by plan and by tier