

HEALTH, WELLNESS AND INSURANCE COMMITTEE MINUTES
June 9, 2008

Present: Ellen Naderer, Donna Wittwer, Pat Kelly, Judy Jackson May, Chris Haar, Terri Schaller, Faith Olson and Janice Twork

Absent: John Stewart, Glenn Egelman, Maria Rizzo, Gaylyn Finn, Christine Cucciarre, Maria Dandar, and DeeDee Wentland

The meeting started at 1:03 PM. Ellen started the first topic, which was the review of the minutes. Because the last meeting was a conference call meeting and limited participation, there were no minutes to approve.

The next topic on the agenda was a follow up from the conference call in April regarding plan design changes. During the conference call, a question was asked of those who participated, if we needed to make changes to the plan design what were some of the suggestions that HWI members identified. The plan design suggestions were asked for healthcare, dental or prescription drug plans. Suggestions were received.

BGSU has worked with MMO, Caremark, and Delta Dental in regards to renewal. The stop loss for MMO was not under contract for the upcoming benefits year and the initial increase for BGSU is 33%. The current stop loss amount is \$250,000. BGSU asked MMO to quote the specific stop loss using \$275,000 with the goal of negotiating a decrease the 33% increase for 2009.

Regarding stop loss, BGSU is working with both campuses of the University of Toledo, Owens Community College, the Lucas County Commissioners, and several other organizations as a collaborative issue in purchasing stop loss. Based on the quote received from the collaborative approach, MMO's stop loss quote was better. Thus at this time, BGSU will stay with MMO for the stop loss coverage for 2009.

BGSU meeting with Caremark to review utilization, network and opportunities occurred recently. An opportunity exists regarding the network of pharmacies to remove Walgreens as a preferred pharmacy which is estimated based on paid claims to provide cost avoidance of \$ 52,000 annually. .

This will either occur October 1 of 2008 or January 1, 2009 after communication to all employees is complete. Walgreens is not among the top pharmacies that BGSU employees utilize, however, with the opening of a Walgreen's in Bowling Green, it is imperative that this change be done before increase use of this pharmacy. Currently, BGSU's top pharmacies are Kroger's and Rite Aid.

In the meeting with Caremark, the drug mix performance was reported. In 2007, BGSU employees filled generic prescriptions at 55%. This is up considerably over the previous years. The book of business for Caremark for industry is a generic fill rate of 57-60% rate. Reasons for

the increase in generic fill rate corresponds to the increase number of brand drugs going generic and the cost of generic versus brand name drugs. . Block buster brand drugs that are going off patent soon are Zrytec and Nexium. As these brand drugs go generic, there are opportunities and programs that could be done (I.e. coupons to help people change from replacement brand drugs to generic.) These programs will be explored with Caremark.

Currently there is one plan offered here at BGSU. Many years ago, the three plans that were offered were decreased to 1. The reason was to manage the administrative cost assessed by the Claims payer and also due to low enrollment.

Human Resources is looking at all kinds of plan designs for medical, dental, and prescription drugs. Some of the medical plan designs are very different than the current and can include an HRA or Health Reimbursement Account or a health Care Savings Account. These two offerings correspond with a high deductible plan and include employers putting monies into a HRA or HSA. The employee decides what qualified health care expenses they apply to the HRA or HSA. One of the features of the HRA and HSA is that the employer monies put into these plans could roll over from year to year if not used.

One of the benefits currently available is the Flexible Savings account. This account is pre-tax and it is an account that money can be set aside for extra expenses during the year, including copayments, some over the counter antihistamines, pain relievers, glasses, (health care saving account) or childcare (dependent care account), etc. This plan could allow employees to save on taxes. This plan does not allow rollover from year to year and any money left in the account at the end of the year will go back to the healthcare plan. At this point, about 25% of the BGSU employees utilize this benefit. There exists an opportunity for more eligible employees to take advantage of this program. Donna asked if members of HWI would be willing to assist in open enrollment meetings as major discussions regarding healthcare.

During the discussion, Faith asked more questions about the HRA and the current spending accounts that are offered and asked Donna to come to the CSC meeting in August (20th from 10-10:30 AM) to discuss it in more detail.

Per request of the CFO, Human Resources is modeling several ideas for plan design changes and associated contributions and will present them in July to upper management.

Another aspect of BGSU healthcare benefits is workers compensation. Human Resources is working behind the scenes to see what it can do to help manage those costs. Ideas include training in areas that have the highest claims, in order to help the employee stay safe.

The next topic on the agenda is long term care insurance. As the baby boomer generation starts to hit ages where long term care is more likely, the fear is that they, as a group, will deplete some resources from Medicare, Medicaid, and other areas.

BGSU has worked with a company called Legacy that is coming to campus on October 7th and 8th to discuss and educate about long term care insurance. . BGSU is going to invite employees, spouses, parents, and anyone who might be interested. If anyone is interested, personal meeting

with the various companies (John Hancock, Etna, and Metropolitan Health) would be set up for a later date. The goal of these meetings is educational. This is similar to educational programs developed by Ohio University and the Ohio State University. If these meetings are successful, BGSU might bring them back at a later date. Below is link for Governor Strickland's webpage in regards to this. Also attached is an example letter that was mail to all Ohio residents age 45-65. The web page is: <http://governor.ohio.gov/Default.aspx?tabid=960>

A request for an update regarding Human Resources' research into a vision plan was brought up. Human Resources is researching concepts, but because of other high priorities, any movement on this will not occur in changes by January 1, 2009.

The research on pay bands for healthcare contributions continues.

Someone had a question on employees new to BGSU healthcare and the time frame in order to obtain insurance cards. Terri said that employees should be receiving insurance cards within 7-10 days of turning in all materials to Human Resources. If they do not, they should contact the office for assistance.

One last agenda item that was brought up was changes to the Wood County Anesthesia Group, working out of Wood County Hospital. On October 7, 2007, the original group left and another group came in that had no contract with Medical Mutual of Ohio (MMO). In March 2008, BGSU started to see large bills sent to employees. BGSU worked with the hospital, MMO and the group in order to make the employee whole. MMO sent some checks directly to employee (which would make the employee responsible for paying Wood County). Other bills are being reprocessed through MMO for payment. Terri is tracking and following up on these individual claims.

Faith brought up two last concerns from CSC. The first one is regarding the current ending point for eligible dependents on BGSU healthcare where a dependent who turns 23 on December 31 loses coverage on January 1 but another dependent who turns 23 on January 1 has another 12 months of coverage. This seemed unfair to the person.. Dependent eligibility is very broad at BGSU compared to most universities and industry. BGSU's eligible dependent today does not include that after age 19 the dependent child must be a full time student. Changing the eligibility of dependent child has been discussed.

The second was a question regarding domestic partner benefits. At this point, domestic partner benefits are still not offered.

The meeting was adjourned at 2:09 PM with Ellen thanking everyone who attended.

THE NEXT MEETING WILL OCCUR AUGUST 11TH FROM 1-2:30 PM