**Presiding:** Phillips, John, Chair, EBC

**Present**: Flowers, Melody, EVPFA

Riddell-Peavler, Vicki, College of Dentistry

Pistilli, Judy, Pharmacy Central Business Operations

Alexander, Martha, Institutional Equity & Equal Opportunity

Ex Officio:

Wilson, Kimberly, Chief Human Resource Officer

Amos, Richard, Chief Benefits Director

Carbol, Gail, Benefits Manager

Gleason, Melissa, Athletics

Martin, Troy, Staff Senate, Library Administration

Kelley, Scott, Marketing and Supply Chain

Shotwell, Christian, College of Agriculture, Food, & Environment

**Absent:** Noe, JoLynn, Enrollment Management & Administration

Poston, Lance, LGBTQ Resources

Bradshaw, Jennifer, College of Arts & Sciences

Tearney, Michael, Retiree

Collins, Craig, UKHC/EVPHA Administration

Ellis, Christy, Retail Pharmacy Services

Buchheit, Rudolph, College of Engineering

Cofield, Bo, EVPHA Administration

Martin, Angie, Financial Planning

Stamper, Shannan, University Legal Office

Krauss, Susan, Treasurer

**Recorder**: Sara Snowden, Employee Benefits

| Agenda Item & Speaker | REPORT | ACTION |
| --- | --- | --- |
| **Call to order – Richard Amos** | Mr. Amos called the meeting to order at 8:03 am. | No action needed. |
| **Review of the October 16, 2018 Minutes** | Mr. Phillips asked for review and approval of the minutes. | Troy Martin made a motion to approve. Melody Flowers seconded the motion. Minutes were approved. |
| **UHC – Medicare Advantage Presentation – Joann Stackler, UHC** | Mr. Amos asked everyone to introduce themselves and he introduced Ms. Stackler from United Health Care (UHC). He said that the Medicare Advantage RFP committee chose UHC unanimously. Ms. Stackler started off by explaining that the first meetings with retirees about the plan change would be starting that day and she would be giving presentations of the overview of the new plan. The presentation that she was giving to the committee would be similar but not as in-depth as the presentation that she would be giving at the meetings.  Starting 1/1/19, UK’s Medicare Carveout plan will be replaced by UHC’s Medicare Advantage plan. The prescription benefit will not be changing. The participants will have to already be enrolled in Medicare parts A and B to participate in the Medicare Advantage plan. UHC and UK are trying to make this transition completely seamless and easy for retirees. Retirees will automatically be enrolled in the new plan if they are currently enrolled in the Carveout plan. They have a choice to opt-out of it until 11/16. The retirees will be receiving new cards in the mail, a welcome guide, information about registering their account online, and a phone call from UHC about the plan. The retirees will only have to show their new UHC cards. They won’t have to carry their Medicare card at all. Currently, claims are first sent to Medicare for processing (80% of total claim), then the remainder of the claim is sent to Medicare Carveout for processing (80% of the remaining 20% left over after Medicare). The subscriber is then billed 4% of the total claim. On the new plan, all claims will be sent straight to UHC and they will process what needs to be covered by Medicare and the plan and then the remainder is billed to the subscriber. The co-insurance is still 4%, so no change. There are no referrals needed to see specialists. The deductible is $185, which is equal to the Medicare part B premium. The out-of-pocket maximum remains at $3,000. Preventative services continue to be offered with no co-pay. The Medicare Advantage Plan will also cover acupuncture, an annual routine vision exam, a hearing exam, and offer a hearing aid allowance which is popular with retirees. Medicare Advantage plans had many restrictions when first introduced years ago. This one is national: you have the same level of coverage anywhere you go. The co-pay is the same if even you go to an out-of-network provider. Mr. Amos added that retirees’ premiums will be going down significantly by about 46% from either $33 to $18 for those with the health credit or $330 to $180 for those without the health credit. This is separate from the Medicare part B premium.  There will be six auxiliary benefits: Silver Sneakers (provided by our current plan as well), House Calls, Solutions for Caregivers, Routine Podiatry, Virtual Visits, and Nurseline. Mr. Phillips asked if the physicians used for these added benefits would be contracted separately. Ms. Stackler answered that no, the physicians would be UHC employees. They will then pass on information to the primary care provider. Mr. Amos added that all the caregivers would be from UHC and that’s what really set UHC apart from the other vendors. Ms. Stackler said that UHC tries to make sure retirees feel safe. They can register online by entering a member ID number and date of birth to gain access to temporary cards; and to receive help finding a provider and information about their coverage. Ms. Pistilli asked what retirees could do if they don’t use or have access to computers. Ms. Stackler replied that there is also a toll-free phone number especially for UK that they can call from 8 am to 8 pm, seven days a week. They will be able to talk to specialized advocates. UHC won J.D. Power awards for their customer service. Mr. Phillips questioned Ms. Stackler about how many of their subscribers use their virtual visit option. She said that about 10% of them do. UHC will meet with UK in a couple of months about clinical reporting and will report to UK about the different types of utilization used with the plan. | No action needed. |
| **Health Plan Surcharges – Richard Amos** | Mr. Amos said that the most common health plan surcharges are spousal and tobacco and to implement such surcharges would require administering a robust communication plan with employees. UK is already thinking about options for the new plan year that will start at the beginning of the new fiscal year in 2019. These charges have been discussed, but more feedback is required. These surcharges would not be applied to retirees because the risk was shifted to UHC. The recommended amount for the spousal surcharge is $100 per month. This would be charged if an employee’s spouse or sponsored dependent is covered under the UK plan, but the spouse has access to coverage through his or her employer. This could save UK around $1 million per year. Ms. Pistilli pointed out that it can send the wrong message and make it seem like people with families are being penalized. She asked if there were other savings options to consider such as raising the employee only premium in line with the other coverage level premiums. Mr. Amos replied that the employee only premiums were raised a little this year along with the RHP plan premiums in general. He said that UK is trying to gradually move in that direction. Ms. Wilson noted that UK spends millions more on families. Ms. Pistilli countered that $100 per month could be a hefty burden and most people are attracted to UK because of the benefits provided. Ms. Flowers asked if we have any benchmark data related to this information. Mr. Amos replied that he has some but not on hand. He said that close to half of the higher education institutions used for benchmarks use the spousal surcharge. Ms. Flowers also asked if these surcharges could drive behavior changes and said she was curious about the data available. Mr. Amos answered, “Yes, and they could create claims and revenue savings.” She said it would be worth considering these charges with more data and he said that he will bring the data from Aon to the January meeting. The recommended amount for the tobacco surcharge is $50 per month. The process of enforcing the policy may have to operate on the honor system. Mr. Phillips added that he was more interested in the tobacco surcharge and how many people would actually check the box saying they used it. Ms. Riddell-Peavler agreed that it could be hard to get people to voluntarily admit it. She questioned when the surcharge is applied for tobacco and asked if there were any benchmarks specifically for Kentucky. Mr. Wilson added that the state of Kentucky applies the tobacco surcharge to its employees. Ms. Alexander noted that UK can’t legally use tobacco use against employees when it comes to hiring and firing. Ms. Carbol said that Anthem uses that surcharge and can fire people if they find out that they have lied about it. Mr. Phillips pointed out that it would be a good message to send. Mr. Martin asked if this could open a door for other charges, like obesity. Ms. Flowers suggested that employees could pay a tobacco surcharge or enter a smoking cessation program and questioned whether the surcharge should be more than $50. | Benchmark data will be provided. No action needed at this time.. |
| **Retirement Vendor RFP Update – Richard Amos** | Mr. Amos gave the group an update on the current Retirement Vendor RFP. The goals of the RFP are to help people save, regardless of the vendor, and to help educate them about their retirement plan options. UK has solid plans already, but the committee is trying to make them even better. The current investment fees are competitive overall, but the committee is trying to get lower ones. The vendors have given presentations, but he couldn’t say the names of the vendors involved because the RFP is still in process. A survey was sent out to some employees about retirement vendors and there was a very good response rate. The survey was open for one week and it had just closed the day before this meeting. There will be three focus groups administered on December 4th by Cammack Consulting. The committee has learned a lot about the vendors. When the focus groups learn more facts about the vendors, it should be helpful for them to provide feedback to the committee. The RFP committee is hoping to have a recommendation to pass along to the next level by the end of this year. Mr. Phillips asked if the change, if any, must be made for Open Enrollment. Mr. Amos confirmed it does not. He added that it may be best if they are not concurrently happening to avoid unnecessary confusion. If there are any changes made, they will be thoroughly communicated with employees first and the process would be staged carefully. | No action needed. |
| **Meeting convened – Mr. Phillips** | Mr. Phillips ended the meeting at 9:00 am. There will not be a committee meeting in December. The committee meetings will resume in January. |  |