

Benefits Committee Meeting

Date: 02/02/2017

Time: 10:30 AM




Attendees Voting: Kirk Anderson, Laura Ford, Andrew Petersen, Megan Quinn, Lisa Sears

Attendees Non-Voting: Ashley Kilker, Morgan Marsh, Chelsea Powers, Jeff Scarpinato, Brandon Tidwell

Absent: Amy Ariano, Jose Boquin, Deb Finkle, Ella Fly, Sonja Hurty, Leasa Traman

Location: Business Office Conference Room

- 1) State of the Union
 - a) Jeff from Holmes Murphy, addressed rumors of what is coming down the pipeline from President Trump in regards to our health plan
 - b) President Trump promised to repeal the ACA throughout his campaign, but must have something else in place, to replace the ACA, before he can repeal it
 - i) He has stated he will not change that children can now be on their parent's plan until age 26 as well as mandating insurers to cover regardless of pre-existing conditions
 - c) At this time there are no changes that affect Augustana's plan. Holmes Murphy will keep the committee updated with any changes throughout the year.
- 2) Monthly Reporting
 - a) Medical
 - i) Data through December
 - ii) December was a high month; \$360,645 actual costs for the month vs. \$200,000 budgeted
 - iii) Sept, Oct and Nov however were low actual cost months, overall we are at 80% of our expected budget through Dec
 - iv) Dec was high mainly due to one claimant. This claimant has hit their stop-loss deductible, meaning Augustana will have no more claim costs for this person until September 2017 (new plan year).
 - b) Dental
 - i) Sept-Dec we are approximately \$1,000 over budget
 - ii) Holmes Murphy is not concerned about the small number, confident the plan will even itself out throughout the year
- 3) City of Rock Island Clinic Codes Update
 - a) Holmes Murphy conducted an analysis of the medical codes that were being used at the City of Rock Island compared to those same claim codes that were run through our health plan.
 - b) Out of the 625 claims identified by UMR with the same codes used at the City of Rock Island Clinic, the majority were office visits: 372
 - i) Of those 372 office visits with the same codes used at the RI Clinic, the estimated cost to the Augustana plan was \$35,320. If those same visits were performed at the RI Clinic, the total cost would have been \$18,600
 - ii) For those 372 visits, members were also charged a \$30 copay; had they visited the RI Clinic it would have been free
 - c) All feedback from employees that have utilized the clinic has been great. Little to no wait time, courteous, understanding & respectful of time are just some of the positive feedback we've received
 - d) Committee members were asked to continue to promote the clinic to their coworkers
 - e) Flyers about the clinic are also going out in all of our new employee packets now
- 4) Benchmarking
 - a) Holmes Murphy conducted a benchmarking analysis to present to the group to help determine whether or not our employee benefits are in line with other employers
 - b) Four different resources were examined:
 - i) EIAA – approx. 70 small private higher education institutions
 - ii) 15 community colleges across the state of Iowa
 - iii) Holmes Murphy college clientele from across the US
 - iv) All of Holmes Murphy clientele from the Midwest (approx. 450)

	Green means that Augustana College is within 10% of the average or costs are lower than the average
	Yellow means that Augustana College is 11% - 35% higher than the average
	Red means that Augustana College is more than 36% higher than the average

c)

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d) Augustana and All Four Resources Combined:

			Augustana		All Resources
			PPO	HSA	Average
●	Total Monthly Cost by Tier	Single	\$520	\$387	\$537
●		Single/Spouse	\$993	\$740	\$1,071
●		Family	\$1,472	\$1,095	\$1,471
●	EE Monthly Contribution (%)	Single	19%	17%	18%
●		Single/Spouse	48%	47%	31%
●		Family	44%	43%	36%
●	EE Monthly Contribution (\$)	Single	\$100	\$67.50	\$98
●		Single/Spouse	\$475	\$349	\$322
●		Family	\$650	\$480	\$534
●	Deductible	Single	\$1,250	\$3,500	\$1,462
●		Family	\$2,500	\$7,000	\$3,245
●	Copays	Office Visit	\$30	-	\$22
●	Coinsurance	Single	20%	0%	21%
●		Single/Spouse	20%	0%	14%
●		Family	20%	0%	24%
●	OPM	Single	\$3,000	\$3,500	\$3,612
●		Family	\$6,000	\$7,000	\$6,762
●	Rx	Tier 1	\$10 min.	Deduct.	\$11
●		Tier 2	\$30 min.	Deduct.	\$31
●		Tier 3	\$50 min.	Deduct.	\$44
Total on Health Plan			420		258

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Augustana College and Higher Education Institutions

			Augustana		Higher Education		
			PPO	HSA	Low	Average	High
●	Total Monthly Cost by Tier	Single	\$520	\$387	\$100	\$550	\$800
●		Family	\$1,472	\$1,095	\$500	\$1,500	\$1,700
●	EE Monthly Contribution (%)	Single	19%	17%	10%	20%	100%
●		Family	44%	43%	10%	30%	100%
●	EE Monthly Contribution (\$)	Single	\$100	\$67.50	\$10	\$110	\$800
●		Family	\$650	\$480	\$50	\$450	\$1,700
●	Deductible	Single	\$1,250	\$3,500	\$250	\$650	\$2,500
●		Family	\$2,500	\$7,000	\$250	\$3,000	\$7,500
●	OPM	Single	\$3,000	\$3,500	\$250	\$3,750	\$6,500
●		Family	\$6,000	\$7,000	\$500	\$6,250	\$15,000
Total on Health Plan			420		100	175	1,000
Fully-Insured Self-Insured			Self-Insured		Fully-Insured: 43% Self-Insured: 57%		
Type of Plans			PPO, HSA		PPO, POS, HDHP, HMO, Retiree Coverage		
Wellness			Yes		Yes: 74%		

e)

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Augustana College and Iowa Community Colleges

			Augustana		Community Colleges		
			PPO	HSA	Low	Average	High
●	Total Monthly Cost by Tier	Single	\$520	\$387	\$380	\$650	\$1,000
●		Single/Spouse	\$993	\$740	\$770	\$1,200	\$1,400
●		Family	\$1,472	\$1,095	\$1,000	\$1,500	\$2,200
●	EE Monthly Contribution (%)	Single	19%	17%	10%	15%	100%
●		Single/Spouse	48%	47%	10%	17%	100%
●		Family	44%	43%	10%	33%	100%
●	EE Monthly Contribution (\$)	Single	\$100	\$67.50	\$38	\$100	\$1,000
●		Single/Spouse	\$475	\$349	\$77	\$200	\$1,400
●		Family	\$650	\$480	\$100	\$500	\$2,200
●	Deductible	Single	\$1,250	\$3,500	\$100	\$1,400	\$6,350
●		Family	\$2,500	\$7,000	\$100	\$2,280	\$10,000
●	Copays	Office Visit	\$30	-	\$10	\$16	\$30
●	Coinsurance	Single	20%	0%	10%	24%	100%
●		Single/Spouse	20%	0%	10%	14%	25%
●		Family	20%	0%	10%	24%	100%
●	OPM	Single	\$3,000	\$3,500	\$400	\$2,700	\$6,350
●		Family	\$6,000	\$7,000	\$750	\$4,800	\$12,700
●	Rx	Tier 1	\$10 min.	Deduct.	\$5	\$10	\$15
●		Tier 2	\$30 min.	Deduct.	\$20	\$25	\$35
●		Tier 3	\$50 min.	Deduct.	\$20	\$34	\$50
Total on Health Plan			420		103	341	852
Average Age of Employee			38		42	46	49
% of EEs w/ FSA			42.8%		3%	24%	36%

f)

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Augustana College and Holmes Murphy College Clientele

			Augustana		HMA College Clientele
			PPO	HSA	Average
●	Total Monthly Cost by Tier	Single	\$520	\$387	\$465
●		Single/Spouse	\$993	\$740	\$958
●		Family	\$1,472	\$1,095	\$1,456
●	EE Monthly Contribution (%)	Single	19%	17%	15%
●		Single/Spouse	48%	47%	35%
●		Family	44%	43%	37%
●	EE Monthly Contribution (\$)	Single	\$100	\$67.50	\$69
●		Single/Spouse	\$475	\$349	\$339
●		Family	\$650	\$480	\$540
●	Deductible	Single	\$1,250	\$3,500	\$1,300
●		Family	\$2,500	\$7,000	\$2,700
●	Copays	Office Visit	\$30	-	\$25
●	Coinsurance	All Four Tiers	20%	0%	20%
●	OPM	Single	\$3,000	\$3,500	\$4,000
●		Family	\$6,000	\$7,000	\$8,000
●	Rx	Tier 1	\$10 min.	Deduct.	\$15
●		Tier 2	\$30 min.	Deduct.	\$35
●		Tier 3	\$50 min.	Deduct.	\$50
Fully-Insured Self-Insured			Self-Insured		Fully-Insured: 85.7% Self-Insured: 14.3%

g)

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Augustana College and Holmes Murphy Midwest Clientele

			Augustana		HMA Midwest Clientele
			PPO	HSA	Average
●	Total Monthly Cost by Tier	Single	\$520	\$387	\$486
●		Single/Spouse	\$993	\$740	\$1,055
●		Family	\$1,472	\$1,095	\$1,431
●	EE Monthly Contribution (%)	Single	19%	17%	23%
●		Single/Spouse	48%	47%	41%
●		Family	44%	43%	45%
●	EE Monthly Contribution (\$)	Single	\$100	\$67.50	\$114
●		Single/Spouse	\$475	\$349	\$428
●		Family	\$650	\$480	\$649
●	Deductible	Single	\$1,250	\$3,500	\$2,500
●		Family	\$2,500	\$7,000	\$5,000
●	Copays	Office Visit	\$30	-	\$25
●	Coinsurance	All Four Tiers	20%	0%	20%
●	OPM	Single	\$3,000	\$3,500	\$4,000
●		Family	\$6,000	\$7,000	\$8,000
●	Rx	Tier 1	\$10 min.	Deduct.	\$10
●		Tier 2	\$30 min.	Deduct.	\$35
●		Tier 3	\$50 min.	Deduct.	\$50
	Fully-Insured Self-Insured		Self-Insured		Fully-Insured: 80.5% Self-Insured: 19.5%
	Type of Plans		PPO,HSA		POS, PPO, HMO,HDHP

- h) 5) Generic Incentive Program
- Benefits Committee agreed at the beginning of the plan year to implement a generic incentive program for plan members that were taking a name brand prescription when there is a generic available
 - The incentive is that the plan will waive all copays for the prescription for three months if the employee will switch to the available generic
 - According to the FDA, a generic drug must have all the same active ingredients as the name brand, however the inactive ingredients (colors, flavors, preservatives) may be different
 - Possible savings to the Augustana plan for the first three months if all employees that were on a name brand drug switched to a generic would have been approx. \$12,000 and the savings for six months would have been approx. \$25,000

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- e) During the first quarter of our plan year, only one member elected to participate in the program. The savings was \$240
- f) Benefits Committee elected to continue the Generic Incentive Program as there is no cost to the plan to offer this to members
- g) Letters will again be sent to those members that are eligible to participate
- 6) Fiscal Fitness Week
 - a) Lunch and Learns were all very well attended and all received positive feedback
 - b) Several bumps in the road at the beginning with the enrollers that were on campus. Seemed to get better the second week they were meeting with employees.
 - c) Lisa and Laura will have a wrap up call next week with the insurance company to find out how many employees enrolled in our new voluntary benefits
 - i) Will report back numbers at next benefits meeting
- 7) Next Meeting Date
 - a) April 3 at 10:00 am