

UBC Minutes - September 17, 2013

The University Benefits Committee met at 2:00 p.m. Tuesday, September 17, 2013 in the Human Resources Conference Room.

Members in attendance: Matt Dore (Chair), John Rovers, Tricia Atterberg, Chrystal Stanley, Gretchen Beckley, Marc Busch, John Stacey, Cheryl Clarke and Debbie Newsom.

Members not in attendance: Jana Peterson and Venessa Macro.

Benefit Consultants, Mark J. Becker and Brenda Plantz were also present.

B. Plantz of Mark J. Becker and Associates provided an update on Drake's transition to Wellmark. She reported an initial review of plan benefits identified three benefit design changes which must be made effective January 1, 2014. She also reminded the Committee of Drake's intent to mirror current plan benefits as closely as possible.

Because the Affordable Care Act (ACA) does not permit dollar limits for Essential Health Benefits, Drake will be required to change its current vision hardware and infertility benefits. Additionally, the transition to Wellmark's pharmaceutical benefit manager (PBM), will require Drake to implement a prescription drug Step Therapy program.

Vision Hardware Benefit

Pediatric vision care is defined as an Essential Health Benefit by ACA. Consequently, the Plan's current \$150 maximum hardware benefit must be removed for participants under the age of nineteen. To become ACA compliant for participants under age 19, the Plan must

- Pay the first \$150 of vision hardware expenses at 100 percent;
- Pay 80% of the remaining balance in excess of \$150, and
- Apply the coinsurance paid by the participant (20% of the remaining balance in excess of \$150) to the out-of-pocket maximum.

Brenda noted the current benefit, which pays 80% up to a maximum of \$150 per calendar year, can remain in effect for participants 19 years of age or older. She stated that should the Committee not wish to make this change, the current vision hardware benefit would need to be terminated. M. Becker reported the premium increase necessary to make this required ACA change would be negligible.

Infertility Benefit

Services provided to diagnose infertility are defined by ACA as Essential Health Benefits. Consequently, the Plan's current \$30,000 maximum lifetime limit (per participant) must be removed. To become ACA compliant, the Plan must pay for all services, on an unlimited basis, until a diagnosis is made. The Plan may then:

- Continue to pay for ongoing services/treatment at 100%;
- Provide no benefit for ongoing services/treatment after a diagnosis is made;
- Cover ongoing services/treatment after a diagnosis is made subject to a lifetime maximum amount, or
- Terminate all infertility benefits.

Brenda suggested Drake could best mirror its current benefit by imposing a \$20,000 lifetime maximum (per participant) for ongoing services/treatment received after the point of diagnosis. Based on past usage, M. Becker indicated the premium increase necessary to implement this recommended change would be minimal.

Step Therapy

Drake's transition to Wellmark will require implementation of a prescription drug Step Therapy program. Catamaran, Wellmark's PBM, requires that clinical programs such as Quantity Limitation, Prior Authorization and Step Therapy be bundled together. While Drake's current prescription drug plan includes quantity limitation and prior authorization requirements, it does not require step therapy. Brenda indicated Drake may:

- Adopt all three clinical programs; or
- Discontinue its current Quantity Limitation and Prior Authorization programs.

She then informed the Committee it would be a financial detriment to discontinue the existing cost containment clinical programs, and recommended Drake implement the Step Therapy program. The Committee discussed the possible disruption and challenges presented by Wellmark's approach to pharmacy benefit management.

In an effort to minimize disruption, Brenda suggested Drake grandfather current utilization of drugs on Wellmark's Step Therapy List, as well as quantity limits and prior authorizations already on file. She reported that prior authorizations with Drake's current PBM will be loaded into Wellmark's system, and that new prescriptions after January 1, 2014 will be subject to the Step Therapy program - as well as Wellmark's existing Quantity Limits and Prior Authorization programs.

After much discussion, the Committee unanimously approved the ACA required vision hardware and infertility plan changes recommended by Drake's benefit consultants. The Committee likewise agreed the Plan should implement Wellmark's Step Therapy program effective January 1, 2014.

M. Dore reminded members the next meeting will be held at 2:00 p.m., October 8, 2013 in the Human Resources Conference Room.

The meeting was adjourned at 3:20 p.m.

Respectfully submitted by Marlene Heuertz.