

IUBC (Inter Units Benefits Committee) Meeting-Dec. 2, 2010

A. Financials

1. Pharmacy and medical expenses (hospital & doctor fees) are increasing significantly.
 - a. Q1 (July 1, 2010-Sept. 30, 2010) costs this year vs Q1 (July 1, 2009-Sept. 30, 2010) costs last year. Total medical costs have risen 22%,
 - b. There have been notable increases in prescription drug prices....+33%. If the new URx prescription drug program had not been implemented then expenses would have been even higher.
 - c. The increases in expenditures are almost entirely due to provider cost increases. Member utilization remains relatively steady. A portion of these increases is due to the response to national health care reform changes to be implemented. Estimating--Adding over 5% to expenses.
 - d. Annualized change—Oct. 09 –Sep. 10 vs Oct. 08 – Sep. 09
 - *Medical == +11.2%
 - *Rx == +14.5%
 - *Combined=+11.9%
2. Plan year 2010 to 2011 and future years
 - a. When the premiums were set at the beginning of 2010 we had projected a surplus of approximately \$4M which would keep our reserve at the authorized level of 300%. However, if the current trend of higher expenses continues then the plan could experience a loss.
 - b. Without significant changes in the benefits structure the coming biennium (Plan years 2011-12 and 2012-13) will experience projected losses of 6% and 15%.
 - c. IUBC is anticipating that there will be no increase to the employer contribution of \$733/month.
3. IUBC (Plan Change sub-committee) is evaluating a number of possible plan changes:
 - a. Increases in employee paid premium
 - b. Increases in deductibles, co-pays and coinsurance
 - c. Increases in spouse/dependent and retiree premiums
 - d. Migrating to a “bi-annual” plan vs the current “annual” enrollment
 - e. Combining Plan A and Plan B
 - f. Exploring other Wellness and disease management programs
 - g. Out-sourcing the retiree medical plan, but still manage it. Also, working spouses of pre-65 retirees are staying on the MUS plan (since it is less expensive) instead of using their own employer health plan.

B. Healthy Montana Kids (HMK)

1. Center for Medicare and Medicaid Services has approved the State of Montana’s request to permit MUS (Montana State University) and State employee’s children on the HMK program.
 - a. Employees who are currently on DPW (Dependent Premium Waiver) may have kids eligible for HMK
 - b. Employees who did not qualify for DPW but their overall household income will permit them to qualify for HMK
 - c. Employees (currently on DPW) who apply & qualify for HMK will be removed from the DPW program.
 - d. This will be communicated via letter and articles in our newsletters

C. Premium Incentive Plan proposal---will be delayed a couple years

D. TLC (The Life Connection)—Certain areas (counseling) are underutilized and could be eliminated, to reduce costs

E. Planned Future meetings

1. Plan Change meeting December 20th and in January
2. Full IUBC meetings in January and February