

# BENEFITS ADVISORY COMMITTEE

# Minutes

**WORKING GROUP MEETING**

|                           |                               |
|---------------------------|-------------------------------|
| <b>Group Name:</b>        | Benefits Advisory Committee   |
| <b>Date:</b>              | March 25, 2022                |
| <b>Time and Location:</b> | 9:30 AM – 11:00 AM CST   Zoom |

**ATTENDEES**
**ATTENDEES**

|                                     |                                   |                                     |   |
|-------------------------------------|-----------------------------------|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Winifred Williams, Ex-Officio     | <input checked="" type="checkbox"/> | Jodi Goode, Staff Council               |
| <input checked="" type="checkbox"/> | Danielle Hanson, Ex-Officio       | <input type="checkbox"/>            | Peter Kotowski, University Senate       |
| <input type="checkbox"/>            | Heather Chester, Staff Council    | <input checked="" type="checkbox"/> | D. Megan Helfgott, Univ. Representative |
| <input checked="" type="checkbox"/> | Eniko Racz, Univ. Representative  | <input checked="" type="checkbox"/> | Juana Arauz, Univ. Representative       |
| <input checked="" type="checkbox"/> | Jenny O'Rourke, Faculty Council   | <input type="checkbox"/>            |   |
| <input checked="" type="checkbox"/> | Graham Moran, Faculty Council     | <input type="checkbox"/>            |   |
| <input checked="" type="checkbox"/> | Tisha Rajendra, University Senate |                                     |   |

**MINUTES**

Jenny: Insurance report out. We made list of questions.  
 Eniko: Tuition benefits report out.

Minutes started after above reports.

Graham asked if possible to get second opinion for insurance info aside from CBIZ. Winifred said this was a possibility, but organization would need to be comparable and identify payment structure for them to be engaged. Not sure we'd be able to do that this year in the 3-4 weeks before we need to present our proposals. Winifred said not a bad idea. Graham said his purpose is because CBIZ presentation seemed like it was really pro-Aetna, and did things turn out as they indicated? Winifred said this question best directed to CBIZ. In looking at management reporting perspective, Winifred said "we've been very comfortable with this result." For example Winifred asked about coverage for spouses. CBIZ responded based on its current book of business. Winifred said we have a team of folks in HR and Finance who watch for those things. CBIZ like a real estate agent. University had asked CBIZ who are the players in this market, what's their pricing, what's their customer service, what's network like and what's the quality. CBIZ went back and looked at different companies and came up with Aetna as the best. Graham asked if the 96% from initial presentation of providers remaining in switch vs. lost was correct. Graham said it doesn't seem as though in a qualitative way that 95% could be correct. Danielle said this was about correct because Aetna added providers as well, but we could ask CBIZ. Winifred said CBIZ does side-by-side comparison. Senior admin team was comfortable with 96% of providers being in network. Winifred said there were several employees when we had BCBS whose providers weren't in network, but we haven't heard about this.

Megan: Certain group of people who use providers not covered by Aetna, and it's costing them money. There are different specialties in which Aetna is lacking.

Jenny: Was supplemental mental health info sent out to faculty? Danielle said this program goes live on April 1, so info will be sent out. Winifred confirmed that any benefits info would go out to all benefits eligible employees at same time.

Peter and Jim from CBIZ arrived at meeting. Jim Pajauskis (VP of Sales?) and Peter Curtis introduced themselves. They had slide presentation.

Jim: Goal is to make sure everyone knows who CBIZ is and how they found appropriate carrier for Loyola. CBIZ is a large publicly traded company that works with just over 200 colleges and universities. One of largest accounting firms and payroll providers, but Peter and Jim specialize in benefits. They think it's really important to know who we are as a university and take costs into consideration because affects university and employees. Goal to keep costs as flat as possible so university doesn't have to make tough decision of passing increased costs onto employees.

Peter: We're going to take look at insurance marketplace as it relates to medical plans. Let's get to common understanding. Want to make sure we all understand concept of fully insured vs. self insured. For Fully Insured, carrier accepts all risk and pays claims. In this environment, employer just pays premium to insurance carrier. Graham asked if costs more expensive between two types of plans. Peter said it depends as it really comes down to risk. For example, during pandemic, a lot less claims because people were staying home cheaper for Loyola because it pays the claims.

Jim: On fully insured side when carrier taking the risk, they price plans to make it profitable for them. A self-insured plan removes that overhead. What we can do on self-insured side, we're not paying exorbitant cost (profits) to insurance company.

Peter: Loyola must find someone to administer plan on self-insured side. Key message on self-insured side is that Loyola accepts the risk.

Fixed Costs: 8-10% - plan administration, customer service (important element), stop loss is financial protection through transfer of risk for large claims. We cede some of this risk to an insurance company to help us out. Jim clarified that big piece of claims administration is for insurance carriers to help mitigate as to what should and shouldn't be paid. Loyola doesn't decide which claims are paid and which aren't.

Peter said last component of fixed costs is network access. With population predominantly in Chicago are, we don't have to worry about access to care when it comes to Aetna, Blue Cross, or United Healthcare. We want to make sure there's overlap of 95-97% if we're going to change carriers. Jim said he thought the overlap was closer to 98% when we switched to Aetna.

Claims: 90% of costs. Aetna, United, and BCBS provide discounts. Peter said we're looking for a 55-60% discount on claim, and we need sufficient discounts for routine care. Recently reviewed

with Aetna, and 94% of office visits in plan year 2021 in-network. All in-patient hospital stays in network in 2021. Home hospital for LUC: we want to make sure that discount is strong. Important to get best discount we can at Loyola facilities.

Winifred: LUC pays \$1 million to 1.5 million / month on claims. Sometimes it's 2 million.

Graham asked for total cost to LUC: Peter said 27-30 million in claims and fixed costs, including prescriptions.

Jodi: why home hospital LUMC when most employees don't work near there?

Danielle: It's the history. We have home hospital network with LUMC because we owned it up until 2012, so it made sense for LUC to encourage employees to use hospital LUC owned.

Winifred said Loyola Medical Center said it's our third? highest used facilities regardless of where employees work.

Peter: LUMC is an enhancement.

Peter: How do we run this RFP Request for Proposal? We're looking for a partner that can control those fixed costs. We want best bang for our 8-10%. For example, if we see a spike in diabetes in 2022, we put a plan in place for following year so LUC can address this rising cost. We want to make sure discounts are comparable. Number of different providers in RFP space. A number of TPAs (3<sup>rd</sup> party administrators). Only options big enough to handle LUC is BCBS, United, and Aetna. Peter and Jim send questions to each administrator and compare. Customer service, price guarantees, etc. Look at current claims. LUC getting bigger.

Jim: Humana and Cigna also players, but they're not big enough for LUC. Jim and Peter run claims and providers through each carriers systems to make sure they match up.

Eniko: BCBS had network of providers internationally, so that could be used by our faculty and staff at Rome Campus, and Aetna doesn't have this. Jim acknowledge this and said they're investigating Aetna's national network (no one asked if he meant international).

Megan: What about specialties people rely on for dermatologist, etc?

Peter: a few years ago, there were about 900 claims out of network with BCBS that would've been in-network with Aetna. There were about 400 claims in-network with BCBS that were out of network in Aetna.

Megan: Very few people in-network in Aetna for mental health providers. All of a sudden, there was big change for people using these services. Also people with chronic illnesses are paying a lot more out-of-pocket now.

Jenny: Guessing that the most providers that didn't match up with BCBS were primary care

providers. Much harder to find mental health and specialty providers. We know Aetna doesn't cover mental health services like BCBS. Very important to look at the 400 claims, how many are primary care vs. specialty and mental health.

Peter: problem for all carriers, esp in last 18-24 months to improve mental health coverage

Jodi: Can you comment on out-of-pocket costs that seem to have increased for preventative care such as annual skin screening at dermatologist, physical therapy sessions, breast ultrasound.

Danielle: Aetna does cover ultrasound, but providers weren't coding properly. HR looked at that.

Peter: A lot of moving parts and they're all different. We need to look back to provider and see how it was coded.

Tisha: Has Aetna increased mental health care providers? Peter and Jim: Yes. Important piece of what's going on in our culture. Every carrier is focusing on it.

Tisha: If you have 8% increase per year, and you can't increase premiums 8% per year, wouldn't we see rise in costs with any provider? Are you hearing a lot of dissatisfaction in general with costs for all carriers?

Peter: University has absorbed increase.

Jim: One carrier looking at employer's population could give different increase than another carrier. BCBS was going to increase insurance program exorbitantly while Aetna looked at same info and said they wouldn't be charging us those costs.

Jim: Please recognize that Danielle and CBIZ here to help employees, so if we know people running into issues, go to CBIZ or HR.

Tisha: You said we switched to Aetna because BCBS was going to increase rates exorbitantly. What was the increase? Peter: 1.6 million increase. Tisha: If we could tell employees switching to Aetna they saved X dollars in premiums by switching, this would be helpful.

Danielle: We've gone three years in a row without raising rates. This is unheard of. We actually had a BAC member who had provider who was out-of-network, and after hearing this presentation, LUC was able to invite provider into network.

Peter: In looking at Aetna, Blue Cross, & United Healthcare. These partners are all positioned to be great providers to LUC going forward. Try to minimize impact if switching carriers. Peter has a number of clients that increase premiums every year little by little so if there's a huge increase one year, it's already been covered. Another way is to increase deductibles. Goal is to try to maintain current levels.

Megan: Is it possible to re-initiate transition of care if we decide to go with Aetna again for the new contract? Even if employee who was here 3 years ago who missed this opportunity?

Winifred: Yes, we'd provide this option regardless of carrier.

Jim: LUC isn't only org that moved from BSBS to Aetna. Orgs changing carriers pretty consistently. If doc not in a network, they may lose a number of patients and important to be in as many networks as possible.

Tisha: So many institutions switching from BCBS because so expensive, so doctors switching. Are we at a point where we're going to re-evaluate and take bids from each carrier?

Peter: Yes. Thought was that Aetna gave us a great 3-year deal, time to ask all three carriers what can you provide for next 3-5-8 years.

Tisha: Employees don't care about how much LUC pays for care, but they care very much about our paychecks and what we pay. All things being equal, we'd like to pay less.

Graham: At this juncture, if LUC turns to Aetna and moves to new contract, does LUC have power in negotiation to address some of the deficits like mental health?

Peter: Aetna very aware of mental health situation. We'll work with Aetna or Blue Cross to make sure we're getting enhanced services and concessions if necessary.

Jim: If decision is to move from Aetna back to BCBS, there will be another disruption. It wasn't 400 people but 400 visits that were used that were less than 2% of doctors and hospitals utilized. There will be a new group of people affected.

Jenny: If this presentation could be given to entire LUC faculty and staff, a lot of negativity and angst would be alleviated. Our contract with Aetna is expiring. How fast does this process go? When do we need to "sign"?

Peter: We've already gotten numbers back from BCBS, we're supposed to get UHC any day now. We still need to compare claims. Hopefully, Trinity renegotiation might increase discount with BCBS and UHC. Expects to see similar results to 3 years ago.

Jim: To move a self-funded insurance plan off the renewal date is difficult. A lot must take place between now and Jan 1. We've begun process. Want decision some time in June or July if changing carriers so HR can get things set up for open enrollment.

Winifred: We're on track because BAC is meeting in April to finalize proposals to leadership team. We'll present, but we need to anticipate there will be questions and requests for additional information. CBIZ needs time to effect change as well. Anything after July really cutting it close

because we need to get in queue with vendors as well. If we can hold steady with timelines to get in front of SFPT. Strategic Financial Planning Team, which is strategic team for LUC for any area looking to hire new people, request for capital expenses, benefit expenses...etc. What we'd ideally like is for each team leader.

Peter comes to Open Enrollment meetings to present.