

## Benefits Liaison Group (BLG) Update

Presentation to the Senate

Brett Hamlin

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## BLG Members

- Donald Beck – Professor, Physics
- Jane Berner, Retiree
- David Chard - Manager, Instructional Resources
- Larry Davis – Associate Professor, School of Business
- Brett Hamlin – Sr Lecturer/Asst Department Chair
- Mike Hendricks - Institutional System & Analysis Director
- Joe Herbig - Controller
- Renee Hiller - Manager of Benefit Services
- Ellen Horsch - VP for Administration
- Amy Hughes - Internal Auditor
- Deb Lassila - Budget Director
- Rudy Luck - Associate Professor, Chemistry; Senate President
- Anita Quinn - HR Director
- Tony Rogers - Associate Professor, Chemical Engineering

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## But Why Me?

- Sacrificial lamb?
- Drew the short straw?
- Late to the meeting?
- Renee conveniently “out-of-town?”
- I’m very interested in developing a sustainable wellness program and to help imbed wellness into what Michigan Tech is.

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## **UPDATE ON HEALTHCARE AND RETIREMENT**

- **Enrollment**
- **Cost Comparison**
- **Retirement Plans**
- **Next Steps**

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## Enrollment Numbers

(actives + retirees)

- 2009 Calendar Year
  - HuskyCare PPO: 915 employees/2,149 covered lives
  - HuskyCare HSA: 429 employees/1,306 covered lives
- 2010 Calendar Year
  - HuskyCare PPO: 836 employees/1878 covered lives
  - HuskyCare HSA: 538 employees/1615 covered lives

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## Cost Comparison

- Calendar Year Total Medical Costs
  - 2009 CY net costs: \$13.79 million
  - 2010 estimated CY net costs: \$14 million
- Net cost per employee
  - 2009: \$10,404
  - 2010 (estimate): \$10,248
- Net cost per covered lives (employee + dependents)
  - 2009: \$3,936
  - 2010 (estimate): \$4,032

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## CY 2010 Retirement Plans

- Enrollment Summary
  - 2009 (10.55-2-2 plan): 1,083 employees (93% maximum contribution)
  - 5-5-5 plan: 387 employees (80.0% maximum contribution)
  - 0-7.5-7.5 plan: 598 employees (82.4% maximum contribution)

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## BLG Plans for CY 2011

- Review Healthcare Plans
- Develop / Implement Wellness Program ●
- Review / Increase Retirement Vendors ●
- Recommendations from / alignment with University Senate Benefits Committee



## Healthcare Plans

- Review Healthcare Plan Designs Considering:
  - National healthcare reform
  - Cost containment philosophy
- Continue to Educate Employees to be Better Informed and Manage their own Healthcare Costs

## Health Care Education - Why?

- Emphasize Prevention and Effective Health Management
- Assure the Flexibility to Meet the Needs of a Diverse Workforce
- Provide Comprehensive Protection for Seriously Ill
- Provide Employees with all the Tools Necessary to Make Educated Decisions
- Help Prevent Unnecessary Healthcare Spending

## Health Care Education - Why?

Prevention

Flexibility

Comprehensive Protection

Employees

Educated Decisions

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## Wellness Program

- Year 1: Survey and focus groups
- Year 2: Incentives, plan, and expand
- Year 3: Review, expand, follow success and seek feedback
- Year 4 & Beyond: Continue to assess and expand

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## Retirement Vendors

- Subcommittee of BLG
- Reason:
  - Several years ago, options cut short (Tax law changes)
- Purpose:
  - discuss and review retirement vendors and fund options
  - Increase vendor options and choices

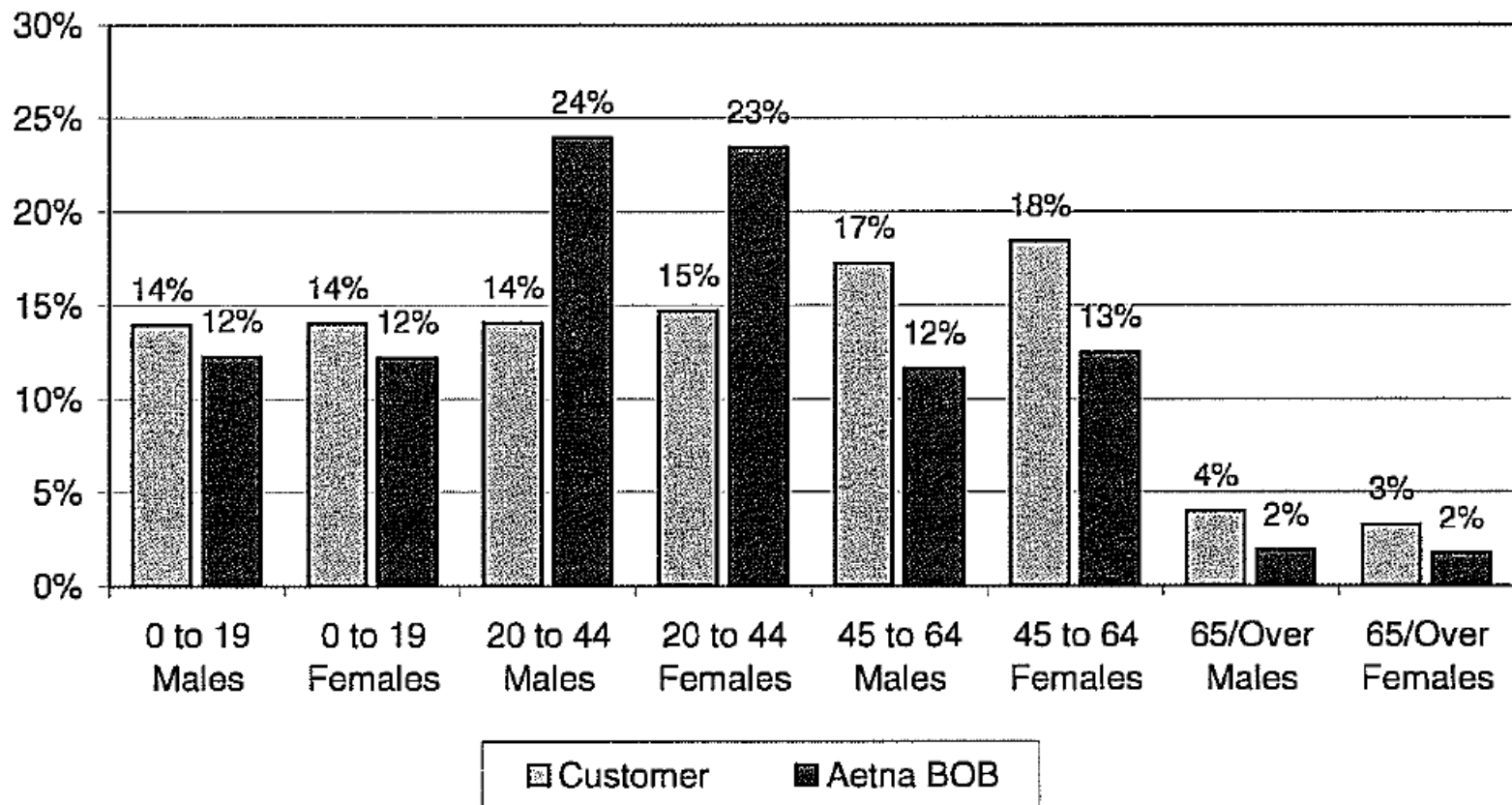
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## QUESTIONS?



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Customer Current vs Aetna BOB Age/Gender Demographic Comparison





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## HSA

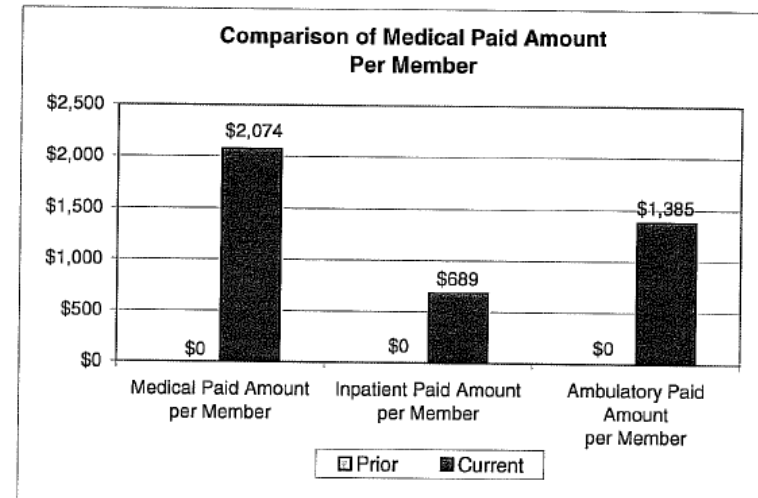
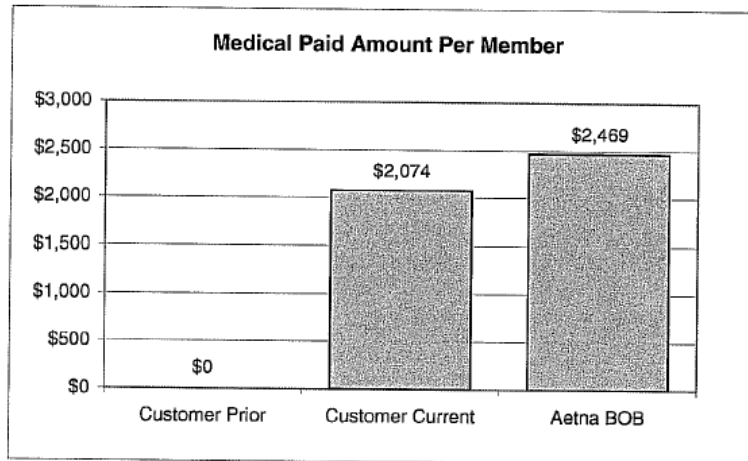
### Key Statistics

#### Demographics Summary for Medical

	Customer Prior	Customer Current	% Change from Prior	Aetna BOB <sup>1</sup>
Number of Employees	N/A	429	N/A	N/A
Number of Members	N/A	1,306	N/A	N/A
Ratio of Members to Employees	N/A	3.0	N/A	1.6
Percent Male Members	N/A	49.3%	N/A	50.3%
Percent Female Members	N/A	50.7%	N/A	49.7%
Average Age of Membership	N/A	30.3	N/A	32.7

#### Key Statistics<sup>2</sup>

Total Medical and Pharmacy Paid Amount	\$0	\$3,087,971	N/A	N/A
Total Pharmacy Paid Amount	\$0	\$380,359	N/A	N/A
Pharmacy Paid Amount per Member <sup>3</sup>	N/A	\$291	N/A	\$434
Total Medical Paid Amount	\$0	\$2,707,611	N/A	N/A
Medical Paid Amount per Employee	N/A	\$6,307	N/A	N/A
Medical Paid Amount per Member	N/A	\$2,074	N/A	\$2,469
Total Medical Capitation Payments	N/A	N/A	N/A	N/A
Medical Capitation Paid per Member	N/A	N/A	N/A	N/A
Total Medical Paid (Claims and Capitation)	N/A	N/A	N/A	N/A
Medical Paid per Member (Claims and Capitation)	N/A	N/A	N/A	N/A
Inpatient Paid Amount per Member	N/A	\$689	N/A	\$843
Ambulatory Paid Amount per Member	N/A	\$1,385	N/A	\$1,625
Admissions/1,000 Members	N/A	40	N/A	65
Days of Care/1,000 Members	N/A	134	N/A	228
Average Length of Stay	N/A	3.4	N/A	3.5
Total Surgeries/1,000 Members	N/A	322	N/A	424
Inpatient Surgeries/1,000 Members	N/A	26	N/A	36
Ambulatory Surgeries/1,000 Members	N/A	296	N/A	387
Office Visits/1,000 Members	N/A	2,320	N/A	2,779
ER Visits/1,000 Members	N/A	140	N/A	165





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## PPO

### Key Statistics

Demographics Summary for Medical	Customer Prior	Customer Current	% Change from Prior	Aetna BOB <sup>1</sup>
Number of Employees/Retirees	N/A	915	N/A	N/A
Number of Members	N/A	2,149	N/A	N/A
Ratio of Members to Employees	N/A	2.3	N/A	1.6
Percent Male Members	N/A	49.5%	N/A	50.0%
Percent Female Members	N/A	50.5%	N/A	50.0%
Average Age of Membership	N/A	41.0	N/A	32.5

Key Statistics <sup>2</sup>	Customer Prior	Customer Current	% Change from Prior	Aetna BOB <sup>1</sup>
Total Medical and Pharmacy Paid Amount	\$0	\$9,475,187	N/A	N/A
Total Pharmacy Paid Amount	\$0	\$2,042,487	N/A	N/A
Pharmacy Paid Amount per Member <sup>3</sup>	N/A	\$950	N/A	\$716
Total Medical Paid Amount	\$0	\$7,432,700	N/A	N/A
Medical Paid Amount per Employee	N/A	\$8,125	N/A	N/A
Medical Paid Amount per Member	N/A	\$3,459	N/A	\$3,073
Total Medical Capitation Payments	N/A	N/A	N/A	N/A
Medical Capitation Paid per Member	N/A	N/A	N/A	N/A
Total Medical Paid (Claims and Capitation)	N/A	N/A	N/A	N/A
Medical Paid per Member (Claims and Capitation)	N/A	N/A	N/A	N/A
Inpatient Paid Amount per Member	N/A	\$578	N/A	\$1,063
Ambulatory Paid Amount per Member	N/A	\$2,881	N/A	\$2,010
Admissions/1,000 Members	N/A	64	N/A	90
Days of Care/1,000 Members	N/A	196	N/A	400
Average Length of Stay	N/A	3.1	N/A	4.4
Total Surgeries/1,000 Members	N/A	632	N/A	662
Inpatient Surgeries/1,000 Members	N/A	42	N/A	59
Ambulatory Surgeries/1,000 Members	N/A	590	N/A	603
Office Visits/1,000 Members	N/A	3,470	N/A	3,416
ER Visits/1,000 Members	N/A	214	N/A	175

