

# Retiree Health Task Force Minutes - February 14, 2008

The University Retiree Task Force Committee met on Thursday, February 14, 2008, in the Human Resources Conference Room.

Members in attendance: Donald Adams, Robert Hoehle, Lon Larson, Kenneth Miller and Avis Shuck.  
Others present: Vicky Payseur, Venessa Macro, Marlene Heuertz, Mark Becker and Brenda Plantz.  
The meeting began at 1:30 p.m.

## Review of Current Situation

Utilizing a PowerPoint presentation, B. Plantz provided a brief review of the current situation, discussing the process and expectations of the RFP (request for proposal). The only respondents to the RFP were Humana and Wellmark BCBS, as United Healthcare failed to submit a proposal.

## Network Comparisons

B. Plantz presented the Pros and Cons of the current Humana Medicare Advantage PFFS Plan. D. Adams asked why the task force would continue offering this plan to Drake retirees, given the current situation. M. Becker indicated that the information was being presented because it was included in Humana's RFP. It was also noted that some retirees were not affected by the recent decision of the Iowa Clinic, and may wish to continue using the PFFS plan.

B. Plantz addressed the Pros and Cons of all Medicare Advantage Plans offered by Humana and Wellmark in the RFP. The local networks were discussed, as well as the benefit plan options. The need for access by out-of-state retirees was also noted.

B. Plantz addressed the Pros and Cons of Wellmark's Medicare Supplement Plans. These plans allow participants to access those providers which accept Medicare. Supplement plans require participants to adopt a prescription drug plan (Part D) as well. They serve as a "wrap-around" to Medicare, requiring Medicare to pay the provider first.

B. Plantz also provided a cost comparison of the Medicare Advantage and Supplement plans. It was noted that most plans offered by RFP respondents were more expensive than the current Humana PFFS Plan. Because Medicare Supplement Plans require the utilization of a Part D prescription drug plan, they are generally more expensive than Medicare Advantage Plans.

## Task Force Member Questions/Concerns

V. Macro: Can we offer other Part D Plans in addition to those proposed by Wellmark, to lower the overall cost of a supplement?

V. Payseur: Can we offer Medicare Part B, and purchase a Part D prescription drug plan for retirees?  
B. Plantz indicated that Wellmark does provide various individual Part D plans.

V. Macro: Drake must make it clear to retirees that if they enroll in a supplement plan, they will no longer have a preventive benefit.

D. Adams: Drake retirees are confused and fearful that Drake will no longer continue to provide medical benefits. V. Macro indicated that it is Drake's intention to continue providing medical coverage for eligible retirees.

K. Miller: Indicated that regardless of the plan(s) which Drake adopts, providers can deny coverage at any time.

L. Larson: Prefers offering retirees a choice. Retirees who have established relationships with their doctors may be willing to pay a higher premium. Likewise, a PPO option at a lower cost may be preferred by others.

L. Larson: Can Drake provide a given dollar amount for a Part D plan, allowing retirees to choose the plan which best suits their needs?

K. Miller: Would it be possible to utilize Drake's active plan as a supplement for retirees?

V. Payseur: Escalating financial liabilities prevent retiree participation in the active plan. Drake must take into account the present value of the future liability of retiree medical coverage costs – currently at the Humana PFFS Plan cost.

L. Larson: Is Drake committed to continue subsidizing every retiree the current \$92.25 per month? If a Medicare Supplement Plan is provided, will the additional cost be passed onto the retirees?

V. Payseur: If a Medicare Supplement is offered in addition to the current Humana Medicare Advantage Plan, Drake University would provide each retiree with an equal subsidy.

B. Plantz: If Drake wants to implement a benefit change effective June 1, 2008, they must make a verbal commitment to the vendor(s) by March 15, 2008.

V. Macro: If a June 1<sup>st</sup> implementation date is desired, task force members should meet quickly to compare benefit options and costs.

L. Larson asked task force members to be prepared to resolve the following questions at the next meeting:

- 1) Do we want to retain, or replace, the current Humana PFFS Plan with a PPO Plan?
- 2) Do we want to add a Medicare Supplement Plan? If so, which one best meets retirees needs?

M. Becker: Selecting a PPO Plan will disrupt coverage for retirees living out-of-state. He is concerned about proposing too much change, resulting in a complex situation for everyone concerned.

V. Macro: Concerned that the solution adopted by the task force may be a temporary fix for the problem at hand. Drake wants to ensure the best long-term solution for all retirees.

The Retiree Task Force will meet on February 20<sup>th</sup> at 11:30 a.m. to share their recommendations. Lunch will be provided.

The meeting was adjourned at 3:25 p.m.

Respectfully submitted by Marlene Heuertz