

REPORT TO CURFA, APRIL 20, 2011
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I will begin by reminding you that open enrollment for CU medical, dental and life insurance plans will take place from May 2 through May 27. You can obtain details about where and when information sessions for retirees will be held by going to www.cu.edu/pbs/openenrollment. If you wish to stay with the plan that you currently have, you will not have to take any action. With regard to premium rates, one problem that always occurs at this time of year is that final rate setting is dependent on the Legislature passing and the Governor signing the Long Appropriations Bill, what the final state contribution to the university will be, and decisions about the composition of the other health plans for active university employees that might influence the rate structure for all plans. With these caveats, it appears likely but not yet 100% certain at this time that there will be no increase in rates for the Medicare Premium Plan for retirees. I believe that we are fortunate in the amount that CU still contributes to this Medicare supplement plan, for many universities and a large number of businesses are now only giving a fixed dollar amount to retirees over age 65 for them to seek out commercial supplement plans on their own. Currently, CU pays 89% of the premium for a single retiree over age 65 or 74% for a retiree + spouse in the Medicare Primary plan.

The AMP amount also is unlikely to change in the new fiscal year and the administration has not yet come to a decision about what, if anything, to do with or about this plan. It is also likely that dental insurance premiums for retirees will not increase this fiscal year.

After six months of self-insurance experience with our medical plans, utilization was 7.6% below budgetary estimates. However, since then utilization has risen during the first three months of this year, as expected, and the jury is still out with regard to our full first year experience with utilization of medical services. The CU Health and Welfare Trust that now runs our self-insurance holds about \$6.2 million in reserve, money that is derived from 2% of our premium rates. Fortunately, so far in this fiscal year we have not had any medical claims against the Trust assets that have exceeded \$250,000. The administrative costs for the Trust have been projected to be about 8% of revenue, well below the 15+% of our commercial insurers in the past. You can access Trust minutes at www.cu.edu/trust. Anthem will continue to administer our plans in the next fiscal year but in the following year we probably will go out to bid for this service.

There have been many complaints about the mail order prescription service run out of the pharmacy at the University of Colorado Hospital. Retirees have told me that renewals have been sent to them without having been requested and medications have not been received even though the pharmacy claimed that they had been sent. Active employees have had similar complaints. Fortunately, similar foul-ups have also happened to a prominent member of the CU administration and, consequently, I have no doubt that the UCH mail order prescription system will be improved. You may know that there are now two UCH authorized pharmacies in Boulder. One is at the Wardenburg Health Center, whose phone number is 303-492-8553. They have a prescription refill line that is 303-492-2093. The other pharmacy is at the Family Medical Practice site at 350 North Broadway, Suite 50. Their phone number is 303-499-2879, Monday – Friday, 8 AM to 4:30 PM.

I have been monitoring my own medication costs at a retail pharmacy and have had comments from other retirees about their personal experiences. The almost universal consistent rise in retail costs is most annoying. For two of my own medications, costs have risen 74% and 249%, respectively, in the past year. The only answer that PBS and I have been able to get out of Anthem to explain this is the defensive and rather ridiculous statement that "it's the marketplace." Just why, other than greed, some commonly used medications have jumped so much in price is still a mystery to me, and I suspect the same is true for you.

In October, I spoke briefly about the Health Risk Assessment program. This is scheduled to begin in September or October. Initially, CU will not offer any incentives for people to enter the wellness portion of this program although the University of Colorado Hospital will have incentives for its employees. At some time in the past, I mentioned that an extensive review of all CU benefits offerings was being made by an outside firm named Aon Hewitt. Their report is now under discussion by many groups, including UBAB, and can be visualized on the PBS website. One point that the reviewers made is that CU appears to be paying too much for life insurance and a study is now underway to see whether we can get more life insurance benefits without any premium increase.

UBAB is still defining its role in relation to the Health and Welfare Trust that was recently set up by the university. We met with President Benson in November and feel that we can continue to provide faculty and staff input to such things as plan design, proposed changes to programs, and critical needs. We had the impression that President Benson appeared convinced of the importance of such input.

Finally, portions of the Affordable Care Act, or so-called Obamacare, continue to surface and the following may be of interest to some of you. In October of 2012, a section of the law called the Community Living Assistance Services and Support Act, the acronym is CLASS, is supposed to become operational. This act creates a voluntary, long-term care insurance program that has no pre-existing condition prohibitions, unlike current private long-term care policies. For individuals with chronic or progressive illnesses who desire long-term care insurance but who have been unable to qualify for such, this may be a useful benefit. Current estimates are that for a premium of \$123/month or \$1,476/ year, eligible enrollees might be able to obtain up to \$50/day for home health care, assistive technology, transportation, home modification and adult day care, as well as cash for assisted living or nursing home stay. The idea behind this plan is to make it possible for many individuals with functional limitations to purchase support and assistance services that will enable them to maintain personal independence to continue to live in their communities. You can read all 53 pages of this act at www.healthcare.gov.

If there are any questions now, I will try to answer them.