

**Senate Benefits and Welfare Committee
University of Pittsburgh
Minutes of October 3, 2013 Meeting
9:30 – 11:00 am
Edward Forrest Continuing Education Center**

Attendees: Elected - Colleen Cully, Roger Flynn, Rachel Fusco, Irene Kane, Angie Riccelli, chair, Eleanor Schwarz, Sachin Velankar

Appointed: Elizabeth Bilodeau, Ron Frisch, R. Donald Hoffman, John Kozar, Harvey Wolfe

Absent: Lucy Cotter, Sandra Founds, Belinda McQuaide, Alan Meisel, Jane Elizabeth Richey, Anna Roman, Sowmya Sanapala, Linda Tashbook

Guests: Diane P. Holder, Executive Vice President, UPMC Health Plan

Topic	Discussion	Action to be Taken
Call to Order	A Riccelli called the meeting to order at 9:34 am. A motion to accept September minutes was made by Dr. R. Donald Hoffman and seconded by Dr. Elizabeth Bilodeau.	
Committee Business	A Riccelli stated that she attended Faculty Senate meeting and noted that the request for a 'live' meeting will not be entertained in case member confidentiality was preferred. The sessions will be recorded and made available.	Informational
Dr. Diane P. Holder, Executive Vice President, UPMC	Mr. Kozar introduced Ms. Kim Cepullio, VP Sales and Account Management for UPMC Health Plan and Ms. Diane Holder, Executive Vice President of UPMC and CEO of UPMC Health Plan. Ms. Holder began with a history of the UPMC and Highmark long-term relationship and evolution of provider/health insurance issues as regulatory issues also have evolved. In 2002 UPMC and Highmark entered into a 10 year contract described as very contentious, likely very reflective of provider-insurer coverage/rate dilemmas. Simultaneously, developing physician groups were negotiating with hospitals for an	Informational

employment association. Now, the contract is nearing its end and UPMC leadership requested an earlier negotiation start because of contentious negotiations 10 years ago. UPMC researched national rates, physician issues, etc. Therefore Board chairs of each group agreed upon a third party independent assessment for rate determination. UPMC was assured that Highmark would not be buying physician groups and a handshake agreement plan was initiated. However, following this process Highmark initiated physician group purchase and association with the Allegheny Health system. Therefore, UPMC moved forward with steps toward independent systems operations and expanding contracts with other national insurers to ensure more than the UPMC Health Plan as the gateway into the UPMC. With these actions, Highmark simultaneously moves forward to support/expand the Allegheny Health System—UPMC did not object to this decision, but the financial accounting of \$450 million investment to move the system forward did not seem like a realistic figure. The final filing by Highmark of a business plan and timeline for anticipated costs indicated an additional 40,000 hospital admissions were needed. Because care is moving to outpatient, fewer beds are needed, and the population of the region is not growing, the question is: What is the source of the 40,000 admissions? The business plan called for hospital and network exclusion to redirect the current population to the Allegheny network. Outlying suburban hospitals immediately replied that they would not close services to their communities to ensure this admission transition. Closing UPMC Shadyside and PUH is the equivalent of supporting the Allegheny Health System business plan to increase admissions to their system. UPMC response summarily was, “No, we will not jeopardize a high quality academic-related system with a long-term record of solid service to the community”. Further, its relationship with the University of Pittsburgh is mutually supportive for research-driven, clinically sound care and this partnership will also not be jeopardized. The UPMC board wrote a unanimous decision regarding its response to the Allegheny Health System that was distributed to B & W Committee members. UPMC will not support Highmark/AHS decision to the detriment of UPMC. Instead UPMC is working with local business and other national plans conjointly to ensure options for the region. However, UPMC cannot in good faith fund another system with a business plan designed to close UPMC Hospitals to support a long-time ailing health system.

Ms. Holder also addressed the ad campaign and its influence on perceptions of the conflict between the systems. UPMC’s ad focus is on the clinical care- that there is opportunity and choice by both the individual and the employer who will so select UPMC if that is where they seek health services. With the deadline between UPMC and Highmark approaching the political campaign nature of the ads has increased. However, the non-publicly known fact is that Highmark does want a renewal contract with UPMC, but on their business plan terms; one year from December 30, 2013 the

	<p>contract expires. Of note, Ms. Holder explained that UPMC is very clear that it does not support the Highmark Community Blue network and access to UPMC services is not available via this program. Select children and oncology services across system lines is a process that yet needs to be delineated. Medicare and Medicaid are not affected. Ms. Holder also addressed that UPMC Health Plan has competitive premium rates although select group information indicates otherwise. The actuarial review of rate bids for UPMC reflects the national average; however, because regionally there is a big discrepancy in the rates related to the lower than national average Highmark rates reflect a lower population risk pool—not reflective of care usage. Highmark will have a very cheap ‘Community Blue’ program based upon their business decision and high risk non-reflective of the population.</p> <p>For the University of Pittsburgh specifically, the relationship with the UPMC Health Plan, plan designs will remain rich – “Platinum level” --with services historically provided. Novel opportunities such as incentives, shared decision support with MDs, essentially greater consumer participation will be main themes. The trend will be change and evolution for benefit management as consumer education.</p> <p>Suggestions were offered for an open phone line for facts to be available as well as on campus marketing for ‘FAQs’.</p>	
Unfinished Business	Smoke-free campus continues under discussion.	Informational
Adjournment	Meeting was adjourned at 11:15am. A. Riccelli announced the next meeting date and time: November 19 th , 9:00 am in room 403 Salk Hall.	