

**Senate Benefits and Welfare Committee  
University of Pittsburgh**

**Minutes of November 16, 2011 Meeting  
9:00-10:30am, VB CICL Multipurpose Room**

Attendees: Elected: Sandra Founds, Irene Kane, Emilia Lombardi, Judith Lave, Robert Robertson, Sachin Velankar; Appointed: John Baker, Elaine Devlin, Ronald Frisch, Nancy Gilkes, James Holland John Kozar, Belinda McQuaide, Alan Meisel, Michael Pinsky, Elizabeth Richey, Harvey Wolfe,  
*Not present: Elected: Colleen Culley, Lara Putnam, Angelina Riccelli; Appointed: Taekia Blackwell, Anna Roman, Andrew Blair,*  
*Visitor: D. Holder, President-UPMC Health Plan; Val Jamison, UPMC Health Plan-Pitt Account*

TOPIC	DISCUSSION	ACTION TO BE TAKEN
Call to order	Irene Kane, Chair, called the meeting to order at 9:02am	
Committee business (I. Kane):	HR website: Identify problems in Retirement benefits section on HR website. Website availability on multiple browsers reviewed. HR encourages and always appreciates feedback.	Committee members to review site and report at next meeting.
Old business (Committee):	<p>Approved minutes via email will be forwarded for Senate posting.</p> <ul style="list-style-type: none"> <li>• Revised mission statement approved and will be forwarded to Dr. Pinsky and L. Molinaro with line-out deletions, highlight inclusions format.</li> <li>• Standing Firm: Upon review of Dr. Cluss' and Ms. Caffo's presentation, Committee supports the mission of Standing Firm and reinforces its close connection to Life Solutions. Although this support is reinforced, given a potential domino effect with many requesting organizations, formal partnership pledge is ultimately University decision. R. Frisch noted that updated information from Standing Firm is expected.</li> <li>• Trans insurance: Collecting information and meeting schedule for end of Nov.</li> </ul>	<p>I. Kane will forward minutes and mission statement.</p> <p>I. Kane will forward this summary to Dr. Cluss &amp; Ms. Caffo</p> <p>E. Lombardi will resend report.</p>
Main Topic: UPMC Health Plan: (D.Holder)	<p>Update to health plan. Following introductions, D. Holder provided the following update:</p> <p>Background/General Information</p> <ul style="list-style-type: none"> <li>• Emphasized needs of faculty &amp; staff met within the Pitt's health plan options. Negotiations are long-standing and active within Pitt/UPMC partnership.</li> <li>• Reviewed history of UPMC, associations with local hospitals &amp; Health Plan development &amp; growth.</li> <li>• Presented Health Plan rankings: 10<sup>th</sup> in Medicaid plans and serves 30% of population; Medicare plan is growing and serves 26% of population; largest behavioral care offering in the state.</li> <li>• Reported highest member satisfaction per JD Powers' survey within our state.</li> <li>• Noted joint venture with advisory board in development for risk sharing/health</li> </ul>	

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	<p>plan in areas requesting help to create an infrastructure.</p> <ul style="list-style-type: none"> <li>• Emphasized building relationships with all employers offering the Health Plan as well continued Health Plan new relationship growth with additional investment in novel ways for employers to address ongoing government regulations.</li> </ul> <p>UPMC/Highmark Status</p> <ul style="list-style-type: none"> <li>• UPMC tried to initiate contract negotiation early, Highmark was not interested. About a year ago UPMC and Highmark began discussion about end of current contract. UPMC felt that rates with Highmark were unsatisfactory based on available metrics.</li> <li>• UPMC suggested finding independent companies to identify benchmarks; Highmark declined, but UPMC pursued facts.</li> <li>• UPMC informed Highmark that adjustments were necessary based upon information obtained.</li> <li>• UPMC &amp; Highmark Boards both noted interest/investment in contract issue discussion.</li> <li>• Subsequently, Highmark decided to buy Allegheny Health System which is a phenomenon of insurance companies nationally. This decision, however, changed discussion dynamics between UPMC &amp; Highmark.</li> <li>• Since our Pittsburgh population growth is static and upward growth is not anticipated, market share will be constant. Any change for providers will bring about erosion in market share. Therefore, UPMC must be protective of market share to sustain viability</li> <li>• Highmark openly stated that it would steer patients to Allegheny/West Penn System from UPMC in open hearings. Highmark is actively recruiting UPMC doctors and staff. Highmark would likely set up tiered networks with incentives to use their own hospitals while charging more to access UPMC facilities.</li> <li>• UPMC estimates Highmark will invest \$2 billion of its assets to get Allegheny/West Penn System running.</li> <li>• UPMC recognizes that competition is essentially good for a community, as competition could lead toward better pricing depending on how the system grows. However, Highmark's decisions &amp; methods are viewed as a threat to sustaining UPMC and its growth and development. How this will affect Pitt was also noted.</li> <li>• UPMC and Highmark are competitive along with other national companies.</li> </ul>	

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	<p>Therefore, UPMC's interests are not supported by contracting with Highmark, who openly admitted to recruiting away from UPMC and steering care to their system. This potentially may mean loss of already small margins reinvested in support of many UPMC/Pitt programs. UPMC is unwilling to sustain action which will yield a decline in research &amp; care advancements.</p> <ul style="list-style-type: none"> <li>• UPMC and Highmark are in arbitration, but Highmark is viewed as uncooperative.</li> <li>• Handout stating 33 questions that need to be worked out with Highmark was distributed.</li> <li>• Highmark is regarded at this point as not interested in anything but UPMC signing the offered contract, negative to UPMC future. A lawsuit is filed and pending.</li> <li>• Public Relation's reporting has been primarily against UPMC and a lot of the facts are as yet untold.</li> <li>• UPMC-Highmark dispute does not involve Medicare/Medicaid/or Children's Hospital.</li> </ul> <p>Questions/responses with some statements noted as speculative (i.e. can't predict future):</p> <ul style="list-style-type: none"> <li>• UPMC's cost is comparable to other national providers; costs are being held down. A national independent consulting firm compares administrative fees incurred by Pitt for UPMC Health Plan administrative services in comparison with other carriers. The administrative fees the University incurs compare very favorably.</li> <li>• UPMC tends to lean toward local companies.</li> <li>• Bundled payment methodologies to handle chronic diseases are projected.</li> <li>• Newer models of employer-employee risk sharing and capitation for health care plans are predicted.</li> <li>• Working with MDs, staff and other consultants to develop new health plan systems including quality metrics to make sure quality is there with any proposed change.</li> <li>• Cost of proposed health plan options: Anticipate that employers will drop or reduce insurance benefit because of costs. Direct plan to individual coverage with individual review of affordable options likely. Nationally premiums will be increasing necessitating out of pocket cost-increases. Bottom line is a start to move toward payment models that are risk integrative. Payment models</li> </ul>	<p>D. Holder will investigate and discuss with J. Kozar.</p>

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	<p>generally match Medicare.</p> <ul style="list-style-type: none"> <li>• Issue noted with annual MD visit; members reported paying for annual visit along with additional payment for consultation questions, i.e. additional co-pays for talking about additional problems <ul style="list-style-type: none"> <li>○ UPMC <i>MyHealth</i> website available for ease of member access to health information. The University is working with the Health Plan to establish a single sign-in process. Members would be able to access the UPMC web site by simply logging on to their my.pitt.edu account. Goal: end of the year implementation.</li> </ul> </li> <li>• Electronic access to Explanation of Benefits (EOB) statements is dependent up the member's choice.</li> <li>• Preventive medicine is a focus for the Health Plan which has many health coaches ready to assist. Prescriptions for wellness programs such as promoted by the <i>Exercise is Medicine</i>® national movement are employer oriented, not health plan driven although the Health Plan is willing to work with employers in negotiating plans which include these services. Services/options are available at this time to move forward and these options will hopefully grow over time as the healthcare paradigm shifts from disease to prevention model. Increased use of Primary care practitioners to support this premise in development including the growth of doctorate-prepared nurse practitioners (DNP) to support this direction. We can expect to see possible reduction in inpatient beds, specialists.</li> </ul>	<p>A future meeting for updates with D. Holder will be scheduled if indicated.</p>
<p>Other Issues/Closing remarks (I. Kane)</p>	<p>Per Committee decision, B &amp; W meeting schedule for Dec 16<sup>th</sup> has been <i>canceled</i>. Next meeting is January 18, 2012 (CR Conf. RM 138) WEDNESDAY 9am – 10:30am: Health and Wellness with guest, Dr. John Jakicic. Discussion topic – Fitness for Life Cardiac Program in redevelopment: before 40 preventable with lifestyle changes</p>	
<p>Adjournment</p>	<p>I. Kane adjourned the meeting at 10:35am. Next meeting: January 18, 2012</p>	