May 20 SEBAC Meeting Report, Clint Magill attending as substitute for Walter Daugherity:

Predictions for our self-insured group coverage for next year:

Medical and Drugs: For this year, Premiums received overall increased by 7% but pay-outs were up 15.5%
(one very large paid claim over $2 million is unlikely to recur)

The projection thus is that an increase around 7.9% of premiums over this year will be required to establish a break-even point. It is assumed that a large part of the increase may come from state contributions, but that has not yet been determined. Also, there is still a projected $40 million reserve which could be used for short term losses.

As an example, for an employee only under the A&M care plan, monthly premiums would go from $513.15 to $553.48. The graduate student-only rate would go from $125 to $141.

Dental: premiums not expected to change

ESI’s contract has been renewed having won the bid with a 4% decrease in administrative costs.

There will be a change in deductible amounts since drug and medical out-of-pocket expenses are required to be included.

A “Wellness Plan” will be coordinated on each campus via Blue Cross. One of the programs called ‘Naturally Slim’ was used in a pilot study and completed by about 22 participants who lost an average of 10 pounds and significantly reduced blood pressure. It involves watching a series of 10 weekly videos that target changing ‘the way you eat, not what you eat’. BC will pay the cost of the program for those identified as at-risk based on body mass index.

Another positive service that those covered by the various A&M Care Plans is the ability to use a service called 2ndMD to get a second opinion from a highly qualified doctor at no cost to the patron. SEBAC assumption is that it may cut down on unnecessary procedures and actually end up saving money. One of the persons at the presentation had done it via video conference with a Doctor in Minnesota and felt it was very worthwhile. Chancellor Sharp was set to make a press release on the program the next day, but it actually has been available for a while.