

To: Andrew Klein, Speaker, Texas A&M University Faculty Senate  
From: Gregory Heim, Faculty Senate SEBAC Representative  
Date: February 27, 2020  
RE: Report from System Employee Benefits Advisory Committee (SEBAC) Meeting

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The February 11, 2020 SEBAC meeting covered issues of interest to Faculty Senators and to the faculty and retirees of Texas A&M University. The meeting reviewed the status of medical plans, dental plans, life insurance plans, and wellness services being offered to faculty, retirees, and their dependents.

### **TAMUS Self-Insured Medical and Dental Plans**

System benefits administrators report that the TAMUS health plans are in good shape, with the FY2020 claims through December 2019 exhibiting total premiums and other funds collected of \$113.1 million, versus total claims paid of \$101.9 million, leading to a funding excess of \$11.2 million.

Yet, because System benefits administrators have allocated \$7.3 million from the TAMUS reserve account to these healthcare plan funds, administrators suggest they will need to increase healthcare premiums next year, even though the System presently has \$90 million in its reserve account.

The reserve account was collected over the past 50 years via excess premiums and certain refund payments from a few vendors. Actuaries suggest the reserve account should be a minimum of \$50-\$60 million to remain actuarially sound. Thus, the reserve account still might be reduced for several years without harm to the actuarial health of the fund.

What does the \$7.3 million pay for? Primarily system wellness program services such as MDLive, 2<sup>nd</sup> MD, Silver Sneakers, and the Employee Assistance Program.

For the TAMUS Dental plans, total premiums were approximately the same as the total claims paid through December 2019, so the plan is in good shape so far for FY2020.

### **Overview of MDLive Service**

As part of the TAMUS wellness initiative, the System is paying for the online MDLive service, enabling virtual visits (phone and Internet) with doctors. As of February 2020, 6.1% of TAMUS employees had registered for this service, but only 1.3% had actually used this service.

Benefits administrators estimate that the use of MDLive has so far led to a \$129,778 cost avoidance, however they could not say how much was paid by TAMUS to have access to the MDLive service. As such, it is unclear whether MDLive is saving the System money.

For purposes of the MyEVIVE \$30/month healthcare incentives, System benefits administrators suggest that registering for MDLive is the easiest and fastest way to qualify for one of the two “Two-Step” health incentive activities.

### **MyEVIVE and Wellness Premium Incentives**

Much discussion at the February 2020 meeting concerned dissatisfaction of TAMUS employees and SEBAC representatives with the “Two-Step” wellness credit process. SEBAC representatives voiced concerns that MyEVIVE is recommending confusing, time-consuming, and even medically contra-indicated tasks be completed by employees and/or their spouses to earn the wellness credit.

### **Long Term Disability Plan**

Benefits directors noted that very few employees are claiming LTD benefits (compared to prior years), even though they have paid for them. They wonder whether employees are forgetting they have paid for this LTD coverage, or whether it is too difficult to qualify for the LTD benefits when a qualified event occurs.

### **Vision Plan**

Benefits directors are analyzing improved portfolios of covered benefits for the SuperiorVision plan. The improved plans would include better standard benefits: (1) a larger retail allowance for eyeglass frames; (2) including the cost of polycarbonate lenses, and (3) including the cost of anti-reflective lenses. The cost increases would be minimal.

### **Updates and New RFPs for Service Providers**

Benefits directors mentioned that several RFPs are out for bid, including those for the TAMUS healthcare plan benefits administrator, accidental death and dismemberment (AD&D) insurance plan vendor, and the consulting and actuarial services vendor. TAMUS Benefits is also examining what to do regarding the existing employee billing vendor. TAMUS may develop a new billing system in-house, for a September 2020 rollout.