

To: Dr. Dale Rice, Speaker, Texas A&M University Faculty Senate
From: Dr. Gregory Heim, Faculty Senate SEBAC Representative
Date: May 18, 2021
RE: Report from System Employee Benefits Advisory Committee (SEBAC) Meeting

The May 18, 2021 SEBAC virtual 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 covered dependents.

TAMUS Self-Insured Medical Plans

TAMUS benefits administrators report that, as of March 2021 (of FY2021), the self-insured health insurance A&M Care Plan covered 31,032 employee and retiree policies (with total covered members of 57,378).

Through March 2021, total premiums and other funds collected were \$210.3 million, versus total expenses of \$198.6 million, leading to a funding excess of approximately \$11.6 million. Excess funds largely resulted due to \$15.0 million that was allocated from the TAMUS reserve funds (as well as some funds arising from sources of savings, such as from the retiree Medicare EGWP program) so far in FY2021.

Given the 2020-2021 COVID developments, in the first half of 2020, individuals were delaying medical treatments. So far in FY2021 (September 2020 through March 2021), the medical plans are in a good financial position, but costs may continue to increase as individuals begin more medical treatments. Especially during Summer months, faculty are expected to undertake treatments delayed over the past year. However, in many ways, the total financial picture is ending up fairly similar to that of pre-COVID patterns, according to benefits administrators.

Interestingly, among the large claimant analysis (for TAMUS patient claims > \$50,000), the distribution has stayed pretty much the same from FY2019 through FY2020. At least during FY2020, it does not appear that COVID claims created heavily skewed results.

TAMUS Self-Insured Dental Plans

The dental plan ended 2020 with excess funds of \$0.35 million. Through March 2021, the plan has excess funds of \$0.90 million, about double of that for the same period of FY2020. Overall, guidance is that the dental plan is in good shape. Similar to the previous 10 years, there will be no dental rate increase for FY2022. In FY2022, the plan will add night guards to the covered benefits list.

Medical Plan Premium Increases for FY2022

TAMUS benefits actuaries forecast a 6.00% increase in total plan expenses (inpatient + outpatient + professional services + Rx) for FY2022. As such, the FY2022 premium matrix will change. The following table (already approved by the TAMUS Chancellor) communicates the new premium structure for Full-Time and Part-Time employees:

FY2022 Monthly Full-time Health Plan Premiums									
Carrier	Carrier Code	Category	Total Premium	Employer Contribution*	Employee Out-of-Pocket	COBRA Rate**	Disability Extension COBRA Rate***	Survivor Rate****	Leave Without Pay Rate*****
A&M Care	01	E/O	676.82	676.82	0.00	690.36	1,015.23	676.82	681.52
		E/S	1,238.90	957.86	281.04	1,263.68	1,858.35	1,238.90	1,243.60
		E/C	1,067.34	872.08	195.26	1,088.69	1,601.01	1,067.34	1,072.04
		E/F	1,467.82	1,072.32	395.50	1,497.18	2,201.73	1,467.82	1,472.52
A&M Care 65+	01	E/O	605.75	605.75	0.00	617.87	908.63	605.75	610.45
		E/S	1,107.45	957.86	149.59	1,129.60	1,661.18	1,107.45	1,112.15
		E/C	954.29	872.08	82.21	973.38	1,431.44	954.29	958.99
		E/F	1,311.84	1,072.32	239.52	1,338.08	1,967.76	1,311.84	1,316.54
J Plan	01	E/O	676.82	676.82	0.00	690.36	1,015.23	676.82	681.52
		E/S	1,238.90	957.86	281.04	1,263.68	1,858.35	1,238.90	1,243.60
		E/C	1,067.34	872.08	195.26	1,088.69	1,601.01	1,067.34	1,072.04
		E/F	1,467.82	1,072.32	395.50	1,497.18	2,201.73	1,467.82	1,472.52

Certified Other Health Coverage
1/2 SGIP Maximum \$340.76

FY2022 Monthly Part-time Health Plan Premiums									
Carrier	Carrier Code	Category	Total Premium	Employer Contribution*	Employee Out-of-Pocket	COBRA Rate**	Disability Extension COBRA Rate***	Survivor Rate****	Leave Without Pay Rate*****
A&M Care	01	E/O	676.82	336.06	340.76	690.36	1,015.23	676.82	681.52
		E/S	1,238.90	476.58	762.32	1,263.68	1,858.35	1,238.90	1,243.60
		E/C	1,067.34	433.70	633.64	1,088.69	1,601.01	1,067.34	1,072.04
		E/F	1,467.82	533.80	934.02	1,497.18	2,201.73	1,467.82	1,472.52
J Plan	01	E/O	676.82	336.06	340.76	690.36	1,015.23	676.82	681.52
		E/S	1,238.90	476.58	762.32	1,263.68	1,858.35	1,238.90	1,243.60
		E/C	1,067.34	433.70	633.64	1,088.69	1,601.01	1,067.34	1,072.04
		E/F	1,467.82	533.80	934.02	1,497.18	2,201.73	1,467.82	1,472.52
Graduate Student Plan*****	06	E/O	252.00	252.00	0.00	252.00	N/A		256.70
		E/S	504.00	476.58	27.42	504.00	N/A		508.70
		E/C	669.00	433.70	235.30	669.00	N/A		673.70
		E/F	921.00	533.80	387.20	921.00	N/A		925.70
Extension of Benefits for Grad Plan									

Certified Other Health Coverage
1/2 SGIP Maximum \$170.38

- * Employer Contribution does not include the cost for Basic Life of \$ 4.70
- ** COBRA Rate calculated as 102% of Total Premium.
- *** Disability Extension COBRA Rate calculated as 150% of Total Premium.
- **** If only children survive: One child, use E/O; Two or more children, use E/C.
- ***** LWOP Rate equals Total Premium plus the cost for Basic Life of \$4.70
- ***** Graduate Student Employees enrolled in the GSE Plan can choose one to three months of "continuation of coverage" in the GSE Plan, but not COBRA coverage. Alternatively, a GSE Plan enrollee may elect to participate in COBRA through another carrier rather than enrolling in the GSE Plan's continuation of coverage.

Optional Plan Premiums for FY2022

There are no changes in premiums for dental, vision, basic life insurance, optional life insurance, dependent life, accidental death and dismemberment, or long-term disability. There is no change in the flexible spending accounts annual election.

Summary of Impacts of COVID

Benefits administrators summarized that, through May 15, 2021, the cumulative total financial impact for COVID treatment was \$6.7 million. Among the TAMUS covered patients, 11% of COVID patients ended up as “long haulers”, requiring treatment greater than 6 weeks. These “long haulers” generated 43% of the treatment expense.

TAMUS incurred covered expenses for COVID diagnostic tests (not including Curative and other local testing efforts) of \$2.2 million.

TAMUS is having some difficulty identifying total vaccination counts among employees and covered dependents, since this data is a mix of injections given at the Brazos Hub, doctors’ offices, and pharmacies, among other potential vaccination sites. The benefits administrators do not have access to all such sources of data.

Overall, 2.2% of covered COVID treatment cases required hospitalization, compared to a national benchmark of 4.0%. According to benefits administrators, the biggest cost driver for the System is those individuals who end up in a hospital due to COVID. From mid-2020 to December 2020, the average hospitalization cost for COVID patients had grown from \$20,000 to \$40,000 per inpatient admission, with the largest covered COVID expense surpassing \$150,000. Through May 2021, 246 hospital admissions for COVID led to average costs of \$26,298. Recently, the paid costs per outpatient visit and per professional visit have decreased, which is promising news.

Benefits administrators have also tracked death claims, based on Hartford and Securian policy claims, which by May 2021 had reached 49 COVID deaths.

Two Step Wellness Incentive

Benefits administrators note that 65% of those eligible for the wellness incentive have already qualified for it this year, compared to the previous year at 50%. Administrators remind everyone to perform their wellness incentive activities for FY2022, which ideally should be done by June 30 in order to give sufficient time for claims processing.

During FY2022, the program will newly include Preventative Dental Exams/Cleanings (including root scaling and root cleanings) and Preventative Vision Exams as wellness incentive options. Given these additions, it should become easier to achieve the wellness incentive.

MDLive Service

MDLive provides online doctor visits. Based on a subjective patient survey response about what patients using MDLive might otherwise have done for healthcare services, TAMUS administrators report MDLive has an estimated cost avoidance of \$223,965. I asked how

much the System pays to achieve this savings, and the answer was \$44 per patient (= \$34 by TAMUS and a \$10 patient co-pay). During October 2020 through March 2021, patients made 2148 visits to MDLive. Assuming the same for the other six months (i.e., 4296 patients doing virtual visits per year), TAMUS is spending \$146,064 to achieve a \$223,965 cost avoidance. Together, TAMUS and patients are paying \$189,024 to achieve the estimated cost avoidance.

Benefits administrators want to remind everyone that Behavioral Health Consultation services are also available via MD Live.

Study of Fertility Health Service Coverage at Peer Universities

The new TAMUS Benefits Directors performed a study of peer and aspirant universities, including TAMUS and other Texas universities, to look into the coverages for fertility healthcare services at other institutions.

Overall, there was a mixed bag of findings, with some Universities covering it fully like other health services, some covering it partially, and many providing diagnostic services but not treatment.

As such, TAMUS benefits staff say they will “continue to monitor” this situation in FY2022, thus at present, there will be no new coverage for fertility medical care.