



The University of New Mexico Health Plan

Developing the Long Term Strategy

March 2016



Health Plan Strategy Development Timeline

September 2015	October – December 2015
Stakeholder Interviews	Develop and Finalize the Health Plan Mission Statement and Guiding Principles

January – March 2016	April 2016
Develop the Long-Term Strategy and Finalize the Recommended Tactical Solutions	Present the Final Report with Recommended Tactical Solutions to roll out over the next three years

May – December 2016
Communicate and Implement approved Health Plan Strategy to faculty and staff

Word Cloud from Stakeholder Interviews



Stakeholder Interview Meeting Highlights

Areas of Interest

- **Choice**
 - Low cost choice (possibly HDHP)
 - Maintain quality programs
 - Control cost and maintain value
 - Important to have broad national and local network access
- **Communication**
 - Effective communication so employees make wise choices
 - Ensure **open** and **transparent** communications with constituents
- **Maintain benefit programs that are fiscally responsible**
 - Consider different salary tiers – parity in salary and paying for benefits
- **UNM Health Sciences Center**
 - Leverage their capabilities and resources as appropriate to benefit the members health and the overall plan costs
- **Culture of Health**
 - Support a culture of health
 - Drive for more employee accountability/responsibility
 - Use benefit plans to drive behavior modification, using carrots (and sticks if appropriate)
- **Other items for consideration**
 - Alternative benefits: child care, off campus gym memberships, CNM tuition remission
 - Other Elective benefits that benefit members without increasing UNM's costs

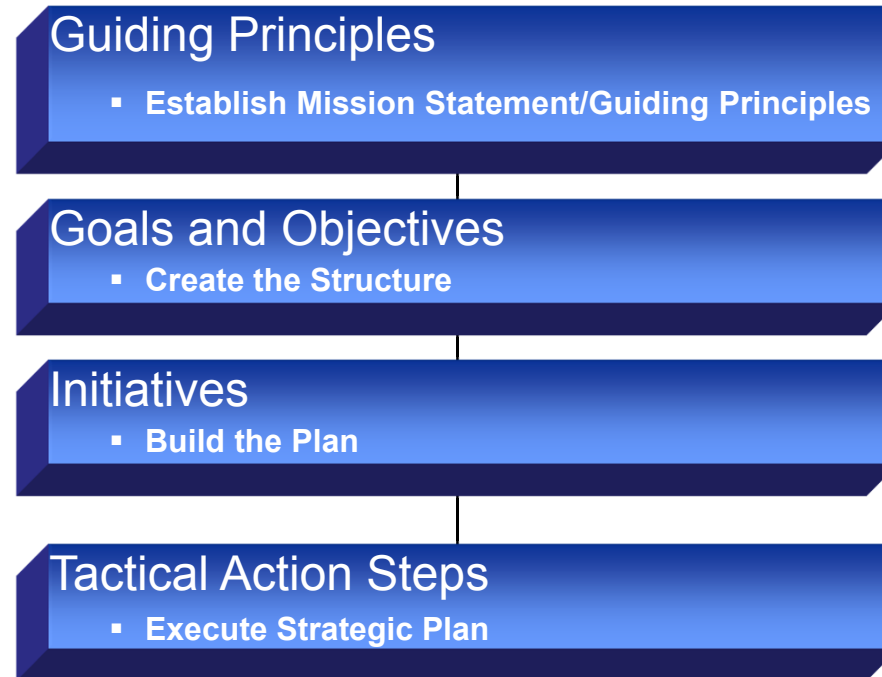
Stakeholder Interview Notes

- Benefits as an attraction/retention tool
 - Not an overwhelming feeling that benefits really drive recruiting and retention
- Benefits are part of a Total Compensation Package and there should be consistency in how it is treated year over year
 - Total compensation and rewards; recognition that they all tie together
- Strike balance of “we are all in this together and we will spread the risk” and “we all have a personal responsibility to manage and maintain a competitive program”
- A successful program would create stability and integrity
- Would like equality between employees at all locations – branch campuses can’t easily access Lobo-care
- Rather sacrifice salary for benefits
- Maintain the parity in costs with varied salary tiers
- Be fiscally responsible – control cost and create value
- Avoid Excise Tax
- Evaluate lower cost options
 - HDHP with HSA
 - HMO with narrow network (UNM Health)
- Too many carriers – efficiency and leverage
- Focus on giving more choice; one size does not fit all
 - More choice through alternative plan designs
 - Important to have broad national and local network access
 - Need to have network choice while promoting and incenting use of UNMH facilities/programs
 - Cost effectiveness and quality of network should trump the specific network; incent higher performing networks
- Benefits need some simplicity, ease of use, efficacy for the member at time of decision making
 - Increase the understandability and the value the benefit package provides
 - More employee education on benefits

Stakeholder Interview Notes

- Leverage UNM HSC as an expert provider
 - This is the best opportunity to get the greatest and best care
 - Access at HSC needs to be better
 - Partner with HSC when applicable and appropriate on Rx and Wellness
- Drive for more employee responsibility/accountability to be a part of the destiny of the plan
 - Empower employees
- Willingness to compromise across stakeholder groups
- Make data driven decisions
- Be creative in looking for opportunities
- Communication and feedback is critical
 - Develop a strong partnership between UNM and the Health System to communicate regularly
 - Conversations that are open and early
 - Over communicate to build trust
- Use incentives to encourage an active role in health and wellbeing
 - More active plan that looks at increasing preventive services and wellness using discounts and “carrots”
 - Wellness should be integrated into the plan
 - Wellness should extend beyond employees enrolled on the plan
 - Would like to see more wellness programs but not force employees to participate
- UNM is contributing less towards the cost of retiree coverage and not at the same level that was communicated when hired/retired
- Good selection of alternative benefits
 - Gym membership off campus, Child Care
 - Tuition remission should be expanded to include CNM remission and expand to include graduate students

Creating the Next Generation Health Plan Strategy - The Process



UNM Benefit Plan Mission Statement

UNM is committed to providing efficient, competitive, sustainable, and fiscally responsible benefits for the diverse needs of our faculty and staff by offering benefits that leverage our resources, provide superior quality, encourage healthy behaviors, and are enhanced by collaboration and open communications.

UNM Benefit Plan Guiding Principles

- **To attract and retain a diverse faculty and staff, we will offer competitive, efficient, and comprehensive benefits, with meaningful choices**
- **We will leverage and maximize HSC capabilities to the benefit of the plan and its members**
- **We will offer effective programs, resources, and tools to increase member engagement, accountability, and wellbeing**
- **Our programs and services will be well-communicated, simple, understandable, and easy to use**
- **We will maintain a fiscally responsible program, because that is paramount to the long term health and sustainability of the benefit offerings**

Guiding Principles

Guiding Principle #1: Offer health benefits that attract and retain diverse faculty and staff with meaningful choices

Competitive, Efficient, and Comprehensive offering

What Is the Current State?	What Is The Future State?
<ul style="list-style-type: none"> ▪Overall benefits are near competitive in the value of what is offered, however the cost to employees for health benefits are higher than benchmarks ▪Offer three health care plan options, all with Lobo Care benefits, all similar in value, and administered through 3 different network structures ▪No elective benefit offering 	<ul style="list-style-type: none"> ▪Plan Offerings continue to track near competitive levels through minor annual changes as necessary ▪As it relates to the higher salary bands, narrow the competitive gap ▪Offer medical plans with greater disparate values, including a HDHP with an HSA ▪Simplified network structures between medical plans ▪Offer of additional benefits that provide value to employees without increasing the cost burden to UNM

Multi-Year Tactical Strategy

Guiding Principle #1: Offer health benefits that attract and retain diverse faculty and staff with meaningful choices

Competitive, Efficient, and Comprehensive offering

FY 17	FY 18	FY 19
<ul style="list-style-type: none"> ▪ Minor (less than 2.5%) changes to Medical and Rx benefits; will not erode benefit plan competitiveness ▪ Hold employee cost share percentages ▪ Evaluate HDHP options ▪ PBM RFP to be effective in FY 18 ▪ Consider Elective Benefits RFP to be effective in FY 18 	<ul style="list-style-type: none"> ▪ Review peer institution benchmark data; consider minor (less than 2.5%) changes to Medical and Rx benefits; will not erode benefit plan competitiveness ▪ Introduce/Implement a Qualified HDHP as a second option with UNM contributing towards the Health Savings Account (seed money for at least the lowest salary tier). ▪ Adopt Aon best practices for implementing successful QHDHP programs <ul style="list-style-type: none"> – Actuarially Equivalent plans – Seed Money (Potentially) – Appropriate Contribution Strategy – Communication plan, including claim scenarios ▪ Evaluate potential reduction of TPA's ▪ Evaluate/Implement Spousal Surcharges 	<ul style="list-style-type: none"> ▪ Review peer institution benchmark data; consider minor (less than 2.5%) changes to Medical and Rx benefits; will not erode benefit plan competitiveness ▪ Review peer institution benchmark data; consider changes to the contribution structure to improve benefit plan competitiveness ▪ Evaluate/Implement Spousal Surcharges ▪ Evaluate potential reduction of TPA's

Guiding Principles

Guiding Principle #2: Leverage and Maximize HSC Capabilities

What Is the Current State?	What Is The Future State?
<ul style="list-style-type: none"> ▪Offering UNM Health Plan, currently lowest priced option ▪Offer Lobo Care network on all plans offered to incent utilization into the UNM network ▪Through procurement, UNM leverages size of entire organization for certain benefit programs 	<ul style="list-style-type: none"> ▪Utilizing programs and resources through HSC as appropriate to differentiate UNM's offering including but not limited to: <ul style="list-style-type: none"> ▪Disease and Health Management ▪Pharmacy Management Solutions ▪Concierge or Differentiated Treatment and Care ▪Payment Reform ▪Financial structures with outside providers ▪High Level of communication and partnership between UNM and HSC ▪Reduced administrators to include UNM and one other, with great incentive to access LoboCare

Multi-Year Tactical Strategy

Guiding Principle #2: Leverage and Maximize HSC Capabilities

FY 17	FY 18	FY 19
<ul style="list-style-type: none"> ▪ Evaluate all of UNM’s benefit programs and look at potential cost savings by combining all into one centrally administered offering across the enterprise ▪ Consider benefit plan RFP’s for the majority of benefits (Rx, Dental, Vision, Life, Disability, and others) ▪ Develop potential work stream and timing with HSC regarding the following areas: <ul style="list-style-type: none"> ▪ Disease and Health Management ▪ Pharmacy Management Solutions ▪ Concierge or Differentiated Treatment and Care ▪ Payment Reform ▪ Financial structures with outside providers 	<ul style="list-style-type: none"> ▪ Consider implementing the consolidation of benefit programs ▪ Consider Medical RFP ▪ Begin utilizing programs and resources through HSC as appropriate to differentiate UNM’s offering including but not limited to: <ul style="list-style-type: none"> ▪ Disease and Health Management ▪ Pharmacy Management Solutions ▪ Concierge or Differentiated Treatment and Care ▪ Payment Reform ▪ Financial structures with outside providers 	<ul style="list-style-type: none"> ▪ Continue utilizing programs and resources through HSC as appropriate to differentiate UNM’s offering including but not limited to: <ul style="list-style-type: none"> ▪ Disease and Health Management ▪ Pharmacy Management Solutions ▪ Concierge or Differentiated Treatment and Care ▪ Payment Reform ▪ Financial structures with outside providers

Guiding Principles

Guiding Principle #3: Personal Health Responsibility

Promote consumerism, accountability, and wellbeing among faculty and staff through informed and responsible use of health care services, tools, and resources.

What Is the Current State?	What Is The Future State?
<ul style="list-style-type: none"> ▪Faculty and staff currently assume a passive role in the health care decision making process due to low co-pays and deductibles ▪Low sense of accountability for individual health care decisions ▪Low incentive to be a wise consumer of health care outside of accessing Lobo Care ▪No integration of wellness with the plan designs or the plan costs ▪Wellness program has broad reach ▪Unable to tie wellness initiatives to other health plan data and cohorts 	<ul style="list-style-type: none"> ▪Move the faculty and staff from assuming a passive role to becoming informed and active plan participants ▪Include the appropriate incentives for faculty and staff to be wise consumers of health care ▪Continue to develop a “Culture of Health” embraced by leadership and utilizing HSC assets as appropriate ▪Increase overall participation in the Wellness programs among all eligible faculty and staff ▪Stratify plan participants, track year over year changes, and monitor overall progress with health improvement programs and integrating the data to health plan data to derive meaningful results ▪Offer more incentives and tie those incentives to particular wellness/plan behaviors.

Multi-Year Tactical Strategy

Guiding Principle #3: Personal Health Responsibility

Promote consumerism, accountability, and wellbeing among faculty and staff through informed and responsible use of health care services, tools, and resources.

FY 17	FY 18	FY 19
<ul style="list-style-type: none"> ▪ Implementation of robust biometric screenings ▪ Implementation of incentive structure for wellness participation ▪ Integrate data with data warehouse ▪ Development of a strategic wellbeing plan ▪ Selection and implementation of Wellbeing vendor, if necessary 	<ul style="list-style-type: none"> ▪ Development and implementation of programming from the strategic wellbeing plan 	<ul style="list-style-type: none"> ▪ Continued development and implementation of programming from the strategic wellbeing plan

Guiding Principles

Guiding Principle #4: Educate and Communicate

Make programs and services simple, personalized, easy and meaningful

What Is the Current State?	What Is The Future State?
<ul style="list-style-type: none">▪ Only communicating the changes to the UNM Benefit Plan during the annual enrollment period (April - June)▪ Faculty and staff generally do not understand the value of the Health Plan and Wellness program including available tools and services▪ Materials are communicated and distributed on a “one size fits all” basis, no targeted communications based upon different characteristics and needs	<ul style="list-style-type: none">▪ Develop comprehensive employee health management education strategy encompassing all aspects of health care from eligibility, enrollment to accessing available resources and tools▪ Ensure that Faculty and staff understand the value of the Health Plan and Wellness Program including available tools and services▪ Use materials and social media to target faculty and staff based upon different characteristics and needs

Multi-Year Tactical Strategy

Guiding Principle #4: Educate and Communicate

Make programs and services simple, personalized, easy and meaningful

FY 17	FY 18	FY 19
<ul style="list-style-type: none"> ▪ Audit the current communications program and develop a long range communications strategy that is consistent with the Guiding Principles ▪ Determine and use population segmentation to target specific populations ▪ Develop and implement communications campaign introducing the Qualified High Deductible Health Plans (QHDHPs) and Health Savings Accounts (HSAs) including examples of various claim scenarios ▪ Develop communications strategy to introduce the wellbeing program 	<ul style="list-style-type: none"> ▪ Implement decision support tools that assist employees in choosing the best benefit program for them (traditional vs. HDHP/HSA) ▪ Use materials and social media to target employees based upon different characteristics and needs ▪ Evaluate the effectiveness of the prior year communication strategy, implement the current year strategy and review the future year for any updates or changes in the following areas: <ul style="list-style-type: none"> - Overall Strategy - Success of QHDHPs - Results of incentives associated with wellbeing program 	<ul style="list-style-type: none"> ▪ Evaluate the effectiveness of the prior year communication strategy, implement the current year strategy and review the future year for any updates or changes

Guiding Principles

Guiding Principle #5: Continue to be Good Stewards of UNM’s Benefit Resources

The team responsible for managing the UNM Benefit Plan will continue to be good stewards of the UNM benefit resources

What Is the Current State?	What Is The Future State?
<ul style="list-style-type: none"> ▪ Plan costs are in line with current expectations of benefit offering ▪ Traditional health plan options are expected to trend in the high single digits over the next 3 to 5 years ▪ Pharmacy has moved to a coalition to take advantage of aggressive pricing ▪ Not consistently measuring key health drivers affecting cost and quality 	<ul style="list-style-type: none"> ▪ Offer innovative Health Plans that are more Cost Efficient, supported by Best Practices, and expected to reduce annual trend ▪ Ensure that vendor performance is accurate, competitive with the marketplace and of good quality ▪ Expand the applicable metrics for measuring key health drivers affecting cost and quality to those that are required to effectively manage the long term strategy ▪ Consider aggressive measure to control high cost areas ▪ Engage HSC in this endeavor

Multi-Year Tactical Strategy

Guiding Principle #5: Continue to be Good Stewards of UNM’s Benefit Resources

The team responsible for managing the UNM Benefit Plan will continue to be good stewards of the UNM benefit resources

FY 17	FY 18	FY 19
<ul style="list-style-type: none"> ▪ Perform a full evaluation during the renewal rating cycle to confirm plan relative values and pricing are consistent with underlying networks and plan designs ▪ Develop of post 65 benefits strategy ▪ Conduct the Dependent Eligibility Verification Audit on an on-going basis ▪ Continue independent plan audits, as needed, of medical and Rx vendors ▪ Develop annual cost and quality metrics to compare data for domestic claims incurred at UNMH versus similar data for the other network providers ▪ Consider various RFP's as appropriate to ensure best vendor pricing 	<ul style="list-style-type: none"> ▪ Perform a full evaluation during the renewal rating cycle to confirm plan relative values and pricing are consistent with underlying networks and plan designs ▪ Ongoing annual cost and quality metrics to compare data for domestic claims incurred at UNMH versus similar data for the other network providers ▪ Consider various RFP's as appropriate to ensure best vendor pricing ▪ Conduct a clinical audit to confirm adherence to treatment protocols and effectiveness of vendors DM/CM programs 	<ul style="list-style-type: none"> ▪ Perform a full evaluation during the renewal rating cycle to confirm plan relative values and pricing are consistent with underlying networks and plan designs ▪ Ongoing annual cost and quality metrics to compare data for domestic claims incurred at UNMH versus similar data for the other network providers ▪ Consider various RFP's as appropriate to ensure best vendor pricing