

**College of Medicine
Fringe Benefit Committee Meeting
June 12, 2008, 5:00 p.m.
4150 Gainesville/Deal Boardroom Jacksonville**

Attendance:

Faculty Members: Dr. Flynn, Chairman
Drs. Paulus, Isaacs, Northrup
Administrative Staff: Wayne Tharp, Kathy Peck, Jan Eller, Janis Smith,
Brian Berryman, Ken Tomlinson, Melissa Long
Guests: Missy Lentz/Holloway Financial

Call to order 5:00 p.m.

Order of Business:

1. Minutes of the 10/15/07 meeting were approved.

2. Review of Old Business Items:

a. Resolution of overpayment of health insurance claims to UF Physicians, Gainesville and Jacksonville

An erroneous change in fee schedules on 11/1/06 resulted in a nearly \$1,200,000 overpayment of claims to UF Physicians Gainesville & Jacksonville by Humana, our group health insurance provider from November/2006 to June/2007. The excess payments distorted our claims history and resulted in a significant rate increase on 7/1/07. The overpayment was refunded to Humana in the March/08 and retrospectively reduced the percentage of increase in the 7/1/07 renewal rates. We are now more vigilant in our understanding and monitoring of fee schedules.

3. New Business:

a. Change in reimbursement levels for Shands and UF Faculty Group Practice as of 3/1/08 and the impact on health insurance premiums

We initiated a change with Humana in the reimbursement levels for UF Physicians and Shands-employed physicians. The Humana group health plan will pay 100% of charges with no deductible and no coinsurance applying. This will eliminate Shands balances on our members' accounts and it will ease the administrative burden of writing off balances on FCPA accounts. This change provides a reimbursement of 110% of Medicare allowable to both the UF Physicians and the Shands-employed physicians. Prior to this change, Shands-employed physicians were being reimbursed for their charges at a higher level of 125% of Medicare allowable. This change to our policy results in an increase in our rates as of 3/1/08; however it also results in increased claims dollars flowing to UF Physicians.

b. Renewal of Group Health Insurance/Proposed Benefit Changes (attached)

The group health insurance premiums will increase by a proposed \$2,300,000 on July 1, 2008. Financial Services worked very closely with Humana to determine if there were options available to the College for reducing the cost of this plan. Each proposed policy change/premium reduction is shown below. Dr. Flynn will present the proposed changes to the Faculty Group Practice Board on June 17, 2008 for their approval.

Presented & Approved by Fringe Committee 6/12/08	Coverage Change	Savings/Costs
Approved	Increase Pooling Point 7/1/08 from \$150,000 to \$250,000	\$265,808
Approved	Change RX copay 8/1/08 from \$20/\$35 to \$20/\$40	\$96,478
Approved	Change Office Visit Copay 8/1/08 from \$25 to \$30- Tier 2	\$137,826
Approved	Adult Prev Care Max: as of 8/1/08, Tier 1 = 100% to \$500., Tier 2 & 3 = 80% up to \$500.	\$3,938
Approved	Change Insurance Carriers for Faculty Life and AD&D from UNUM to ING	\$273,699
Approved	Change Insurance Carriers for Faculty Long Term Disability from UNUM to ING	\$124,347
Approved	Change Insurance Carriers for Housestaff Life & AD&D from UNUM to ING	\$1,648
Approved	Change Insurance Carrier for Housestaff Long Term Disability from UNUM to ING	\$3,852
Approved	Increase Housestaff Long Term Disability benefit from \$2000/month to \$2500/month	-\$7,461
	Total Annual Savings	\$900,135

c. Health Savings Accounts

Contributions to Health Savings Accounts are made by the employer and on a pre-tax basis by the employee. The account is available to an employee upon separation of service. Health Savings Accounts start on January 1st of each year. These plans have an impact on the design of group health insurance programs, and we are continuing to work with our consultants on the feasibility of offering this type of plan to our faculty members. More information will be provided at the next meeting.

b. Resident Leave/Maternity Leave Issues

The current policy is being reviewed. A maternity leave policy is being drafted for approval by HR at UF. Additional information will follow.

Meeting adjourned 5:40 p.m.