The Committee met twice this year. The first meeting, in January, reviewed the successful roll-out of the new Cigna medical insurance plans. The transition from United Health Care went quite well and more than 75% of covered employees participated in the biometric screenings. There was discussion of how to incorporate more wellness activities and plans at the institutional level. The prospect of short term disability insurance was briefly discussed as an option WFMO was investigating. The final item was the evaluation survey, which indicated that more that 86% of the staff were satisfied with the overall Tulane benefits package.

With the backdrop of all this good news, the next meeting in August wasn’t as pleasant. Anne Baños brought the Committee up to date with a report on the status of the medical plan renewal. Cigna reviewed the previous 18 months of claims data, which were the highest in Tulane’s plan history, and based on that review, submitted a renewal of 22% for 2013. (Incidentally, the increased claims appear to be from increased numbers of claims and not an increase in the amounts of individual claims). Negotiation with Cigna initially reduced this to 17%, and eventually to 15%, which was still deemed unacceptably high. Tulane went back to the market, and after discussions with Coventry and United Health Care, chose UHC for the medical plan in 2013. UHC’s coverage is very similar to that currently in place with regard to plan tiers, included facilities and physicians, and other elements of the medical benefits plan. United Health Care has agreed to a rate that is 6.6% above our current rate, with a rate cap in year 2 of 13%.

Returning to UHC should not result in many coverage gaps. There will not be as strong an emphasis on wellness, nor will there be incentivized biometric screenings. Instead, wellness efforts will be internally coordinated rather than a function of UHC’s plan. Staff and faculty programs will be better aligned with the student programs (The Well).

The Committee would like to thank Anne Baños and the consultants for all their work negotiating the UHC plan.

enc: handout of financials re: rates provided by Anne Baños