

Colorado Higher Education Insurance Benefits Trust Special Meeting Agenda

MEETING LOCATION AND DATE:

Date & Time: April 21, 2016, 3:30 p.m.

Location: Telephone conference

I. Call to Order

The meeting was called to order by Mike Dougherty. The following individuals called in via telephone conference:

- Tracy Rogers, Adams State University
- Blaine Nickeson, Auraria Higher Education Center
- Ralph Jacobs, CSU Pueblo
- Susan Benesch, CSU Pueblo
- Luc Cisna, CSU Global
- Darren Mathews, Fort Lewis College
- Amanda Berry, Metropolitan State University of Denver
- George Middlemist, Metropolitan State University of Denver
- Jinous Lari, Metropolitan State University of Denver
- Mike Dougherty, Colorado School of Mines
- Ann Hix, Colorado School of Mines
- Julie Tacker, University of Northern Colorado
- Julie Nava, University of Northern Colorado
- Michele Moreau, Gallagher
- Neida DeQuesada, Gallagher
- Margo Reid, Gallagher
- Dixon Waxter, Trust Attorney, Office of the Attorney General
- Paula Wilson, Anthem
- Desiree Delgado, Anthem
- Annmarie Manders, Anthem

II. Public Comment

No one appeared for public comment.

III. Consideration of request from Metropolitan State University of Denver for a second open enrollment for vision insurance covering materials

This Special Meeting was called as a result of request from Metropolitan State University of Denver (MSU-D) to offer a second open enrollment for vision insurance only. MSU-D's email regarding open enrollment for 2016, distributed to employees in November 2015, was unclear, and as a result, many employees failed to make a vision election and lost materials coverage. Mike turned the floor over to Amanda from MSU-D for an explanation of MSU-D's request.

Amanda explained that MSU-D went through a number of changes in their Human Resources Department around the time of open enrollment. She shared the following wording from an email sent to Faculty and Administrators just prior to the beginning of open enrollment.

- "This is a **passive** open enrollment - meaning that, if you do NOT change health or dental insurance PLANS OR TIERS your current coverage choices will automatically roll over into the next plan year for those that do NOT participate."
- "The CHEIBA Trust employee benefit insurance contracts for 2016 are continuing with the same insurance carriers as last year, except for vision, which will now be covered through Anthem."

MSU-D believes that its communication was not clear and failed to provide proper instructions to their faculty regarding vision enrollment. As a result, 150 to 200 people failed to make a vision election and lost coverage for materials effective January 1. Amanda said that the HR team at MSU-D continues to receive 1-2 calls each week from upset employees who are finding out they no longer have coverage. MSU-D would like to be able to offer their eligible faculty a second open enrollment for vision only. They are open to using a June 1, 2016, effective date. Mike pointed out that if approved moving forward, this wouldn't solve the problem for those who had already purchased materials but would only allow coverage for future purchases. Amanda said they understand, but they feel this would still be helpful for the remainder of the year.

Blaine reinforced that since exams are already covered, coverage for materials is the issue. He also noted that they have not had any concerns at Auraria regarding their vision elections.

A question was addressed to Anthem about considering requiring enrollment for exam only coverage. Since exams are automatically included for anyone electing medical, Anthem did not feel it was necessary to require a separate enrollment for exams. Desiree confirmed that they used a medical eligibility roster to identify members and extended vision exam coverage to all of those individuals. Enrollment was only necessary for employees requesting material coverage or who did not elect medical coverage.

Ralph asked that if coverage was added June 1, would this be offering a discount only to MSU-D? Tracy commented that she would think it would be an issue for everyone.

Mike restated that the MSU-D communication was not clear and did not instruct employees to make an election if they wanted to maintain materials coverage. Employees are buying materials and only now finding out that they do not have materials coverage. Amanda agreed and said that employees were under the assumption that coverage would roll over, and MSU-D would like the opportunity to make it right.

Ralph asked if approved, would they retro charge the premiums to January and change the effective date of coverage. Mike said this is not determined yet.

Mike asked Dixon if the Trust would be obligated to extend to all campuses. Dixon doesn't feel there is a need to require that all institutions offer an open enrollment.

Mike asked the Trustees if there were other concerns expressed with their institutions.

- Tracy said they have had a couple of experiences where faculty were under the assumption that they forgot to sign up for vision, but had not made an election for materials coverage.
- Julie T. said that they had issues, but they have been resolved. Julie N. joined and explained further. During open enrollment, HR talked to all departments. They then identified those who hadn't enrolled but who previously had VSP. UNC HR sent emails to these individuals advising them that their coverage would terminate unless they enrolled for materials. A couple people complained, and Anthem allowed them to enroll in January.
- Mike said Mines used the same method as UNC. Ann joined from Mines and confirmed they had a couple of people who thought they did not sign up but actually had done so. No other issues.

Darren raised the following concerns: It doesn't seem going forward is appropriate for two reasons. First, the insurer would lose the full year's premiums. Second, it wouldn't solve the problem for those who have already purchased materials year to date. Mike concurred.

Mike asked for Michele's insight. Michele stated that if everyone is allowed the same benefit, it wouldn't be fair that they do not pay the full premium. Blaine agreed. He thinks the open enrollment should be available to all members of the Trust because others may have a situation that changed. Amanda said that she is open to backdating coverage to January 1. Paula stated that administratively it is more work, but Anthem can accommodate a January 1 effective date. Mike questioned if they could charge a higher rate if they went with June 1 as an alternative to retroactive premiums being assessed.

Tracy stated that although they need to be considerate to MSU-D's needs, she is concerned about setting a precedent moving forward. For example, if an institution forgot to tell employees about the Lumenos plan, should they be entitled to a special enrollment? Mike asked for Dixon's input. Dixon agreed that you would be setting a precedent. The Trust would need to set parameters, and be very clear for future similar situations. Blaine agreed with Tracy's comment.

Mike asked what danger would there be if they were to offer an open enrollment for the entire Trust, requiring a full year's premium. Blaine feels the Trust would be going into a special open enrollment as a result of one institution failing to communicate properly to its employees. Luc said he would be concerned about employees' expectations moving forward. Darren doesn't think the risk is great since this is a special circumstance with MSU-D and is not common.

Susan stated that a timely decision is critical because staff will be gone for summer break very soon. Human Resources will need time to communicate the special open enrollment and the staff will need time to enroll.

Tracy explained that an open enrollment could mean adding coverage, but could also mean dropping coverage and making changes. Mike agreed and said they would need to clarify it would be a special enrollment allowing adds only, no drops or changes.

Mike asked about a hypothetical situation. How would it be handled if Gallagher were to recommend a special enrollment allowing enrollment into the Lumenos plan due to a lack of communication explaining the plan? Paula said a medical open enrollment would be very different because the risk under a medical plan is much greater than vision. This would be a concern from an underwriting perspective. Mike explained that through his previous experience with self-funded plans, he has always been advised to make decisions not based on financial risk but on fairness and consistency to the participants. He agreed that the dollar impact with vision is minimal, and that it would be much greater with medical. The issue is consistency and whether precedents are established.

Dixon stated that when identifying the reason for the request for a special open enrollment for vision, it was due to failure to communicate clearly and dollar risk is very low. There would be communication in writing with details of the situation, and he doesn't believe there would be future impact to the plan.

Mike asked Michele if she has experienced this type of situation with other clients. Michele said CHEIBA is her only client with split vision plans. She has seen other plans allow special enrollments, but it is very rare. Her only experience with a special enrollment period was due to a change in risk requiring rates to be adjusted mid-year.

Blaine commented that he didn't think the benefits paid out are much more than the amount paid in premiums. Ralph agrees but said participants have a perception of losing the benefit of savings.

Annmarie reviewed a summary of the vision benefits for Materials Only coverage:

- Eyeglass Frames - \$130 allowance, then 20% off remaining balance, once every 12 months
- Eyeglass Lenses – lenses (single, bifocal & trifocal) \$15 copay, once every 12 months
- Contact Lenses, once every 12 months
 - Contact lenses - \$130 allowance, then 15% off remaining balance
 - Contact lens exam – Copayment up to \$55

Mike asked how this might impact the experience to the plan. Anthem confirmed that the amount of money that person does not have to pay, up to contracted rate would be charged to experience.

There were no additional thoughts from Trustees.

Amanda Berry made a motion to allow Metropolitan State University of Denver to have a special open enrollment back to January 1, 2016, for Vision only coverage. Ralph seconded the motion.

Discussion followed:

- Blaine pointed out that the proposed motion would limit the special open enrollment to MSU-D using the actual effective date.
- The Trustees agreed that the intent would be to allow adds only, no drops or changes.
- Tracy asked if it were to be opened for all institutions would it be permissible or required. Dixon suggested permissive versus required. He stated that if it is determined that the risk is low, and the amount of work and cost involved for the campuses to offer an open enrollment is manageable, he does not have a concern.

- Ralph asked if a sentence should be added with the reason for allowing the special enrollment. Dixon agreed. Blaine reiterated concern about setting a precedent and Mike concurred.

Through this discussion, friendly amendments were offered to clarify the original motion. MSU-D accepted these. **The restated motion was: Allow Metropolitan State University of Denver to have a special enrollment back to January 1, 2016, for Vision only coverage. The special enrollment only allows individuals to add the vision benefits; no drops will be allowed. A friendly amendment was to open the special enrollment to all member institutions. The special enrollment must be offered at all member institutions. The special enrollment period will be two weeks commencing April 29, 2016, and ending May 13, 2016.**

Blaine asked for Mike's perspective. Mike said that he sympathizes with MSU-D, but he has a great deal of concern with setting a precedent. He is not comfortable making a decision based on the basis that financial risk is low. If you allow an open enrollment for one school, you should do it for all to be fair to all participants. He also believes it would a great deal of administrative work. Therefore, because of these factors, he will vote against the motion.

A roll call vote followed resulting in the following:

Tracy, Adams State University – Nay

Darren, Ft. Lewis College – Yea

Julie Tacker, University of Northern Colorado - Nay

Ralph Jacobs, CSU Pueblo – Yea

Blaine Nickeson, Auraria Higher Education Center – Nay

Mike Dougherty, Colorado School of Mines – Nay

Amanda Berry, Metropolitan State University of Denver – Yes

Motion fails. No other motions from the Trustees.

Mike opened the discussion for any other business before the Trust. Tracy suggested pointing out a clarification previously sent to the Trustees by Paula regarding the premium holiday. When taking the premium holiday, it does not include vision. Tracy reminded everyone not to forget to back out vision premium when calculating the premium holiday.

In closing, George thanked the Trustees for consideration.

IV. Adjourn

A motion to adjourn the special meeting was made and seconded. The meeting adjourned.