University of Nebraska System

November 22, 2021

Senator John Stinner
Chair, Appropriations Committee
PO Box 94604, State Capitol
Lincoln, NE 68509

Dear Senator Stinner,

LB 620, enacted during the 2013 legislative session, requires the University of Nebraska to present, on or before December 1 of each year, its plan regarding the management of the University's health care insurance programs and its health care trust fund to the Appropriations Committee of the Legislature.

Enclosed is the University's report for the year ended December 31, 2020. The report provides an overview of the University's health plan, chronicles financial activity for the year, and offers insights into the plan's trends.

The University of Nebraska is proud of the prudent management of its health plan, which has positioned us to provide competitive, affordable benefits to our employees – our greatest asset – and their families. These are challenging times for health care, but we are committed to offering quality health benefits that meet the needs of our employees and help us retain and attract additional talent for Nebraska.

If you should have any further questions about the University's plan, please do not hesitate to contact me.

Sincerely,

Chris J. Kabourek
Vice President for Business & Finance | CFO

cc: Suzanne Houlden, Legislative Fiscal Office

Office of Business and Finance
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University of Nebraska
Health Insurance Plan Annual Report

Year Ended December 31, 2020

Executive Summary

This report is designed to meet a reporting mandate established by the Nebraska Legislature requiring an annual report be filed detailing operating activity of the University of Nebraska's health plan operations each year. This report covers the University's plan year January 1 through December 31 of 2020.

The University of Nebraska's strategic objective is to recruit and retain exceptional faculty and staff. One of the most highly valued benefits is medical, dental and pharmacy coverage. In one national survey, 73 percent of workers said that the insurance provided by their employer was a "very important" factor in their decision to take or keep a job[i].

This report documents that the University of Nebraska's health insurance plan continues its track record of providing this benefit at a reasonable cost with operating results reflective of national trends. Success in any health plan rests largely with members taking control of their health through adopting healthy lifestyles, taking advantage of preventive screenings, having regular visits with health professionals, and adhering to drug and other prescribed therapies.

2020 was the year of COVID-19, the Coronavirus pandemic which disrupted life around the world. The pandemic's impact on the University of Nebraska health insurance plan was reflected in a significant decrease in key service utilization and wellness visits beginning in the first quarter of 2020, as plan membership deferred non-essential care during the pandemic. It was not until the third quarter of 2020 that key service utilization and wellness visits stabilized, increasing in the fourth quarter of 2020. There were 776 confirmed COVID-19 cases running through the University of Nebraska health insurance plan in 2020 with an average amount paid per case through March 31, 2021 of about $3,000.

Overall, total premiums and income exceeded total claims and expenses by approximately $3 million in calendar 2020, as compared to falling short of total claims and expenses by approximately $12 million in calendar 2019, a positive swing of a little under $15 million. Although claims increased by a modest 5 percent in 2020, this was more than offset by an average 3 percent increase in medical premium rates, a 1.5 percent increase in average annual medical membership, and a one-month "premium holiday" granted to active employees in December of 2019. The "premium holiday" reduced 2019 premium income by approximately $12.8 million.

Although the increase in pharmacy claims once again almost reached double digits, that increase was tempered by a decrease in dental claims and a relatively small increase in medical claims. We speculate that the decrease in dental claims and relatively small increase in medical claims are primarily attributable to the aforementioned impact of COVID-19.

In summary, the University of Nebraska is proud to provide a competitive, cost-effective health insurance plan to its employees and their families. We believe the University's plan is well managed, provides competitive benefits, and is favorably positioned to serve employees' future health needs despite the increasingly uncertain challenges facing the healthcare industry.

University of Nebraska Strategic Objective:

Recruit and retain exceptional faculty and staff

Contents

Plan Overview

The University of Nebraska offers a preferred provider (PPO) "self-insured" health plan providing medical, dental, and pharmacy coverage to its employees and their families. Most employers the size of the University are self-insured for medical coverage as it gives them more control over plan design. In addition, any 'profits', typically built into insurance company prices, are retained by the plan and its participants.

The University currently utilizes the expertise of the following outside parties to assist in the administration of the plan:

Entity	Description of Service Provided
UMR	Third-party administrator for medical claims
CVS Caremark	Third-party administrator for pharmacy claims
Ameritas	Third-party administrator for dental claims
Wells Fargo	Trustee
Milliman	Independent actuaries – provide projections used to set premiums

The plan, which operates on a calendar year basis, collects premiums through payroll deductions from eligible, participating employees and combines them with employer (University) premium contributions. The plan deposits these funds into a trust account held by the trustee, Wells Fargo. Under state law, the Board of Regents is fully empowered to establish trust accounts, as they ensure the funds are protected and, in this case, can only be spent for healthcare purposes.

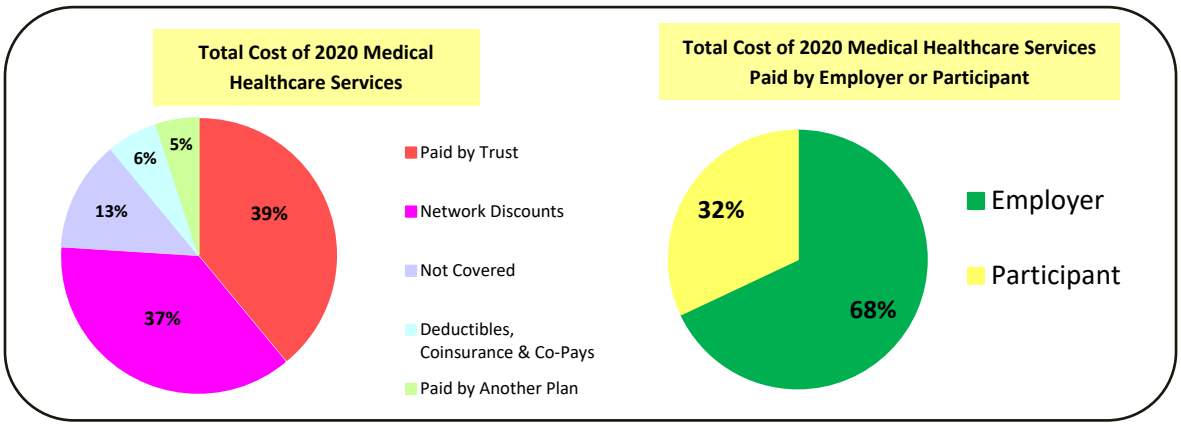
When covered employees and their dependents incur healthcare expenses, health providers (hospitals, doctors, pharmacies) send their bills to either (a) UMR, a UnitedHealthcare Company (UMR) for medical claims, (b) CVS Caremark (CVS) for pharmacy claims, or (c) Ameritas for dental claims. UMR, CVS, and Ameritas, as third-party administrators, assure that the submitted claims are valid using coverage criterions, limits, deductibles, and co-pays as set by the University. When UMR, CVS, and Ameritas pay claims, they are reimbursed by Wells Fargo, the trustee, for the claims cost plus an administrative fee.

Premiums charged to both the employer and employees are designed to cover the plan's projected claim costs plus administrative expenses - employees electing medical benefits are assessed a premium intended to cover medical and pharmacy costs, while employees electing dental benefits are assessed a separate premium intended to cover dental costs. Any potential changes in premiums, which become effective on January 1, are established by University management each fall after analyzing Milliman's actuarial expense projections, which are based on a combination of University internal experience along with Milliman's book of business experience. University management reviews the plan's projected premiums and anticipated expenses with the President and Chancellors before finalizing employee premiums for the upcoming year.

For the years ended December 31, 2020 and 2019, 79 percent of premium income was contributed by the employer and 21 percent of premium income was contributed by the employee. University employees selecting basic coverage pay between 20 percent and 29 percent of the total medical premium depending upon the coverage selected. While the University offers a variety of coverage options, a majority of the employees are enrolled in basic medical coverage for a "family" or "employee+one", both of which have close to a 79/21 percent employer/employee contribution ratio, as noted in the table below:

	2020 Monthly Premiums - Basic Medical Coverage		
	Employee	Employer	Total
Family	$ 317	$ 1,283	$ 1,600
Employee+One	$ 249	$ 914	$ 1,163
Employee+Dependent(s)	$ 209	$ 682	$ 891
Employee Only	$ 157	$ 380	$ 537

It is also worthwhile mentioning that the healthcare costs paid by the health trust are but a portion of the total cost of healthcare services provided under the University's plan. A substantial portion of the cost of healthcare services is paid for by another plan (for example, Medicare), paid for by the participant through deductibles, coinsurance & co-pays, discounted through network agreements, or simply not covered, as demonstrated in the graphs below for medical healthcare services:



The pie chart above shows that the aforementioned 79/21 percent employer/employee contribution ratio is not reflective of the total expense borne by each party. In fact, the pie chart depicts that when counting deductibles, coinsurance and co-pays, participants pay roughly one-third of the total cost borne by either the employer or participant. It is likely that the total cost of medical healthcare services paid by the participant is even greater, as a portion of medical

healthcare services “not covered” or “paid by another plan” were possibly costs ultimately borne by the participant.

Members of the Board of Regents are kept apprised of the plan’s performance through updates provided to the Business & Finance Committee.

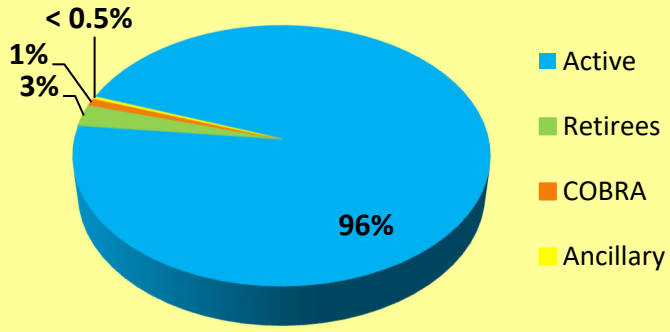
Enrollment and Demographics

The University's health plan had over 11,800 medical participants as of December 31, 2020, 20 fewer than the prior calendar year-end. When including family members, the plan had average annual medical membership of approximately 28,000 covered lives.

The number of individuals in each participant group was relatively unchanged for 2020.

University retirees can belong to the plan but must pay the entirety of their premium, which is computed separately by plan actuaries from that of active employees. The number of retirees in the plan continues to drop, decreasing 10 percent in 2020, as compared to 12 percent in 2019. This is attributed to favorably priced "gap" polices available in the marketplace (when combined with a base of Medicare coverage) that are financially more attractive than the premium offered by the University.

University ancillary members, who are specifically approved for membership by the Board of Regents, also pay the entirety of their premiums without any University contributions. Presently, the National Strategic Research Institute is the primary ancillary member.



University of Nebraska
Number of Health Plan Participants - Medical

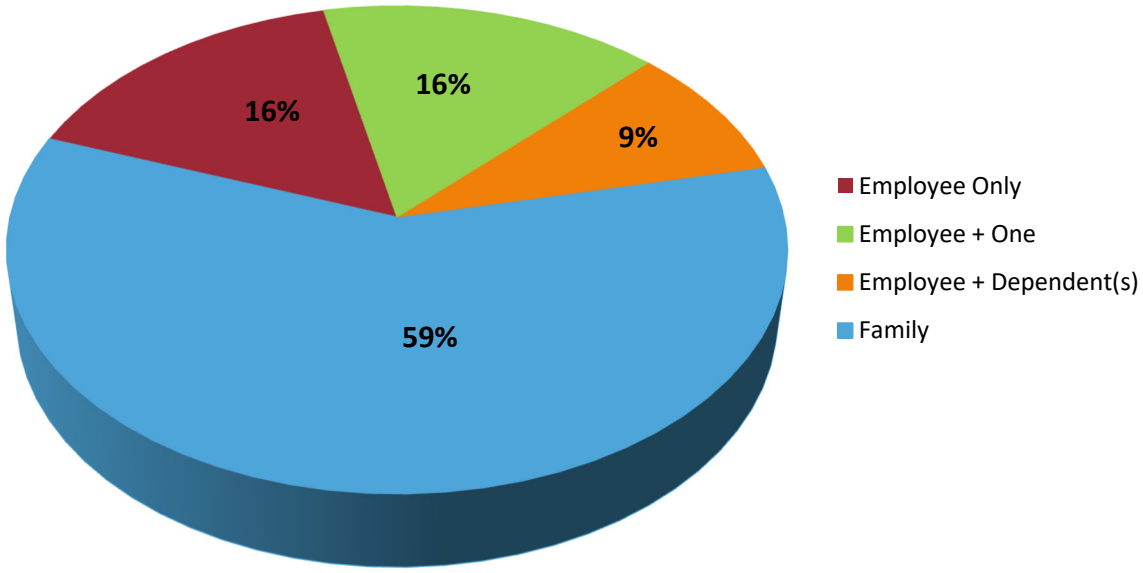
	Dec 2020	Dec 2019	Change Number	Change Percent
Active Employees	11,380	11,346	34	0%
Retirees	320	354	(34)	(10)
Ancillary Members	28	20	8	40
Cobra	108	136	(28)	(21)
Total	11,836	11,856	(20)	(0)%

Demographically, covered lives for medical benefits were about 51 percent female and 49 percent male. Average age for all covered lives for medical benefits was 34 years.

In terms of covered lives for medical benefits, the average number of members for 2020 increased from 2019, with a small decrease in the "employee+one" category being offset by small increases in the other three categories.

	Covered Lives for Medical Benefits					
	Average - 2020		Average - 2019		% Change	
	Members	% of Total	Members	% of Total	Members	%
Employee Only	4,511	16%	4,356	16%	155	4%
Employee + One	4,656	16	4,770	17	(114)	(2)
Employee + Dependent(s)	2,490	9	2,477	9	13	1
Family	16,800	59	16,444	58	356	2
Totals	28,457	100%	28,047	100%	410	1%

University of Nebraska
Health Plan Medical Benefit Membership by Category



The plan originally offered three levels of medical coverage: low, basic, and high, with each (respectively) offering increasing levels of coverage. The high plan has much lower deductibles and coinsurance but higher premiums compared to the low plan. In 2019, a fourth level was added – the qualified high deductible plan, which has much higher deductibles but lower coinsurance than the other levels and a premium that is comparable to the low plan. Enrollments again shifted ever-so-slightly in 2020 through participant growth in the qualified high deductible plan, with about 70 percent of participants choosing the basic plan, 14 percent the low plan, 11 percent the high plan, and 5 percent the qualified high deductible plan.

The University of Nebraska's health plan had average annual medical membership of approximately 28,000 covered lives (employees and their family members)

Financial Performance

The University health plan's financial results for the years ended December 31, 2020 and 2019 are shown below (cash basis in thousands). A more detailed description of the plan's income, expenses and calendar year activities is provided in the following sections.

Plan income exceeded plan expenses in 2020, resulting in a $14.4 million increase in net activity as compared to 2019. This increase in net activity between years was driven by an average 3 percent increase in medical premium rates, a 1.5 percent increase in average annual medical membership, and a one-month "premium holiday" granted to active employees in December of 2019, which more than offset a modest 5 percent increase in total claims in 2020.

The primary reason for the increase in plan income in 2020 is attributable to the fact that there was no declaration of a "premium holiday" for active employees in 2020 like there was in 2019, thereby resulting in 2020 reflecting twelve months of employer and active employee premium income compared to eleven months in 2019. Additionally, the minimal increase in medical premium rates in 2020 marked the third time in the past four years that the medical premium rate has increased after several years which saw no increase in the medical premium rates.

The modest increase in claims and expenses is primarily attributable to pharmacy claims once again seeing an almost double digits increase, which was tempered by a decrease in dental claims and a relatively small increase in medical claims. We speculate that the decrease in dental claims and relatively small increase in medical claims are primarily attributable to the aforementioned impact of COVID-19.

University of Nebraska Health Plan
Schedule of Income, Expenses, and Net Activity
Cash Basis (thousands)

	Actual 2020	Actual 2019	Year-over-Year Change Dollars	Year-over-Year Change Percent
Employer Premiums	$ 126,984	$ 111,383	$ 15,601	14%
Employee Premiums	33,475	29,650	3,825	13
Retiree, Ancillary, Cobra Premiums	5,451	5,286	165	3
Trust Investment Income	1,716	2,049	(333)	(16)
Pharmacy Rebates/Discounts	11,814	9,091	2,723	30
Total Premiums and Income	179,440	157,459	21,981	14
Medical Claims	115,947	111,584	4,363	4
Pharmacy Claims	48,045	43,986	4,059	9
Dental Claims	7,603	8,347	(744)	(9)
TPA, ACA, and Other Expenses	5,168	5,302	(134)	(3)
Total Claims and Expenses	176,763	169,219	7,544	4%
Net Activity	$ 2,677	$ (11,760)	$ 14,437	

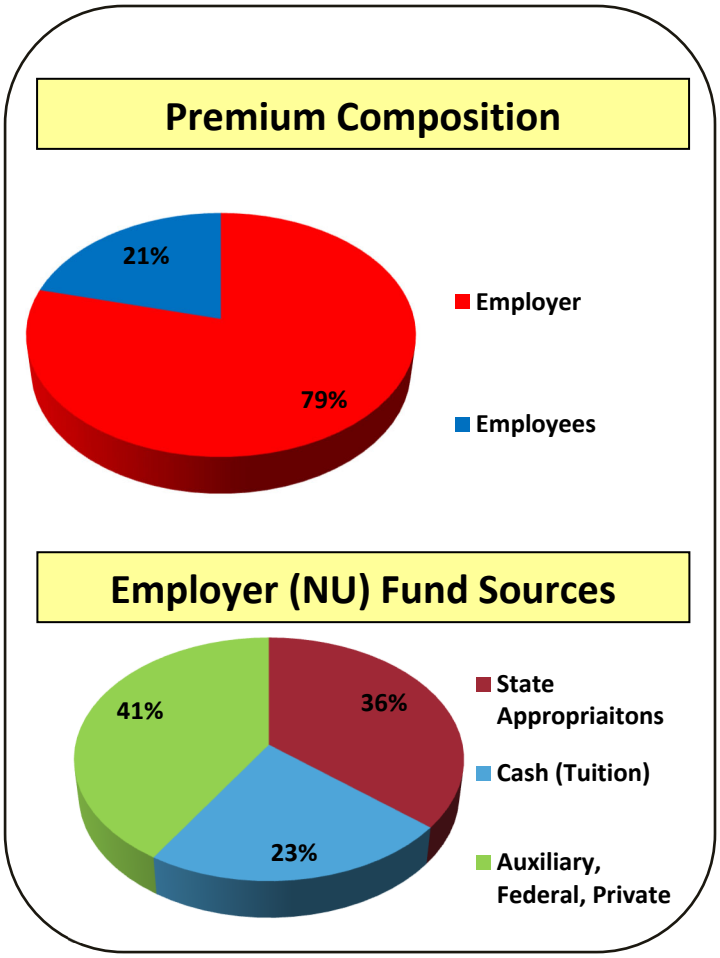
Income

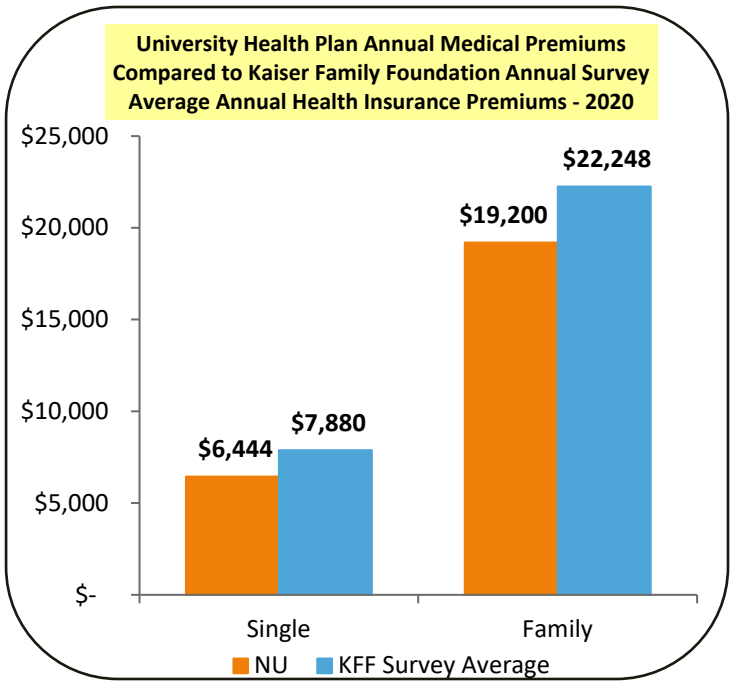
The University's health plan is funded from a variety of sources, although employer and employee premiums account for the bulk (89 percent) of the plan's income. Employer premiums are funded primarily from state appropriations (36 percent), cash funds such as tuition (23 percent), and other self-supporting business-type activities (auxiliaries) and federal grants and contracts (41 percent).

The plan's remaining income comes from retirees, ancillaries, and Cobra electees (3 percent), and investment income and pharmacy rebates/discounts (8 percent).

For the year ended December 31, 2020, the plan's income from employer and employee premiums increased by about 14 percent. This was primarily the result of an average 3 percent increase in medical premium rates in 2020, a 1.5 percent increase in average annual medical membership in 2020, and the granting of a "premium holiday" in December of 2019 for active employees.

As pharmacy claims continue to climb, so do pharmacy rebates/discounts, which increased from $9.1 million in 2019 to $11.8 million in 2020. Also note that pharmacy rebates/discounts do not include approximately $1.6 million in rebates received in 2020 and 2.0 million in rebates received in 2019 which were utilized to support benefit administration in the University's state-aided budget rather than deposited in the health trust. The rebates/discounts are a result of the University's membership in the Employers Health consortium, a buying coalition that offers additional rebates and discounts to the plan based on combined purchasing power.





The University offers a very competitive premium pricing structure. Medical premiums (employer plus employee) under the University's basic coverage plan are lower than the average annual

health insurance premiums as reported in the Kaiser Family Foundation Employer Health Benefits 2020 Annual Survey[ii] by approximately 18 percent for single and 14 percent for family coverage.

Expenses

Medical Expenses

The plan's medical claims increased modestly by a bit under 4 percent for the calendar year. Medical claims in 2020 and 2019, arrayed by amount of medical claims per covered lives, were as follows:

University of Nebraska
2020 Medical Claims Distribution (Claims in Thousands)

Total Claims/Member	Covered Lives	Percent of Lives	Amount	Percent of Claims $$
Less than $5,000	22,767	86%	$ 20,737	18%
$5,000 to $9,999	1,544	6	10,957	10
$10,000 to $24,999	1,371	5	21,123	18
$25,000 to $49,999	457	2	16,158	14
$50,000 to $99,999	219	1	14,983	13
$100,000 to $199,999	95	0	13,042	11
$200,000 and above	54	0	18,025	16
	26,507	100%	$ 115,025	100%

Note: only persons presenting claims are included in this analysis. Claim amounts and covered lives are per UMR.

University of Nebraska
2019 Medical Claims Distribution (Claims in Thousands)

Total Claims/Member	Covered Lives	Percent of Lives	Amount	Percent of Claims $$
Less than $5,000	22,457	87%	$ 23,508	21%
$5,000 to $9,999	1,442	5	11,478	10
$10,000 to $24,999	1,293	5	22,120	20
$25,000 to $49,999	426	2	17,275	16
$50,000 to $99,999	189	1	13,874	12
$100,000 to $199,999	86	0	13,093	12
$200,000 and above	30	0	10,194	9
	25,923	100%	$ 111,542	100%

Note: only persons presenting claims are included in this analysis. Claim amounts are per UMR & BCBS and covered lives are per UMR.

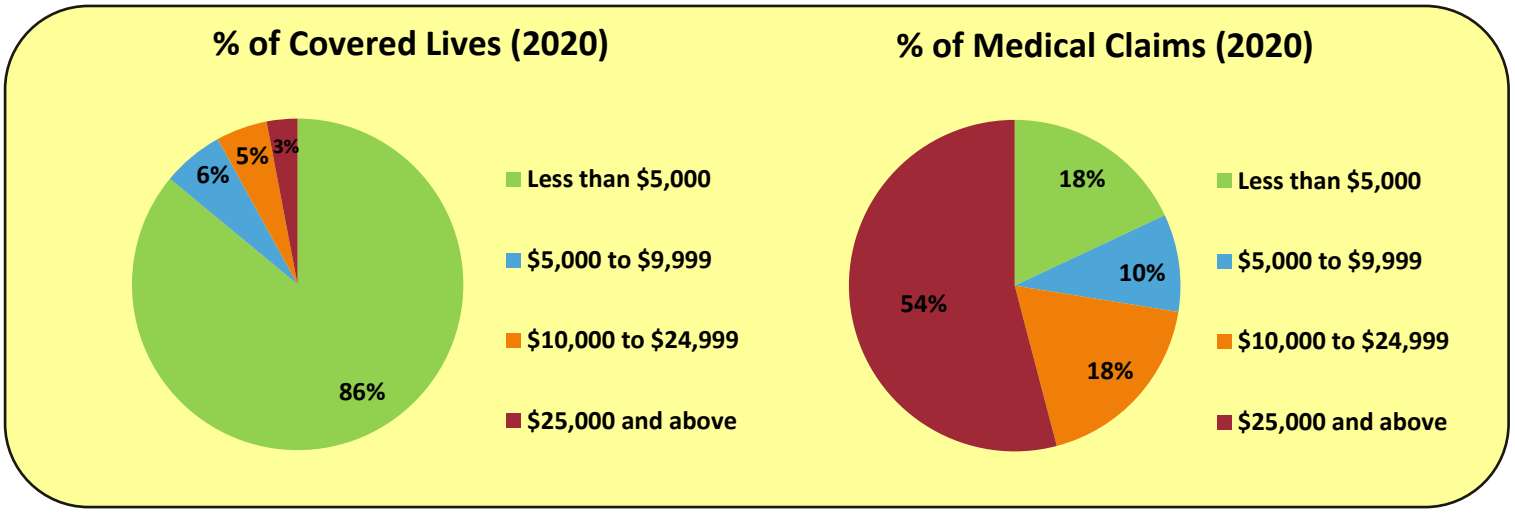
Note that the table above shows medical claims paid by UMR, a UnitedHealthcare Company (UMR) and BlueCross BlueShield of Nebraska (BCBS) during the reporting period and therefore may not be consistent with amounts paid by the trustee.

Approximately 10 percent of the 2019 medical claim payments originated from BCBS (the third party administrator for medical claims incurred prior to 2019) – while BCBS was able to classify such payments in bands relatively consistent with UMR, the payment bands for the two administrators were simply combined rather than any attempt made to match claimants first before determining payment bands. As indicated in the table above, 2019 covered lives are based solely on UMR data.

Costs associated with high-cost claimants tend to be the main driver of costs.

As is typical in health plans, costs associated with high-cost claimants tend to be the main driver of costs. As can be seen in the table on the previous page and the charts below, in 2020 (with parentheticals showing 2019 figures):

- The top 3 percent of the covered lives accounted for 54 percent (49 percent) of medical claims.
- Covered lives with medical claims of $10,000 and above accounted for 72 percent (69 percent) of medical claims.
- Covered lives with medical claims of $200,000 and above were the primary driver of the approximately $4 million increase in medical claims in 2020.
- 86 percent (87 percent) of the covered lives had medical claims of less than $5,000.

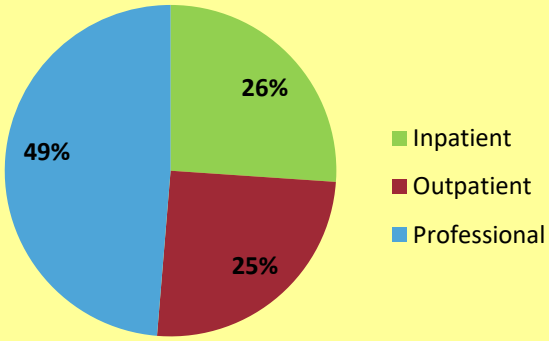


Medical costs are comprised of inpatient, outpatient and professional services (physician and ancillary). Inpatient services represent the costs that come with a hospital/facility stay. Outpatient services are comprised of procedures that do not require a hospital stay, such as ambulatory surgery, emergency room visits, radiology, and dialysis. Professional services encompass all the services provided by physicians and other clinicians, ancillary services, and medical services/supplies.

Net payments by service type as reported by UMR (and BCBS in 2019) were:

University of Nebraska
Net Medical Payments by Type (millions)

	2020	2019	Change Dollars	Change Percent
Inpatient	$ 30	$ 28	$ 2	7%
Outpatient	29	29	-	-
Professional	56	55	1	2
	$ 115	$ 112	$ 3	3%



Inpatient

Inpatient costs increased 7 percent, to $30 million in 2020 when compared to 2019. Costs per member per month were approximately 6 percent less than the UMR Norm (which comprises UMR active groups consisting of approximately 3,200 groups and 4.5 million members).

Outpatient

Outpatient costs remained steady at $29 million in 2020 when compared to 2019. Costs per member per month were approximately 4 percent less than the UMR Norm.

Professional Costs

Professional costs rose 2 percent, to $56 million in 2020 when compared to $55 million in 2019. Costs per member per month were approximately 11 percent higher than the UMR Norm.

Medical Benchmarking/Statistics

There are several medical benchmarks and statistics worth noting that allow us to compare the plan's current year results to those seen in the industry or provide trend considerations:

- The average age of covered lives under the University's plan was 34, which is slightly lower than the UMR Norm of 35.
- The average age of the University's employee participant was 46 compared to the UMR Norm of 45.

- The percentage of covered lives age 65+ under the University's plan was 6.2 percent compared to the UMR Norm of 3.9 percent.

- The top 10 major diagnostic categories included musculoskeletal, wellness/preventative, digestive, circulatory, nervous system, respiratory, neoplasms, skin, pregnancy, and mental.

- Admissions per 1,000 members fell from 48.0 in 2019 to 45.1, which was also below the UMR Norm of 46.2.

- Office visits per 1,000 members fell from 3,226 in 2019 to 3,089, which was also below the UMR Norm of 3,159.

- Outpatient surgery visits per 1,000 members rose from 149 in 2019 to 156, which was also higher than the UMR Norm of 143.

- Telehealth visits per 1,000 members increased dramatically from 4 in 2019 to 1,077, which was also well above the UMR Norm of 665.

- 19.0 percent of emergency room visits resulted in a non-emergency diagnosis, down a bit from 20.0 percent in 2019 and comparable to the UMR Norm of 18.7 percent. The top non-emergency diagnosis was acute upper respiratory infection. Emergency room visits per 1,000 members fell from 126 in 2019 to 119, which was well below the UMR Norm of 182.

- Number of members with at least one ongoing condition (including asthma, coronary artery disease (CAD), chronic obstructive pulmonary disease (COPD), depression, diabetes, heart failure, and hypertension) was 21 percent, which was comparable to both 2019 and the UMR Norm.

- As one would expect with the pandemic, preventative screening rates in 2020 for mammograms, cervical cancer, colorectal cancer and cholesterol fell 5 percent to 13 percent below the rates for 2019. Preventative screening rates for mammograms and cholesterol were above the UMR Norm, while preventative screening rates for cervical and colorectal cancer were below the UMR Norm.

Pharmacy Expenses

Pharmacy claims are handled through a third-party administrator, CVS Caremark. The University also belongs to the Employers Health consortium, a buying coalition that offers additional rebates and discounts to the plan based on combined purchasing power. Rebates and discounts deposited in the health trust in 2020 totaled approximately $11.8 million.

In 2020, pharmacy costs were up 9 percent to about $48 million. Approximately 9,550 members utilized the plan's pharmacy program each month. The average annual net pharmacy cost per utilizing member totaled about $5,000.

The increase in pharmacy costs is partly attributable to specialty prescription costs, which were 51 percent of total pharmacy costs in 2020 compared to 52 percent in 2019. Specialty prescription costs increased about 7 percent, driven mainly by price inflation and a 1 percent increase in the number of utilizers. The increase in specialty prescription costs was relatively comparable to 2019, which saw specialty prescription costs increase about 5 percent.

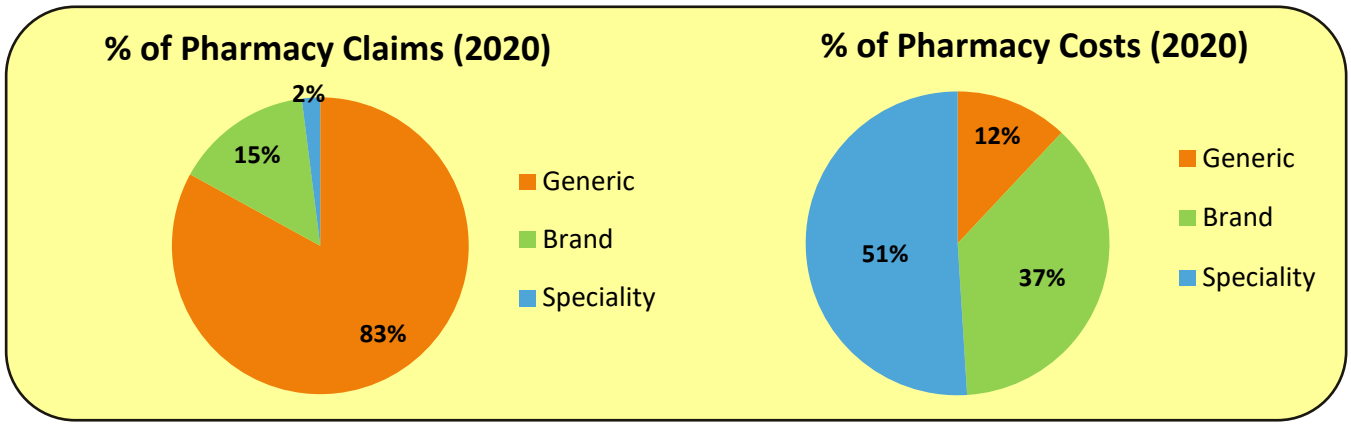
Pharmacy expenditures by category of drugs were as follows for the past two years:

University of Nebraska
Pharmacy Spend/Number of Claims
(Claims Net Cost in thousands)

	Claims Net Cost		Claims Cost as Percent of Total		Total Claims		Percent of Total Claims		Cost Per Claim	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Generic	$ 5,757	$ 5,793	12%	13%	218,138	230,613	83%	84%	$ 26	$ 25
Brand	17,443	15,000	37	35	40,921	37,777	15	14	426	397
Specialty	24,455	22,808	51	52	4,486	4,425	2	2	5,451	5,154
	$ 47,655	$ 43,601			263,545	272,815				

Note that the table above shows pharmacy claims paid by CVS Caremark during the reporting period and therefore may not be consistent with amounts paid by the trustee.

The importance of generic drugs in controlling costs can be gleaned from the foregoing table and the charts below. While generics represented 83 percent of total prescriptions, they only accounted for 12 percent of pharmacy costs in 2020.



The generic dispensing rate remained strong in 2020 at 83 percent, down slightly from 84 percent in 2019. The University of Nebraska's success in adoption of generics is underscored by the fact that its generic use of therapeutic drugs for analgesics – anti-inflammatory, antineoplastics, and dermatologicals exceeded 80 percent in 2020. The difference in prices is notable: for new generic launches in 2021 and 2020, the University's projected savings was approximately $100,000 and $50,000, respectively.

Conversely, specialty drugs are 2 percent of the plan's prescriptions, but account for 51 percent of the costs in 2020. 7 out of the top 10 prescription drugs used in 2020 were specialty drugs. Primary among the specialty classes are multiple sclerosis, rheumatoid arthritis, oncology, hemophilia, cystic fibrosis, psoriasis, crohns disease, human immunodeficiency virus, and hereditary angioedema. There were 508 users of specialty drugs in 2020, accounting for approximately $48,000 of net cost per user per year.

Reserves and Fund Balances

Reserves are amounts needed to be held in the health trust at Wells Fargo to pay health benefit claims. An incurred but not reported ("IBNR") reserve represents claims that have been incurred but have not yet been presented to the health trust and its trustee for payment. A claims fluctuation reserve ("CFR") represents the financial impact if the University were to encounter an unusually high volume of claims or unexpected number of claims that exceeded the claims estimate utilized to establish premium rates for the plan. Each of these reserves is based upon the results of actuarial studies performed by Milliman.

Net fund balances are the cumulative amounts of cash left over after expenses are paid and sufficient reserves have been set aside.

Reserves and fund balances are the cornerstone of financial flexibility. Much like a savings account, they are one-time resources that provide the health plan with options for responding to unexpected issues and a buffer against shocks and other forms of risk.

Through a combination of proper pricing, aggressive management of deductibles and co-pays, prudent planning regarding potential cost increases, and favorable claims experience resulting from staying on the forefront of healthcare trends, the University has accumulated (over several years) fund balances that could be utilized for one-time health related purposes. As of December 31, 2020, the University's health plan had a trust fund balance of approximately $65 million, with a net balance of about $44 million after subtracting estimated reserves. This represents a fund balance equal to about 3 months of plan expenses.

As mentioned in last year's report, the plan selected a new third-party administrator for medical insurance claims (UMR, a United Healthcare company) starting January 1, 2019. In December of 2018 and in conjunction with the transition from BlueCross BlueShield of Nebraska to UMR, the plan's trustee transferred $4 million to a separate UMR account to be utilized by UMR to pay medical claims beginning in 2019. UMR bills the plan weekly for medical claims paid so as to replenish this separate account back to $4 million. The $65 million trust fund balance on December 31, 2020 includes the $4 million held in the separate UMR account.

Conclusions and Looking Ahead

The University's trust fund balance increased in 2020 from approximately $62 million to approximately $65 million. Although there are some claims payment timing differences at play as noted earlier in this report, the approximately $3 million increase in the trust fund balance correlates with the approximately $3 million net activity balance reflected in the Financial Performance section of this report.

Going forward, University management must continue to focus on chronic disease management, including case management and lifestyle behaviors. We also must continue to promote preventive services to our members, given the aging of our workforce, as well as promote the use of urgent care facilities or telehealth.

In terms of pharmacy, the biggest challenge going forward is to control the use of specialty drugs. Potential future pharmacy opportunities include:

- Getting a handle on specialty drugs to assure the drugs match the diagnosis.
- Movement of pharmacy costs out of medical and into the pharmacy pipeline to assure consistent treatment for members.
- Increasing generic pharmacy by mail and creating incentives to do so. While incentivizing is currently contrary to state law, the financial impact of generics when used versus name brands is profound, thus further discussions about the current statute may be warranted.
- Continued focus on step therapies. Under this concept, high-priced drugs are not available without having tried generics first.

Presently, the plan continues to be "grandfathered" in regard to the ACA.

The University of Nebraska is proud of its prudent management of its health plan, which has positioned us to provide competitive, affordable benefits to our employees – our greatest asset – and their families. These are challenging times for healthcare, but we are committed to offering quality health benefits that meet the needs of our employees and help us attract and retain additional talent for Nebraska.

Endnotes and References

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[i] Duchon L, Schoen C, Simantov E, Davis K, An C. Listening to Workers: Finding from the Commonwealth Fund 1999 National Survey of Workers" Health Insurance. New York. The Commonwealth Fund; 2000.

[ii] The Kaiser Family Foundation Employer Health Benefits 2020 Annual Survey, https://www.kff.org/health-costs/report/2020-employer-health-benefits-survey