

HEALTH, WELLNESS AND INSURANCE COMMITTEE MINUTES OF May 26, 2004

Present: Julie Barnes, Gaylyn Finn, Rebecca Ferguson, Diana Shamp, Karen Wasson, Cindy Puffer, Linda Hamilton, Barb Garay, Pat Kelly, Scott Lizzi, John Stewart

Absent: Emily Monago, Steve Horowitz, Anne Leser', Saleh Rahman, MaryAlice Newnam

Gaylyn began the meeting with his presentation on life insurance, which was an agenda item carried over from the last meeting. He noted that the last change in life insurance rates and coverage occurred in 1984. Findley Davies, our consultant, has been requested to do a review of the life insurance plan.

The Committee requested that Findley Davies be asked to do a presentation in January 2005 regarding the difference between term and whole life policies, (BGSU offers term life) and optional insurance pickup that can be individually purchased through a group program. Would this be at a better rate than if purchased by an individual?

Gaylyn noted that if insurance is entirely optional, rates and charges to both BGSU and employee will go up because you lose the benefit of group rates. In the current administrative staff life insurance rate structure, employee charges range from \$8.43/month to \$ 24.19/month for a coverage of 2 ½ times annual salary (up to a maximum of \$150,000). BGSU pays the premium for coverage of one times salary up to \$50,000 and the staff member pays the premium for the additional 1 ½ times through payroll deduction. BGSU pays the full premium of the Classified staff member's coverage of one (1) times current salary up to \$50,000, but coverage is also limited to \$50,000. Why is the employee cost as well as the benefit different? Plan participation is mandatory for both constituent groups, but some administrative staff members do not want 2 ½ times their salary in life insurance, while some classified staff members want more than what is equal to their annual salary amount.

Becca noted that in PeopleSoft, BGSU would have the ability for optional employee-purchased benefits, which is something that the current system could not accommodate. Gaylyn will collaborate with Findley Davies to work on a presentation.

Discussion had previously been held regarding implementation of the spousal rule for all employees, but the Committee had requested some data regarding the number of employees who could potentially be impacted. Becca handed out a report from Medical Mutual showing medical and dental claim costs incurred by spouses covered under BGSU's plan between January 1, 2003 and December 31, 2003. The data showed that spouses cost the BGSU plan \$2.2 million in calendar year 2003. Overall, BGSU has approximately 1000 spouses covered. Because exact numbers are not available, it is estimated that approximately 250 would not come off BGSU's plan, (*if the spousal rule was implemented*), because they are not eligible for any insurance coverage elsewhere. Another 25% of this number or about 250 may already have primary coverage elsewhere

and could possibly remain on BGSU's plan for secondary coverage. This leaves approximately 500 spouses for whom data aren't available whether they have access to other coverage. These are the folks that could be impacted by any type of spousal rule.

Diana noted that information regarding a spouse's employment and/or other health coverage is generally only as accurate as the day the information is received. Spouses of employees may change jobs or obtain new employment, but the Benefits Office may not be notified because BGSU's plan could have better benefits or be cheaper in premium than the spouse's new employer's coverage, so the spouse opts to remain on BGSU's plan. A lot of employers now give monetary incentives to employees so that they don't enroll in the company's plan. In this instance, BGSU is primary for that spouse's coverage and the spouse is receiving money for not enrolling in their own employer's plan.

The Committee felt that the spousal rule needs to be implemented for all employees, but agreed that educational information sessions needed to be done prior to implementation. The spousal rule criteria would remain the same as the criteria used for all new employees hired on or after January 1, 2002. It was suggested that a recommendation be made to Dr. Dobb, to the President and to the Board of Trustees that the spousal rule be implemented for all employees, effective January 1, 2006, with educational sessions taking place in 2004-2005 and a positive (total) re-enrollment taking place in the fall of 2005. This would provide an adequate period of time for education and adjustment for BGSU staff members.

Becca then told members that Caremark had provided their book of business to BGSU highlighting the top five (5) drugs for the nation, the Inter-University Council (IUC) consortium, and BGSU. In the meeting with Caremark, BGSU also discussed issues with the mail order, including a longer turn around time than expected (and advertised) for medications to be filled. Caremark maintains that at most, they have a turn around time of 3.5 days, after the claim is received by them.

Becca also discussed with the committee the idea of sending out a benefits statement to everyone on the plan (over age 18) who utilizes prescription drugs. This statement would provide specific information regarding the top 14 medications purchased by the member and/or family members during the prior 12 months, total cost to the member and to BGSU, and the potential savings that could be incurred by using mail order. The cost is reasonable at \$ 1.50 for the report/envelop/postage per participant, and it's estimated that it will cost an approximate \$ 4,000 to do. Hopefully, by 2005, the statement can be accessed online. The Committee agreed that it could be a great educational tool for employees and asked that Human Resources pursue this project further.

Cindy would like to see Caremark mail order medications run through the Health Center for employees and dependents. Becca requested a business plan, which Cindy will pursue with the new Director of the Health Center, when he/she is hired.

**NEXT MEETING JUNE 10th AT 3:30 P.M.
IN COLLEGE PARK CLASSROOM #2**

The Committee approved the following summer meeting dates:

July 15 th	3:30 p.m. – Classroom #1
August 12 th	3:30 p.m. – Classroom #1

Becca mentioned that HR is trying to get a graduate student on an assistantship to assist with some data projects. They might be able to assist on the differential health insurance contributions project and other projects, if needed.

The committee decided to defer the election of a new chair of the committee until fall.

The minutes from the March meeting were approved and accepted as part of the record.

Respectfully submitted,

Patrick D. Kelly

Patrick D. Kelly, Acting Secretary