

HEALTH, WELLNESS AND INSURANCE COMMITTEE MINUTES
September 21, 2006

Present: Gardner Umbarger, Chris Haar, Debbie Bennett, Steven Butts, Gaylyn Finn, Monica Dietrick, Linda Hamilton, Diane Regan, John Stewart, Julie Barnes, Donna Wittwer, Terri Schaller, Pat Kelly, Cindy Puffer, Maria Dandar, Maria Rizzo and Judy Jackson May

Special Guest: Bruce Davis, Findley-Davies

Absent: No one

Julie started off the meeting at 1:38 p.m. by introducing herself and inviting others to do the same. The committee has several new members. She noted that the committee had a quorum. The minutes from May 2006 were discussed, a few changes proposed, and with those changes, the minutes were accepted as amended. Diane seconded the acceptance.

The first topic was the request for proposal (RFP) for life insurance, in which Donna introduced Bruce Davis. She apologized for canceling the meetings in July and August, but wanted to bring the group together to hear the results of the RFP and it was not completed. She said that BGSU has had the same vendor for life insurance since 1958. The company was John Hancock, purchased by Unicare in 1999. Donna said that Human Resources has had occasional issues with claims.

Bruce started his presentation. He said that BGSU has not gone out for a competitive bid for life insurance for a long time. Then, he moved to his presentation, which can be located on the Human Resources website at:

<http://www.bgsu.edu/offices/ohr/resources/page12570.html>. Bruce briefly discussed BGSU's current life insurance plans and the differences between the employment groups (classified, administrative, and faculty). Further, he said that the RFP was released to twenty one carriers with twelve responding. Findlay-Davies and BGSU/HR interviewed three finalists. Sun Life was the favorite based on their answers and their three year rate guarantee. In addition, Sun Life will embed a 24/7 Emergency Travel Assistance Program, an Employee Assistance Program (EAP), and enable BGSU employees to purchase additional life insurance (for a cost). All of these are new options and do not cost BGSU anything additional.

Donna talked about long term disability coverage. A retirement in OPERS or STRS in the defined benefits plan, and have five years in the system are eligible for long term disability.

Several individuals had questions. Judy Jackson May asked about healthcare costs for the employee at BGSU. She used to think that it was expensive, until she compared costs.

The next issue was open enrollment. The action plan will be to send out a post card to all employees during the week preceding October 23rd (the start of open enrollment). This will let all employees know that open enrollment is coming. Open enrollment runs from October 23, 2006 through November 17, 2006 at 5 p.m. Human Resources will create a brochure, but will be posting it to the BGSU website at <http://www.bgsu.edu/offices/ohr/benefits/index.html>, instead of mailing it out to employees. A second post card mailing will go out all employees letting them know the open enrollment dates and the web address where additional information can be found. In addition, all employees will receive a life insurance packet from Sun Life showing employee paid optional products that they can purchase. Meetings that will be held for open enrollment include:

- 2 meetings at Firelands College
- 1 evening meeting (10 p.m.) to allow custodial to attend and/or ask questions
- 2 meetings on various Tuesdays and 2 meetings on various Wednesdays during open enrollment
- Additional meetings will be scheduled for life insurance

This is not a positive enrollment, meaning that if you do not want anything to change on your healthcare coverage, you do not need to anything (unless you have a spouse that is covered primary and then you are responsible for filling out and returning the spousal form). Donna mentioned that it would be a great opportunity to update your beneficiaries on your life insurance.

A word of advice regarding the spousal forms was given. Please fill it out and get to your spouse's employer quickly, so that you do not have delays. This will give your spouse's employer time to fill out the form and get it back to BGSU well before the November 17th deadline.

Next was an update on the research for voluntary vision care insurance. A consortium was found that gave a quote for rates that was competitive. Findlay-Davies, agreed that the rate were competitive, but thought that BGSU could do better. Donna said that next year, BGSU will obtain quotes for vision that will be voluntary and will be available for employee purchase next year.

Gaylyn brought up healthcare rates. He said that, after a preliminarily analysis, healthcare rates needed to be increased an average of 9.3%. This amount was arrived at by using a distribution cost analysis that Findlay-Davies performed. Gaylyn and Dr. Dalton analyzed the data and moved the percentage up a bit. Gaylyn said that one more meeting with himself, Dr. Dalton, Dr. Dobb, Becca Ferguson, and Donna should complete the process.

Donna wanted to back up quickly and provide a couple of definitions to new individuals in the room regarding the cost of claims.

- Incurred- claims are received.
- Paid claims- paid claims can be up to a year in the past.

- BGSU has four tiers of healthcare coverage- single, employee plus children, employee plus spouse, and family.
- Reserves- the amount that BGSU has in reserve for healthcare spending. BGSU is self funded, (Medical Mutual administers BGSU's healthcare program and payments and adjudicating claims) the institution is solely responsible for all payments. MMO administers claims by charging BGSU a charge per employee to do so.

John asked when the constituent groups could expect to get accurate numbers for healthcare employee costs for 2006. Gaylyn assured that will get the information out on the same chart as in the past as soon as final numbers are agreed upon. Cindy asked if employer rates would go up as well or just employee portions. Gaylyn said that both amounts go up proportionally together. Gaylyn did say that the percentage of increase for all tiers of healthcare coverage groups would average the 10% increase. However, all the groups might be increase anywhere from 8%-11%. At this point, Gaylyn said the target is a 10% increase, however, that percentage is negotiable until the final meeting.

Julie said that some constituent groups complain about rates, but other organizations routinely charge 20% to 25% for employee benefits.

In Updates, Julie asked how much BGSU is saving by the implementation of the spousal rule? Donna said that Findlay-Davies will be doing that analysis, but that they need a full year of claims data to work from. Based on some of the lag time for claims incurred versus the time that they are paid, it will be spring 2007 before that data will be ready to analyze. Donna did mention that it truly is cost avoidance- avoiding potential costs to the plan, not truly saving the plan cost. Once the implementation for the spousal rule is completed, Donna will post it. Typically, Donna said (and Bruce agreed) that it would be a 3% reduction or a 3% cost avoidance.

Maria Dandar asked a question about health saving accounts (HSAs) and if this is an option for BGSU. Donna said that to offer such a plan, BGSU would have to offer a large deductible plan.

Donna did mention that new types of plans for health savings accounts might allow employees to invest and roll over amounts. The Inter-University Council is looking into these.

Gardner said that he has heard individuals who have left BGSU and do not have favorable rates.

Donna said that i-benefits has one more approval to move forward.

Gaylyn took a second to talk about costs to the BGSU healthcare plan. He said that BGSU is not making any changes to the plan this year. From a financial standpoint, there is nothing new to lower the costs of the plan. The only variable that can help lower the cost of the plan is the market.

Terri asked if Donna could put the presentation that Bruce showed today on the website. Donna said that she would do that.

Diane asked about the next meeting time. Pat asked if he could email everyone as to what might be a good day/time of the week to have a meeting. Pat will email everyone for a meeting in November for a follow up on open enrollment and other current benefits projects.

Donna did say to everyone that if there is something you do not understand, please ask.

Julie moved to adjourn the meeting and it was seconded by Gardner. The meeting ended at 3:09 p.m.

**THE NEXT MEETING HAS NOT YET BEEN SET, BUT WILL OCCUR IN
NOVEMBER/DECEMBER 2006**