

Faculty Staff Benefits Committee Minutes

Meeting Date and Place: Tuesday, 2/10/15, 3:30 pm, Herzstein Reading Room, Zimmerman Library

Members Present: Fran Wilkinson, Hans Barsun, Elaine Phelps, Michael Duran, Marcia Sletten, Karen Mann, Glen Effertz, Shawn Berman, Dorothy Anderson and Dennis Dunn.

Members Excused: Jason Wilby, Codruta Soneru, Carol Bernhard.

Guests Present:

Members Absent: Lee Brown, Theresa Ramos, Cenissa Martinez, Kathy Meadows, Nicole Stephens.

Minutes submitted by: Dennis Dunn, University Secretary's Office.

	Subject	Notes	Follow-Up
1	Call to order	Fran Wilkinson called the meeting to order at 3:30 pm.	None needed
2	Review and approve agenda and minutes	Fran's final draft of the minutes approved.	None needed
3	Cost Containment Report (Hans)	<p>This report came from the Board of Regents Finance & Facilities committee. The report is contained in an E-Book. This report was produced by the Cost Containment Committee, which operates out of Andrew Cullen's office. Andrew Cullen will set up a meeting between himself, Dorothy Anderson, and Fran and Hans to discuss the recommendations (the meeting had not yet been set up, but was subsequently scheduled).</p> <p>The twelve items listed in the Cost Containment Report are:</p> <ol style="list-style-type: none"> 1. Dependent Audit (full document audit and ongoing services) – this is a periodic audit to validate that all dependents who are being covered by UNM health insurance are indeed still dependents within the employee's family. The audit is performed by AON, UNM's benefits consulting group, and not by UNM Human Resources. 2. Stop Loss (Internally self-fund stop loss) – if a claim runs over \$300,000 UNM has reinsurance to cover it. It has now been raised to one million dollars. Claims this high are very rare. 3. Eliminate or Make Long Term Care Voluntary – Hans is pushing hard with the Regents to not eliminate Long Term Care. According to HR there are not many people taking advantage of Long Term Care benefits. Fran has requested additional information about Long Term Care (costs, how many employees use it, quality of coverage, etc.) so that the FSBC can recommend if it is something UNM should retain (as a priority). It was pointed out that long term care should not be confused with long term disability. UNM pays \$7.66 in long term care coverage for each UNM employee. It was also pointed out that very few insurance companies offer long term care coverage because it is a losing proposition. Hans offered to do some research on this issue by looking at old meeting minutes from this committee to see if there is any reference to previous long term care discussions and recommendations. <ol style="list-style-type: none"> 4a. Change EE Contribution %'s – this refers to the percentages UNM and the employees contribute to the benefits. They are looking at what difference one percent would make in an adjustment either up or down. 4b. Change EE Contribution %'s – this section looks at what would happen if the percentage was changed for the dependent's coverage for every 2 ½ % change. 4c. Change EE Contribution %'s – this section deals with changes that could be made to the tier system. Elaine explained that none of UNM's peer institutions utilize a tier system. The idea was 	

		<p>proposed that UNM should consider two other tiers \$100,000 and \$150,000. Elaine stated that the tiers were raised two or three years ago on the active employees but not on the pre-65 retirees.</p> <ol style="list-style-type: none"> 5. 2 TPA's Instead of 3 – this deals with eliminating coverage through one TPA. This would lead to savings, per ASO. It was noted that, as opposed to Blue Cross/Blue Shield, Presbyterian's costs are higher, but the coverage is the same. 6. Rx Coalition – HR is currently talking with AON about joining a coalition. 7. Make Basic Life Insurance Fully Voluntary – Elaine reported that a UNM employee's basic cost is quite low and is paid for by UNM, but it will be going up in cost next year. This benefit costs UNM \$140,000 per year. 8. Make Long Term Disability Fully Voluntary – this benefit costs more than life insurance but less than short term disability. 9. Eliminate Sick Sale – this only applies to staff, not faculty. This is where if staff have over 600 hours of sick leave, they can sell the coverage back to the university at 50% of its value. Elaine reported that other universities buy back sick leave when a person retires, but none of the peer universities Elaine contacted buy back sick leave on an annual basis. It was noted that it takes a UNM staff member six or seven years to build up more than 600 sick leave hours. 10. Eliminate Spousal Health Coverage (if spouse has coverage elsewhere) – to verify this information AON has the ability to look at an employee's coverage to find out if spouses have coverage elsewhere. Another suggestion was that the spouses could continue with their coverage but the employee would have to pay 100% of the coverage costs. 11. Dependent Education Reduce to 90% - this option was looked at by the F & F at a 10% reduction, a 20% reduction, etc. to determine the potential savings. The FSBC was looking at the possibility of expanding dependent education to include graduate school. Hans suggest tabling this issue for the time being. 12. Eliminate Post Retirement Benefits for New Hires – VEBA Savings – Dorothy suggested this issue, along with all the others, need to be looked at alongside benefits at UNM's peer institutions. Hans said, through his research, that UNM's coverage is comparable to our peer institutions, and much better than private industry. Elaine reported that post-retirement benefits are dwindling at other universities and only 20% are offering these benefits and it is even lower in private industry. Elaine stated that many universities offer post-retirement benefits, but the university does not pay for it. <p>Following a discussion of these twelve points, Fran pointed out that as she understands it, the university is showing a significant deficit and even with the cost saving effects of these twelve points the university would still have to find additional funding sources.</p>	
4	Additional Business (Fran)	<p>Due to the meeting running long Fran quickly went over remaining business and postponed other topics for the next meeting.</p> <p>Premium Projections – research is still ongoing for this issue. It will be addressed at the next meeting.</p> <p>Dependent Audit – covered in the twelve points.</p> <p>Phased Unblending of the pre-65 Retirees – tabled until the next meeting (after F&F and BOR meetings)</p> <p>VEBA – Hans reported that an investment advisor is being brought in for an interview.</p> <p>Retiree Association – Glen will give his report at the next meeting.</p>	None needed
	Other	No topics were brought up or discussed.	
	Agenda Items for Meeting	No topics were brought up or discussed.	
	Next Meeting	March 10, 2015.	
	Adjourn	Meeting adjourned at 4:45pm.	