

Faculty & Staff Benefits Committee

February 14, 2012

Members Present: Hans Barsun, Nancy Beck, Elaine Phelps (ex-officio), Karin Retskin, Sharon Scaltrito, Loretta Serna, Randy Truman, John Vander Castle, Melissa Vargas (ex-officio), and Fran Wilkinson

Members Excused: Josie Abeyta (ex-officio), Carol Bernhard, Helen Gonzales (ex-officio), and Carolyn Hartley

Members Absent: Elena Plis and Jacqueline Zander-Wall

Guest Present: Kathy Meadows, Staff Council; Tim Ross, Faculty Senate President; Heidi Rice, EOHS

The meeting was called to order at 2:36 p.m.

1. Agenda was reviewed and approved.
2. Minutes of the January 24, 2012 special meeting were reviewed and approved without correction.
3. Melissa Vargas, Chief of Staff/Strategic Planner/Interim Director of Faculty Contracts, was welcomed as a new ex-officio member, replacing Raqui Martinez who retired on January 1, 2012.
4. Faculty Senate Reorganization Plan: Faculty Senate President Tim Ross presented an overview of the Faculty Senate (FS) Reorganization Plan, asking for any additional feedback that the F&SBC had not previously provided. President Ross said that the Reorganization Plan will be presented to the FS at their February 28, 2012 meeting, tabled for the required 30 days, and then voted on at their March meeting. During a two-year transition period, the Plan is intended to reorganize the reporting lines for the twenty-one current FS Committees under six (or seven) Councils to improve efficiency and assure more timely action. Several Faculty Senators will serve on each Council. Each Council will have a Chair and each Council Chair will be assigned to work with three or four FS Committees that will report to the Council Chair. The Councils would include: Faculty Life Council (the F&SBC will be under that Council), Academic Council, Business Council, Research & Creative Works Council, Athletics Council, and Health Sciences Center Council. President Ross added that, based on feedback, there may be a seventh Council created: Scholarly Support Council. President Ross asked that if anyone had any further feedback on the Plan to please send it to him prior to the February 28th FS meeting.
5. Catastrophic Leave Qualifications for Benefits: Dr. Heidi Rice spoke about UBPPM #3430, Catastrophic Leave, commonly referred to as "cat leave." (NOTE: Faculty are not eligible for cat leave.) Dr. Rice explained that UNM-Human Resources receives all cat leave requests and reviews them for initial eligibility based on sufficient time in service, if the staff member participated in the program by giving eight hours of annual leave to it, etc. (see policy for specific requirements). She said if a staff employee meets initial eligibility, their request comes to her panel at EOHS (which includes herself, a nurse practitioner, a nurse, and a lay-person). Last year she received 54 requests of which 11 were denied. Of those, four were appealed and again denied. Most denied requests are for voluntary orthopedic surgery. For example, even if a person is so

disabled by a knee or hip that the individual cannot even walk, the knee or hip replacement surgery is considered voluntary and is not considered to be catastrophic, per current interpretation of the policy. The types of requests that are being approved are primarily for carcinomas and cancers, with a few severe heart attacks and strokes also being approved for cat leave. Dr. Rice assured us that the policy is being consistently applied, without exception. After lengthy discussion, the F&SBC determined that we will ask Helen Gonzales (or her designate) to provide the group with information about any significant policy change (or change in interpretation) since the policy's creation. Several members of the F&SBC believe that significant changes took place in 2009 to tighten eligibility. The F&SBC will also ask Helen to provide some examples of types of requests that were previously approved, but are no longer being approved. Again, many F&SBC members believe that conditions that were less than "life threatening" were approved under the cat leave policy several years ago. One suggestion was that perhaps we need a short term disability pool of leave that would have less stringent eligibility requirements than cat leave. A member of the F&SBC mentioned that faculty members currently have an extended leave benefit that does not have such extreme requirements. (NOTE: short term disability insurance has a 30-day waiting period before benefits begin.)

6. Review ERB Potential Changes: The F&SBC discussed SB 150 (amended) which passed the Senate on February 12, 2012 with a 30 to 12 vote and HB 269 which passed the House of Representatives on February 11, 2012 with a 66 to 2 vote (two members were absent for the vote). As of the time of the F&SBC meeting SB 150 had gone to the House Education Committee and HB 269 has gone to the Senate Finance Committee. Both bills are less stringent than the original version of SB 150; however, F&SBC members were unclear if either bill had been verified as being actuarially sound. The F&SBC concluded that it is unlikely that either bill will be passed by both Legislative bodies prior to adjournment on Thursday, February 16, 2012 at noon (which is less than two days away). After much discussion, the F&SBC decided that we could do nothing further at this point. If there is a special legislative session in which the ERB matter will be heard, we will resume our discussion and efforts at that time.
7. Health Self-Insurance Balance Update: Elaine Phelps stated that medical insurance costs for this FY were \$56.8 million and premiums only covered \$54.6 million. UNM will have to tap reserves to cover the anticipated \$2.2 million short-fall. Projected costs for FY13 are \$60.9 million. (NOTE: Revenues are approximately \$18-19 million, so continuing to tap the revenues to cover short-falls is not a sustainable option.) Next FY we will have an estimated 8 ½ % shortfall, meaning either premiums must be increased or plan design changes must be made to assure solvency. An example of plan modifications would be increasing deductibles for "employee only" to \$400 and "family" to \$800 and increasing maximum out-of-pocket costs to \$2000 for employee only and \$5000 for family. This plan modification would provide an estimated \$768,000 in revenue. Elaine commented that "the trend around the country is a 10% increase" in health insurance premiums. Given this troubling news, Elaine asked if the F&SBC would support, or even co-sponsor, a series of Town Hall Meetings to get this information out to employees as soon as possible. The F&SBC strongly endorses getting the information out to everyone ASAP. F&SBC members question how UNM-Human Resources will make the determination on how to address the shortfall (premium increases, plan design changes, or a combination of both), will HR seek employee input, and to what extent will that input be used? Elaine will speak with Helen Gonzales and get back to the F&SBC with that information and proposed next steps.
8. The Standard Open Season Update: Open Enrollment continues through February 29, 2012. Elaine said that so far just over 300 employees have signed-up for the new short-term disability insurance. The requirement by The Standard to offer it was that 20% of eligible employees needed to enroll and "we are nowhere near that number." However, Elaine said that The Standard

has agreed to offer the plan for a least one year regardless of the number of employees who enroll for coverage.

The meeting was adjourned at 3:58 p.m.

The next meeting of the F&SBC will be on Tuesday, March 6, 2012 (NOTE: Our usual meeting date, the second Tuesday of the month, is during UNM's spring break, so we will be meeting one week earlier in March, same time and location.)