

Minutes: Faculty Staff Benefits Committee October 11, 2011

Members Present: Hans Frederick Barsun, Nancy Beck, Carol Bernhard, Karin Retskin, Sharon Scaltrito, Randy Truman, Fran Wilkinson, Jacqueline Zander-Wall

Members Excused: Loretta Serna and John Vande Castle

Members Absent: Richard Goshorn, and Elena Plis

Ex-Officio Members Present: Elaine Phelps

Ex-Officio Members Excused: Helen Gonzales and Raqui Martinez

Ex-Officio Members Absent: Cenissa Martinez and Josie Ruybal Abeyta

Guests: Kathy Meadows

- 1) Fran Wilkinson (co-chair) called the meeting to order and a motion was made to approve the minutes from September 13, 2011. A motion to approve with friendly amendments was made, seconded, and unanimously passed.
- 2) Elaine Phelps reported that regarding the Request for Proposal for basic life insurance, supplemental life insurance, accidental death and dismemberment, long-term disability, and short-term disability, it appears, albeit not official, that the company The Standard was selected. After presentation by Helen Gonzales to Financing and Facilities (who approved) and then to the Board of Regents, the Regents appear to have selected The Standard. The choice of this company will become official after the Purchasing Office makes the award to the vendor. The choice will result in cost savings to UNM. Short-term disability is a new benefit being offered.

Human Resources is planning to provide further presentations regarding changes to benefits. The topic will be added to the next F&SBC meeting agenda. One question that has been asked is "What will happen to catastrophic leave?" The answer is that there will be no change. However, the insurance changes will allow for new options such short term disability for maternity leave.

- 3) Elaine Phelps discussed the mechanism to ensure that employees are correctly enrolled in benefits, especially in regard to a problem that occurred with UNUM LTC enrollees. There are different types of reconciliation for the various components of benefits. Medical plans (Lovelace and Presbyterian) are reconciled weekly, and are sent by Human Resources. UNUM is reconciled monthly. Currently "volume billing" is done. New hires will begin enrolling

directly with the carrier, which will reduce Human Resources administrative costs.

Discussion on a variety of health care related topics ensued:

Regarding UNUM Long-Term Care: In 2009-2010, Human Resources became aware that there were files that were not being reconciled. Joey Evans worked to reconcile with UNUM regarding every employee with long-term care. Randy Truman discussed the issue he had wherein UNUM was noting his buy-up, but not his original UNUM.

BENELIG-L@LIST.UNM.EDU is published every month by the HR Department and disseminated by e-mail to employees regarding employee benefits.

During the recent UNUM open enrollment 400 employees "bought-up" long-term coverage. Hans stated that in the communications from HR, it wasn't clear that the open enrollment period was only for the "buy-up" and not for other coverage.

Several committee members reported that they believed the presentations regarding benefits that were arranged by Human Resources were very beneficial.

Regarding concerns about whether there would be 24-hour pharmacies accessible to employees after Walgreen's is not an approved pharmacy provider, there is a CVS on Menaul that is open 24 hours.

It was mentioned that it is impossible to tell how much of an individual's deductible has been met to date from the Presbyterian plan or other plans because one plan does not know how much was spent elsewhere (across plans) at any given time, so there may not be a way for the plan to provide this information.

Randy Truman brought up that there is no statement regarding what benefits he has. Elaine Phelps noted that this information is contained in Banner, but only what the cost is to the employee, not the amount of the benefits. Fran asked if there could be an annual statement for employees with this information. Elaine will look into the possibility of providing employees with an annual statement of benefits; it will depend to the cost and availability of funding for the project.

It was also brought up that there was a problem with actual ability to access physical therapy providers the way that the Presbyterian plan structures their list of in-network providers.

- 4) Bonuses: Option 2 passed. Approximately \$950 will be paid to staff whose total pay is under \$50,000 per year. The Board of Regents made a modification that requires employees to have uninterrupted employment for the previous 2 years.

This payment will be entitled a "one-time salary supplement." The total of the supplement plus other pay will not exceed \$50,000. Specific details on the one-time supplement will be developed and shared soon.

5) a) Educational Retirement Board (ERB):

ERB: The ERB met in September at a retreat. Their funding goal regarding solvency is:
80% solvency +/- 2% by the year 2030.
95% solvency +/- 5% by the year 2040.

The ERB will meet October 18 to select 4 scenarios from which to get feedback from employees throughout the state. The discussions will take place from October 19th through November 18th. One scenario will then be selected to present to the Investment and Pension Oversight Committee, and ultimately will be presented to the state legislature.

The meeting to discuss the scenario selected will take place on Monday, November 21st at 9 am in the APS John Milne Board Room.

At its November meeting, the Faculty and Staff Benefits Committee will meet to draft a statement regarding the ERB scenarios and then forward this document to the Faculty Senate and the Staff Council presidents, with those groups to determine how to proceed further.

b) Per diem: The Board of Regents approved "Option A." The University Attorney/Counsel evaluating the per diem issue interpreted that Option A, his opinion, was not in violation of New Mexico law. This option provides reimbursement at the state rate from Instruction & General (I&G) funds with the balance (up to the federal rate) to come from other (non-I&G funds). It has not been determined what will be the additional source of funds. It was asked when and where the official statement of this decision will be in policy documents. Carol Stephens was suggested as the person to contact for guidance regarding this issue.

6) From the Legislative Committee, there was a retirees benefits fair. The Legislative Committee met with Mark Saavedra, Director of Government Affairs and asked whether the university looks into ERB issues for retirees; his response was that the university does not do so. Retirees who are less than age 65 years are referred to in human resources documents and on the HR website as "early retirees," and those persons would prefer a change in the language to "under 65" to designate those individuals.

There is also concern regarding the insurance premiums for retirees who return to work, primarily in the "working 50-74%" group, who pay 70% of their total premium costs.

In the Staff Council Executive Meeting, it was presented that there have been commercials regarding individual insurance policies that are being offered by Lovelace and Presbyterian at lower rates than UNM's group rates. Most of these lower cost individual rates are for younger people in good health. UNM insures everyone, including retirees in their pool so the rates are higher. When considering insurance policies/plans offered by UNM, the existence of alternate individual plans should be considered by some employees, for example those who are not nearing retirement.