

Faculty Senate
Health Sciences Center (HSC) Council
Meeting Minutes
March 19, 2015
3:00 p.m. to 5:00 p.m.

Members Present: Coffee Brown (Vice Chair), Kim Cox, Todd Thompson, George F (Geoff) Shuster III, Sally Davis, Richard Lynn, George Kennedy, Diana Aboytes, Diane Parham, Jorge Wernly, Benny Liem, Janet L Poole, Jeffrey Norenberg, Stefan Posse

Members Absent: Lee Brown (Chair), William Adler, Bina Ahmed, Charles Bellows, Diana Aboytes, Robert McDaniels, John Rask, Codruta Soneru, James A Wallace, Jimmy Windsor, Scott, Ness, Frank Ralls, Sally A Fortner and Robert Otto Valdez

Ex-Officio: Leslie Morrison, Vice-Chancellor for HSC

Ex-Officio Absent: Paul B Roth, Chancellor for HSC

At Large: Donald A Godwin, and Dorinda Welle,

At Large Absent: Thomas Long,

Staff Present: Candyce Torres, Office of the Secretary (OUS), Administrative Coordinator

Guest Present: Hans Barsun, Co-Chair of Faculty & Staff Benefits Committee
Peter LeBlanc, Emergency Medical Services Academy

Meeting called to order by Vice Chair Coffee Brown at 3:00pm

1. The regular meeting of the Faculty Senate (FS) HSC Council was called to order at 3:00PM by Vice-Chair, Coffee Brown.
2. **Approval of the Agenda.**
A motion was made to approve the agenda and it was seconded. No abstentions.

3. **Approval of the Minutes.**

A motion was made to approve the March minutes. Jeffrey Norenberg pointed out that there was an error in the 16 million dollars he quoted at the last meeting. A change in the minutes was made changing 16 million dollars to several million dollars. The minutes were approved reflecting this change.

4. **Faculty Staff Benefits (Hans Barsun, Co-Chair, Faculty & Staff Benefits Committee)**

Hans began his presentation by asking for an explanation of what Healthcare Benefits refers to on the agenda. He was told that Coffee Brown wanted council member Jorge Wernly to make some remarks regarding the recent Board of Regents meeting and that is where it fell on the agenda. He began his presentation by explaining the makeup of the Faculty & Staff Benefits Committee describing the membership of the committee and the purpose which is to review, approve and recommend changes to the UNM benefits package.

Points Hans made include:

- A brief overview of UNM benefits which include retirement, healthcare, time off and educational benefits;
- He explained the Retiree Healthcare Taskforce, which was commissioned by President Frank two years ago, and was formed to save money for the university through the retiree programs. The end result was that retirees in their late 50's and early 60's saw a large increase in their premiums and a Healthcare Committee was formed.
- UNM is looking at working with the College of Pharmacy, and the university's insurance consultants, to minimize the prescription drug costs which are a substantial portion of what is paid toward healthcare.
- UNM is also looking at creating a dedicated clinic, for everyone who is associated with UNM, to be built on campus. A location for the clinic has yet to be decided on.
- There is also a plan to combine all the UNM entities (UNM, UNM Medical Group, Sandoval Regional Medical and UNMH) and join them in terms of purchasing power. The problem with this plan is that the coverage offered through UNM and UNMH is very different. This would be a merging of the purchasing ability of the different entities but not of the risk pool.
- UNM is also looking at evaluating a plan design to increase Lobo Care utilization. The problem with this plan is that if everyone were put into Lobo Care it would take forever to be seen by medical personnel.
- And UNM is looking at third party administrators and contractors. Premiums paid by UNM employees and the university go into a pool that amounts to 60 million dollars a year of which all claims are paid out. Of that amount a 6% fee is paid to the third party administrators.
- There is also movement to defer the ¼% increase to VEBA (Voluntary Employee Benefits Association) which was created two years ago. This money goes into a separate

trust to guarantee healthcare after retirement. It is a trust recognized by the IRS and must be used for employee retirement.

- UNM is looking at an implementation of a high deductible health plan backed up by a health savings account. This would be an option only.

Hans next reported on issues that were passed by the Board of Regents Finance and Facilities Committee:

- The committee eliminated post-retirement health benefits for new hires. This applies to employees who have the years in to retire but are not yet 65 years of age. Retirees over 65 are still covered. This is being done to reduce UNM's actuary accrued liability. It also because the Affordable Care Act (ACA) is now law. There is a fear that this will affect employee retention and recruitment at UNM.
- The committee also wants to add a surcharge for employees whose spouses have access to healthcare elsewhere.
- The final item to come out of the committee was a plan to evaluate healthcare premiums. A decision was also made to use some of the reserve in the UNM health plan, approximately six million dollars, to be able to cover major claims and if UNM went back on a paid insurance plan, it would cover claims after funds had run out.

Hans then reported on proposals from the committee:

- A proposal of a cost saving measure through the reduction of employee benefits. This would be done through an audit of employee dependents on the health insurance plan.
- The next proposal involved a stop loss policy. UNM would drop this policy and cover claims internally.
- And they proposed the elimination of long term care health insurance, or to make it voluntary. To qualify for this kind of insurance the employee would need to be suffering from an extremely serious medical problem.
- They proposed adjusting employee contributions to health insurance. This would involve creating tiers of payments based upon an employee's income level. A person earning \$200,000 a year would pay a higher premium than an employee earning \$50,000 a year, who would pay more than an employee earning \$20,000 a year.
- There is a proposal to make both life insurance and long term disability voluntary.
- Staff members, not faculty, who have over 600 hours of sick time can sell it back to the university. The proposal is to either eliminate or reduce that benefit.
- There was talk on the committee about cutting dependent education. This would mean that UNM would drop this benefit from paying 100% of dependent tuition to 90%. This idea was dropped since it could lead to a reduction in student enrollment.

5. Healthcare Benefits

6. Vice-Chair Report

Legislative Update

Vacancies for HSC Senators

Faculty Regent Proposal

Faculty Focus

Newsletter

7. Nominations

Committee on Governance

Academic Freedom and Tenure

At Large Senators for the Faculty Senate (Send to unmelect@unm.edu by noon on Friday March 20, 2015)

8. Remarks/ Open Discussion

9. Adjourn