Benefits Advisory Committee 21 Oct 2008

Present: Porter, Thomas, Miller, Johnson, Richmond, Watts, Callen, Petrich, Boutwell, Siebert, Kirtlink.
Not Present: Oglesby, Hungerford, Taylor, Fridge.
Guests: T. Parnell, C. Ponder

1. MSC to approve minutes from 9 Sept.
2. Jennifer introduced Matt Miller, Director of Wellness and Community Outreach.
3. President Parnell on Health Care Trust
President Parnell described how the trust is being utilized; and wanted to attend today's meeting to let the committee know that he has heard the concerns about reductions in the balance of the trust as expressed in the committee's letter of July 24, and in order to hear and address others. According to the Employee Benefit Trust Agreement, the health care trust's purpose to provide benefits, and hold and transfer assets to accomplish that purpose. Ken and Todd represent the University in determining how it should be applied; their authority is delegated from the Board of Trustees, who may amend or even terminate this agreement. In addition to covering health care expenses, this fund is used for three other things:
   1. Drury borrows money from it. Todd is comfortable with authorizing this, given that Drury pays a market rate of interest and can be trusted to repay.
   2. This year, Drury's contribution was reduced by $400K so that the institution could bring in a balanced budget. Endowment income was cut; and there was no other place to find revenue. Todd felt comfortable doing that; and believes that there is more than adequate protection in fund now even after this reduction.
   3. The Benefits Task Force recommended implementation of a wellness agenda and other measures of a preventative nature. Todd reported that he had already been talking to Matt Miller for some time, who had expressed interest in returning to Drury. Matt's new position includes responsibility for launching a wellness program, overseeing fitness center as a part of community wellness: students to staff to faculty to administration. Drury is paying this salary/benefits + $5000 educational/seminar allowance for this year from HC Trust; this is consistent with the general recommendation that such funds can be used for benefits. Matt's job includes setting up a wellness program on campus; investigating the possibility of a health care clinic on campus and how we'd pay for it; coordinating campus fitness facilities, and looking at instituting more club sports. One piece of Matt's job is not a clear fit with the wellness agenda: campus/community outreach. Matt is well known in the community, and putting him in front of a wide range of audiences will help us on many fronts as he sells Drury; assists graduates in finding jobs with local businesses, etc.

Ken provided a tabular summary of the recent history of the trust, and its ability to absorb the impact of possible difficult times. There are no plans to further reduce the level of the trust in the future, unless the university faces an absolute emergency. Current plans are to restore Drury's contribution to 77% of the total...
by 5-31-10. This model assumes 9% growth in health care costs from May 2010 forward. There is a decline in total premiums for the year ending in May 2010 and raises thereafter. (A copy of this spreadsheet is attached.)

Worst case projection: 18.3% cost increase (based on 2005-06 plan history), followed by a 33% increase for a second year. This largely reflects the increased cost of reinsurance, which would likely be in the range of $900,000. Our consultant (Tom Garasky of Znth) recommends a full year’s expenses saved in the trust; Todd and Ken don’t think that’s a realistic level. The sense of the committee was that 6-9 months of expenses was more appropriate.

4. Draft of charge for Benefits Advisory Committee
Jennifer presented a first draft of a charge for the Committee, which included a name change to ‘Benefits Advisory Committee’, to more fully emphasize the nature of our role.

Jennifer shared work from Mandy Phillips in Web Services on a website for the committee. It currently contains meeting dates and committee members, but will be expanded to include the committee’s charge, among other things.

5. Tuition Remission
The committee recommended that the management team review the language of benefits, and move to address differences between stated policies for faculty and staff. Parris reported that this was shared with the cabinet.

6. MCM
MCM, who provides our disease management services, is in the final process of making mailings and phone calls to plan members.

7. Benefits Survey
Jennifer presented a draft of a human resources/benefit survey. Instituting such a tool was a recommendation of the Benefits Task Force. The committee reviewed this and made recommendations. This will be implemented through Survey Monkey.

8. Other Business
 a. TIAA-CREF appointments will available soon. Jennifer anticipates that the times will be in high demand; even under normal circumstances, they fill up within 5 minutes. She has already devoted some time slots to those employees who are retiring this year; the committee agreed that other individual appointments were best assigned by lottery. Several group sessions are also scheduled. These are coordinated with the benefits fair.
 b. Benefit fair will be held in FSC Ballroom two weeks from Thursday. Every vendor will be represented. Scotti has been scheduling flu shots.
 c. Shelly from HCH, our local representative, was on campus two weeks ago. She met with individuals in 15-minute sessions for the entire four hours. Jennifer is hoping to schedule such sessions every other month. She has access to claims information and can resolve issues during these sessions.
 d. The Benefits Committee will be recognized at the Friday morning breakfast before the Trustee’s meeting.