

HEALTH BENEFITS DESIGN WORKGROUP

December 9, 2019 Meeting Report

The Health Benefits Design Workgroup met today, December 9th, from 9:00 to 11:00. The consultants from Willis Towers Watson, along with Todd Kneale and Mary Elizabeth Miles from HR, solicited feedback on the rough draft of the 2020 Strawman Strategy (PowerPoint attached) from the representatives of Staff Senate (Rhonda Gilliland and myself), Faculty Senate (David Schultz and Bob Harris), and UL Association for Retired Persons (ULARP)(Mary Rising). Because the full Staff Senate meeting occurred after this meeting, Rhonda and I presented this information at the most recent Staff Senate Executive Committee meeting.

Overall feedback from the Faculty Senate included the following: protect retirement benefits, continue insuring new hires immediately (no 30 day waiting period for benefits), no non-smoking incentive, and they requested a breakdown of how employees in each income bracket would be impacted if a high deductible health plan with health savings account (HSA) is implemented.

Feedback from ULARP was mostly very positive. Mary put together a survey and received responses from 174 current retirees. Of these, 20 are currently pre-65 retirees, and of these 20, 14 are participating in the UL pre-65 medical benefit plan. All of these 14 respondents are happy with the benefit, and 12 of them indicated that the benefit played a role in their decision to retire early. Of the 154 respondents over the age of 65, 148 are participating in the United Health Care Medicare Supplement program. Of these 148, only 3 were dissatisfied in the program; all 3 indicated concern that the cost of the supplement has risen over the years while the monthly benefit provided by UL to offset the cost has not increased with it (has been \$108.10/month since 2007).

Rhonda and I presented some questions and concerns from Staff Senate Executive Committee members. There was a long discussion about how the benchmarks for benefits are selected, and how they compare to benchmarks for compensation. The benchmarks for benefits are selected by the consulting group, and include a mix of academic institutions and private businesses. Their actuaries perform an analysis in order to obtain an "Actuarial Equivalency" to UL's population; factors involved in this calculation include age, gender, family size, region, etc. This allows them to generate a population that is very close to the UL population across these demographics. The benchmarks for compensation will be selected by HR and Dr. Bendapudi's cabinet in order to closely resemble the UL population, as well, while also factoring in the complex nature of the various areas of employment within UL (i.e. dental school employees benchmarked to other dental schools, medical school employees to other medical schools, etc.). Rhonda and I also expressed concern about the possibility of eliminating the pre-65 medical benefit for new hires after a certain day in 2020, as the loss of this benefit is

potentially harmful from a “Great Places to Work” standpoint. There was also concern from the EC about health incentives being tied to FitBit (or similar equipment) usage, specifically because some lower income employees may not be able to afford the necessary equipment. The consultants indicated that the pedometer on smart phones can be used to track this data, or employees may use a website to manually enter their exercise in order to receive the benefit. We also shared feedback that the Employee Assistance Plan (EAP) should be evaluated for effectiveness, as several EC members indicated negative feedback from constituents when they tried to use this benefit.

Please keep in mind that all of the points discussed here are just a starting point. None of these items have been formally proposed, voted on, or adopted. They are simply points of discussion as the committee begins to decide how to provide the most robust benefits package possible. As previously mentioned, Rhonda and I had to give this feedback before we had an opportunity to present this to the full Senate body. Please take a few minutes to look over the PowerPoint. I copied the text from the consultants’ handouts in table form, and then added my own personal notes from the workgroup’s discussions in red text. If you have any questions, concerns, comments, or positive or negative thoughts about any of the items listed, please feel free to email me (Jason.beare@louisville.edu). The group will be meeting again early in 2020 to refine the Strawman Strategy and start making decisions on benefits for the 2020-21 fiscal year, and it would be ideal to have a solid sense of where you all stand as we move forward.

Respectfully submitted,

Jason Beare