

## UBC Minutes - January 26, 2007

The University Benefits Committee met on Friday, January 26, 2007 in the Human Resources Conference Room.

Members in attendance: Venessa Macro, Kay Bretthauer, Phil Houle, Matt Dore, Rhea Ann Frost, Marilea Chase, John Stacey, Jana Peterson, Gretchen Olson, Chuck Phillips, Ronda Menke, and Robert Harlan. (A retiree representative was not present.)

V. Macro opened the meeting at 9:05 a.m. by welcoming all present. After brief member introductions, she provided a brief overview of the decisions involved in developing Drake's existing medical plans. She noted that the majority of employees who have elected to participate in Drake's health insurance have enrolled in the Network Only Plan. Current survey data suggests that the Network Only Plan is priced competitively, in contrast to the Core and Buy-Up Plans. For single participation, Drake pays 75% of the premium; for the family portion, Drake pays 60% of the premium. V. Macro also reported that Drake has solicited bids from third party administrators for the 2007-08 fiscal year. Bids will be available for review in late February.

K. Bretthauer presented a brief PowerPoint presentation, demonstrating how the three medical plans are introduced to new Drake hires. A discussion ensued regarding the need to simplify Drake's medical plans. It was suggested that one (or two) plans be developed to allow participants to obtain services both inside and outside of the network if desired.

V. Macro presented the following reasons for adopting a new medical plan for the 2007-08 fiscal year:

- 1) Current rates for Core and Buy-Up plans are not competitive.
- 2) Experience in the Buy-Up plan is extremely poor, resulting in risk being spread to all plans.
- 3) Presentation of three medical plans is confusing to new hires.
- 4) Current plans are administratively burdensome.

V. Macro indicated that Drake's consultant, David P. Lind & Associates, could design a new, quality medical plan, utilizing comprehensive survey results comparing Drake to other employers of the same size. The new plan could include different deductible amounts, different co-pays and/or different out-of-pocket maximum amounts.

It was suggested that Drake review its Wellness Incentive Program, which experiences a 95% participation rate. While numerous incentives could be made available to employees, it was decided that tracking such incentives would be problematic.

The committee elected to explore the following issues during the February 2007 meeting:

- 1) Proposed increase in Drake's current medical plans for 2007-08.
- 2) Number of Drake employees who do not participate in a medical plan.
- 3) Implications of not making any changes in the medical plans being offered for 2007-08.
- 4) Percentage of current participation in each of the medical plans currently being offered.
- 5) Benefits of plan simplification for 2007-08.
- 6) Drake's stop loss insurance coverage/risk.
- 7) Percentage of current claims for in-network services as opposed to out-of network services.

It was suggested that focus groups be developed within each plan, to identify participants' rationale for plan selection. New plan ideas could be presented to the groups for feedback as well.

The University Benefits Committee adjourned at 10:00 a.m. The next meeting is scheduled on February 16, 2007, at 9:00 a.m. in the Human Resources Conference Room. A member of David P. Lind & Associates will be available to address the committee's questions and concerns regarding the development of a new medical plan.

Respectfully submitted by Marlene Heuertz