MINUTES
EMPLOYEE BENEFITS COMMITTEE
January 17, 2008

Members Present
Darryl McCullough, Chair  Frances Ayres
Dick Bennett     Debbie Copp
Dunn Cumby     Brenda Freese
Karan Glickman     Susan Marcus-Mendoza
Nancy Matthews    Milt Olsen
Simin Pulat    Charla Rae
Will Wayne

Members Absent
Stacy Anderson

Ex Officio Members
Julius Hilburn
Nick Kelly

The meeting was called to order by the Chair at 1:37 pm.

I. Approval of Minutes

Minutes of the November 15 meeting were approved without discussion.

II. Bylaws Discussion

Darryl stated there were some edits made to the bylaws. The charge to the committee and
the membership are fixed by the original bylaws, and any changes have to be approved
by the Faculty Senate, the Staff Senate and the President. There were original bylaws
with the charge and membership listed, but the bylaws were very outdated. Discussions
with Sonya Fallgatter concluded that updates to the membership, as long as they do not
change the number of members, do not have to go through the approval process.

Darryl mentioned a change that needs to be discussed. The original bylaws discussed the
Tulsa College of Medicine Faculty Member. The wording was changed to “Tulsa
Campus Faculty Member” because there are faculty members in Tulsa that are not
associated with the College of Medicine. The original bylaws stated the Employees
Benefits Committee (EBC) member from Tulsa was appointed by the President after
recommendations from the HSC Faculty Senate. There is no Tulsa Faculty Senate
currently, but there is a Tulsa Staff Senate, and you will notice I have suggested the Tulsa
Campus staff member be appointed by the President after recommendations from the
Tulsa Staff Senate.
Questions/Comments from Committee (Darryl’s answers in bold)
How will the Tulsa Faculty Member be appointed to the position?

**They are appointed by the President after recommendations from the HSC Faculty Senate.**

There are Norman Campus Faculty members on the Tulsa Campus, so they would not be included, correct?

**In the previous bylaws, it states the Tulsa member would be recommended from the HSC Campus.**

Milt stated Norman Faculty members represented on the Tulsa campus can be nominated by the Norman Faculty Senate for the EBC Committee.

**The bylaws need to be updated to reflect the changes that have occurred at the Tulsa campus. We can change the wording from “Tulsa Campus Faculty” to “Tulsa-HSC Faculty” to mandate the person is a HSC Faculty member. The other faculty are represented by the Norman Faculty Senate.**

If you teach in Tulsa, are you eligible to be elected to the Norman Campus Faculty Senate? Tulsa-HSC faculty are part of the HSC Faculty Senate, correct?

Milt responded yes. After you address healthcare providers who practice in Tulsa, there should be representation in Tulsa. This should include all faculty, no matter which campus or department, as long as they reside in Tulsa and have their healthcare provided there.

Nancy asked for clarification on which governing body appoints their members: I received a letter from the President after recommendation from Staff Senate. How am I appointed, and why are some seats directly appointed and others have to be recommended from the governance group?

Debbie answered all appointees will receive a letter from the President. Staff Senate recommends two people to the President, and the President appoints two people. If we were to change the process, the recommendation would have to be approved by the Staff Senate, Faculty Senate, and the President, and it might even have to be approved by the Board of Regents.

Darryl asked if the language for the Membership sounds ok. There was no real structure in the original bylaws other than the Committee Charge and the Membership, so does the rest of the information sound good to the EBC?

Nancy asked why the term begins in September. I was under the impression that it began at the beginning of the semester.
Nick answered as discussed in the last meeting, because of the cycle of activity of EBC, there are critical votes in August on the benefits, and we feel we shouldn’t be changing chairs during this time and asking new members to make crucial decisions when they are not familiar with the items being voted on.

Darryl discussed another change. The original bylaws list about six ex-officio members. The problem is that this information gets out of date due to new organizations and restructuring of the department so titles change. Meetings are public, so it doesn’t seem like we need to list these members.

It might be easier to say Ex-Officio as designated by the chair as opposed to leaving them off. I think there needs to be some type of recognition of the Ex-Officio members.

Perhaps wording should state the individuals at the table are the EBC members and representatives from Human Resources. It is stated in the Meetings section of the bylaws.

Questions from the floor included:

Can we say something like “Ex-Officio members as designated by the EBC chair” so that we are specific in stating who these individuals are?

Have there been any instances when anyone besides HR would need to be seated at the table?

Debbie stated there has been an individual who came to all the meetings and made comments and asked questions but was not a member of EBC.

Darryl asked if there are any Ex-Officio members who do not work in HR?

Julius responded yes, occasionally.

Nancy asked if we can just have it stated as “HR representatives who serve as Ex-Officio.”

Darryl replied we can restate in the Meetings section that “seating at the main table is reserved for EBC members and representatives from Human Resources.”

Darryl noted EBC is planning on setting up a website listing the EBC members. A question is whether to include phone numbers and/or emails addresses. There will be a way employees may e-mail input to EBC, so I don’t think we need this information on the website.

If employees have concerns, are we supposed to be available to them?

Nick answered not necessarily if it involves protected health information. Most communication will go through Human Resources first, and then EBC will be notified of
all interactions. The website will be set up just like the Contribution Strategy Committee website where emails are discussed during the monthly meetings.

Darryl added by listing the EBC members’ contact information, it seems to be inviting individual communications, and I think it would be better to go through a single source so personal matters do not go to EBC. It worked well with the Contribution Strategy Committee. Confidential information will be withheld, but the overall message will still be conveyed.

Darryl continued that this is the almost final version of the bylaws. Should we do a final approval or polish it up and do a final approval next month? It was agreed it will be sent out with the agenda and comments addressed at the next meeting.

III. HSC Faculty Senate Resolution

Darryl noted the HSC Faculty Senate passed a resolution and the applicable paragraph states, “Now, therefore be it resolved that the Faculty Senate of the University of Oklahoma Health Sciences Center hereby recommends to the Employee Benefits Committee that they consider, as part of the RFP for healthcare insurance provider, the importance of negotiating and/or including Health Sciences Center healthcare professionals in the healthcare plans offered to University of Oklahoma employees.” I’m not sure what prompted these concerns but was hoping Milt would discuss this and if there were specific concerns that motivated the resolution.

Milt stated the concerns were OU Physicians and OU Dentistry, along with other faculty practice healthcare providers, may not be providers for plans that were being considered. These organizations should be considered for whichever health plan we take on for the 2009 year.

Debbie mentioned Staff Senate voted unanimously to lend their support to this resolution and to continue to allow Goddard to be part of the healthcare network.

Will mentioned Goddard has always been included in whichever healthcare plan the University has chosen.

Julius also mentioned it’s a priority to include Goddard, OU Physicians, OU HSC providers, and OU College of Dentistry. There are situations where some of those providers chose to be or not be in the network, i.e. OU College of Dentistry with Aetna. There has been some work done to allow OU employees to use the College of Dentistry as an in-network benefit. We have not discussed creating any unique networks for our providers. We want to make sure our providers are in-network and employees can use them in conjunction with the healthcare plan. We will not accept a bid if our OU providers are not included.
IV. Leave Discussion

Susan discussed some issues that concern her. Staff does not get any extended sick leave unless they max out their paid leave account and allow those hours to roll over. Some of our staff will not take any leave so they can max out their account, even when they should be taking off due to illness. If we are going to take up wellness, we need to look at these items as well. Another issue is the 56 hours that must be taken before you can access your extended sick leave.

Brenda mentioned when a staff member starts working, they receive 18 hours of leave a month. It used to be divided equally into a sick leave account and paid leave account. When they changed to a paid leave only account, employees were allowed to use their leave as they saw fit. Employees who were already here were allowed to keep their short-term disability (now called extended sick leave). The smart thing to do is to build up some of those hours to allow them to roll over into the extended sick leave account. Employees also have the ability to put some of their paid leave into their extended sick leave account at any time. Once they put those hours into that account, they cannot roll them back over into their paid leave.

Julius answered OU has a different approach to managing leave and vacation than most other institutions. OU offers paid time off and changed their policy in the early 90’s to this approach. This approach states that as an employer, we will not distinguish what type of leave you are using, whether vacation or sick time. OU increased the amount received once it became one leave account and felt the employee needed to manage the amount used. If you get to the maximum amount, you could roll the hours into the extended sick leave account. Many other organizations still use the separate leave accounts as sick and vacation and the two accounts cannot be combined. Those organizations usually do not offer as many hours as OU does. It requires the employee to make conscious decisions on how many hours to use for leave and how much they want to reserve for unplanned events.

Debbie mentioned that 6 months of extended sick leave is equivalent to one year of additional service for Oklahoma Teachers’ Retirement System. There were some issues with employees in the past would take their extended leave, then come back and work a day so that another deposit was made and they were eligible to retire.

Julius answered for most organizations that have sick leave and vacation time, the sick leave is viewed as insurance in case you get sick. It is not viewed as something you get paid for if you do not use it. When it comes to the 56 hours of leave before you can access your extended sick leave, most organizations have a waiting period, and ours is seven days. Additional hours are getting put into your paid time off, which is beyond what you would traditionally receive as vacation time.
V. RFP Update

Julius began by noting part of the recommendation from the Contribution Strategy Committee was to go to the market and see if there is a better value for medical and dental insurance for 2009. With the help of our consultant Segal, we put together a Request for Proposal (RFP) that hit the market place around December 20, 2007. In addition to medical and dental, we sent a request for Flexible Spending Account Administration. The RFP will close on January 22, 2008. Based on attendance at our pre-bid conference, we think we will get a good response from several national insurers. For medical insurance, Aetna, Cigna, Blue Cross and Blue Shield, Humana and United Healthcare all attended the pre-bid conference. Most of these companies also provide dental plans, along with Delta Dental and MetLife. Some specialty firms expressed interest in our Flexible Spending Account administration. We will not know for sure who is interested until we receive the proposals.

The RFP Evaluation Committee includes eleven members and has representation from EBC, members from the Contribution Strategy Committee, and members from all three campuses. The first meeting for this committee will be in late February so we can summarize what has been submitted. There will be a process where after the evaluation team has a chance to review the information, there will be updates to give information to the governance groups on campus. Our goal is to have the best value chosen by the end of the spring semester. OSEEGIB is still interested in our business, but they will not have a finalized plan until late August. We will make a recommendation with the best proposal, then compare it to what OSEEGIB is offering before we make our final decision.

The question was asked if the plans will be submitted at the October Regents meeting.

Julius answered the plans will be presented at the September Regents meeting. We are also looking for a three-year arrangement so we do not have to revisit this process every year or even compare plans with the state plan.

V. Retiree Medical Update

Julius gave an update on retiree medical. The Contributions Strategy Committee recommended we review the Retiree Medical policy. It takes quite a bit of review and analysis to determine what our transition plan needs to be regarding this policy. We continue to have the same objective of no changes to current retirees or employees who are currently eligible to retire. We are also looking into a grandfathered group that will receive the same benefits as employees who are eligible to retire currently. The data is currently under review on where the line is drawn. One meeting has been conducted so far, and we gave the consultants some criteria to use to create ideas on how to maintain our valuable benefit. Changes will need to be made for the future that allows us to keep that benefit affordable and sustainable. Some of the data looked at creates some scary scenarios in terms of how the cost of the benefits increase, as we have large numbers of employees who are becoming eligible to retire. About 20% of current employees are either currently eligible or will be eligible to retire within the next five years. This affects
the cost of retiree medical along with a decrease in institutional knowledge. Currently, OU is spending about 6 million dollars a year to pay for retiree medical, and the assumption is that this figure will increase to 24-30 million dollars over the next 10 years, depending on the inflation rate and the number of employees who will retiree. We are trying to figure out at what point to make changes, what type of changes to make, and when to make them. The next meeting is February 1, and at that meeting the consultants will have some preliminary concepts that can help refine our ideas.

There was a Regents item that stated employees hired after January 1, 2008, were going to be on a different retirement plan. Can you explain this?

Julius answered this was one of the recommendations from the Contributions Strategy Committee and was accepted by the President. The change is that employees hired after January 1, 2008, will not be eligible for the same subsidized retiree medical employees hired prior to that date have. We do not know which plan works best for these new employees, but we do have the flexibility to design ways the University can encourage or financially support retiree medical for this group. They will be eligible to participate in the University-sponsored plan but will not have any University subsidy.

Debbie mentioned she thinks most employees were focused on the health tiers and felt that retiree medical was not discussed too much. At the town hall meeting with President Boren, the January 1, 2008, date was not brought up at all. Getting an answer soon to what is the definition of “people near retirement” would help ease the mind of the staff. Some of the staff have mentioned to me they feel they were caught off guard and surprised that this recommendation was approved so quickly.

Julius answered there a certain amount of tension with getting it done quickly, but the overriding factor is to get this completed the right way. The intent of this was not to pull the rug out from under people who are close to retirement. I’m thinking the “close to retirement” is 3-5 years from now but we have a committee of individuals that is looking at the data. The committee is trying to avoid a matrix of different rates based on each year of service and age.

Julius continued that the post-retirement obligation is 500 million dollars for the University. The Government Accounting Standard Board is now requiring public entities to identify the present value of their post-retirement benefit obligation. We do not have to fund those dollars, but we will have to start recognizing them in our financial statements. If we needed to borrow money, or if someone was looking at the University’s ability to repay debt, this could impact the University.

If employees are enrolled in Oklahoma Teachers’ Retirement System, the state gives us $105 monthly towards their retiree medical. Employees would get credit for that. Some organizations are setting up defined contribution funds specifically designed to help employees save for their retiree medical expenses. In some cases this is fully paid for by the employee and paid on a pre-tax basis. Some organizations will match this amount to help employees. There are some ideas we are discussing to help those employees.
VII. Wellness Update

Julius stated another recommendation was to look into wellness and what we might do as a university to help employees become healthier and adopt healthier lifestyles. Bob Dauffenbach (Associate Dean of Price College of Business) and Gary Raskob (Dean of the College of Public Health) are chairing a group to look into this. Individuals from all three campuses are represented, including Goddard, the Center for Healthy Living, and OU-Tulsa’s OU Physicians. We’ll start with some things to help promote healthy lifestyles. Health fairs and health assessments, as well as some things added to our new health plan to support smoking cessation, etc., are things that are being looked into. This committee will meet monthly.

VIII. Updates from the Director

No other updates.

IX. Other Business

No new business.

There being no other business, the meeting was adjourned at 3:15 p.m.