MINUTES
EMPLOYEE BENEFITS COMMITTEE
October 30, 2008

Members Present
Darryl McCullough, Chair  Debra Bemben
Dick Bennett  Joann Dean
Brenda Freese  Karan Glickman
Donald Harrison  Frank Lawler
Steve Livesey  Sue-Anna Miller
Robert Roswell  Will Wayne

Members Absent
Debbie Copp  Alisa Dougless
Simin Pulat

Ex Officio Members
Barbara Abercrombie (absent)
Julius Hilburn
Nick Kelly

The meeting was called to order by the Chair at 1:35 pm. New member Frank Lawler was welcomed by Darryl McCullough. Introductions were made.

I. Approval of Minutes

Minutes of the September 18th meeting were approved without discussion.

II. Enrollment Update (Nick Kelly)

Benefits annual enrollment will be open online from Tuesday, November 4th, through midnight Sunday, November 16th. Five town hall meetings have been held on the Norman campus, four at the Health Sciences Center and three at Tulsa, with approximately 700 employees attending. The Benefits Fairs will be held November 3rd at Tulsa, November 4th at HSC and November 5th in Norman. Enrollment information and BlueCross BlueShield medical guides have gone out to employees. Information regarding the enrollment, the new vendors, and any changes in benefits for 2009 is available on the Human Resources website. Employees are encouraged to enroll online.

Nick reported BCBS and Delta Dental have cooperated with the University in eliminating social security numbers as health identification numbers. Information regarding the new health identification numbers to be used by employees was included in the distributed enrollment material.

Nick also noted the EBC website is now accessible.
There are a couple of contracting issues with BCBS for both the Norman and HSC campuses. On the BCBS website, there are currently few physicians listed from the Norman PHO physicians group for the BlueLincs HMO network. BCBS and the Norman PHO have been in discussions the past couple of weeks. A complete list of physicians who will participate in the HMO will be available on the Human Resources website on Monday, November 3rd. Approximately 85 specialists with the Norman PHO have agreed to participate in the HMO network, as well as 30 primary care physicians, the four Integris doctors in Norman and the doctors for Goddard Health Services. BCBS is still recruiting additional pediatricians for the network. The number of physicians on the BlueLincs network will be less than the number currently participating on the Aetna HMO network but will be a viable option for employees.

In Oklahoma City, BCBS and OU Physicians are still in negotiations but will hopefully reach an agreement by Monday, November 3rd. Negotiations began in June. The University is optimistic an agreement will be reached within the next few days.

Nick stated both the Norman PHO physicians group and OU Physicians are in the BlueChoice PPO network.

Brenda asked if there is a telephone number employees can call to find out if their doctor will participate in the BlueLincs HMO. Julius suggested employees should wait to review the list to be provided on the Human Resources website on November 3rd. If their doctor does not appear on that list, they should call their doctor’s office to see if he/she is actively negotiating with BCBS or considering participation in the HMO network. There are no other major contracting issues with groups besides the Norman PHO and OU Physicians. All other physicians who have agreed to be in the HMO are already listed on BCBS’ website.

III. Defined Contribution Plan Record-Keeper Progress (Julius Hilburn)

The recommendation regarding the retirement record-keeping will probably go to the Board of Regents in January. The review of the University’s investment lineup and how investment options are offered to employees began because of new federal regulations for employers who administer 403(b) plans. The University will have a written plan document for the 403-B plan in place by January 1, 2009, to be in compliance with the IRS regulations. The effort to create a written plan document spurred a review of all of the University’s defined contribution plans and how they are managed. In subsequent EBC meetings, a more detailed discussion can be held regarding what can be expected from reorganizing how the University’s defined contribution plans are managed. Frank asked if fee structure is being discussed. Julius responded a retirement management committee assigned by President Boren, with the help of the investment consulting firm, RVKuhns, have been reviewing the University’s investment options and retirement management. What the University is seeking is a master record keeper, one company which would keep track of every employee’s retirement investments. The record keeper would manage the 403(b), 457(b), and 401(a) retirement plans.
Nick stated letters including a draft of the plan document is being sent to the University’s current 403(b) vendors. Vendors, in order to continue participation as a 403(b) vendor for the University, must return a signed contract agreeing to the regulations as outlined in the plan document. If they do not send back a signed agreement, they will be ineligible to participate as a 403(b) vendor as of January 1, 2009. Information regarding the new 403(b) regulations and the companies who will and will not continue as 403(b) vendors will be included in the letter which is sent annually to employees who have 403(b) plans. It was reiterated that the major companies will continue to be 403(b) vendors. In response to inquiries from committee members regarding how current 403(b) plans will be affected, Nick responded it depends on what companies continue to participate. If a company in which an employee is investing elects to withdraw, the employee can roll their funds into another plan or invest with another company, or they can choose to leave their money with that company. However, no new money can go to that company after January 1, 2009, if the agreement is not signed by the company.

IV. Retiree Medical Schedule Discussion (Julius Hilburn)

The retiree medical review committee has come to an agreement on a report of preliminary findings. This report will be released to campus simultaneously, followed by presentations to various governance groups. The review committee will gather feedback from campus and will then submit a final report to President Boren. The target date for presenting the committee’s preliminary findings to campus is November 20th, which coincides with the next EBC meeting. Darryl commented it would be beneficial if the report could go out to campus prior to the EBC meeting so EBC members can bring feedback from employees to that meeting.

V. Updates from Human Resources (Julius Hilburn)

Julius announced an Employee Resources Newsletter will be sent to employees in the next few days. The newsletter will contain information on benefits, specifically topics of which employees need to be aware for the benefits annual enrollment. Included in the newsletter will be an article on BCBS and Delta Dental and information on HMO versus PPO, as well as a feature on wellness. The newsletter will also discuss the lower rates for 2009 for long-term disability, as well as the open enrollment for long-term disability which will allow employees to enroll in any level without medically qualifying if they have not been denied coverage in the past.

Karan asked if the newsletter could include a paragraph on the salary tiers for medical coverage implemented in 2008 and the process by which the University arrived at using this structure. Employees at a town hall meeting at HSC had several questions regarding the salary tiers. Julius stated he would see if a small paragraph can be included in the newsletter regarding the contribution structure.

Julius continued the newsletter would also include an announcement regarding a restructuring in the Office of Human Resources in an effort to provide better customer
service. At HSC, an Employee Resource Center, which will be a single point of contact for employees with general HR related questions and issues, will provide services beginning in January and report to Assistant Director Royce Whaley. In Norman, Assistant Director Nick Kelly is managing the University-wide central benefits planning, design and analysis team, and will also have responsibility for the wellness initiative. The employees who perform day-to-day transactional duties and provide customer service in Norman now report to Assistant Director Michelle Boydstun, in a new combined group called Payroll and Employee Services.

Nick reported the University, Aetna and PayFlex are working out the details of what would be the most cost-effective way and best approach in transitioning funds from Aetna to PayFlex, specifically for those employees who will have money left in their 2008 flexible spending accounts at the end of the year to use during the grace period from January through March 15th, 2009. Claims during the grace period will most likely have to be done manually with paper reimbursement forms.

VI. Other Business

No new business.

The next meeting will be held at 1:30 p.m. Thursday, November 20, 2008.

There being no other business, the meeting was adjourned at 2:33 pm.