The meeting was called to order by the Chair at 1:30 pm.

I. Approval of Minutes

Brenda Freese noted two mistakes in paragraph 1 of page 4 in the minutes from the November 20th meeting. “The recommended program changes will impact employees who retire” should be “the recommended program changes will impact employees who will become eligible to retire.” Also, “fives” in that same sentence should be “five.” Minutes from the November 20th meeting were approved with these corrections.

Nick introduced Angela Hawpe, recently hired as a benefits analyst in Human Resources.

II. Enrollment Update (Nick Kelly)

For the 2009 annual enrollment, the rate for online enrollment was over 95%. Less than 200 paper enrollment forms were submitted on each campus. The online help sessions and providing access to computers for employees had a positive impact on online participation.

Nick noted with the assistance of BlueCross BlueShield and Delta Dental, social security numbers have been completely eliminated as health identifiers when transferring employee information. Employees will now have unique health identification numbers.
In terms of the overall enrollment, there were no dramatic changes. The ratio of the number of employees enrolled in the PPO as compared to the HMO remains 2 to 1. The number of employees participating in the HCA remains low. There was a slight increase in the number of employees covering dependents.

Member identification insurance cards will be mailed by the insurance carriers beginning December 19th. An email will be sent to employees regarding the winter break. If employees do not receive their cards by December 30th, they will be directed to call the BCBS and Delta Dental customer service numbers. The vendors should be able to answer most inquiries. However, if a problem arises which the customer services cannot address, an emergency communication plan will be in place in which certain Human Resources representatives can be contacted by the companies.

Dick said several retirees had expressed concern over not having received their member identification cards from the insurance carriers yet. Some frustration has also been expressed over the lack of information provided by BCBS and Human Resources. Nick responded retirees should be able to call BCBS’ customer service to get information regarding the medical plans and to get temporary identification cards if necessary. These concerns will be brought to BCBS’ attention.

Steve asked if the increase in employees covering dependents on the medical plan is due to employees who previously opted out of the plan choosing to come back on the plan because of lower dependent rates. Nick answered the most likely reason for the increase in dependent coverage is that as there is employee turnover, new employees are now more apt to enroll dependents because of the lower costs.

Debbie commented some employees have had problems with Aetna Dental. These employees have gone in recently for dental appointments and then have received an explanation of benefits from Aetna stating the plan has been canceled rather than continuing through December 31st. Nick said this will be checked into with Aetna.

III. Retiree Medical Update/Feedback (Julius Hilburn)

Julius stated the presentation of the Contribution Strategy and Health Insurance Options Committee’s Review of Retiree Medical Plans Preliminary Findings has been given to both the Faculty Senate and the Staff Senate, as well as at two informational meetings for employees at Norman and HSC. More than 50 email responses have been received from employees. Responses are distributed to each member of the Retiree Medical Review Committee for review. The names of the employees submitting comments are deleted from their emails before distribution.

Many of the comments and concerns have focused on the benefit differences between what is proposed for employees in Groups 1 and 2 when compared to the changes proposed for Groups 3 and 4. Several employees have commented they would like a more gradual change between the groups and have offered suggestions on how to address
their concerns. Another concern is longer service with the University may not be adequately recognized, specifically that there should not be a cap at 25 years of service.

Julius added some comments and questions received have led the Committee to believe there needs to be better communication regarding some of the recommendations. The Retiree Medical Review Committee will meet again in January and will consider suggestions submitted by employees at that time.

Debra asked if the recommendations are still negotiable or if they are set, specifically can more groups be added. Julius said the Committee will review this suggestion. Steve commented there has been some concern expressed over the 2x premium subsidy cap for employees in Group 4 and how these employees are to plan for the future when the amount is an unknown.

Debra also inquired if there would be additional informational meetings regarding retiree medical. Julius indicated the presentation at HSC was recorded and will be placed on the Human Resources website. He said there may be at least one more presentation in January.

IV. 403(b) Regulation Changes/Record Keeper Progress (Nick Kelly)

At their December meeting, the Regents approved the University’s written plan document for 403(b) plans. Although the IRS announced recently that if plan documents are not compliant by January 1, 2009, institutions will not be penalized, the University, with the Regents approval, will continue forward with its written plan document.

The University is still in an RFP selection process for a record keeping company. A recommendation of a record keeping company will be submitted to President Boren, hopefully by March. The earliest a record keeper would be in place is July 1, 2009. However, it could be as late as January 1, 2010, depending on the compatibility of technology between the record keeping company, the vendors, and the University.

Julius reiterated with EBC members the University’s quest for a consolidated approach to the administration of the defined contribution plans which would still allow employees significant choice of investment options. The investment options would likely be organized into three investment levels. The first tier would be comprised of target date retirement funds. The second tier would be a core group of 10 or 12 investment options which cover different risk/reward categories and would be selected based on their historical performance and fees after review by the University’s investment consultants from RVKuhns. The third tier would include many other mutual fund options offered through a brokerage window for those employees who prefer to make individual investment decisions from a broader range of options.

One concern mentioned by Julius is TIAA-CREF’s Traditional Annuity option may no longer be available under a master record keeping arrangement. Several employees currently invest in this option. No other company can handle the record keeping for this
Traditional Annuity option except for TIAA-CREF. Julius said there are other companies which offer annuity options. With this being the most notable exception, most of the options currently offered will remain available to University employees.

Robert asked if any other companies offer the 5% guaranteed annuity of TIAA-CREF. Julius responded he was not aware of any other companies which offer this unique product, but there are other companies who offer annuity options.

Debra inquired if there will be an increase in fees on the third investment option level. Julius stated nothing which has been presented indicates employees who choose to participate on this level will have higher fees.

Debbie asked if education on the retirement investment options will be a role of the record keeping company. Julius reiterated aggressive communication and education for employees have been key components in the selection process for a master record keeper.

Darryl inquired what the structure would be for the third investment option level, specifically will employees be able to keep their money in the funds in which they currently invest. Julius responded the goal is for employees to have a broad range of investment options in the third tier to provide significant flexibility in choosing investment companies and funds.

V. DCP Amendments - VA Doctors, Military Differential (Nick Kelly)

The Regents approved, at their December meeting, two amendments to the University’s defined contribution plan:

1. The University has physicians who work at the Health Sciences Center for two years and then are reassigned to the VA Hospital. In the technical language of the defined contribution plan, these doctors who are reassigned to the VA Hospital lose their vesting in the retirement plans. It was decided since these employees are reassigned by the University to the VA Hospital, this language needed to be amended so these physicians do not lose their vesting. The Regents approved this amendment.

2. A law was passed last year which allows the University to make contributions to the defined contribution plan for military differential payments. If an individual is called to active military duty, and they are making less in the military than what they were paid by their employer, the employer pays the difference. The Regents approved an amendment to change the language in the defined contribution plan to reflect the University is to pay defined contribution money based on military differential.
VI. Update from Human Resources (Julius Hilburn)

No updates from Human Resources.

VII. Other Business

No new business.

It was agreed the January meeting should be moved from January 15th to January 22nd. The next meeting will be held at 1:30 p.m. Thursday, January 22, 2009.

There being no other business, the meeting was adjourned at 2:55 pm.