MINUTES
EMPLOYEE BENEFITS COMMITTEE
February 19, 2009

Members Present
Darryl McCullough, Chair        Will Wayne
Debbie Copp               Sue-Anna Miller
Brenda Freese           Donald Harrison
Karan Glickman         Joann Dean
Robert Roswell

Members Absent
Dick Bennett         Alisa Dougless
Simin Pulat          Steve Livesey
Debra Bemben   Frank Lawler

Ex Officio Members
Barbara Abercrombie
Julius Hilburn
Nick Kelly

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

I. Approval of Minutes

Minutes from the January 22nd meeting were approved with no corrections.

II. Retiree Medical Update (Julius Hilburn)

- Since the EBC last convened there have been additional meetings in which an opportunity for discussion was presented regarding the draft recommendations. Meetings were held with:
  - Norman Staff
  - HSC Staff Senate
  - Norman Retirees
  - HSC Faculty Senate (meeting afternoon of 2/19/09)
- All written comments received to date have been summarized and sent to the Retiree Medical Review Committee for consideration. The feedback received has been consistent; the primary topics have been whether there are enough groups, the right groups, and if length of service is adequately rewarded.
- The Retiree Medical Review Committee is scheduled to meet March 6th. At this meeting additional variations will be presented and the Committee will have the
opportunity to decide if the recommendations should be altered. A thoughtful consensus should be reached.

- After the meeting a final report will be issued and formally presented to President Boren. He will then decide how and when we will move forward.

*Question:* Based on discussion from the Staff Senate meeting, Debbie Copp asked if there will be time for comment after the recommendations are given to President Boren.

*Julius:* It is anticipated the final report will be issued to President Boren and the OU community at approximately the same time. Although some have asked if additional comment will be requested after the next phase, it is doubtful as ample time has been provided up to this point for comment and there is a need to move forward.

*Question:* Debbie Copp asked Julius if he had any ideas about when the new plan would be implemented.

*Julius:* Not at this time.

*Comment:* Julius clarified for the group that the Retiree Medical Review Committee is comprised of members from all of the proposed groups. Approximately ½ of the members are from groups 1 and 2 and the other half is from groups 3 and 4, and all three campuses are represented.

*Comment:* As Julius discussed the upcoming Retiree Medical Review Committee meeting, Nick reinforced that recommendations made by the Retiree Medical Review Committee are based only on OU eligibility criteria and noted that it may be necessary for some employees to work longer in order to be eligible for full OTRS retirement.

*Comment:* Darryl McCullough brought forth a query from the Faculty Welfare Committee. It seems as if one employee has reported that retirement changes effective January 1, 2008, indicating there will be no healthcare premium subsidy, may not have been adequately communicated to when she filled out her enrollment forms.

*Response:* Nick indicated that that forms being used as of 1/1/08 had the correct information, and he will look into this issue to find out what happened in this particular situation.

### III. Defined Contribution Plan Administration Update (Julius Hilburn)

- There has been no new activity since the last EBC meeting. However, proposals submitted in response to the RFP process continue to be reviewed.
- The Retirement Management Committee is scheduled to meet in March.
- It is anticipated the earliest a recommendation may be announced is in April. Currently there is no timeline for implementation.

### IV. 125 Plan Amendment (Nick Kelly)
• An amendment to the plan will be submitted to the Board of Regents in March to address the following:
  • New legislation which allows employers to refund unused flexible spending account dollars to military personnel who have been called to active duty.
  • Language has been added specifically for substantiating expenses paid by PayFlex debit cards.

Question: Debbie Copp requested clarification on what counts as a receipt.

Response: Nick indicated that in general anything which shows the item(s) purchased and the amount paid should be enough to substantiate purchases.

V. COBRA Provisions in Federal Stimulus Bill (Nick Kelly)
• Nick explained that COBRA allows individuals to continue on the University’s group health plan after termination of employment. As a result of the new federal stimulus legislation, temporary COBRA revisions will be effective March 1, 2009 and will provide for the following:
  • Any employee involuntarily terminated between September 1, 2008 and December 31, 2009 will be allowed to continue on the employer health plan and receive a 65% subsidy from the federal government for up to 9 months. The subsidy will be offset through a reduction in the employer payroll taxes.
  • Former employees electing the coverage will be allowed to elect a plan which is less expensive than the one they were on while employed, if such plans are normally available.
  • HR will be notifying former employees of this change and they will have 60 additional days from the notification date in which to elect COBRA coverage.

Comment: Julius noted that COBRA participants are currently charged 102% of the premium. This will provide a significant cost savings for those who choose to elect coverage under the rules of the new stimulus package.

Question: Karan Glickman requested clarification as to whether or not anything has changed in regard to those who voluntarily terminated employment.

Response: Nick explained that the changes are effective only for those involuntarily terminated.

Question: Robert Roswell inquired whether a faculty member who fails to make tenure is considered involuntary.

Response: Julius indicated Robert’s scenario is unique and would have to be researched. He will look into the issue.
Question: Sue-Anna Miller asked if the subsidy cost will be charged back to the department and if job abandonment is considered involuntary.

Response: Nick explained the department will have no responsibility for the costs associated with the federal subsidy. Julius spoke to the question of job abandonment and verified that from a human resources perspective abandoning one’s job is considered voluntary termination.

VI. Enrollment Analysis (Nick Kelly)

- HR has reviewed enrollment numbers for plan years 2008 and 2009. The results show minor differences in those who choose the HMO vs. the PPO.
- The most significant increase in covered dependents is in the lower tiers, which indicates the contribution plan is working as anticipated.
- Although there are not significant overall differences in the tiers, there are notable changes in dependent coverage for those in tier 1 which was the desired outcome.

Question: Robert Roswell asked if the 1,600 employees without coverage through OU have other coverage.

Response: Nick stated, yes, the majority do have other coverage. However, it is possible that some part-time employees may not have other coverage. According to policy anyone with an appointment of .75 or greater must show proof of other coverage in order to waive.

Question: Julius asked if there are any ongoing transition issues.

Response: Nick indicated there were a few regarding surgeries which have since been worked out. He said anything approved by Aetna was also approved by BCBS. Overall on the employee side the transition has been smooth. Nick told the group that BCBS is actively trying to add more Norman doctors to the BlueLincs network and that we are working with BCBS and CMS on Medicare Part D issues. The transition to CommunityCare has been very smooth. They are covering 300-400 employees in Tulsa, which is more than initially anticipated.

Question: Debbie Copp inquired whether Goddard is taking new HMO patients.

Response: Will Wayne stated that Goddard does not wish to take new patients at this time due to the increased level of management required for the HMO.

Question: Debbie Copp asked if anyone had gotten an answer to her January question regarding how certain tests are covered, such as a colonoscopy.

Response: Nick told the group that according to plan documents there should be no difference between BCBS and Aetna in how those types of procedures are covered. Any discrepancy could be attributable to coding differences among the physician offices.
Comment: Brenda Freese told the group she is having more trouble obtaining referrals under the BCBS plan.

Response: Julius explained that there is a difference in philosophy between the HMO and PPO, and some HMO’s are more active than others in managing the care of their members.

Comment: Nick told the group that prescriptions which normally require prior authorization have been grandfathered for 90 days (March 31st) under the BCBS plan. He stated Human Resources will be sending a communication out regarding this issue.

Comment: Donald Harrison suggested members ask their doctors to evaluate and recommend drug equivalents in lower tiers to aid in combating higher drug costs due to the varied tier structures of the plans.

VII. Updates from the Chief Human Resources Officer (Julius Hilburn)

- As part of the transition to BCBS OU made a commitment to wellness, and as a result has formed a wellness committee. A budget has been approved and plans for a full wellness program are underway. Breion Rollins has been hired to head up the program. He is an OU graduate who recently received his MBA from Texas A&M. Breion’s background is in events and fitness.

Comment: Barbara Abercrombie informed the group that the Tulsa campus is tobacco free as of January 1, 2009.

Comment: Debbie Copp said there was some discussion yesterday after Staff Senate that it may be a good idea for Michelle Boydstun, Assistant Director for Payroll and Employee Services, to meet with the Hourly Employee Council (HEC) regarding paperless pay statements as there is some concern about a lack of computer access. Debbie suggested having Michelle visit the group personally may ease stress for those directly affected.

Comment: Nick acknowledged Darryl’s request that HR look at the EBC website for consistency in page design and adding a way for employees to ask questions and or provide comments.

VII. Other Business

No new business.

The group agreed that due to the timing of spring break, there will be no meeting in March. The next meeting will be held at 1:30 p.m. Thursday, April 16, 2009, unless any issues arise which necessitate rescheduling for an earlier date.

There being no other business, the meeting was adjourned at 2:45 pm.