MINUTES
EMPLOYMENT BENEFITS COMMITTEE
March 24, 2011

Members Present
Don Clothier    Sue-Anna Miller
Debbie Copp     Scott Moses
Brenda Freese - Chair  Jannie Porter
Aimee Franklin  Will Wayne
Suzanne Gilmore

Members Absent
Alisa Dougless  Simone Pulat
Don Harrison    Frances Wen
Chad Johnson    Justin Wert
Frank Lawler

Guests Present
Dean Hatfield - The Segal Company
Norm Jacobson – The Segal Company

Ex Officio Members
Barbara Abercrombie - Absent
Julius Hilburn
Nick Kelly

The meeting was called to order by Brenda Freese at 1:30 pm. A new committee member, Aimee Franklin, Political Science Professor, was introduced to the group.

I. Approval of Minutes

- The February minutes were approved with no changes

II. Health Insurance 2012

Julius introduced Dean Hatfield, SVP and National Health Practice Leader and Norm Jacobson, SVP and Manager, Health Actuarial Services, from The Segal Company. Norm and Dean were present to provide an in depth overview of the 2012 health insurance outlook for the committee.

- Norm provided an overview of the 2011 renewal in order to give the committee an explanation of the various components of a renewal.
  - Projected Claims
  - Administrative Expenses
  - Premium Tax
  - Pooling Charge
• Based on the above factors the 2012 renewal, at this time, is projected to be 4.1% overall.
  • Utilizes experience data through December 2010
  • Will be finalized in the next four to five months, with 2011 data being considered. Current projections could go up or down based on claims experience during that period.
• Dean provided an overview of the current plan design. The PPO plan is in line with other plans in the marketplace with regard to office visit copays, deductibles, and coinsurance. The HMO plan is very benefit rich and probably not sustainable in the long-term with the current plan design. Pharmacy benefits on all plans are generally above market and could be a source of significant savings, while still maintaining market competitiveness.
• A variety of options were modeled by Segal and presented to the committee for consideration.
  • In addition to potential network changes, a number of pharmacy plan design changes were projected
    • Add mandatory generic provision
    • Add provision requiring 90-day supply drugs be allowed for drugs classified as maintenance only
    • Add mandatory mail order for maintenance medications
• All potential changes will be evaluated based on the following:
  • Market position
  • Cost
  • Specific impact on members
  • Ability to communicate and implement
• Various network options were discussed, involving Blue Cross’ smaller network with better discounts, “Blue Preferred”.
• Norm reviewed the numerous programs that have been added through Healthy Sooners, the wellness program, and indicated the program is having a positive impact. Program results are being realized as claim trends are slowing in growth.
• There was brief discussion regarding potential changes to the contribution strategy. Consideration will be given to contribution changes after the healthcare renewal and OU budgets are determined.

General Discussion:
• Debbie expressed a strong aversion to mandatory mail order due to the importance of the pharmacist/patient relationship.
• There was a consensus among committee members, and HR, that any potential changes must provide the most value for the least amount of member disruption.
• Julius indicated the budget situation is still not clear.
• BCBS is currently negotiating with Norman Regional in effort to bring them into the smaller Blue Preferred network.
• Julius indicated the committee will resume health care 2012 discussions in the May meeting. Based on the current discussion, some options will be removed from consideration.
III. Updates from the Chief Human Resources Officer

- There has been no decision from President Boren on the retiree medical recommendations to date, but the issue has resurfaced recently.
  - It has been requested that HR review the recommendations which were submitted and provide additional comment. Some modified recommendations have been sent to the President for consideration. Those recommendations will be discussed at the next EBC meeting on April 21st.
- The Board of Regents has approved Fidelity to be OU’s Master Record Keeper.
  - Communication efforts will begin in the next month
  - It is expected that implementation will take approximately 6 months
- The RFP for AD&D, LTD, Life, and Vision is out. The bid period will close on Friday, April 8th.
  - Anyone wishing to participate on this or any other RFP committee will be required to fill out a financial disclosure form with the State Ethics Commission. This form will be subject to the Open Records Act.
  - HR hopes to have a recommendation on the RFP by May

IV. Other Business

- The next EBC meeting will be April 21, 2011.

The meeting was adjourned at 3:45 p.m.