MINUTES
EMPLOYMENT BENEFITS COMMITTEE
June 30, 2011

Members Present
Don Clothier  Sue-Anna Miller
Brenda Freese – Chair  Jannie Porter
Aimee Franklin
Suzanne Gilmore
Don Harrison

Members Absent
Debbie Copp  Mark Morvant  Frances Wen
Alisa Dougless  Al Schwarzkopf
Chad Johnson  Will Wayne

Guests Present
Norm Jacobson - The Segal Company
Ruth Donahue – 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.

I. Approval of Minutes

- The May minutes were approved with no changes

II. Health Insurance 2012

Norm Jacobson of Segal was present to update the committee on the 2012 health insurance renewal.

- The current renewal projections, using data through May 2011, show a slightly more favorable renewal of 5.13% overall.
- May claims experience showed improvement when compared to April.
- The net result, through May 2011, indicates a slightly less favorable 2012 renewal that BCBS preliminarily provided and slightly better than the estimate with updated data through April 2011.
- Norm reviewed the options that were modeled by Segal for the HMO and PPO plans.
The most significant source of savings is the addition of a deductible on the HMO. A $300 deductible would save 3.61% and a $500 deductible would save 5.39%. If a deductible were added it would only apply to certain services, such as hospitalization, outpatient surgery, etc., as with the PPO.

A number of changes to the pharmacy benefit were modeled which include changes in copay structure and adding a provision requiring that 90-day supply drugs be allowed for “maintenance” drugs only.

OU is engaged in discussions with BCBSOK regarding additional network options which may result in higher discounts. Norman Regional is not currently participating in the smaller “Blue Preferred” network, but negotiations are progressing between BCBS and Norman Regional in an effort to offer the network to all OU employees.

**Next Steps:**

- **August 2011:**
  - Final models will be presented to the committee consisting of the following:
    - **HMO**
      - $300 deductible
      - $100 copay MRI, CT, EEG and PET imaging
    - **PPO**
      - Inclusion of a tiered network which offers the opportunity for lower out of pocket costs
      - Prescription coverage which matches the HMO
  - HR will request a recommendation from the EBC. It is expected that BCBS and Norman Regional will complete negotiations by the end of July.

- **September 2011 – 2012 renewal proposal to the Board of Regents for approval.**
- **January 2012 - implementation**

Jannie asked how the deductible will work on the BlueOptions plan. Norm explained to the group that deductibles will run concurrently. Nick acknowledged there will be a need for employee education prior to implementing any BlueOptions type of plan.

There was discussion among the group about changing the PPO pharmacy plan to match the HMO plan since the HMO will likely have a deductible added.

**III. Other Business**

- Julius and Nick met with the Retiree Association in May to discuss potential changes in the retiree health insurance benefits. There were approximately 150 retirees in attendance, and some good questions were
posed. Julius made a commitment to the Association to keep them informed throughout the planning process.

- Suzanne Gilmore said the retirees have taken the news of potential changes well and seem to understand the need for shared sacrifice.
- Nick told the group that the Master Record Keeper project is moving along on schedule.
  - A postcard will be mailed to all employees in the coming weeks with news of upcoming opportunities to meet with Fidelity representatives.
  - Mid-August – Large group meetings will be held on all three campuses and transition guides will be available to employees.
  - Sept./Oct. – Fidelity will be meeting with departments and individuals.
- Julius discussed the increased focus on state pension funds during the last legislative session which resulted in a change that will impact some of OU’s employees.
  - Effective November 1, 2011 for new entrants into OTRS:
    - The normal retirement age is changing from 62 to 65
    - Early retirement age will change from 55 to 60
  - Effective July 1, 2011
    - Anyone in an exempt position, regardless of age, will be required to make an election to OTRS or ORP.

There will be no EBC meeting in July. The next meeting is scheduled for August 11, 2011.

The meeting was adjourned at 3:00 p.m.