

Report to University Senate

from Kelly Reames, one of the senate representatives on the Benefits Committee

First, I'd like to emphasize that this is my report; other representative's impressions might differ. I'd also like to supply some background. The Benefits Committee makes recommendations to the president regarding employee benefits; most of our work focuses on the health plan. For a number of years, in response to increasing healthcare costs, the Benefits Committee had both requested increased university contributions and made changes to the existing plan (such as increased employee contributions and changing the no-cost plan from the High to the Regular plan). The Benefits Committee was committed to protecting the reserve balance of the self-insured health plan.

In 2013, the committee recognized that our current plan model was not going to be able to be financially viable without substantial increases in university contributions. In an effort to contain the university's costs, it was suggested that it was time to change the model of our plan. The committee remained committed to maintaining a self-insured plan. We also felt it was time to choose a new consultant. Sibson Consulting was recommended, and the committee accepted that recommendation. Sibson officially became our consultant in January 2014, and the committee used Sibson far more than we had used our previous consultant.

I, personally, did not realize that this choice of Sibson meant, in effect, that we were choosing to move to consumer-driven health plans, as those were the only models Sibson provided us (though no one ever used that term). That decision also meant that we committed to continue the university's Wellness plan, which had previously been approved on a three-year trial basis by the committee. Wellness plans typically accompany consumer-driven health plans and were an integral part of Sibson's recommendations.

In February 2014, Tony Glisson announced to the committee via email that, upon Sibson's recommendation, a smaller working group of committee members had been formed that would be more involved in the upcoming work related to plan changes. There was no staff

or senate representative included in this group. It was requested that at least one staff or senate representative be added to the working group, but none was. The committee-at-large met less often than in previous years, when we had met every or almost every month.

What follows highlights some of the work undertaken by the Benefits Committee in the past year's meetings; it is not comprehensive.

May 2014

Representatives from Sibson Consulting met with us to discuss strategies for presenting the new plan to employees and getting employees involved in Wellness.

June 2014 and **July 2014** The Benefits Committee did not meet.

August 2014

Much of this meeting was devoted to a conference call with Sibson Consulting in which the Sibson representative repeated information from previous meetings. The potential cost savings of WKU joining the KYRx Coalition was discussed and the committee voted to join.

September 2014

I was unable to attend the September 2014 meeting. (I'd like to note here that while the Benefits Committee has traditionally set a time for all meetings at the beginning of each semester, the fall 2014 meetings did not follow that schedule but rather were often scheduled according to the availability of Sibson Consulting, which came to set, it seemed to me, much of our agenda. This new scheduling meant that inevitably more members had conflicts with meeting times.)

This was the meeting at which the current 2015 plans, with complete numbers (employer and employee contributions, deductibles, max out-of-pocket, etc.) were presented by Sibson Consulting and voted on by the Benefits Committee. The motion to approve the plans passed.

October 2014, November 2014, December 2014, and January 2015 The Benefits Committee did not meet.

February 2015

The committee received information about WKU employees' choice of health plans: 54% chose the Saver 2600 plan; 36% chose the PPO 1000 or 1500 plan. Eighty-eight percent made a TopLife pledge, a significant increase in participation in the Wellness program.

March 2015

The committee discussed the Anthem data breach. Eric Kondratieff distributed copies of the faculty responses (anonymous) to the Senate inquiry regarding the effects of the 2015 health plan. It was recommended that the committee consider adding coverage for bariatric surgery to the 2016 health plan.

April 2015

The monthly financial report shows that the reserve balance is \$2,862,256, which is \$1,244,382 below the target reserve level of \$4.1 million. (My understanding is that the target reserve amount ensures WKU would be able to pay out all outstanding claims under the current self-insured plan if we were to switch to a non-self-insured plan.) The January 2015 reserve was approximately \$4 million. The hope is that the reserve will increase in the coming months if costs to the plan decrease as expected with the new 2015 Consumer-Driven Health Plan.

The Benefits Committee began discussion of the concerns raised by the report of faculty experiences from the University Senate.

The launch of Healthcare Bluebook, which employees can use to try to compare costs of healthcare procedures, was announced.