

Employee Benefits Advisory Committee
Annual Report to Faculty Senate
December 6, 2016

Chair: Victor Puleo (Permanent – UCA Presidential Appointment)

Current Committee Members: Jann Bryant (CFAC – 2017 – Faculty Senate Full-Time)
Lisa Christman (UC – 2018 – Faculty Senate Full-Time)
Jason Cole (2017 – Staff Senate)
Graham Gillis (Permanent – AVP, Human Resources)
Lori Hudspeth (2019 – Staff Senate)
Mark McMurtrey (COB – 2019 – Faculty Senate Full-Time)
Lindsey Osborne-Shurley (2018 – Staff Senate)
Tyra Phillips (2020 – Staff Senate)
Ed Powers (CLA – 2020 – Faculty Senate Full-Time)
Lee Sanders (COB – 2020 – Faculty Senate Part-Time)

Meeting Dates: September 12, 2016

Charge

1. To recommend benefits provided to UCA employees and to assess employee needs.
2. To recommend to the budget advisory committee by priority the fringe benefits to include in the next year's budget.
3. To encourage educational and informational programs designed to promote the best use of fringe benefits by UCA employees.

Summary of Activities

Committee Chair, Ronnie Williams, Graham Gillis, Kelly Erstine, and HPER Center Staff worked to resolve concerns about implementing the Committee's unanimous recommendation from Fall 2015 to allow free access to the HPER center for the spouses of benefits-eligible employees. Final recommendation did not receive support of President Courtway.

Committee unanimously recommended accepting group dental renewal (self-funded plan administrated by AR BCBS) with no rate increase or plan design changes for 2017.

Committee unanimously recommended accepting group life and long-term disability (fully-insured through USAble Life) insurance plan renewals without rate increases or plan changes through December 2018.

Committee unanimously recommended accepting vision plan (fully-insured through Superior Vision Services) renewal (with a small rate increase (4%/4-year rate lock) and no plan changes.

Committee reviewed data presented by Stephens Insurance, Inc. for the first self-funded medical renewal. The renewal took place during the first self-funded plan year. Based on current projections, the self-funded health plan should end the 2016 plan year with a contribution to surplus of more than \$1,000,000. This is the "profit" that would have normally gone to the insurance company under a fully-insured plan. This figure is in addition to the

initial \$1.25 million reserve established by the administration at the beginning of the 2016 plan year. The benefits consultants from Stephens Insurance, Inc. presented their 2017 renewal and plan change recommendations to the committee. The committee unanimously recommended three plan changes: (1) increase Point of Service Plan (POS) deductible from \$1,000 individual/\$2,000 family to \$1,500 individual/\$3,000 family with the last \$500 individual/\$1,000 family covered by the UCA Gap Plan; (2) increase the preferred brand prescription copay from \$35 to \$40; and (3) increase the non-preferred brand prescription copay from \$50 to \$60.

President Courtway presented these recommended plan changes at the October 7, 2016 Board of Trustees meeting and recommended that during the remainder of the 2017 fiscal year, any increase in funding would be provided from the contingency funds and not an employee rate increase. This recommendation was approved by the Board of Trustees. UCA employees have not had a rate increase since 2010.

Future

Potential RFP for Pharmacy Benefit Management (PBM) early 2017 for plan-year 2018. United Health Care (UHC) is currently providing these services.

Consider open-market and alternative funding options for the individual and aggregate medical plan reinsurance.

Explore the option of developing a Summary Plan Description (SPD).

Consider dental plan changes for plan-year 2018 (e.g., increasing calendar year maximum, annual rollover, and educational outreach and enhanced dental benefits to high-risk employees/spouses/dependents (pregnant, have diabetes, coronary artery disease, stroke). Coordinate educational outreach through UCA Wellness Committee.

Investigate income-based premium structure for the medical plan.

Explore possibility of forming Fiduciary Committee for TIAA retirement plan and hiring retirement plan consultant to oversee process.

Review competitive status of voluntary benefits.

Work with Stephens Insurance, Inc. and all carriers to move renewal submission deadlines to August 1, 20XX and stagger multi-year renewal dates.

Submit EBAC minutes and annual report to FS in a timely manner.