

The University of Central Arkansas Board of Trustees convened in a called teleconference meeting at 9:00 a.m. Wednesday, October 11, 2017, in Wingo Hall, room 210 with the following officers and members present:

Chair:	Ms. Elizabeth Farris
Vice Chair:	Mr. Joe Whisenhunt
Secretary:	Mr. Bunny Adcock
	Ms. Kay Hinkle
	Mr. Brad Lacy
	Rev. Cornell Maltbia
	Ms. Shelia Vaught

## **ACTION AGENDA**

### **Insurance Services**

#### **Health Insurance**

The UCA health plan is in its second year of self-insurance. Through 21 months, the health plan has a surplus of \$854,479. However, it is anticipated that costs over the next 12-16 months will increase between 10% and 13%.

The Employee Benefits Advisory Committee and Stephens, Inc., our health plan consultant, have met and recommended that health rates be increased by 6.4% (a total of \$645,688) for 2018. This increase is based on a review of claims data and medical and pharmacy trend analysis. The original projection by Stephens was for an 11.9% (\$1,201,849) increase. In order to reduce the increase, the university has renegotiated our current pharmacy contract and expect to save approximately \$209,000, which helps lower the original projection of 11.9% to 9.8% (\$992,763). Finally, by allocating \$175,000 of projected savings from the Gap Plan and \$175,000 of the current surplus, we are able to lower the rate increase to 6.4%. The remaining surplus amount (approximately \$679,479) will be maintained as part of the overall reserve fund for claims.

UCA pays approximately 72% of the health plan premium, which means the UCA annual cost of the increase will be approximately \$462,789. Since this is a calendar year renewal, approximately \$269,960 will be charged to this year's budget beginning December 1, 2017 (premiums are withheld one month in advance). The remaining amount of the increase will be charged to the 2018-19 budget.

The employee premium has not been increased since 2010, but there have been some plan changes such as an increased Point of Service (POS) deductible (increased \$500 individual/\$1,000 family) in 2017. There will be no changes to the plan design for 2018. The following is a review of UCA health insurance rate increases beginning January 1, 2009:

<u>Year</u>	<u>Employee Increase</u>	<u>UCA Increase</u>
2009	0%	0%
2010	2%	2%
2011	0%	0%
2012	0%	9%
2012	0%	2.4% (mid-year increase)
2013 introduced)	0%	0% (Consumer Driven Health Plan (CDHP)
2014	0%	5.3%
2015	0%	5%
2016	0%	0%
2017	0%	0%

The following chart reflects the proposed rates:

2018 Proposed Health Rates (Monthly)						
	Current POS			Proposed POS		
	Employee	Employer		Employee	Employee BeWell	Employer
Employee Only	\$ 51.00	\$ 368.15		\$ 54.26	\$ 34.26	\$ 391.71
Employee/Spouse	\$ 272.00	\$ 592.75		\$ 289.41	\$ 269.41	\$ 630.69
Employee/Child(ren)	\$ 185.82	\$ 610.08		\$ 197.71	\$ 177.71	\$ 649.13
Employee/Family	\$ 432.98	\$ 753.22		\$ 460.69	\$ 440.69	\$ 801.43
*Special Family	\$ 202.06	\$ 984.14		\$ 214.99	\$ 184.99	\$1,047.12
	Current CDHP			Proposed CDHP		
	Employee	Employer		Employee	Employee BeWell	Employer
Employee Only	\$ 26.00	\$ 279.82		\$ 27.66	\$ 7.66	\$ 297.73
Employee/Spouse	\$ 197.00	\$ 440.31		\$ 209.61	\$ 189.61	\$ 468.49
Employee/Child(ren)	\$ 135.82	\$ 454.73		\$ 144.51	\$ 124.51	\$ 483.83
Employee/Family	\$ 332.98	\$ 538.74		\$ 354.29	\$ 334.29	\$ 573.22
*Special Family	\$ 152.06	\$ 719.66		\$ 161.79	\$ 131.79	\$ 765.72
*Special Family applies when two married employees are on the same plan.						

## Dental Plan

There will be no rate increase to the self-funded dental plan for calendar year 2018. We have a current surplus of approximately \$270,000. The Employee Benefits Advisory Committee (EBAC) has recommended that the plan design be changed as follows: (1) adopt the Dental Xtra Program (for at-risk members), (2) remove preventive services (routine dental checkups, biannual cleansing, x-rays, and examinations) from the annual calendar maximum, and (3) cover 100% of preventative services without any cost sharing by members.

## Life, Long-term Disability, and Vision Insurance

There are no rate increases or plan design changes for these plans.

The board unanimously adopted the following resolution upon motion by Joe Whisenhunt and second by Bunny Adcock:

**“BE IT RESOLVED: That the Administration is authorized to make the above changes to the UCA Health and Dental Plans.”**

## ADJOURNMENT

There being no further business to come before the board, the board adjourned the meeting upon motion by Cornell Maltbia and second by Bunny Adcock.

**The University of Central  
Arkansas Board of Trustees**

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**Elizabeth Farris**  
Chair

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**Bunny Adcock**  
Secretary