

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

Chairs: Victor Puleo (Resigning 12/2017)  
Ed Powers (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 (2021 – Staff Senate Appointment)  
Keitha Griffith (CHBS – 2021 – Faculty Senate Full-Time)  
Graham Gillis (Permanent – AVP, Human Resources)  
Lori Hudspeth (2019 – Staff Senate Appointment)  
Alicia Landry (FACS – 2019 – Faculty Senate Full-Time)  
Lindsey Shurley (2018 – Staff Senate Appointment)  
Tyra Phillips (2020 – Staff Senate Appointment)  
Lee Sanders (COB – 2020 – Faculty Senate Part-Time)

Meeting Dates: January 23, 2017  
March 3, 2017  
April 4, 2017  
May 1, 2017  
September 7, 2017  
September 27, 2017

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

Chair (Puleo), on behalf of the committee, communicated with Graham Gillis and Warren Readnour about the importance of all Board of Trustee agenda items that relate to employee benefits first be reviewed by EBAC for recommendation. Both agreed to this commitment.

Working group was formed to begin the process of reviewing the possibility of wage-based premium structure.

RFP for Pharmacy Benefits Management (PBM) currently under review by Stephens Insurance, Inc. UHC is current PBM.

Annual employee benefits participation summaries will once again be provided to employees beginning January 2018.

Committee unanimously recommended making the following Dental plan changes for calendar year 2018: adopt the Dental Xtra program for at-risk members, remove preventative services (routine dental checkups, biannual cleanings, x-rays, and examinations) from the annual calendar-year maximum, and cover 100% of preventative services without any cost sharing (deductibles/copays/coinsurance) by members. These changes will not require an initial rate increase. This final recommendation was unanimously approved the Board of Trustees. See attached October 11, 2017 Board of Trustees Agenda.

Committee reviewed data presented by Stephens Insurance, Inc. for the second self-funded medical renewal. The renewal took place during the second year of the self-funded plan. Based on current projections, the self-funded health plan should end the 2017 plan year with an additional contribution to surplus. This is the "profit" that would have normally gone to the insurance company under a fully-insured plan. The benefits consultants from Stephens Insurance, Inc. presented their 2018 renewal and initially recommended a rate increase of 11.9% based on a review of UCA medical and pharmacy claims and industry trends. Stephens Insurance, Inc. and EBAC worked together to review options to lower the plan rate increase. In order to reduce the rate increase, Stephens Insurance, Inc. renegotiated the current pharmacy contract and UCA pledged money from the GAP plan and the medical plan surplus. The final rate increase was reduced down to 6.4% to be shared proportionately by UCA and its employees. This final recommendation was unanimously approved by EBAC and the Board of Trustees. See attached October 11, 2017 Board of Trustees Agenda.

#### Future

RFP for Benefits Consultant.

RFP online enrollment management system. Benefits consultants state this is necessary to enhance voluntary benefits and efficiently handle annual open enrollment.

**AGENDA FOR TELECONFERENCE MEETING OF BOARD OF TRUSTEES  
OF  
UNIVERSITY OF CENTRAL ARKANSAS  
AT  
9:00 A.M.  
ON  
OCTOBER 11, 2017  
WINGO HALL, ROOM 210**

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

- I. CALL TO ORDER**
- II. ROLL CALL**
- III. ACTION AGENDA**
  - Insurance Services**
- IV. ADJOURNMENT**

### III. 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	0%	0% (Consumer Driven Health Plan (CDHP) introduced)

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.

Therefore, the president recommends to the Board of Trustees the following resolution:

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