

## Universitywide Employee Benefits Advisory Committee October 6, 2011 Meeting Minutes

The Universitywide Employee Benefits Advisory Committee met on Thursday, October 6, 2011 at Varner Hall in Lincoln, Nebraska.

### **I. Introductions**

*Members Present:* Keith Bartels and Sharon Skipton (UNL); Robin Taylor, Laura Bashus, and Joe Anderson (UNMC); Scott Dickey and John Erickson (UNO); Mary Heater [Polycom], Bryce Abbey [Polycom], and Kathy Smith [Polycom] (UNK); and Turan Odabasi (UNCA).

*Ex Officio Members Present:* Bruce Currin (UNL); Jo Watkins, Jayme Nekuda, and John Russell (UNMC); Esther Scarpello and Mollie Anderson (UNO); Linda Clark [Polycom] and Cheryl Bressington [Polycom] (UNK); Keith Dietze, Ed Wimes, and David Lechner (UNCA).

*Guests Present:* Susan Turco (UNL), Lola Young (UNL), Ted Taege (UNCA), Kathryn Nohl (UNCA), Dara Troutman (UNCA), and President Milliken (UNCA).

### **II. Review of Meeting Minutes**

Universitywide Benefits Committee minutes from the April 21, 2011 meeting were approved.

### **III. Benefits Expansion**

President Milliken shared with the committee a concept under consideration to expand participation in the benefits program to include Other Qualified Adults (OQA). The objective of the OQA program is to improve fairness, equity and the competitiveness of the University of Nebraska for employee recruitment, retention and satisfaction. OQAs are individuals who share a household and are financially interdependent with an unmarried employee. Adding OQAs would bring the University of Nebraska in line with the prevailing practices of comparable higher education institutions and a growing number of private sector companies.

A new benefits enrollment option would be created to allow an unmarried employee to elect medical, dental, vision and other insurance coverage for an OQA and that person's dependent child(ren), provided they meet certain criteria that would be established in university policy. In addition, other "soft" benefits typically available to married employees and their spouses and/or dependents such as utilization of existing leave policies to attend to a family member's care and participation in the Dependent Scholarship Program could be extended to the eligible OQA and his or her dependents.

Current eligibility for University of Nebraska benefits includes a husband or wife, as recognized under the laws of the state of Nebraska, Common-law spouse if the common-law marriage was contracted in a jurisdiction recognizing a common-law marriage, natural-born or legally adopted child who has not reached the limiting age of 26, stepchild who has not reached the limiting age of 26, child for whom the employee is the legal guardian who has not reached the limiting age of 26, and a child with a mental or physical disability who has attained the limiting age of 26.

After much discussion, the committee voted 9-2 to support the concept of benefits expansion for OQAs and encouraged the university to continue to move forward.

#### **IV. Dependent Eligibility Audit**

Results of the university's recently concluded Dependent Eligibility Audit were summarized by Keith. The primary objective of the audit was to ensure that only those who qualify for this valuable benefit (medical and dental insurance) are part of the plan and thus, to save the employee and the university money in our fastest-growing cost category, healthcare.

The audit confirmed that the vast majority of our employees are abiding by our eligibility requirements. Of nearly 16,000 dependents audited, only 421 (2.7 percent) were found to be ineligible to receive insurance benefits. A significant portion were older children of employees (defined as persons 19-26 years of age), and it is suspected this may have been partially due to confusion created by changes in federal healthcare law. All 421 ineligible dependents have now been removed from the medical and/or dental plans, which will result in an estimated cost avoidance of more than \$1 million per year, an 883 percent initial return on our investment. The university's response rate of 99.5 percent is higher than that at many other universities and businesses that have conducted similar audits.

Keith informed the committee that all newly hired and newly benefit eligible employees are now required to submit documentation to verify each dependent's eligibility for the medical and/or dental plan.

#### **V. Health Risk Assessment (HRA)**

Keith updated the Committee with information regarding the 2012 Health Risk Assessment (HRA) program. The HRA survey period will be reduced from four weeks to three weeks to coincide with the annual NUFlex enrollment. The survey period begins Monday, November 14 and ends Friday, December 2, 2011. The program will be offered to active and ancillary employees who possess an FTE of .5 or greater and retired employees. HRA surveys will only be offered online as paper surveys will not be available. Employees must possess a valid email address in SAP as of October 1 in order to access the HRA survey.

Employees who complete the HRA survey will receive the enhanced wellness and preventive services benefit in 2012.

#### **VI. NUFlex 2012**

##### *NUFlex Schedule*

The 2012 annual NUFlex schedule was distributed. The NUFlex enrollment period will begin on Monday, November 14 and end on Friday, December 2, 2011.

##### *Online Enrollment Portal*

Ted Taeye demonstrated the new and improved Employee Self-serve (ESS) online benefits enrollment portal with the committee that will be available for the 2012 NUFlex enrollment. This enrollment package provides a primary screen per benefit which guides the employee through a series of related screens to complete the enrollment process. Each screen focuses on one benefit with the current enrollment status and options for changing the benefit which simplifies benefits enrollment for the employee. In addition, the online enrollment portal was designed to allow new employees to complete their benefits enrollment online vs. paper enrollment.

### *NUFlex Miscellaneous*

The two year dental and vision care enrollment/participation eligibility restriction will be eliminated beginning with NUFlex 2012. This eligibility restriction only allowed dental and vision care enrollment changes every other year. This change will provide employees an opportunity to enroll or disenroll dental or vision coverage each NUFlex enrollment. In addition, employees will be required to designate their tobacco/nicotine status for voluntary life insurance annually instead of every two years.

These changes were made to allow consistent online programming and text, thus eliminating the program variables required every other year. It will also support the online benefits enrollment for new employees.

### *Medical and Dental Insurance*

In 2011, medical, dental, and vision care coverage eligibility for dependent children was extended to age 26 if the child was not eligible for group coverage through their own employer (if employed). To simplify administration, thus eliminating the dependent child affidavit, the medical, dental, and vision care eligibility for dependent children will be changing to allow children to enroll in the university benefit plans without the "other group coverage" restriction. This means that any eligible dependent child between the ages of 19-26 may enroll in the university's benefit plans regardless of the child's employment and/or medical coverage eligibility.

### *Prescription Drug Plan*

A new CVS Caremark program known as step therapy will be introduced in 2012. A step therapy program encourages the use of a preferred drug, which may be a generic drug, prior to the utilization of a non-preferred drug. The preferred drug is a well-supported treatment option and represents the most cost-effective drug for a given condition. Simply put, a step therapy preferred drug strategy enhances the use of safe, equally effective, and less expensive drugs before "stepping up" to a more expensive therapeutic alternative.

The step therapy program will impact those members who use prescription drugs in the Human Growth Hormone, Tumor Necrosis Factor, and Proton Pump Inhibitor (PPI) drug class. Generally, members will be required to try the preferred drug before a brand name drug is dispensed. CVS Caremark will send correspondence to members impacted by the step therapy program.

### *Vision Care Insurance*

The EyeMed Vision Care contribution will increase two percent due to greater plan usage by employees in 2012. Discussion was also held regarding a benefit enhancement that would increase the frame allowance from \$100 to \$120 and contact lens allowance from \$75 to \$120 for each family member. The committee voted to endorse the frame and contact lens allowance increase which will result in a minimal premium increase to employees.

### *Long Term Disability*

Due to favorable experience, the long term disability premium will be reduced by ten percent.

### *Long Term Care*

Insureds enrolled in the CNA Long Term Care insurance plan will be offered an opportunity to enroll for the voluntary inflation protection benefit (Guaranteed Benefit Increase Option) to

increase their daily and lifetime maximum benefit amounts. CNA will send employees (if eligible) communication including premium information and election form to the employee's home.

**VII. Roth 403(b) Retirement Plan Option**

The Roth 403(b) Retirement Plan option was rolled out to employees effective July 1, 2011. Over 114 employees initially enrolled in this retirement plan option.

**VIII. Retirement Plan Enrollment Module on Benefits Webpage**

The Basic Retirement Plan enrollment module located on the benefits webpage was discussed. This module was available to new Basic Retirement Plan participants on September 15, 2011 and requires a participant to enroll and access all retirement plan enrollment information and forms on the university's benefits webpage in lieu of the Campus Benefit Offices distributing paper forms, benefit summaries, and packets to the employee. All new Basic Retirement Plan participants must access this module to enroll with TIAA-CREF and/or Fidelity.

**IX. Audit of the University's Group Health Plan by Nebraska State Auditor**

The Nebraska State Auditor is reviewing and auditing the university's group medical plan. The audit is focusing on plan eligibility and expenses.

**X. Prescription Savings Guide (iBenefit Report)**

CVS Caremark, the university's prescription drug administrator, will be mailing the annual Prescription Savings Guide (previously called iBenefit Report) to qualifying insureds enrolled in the university's medical/prescription drug insurance plan. The Prescription Savings Guide is an innovative consumer report that generates a personalized summary of the employee's and dependent's (if applicable) prescription history and associated recommendations for future purchases.

**XI. Campus Representative Input**

Joe Anderson inquired about the possibility of adding bariatric benefits to the Blue Cross Blue Shield medical plan. Keith indicated this benefit had been discussed several times in the past but he would update the Committee at the next meeting.

**XII. Next Meeting**

April 2012

**XIII. Adjournment**

There being no further business, the meeting was adjourned.