Faculty Benefits Meeting Minutes

December 4, 2019

UC 135; 3:15pm

Attendees: Bruce Smith (invited guest from HR Benefits), Boni Li, Qi Li, Barclay Green, Sharon Vance, Suk-hee Kim, JeeEun Lee, Darrin Wilson, Dhanuja Kasturiranta, Justin Yates, Debbie Patten, Alyssa Appelman, Emily Shifley, Charlisa Daniels

Call to Order –Agenda was unanimously approved to be adopted

Minutes of 11.6.19 meeting –unanimously approved

Outcomes of the FDA for this year

Project grants were funded for 14 different applications for a total of $69,389, which is an increase from our original budget of $56,000

Summer fellowships were funded for 17 total ($102,000), which is 2 additional fellowships from the original 15 budgeted at $90,000

Sabbaticals were funded for 23 applications which is exactly the number we had available according to the handbook. One additional sabbatical application was determined to be ineligible because the faculty member had been awarded a sabbatical 12 semesters ago, but had delayed when they took the sabbatical and was therefore ineligible this year as determined by the Provost's office.

Guest: Bruce Smith, Director of Benefits (Human Resources)

Bruce Smith talked about his background in supervising various benefits in the past at other universities such as Ohio State and various companies like Omnicare. He is now a contract employee for NKU. He talked about how the NKU benefits program is competitive with what is offered in the public and private sector. He recognizes that the benefits NKU offers is valued as a way to attract and retain good people, but at the same time needs to be balanced without the costs completely draining our compensation. NKU uses a benefit consultant (Mercer) to help with underwriting, plan design, and benchmarking within the region and with other higher ed. institutions in the country. For instance, our spousal surcharge is similar to the surcharge at UC and our 4 plan options for health care are similar to those at other institutions. He will meet with the Mercer consultant in January to begin planning, and then in the spring will meet with the Mercer actuarial consultant to discuss the budget for 2019 and how all of our plans operated during the year. They look at the claims experiences for each of the 4 plans and they also look at the administration costs of the TPA (third party administrator), which involves having access to a national network of doctors to negotiate in-network rates for various services and procedures and their other various administrative and tax costs. They also consider the group of individuals who need to be covered and who in our group might have high-health costs. They also look at a history of 18 months of claims to analyze the average and look at what high cost claims are in the group. The plan design is also influenced based on how much the university has to pay out up front, as this can influence the costs of different types of plans. How much the university will contribute and how much employees must contribute (i.e. university will pay 85%, employee pays 15%) also factors in. Some companies are moving to lower the percentages that the employer contributes. Provider reimbursement and provider access networks can also influence the cost of the plans. There are also tools that can help manage health-care costs as well as wellness programs to incentivize employees to lead healthy lives and have earlier screenings. Additionally, disease management for chronic diseases (i.e. diabetes, migraines, high blood pressure/cholesterol) is important because these diseases can have a high cost if the chronic conditions are not managed and lead to non-compliant diseases. If these can be mitigated with management, then that gives long-term benefits to the individual and lowers the health care costs for the university. All of this factors into the funding and plan design decisions after looking at the claim experience summary. During plan design, sometimes there are rules from the government that also need to be considered, for instance with the high deductible plans. The HR department and its consultant also have to look at if individual deductibles/co-insurance need to be increased, what percentiles of reimbursement were seen in the network, and what level medical inflation is at (recently it has been 5-10% annually and has been even higher with prescription drug costs). Previously our prescription drugs were through Humana, but we have switched this year to a different drug vendor, Express scripts, which saved a lot of money (~1 million), which was then used to help offset the increase in medical costs this year. Express scripts will be starting January 1st. Bruce is worried about what he is going to do next year, because this was a one-time fix for increased costs this year. Humana is our 3rd party administrator. Our plan design is set through NKU with Mercer as our consultant.

Questions for Bruce about the following practice at NKU: At NKU our coverage for faculty does not begin until the 1st day of the month following first 30 days of the hire. In addition, we also have example of an international faculty member who was hired off-cycle and therefore had to wait 2 months for health insurance because she started on the second day of the month. We would like to know who determined his practice, is it from Humana or the university?

> Bruce said this practice is set by the university, not Humana, and it has been in effect ever since he worked at NKU. He does not know who exactly is in charge of this practice but thinks it was probably set to go along with our 9 month contract starting from August 15th and ending on June 30th. He did mention that NKU needs time to enter new hires into the systems for health insurance, dental, and vision programs.

Based on Darrin's research other universities in the state of Kentucky start benefits on the first day of hire, on August 1st, or on the first day of the month following the date of hire. If our benchmark institutions in KY are able to do this, could NKU?

> Bruce mentioned that this could be a policy from the Provost's office. The Provost's office recently helped resolve an issue on retirement contributions for

those undergoing phased retirement and so this might be where we need to go to ask about changing the first date of health care coverage. He also mentioned that this practice also applies to new staff hires at NKU.

Would this be feasible for his HR department?

Bruce said it doesn't really matter when they enter new hires into the system, but if there were two different waiting periods between faculty and staff, then that might get complicated for his office. If everyone had the same policy, both faculty and staff, then that wouldn't be an issue. He also mentioned that this change would require help from the IT department to change their system and have everything match up with payroll, IT, and HR.

Would it bring a huge burden financially to the university to move to the first day of the following month after the date of hire, effectively adding a month of health care coverage that the university currently doesn't pay for?

Bruce guessed it might not be a huge amount, but suggested we check with the budget office because that is not his area.

We thanked Bruce for coming and sharing this information with the committee.

We followed up with some discussion about how this is a burden for new hires, and that often they don't even know that there will be a lapse in coverage until their orientation. If we could propose changing this practice, that would be beneficial to new hires. Or at the very least, if we can advertise to candidates/new hires that this is the current practice at NKU, then they would know upfront so that they could prepare for this extra cost (i.e. COBRA from a previous employer).

Meeting adjourned ~4:20.

Future business:

Revision of FDA chair/dean evaluation letter

Parental leave proposal from Staff Congress

Future Meetings

SU 109 at 3:15	UC 135 at 3:15
February 5th	January 15th
April 1st (SU 105)	March 4th
	May 6th