

## Committee on Faculty Benefits and Housing

(1) The C-FSC, T-FSC, and AMC Benefits Committees met jointly with representatives from the University's dental benefits manager, MetLife, on May 10, 2018. Present for the C-FSC were Michael Ferguson, Vincent Renzi, and Geoff Shullenberger.

Present from MetLife were: Scott Perlman, Senior Account Executive; Micaela Barreiro, Director of Client Services; and April Morgan, Client Services Consultant. Also present was Trish Halley, the University's Assistant Vice President for Global Benefits.

MetLife provided an overview of their work as a benefits manager. (Note that the University self-insures for medical, dental, and pharmacy benefits.)

In the discussion, there was a general desire for more detailed data on utilization and benchmarking of the University's benefit against what other similarly sized employers offer. The MetLife representative and AVP Halley will assemble that data for distribution to the committees.

After reviewing the data, the committees will consider recommendations for modifying the University's dental benefits plan. Also of concern is the need for greater education of plan participants regarding potential savings they may realize by using in-plan dentists.

(2) On June 21st, I met with Executive Vice President Martin Dorph and Stephanie Pianka, Senior Vice President for Finance and Budget and Chief Financial Officer, to discuss faculty housing, particularly in view of the large number of contract faculty who responded to the recent Work-Life survey that they are interested in purchasing a home in the next five years. They will consult with the Provost's Office and with the Benefits Office about financial literacy programming for faculty, and they will also think about how the University might re-focus support for purchase assistance especially for faculty who are seeking to purchase in lower-cost areas, where the University could be the primary, rather than the secondary mortgage lender.

(3) The committee received a query from a contract faculty member regarding an affidavit that the University requires of retired faculty in University housing. Retiree-tenants are asked to stipulate that their apartments will be their primary residences and that they will not vacate them for more than a month. We raised with Executive Vice President Martin Dorph the undesirability of asking retiree-tenants to limit their vacations in this way, and he agreed to address the matter and follow-up with us about modifications to this policy.

(4) On August 7th, the C-FSC and T-FSC Benefits Committees met jointly for their annual meeting regarding medical insurance premiums for the coming year. Present for the C-FSC were Michael Ferguson, Vincent Renzi, and Geoff Shullenberger. Also present were Trish Halley, Vice President of Human Resources Sabrina Ellis, and James Archer of the University's actuarial consulting firm, Willis Towers Watson. The

committees heard presentations on both medical and dental benefits increases for the coming year, as well as announcement of several changes to the medical and dental plans' administration.

The plan changes for calendar year 2019 are as follows.

- Change the reimbursement rate for out-of-network reimbursement from 90% of reasonable and customary fees to 190% of Medicare reimbursement rates.
- Implement additional medical necessity protocols for out-of-network care, namely increasing the number of procedures for which enrollees must seek prior authorization.
- Eliminate cross application of in-network and out-of-network expenses toward deductibles and maximum out-of-pocket limits.
- Create a new salary band for faculty and administrators making more than \$175,000 per year.
- Increase employee cost share for the dental plan from 27% to 35%.

Of these, the elimination of the cross-application of in- and out-of-network expenses toward deductible and out-of-pocket maximums bears monitoring. Because many providers of therapeutic services (whether physical or mental health) choose to remain out-of-network because of low in-network reimbursement rates, this change may have a disproportionate impact on those in need of such services on an on-going basis.

For 2019, total medical benefits expenses are projected to rise by \$8 million. Changes to medical plan administration are projected to cover \$6 million of that increase. Beyond that, medical benefits premiums are projected to require an average 6% increase. The committee endorsed the consultant's progressive proposal for increases in medical benefits premiums as follows.

- 2% Consumer-Driven Health Plan with Health Care Savings Account
- 5% Point-of-Service Value Plan
- 7% Point-of-Service Advantage Plan

We have now received word that the University has adopted the progressive proposal for premium increases that we endorsed. In addition, the University has also agreed to enhance the coverage for breast ultrasound and diagnostic mammogram screenings.

(5) The University is moving ahead to involve the Senate benefits committees in the work of the University Retirement Plan Committee. A joint meeting of the C-FSC, T-FSC, and AMC Benefits Committees is being arranged for late September/early October.

(6) We expect an announcement presently confirming the adoption of the changes to the tuition remission benefits recommended last year.

Respectfully submitted,

Vincent Renzi,  
chair