

Operating Staff Council Meeting Minutes Wednesday, May 9, 2007

Members in Attendance: Slava Bruder, Nicole Finitis, Matty Leighton (Recorder), Patrice MacNevin, Doreen Palmer (UNHM), Janice Pierson, Toni Searles, Lisa Wilder, Jason Brodeur (Chair)

Members Not in Attendance: Jennifer Dube, Holly Hillsgrove

Guests: Sharon Demers, Human Resources; Guy Eaton, PAT Council; Phil Hammond, SPPC; Laurie Anne Malizia, Potential OS Council Member; Jody Record, Campus Journal; Lonn Sattler, SPPC; Matt Tarr, EE Council

Agenda Items

Welcome/Minutes Approval – Jason Brodeur, Chair

The April minutes were approved by acclamation. Jason also introduced visitors Guy Eaton, Chair of the PAT Council, Matt Tarr, Chair of the EE Council, and Phil Hammond, PAT representative to the SPPC.

Constituent Question – Janice Pierson

In response to a constituent inquiry, Janice asked Sharon Demers to clarify how HR currently performs background checks. Background checks are currently performed for all positions that are considered safety-sensitive (such as child care providers or positions with financial responsibility or that hold master keys) and for managerial and executive positions. Checks are also done if a background check is a requirement of the position. The extent of a background check is currently dependent on the hiring department's preference, including whether educational licenses and other certifications are verified. Executive background checks include civil and credit checks, as well as a criminal check, and education and employment history is verified. There is a proposed background check policy (referenced in the February OS Council minutes) that outlines the process for background reviews of potential USNH faculty and staff. This policy will be voted upon at the next SPPC meeting.

Benefits Changes/Cost Increases

Council members were asked to review two items prior to the meeting:

1. A chart with proposed changes to the current co-payment structure (Appendix A)
2. An HR e-mail proposing an alternative to the plan design changes

The chart shows the administration's proposed plan design changes, which add co-pays for physical therapy, chiropractic, and speech therapy visits and increase the co-payments for other types of provider visits. These increases are in addition to the premium increases that are expected over the next few years. Because the cost of health benefits is rising three times as fast as our tuition is increasing (health care costs rising at a rate of 18% vs. tuition rising at a rate of 6%), there is a projected shortfall that cannot be made up just by raising premiums.

After the PAT Council met on May 2, they declined to endorse any of the proposed plan design changes and Phil Hammond, the PAT rep to the SPPC, asked HR via e-mail if there was another option. HR proposed an alternative in the form of a flat surcharge of \$1.00 per pay period for single person coverage (\$26 per year), \$2.00 per two-person coverage (\$52.00 per year) and \$3.00 for family coverage (\$78 per year), and no other change to the plan design except for the addition of co-pays for physical therapy. This is, of course, in addition to the annual premium increase.

The OS Council member and the guests from the PAT and EE councils conducted a discussion of the proposed changes, including the following points:

PAT Council Vote – Phil Hammond clarified that the PAT Council vote was not as simple as it sounded in his e-mail. This is not the first time that health benefit restructuring has come before the PAT Council, and the question that has come up repeatedly is, “Where is the benefit to the employee?” In other words, are the employees giving up important plan features to keep costs from going up, eventually ending up paying the same amount (or even more) and getting a plan with a lot less value? He also pointed out that while keeping the design and the base cost of the plan the same and absorbing the extra cost might be attractive to employees, it’s a good idea to keep in mind that when the cost of the plan goes up, future increases will also be larger because they are based on a percentage of the current costs. So reducing costs now also helps keep costs lower down the road. And finally, he reaffirmed his commitment to working with all the staff councils to evaluate the current proposals in a united and collaborative manner.

Pre- and Post-Tax Implications – Guy Eaton pointed out that co-pays are generally made with funds that have already been taxed (unless you are using the health care savings plan) while the surcharge would be taken out pre-tax.

EE Council Position – Matt Tarr informed the council that the EE Council only learned of the proposed plan changes the night before and had reviewed them in a meeting that morning. Because the turnaround time was so short and because the presentation of the plan design and surcharge options wasn’t integrated, they didn’t feel they had enough information to make a decision. They would like to see an integrated proposal with detailed cost breakdowns, then solicit feedback from their constituents, and finally work with the other staff councils to form a united response that represents all university staff.

Health Implications of Higher Co-Pays – During the EE Council discussion, the concern was raised that if co-pays rise too high some individuals may neglect to take medication or obtain needed care, compromising their own health (or even their lives) and at the same time costing more down the line if they have a health crisis.

Co-Pays vs. Surcharge – Matty Leighton pointed out that the fundamental difference between the two options is that the surcharge spreads the “pain” of cost increases more or less equally across all subscribers while the co-pay additions/increases distribute the “pain” to those who utilize specific health care services.

Co-Pay for Physical Therapy – Phil Hammond commented that it appears that no matter what else happens, the co-payment for physical therapy visits will be added. He doesn’t feel that this represents a significant savings and wonders if this is just the tip of the iceberg and there are significant additions and increases to come in the next few years.

Comparator Institutions – Patrice MacNevin suggested that, if it has not been done already, the university should study comparable institutions to see how their benefits plans stack up against ours, what their costs are like, and how much of that cost is passed along to the subscribers.

Future Legislation – Phil Hammond updated the members on potential state legislation in the upper New England states that will standardize insurance regulations and make it easier for consumers like the university to obtain competitive pricing on health care plans.

Deadline for Staff Council Recommendations – There is a consensus that all the councils want to get feedback from their constituents before making any decision on the issue. Is there a deadline for our input? Sharon Demers will check on that for us. During the last SPPC meeting there was a request to table the issue and reconsider it in June. This is an unusual move, because the SPPC doesn't usually meet during the summer. However, this may be an option.

Ultimate Outcome – Phil Hammond closed by pointing out that it's important that we look at changes in a historical sense rather than year by year, so that we don't end up paying a lot more money for a plan that offers far less value than when we started.

After the extensive discussion was concluded, Jason Brodeur moved that the OS Council endorse keeping the plan design unchanged (with the exception of the addition of co-pays for physical therapy) and add the one-, two-, or three-person/family surcharge as outlined in the HR e-mail. Matty Leighton seconded the motion and the motion was passed with eight in favor and none opposed.

Jason also noted that Tracy Boyle, Chair of the PAT Council Benefits Committee, has suggested that we solicit feedback on the plan design/surcharge issue within the next few days. At the same time, the issue of the proposed longevity plan changes came up (see Attachment B); that proposal will be voted on at the next SPPC meeting. The OS Council decided that we should solicit constituent feedback on both issues.

Introduction of Potential Staff Member – Jason Brodeur

Jason introduced Laurrie Anne Malizia, a Housing employee who is interested in joining the OS Council.

Update of Council By-Laws – Jason Brodeur

Jason led the council in reviewing the bylaws, beginning at Article IV – Length of Term, Section I. No changes were made to Article IV.

The discussion then skipped Article V and addressed Article VI – Meetings, Section I. The council agreed to change the wording regarding the number of members constituting a quorum, since they agreed that at least half of the members representing a district should be present to hold a valid vote. The new wording reads:

“A quorum will be a majority (more than half of the current membership **or no fewer than seven council members.**”

The council concluded its discussion at the end of Article VI, Section 5.

Constituent Notifications – Jason Brodeur

Jason asked council members to remind their constituents that May is sick pool conversion month. Sharon also noted that converted sick pool is now more flexible, and may be used for extended absences like bereavement leave.

Adjournment

The meeting was adjourned at 2:30 PM. The next OSC meeting is scheduled for Wednesday, June 13th.

OS Council web site: <http://www.unh.edu/os-council/>

PAT Council web site: <http://www.unh.edu/pat-council/>

Attachment A

Plan Design Changes		Current		Change	Estimated Savings
1.	Benefit	Co-Payment per Visit		Co-Payment per Visit	
1a.	Short-term physical, occupational, and speech therapy and cardiac rehab 60 visits combined per calendar year	\$0		\$10	\$50,000
1b.	Chiropractic care 20 visits per calendar year	\$0		\$10	\$50,000
2.	Pharmacy Benefit	Current		Change	Estimated Savings
Tier 1/Tier 2/Tier 3		Co-Payment		Co-Payment	
2a.	Retail	All Plans	\$7/18/35	\$8/20/35	\$135,000
	Mail Away	HMO	\$14/36/70	\$16/40/70	
		POS/PPO	\$7/18/35	\$8/20/35	
2b.	Retail	All Plan	\$7/18/35	\$10/20/35	\$376,000
	Mail Away	HMO	\$14/36/70	\$20/40/70	
		POS/PPO	\$7/18/35	\$10/20/35	
2c.	Retail	All Plans	\$7/18/35	\$10/20/40	\$410,000
	Mail Away	HMO	\$14/36/70	\$20/40/80	
		POS/PPO	\$7/18/35	\$10/20/40	
3.	PCP/Specialist Office Visit	Current		Change	Estimated Savings
		Co-Payment per Visit		Co-Payment per Visit	
3a.		\$10/20		\$10/25	\$480,000
3b.		\$10/20		\$15/25	\$1,100,000

Attachment B

Proposal Regarding Current USNH Policy on Longevity

Background

USNH's current policy for Operating Staff recognizes "longevity" at USNH with supplemental payments ranging from 2% of salary to 10% of salary, based on milestone years of status employment. This policy has existed, unchanged for at least the 35 years that USNH has a record of compensation policy. Its strength is that it provides a tangible, non-controversial acknowledgement of continued service. The weakness of the program is that the approach is not contemporary in style, and appears to provide minimal value for the dollars expended. The goal of this proposal is not cost savings per se but rather a greater and more contemporary value for the dollars expended.

Proposal:

1. Eliminate current policy : <http://usnholpm.unh.edu/USY/V.Pers/F.10.htm> Longevity pay as of 7/1/8 for any new entrants to the option.
2. Establish a new policy "Contribution and Service" compensation award effective 1/1/8.
3. Provide all employees who currently receive longevity pay a choice to continue doing so or convert to the new plan.

Elements of the Contributions and Service compensation award

The proposed plan would continue payments on an increasing schedule from 10 to 30 years as the current policy does but with bonus payments one time a year rather than percent payments based on salary. It would add an additional increment for 35 years of service. And it would add an option for selection of awards that are intended to promote professional and personal development and renewal.

The value of the awards will be subject to then current tax laws.

The eligibility would remain based on "years of service" but the award itself would reflect those items that promote recognition of employability and continuous individual growth. The options listed in each of the grids would be for annual selections. The impact is expected to be cost neutral.

Longevity Proposal – DRAFT

Years of Service	Payment Per Year	Additional Award
10-14	\$500	Emwave, home computer, printer, tuition payment or professional development equal to no more than \$200, or select recreational equipment
15-19	\$750	Any of above, plus an additional \$150 towards professional development options OR 2 nd family membership to Health Club
20-24	\$1,250	Any of above, with up to \$200 towards an item below OR \$500 towards the cost of home computer, cell phone, IPS service fee or other software or technology. Or select recreational equipment such as treadmill, bicycle, tent and other select recreational equipment (valued at approximately \$500).
25-29	\$2,000	Any of above plus an option of two nights at select NH hotels (Balsams, etc) or plane tickets for two for domestic flights arranged through USNH travel at a value at or under \$500 (or with \$500 applied to the cost of travel with a cost over \$500) Select recreational equipment will include higher-valued items.
30+	\$3,000	Same as 25-29
35 +	\$4,000	Same as 25 - 29

All “additional award” items are subject to appropriate taxation.