

May 2, 2014

Westchester Administrative Staff Council

May 2, 2014

The meeting was called to order at 9:00 AM.

Guest Speakers

Susan Donahue, Senior Organizational Learning Consultant

On June 6, HR is offering Appreciative Inquiry in Higher Ed: Transforming our Education. A second session of this leadership program has been added for staff.

May 30 is Staff Development Day. Additions to the sessions include eldercare solutions and TIAA CREF.

Matt Renna, Associate Vice President, Human Resources Compensation, Benefits and HRIS

Why is healthcare a national discussion? We all are healthcare users, and are all concerned about healthcare, including quality and affordability.

In 2005 – total benefits was 10% of total revenue. In 2015, it is approximately 16%. Rising expense impedes our ability to invest in other areas (student experience, salaries, etc.).

In 2014, we renewed with Cigna at 4.8%. Our standing goal is to stay below 7.5%.

There are no plan changes. Negotiations opened with 10.5% renewal rate.

Other vendors and funding arrangements were considered. None led to significant benefit without taking substantial risk. There is also too much risk involved in being self-insured.

CIGNA started at 9%, and we drilled down. Companies are padding against uncertain market place. Negotiations with CIGNA intensified over underwriting assumptions. The final renewal rate was 4.83%. Open enrollment is a week away; it opens on May 8. New rates start on July 1.

What is the difference between being fully insured and self-insured?

When you're fully insured – like car insurance, homeowner's insurance - you pay a premium and the insurance company absorbs the risk.

When you're self-insured, you are your own insurance company. You bank money and pay out of your own account. If there are no claims you get to keep the money, but if you have to pay out too much you may not have funds for it.

Our risk potential is too great to be self-insured.

Dental Plan: There are no plan design changes.

DHMO – up 3.5% increase (last yer 6%)

PPO – 3.7% increase (3.9% last year)

Life insurance: there are no rate changes.

FSA: there are no limit changes.

Open Enrollment runs from May 8-May 26; new benefits rates are effective July 1.

Individuals are required to renew their Flexible Spending Account every year; by law we can't roll over election.

Q: Do you anticipate a time when it would make more sense for employees to go to Exchanges? Not now, because you won't be eligible for federal subsidies because you qualify for a group subsidy. In the future? It's hard to say. The exchange plans aren't as good as our plans. We also have to pay a penalty of \$3,000 per person if we don't provide health care.

A lot of the exchange plans are affordable because they are narrow networks. These are government plans and this is what's happening in the marketplace.

Q: Prescription plan. What are the options?

Right now, we have a three tier pharmacy plan: Generic \$10; Brand is \$25; formulary \$50. If you use mail order, there is one co-pay for a three month prescription. This year, if you are going to fill a prescription as a brand medication and the doctor doesn't check "dispense as written," CIGNA will charge you whatever the full cost of the medication minus the actual cost of the medication plus the copay fee. Prescriptions must say "dispense as written/as prescribed."

Q: If we're looking at the future of switching to exchanges, what about retirees who are getting benefits? We're not on that path and not even thinking about it. Not offering benefits doesn't fit into our mission of providing for our employees. Medicare covers some care, but Pace is the supplemental plan for our retirees.

Right now we're bundled with CIGNA. If we were self-insured, we could go to individual providers. We would have more flexibility and more opportunity, but there is too much risk.

Q: With a new administration, what happens to the Affordable Healthcare Act?

Things can change, and there will likely be pressure to change things. Unions and non-profits will be hit hard by the Cadillac Tax in 2018. It likely won't be repealed, but there will be tweaks and changes.

New Business

Minutes from the April meeting were approved.

Treasurer's Report

We have \$5122 plus \$300 chargeback. \$2,000 was transferred from an anonymous donor for our raffle prizes for the picnic. We are meeting with Chartwell's to plan the menu.

Picnic Committee

We have \$2,000 in gift cards. Gift baskets are also being accepted. We are giving raffle tickets to everyone who attends. There will also be a cash raffle (6 tickets for \$5). This is one of the few days of the year that everyone can get together and have fun. The next committee meeting is May 14.

Service Committee

Jonah Safris has volunteered to chair the Service Committee.

Faculty Council

We need a Faculty Council Representative.

Executive Committee

The ballot for new officers is:

Michele Camardella – Co-Chair

Lisa Faillace – Secretary

Clarissa Cyclich – Treasurer

Show of hands to vote “aye.” Ballot approved.

The meeting adjourned at 9:42AM.

Respectfully submitted by Michele Camardella.

Source URL: <http://www.pace.edu/wasc/may-2-2014>