

Washington College Benefits and Finance Committee Meeting

October 18th, 2013

In attendance were: Jim Manaro, Joe Holt, Leslie Sherman, Ken Schweitzer, Lansing Williams, Alan Chesney, Shirley Haymaker, Peggy Fulton, Andrea Lange, Susanne Kelly, LaToya Felton, Lane Conaway (sitting in for Emily Chamlee-Wright)

Senior VP and Chair Jim Manaro called the meeting to order at 10:34am.

Jim announced that he had completed all of his presentations on the revised Fiscal Year 2014 operating budget to various stakeholders on campus. The feedback from those presentations did not result in any major changes or suggestions. Jim motioned for the committee to vote to approve the revised operating budget, and the motion was seconded and passed.

The principle outstanding Fiscal Year 2014 budget issue is the January 2014 update based on the best estimate for potential reserves. Priorities will be set on the use of these reserves for possibly reversing some of the savings included in the finalized recommendations. The top priority is cost of living adjustment. The total of the reserves is dependent on the activity in the fall semester coupled with other items such as energy costs through the winter months, our net student transfer numbers, retention, etc.

Several committee members had questions for the chair. New faculty tenure lines remain undecided subject to questions of external resources, including confirmation of a donor gift to cover the first few years of three lines. The College does not borrow funds to cover an operating shortfall for many reasons. This is due to both considerations of future borrowing capacity for the planned new academic building as well as the likelihood that the College's Board would be unlikely to approve operating borrowing.

Jim concluded his portion of the meeting by noting Fiscal Year 2015 budget planning will start soon. That planning will be closely tied to updated projections from Admissions and Advancement.

Human Resources Director Alan Chesney next gave a quarterly report on the College's health care programs. The Consumer Driven Health Plan (CDHP) is up to 20 subscribers. New employees with past CDHP experience are more likely to elect the plan. Both the College and employees are seeing savings under the CDHP.

The College has recently seen higher than usual OB/GYN expenses, due to both an above trend rate of new births as well as higher costs possibly due to the closure of the Chester Hospital Obstetrics Department. Preventative care costs are also up, which is a success in health care terms since preventative spending leads to eventual net cost savings.

Our current three areas of disease management emphasis include COPD/asthma (with a College-wide 50% higher incidence rate and 250% higher costs than the UHC baseline), diabetes, and obesity. HR would like to examine options to reduce COPD including revisiting the Smoke Free Campus idea. Committee members expressed concern about restricting students' freedom to

smoke, and suggested we also consider a higher smoker health insurance premium as a way to influence non-smoking behavior.

College health insurance subscribers currently order prescriptions by mail 16% of the time, a rate we would like to see much higher. Employees see a convenience benefit from mail order if they plan ahead, but only the College sees a cost savings, so we hope to educate and encourage employees as a group towards using the mail order option.

Finally our Fiscal Year 2015 health insurance premiums are expected to rise approximately 8%, 5% due to standard year-over-year cost increases, and an additional 3% due to the implementation of the Patient Protection and Affordable Care Act ('Obama-care').

Alan updated the committee on the UHC health insurance overpay rebate. The College has received a \$13,000 rebate check, which if passed along to the employees in proportion to their premium contributions would pay them an average of \$3.20. The committee motioned, seconded, and voted not to send checks due to the issue between check value and distribution cost. Alan suggested instead we consider two options. UHC has a free 'Lose to Win' weight loss program that we could boost with participation incentives and training support, or we could pay down a portion of our UHC monthly premiums to provide some general budget relief. Committee members suggested an split between those plans, as well as a premiums-only option due to the general budget situation. Alan suggested the 'Lose to Win' program was worthwhile because with an initial investment we could train program leaders and continue the program without further funding. He proposed \$3,000 for 'Lose to Win' and \$10,000 to the College's contingency fund, which was seconded and approved.

Next Alan explained our insurance partner SunLife would like to administer our Family Medical Leave Act program, and if we agree they will reduce our insurance premiums. Under SunLife's proposal Washington College would still serve as the employee FMLA point of contact, however SunLife would handle document data entry and review. Under this regime employee supervisors will have to take a greater role in educating employees about their FMLA rights. Committee members requested follow-up information on whether FMLA signups could be automated via the forthcoming online leave submission system, as well as what the specific cost savings from the SunLife proposal would be.

Lastly Alan updated the committee on the Request for Proposals project. There have been 4-5 proposals that have arrived by October 14th. The RFP subcommittee will meet soon to develop a review strategy for these proposals.

Alan then adjourned the session.