

## FINANCE & BENEFITS COMMITTEE MINUTES

January 31, 2013

Attending: Jim Manaro, Chair, Joe Holt, Alan Chesney, Susan Vowels, Leslie Sherman, Cristina Casado-Presa, Ed Guseman, Lansing Williams, Shirley Haymaker, Annie Krotee, Jeani Narcum, Cathy Naundorf and Peggy Fulton. Also present were Dean Mariaca and Courtney Beatty of Willis of Maryland.

The purpose of this meeting was to address how the College will manage this year's premium increase. As reported from the last meeting, the preliminary estimate is a 19% premium increase or approximately \$700,000. The preliminary FY 14 budget assumptions contained an 8% increase with the College and employee's sharing the impact. While Willis is confident that they can reduce the increase somewhat, the College may still face a 10-12% increase in premium which equates to approximately \$391,000. If the College were to absorb this entire amount, it would be forced to reduce allocations to other important budget items. As we've found in other years, the best way to reduce premium is through health plan design changes.

Willis presented some examples of design changes that could provide substantial savings in premium cost. These examples include increasing deductibles, implementing a co-insurance option, increasing PCP/Specialist co-pays, adding a hospital co-pay, and increasing pharmacy co-pays.

There was a great deal of discussion among the committee members on each of these suggestions. Everyone is cognizant of the impact of increased costs to every member of the community. Ed Guseman asked if Willis can provide an analysis of how much of actual costs incurred are related to regular doctor visits and how much emergent or procedural care. Willis can provide the information but they believe that most of the cost is from primary care visits. Ed noted if that is truly the case, could costs be brought down by hiring a campus doctor to act as primary care physician for employees?

Joe Holt noted that we were able to mitigate costs 2 years ago by an almost 100% migration to the HMO plan from costlier alternatives. Would it be feasible to look at the College workforce and provide a monetary inducement to encourage eligible employees to enroll in a spouse healthcare plan? It was felt that the costs to employees to do this might be higher than the College could reasonably bear in incentive cost, but it is something that can be looked into.

There was also lengthy discussion on adding an HSA (Health Savings Account) or HRA (Health Reimbursement Account) to assist employees in paying deductibles or co-insurance costs, but the Committee was reminded that these plans are only available if they are in conjunction with a high deductible health plan.

Willis was asked to make some adjustments to their suggestions for deductibles and out-of-pocket maximums and provide this to the Committee prior to their next meeting on Tuesday, February 5<sup>th</sup>. The Committee will then need to make some recommendations on what plan design changes are going to be presented to faculty and staff for discussion.