

**Senate Benefits and Welfare Committee
University of Pittsburgh**

**Minutes of September 14, 2010 Meeting
9:00-10:30am, A219A Langley Hall (Executive Conference Room)**

Attendees: Irene Kane, Emilia Lombardi, Linda Rinaman, Robert Robertson, Mark Scott, Elsa Strotmeyer, Elizabeth Richey, Nancy Gilkes, James Holland, Harvey Wolfe, Andrew Blair, John Kozar, Ronald Frisch, John Baker

Absent: Sandra Founds, Judith Lave, Lara Putnam, Yong Li, Alan Meisel, Angie Riccelli

TOPIC	DISCUSSION	ACTION TO BE TAKEN
Call to order	Linda Rinaman, Chair, called the meeting to order at 9:03am.	
Committee business (L. Rinaman)	<ol style="list-style-type: none"> 1. Review of mission statement for the committee. 2. Introductions of committee members. 3. L. Rinaman gave B&W committee update at Faculty Assembly last week. 4. <i>All information presented in the meetings is considered confidential unless otherwise indicated by the presenter.</i> 	
Benefits Office report (J. Kozar)	<ol style="list-style-type: none"> 1. Newsletter of B&W updates will be in University Times this week. 2. Fitness for Life program is continuing with new walking challenge and prizes. 3. Flu shots clinic will be available again this year for free flu shots – combined H1N1 with other seasonal flu strains - with presentation of your UPMC health card. Locations and times will be announced soon via the University Times. 4. Post-65 year old retiree medical insurance rates may change due to decreases in funding from the federal government. Additional cost-sharing with retirees may be necessary. B&W office is negotiating with health plan for competitive rates. Currently \$7.4 million paid in FY10 for retiree benefits. L. Rinaman asked about figure that 95% retirees do not pay any costs and J. Kozar confirmed this. N. Gilkes announced post-65 retiree enrollment is upcoming. 5. Annual \$250 million total budget for B&W programs – including employee contributions and university contributions, of which \$101 million for active medical benefits - works out to weekly ~\$2 million/week for medical benefits. Concern about inflation which may be ~8% for annual medical expenses this year. 6. Medical benefits <ol style="list-style-type: none"> a. L. Rinaman asked about number of members. J. Kozar: ~12,000 faculty and staff contract holders. Total membership, including family members is approximately 22,000. Saw an increase of ~1000 members and this represents a budgetary challenge for the B&W office particularly since it was unanticipated. Not sure why but may be a combination current economic crisis and university's continuing attractive benefits package and doesn't appear to be driven by expansion of adult child dependent benefits. H. Wolfe: Suggested that the increase in members is balanced by additional 	

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	<p>contributions by employees and family members. R. Frisch: Somewhat balanced but still costs more due claim expenses with the addition of adult members.</p> <p>b. Plan breakdowns: 88% Panther Gold and 12% PPO.</p> <p>c. What is related to highest benefits utilization?</p> <p>i. I. Kane asked about categories of spending. J. Kozar: Prescription medications and then outpatient services are the highest categories for spending.</p> <p>ii. 12.8% of members account for 70% of the claims. 87.2% of member claims account for 29.8% of total claims cost.</p> <p>iii. Approximately \$8-10K for each hospital admission but members only pay \$250 co-payment for an inpatient admission.</p> <p>iv. High blood pressure, high cholesterol, back problems, asthma and depression are the highest cost chronic conditions.</p> <p>v. Medication: 35% of utilization for brand name medications but 66 % of cost. For generics. 65% of utilization but 34% of cost. Maintenance medication: 73% of prescriptions are filled at the retail level so members are not utilizing the more cost-effective 90 day supply.</p> <p>7. Dental benefits: Approximately \$4 million annually for ~9000 members.</p> <p>8. Vision benefits: Approximately \$1 million annually for ~8,400 participants.</p> <p>9. Life insurance: university covered life & accidental death & dismemberment, optional life (\$2.4 million), optional ADD: ~\$3.8 annually million in premiums total</p> <p>10. Flex Plan spending:</p> <p>a. This year switched to UPMC's Flex spending from EBDS - after bought out by Highmark had increased complaints.</p> <p>b. Approximately \$5.6 million annually into Flex Spending: \$3.3 in health care accounts, \$2.1 in dependent care accounts, rest in parking/mass transit.</p> <p>c. Debit card now accounts for 90% of expenses rather than paper processing which is an increase from 60% usage of the card.</p> <p>d. Working with UPMC on language in letters for dental and vision expenses documentation and with United Concordia and Davis Vision to provide their databases to UPMC's Flex Plan as was previously done with EBDS. Currently have limited time to provide documentation for dental and vision expenses, under federal law.</p> <p>11. Defined contribution plan (TIAA CREF and Vanguard): \$126 million annually of which University contribution is ~\$60 million and employee contributions are ~\$66 million. Total in accounts ~\$3.1 billion, nearly all with TIAA CREF, with >85% of eligible employees contributing addition amounts above university contribution, with 65% contributing to max of 8%.</p>	

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	12. Life Solutions EAP program ~\$300,000 annually for counseling and work-life balance services. 13. Long term disability care: \$1.5 billion annually 14. Long term care: \$830,000 annually for ~1200 enrolled (~10% of employees). E. Strotmeyer noted she is writing a Senate Matters column on dependent care for end of Sept issue of University Times and will send to J. Kozar for comments this week.	
Closing remarks (L. Rinaman)	1. B&W office staff will continue to be an active part of the B&W committee presentations. 2. Please send additional items you are interested in having on future agendas.	
Adjournment	L. Rinaman adjourned the meeting at 10:05am.	