

University of New Mexico  
STAFF COUNCIL SPECIAL MEETING  
December 03, 2014  
Scholes Hall, Roberts Room

**Members Present:** Joaquin Baca, Amanda Bassett, Brad Beck, Danelle Callan, Gloria Carol, Pam Castaldi, Mary Clark, Marjorie Crow, Crystal Davis, Renee Delgado-Riley, Dina Estrada, Danielle Gilliam, Lisa Gilmore, Lisa Gilmore, Gene Henley, Joanne Kuestner, Joseph Lane, Ana Parra Lombard, Cindy Mason, Marie McGhee, Patricia O'Connor, Jodi Perry, Stella Ramos, Joni Roberts, Carla Sakiestewa, Deanna Sanchez-Mulcahy, Jennifer Trujillo, Gina Urias-Sandoval, Chelsea Beth Walker, Daniel Weems and Tish Young.

**Members Excused:** Marcos Abeyta, TC Chavez, Josh Clifford, Tyson Eakman, Chris Gallegos, Janisha Garcia, Mike Gatchell, Chris Gutierrez, Jarrett Hines-Kay, Charlotte Jaramillo, Sarah Kieltyka Amber Lucero, Shawn McGee, Kathy McKinstry, Michele Navarrette, Melissa Pacheco-Armijo, James Patton, Mark Reynolds, Ann Rickard, LaNika Staton, Candyce Torres, Kathy Turner, and Lisa Walden.

**Parliamentarian:** Adam Hathaway, Professional Registered Parliamentarian.

**Call to Order:** at 12:10 p.m. by Speaker, Mary Clark.

Speaker Clark stated that the special meeting was called to discuss proposed health insurance changes for FY16 recommended by the Healthcare Task Force and to vote approval or disapproval of the Staff Council supporting these proposed changes (see attached for description of proposed changes). After a lengthy discussion and a question and answer period, Councilor Gilmore moved to accept the Task Force's proposals as presented. The motion was seconded. Councilor Baca moved to amend the main motion to restrict approval to only the proposal which recommended the blending of the pre-65 retirees with active employees. The motion was seconded and the Council approved the amendment. The Council approved the main motion which included the amendment to restrict approval. Councilor Carol moved that the Council postpone support of the other proposals recommended by the Task Force until further information could be obtained. The motion was seconded and approved by the Council.

**Meeting adjourned at 1:00 p.m.**

**Minutes submitted by Kathy Meadows, Administrative Officer, Staff Council Office.**

**Staff Council meeting minutes can be accessed by going to <http://staffcouncil.unm.edu>.**

# Board of Regents Update – Health Plan Committee

*Michael Richards – Exec Physician-in-Chief*

*Dorothy Anderson – VP Human Resources*

*November 14, 2014*



# Health Plan Committee – July 2014

- Health Plan Steering Committee - Chancellor Roth, EVP Harris, Ava Lovell, Richards, & Anderson
- Health Plan Committee - 25 Members from Main & HSC – representing all facets of UNM Community including functional experts, actives & retirees
  - Health Technical Committee
  - Consolidation Committee

# Charge of the Committee

- To research and make recommendations for consolidation and integration by Dec. 2014
- To recommend a plan design with the following attributes: affordable, reduced cost, high-quality health care, sustainability, contemporary, and is attractive to former, current, & future employees
- Recommendations should have minimum disruption and still preserve choice
- Recommendations that are cost neutral

# Recommendations - Immediate

- **Immediately** - Increase employee/dependent engagement in disease management and wellness programs through targeted programs and communication.
- **Immediately** – Continue collaborative efforts with UNM School of Pharmacy to identify opportunities to reduce Rx costs with enhanced service. Explore other options to reduce Rx cost while preserving choice.
- **Immediately** - Begin full *evaluation* of the possibility of modifying a current UNM Hospital Clinic or building a new facility dedicated to student, retiree, employee, and dependent only services.
- **Immediately** - All four employers (UNM, UNMMG, SRMC and UNMH) join together to expand collective purchasing opportunities. Each employer will retain autonomy over contracts/agreements, financial responsibilities, and assets/liabilities.

# Recommendations – FY16 & FY17

- **FY16** - Develop plan design structures with additional incentives to increase LoboCare utilization across all TPAs. The estimated cost to UNM is approximately \$900K.
- **FY16** - Begin decreasing the number of TPAs administering UNM's medical plans with a goal of moving to a capitated ACO payment model.
- **FY16** – Defer the planned .25% VEBA contribution increase for VEBA participants.
- **FY16 & FY17** - Continue *evaluation* of implementing a High Deductible Health Plan (HDHP) and Health Savings Account (HSA) for active employees to be offered in addition to other plans.

# Recommendation – Compromise Blending Of Rates

- **FY16** – A blending of pre-65 experience with active employee experience; analysis is based on FY15 rates & resulted in approximately:
  - A 20% reduction to the pre-65 retiree premiums;
  - A 2.5% increase in the premiums for active employee; and
  - An increase to the AAL of 8% (\$94M to \$101.5M).
- Although proposed premiums may differ for pre65 retirees and actives, options are for one integrated pool to be treated as one population with the same plan offerings & inflation trend increases.
- Accept the recommendation from the Health Plan Committee in lieu of a vote from Active Employee Health Participants.
- Evaluate the possibility of adjusting the Pre-65 participant premiums prior to July 1, 2015 with no increase to active rates.
- *Vote from committee members – 11 support; 0 oppose; and 1 abstain*

# Discussion Item without Consensus

- TBD – Discontinue post-retirement benefits for employees hired with an effective date of July 1, 2015 or later.
  - Concern – negative impact to recruitment efforts
  - Concern – uncertainty regarding insurance market changes – pend until after 2016
  - Comment – reflects current trend in industry
  - Comment – eliminates future unfunded liability for those employees
  - Further Clarification – eliminate only pre65 benefits or all post retirement benefits



# Next Steps

- Begin communications campaign to promote total value of current UNM benefit package including retirement (ERB)
- Focus efforts on moving forward on immediate recommendations
- Begin efforts required to implement FY16 recommendations
- Begin efforts to implement recommendation for blending of pre65 retirees & active employees
- Continue to evaluate:
  - Possibility of an employee, retiree, student and dependent only clinic that is centrally located
  - Possibility of offering a HDHP with a HSA as a plan option for active employees
  - Possibility of discontinuing post-retirement benefits for new employees
- Continue collaborative efforts with UNM (Main/HSC) Community - Active Faculty & Staff; Retirees and other partners regarding benefits